

PRELIMINARY OFFERING MEMORANDUM

Subject to completion, dated 28 February 2024

The information contained in this preliminary offering memorandum is not complete and may be changed. A final investment decision should be made on the final offering memorandum that is expected to be made available on 5 March 2024.

ART SHARE | 002

THREE STUDIES
FOR PORTRAIT
OF GEORGE DYER,
1963

OFFERING MEMORANDUM

www.artshare002.com

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IMPORTANT NOTICE

THIS OFFERING IS AVAILABLE ONLY TO INVESTORS WHO ARE LOCATED IN (I) THE EUROPEAN ECONOMIC AREA (THE “**EEA**”) AND ARE “**QUALIFIED INVESTORS**” (AS DEFINED IN THE PROSPECTUS REGULATION (EU) 2017/1129, AS AMENDED (THE “**PROSPECTUS REGULATION**”), (II) IN THE UNITED KINGDOM, AND ARE PERSONS WHO ARE QUALIFIED INVESTORS WITHIN THE MEANING OF ARTICLE 2(E) OF THE PROSPECTUS REGULATION AS IT FORMS PART OF UK DOMESTIC LAW BY VIRTUE OF THE EUROPEAN UNION (WITHDRAWAL) ACT 2018 (THE “**UK QUALIFIED INVESTORS**”) WHO ARE ALSO: (A) INVESTMENT PROFESSIONALS FALLING WITHIN ARTICLE 19(5) OF THE FINANCIAL SERVICES MARKETS ACT 2000 (FINANCIAL PROMOTION) ORDER 2005 (THE “**ORDER**”); OR (B) HIGH NET WORTH ENTITIES FALLING WITHIN ARTICLE 49(2)(A) TO (D) OF THE ORDER; OR (C) OTHER PERSONS TO WHOM IT MAY BE LAWFULLY COMMUNICATED (ALL SUCH PERSONS IN TOGETHER BEING REFERRED TO AS “**RELEVANT PERSONS**”), AND (III) IN SWITZERLAND, AND ARE “**PROFESSIONAL INVESTORS**” AS DEFINED IN THE ARTICLE 4(3) OF THE SWISS FEDERAL FINANCIAL SERVICES ACT OF 15 JUNE 2018 (“**FINSA**”). **IMPORTANT:** You must read the following disclaimer before continuing. The following disclaimer applies to the Offering Memorandum following this page and you are therefore advised to read this disclaimer carefully before accessing, reading or making any other use of the Offering Memorandum. In accessing the Offering Memorandum, you agree to be bound by the following terms and conditions, including any modifications to them from time to time, each time you receive any information from us as a result of such access.

NOTHING IN THIS ELECTRONIC TRANSMISSION CONSTITUTES AN OFFER OF, OR SOLICITATION OF AN OFFER TO BUY OR SUBSCRIBE FOR, SECURITIES TO ANY PERSON IN THE UNITED STATES, OR IN ANY OTHER JURISDICTION WHERE IT IS UNLAWFUL TO DO SO. THE SECURITIES DESCRIBED HEREIN HAVE NOT BEEN, AND WILL NOT BE, REGISTERED UNDER THE SECURITIES ACT, OR THE SECURITIES LAWS OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES. AND SUCH SECURITIES MAY NOT BE OFFERED, SOLD HYPOTHECATED OR OTHERWISE TRANSFERRED EXCEPT (1) PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT, (2) IN ACCORDANCE WITH RULE 144A TO A PERSON THAT THE HOLDER AND ANY PERSON ACTING ON ITS BEHALF REASONABLY BELIEVES IS A QIB WITHIN THE MEANING OF RULE 144A THAT (A) WAS NOT FORMED FOR THE PURPOSE OF INVESTING IN THE SECURITIES AND (B) IS ACQUIRING THE SECURITIES FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF A QIB, (3) IN AN OFF-SHORE TRANSACTION IN ACCORDANCE WITH RULE 903 OR RULE 904 OF REGULATION S (“**REGULATION S**”) UNDER THE SECURITIES ACT OR (4) IN ACCORDANCE WITH RULE 144 UNDER THE SECURITIES ACT, IF AVAILABLE, IN EACH CASE IN ACCORDANCE WITH ANY APPLICABLE SECURITIES LAWS OF ANY STATE OR TERRITORY OF

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THE UNITED STATES AND OF ANY OTHER JURISDICTION. THERE WILL BE NO PUBLIC OFFER OF THE SECURITIES IN THE UNITED STATES.

You have been sent the attached Offering Memorandum on the basis that you have confirmed to Zeus Capital Limited (the “**Sole Bookrunner**”) that you are located within the EEA and you are a “qualified investor” (as defined in the Prospectus Regulation), you are located within Switzerland and you are a “professional investor” (as defined by the Article 4(3) FINSA) or you are located within the UK and you are a “Relevant Person”.

You are reminded that the Offering Memorandum has been delivered to you on the basis that you are a person into whose possession the Offering Memorandum may be lawfully delivered in accordance with the laws of the jurisdiction in which you are located and you may not, nor are you authorised to, deliver the Offering Memorandum to any other person.

The attached Offering Memorandum is being provided to you on a confidential basis for informational use solely in connection with your consideration of the purchase of the securities referred to therein. Its use for any other purpose is not authorised, and you may not, nor are you authorised to, copy or reproduce the Offering Memorandum in whole or in part in any manner whatsoever or deliver, distribute or forward the Offering Memorandum or disclose any of its contents to any other person. Failure to comply with this directive may result in a violation of the Securities Act or the applicable laws of other jurisdictions. If you are not the intended recipient of this Offering Memorandum, you are hereby notified that any dissemination, distribution or copying of this Offering Memorandum is strictly prohibited.

This document does not constitute or contain any offer to sell or invitation to subscribe or make commitments for or in respect of any security in any jurisdiction where such an offer or invitation would be unlawful. If a jurisdiction requires that the offering be made by a licensed broker or a dealer and the Sole Bookrunner or any affiliate of the Sole Bookrunner is a licenced broker or dealer in that jurisdiction, the offering shall be deemed to be made by the Sole Bookrunner or such affiliate on behalf of Art Share 002 S.A., a public limited liability company (*société anonyme*), incorporated and existing under the laws of the Grand Duchy of Luxembourg, having its registered office at 16, rue E. Ruppert, L-2453 Luxembourg, Grand Duchy of Luxembourg and registered with the Luxembourg trade and companies register under number B273672 in such jurisdiction.

This Offering Memorandum is not intended to constitute an offer or solicitation to purchase or invest in the Offered Shares. The Offered Shares may not be publicly offered, directly or indirectly, in Switzerland within the meaning of the FINSA and no application has or will be made to admit the Offered Shares to trading on any trading venue (exchange or multilateral trading facility) in Switzerland. Neither this Offering Memorandum nor any other offering or marketing material relating to the Offered Shares constitutes a prospectus pursuant to the FINSA, and neither this Offering Memorandum nor any other offering or marketing material relating to the Offered Shares may be publicly distributed or otherwise made publicly available in Switzerland. This Offering Memorandum

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has not been and will not be reviewed or approved by a review body pursuant to FINSA.

The attached Offering Memorandum has been sent to you in an electronic form. You are reminded that documents transmitted via this medium may be altered or changed during the process of electronic transmission and, consequently, neither Art Share 002 S.A. nor the Sole Bookrunner, nor any person who controls any of them nor any director, officer, employee nor agent of any of them, nor any affiliate of any such person accepts any liability or responsibility whatsoever in respect of any difference between the Offering Memorandum distributed to you in electronic format and the hard copy version.

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OFFERING MEMORANDUM

Art Share 002 S.A.

(Société Anonyme)

16, RUEE.RUPPERTL-2453LUXEMBOURG

R.C.S.LUXEMBOURG: B273672

LEI CODE: 2549000EKEYEX6EFPV079

Initial offering of 550,000 class B shares.

This memorandum (the “**Offering Memorandum**”) relates to the offering of securities by Art Share 002 S.A., a public limited liability company (*société anonyme*), incorporated and existing under the laws of the Grand Duchy of Luxembourg, having its registered office at 16, rue E. Ruppert, L-2453 Luxembourg, Grand Duchy of Luxembourg and registered with the Luxembourg trade and companies register (*Registre de commerce et des sociétés, Luxembourg*, the “**RCSL**”) under number B273672, legal entity identifier (“**LEI**”) 2549000EKEYEX6EFPV079 (the “**Company**” or the “**Issuer**”) by means of a private placement of 550,000 redeemable class B shares of the Company (the “**Offered Shares**”) without a nominal value, denominated in U.S. dollars and where all cashflows relating to such shares (e.g. purchase, distributions, redemptions, etc.) shall be settled in euro currency (“**EUR**”), and International Securities Identification Number (“**ISIN**”) LU2583605592, offered at a price in EUR which is equivalent to USD 100, by applying the rate at which EUR can be exchanged for USD as published by the European Central Bank at 16:00 (CET) on 4 March 2024 (the “**Exchange Rate**”), per Offered Share (the “**Offering**”).

The Offered Shares will be offered to qualified investors in the EEA and Switzerland, and Relevant Persons in the United Kingdom (the “**UK**”).

This Offering Memorandum has been issued under the exemption from the obligation to publish a prospectus, as provided under the Article 1(4)(a) of the Prospectus Regulation (EU) 2017/1129 and Article 18(2) No 1 of the Luxembourg law of 16 July 2019 on prospectuses for securities. Neither the CSSF nor any other authority has reviewed or approved any information in relation to the Offering and/or admission to trading on ARTEX MTF AG (“ARTEX MTF”).

This Offering Memorandum has not been approved by and will not be submitted for approval to the CSSF as the Offered Shares are not offered or sold to the public in Luxembourg or in any other country within the European Economic Area and neither this Offering Memorandum nor

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any other form of application, advertisement or other related material may be distributed, or otherwise made available in or from, or published in Luxembourg or in the other country within the European Economic Area except in circumstances which do not constitute a public offer of securities to the public in accordance with the applicable laws. Consequently, this Offering Memorandum and any other form of application, advertisement or other material may only be distributed to qualified investors in the EEA and Switzerland, and Relevant Persons in the UK.

The Company will revoke the Offering if the aggregate subscriptions received for the Offered Shares by 5 March 2024 are made for less than 412,500 Offered Shares, being 75% of the total number of Offered Shares being offered, at a price in EUR which is equivalent to USD 100, by applying the Exchange Rate, per Offered Share. Delivery of the Offered Shares is expected to take place on or around 7 March 2024.

Investing in the Offered Shares involves risks.

See “Risk Factors” Section.

Common Code: 258360559

This Offering Memorandum and the documents incorporated in it by reference will be published on the website of the Company (www.artshare002.com/documentation).

The Offered Shares are only offered in those jurisdictions in which, and only to those persons to whom, offers and sales of the Offered Shares may lawfully be made. The offering of the Offered Shares and the distribution of this Offering Memorandum, any related materials and the offer, acceptance, delivery, transfer, exercise, purchase of, subscription for, or trade in, Offered Shares may be restricted by law in certain jurisdictions and therefore persons into whose possession this Offering Memorandum comes should inform themselves about and observe any restrictions. Any failure to comply with these restrictions may constitute a violation of the securities laws and regulations of any such jurisdiction. The Offered Shares have not been, and will not be, registered under the United States Securities Act of 1933 (the “**Securities Act**”). The Offered Shares may not be offered or sold in the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act.

Sole Bookrunner

Zeus Capital Limited

The date of this Offering Memorandum is 28 February 2024.

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Responsibility Statement

The information contained herein is current and up to date as of the date of this Offering Memorandum. Neither the delivery of this Offering Memorandum, nor the sale or delivery of the Offered Shares shall, under any circumstances, create any implication that no adverse changes have occurred, nor events have happened, which may or could result in an adverse effect on the Company's business, financial condition or results of operations and/or the market price of the Ordinary Shares. Nothing contained in this Offering Memorandum constitutes, or shall be relied upon as, a promise or representation by the Company or its advisors as to the future.

The Company accepts responsibility for the completeness and accuracy of the information contained in this Offering Memorandum. To the best of the Company's knowledge, the information contained in this Offering Memorandum is in accordance with the facts and does not omit anything likely to affect its import. Where information has been sourced from a third party, the Company confirms that such information has been accurately reproduced and that as far as the Company is aware and able to ascertain from information published by that third party, no facts have been omitted which would render the reproduced information inaccurate or misleading.

The Sole Bookrunner makes no representation or warranty as to the accuracy or completeness of the information contained in the Offering Memorandum.

The Company confirms that, to the best of its knowledge, it has complied with all applicable laws and regulations in the preparation and distribution of this Offering Memorandum.

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SUMMARY

Section A – Introduction and warnings

Introduction and warnings	<p>This memorandum (the “Offering Memorandum”) relates to the initial offering in the EEA, the UK and Switzerland (the “Offering”) by Art Share 002 S.A., a public limited liability company (<i>société anonyme</i>) incorporated and existing under the laws of the Grand Duchy of Luxembourg, having its registered office at 16, rue E. Ruppert, L-2453 Luxembourg, Grand Duchy of Luxembourg and registered with the Luxembourg register of commerce and companies (<i>Registre de Commerce et des Sociétés</i>) (the “RCSL”) under number B273672, and allocated LEI 254900OEKYEX6EFPVO79 (the “Company” or the “Issuer”) by means of a private placement of 550,000 redeemable class B shares of the Company without a nominal value denominated in U.S. dollars and where all cashflows relating to such shares (e.g. purchase, distributions, redemptions, etc.) shall be settled in euro currency (“EUR”), and having the ISIN LU2583605592 (the “Class B Shares” or the “Offered Shares”) to be newly issued by the Company.</p> <p><i>This summary should be read as an introduction to this Offering Memorandum. Any decision to invest in the Offered Shares should be based on the consideration of this Offering Memorandum as a whole. Investors in the Offered Shares could lose all or part of their invested capital. Where a claim relating to the information contained in this Offering Memorandum is brought before a court, the plaintiff investor might, under national law, have to bear the costs of translating this Offering Memorandum before the legal proceedings are initiated. Civil liability attaches only to those persons who have tabled this summary, where the summary includes misleading, inaccurate or inconsistent statements, when read together with the other parts of this Offering Memorandum, or where it does not provide, when read together with the other parts of this Offering Memorandum, key information in order to aid Investors when considering whether to invest in the Offered Shares.</i></p> <p><i>The Offering relates to a product that is not simple and may be difficult to understand.</i></p>
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Section B – Key information on the Issuer

Sub section B.(i) – Who is the issuer of the securities?

Who is the issuer of the Offered Shares?	The legal and commercial name of the Issuer is Art Share 002 S.A. .
Domicile, legal form, LEI, legislation and country of incorporation of the Issuer	The Issuer has its registered office at 16, rue E. Ruppert, L-2453 Luxembourg, Grand Duchy of Luxembourg. The Issuer is a public limited company (<i>société anonyme</i>) incorporated and existing under the laws of the Grand Duchy of Luxembourg and registered with the RCSL under number B273672. It is an unregulated securitisation vehicle (<i>organisme de titrisation</i>) within the meaning of the law of 22 March 2004 on securitisation, as amended (the “ Securitisation Law ”) and governed by the law of 10 August 1915 on commercial companies, as amended (the “ Companies Law ”). The LEI of the Issuer is 254900OEKYEX6EFPVO79.
Principal activities	The principal activity of the Company is to hold and securitise the artwork, Three Studies for Portrait of George Dyer , by Francis Bacon (the “ Artwork ”), as well as assuming risks, existing or future, relating to the holding of the Artwork. The Company’s principal activities to date have been limited to organisational activities, including entering into certain agreements (i) for the acquisition of the Artwork; (ii) those necessary for the preparation and execution of the Offering of the Offered Shares; and (iii) the admission to trading of the Offered Shares (the “ Admission ”) and listing (the “ Listing ”) on the multilateral trading facility ARTEX MTF (as defined below).

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Seller and consideration for the Artwork	The seller of the Artwork is Codelouf Limited, having the company number 1-58377 and being registered at 55 Mount Row, St Peter Port, Guernsey GY1 1NU (the “ Seller ”). The Seller acquired the Artwork in a Christie’s auction in 2017 for a total consideration of USD 51.7 million, the eighth highest sale value at auction for a painting by Francis Bacon. The consideration to be paid by the Company for the Artwork consists of a loan receivable in the amount of USD 55,000,000 under a loan agreement entered into by and between the Company and the Seller dated 12 May 2023, as amended (the “ Loan ”). The fees and expenses relating to the offering of of the Offered Shares are borne by the Seller and shall be deducted from the repayment by the Company under the Loan.
Major shareholder	As of the date of this Offering Memorandum, the sole shareholder of the Company is Stichting Art Share, a <i>stichting</i> governed by the law of the Netherlands, having its corporate office in the municipality of Amsterdam at Amersfoort, A1, Databankweg 26, Amersfoort, 3821 AL, Netherlands and registered with the trade and companies register of the Netherlands under number 864322999 (the “ Class A Shareholder ”). The Class A Shareholder is managed and controlled by its three independent directors: Nicolas Edward, Jeroen van der Woord and Rena Neville who are identified as beneficial owners thereof. The Class A Shareholder directly owns 100% of the share capital of the Company represented by 1 Class A Share with a nominal value of USD 40,000 (the “ Class A Share ”), of which 25% has been paid up in accordance with the Companies Law.
Identity of the key managing directors	The Company is managed by its board of directors (the “ Board of Directors ”), composed of Edouard de Burlet, Ursula Schmidt and Ronan Le Bouc.
Identity of the approved statutory auditor	The approved statutory auditor (<i>réviseur d’entreprises agréé</i>) of the Company is Groupe Audit Luxembourg, a private limited liability company (<i>société à responsabilité limitée</i>), having its registered office at 4, rue Pierre de Coubertin L-1358 Luxembourg, Grand Duchy of Luxembourg, and registered with the RCSL under number B171737.

Sub section B.(ii) – What is the key financial information regarding the Company?

Summary of key financial information	<p>The Company was established on 5 December 2022 and has limited activity as described above under the section “principal activities”.</p> <p>Certain financial information, including percentages, has been rounded according to established commercial standards. As a result, rounded figures in the tables below may not add up to the aggregate amounts in such tables (sum totals or subtotals), which are calculated based on unrounded figures. Financial information presented in parentheses denotes the negative of such number presented. An “n/a” or “–” signifies that the relevant figure is not available or zero, while a zero (“0”) signifies that the relevant figure has been rounded to zero. The following table set out a summary of selected audited financial information of the Company as at and for the year ended 31 December 2022, and as of 31 October 2023, which were prepared pursuant to Lux GAAP. All figures below are in USD unless specifically stated otherwise.</p> <p>Income Statement</p> <table border="1" data-bbox="422 1630 1436 2045"> <thead> <tr> <th></th> <th>Audited 5/12/2022 until 31/12/2022</th> <th>Audited interim statement as at 31 October 2023</th> </tr> </thead> <tbody> <tr> <td>*Total revenue</td> <td>N/A</td> <td>447,387</td> </tr> <tr> <td>*Net profit/loss</td> <td>(26,975)</td> <td>26,975</td> </tr> <tr> <td>Year on year revenue growth (%)</td> <td>N/A</td> <td>N/A</td> </tr> <tr> <td>Operating profit margin (%)</td> <td>N/A</td> <td>N/A</td> </tr> <tr> <td>Net profit margin (%)</td> <td>N/A</td> <td>N/A</td> </tr> <tr> <td>Earnings per share</td> <td>N/A</td> <td>N/A</td> </tr> </tbody> </table>		Audited 5/12/2022 until 31/12/2022	Audited interim statement as at 31 October 2023	*Total revenue	N/A	447,387	*Net profit/loss	(26,975)	26,975	Year on year revenue growth (%)	N/A	N/A	Operating profit margin (%)	N/A	N/A	Net profit margin (%)	N/A	N/A	Earnings per share	N/A	N/A
	Audited 5/12/2022 until 31/12/2022	Audited interim statement as at 31 October 2023																				
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Year on year revenue growth (%)	N/A	N/A																				
Operating profit margin (%)	N/A	N/A																				
Net profit margin (%)	N/A	N/A																				
Earnings per share	N/A	N/A																				

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Balance Sheet		
*Total assets	40,000	55,484,652
*Total liabilities	26,975	55,444,652
*Total equity	13,025	40,000
Net financial debt (long term debt plus short-term debt minus cash)	16,975	55,437,387
Cash Flow Statement		
*Relevant net cash flows from operating activities and/or cash flows from investing activities and/or cash from financing activities	10,000	7,265

Sub section B.(iii) – What are the key risks that are specific to the Company?

Key information on the key risks specific to the Company	<p>Risks related to the Company's financial situation</p> <ul style="list-style-type: none"> • Risk related to lack of diversification The Company will hold a single asset, i.e., the Artwork. This may cause the Company's returns to become more susceptible to fluctuations in value resulting from adverse economic or business conditions affecting markets in general. Consequently, a large-scale auction of a collection related to or unrelated to the artist, period or style of work could affect the share price negatively. • Risk related to lack of working capital The Company does not expect to generate any revenues or cashflows. The Company was incorporated by the Class A Shareholder with the initial capital funded by ARTEX Services AG (the "Corporate Agent"). The share capital has not been fully paid-up. As the Company is not expected to generate revenues, there is a high dependence by the Company on the Corporate Agent to cover the ongoing operational costs of the Company. However, there can be no assurance that the Corporate Agent will be able to maintain sufficient capital to satisfy its obligations in future periods. Should the Corporate Agent be unable to fulfil its obligations under the Professional Service Agreement (as defined below), the Company may need to seek alternative funding or alternatively, undertake a sale of the Artwork. No assurance is provided that the timing of such a sale may be favorable to the shareholders of the Company, which may, therefore negatively impact the value of an investment in the Offered Shares. In addition, the Corporate Agent may terminate the professional services agreement entered into by the Corporate Agent and the Company (the "Professional Services Agreement") at any time with 3 months advance notice. • Risk related to newly created companies The Company is a recently established entity and has no operating history upon which prospective investors could evaluate its past performance. The Company is subject to all the business risks and uncertainties associated with any new business including that the value of a shareholder's investment could decline substantially or that a shareholder may suffer a substantial loss of its investment in the Company.
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Section C – Key information on the Offered Shares

Sub section C.(i) – What are the main features of the securities?

Type, class and ISIN of the securities being offered	The Offered Shares are redeemable Class B Shares in the Company being issued in registered form, without nominal value and with the ISIN LU2583605592.
Currency, denomination, nominal value of the Offered Shares	The Offered Shares are denominated in USD, however cashflows relating to such shares (e.g., purchase, distributions, redemptions, etc.) shall be settled in EUR. The Offered Shares have no nominal value.
Number of	On the date hereof, the share capital of the Company is represented by 1 Class A

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securities issued	Share with a nominal value of USD 40,000, of which 25% has been paid up in accordance with the Companies Law. Following the subscription of the Offered Shares, the Company will issue 550,000 new Class B Shares.
Rights attached to the Offered Shares, relative seniority and transferability	<p>Each Class B Share will entitle its holder (each, a “Class B Shareholder”) to one vote at the shareholders’ meetings of the Company and will, following their issuance, carry full dividend rights, if and when declared. In the event of the Company’s liquidation, any proceeds will be distributed to the holders of the Company’s shares in proportion of their interest in the Company’s share capital. The violation by a shareholder of the Company of its obligations under the Articles (as defined below) or the admission and operating rules of ARTEX MTF (the “Admission and Operating Rules”), or any subscription agreement, as may be applicable, shall result in the automatic suspension of its voting rights pending resolution of such violation.</p> <p>In the case where the voting rights of one or several shareholders are suspended, such shareholders may attend any shareholders’ meeting, but the Offered Shares held by them shall not be taken into account for the determination of the conditions required for a quorum and majority to be complied with.</p> <p>The Class B Shares rank equally to the Class A Share in the case of an insolvency of the Company and both share classes are subordinated to all other securities and claims in the case of an insolvency of the Company.</p> <p>The Class A Share carries additional rights in particular “<i>the Class A Shareholder has the exclusive right to propose a list of names for consideration by the general meeting regarding the appointment of the director(s) of the Company</i>”.</p> <p>There are no transfer restrictions in respect of Class B Shares. The Class B Shares to be held by the Seller (the “Remaining Shares”) are subject to the following placement restrictions:</p> <ul style="list-style-type: none">- during the first 3 months from the offering, the Seller shall not be able to sell any of the Remaining Shares;- following the period of 3 months from the offering, the Seller shall have the option to direct the Company to sell on its behalf, via ARTEX MTF (as defined below) one third of the Remaining Shares;- following the period of 4 months and 15 calendar days from the offering, the Seller shall have the option to direct the Company to further sell on its behalf, via ARTEX MTF (as defined below) one third of the Remaining Shares; and- following the period of 6 months from the offering, the Seller shall have the option to direct the Company to further sell on its behalf, via ARTEX MTF (as defined below) any balance of Remaining Shares then held. <p>The Seller has empowered the Company to have the option to sell on its behalf, via at all times any of the Remaining Shares at a price in excess of the Offer Price, subject to such Remaining Shares being sold at a maximum discount of 3% to the average closing market price for the previous 5 Business Days, unless otherwise agreed between the Company and the Seller.</p> <p>The Admission and Operating Rules require the Articles and Offering Memorandum to set out an ownership limit of the amount of Class B Shares any investor may directly or indirectly acquire as long as Class B Shares are admitted to trading on ARTEX MTF (as defined below). The ownership limit is set in the Articles at 10% of the total number of Class B Shares in issue (the “Ownership Cap”). The Ownership Cap does not apply to the Seller with respect to the Remaining Shares to be transferred to the Seller at closing of the Offering until the Seller reduces its holding of Offered Shares down to 10% of the total number of Offered Shares in issue. After the closing of the Offering, the Seller may not subscribe or acquire to new Offered Shares until it has reduced its holding to 10% and when the Seller’s holding reaches 10% of the total number of Offered Shares in issue, the Ownership Cap will apply. .</p> <p>If an investor directly or indirectly acquires shares in excess of the Ownership Cap, such investor shall either (i) reduce its holding below the Ownership Cap within a</p>

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	<p>period of 30 calendar days or (ii) make a bid to purchase the Artwork according to Article 12 of the Articles and the provisions of Part II, Chapter I, Part 1 (<i>Company takeovers</i>), Part II, Chapter I, Part 2 (<i>Mandatory Asset Purchases</i>) of the Admission and Operating Rules (please refer to Section “Mandatory Asset Purchase” of this Offering Memorandum for further details). In the event of successful bid to purchase the Artwork, the Offered Shares shall be delisted from ARTEX MTF and be mandatorily redeemed and subsequently cancelled. The board of directors of the Company shall, prior to the redemption of the Offered Shares, send a redemption notice, including the redemption information, to the Class B Shareholders, and convene an extraordinary general meeting of shareholders of the Company for the purpose of considering and proposing resolutions for the cancellation of the Offered Shares.</p> <p>The Class B Shareholders agree that, in case of a breach of:</p> <ul style="list-style-type: none">(i) the Ownership Cap;(ii) provisions of the Articles;(iii) the Admission and Operation Rules; or(iv) the rules governing of the Company described in this Offering Memorandum, <p>the Corporate Agent or any other person appointed by it is entitled to sell all of the Offered Shares owned by the respective Class B Shareholder on ARTEX MTF (as defined below) on behalf of such Class B Shareholder.</p>
Dividend Policy	<p>The Company does not otherwise anticipate generating net profits and thus does not expect to pay any dividends on the Offered Shares in the foreseeable future. Any future determination to pay dividends will be made in accordance with applicable laws and the Company’s Articles.</p>

Sub section C.(ii) – Where will the securities be traded?

Admission to trading on ARTEX MTF	<p>On 19 December 2023, the Company applied for admission of the Offered Shares to trading on ARTEX MTF AG, a multilateral trading facility (“ARTEX MTF”) regulated by the Liechtenstein Financial Market Authority (“FMA”) which has been created to provide a trading venue for securities such as the Class B Shares. ARTEX MTF is authorised and supervised by the FMA to operate a multilateral trading facility and recognised as such under the Markets in Financial Instruments Directive 2014/65/EU on markets in financial instruments, as amended (“MiFID II”).</p> <p>Trading is expected to commence on or around 8 March 2024.</p>
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Sub section C.(iii) – What are the key risks that are specific to the Offered Shares?

Risk factors specific to the Offered Shares	<p>Key material risks specific to the Offered Shares include:</p> <ul style="list-style-type: none">• Risk of loss of capital <p>There is no assurance that investors will receive a return of their capital investment with respect to Offered Shares or that the proceeds available for and allocated to the repayment of the Offered Shares will be sufficient to cover all amounts paid in respect of the Offered Shares (in the case of a redemption of the Offered Shares) or that the Offered Shares will generate returns for its investors.</p> <ul style="list-style-type: none">• Macroeconomic risk <p>The market value of the Offered Shares could be affected by the creditworthiness of the Company and by several additional factors related to economic and market conditions, including, but not limited to, volatility of the market, currency exchange rates and inflation rates in European or other industrialised countries. The value of the Offered Shares also depends on several interrelated factors such as financial, economic and political events in the Grand Duchy of Luxembourg or elsewhere, as well as factors affecting capital markets generally and ARTEX MTF on which the Offered Shares are traded.</p> <ul style="list-style-type: none">• Risk related to valuation <p>The Artwork will not be subject to periodic independent valuation. Further to the Offering, the value of the Offered Shares shall derive from supply and demand dynamics, following both for the Offer Price and following the Offered Shares admission to trading on ARTEX MTF. Therefore, (i) the valuation report on the</p>
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	<p>Artwork prepared by Dr. Roman Kräusl, signed on 12 December 2023 and (ii) the valuation report on the Artwork prepared by Winston Art Group Inc. signed on 12 December 2023 (the “Valuation Reports”) referred to in this Offering Memorandum can only be considered as indications of the value of the Artwork. It is important to note that the Valuation Reports apply a different methodology and need to be carefully compared as the terminology used may have different meaning from one to the other. Typically, the valuation of an artwork is subjective and may be influenced by external factors and by the Artwork’s characteristics, including its condition, provenance, rarity and scarcity, and quality, as well as prices paid at recent auctions for similar artwork. It should be noted that the future value of the Offered Shares and the demand of the Offered Shares to be subscribed as part of the Offering may be influenced by auction price results. For instance, if an auction performed by a traditional auction house was to feature a comparable artwork, the result of such auction might impact the demand for Offered Shares. Furthermore, art market trends and shifts in collector demand might also impact the value or demand of the Offered Shares.</p>
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Section D – Key information on the initial offering of the Offered Shares

Sub section D.(i) – Under which conditions and timetable can I invest in this security

<p>General terms, conditions and timetable to invest in the security</p>	<p>The Offering consists of 550,000 Class B Shares. Subject to acceleration or extension of the timetable for the Offering, the period during which investors may submit purchase orders for the Offered Shares will commence on 16 February 2024 and end on 5 March 2024 (the “Offer Period”).</p> <p>The Offered Shares will be offered at an offer price in EUR which is a price equivalent to USD 100 by applying the exchange rate published by the European central Bank at 16:00 CET on 4 March 2024 (the “Exchange Rate”) per Offered Share (the “Offer Price”)]</p> <p>Subject to acceleration or extension of the timetable for the Offering, the timetable below lists the expected key dates for the Offering:</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: center;">Event</th> <th style="text-align: center;">Date (2024)</th> </tr> </thead> <tbody> <tr> <td>Start of Offer Period</td> <td style="text-align: right;">16 February 2024</td> </tr> <tr> <td>End of Offer Period</td> <td style="text-align: right;">5 March 2024</td> </tr> <tr> <td>Pricing*</td> <td style="text-align: right;">5 March 2024</td> </tr> <tr> <td>Allocation</td> <td style="text-align: right;">5 March 2024</td> </tr> <tr> <td>Settlement Date (payment and delivery).....</td> <td style="text-align: right;">7 March 2024</td> </tr> <tr> <td>First trading date on Artex MTF</td> <td style="text-align: right;">on or around 8 March 2024</td> </tr> </tbody> </table> <p>* <i>Determination of the Offer Price per Offered Share, equivalent to USD 100, by applying the Exchange Rate.</i></p>	Event	Date (2024)	Start of Offer Period	16 February 2024	End of Offer Period	5 March 2024	Pricing*	5 March 2024	Allocation	5 March 2024	Settlement Date (payment and delivery).....	7 March 2024	First trading date on Artex MTF	on or around 8 March 2024
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<p>The amount and percentage of immediate dilution resulting from the offer</p>	<p>Since no Class B Shares have been issued yet, as a result of the issuance of the Offered Shares, there shall be no dilution for holders of Class B Shares.</p> <p>Class A Shares shall be diluted from 100% of the share capital of the Company down to approximately 0.07% assuming total subscriptions for 550,000 Offered Shares.</p>														
<p>Estimate of the total expenses of the offer including estimated expenses charged to the investor by the Issuer</p>	<p>Not applicable.</p> <p>Assuming subscription for between 412,500 and all of the Offered Shares, the costs and expenses of the Company related to the Offering are expected to amount to between the EUR equivalent of USD 3,520,000 to USD 4,620,000 in the event of total subscriptions for 412,500 and all of the Offered Shares respectively, which will be borne by the Seller. There will be no expenses charged to the investors by the Company, except for customary transaction and handling fees charged by the investor’s brokers.</p>														

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or the offeror	
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Sub section D.(ii) – Why is this Offering Memorandum being produced?

Reasons for the Offering	The Offering is conducted to allow investors to indirectly invest in the Artwork, hence giving individual investors access to a fraction of the Artwork by way of a securitisation transaction in proportion to their investment.
Use and estimated net amount of proceeds	<p>The Company anticipates raising gross proceeds between the EUR equivalent of USD 41,250,000 and USD 55,000,000 from subscriptions for between 412,500 and all of the Offered Shares. After accounting for fees and expenses related to the Offered Shares, the net proceeds will be between the EUR equivalent of USD 37,730,000 and USD 50,380,000. The Company shall use the net proceeds to repay the Loan to the Seller.</p> <p>If all of the Offered Shares have been subscribed for by investors, the Loan shall then be paid in cash following the deduction of the fees and expenses related to the Offering which are borne by the Seller (in other words, the amount of the Loan is automatically reduced by the fees and expenses). If 412,500 (i.e., 75%) or more of the Offered Shares, but not all of them, have been purchased by investors, the Loan shall be paid in part with the net proceeds, reduced by the fees and expenses, and the remainder of the Loan shall be contributed to the Company against the transfer by the Settlement Agent of the Offered Shares to the Seller.</p>
Underwriting agreements on a firm commitment basis	There are no underwriting agreements on a firm commitment basis in relation to the Offered Shares.
Conflict of interests pertaining to the offer	<p>The members of the Board of Directors may also be members of the board of directors of other securitisation undertaking(s) (<i>organisme de titrisation</i>) within the meaning of the Securitisation Law initiated together with the Corporate Agent's group, whose corporate purpose also envisages the entering into securitisation transactions regarding artworks. In consideration of such multiple directorships, the Directors may be subject to potential conflicts of interests in managing the Company's business and affairs.</p> <p>As per the Professional Services Agreement, the Corporate Agent is responsible for costs related to the different service providers of the Company, including the appraisers who prepared the Valuation Reports in relation to the Artwork. To mitigate any potential conflict of interest risk, the Corporate Agent has engaged two independent appraisers with a long-established expertise in the art market. Moreover, the costs charged by the appraisers for such Valuation Reports were fixed and uncorrelated to the value of the Artwork, were paid in advance by the Corporate Agent on behalf of the Company and will be borne ultimately by the Seller.</p> <p>The Corporate Agent forms part of the ARTEX Group, which includes ARTEX MTF. In consideration for the responsibilities undertaken by the Corporate Agent under the Professional Services Agreement, the Company undertook to proceed with the application for trading the Offered Shares on ARTEX MTF, as well as continuing on an ongoing basis to list the Offered Shares to be traded exclusively on ARTEX MTF. Other than as disclosed herein, no conflicts of interest or potential conflicts of interest exist between the members of the Board of Directors as regards (i) the Company; or (ii) their private interests, membership in governing bodies of companies, or other obligations.</p>

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RISKS FACTORS

Before investing in the Offered Shares, potential investors should carefully consider the risk factors presented below and other information contained in this Offering Memorandum. If one or more of the risks described below and uncertainties not currently known to the Company, or that the Company might currently deem immaterial, actually materialises, it could have, individually or in combination with other circumstances, a significant, adverse impact on the Company's operations, in particular on its cash flows, financial position, the underlying asset and outlook or the market price of the Offered Shares. Before you purchase the Offered Shares, you should know that making such an investment involves significant risks, including the risks described below and elsewhere in this Offering Memorandum.

The risk factors featured in the Offering Memorandum are limited to risks which are specific to the Company, the Offered Shares and the Artwork and which the Board of Directors believes to be material for investors to assist them in taking an informed investment decision. The materiality of the risk factors has been assessed based on the probability of their occurrence and the expected magnitude of their negative impact. The risk factors are presented in categories depending on their nature. In each category the most material risk factor is mentioned first according to the assessment based on the probability of its occurrence and the expected magnitude of its negative impact. The risks mentioned may materialise individually or cumulatively.

In case of any doubt, potential investors should consult their financial and legal advisors about the risks of investing in the Offered Shares and the suitability of such investment in light of their particular situation.

Key material risks identified by the Company include:

- I. risks related to the Company; and
- II. risks related to the Offered Shares.

I. RISKS RELATED TO THE COMPANY

The four categories of risks related to the Company are the following:

1. Risks related to the Company's financial situation
2. Internal control risks
3. Legal and regulatory risks
4. Risks related to the art market.

1. Risks related to the Company's financial situation:

- 1.1. Risk related to lack of diversification

The Company's primary objective is to acquire and maintain the Artwork for the foreseeable future unless a Mandatory Asset Purchase (as defined below) or a bid is made for the acquisition of the Artwork. If this were to happen, the Company would be dissolved and liquidated and the proceeds of such disposal of the Artwork and the profits realised would be distributed in accordance with the Articles. The holding by the

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Company of a single asset (i.e., the Artwork) may cause the Company's returns to become more susceptible to fluctuations in value resulting from adverse economic or business conditions affecting markets in general. Consequently, a large-scale auction of a collection related to or unrelated to the artist, period or style of work could affect the share price negatively.

1.2. Risk related to lack of working capital

Following the Offering, the Company will use a portion of the proceeds to pay the fees relating to the Offering (as detailed in section "Fees" of this Offering Memorandum), which shall be ultimately borne by the Seller.

As the Company is not expected to generate revenues, there is a high dependence by the Company on the Corporate Agent to cover the ongoing operational costs of the Company as well as managing all necessary services to maintain the Artwork and the Company. However, there can be no assurance that the Corporate Agent will be able to maintain sufficient capital to satisfy its obligations in future periods. Should the Corporate Agent be unable to fulfil its obligations under the Professional Service Agreement, the Company will need to seek alternative funding. Should the Company be unable to develop further working capital, it may undertake a sale of the Artwork following an approval of more than 50% of the Class B Shareholders. No assurance is provided that the timing of such a sale may be favourable to the shareholders of the Company, which may, therefore negatively impact the value of an investment in the Offered Shares. In addition, the Corporate Agent may terminate the Professional Services Agreement at any time with 3 months advance notice.

In the worst-case scenario, being the situation where either the Corporate Agent defaults or terminates the Professional Services Agreement, the Company is likely to face challenges meeting its financial obligations, potentially leading to illiquidity. In such a situation, the Company would be compelled to liquidate its sole asset, the Artwork, by initiating a sale e.g., through established auction houses such as Sotheby's or Christie's or otherwise. In such event, the net proceeds from the sale, once taking into account Artwork selling costs and commissions and legal costs associated with a liquidation, would be likely to be significantly less than the current underlying value of the Artwork.

1.3. Risk related to newly created companies

The Company is a recently established entity and lacks a historical operating record for prospective investors to assess its past performance. Given its status as a Company with no operating history, the business model and value proposition may not have undergone validation in the market, which introduces an element of uncertainty regarding its future. The Company is subject to all the business risks and uncertainties associated with any new business, including that the value of a shareholder's investment could decline substantially or that the shareholder may suffer a substantial loss of its investment in the Company.

1.4. Risk of insolvency

The solvency of the Company may change, temporarily or permanently, due to general economic conditions and/or to changes specific to the Company, the Company's economic sector and/or the country

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concerned as well as political developments with economic consequences. Deterioration of the Company's solvency may influence the price of the Offered Shares it issues and its capacity to redeem the Offered Shares held by investors. In case of default, the Company would be able to seek to sell the Artwork allowing the investors to recover some or all of the value invested. It is worth noting that, if the Company was to sell the Artwork through traditional channels such as auction houses, there are typically fees applied by such houses that may reduce the proceeds compared to the typical hammer price auctioned. Whilst it is understood that auction houses can sometimes waive such fee on the seller side, there is no guarantee that it would happen and therefore that the proceeds distributed to Class B Shareholders could be negatively impacted by such fees.

In any insolvency proceeding involving the Company, the funds held by the Company will be subject to applicable insolvency law and may be subject to claims of third parties with priority over the claims over the Class B Shareholders.

2. Internal control risks:

2.1. Conflict of interest risk

Any advisor or service provider appointed by the Company may be subject to significant potential and actual conflicts of interest in managing other companies' business and affairs. Such advisor or service provider may receive substantial fees in connection with the Company's transactions.

Certain of the service providers and/or their respective affiliates are currently engaged in, or may, in the future, from time to time, engage in, financial advisory and ancillary activities in the ordinary course of their business with the Company or any parties related to it, in respect of which they have and may in the future, receive customary fees and commissions. As a result of these transactions, these parties may be subject to potential conflicts of interests in managing the Company's business and affairs.

There can be no assurance that the Company will not enter into arrangements under terms less favourable than it could have obtained, had it been dealing with unrelated persons or that conflicts of interest will be resolved in favour of the shareholders. There can be no assurance that any arrangements with unfavourable terms to the Company will not have a material adverse effect upon the business or financial condition of the Company.

The members of the Board of Directors are also members of the board of directors of other securitisation undertakings (*organisme de titrisation*) within the meaning of the Securitisation Law initiated together with the Corporate Agent's group, whose corporate purpose also envisage the entering into one securitisation transaction regarding an artwork.

None of the members of the Board of Directors is required to commit their full time to the Company's affairs, which could create a conflict of interest when allocating the time between the Company's operations and their other commitments.

In addition, the Placement Agents have an interest in the Offering as it is expected that they will assist the Company in conducting the book-building using their reasonable endeavours to procure purchasers for the Offered Shares offered by the Company by means of private placement to qualified investors in the EEA

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and/or Switzerland and/or Relevant Person in the UK. Furthermore, if and subject to the Offering being successfully completed, they will enter into a placement agreement, pursuant to which they will receive commissions for the performance of their roles in connection with the Offering. In addition, in the ordinary course of their business, the Placement Agents and their affiliates may provide a variety of services, including lending, investment banking, financial advisory, risk management, hedging and other services, for which they receive customary fees, and they and their respective affiliates may provide such services for the Company, the Corporate Agent, the Seller and their respective groups in the future.

2.2. Reliance on third-party risks

The Company may rely on third parties, their affiliates and service providers to receive a variety of administrative, accounting, tax compliance, reporting and other functions with respect to its business operations. These functions are often intricate and necessitate substantial investments from these third parties and their affiliates in terms of system development and continuous diligence and maintenance. In the event that any such third party fails to fulfil adequately and promptly any of the aforementioned services, the Company may experience adverse consequences.

3. Legal and regulatory risks:

3.1. Regulation of the Company by a regulatory authority

The Company is a non-regulated securitisation undertaking (*organisme de titrisation*) within the meaning of the Securitisation Law. The Company shall not issue financial instruments to the public on a continuous basis within the meaning of article 19 of the Securitisation Law.

The Company is not required to be licensed, registered or authorised under any current securities, commodities or banking laws of its jurisdiction of incorporation and will operate without supervision by any authority in any jurisdiction. There is no assurance, however, that regulatory authorities in one or more jurisdictions would not take a contrary view regarding the applicability of any such laws to the Company. The taking of a contrary view by such regulatory authority could have an adverse impact on the Company or the holders of the Offered Shares.

Any investment in the Offered Shares does not have the status of a bank deposit and is not within the scope of any deposit protection scheme.

3.2. Changes to the Liechtenstein laws and regulations

Although the Company is an entity established under the laws of Luxembourg, the investment in the Offered Share is reliant on the continuous operation of ARTEX MTF, which sits under the authority of the FMA. Changes to the laws and regulations by the Liechtenstein regulatory authority can impact the Company's reporting requirements, governance structures, tax obligations, or disclosure standards, potentially increasing compliance costs and administrative burdens. Furthermore, alterations in Liechtenstein's legal jurisdiction can affect dispute resolution processes and the enforceability of legal agreements, which can have legal and financial implications for the Company. Any such disruptions or events impacting the Company can result in the Offered Shares being illiquid for a temporary, extended period or on a permanent basis.

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4. Risks related to the art market:

4.1. Risk related to the source of data

Statistical data relating to the art market is difficult to obtain and may be incomplete or inconsistent. It is a substantially unregulated industry. Investors should not place undue reliance on any data or general information related to the art market.

The historical performance of prices in the art market can be estimated using different techniques and is generally derived from publicly available auction sales results. General statistical summaries of past prices may provide a broad sense of price direction across the art market or for a specific artist. However, given that the supply of art transacted in any given period is not homogenous, changes in average or median prices from period-to-period may not be reflective of changes in the underlying value of the artwork, but may reflect varying quality or other characteristics that were present in the artwork sold.

The global art market is influenced in general by the overall stability and performance of the global economy, geopolitical conditions, capital markets and similar, all of which may affect the appetite of potential buyers and sellers to transact in artworks. The global art market is large, but its exact size is unknown and statistical data is inconsistent. Much of the uncertainty derives from differing estimates from survey data concerning private dealers and the gallery market, but reported auction sales contain inconsistencies as well at times.

4.2. Risk related to the resale price

Each artwork is unique, and the resale performance of an artwork may differ from another artwork produced by the same artist. Accordingly, an artist's market risk profile may not accurately assess the resale risk or performance of an individual artwork by such artist.

II. RISKS RELATED TO THE OFFERED SHARES

The two categories of risks related to the Offered Shares are the following, as further developed hereby:

1. Risks related to the nature of the securities
2. Risks related to the Artwork.

1. Risk related to the nature of the securities

1.1. Risk of loss of capital

The Offered Shares are targeted to qualified investors, who wish to have an exposure to the Artwork. An investment in Offered Shares should only be considered by persons who can afford losing some or all invested capital.

There is no assurance that investors will receive a return on their capital investment with respect to the Offered Shares, or that the proceeds available for and allocated to the repayment of the Offered Shares in case of a redemption of the Offered Shares will be sufficient to cover all amounts paid in respect of the Offered Shares or that the Offered Shares will generate returns for its investors. There can be no assurance whatsoever that there will be any liquidity in the Offered Shares and that investors will be able to dispose of their Offered Shares in a short amount of time.

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1.2. Macroeconomic risk

The market value of the Offered Shares could be affected by the creditworthiness of the Company and by a number of additional factors related to economic and market conditions, including, but not limited to, volatility of the market, currency exchange rates and inflation rates in European or other industrialised countries. Adverse development in the credit markets, such as a tightening of lending standards or an increase in the cost of borrowing, can negatively impact the financial sector and broader economy. This could lead to a decrease in the market value of the Offered Shares. Furthermore, negative macroeconomic scenarios can pose significant risks. High inflation can erode the real value of future cash flows from the Offered Shares. A contraction in gross domestic product can indicate an economic downturn or recession, which may negatively affect the Company's financial performance and, subsequently, the value of the Offered Shares.

The value of the Offered Shares also depends on a number of interrelated factors, among others financial, economic and political events in the Grand Duchy of Luxembourg or elsewhere, as well as factors affecting capital markets generally and ARTEX MTF on which the Offered Shares are to be traded.

1.3. Inflation risk

Inflation risk is the risk of the future depreciation of money. The real return from an investment in the Offered Shares is reduced by inflation. The higher the rate of inflation, the lower the real return on an Offered Share. If the inflation rate is equal to or higher than the nominal return, the real return will be zero or even negative.

1.4. Risk related to the changes in the art market sentiment

The art market is prone to change due to a variety of factors, including changes in the approach toward art as an investment, changes in tastes, trends, or changes in supply. The characteristics of the sale in which an artwork is offered can influence the price, though its venue, its timing, or external economic conditions. In the global art trade, the analysis of the performance of different regions, sectors, and value segments of the market help to determine the trends within a specific period of time.

1.5. Risk related to market volatility

Market volatility reflects the degree of instability and expected instability of the performance of risky assets that may also include the Offered Shares. The volatility of the Offered Shares with respect to that of other risky assets shall depend on the correlation between the Offered Shares and risky assets. Based on the performance of art as a market and its correlation with traditional asset classes, such correlation is expected to be low. However, there is no guarantee that the Offered Shares will behave as such. Furthermore, the level of market volatility is not purely a measurement of the actual volatility but may also be determined by the prices for instruments which offer investors protection against such volatility. The prices of these instruments are determined by forces of supply and demand in the options and derivative markets generally. These forces are themselves affected by factors such as actual market volatility, expected volatility, macro-economic factors and speculation.

There is no assurance that events in the Grand Duchy of Luxembourg, Liechtenstein, Europe or elsewhere will not cause market volatility or that such volatility will not adversely affect the price of Offered Shares or that economic and market conditions will not have any other adverse effect.

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1.6. Risk related to the secondary market and suspension

If a market for the Offered Shares was to develop, the Offered Share could trade at prices that may be higher or lower than the Offer Price, and such prices would depend on many factors. Furthermore, the market for the Offered Shares may not be fully liquid. Any illiquidity may have a severe adverse effect on the market price of Offered Shares. Therefore, investors may not be able to sell their Offered Shares easily or at prices that will provide them with a return comparable to similar investments that have a developed secondary market. This is particularly the case for Offered Shares that are especially sensitive to market risks and are designed for a specific investment objective or have been structured to meet the investment requirements of limited categories of investors. However, it shall be noted that the Offered Shares will be supported by market makers pursuant to the regulatory requirements ARTEX MTF has to comply with. A list of the market makers is available on the ARTEX MTF website. Such market makers have to provide two-way quotes or corresponding orders for certain minimum times during the continuous trading hours and fulfil additional obligations as required under RTS 8, Commission Delegated Regulation (EU) 2017/578. The trading model of ARTEX MTF is traditional and follows continuous trading in connection with opening and closing auctions including key principles such as order-driven trading, price/time priority execution and allows for market and limit order. Despite this, if a sufficient level of trading in the Offered Shares is not achieved or maintained, it could have a material impact on the liquidity and price of the Offered Shares.

There is no assurance that trading in the Offered Shares will not be suspended in accordance with the Admission and Operating Rules. ARTEX MTF may suspend trading in financial instruments: (i) at the request of the Company, (ii) in order to protect the interests and the safety of trading activities or (iii) in case of a violation of the ARTEX MTF Admission and Operating Rules by the Company. Trading may be suspended for a period determined by the management board of ARTEX MTF and may be further extended. Any off-market sale of the Offered Shares might only be achieved at a significant discount to their last traded price.

1.7. Currency risk

The Offered Shares are denominated in USD but trade, settle and generate all cash flows in EUR.

Changes in the EUR/USD exchange rate can change the perceived USD value of the Offered Shares and the associated cash flows.

Investors who primarily deal in a currency other than EUR should be aware that their perceived return on investment may vary with changes in such currency against EUR. Investors may also incur the further transaction costs of converting EUR into another currency. As a result, investors are advised to consult their financial advisors with a view to determining whether they should enter into hedging transactions to off-set these currency risks, as applicable.

1.8. Systemic risk

Systemic risk can take various forms, including financial crises, economic crises, geopolitical crises, natural disasters, public health emergencies.

The possibility of large-scale distress sales of artworks in times of crisis may have a negative impact on the

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price of the Artwork and adversely affect the value of an investment in the Offered Shares. As the Offered Shares relate to a new asset class, it will be difficult to predict the behaviour of the valuation metrics of the asset class in times of systemic crises. Future systemic crises may impair the Artwork's price performance which could, in turn, adversely affect the value of an investment in the Offered Shares.

1.9. Risk related to placement restrictions

If at least 412,500 (i.e., 75%) but less than 550,000 (i.e., 100%) of all of the Offered Shares are purchased by investors, the Seller will be transferred the Offered Shares which have not been purchased by investors (the "**Remaining Shares**"). The Seller is bound by a subscription agreement with the Company that limits the ability to sell its Remaining Shares in the immediate aftermath of the Offering. See "Transferability of Class B Shares and placement restrictions on the Remaining Shares" for more information on such arrangements.

There exist three distinct periods, each restricting the Seller to selling up to one third of the Remaining Shares it holds. At the end of each period, the Seller may ask the Company to introduce these Remaining Shares onto the secondary market. This could lead to an oversupply of shares, potentially putting downward pressure on the Offered Share price.

Further, even if the Seller does not place its Remaining Shares immediately upon a restricted period's expiration, the anticipation of such sales could create negative market sentiment, possibly inducing share price volatility. Investors should be conscious that if the Seller sells substantial quantities of shares, or if the market anticipates such sales, this could depress the Offered Share price. The Company cannot predict the potential effect that either the sale of the Offered Shares by the existing or future shareholders, or the belief that such sale will take place, will have on the price.

1.10. Risk related to a breach of Ownership Cap by a shareholder

A shareholder that exceeds the Ownership Cap is required within 30 calendar days of the breach of the Ownership Cap to reduce its holding in the Company in excess of the Ownership Cap or initiate a Mandatory Asset Purchase process, failing which a Forced Sale shall be initiated to sell the defaulting shareholder's Offered Shares in excess of the Ownership Cap on ARTEX MTF by the Ownership Trustee or any other person appointed by it at the price offered on the trade day on ARTEX MTF. A shareholder in breach of the Ownership Cap may lack interest in proceeding to a Mandatory Asset Purchase, in which case the Ownership Trustee shall initiate a Forced Sale at the best possible price on the Offered Shares, which does not guarantee the recovery of the initial value of the investment as the market price may be lower than the Offer Price. The Forced Sale process may take longer than expected, resulting in additional costs that could further reduce the amount recovered from the Forced Sale.

1.11. Risk related to the Class A Shareholder's exclusive rights

The Class A Shareholder is entitled to a veto right in respect of the following corporate actions:

- the listing and trading of the Offered Shares on exchange markets other than ARTEX MTF;

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- any entry by the Company into any joint venture, partnership, profit sharing agreement, consolidation, amalgamation, liquidation process, dissolution of the Company and/or major project; and
- right of proposal of the members of the board of directors of the Company.

The exclusive right of the Class A Shareholder to decide on the listing and trading of the Offered Shares onto an exchange market other than ARTEX MTF confers upon the Class A Shareholder the exclusive ability to keep ARTEX MTF as the listing and trading venue of the Offered Shares and to determine the continued availability of the Offered Shares on secondary markets, which may have a material impact on the liquidity and marketability of the Offered Shares. Potential investors should be aware that the listing and trading of the Offered Shares on markets other than ARTEX MTF may affect the market price of the Offered Shares and therefore their ability to sell or trade their holding in the Company. Moreover, a delisting from ARTEX MTF may result in the Offered Shares being traded in a less regulated and potentially less transparent environment, which may increase the risks related thereto. Such exclusive right may lead to a situation where the Class B Shareholders may not have any recourse or ability to prevent a delisting decision of the Offered Shares from ARTEX MTF. Potential investors should consider the implications of such exclusive right of the Class A Shareholder as it may present a risk factor of concentration of control that may not be suitable for all investors.

The exclusive right of the Class A Shareholder to decide on the entry by the Company into any joint venture, partnership, profit sharing agreement, consolidation, amalgamation, liquidation process, dissolution of the Company and/or major project may limit the Company's ability to raise additional capital and pursue business opportunities. Such concentration of control may adversely influence the operational flexibility, corporate governance and strategic direction of the Company and therefore impact the value of the Offered Shares. The Class A Shareholder's ability to substantially influence major corporate decisions create a risk which may result in a corporate governance structure that is not fully aligned with the interests of all shareholders. The Class B Shareholders may therefore find their interests subordinated and their share value diminished.

The exclusive right of the Class A Shareholder to propose members of the board of directors of the Company may lead to some additional control of the Class A Shareholder over the Company's decision-making process.

2. Risks related to the Artwork:

2.1. Risk related to valuation

The Artwork will not be subject to periodic independent valuation. The value of the Offered Shares following the Offered Shares' admission to trading on ARTEX MTF shall derive from supply and demand dynamics. Therefore, the Valuation Reports referred to in this Offering Memorandum may be used solely as an indication of the value of the Artwork. It is important to note that the Valuation Reports apply a different methodology and need to be carefully compared as the terminology used may have different meaning from one to the other. Typically, the valuation of an artwork is highly subjective and may be influenced by external factors and by the Artwork's characteristics, including its condition, provenance, rarity and scarcity, quality and by prices paid at recent auctions for similar artwork. Additionally, it may be difficult to determine the fair

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value of an artwork where there is a lack of comparable artworks and where the artist and/or the comparable artworks have few repeat auction sales. In such cases, the valuation may be less certain. Provenance (history of ownership) and authentication (the artwork's legitimacy) are crucial in art valuation. Furthermore, valuation may rely on personal opinions of the appraisers and the taste of the buyer in the market. Prospective investors should not rely on estimates as a prediction / guarantee of the actual value for the Offered Shares.

The methodology used in the Valuation Report of Winston Art Group Inc to obtain the fair market value of the Artwork consists in the sales comparison approach (i.e., market comparison), which analyses recent sales of comparable articles at major international and regional auction houses, private and public sales, art fairs, as well as prevailing prices at retail shops and galleries where the article may normally be traded.

The methodology used in the Valuation Report of Dr. Roman Kräussl to obtain the fair market value of the Artwork consists in a valuation model based on a proprietary database of secondary market auction price records, constructed with artworks of Francis Bacon offered in the secondary market at auction.

The Valuation Report of Winston Art Group Inc concluded for a fair market value of the Artwork of USD 45,000,000 while the Valuation Report of Dr. Roman Kräussl concluded for a fair market value of the Artwork in the range of USD 49,500,000 to USD 57,000,000. Considering the differences in the methodology used in the Valuation Reports and the differences in their conclusions with respect to the fair market value of the Artwork, the Artwork is subject to a risk of overvaluation. The Valuation Report of Winston Art Group Inc assumes clear title, good condition as of the date of the report and authenticity and the appraiser was unable to inspect the property in person and appraised solely from images and descriptions provided by the onsite specialist from Winston Art Group Inc who was able to inspect the property in person as well as by the Corporate Agent and assumed this information to be accurate. In the event of false assumption, the conclusion of the Valuation Report of Winston Art Group Inc would be altered and the Artwork would be potentially further exposed to a risk of overvaluation.

The value of the Offered Shares following admission to trading on ARTEX MTF and the demand of the Offered Shares to be subscribed may also be influenced by auction price results. For instance, if an auction performed by a traditional auction house was to feature a comparable artwork, the result of such auction might impact the demand for the Offered Shares to be subscribed as part of the Offering. Furthermore, art market trends and shifts in collector demand might as well impact the value or demand of the Offered Shares.

2.2. Risk related to insurance coverage

When not on loan to museums and institutions, the Artwork will be stored in a secured private art storage facility (such as for example, a freeport). The Artwork will be covered by an insurance policy at all times. The Artwork is currently insured against all risks which are not explicitly excluded by the insurance company such as wear and tear, deliberate damage by the insured, or general maintenance. The insurance is generally valid on a worldwide basis, with some exceptions such as war zones and certain excluded countries (i.e., Russia, Belarus, Ukraine). The coverage of the insurance may be limited to the Purchase Price (as defined below) of the Artwork. Furthermore, it cannot be guaranteed that the insurance policy, as

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negotiated from time to time, maintains the same level of coverage. In the event that the damage or destruction of the Artwork is not fully covered by insurance, this may have a material adverse impact on the saleability of the Artwork and the value of the Offered Shares.

2.3. Risk related to safekeeping

The Artwork will be under the guardianship of the Corporate Agent pursuant to the Professional Services Agreement. Although absolute care will be provided for the safeguarding services of the Artwork, the Artwork may be subject to loss, damage, theft. The Artwork could also be impacted by force majeure events including but not limited to natural disasters (fire, storms, floods), governmental or societal actions (war, invasion, civil unrest, labour strikes), and infrastructure failures (transportation, energy). Any such event may adversely affect the Artwork and its value.

2.4. Risk related to the authenticity and provenance

Claims with respect to the authenticity of an artwork may result from incorrect attribution, uncertain attribution, lack of certification proving the authenticity of the artwork, forgery of a work of art, or falsification of the artist's signature. Authenticity concerns pertaining to the Artwork could erode investor confidence and create a negative market sentiment towards the Offered Shares.

Claims related to the provenance, or history of ownership of an artwork concern claims that allege that an artwork has an uncertain or false origin. Additionally, the lack of documented history of ownership of an artwork may affect the valuation of an artwork because a strong and reputable provenance can enhance an artwork's value. Conversely, if there are gaps or uncertainties in an artwork's ownership history, it can raise concerns and potentially reduce its value.

IMPORTANT INFORMATION

Responsibility Statement

The Board of Directors assumes responsibility for the completeness and accuracy of the information contained in this Offering Memorandum. Each director attests that, to the best of their knowledge, the information contained in this Offering Memorandum is in accordance with the facts and that the Offering Memorandum makes no omission likely to affect its import.

Notice to Investors (Selling Restrictions)

In making an investment decision, investors must rely on their own assessment, examination, analysis and enquiry of the Company, the terms of the Offering and the terms of this Offering Memorandum, including the merits and risks involved. Any purchase of the Offered Shares should be based on the assessment that the investor in question may deem necessary, including the legal basis and consequences of the Offering, and including possible tax consequences that may apply, before deciding whether or not to invest in the Offered Shares. In addition to their own assessment of the Company and the terms of the Offering, investors should rely only on the information contained in this Offering Memorandum, including the risk factors described herein, and any notices that the Company publishes under applicable law or the relevant rules of ARTEX MTF. Neither the Company, nor any of its respective representatives, is making any

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representation to any offeree or purchaser of the Shares regarding the legality of an investment in the Offered Shares by such offeree or purchaser under the laws applicable to such offeree or purchaser. Each investor should consult with his or her own advisors as to the legal, tax, business, financial and related aspects of an investment in the Offered Shares. No person has been authorised to give any information or to make any representation in connection with the Offering other than those contained in this Offering Memorandum, and, if given or made, such information or representation must not be relied upon as having been authorised. Neither the delivery of this Offering Memorandum nor any sale made at any time after the date hereof shall, under any circumstances, create any implication that there has been no change in the Company's affairs since the date hereof or that the information set forth in this Offering Memorandum is correct as of any time since its date.

The Offered Shares may be subject to transfer restrictions in certain jurisdictions. Prospective investors should read the restrictions described in this Offering Memorandum. Each purchaser of the Offered Shares will be deemed to have made the relevant representations described therein. The distribution of this Offering Memorandum and the offering of the Offered Shares may, in certain jurisdictions, be restricted by law, and this Offering Memorandum may not be used for the purpose of, or in connection with, any offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorised or to any person to whom it is unlawful to make such offer or solicitation. This Offering Memorandum does not constitute an offer to sell, or an invitation of an offer to purchase, any Offered Shares in any jurisdiction in which such offer or invitation would be unlawful. We require persons into whose possession this Offering Memorandum comes to inform themselves of and observe all such restrictions. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction. We do not accept any legal responsibility for any violation by any person, whether or not a prospective purchaser of Offered Shares, of any such restrictions. We reserve the right in our absolute discretion to reject any offer to purchase Offered Shares that we or our agents believe may give rise to a breach or violation of any laws, rules or regulations.

Notice to Investors in the EEA

This Offering Memorandum is only addressed to and directed at persons in member states of the European Economic Area (the "EEA") who are qualified investors within the meaning of Article 2 para. 1 lit. e) of the Prospectus Regulation (the "Qualified Investors"). The Offered Shares are only available to, and any investment or investment activity to which this Offering Memorandum relates is available only to Qualified Investors and will be engaged in only with such persons. Any person making or intending to make any offer within the EEA of the Offered Shares which are the subject of this Offering Memorandum should only do so in circumstances in which no obligation arises for the Company or the Sole Bookrunner to produce a prospectus or any other offering document for such offer.

Information to distributors in the EEA

Solely for the purposes of the product governance requirements contained within: (i) MiFID II; (ii) Articles 9 and 10 of Commission Delegated Directive (EU) 2017/593 supplementing MiFID II; and (iii) local implementing measures (together the "MiFID II Product Governance Requirements"), and disclaiming all and any liability, whether arising in tort, delict, contract or otherwise, which the Company, in its capacity

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as “manufacturer” for the purposes of the MiFID II Product Governance Requirements may otherwise have with respect thereto, the Offered Shares have been subject to a product approval process, which has determined that such Offered Shares are: (a) compatible with an end target market of retail investors and investors who meet the criteria of professional clients and eligible counterparties, each as defined in MiFID II; and (b) eligible for distribution through all distribution channels as are permitted by MiFID II (the “**Target Market Assessment**”). Notwithstanding the Target Market Assessment, “distributors” (for purposes of the MiFID II Product Governance Requirements) should note that the price of the Offered Shares may decline and investors could lose all or part of their investment; the Offered Shares offer no guaranteed income and no capital protection, and an investment in the Offered Shares is compatible only with investors who do not need a guaranteed income or capital protection, who (either alone or in conjunction with an appropriate financial or other adviser) are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses that may result therefrom. The Target Market Assessment is without prejudice to the requirements of any contractual, legal or regulatory selling restrictions in relation to the Offering, including the selling restrictions described in “*Notice to Investors (Selling Restrictions)*”.

Furthermore, it is noted that, notwithstanding the Target Market Assessment, the Placement Agents will only procure investors who meet the criteria of professional clients and eligible counterparties.

For the avoidance of doubt, the Target Market Assessment does not constitute: (i) an assessment of suitability or appropriateness for the purposes of MiFID II; or (ii) a recommendation to any investor or group of investors to invest in, purchase, subscribe for, or take any other action whatsoever with respect to the Offered Shares.

Each distributor is responsible for undertaking its own target market assessment in respect of the Offered Shares and determining appropriate distribution channels.

Notice to Investors in the UK

This Offering Memorandum is only addressed to and directed at persons in the UK who are qualified investors within the meaning of Article 2(e) of the Prospectus Regulation as that Regulation forms part of UK domestic law by virtue of the European Union (Withdrawal) Act 2018 who are also: (i) investment professionals falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the “**Order**”); or (ii) high net worth entities falling within Articles 49(2)(a) to (d) of the Order; or (iii) other persons to whom it may otherwise lawfully be communicated (all such persons together being referred to as “**Relevant Persons**”). In the UK, this Offering Memorandum must not be acted on or relied on by persons who are not Relevant Persons. The Offered Shares are only available to, and any investment or investment activity to which this Offering Memorandum relates is available only to Relevant Persons and will be engaged in only with such persons. Any person making or intending to make any offer within the UK of the Offered Shares which are the subject of this Offering Memorandum should only do so in circumstances in which no obligation arises for the Company or the Sole Bookrunner to produce a prospectus or any other offering document for such offer.

Information to Distributors in the UK

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Solely for the purposes of the product governance requirements of Chapter 3 of the FCA Handbook Product Intervention and Product Governance Sourcebook (the "**UK Product Governance Requirements**"), and/or any equivalent requirements elsewhere to the extent determined to be applicable, and disclaiming all and any liability, whether arising in tort, contract or otherwise, the Company, in its capacity as "manufacturer" (for the purposes of the UK Product Governance Requirements) may otherwise have with respect thereto, the Offered Shares have been subject to a product approval process, which has determined that the Offered Shares are: (a) compatible with an end target market of retail investors and investors who meet the criteria of professional clients and eligible counterparties, each as defined in Chapter 3 of the FCA Handbook Conduct of Business Sourcebook (the "**U.K. Target Market Assessment**"). Notwithstanding the U.K. Target Market Assessment, "distributors" (for the purposes of the UK Product Governance Requirements) should note that: the price of the Offered Shares may decline and investors could lose all or part of their investment; the Offered Shares offer no guaranteed income and no capital protection; and an investment in the Offered Shares is compatible only with investors who do not need a guaranteed income or capital protection, who (either alone or in conjunction with an appropriate financial or other adviser) are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses that may result therefrom. The U.K. Target Market Assessment is without prejudice to the requirements of any contractual, legal or regulatory selling restrictions in relation to the Offering.

Furthermore, it is noted that, notwithstanding the U.K. Target Market Assessment, the Placement Agents will only procure investors who meet the criteria of professional clients and eligible counterparties for the purposes of the U.K. MiFIR Product Governance Rules.

For the avoidance of doubt, the U.K. Target Market Assessment does not constitute: (i) an assessment of suitability or appropriateness for the purposes of Chapter 9A or 10A respectively of the FCA Handbook Conduct of Business Sourcebook; or (ii) a recommendation to any investor or group of investors to invest in, or purchase, or take any other action whatsoever with respect to the Offered Shares.

Each distributor is responsible for undertaking its own target market assessment in respect of the Offered Shares and determining appropriate distribution channels.

Notice to Investors in Switzerland

The offering of the securities in Switzerland is exempted from the requirement to publish a prospectus approved by a Swiss review body, pursuant to the Swiss Federal Financial Services Act of 15 June 2018, as amended (FINSA). Accordingly, this Offering Memorandum does not constitute a prospectus pursuant to Article 40 et seq. FINSA.

The Offering Memorandum has not been and will not be reviewed or approved by a Swiss review body pursuant to the FINSA, and may not comply with the disclosure requirements pursuant to the FINSA. No key information document (or equivalent document) according to FINSA has been or will be prepared in relation to the Offering.

The Offered Shares in Switzerland may exclusively be offered to and directed at, Swiss professional investors in accordance with article 4(3) of FINSA. Offers to retail clients or to high-net-worth retail clients

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and private investment structures created for them are, irrespective of whether they have issued an opting-out declaration according to article 5 FinSA, not permitted.

No application has or will be made to admit the Offered Shares to trading on any trading venue (exchange or multilateral trading facility) in Switzerland and consequently, the information presented in this document does not necessarily comply with the information standards set out in the relevant listing rules. Neither this Offering Memorandum nor any other offering or marketing material relating to the Offered Shares may be publicly distributed or otherwise made publicly available in Switzerland.

Availability of the Offering Memorandum

This Offering Memorandum may be obtained in electronic or printed form, free of charge, upon request, during regular business hours, at the registered office of the Company located at 16, rue E. Ruppert, L-2453 Luxembourg, Grand Duchy of Luxembourg. The Offering Memorandum is also available in electronic form on the Company website (www.artshare002.com/documentation) and on the website of ARTEX MTF (www.artex-stockexchange.com). The posting of the Offering Memorandum on the internet does not constitute an offer to sell or a solicitation of an offer to buy any of the Offered Shares to or from any person in any jurisdiction in which it is unlawful to make such offer or solicitation to such person.

The information on the websites does not form part of this Offering Memorandum.

Availability of other Company Information and Documentation

See section "DOCUMENTS ON DISPLAY".

Non-registration under the Investment Company Act (as defined below)

The Company has not been registered as an investment company under the Investment Company Act. No opinion or action position has been requested by the SEC regarding whether the Company is required to be registered as an investment company. If the SEC or a court of competent jurisdiction were to find that the Company is required to register as an investment company, possible consequences include, but are not limited to, the SEC applying to enjoin the violation, and any contract to which the Company is a party made in violation or whose performance involves a violation of the Investment Company Act being unenforceable unless enforcing such contract would produce a more equitable result. Should the Company be subjected to any or all of the foregoing or to any (if any) other consequences, the Company would be materially and adversely affected.

Moreover, the Class B Shares are not and will not be registered pursuant to the provisions of the Securities Act or with the securities regulators of the individual states of the United States. The Company does not intend to conduct a public offering of the Class B Shares in the United States, and as such, the Class B Shares may not be offered, sold or delivered, directly or indirectly, in or into the United States except pursuant to an exemption from the registration and reporting requirements of the United States securities laws and in compliance with all other applicable United States legal regulations.

Underwriting agreements

There are no underwriting agreements on a firm commitment basis in relation to the Offered Shares.

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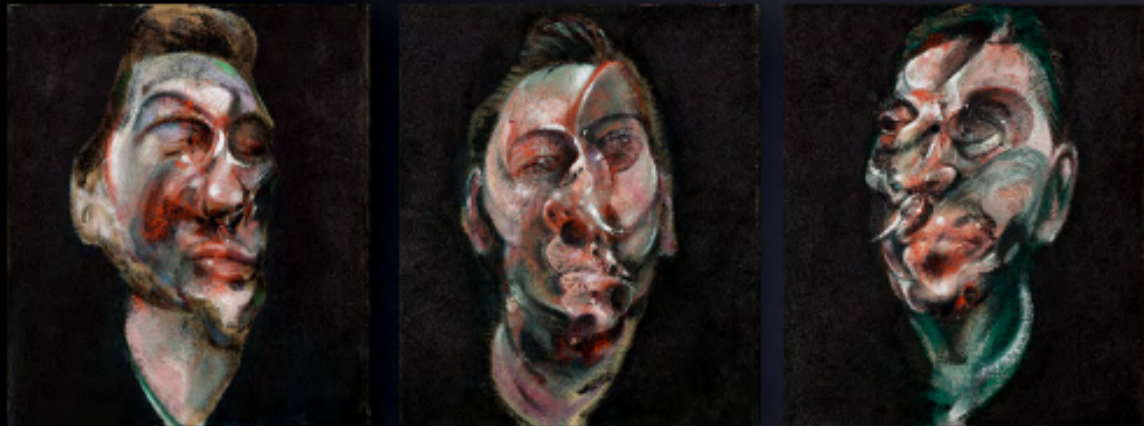
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Underlying Asset: The Artwork

Three Studies for Portrait of George Dyer



LISTING PROSPECTUS

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GENERAL OVERVIEW

Artwork	<p><i>Three Studies for Portrait of George Dyer</i> (1963) belongs to a group of five small triptychs executed between 1963 and 1969. Of the 580 or so existing paintings by Francis Bacon (also referred to later in this document as “Bacon”), around 40 are small head triptychs that the artist produced over a 20-year period. The small triptychs rarely appear for sale and form a distinct category representative of the artist’s output.</p> <p><i>Three Studies for Portrait of George Dyer</i> is one of only five small triptychs depicting George Dyer, two of which are housed in museums, while the other three remain in private hands. It was auctioned in 2017 for USD 51.7 million and became the eighth highest sale at auction for a painting by Bacon. Created during the peak of his career, it reflects his fascination with portraiture – a genre he completely reinvented in the 20th century. The work also marks a shift in Bacon’s artistic style because it exhibits the dynamic, fluid brushstrokes that he is now famous for. Above all, it is the first portrait he made of his favourite muse and lover¹. A highly powerful piece of work, it reveals Dyer’s mental anguish and relates to Bacon’s general concerns about the human figure.</p>
Artist	Francis Bacon
Title	<i>Three Studies for Portrait of George Dyer</i>
Date	1963
Size	35.5 x 30.5 cm (each canvas)
Medium	Oil on canvas (in three parts)
Notes	Titled and dated '3 Studies for Portrait of George Dyer 1963.' (on the reverse of the center canvas)
Purchase price	USD 55,000,000
Collections	Marlborough Fine Art Ltd, London Roald Dahl, Great Missenden Waddington Galleries Ltd, London Private collection, Paris Sold by Christie’s New York, 17 May 2017, Lot 38 – B Private collection (acquired at the above sale)

¹ Martin Harrison, *Francis Bacon: Catalogue Raisonné*.

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Exhibition history	<p>Oslo, Kunstnerforbundet; Trondheim, Kunstforening; Bergen, Kunstforeningen; Warsaw, Museum Narodowe; Poznan, Museum Narodowe and Krakow, Museum Narodowe, British Paintings 1945-1970, January-July 1972.</p> <p>Liverpool, Tate Gallery Liverpool, Francis Bacon, February 1990-January 1991.</p> <p>Saint-Paul-de-Vence, Fondation Maeght, Bacon-Freud: Expressions, July-October 1995.</p> <p>Stockholm, Moderna Museet, Wounds: Between Democracy and Redemption in Contemporary Art, February-April 1998.</p> <p>Paris, Fondation Dina Vierny-Musée Maillol, Francis Bacon: Le Sacré et le Profane, April-June 2004.</p> <p>Edinburgh, Scottish National Gallery of Modern Art, Francis Bacon: Portraits and Heads, June-September 2005.</p> <p>Hamburger Kunsthalle, Francis Bacon. Die Portraits, October 2005-January 2006.</p> <p>London, Tate Britain; Madrid, Museo Nacional del Prado and New York, Metropolitan Museum of Art, Francis Bacon: A Centenary Retrospective, September 2008-August 2009.</p>
Catalogue raisonné	M. Harrison, 2016, no. 63-15
Last sale	Christie's New York, 17 May 2017, Lot 38 – B, sold for USD 51.7 million including buyer's premium
Comparable sale	<p>Francis Bacon, Three Studies for Portrait of George Dyer (on light ground) (1964), sold for USD 45.4 million in 2014.</p> <p>Francis Bacon, Three Studies of George Dyer (1966), sold for USD 38.6 million in 2017.</p>
Independent valuation	<p>Valuation Report by Winston Art Group:</p> <ul style="list-style-type: none">Fair market value: USD 45 million <p>Valuation Report by Dr. Roman Kräussl:</p> <ul style="list-style-type: none">Fair market value (hammer price): USD 49.5 million to USD 57.0 million.Final offer price (including a liquidity premium of 3 percent): in the range of USD 51.0 million to USD 59.0 million
Additional information on estimated price	<p>As per the Valuation Report by Dr. Roman Kräussl:</p> <ul style="list-style-type: none">Theoretical annualised return on investment (ROI) for an average

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appreciation	<p>Bacon painting: 14.1%</p> <p>As per the artist report² published by ArtExplored (affiliated company of the Corporate Agent):</p> <ul style="list-style-type: none"> • Average CAGR for Bacon’s small triptychs: 11.7% • Inflation-adjusted price of <i>Three Studies for Portrait of George Dyer</i> (1963): USD 63.2 million³
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SUMMARY OF THE OVERVIEW OF THE ARTWORK

Three Studies for Portrait of George Dyer (1963), a seminal triptych by Francis Bacon, is a profound testament to the artist's emotional depth and innovative approach to portraiture. As Bacon's first portrayal of George Dyer⁴, his most favoured muse and romantic partner, this artwork holds a special place in his oeuvre. Bacon's obsession with Dyer is evident in the numerous portraits created during the 1960s and even after Dyer's tragic suicide in 1971, marking a period of intense creativity and emotional turmoil for the artist.

This triptych, executed at the pinnacle of Bacon's career, showcases his revolutionary reimagining of the portrait genre in the 20th Century. Bacon’s technique, characterised by a semi-abstract blur, masterfully captures the dual aspects of his subjects — their outward appearance and inner psychological state. In *Three Studies for Portrait of George Dyer*, this approach is vividly realised; the shifting contours of Dyer's face present multiple facets of his complex personality. He is depicted as both confident and assertive yet simultaneously vulnerable and troubled, embodying the human condition's multifaceted nature.

Set against an enigmatic, dark backdrop, Dyer's figure seems to emerge from the depths of his psyche, a visual representation of inner turmoil and existential angst. Bacon's distinctive treatment of flesh, often evoking raw meat, is not merely a stylistic choice but a profound reflection on mortality and the ephemeral nature of human existence.

Furthermore, the triptych format, a recurring device in Bacon's work, is more than a stylistic preference – it allows the artist to describe various facets of the same subject. Each panel of the Artwork offers a distinct perspective on Dyer, contributing to a holistic understanding of his persona. This piece is not only pivotal in Bacon's exploration of small portrait paintings, which he had just begun to delve into at the time⁵ but also in cementing his legacy as an artist who redefined the boundaries of portraiture.

Of the 583 existing paintings by Bacon, around 40 are small portrait triptychs created over the course of a 20-year period, and they very rarely hit the market. *Three Studies for Portrait of George Dyer* is one of five small

² ArtExplored, *Artist Report, Francis Bacon*, ArtExplored, July 2023, pp. 32 and 38 <<https://www.artexplored.com/Francis-Bacon-Artist-Report/index.html#/page/0>>.

³ 2017 sale price adjusted for inflation using the December 2022 US CPI-U index (consumer price index) as follows: December 2022 US CPI-U / May 2017 US CPI-U x Sale price = 298.112 / 244.193 x 51767500 = 63198015

⁴ Harrison, *Francis Bacon: Catalogue Raisonné*.

⁵ *Three Studies for Portrait of George Dyer* is a cornerstone in establishing the small portrait paintings (each panel measures 35.5 x 30.5 cm) which the artist adopted one year before in 1962

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triptychs depicting his adored muse, two of which are housed in museums⁶, while the other three remain in private hands.

In acquiring *Three Studies for Portrait of George Dyer*, the Company does not merely invest in a piece of art; it invests in a rich, multifaceted historical narrative, a testament to the complexity of human emotion and the revolutionary spirit of one of the 20th Century's most influential artists.

CONDITION OF THE ARTWORK

The Artwork was examined by RES SaRL, having its registered address at 21, rue du Pont Aux Choux, 75003 Paris, France (“RES SaRL”).

Based on an examination on 3 February 2023, a condition report for the Artwork was issued by RES SaRL and a subsequent report was issued on 28 September 2023 (the “**Condition Report**”). This Condition Report contained in **Annex B** of this Offering Memorandum.

The Condition Report concluded that the overall condition of the Artwork is excellent.

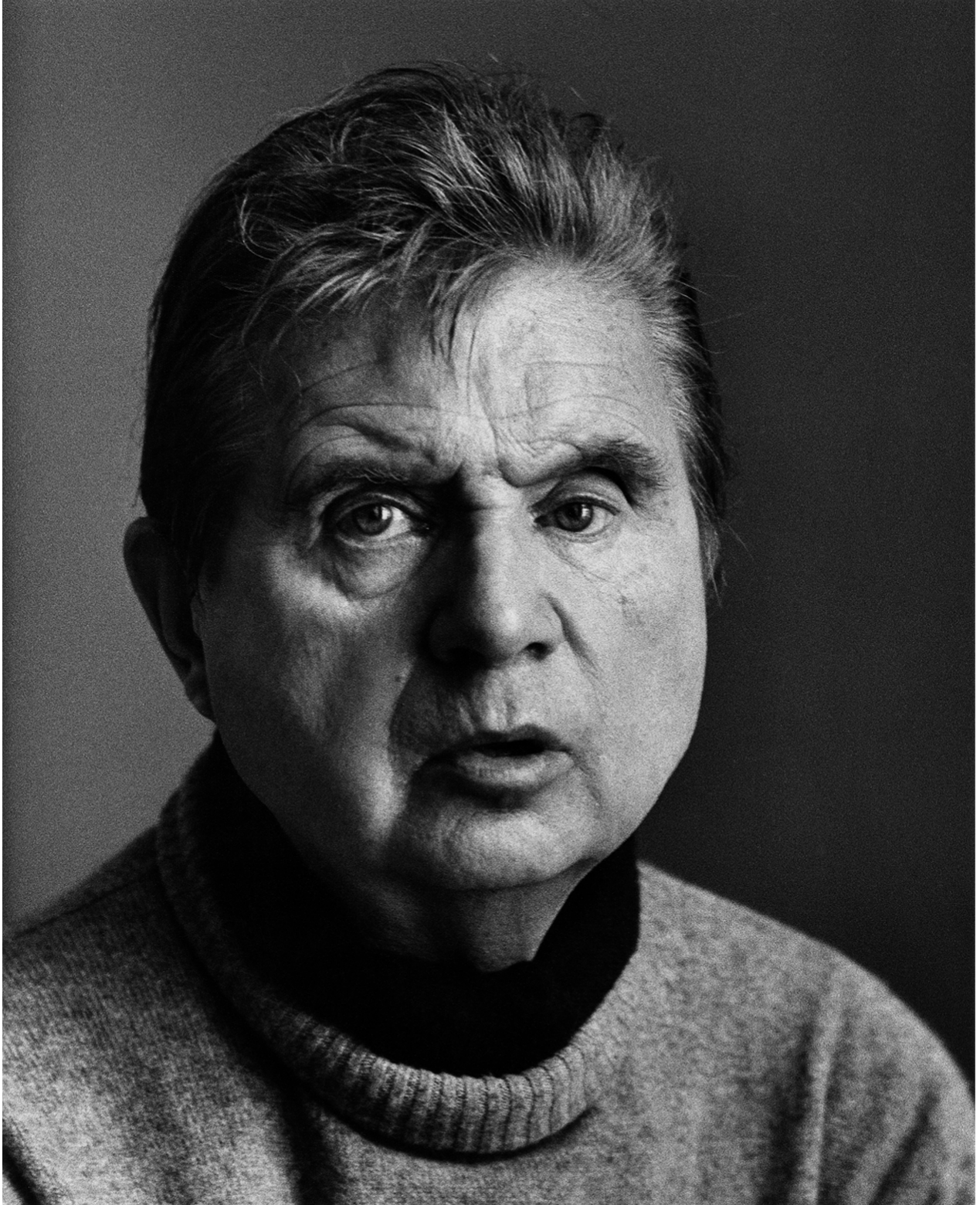
Considering all the elements composing the pictures, as well as the fact it apparently never underwent any restoration treatment, it has been concluded that the paintings will not develop any alteration in the short run if conserved and manipulated properly.

It has been noted that the glass present with each frame provides essential protection against UV radiations, avoiding the premature fading of colours, and providing physical protection against impacts, and that the cardboard backing is also an excellent protection against dust accumulation and impacts. Certain recommendations have been given to ensure the maximum durability of the Artwork and its current state.

⁶Three Studies for Portrait of George Dyer (on pink ground) (1964) is exhibited in the Susan and Anton Roland-Rosenberg Collection presentation at the Tel Aviv Museum of Art and *Three Studies of George Dyer* (1969) belongs to the Louisiana Museum of Modern Art, Humlebæk

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The Artist: *Francis Bacon*



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Francis Bacon (1909-1992) is one of the most successful painters of the 20th century, making his mark on the history of art with his decidedly innovative body of work. Away from the growing tendency of his time towards abstract art, the painting of Francis Bacon defies any classification. Instead, Bacon created a unique artistic style on the border between abstraction and figuration. This singularity requires a special treatment, falling outside of historical and stylistic patterns. Bacon was self-taught and did not receive any proper training as an artist. Yet, his work was instantly acclaimed by scholars, curators, and critics,⁷ as well as the public, for its distinctive and disturbing realism. Above all, Bacon is credited with having revolutionised the genre of portrait that allowed him to convey the psychological state of his subjects in addition to representing their physical appearance.

Francis Bacon was born in Ireland in 1909 and died in Madrid at the age of 83. Living through two world wars, he witnessed the violence generated by deep political tensions. His father, Captain Anthony Edward Mortimer Bacon, served in the army and later worked in the War Office during World War I, and his mother, Christina Winifred Firth, was heiress to a Sheffield steel business and coal mine. Family relationships were complicated as Francis dealt with his emerging homosexuality which was never accepted by his father. He was expelled from the family home in Ireland in 1926, at only 16.⁸

Following a short time living in London, he moved to Berlin and later stayed with a French family near Chantilly to learn the language where he first started to take a definitive interest in art. There, he discovered museums and galleries, and was strongly impressed by the *Massacre of the Innocents* (**fig.2**) by Nicolas Poussin, housed at the Musée Condé, not far from Chantilly. He spent the next year-and-a-half in Paris, where he saw the exhibition 'One Hundred Drawings of Picasso' and from that crucial moment, he started to conceive his first watercolours and drawings.⁹

In 1929, he moved back to London and started a career as a decorator and designer, and in 1930, an article in *Studio* magazine featured him as a furniture designer. However, he soon abandoned the design field to focus on painting. This radical move was encouraged by his participation in an exhibition with Jean Sheppard¹⁰ and Roy de Maistre¹¹ – his most influential artistic contacts in the 1930s.

1933 was a key year for Bacon: he produced his first significant work, notably *The Crucifixion* (**fig.3**), which marked his original approach to painting. It was exhibited at the Mayor Gallery, purchased by Sir Michael Sadler, and reproduced in Herbert Read's *Art Now*.¹²

In 1937, four of his works¹³ were included in a group show entitled 'Young British Painters', alongside Roy de Maistre.

⁷ Michael Peppiatt, *Francis Bacon, Anatomie d'une énigme*, trans. by Jeanne Bouniort (Barcelone: Flammarion, 2019), p. 380.

During Bacon's lifetime, numerous personalities from the art world wrote texts on the occasion of exhibitions organised by museums and galleries, to name a few: Max Clarac-Serou (1955); Roland Penrose and David Sylvester (1957); Robert Melville (1960); John Rothenstein and Ronald Alley (1962); John Russell (1965); Michel Leiris (1967/1971/1977); Henry Geldzahler (1975).

⁸ Michael Peppiatt and Stephen F. Eisenman, *Francis Bacon, l'Homme et la Bête*, ed. by Fonds Mercator (London: Royal Academy of Arts, 2021), pp. 137-138.

⁹ Peppiatt and Eisenman, p. 138.

¹⁰ *Jean Sheppard* (1904-1989) was an actress and artist. She became a member of the Emotionist group of painters, musicians, philosophers, poets and actors. In 1930 she exhibited with Francis Bacon and Roy de Maistre in Bacon's Queensbury Mews rooms.

¹¹ *Roy de Maistre* (1894-1968) was an Australian artist of international fame. He is renowned in Australian art for his experimentation with 'colour-music'. Influenced by Cubism, he is recognised as the first Australian artist to use pure abstraction.

¹² Peppiatt and Eisenman, p. 138.

¹³ These works include: *Figures in a Garden*, *Abstraction*, *Abstraction from the human form*, and *Seated Figures*.

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During this period of his life, although Bacon was artistically inspired, he destroyed almost all of the paintings he had produced out of self-criticism.¹⁴ It was only from the end of the 1950s that he allowed an important quantity to survive, although two of his major works were completed between 1944 and 1946: *Three Studies for Figures at the Base of a Crucifixion* (fig.4) and *Painting 1946* (fig.5). In 1948, Alfred Barr¹⁵ acquired *Painting 1946* from Erica Brausen¹⁶ for the Museum of Modern Art, New York, marking the beginnings of Bacon's international recognition and the first time his work was acquired by a museum.¹⁷

German art dealer Erica Brausen, who had emigrated to the UK, was among Bacon's most enthusiastic supporters. She organised the artist's first solo show at the Hanover Gallery in November 1949.¹⁸ On this occasion, the art critic Robert Melville, who was also an early biographer of Picasso, published an article in *Horizon*, expressing his appreciation for Bacon's artistic style.¹⁹

Established as one of the leading post-war painters, Bacon's success grew throughout the 1950s, exhibiting at the Hanover Gallery and participating in numerous other events that contributed to the development of his career internationally. These included his first New York solo show at Durlacher Bros in 1953, his first exhibition in Paris at the Galerie Rive Droite in 1957, and his first institutional exhibition in the British Pavilion at the Venice Biennale in 1954.

In October 1958, he made a breakthrough, signing a contract with Marlborough Fine Art²⁰, the representative dealer that acted for him for the rest of his life. He also set up a studio at 7 Reece Mews in 1961 where he would continue to work until he died.

The 1960s proved to be the most important decade in Bacon's artistic career. His work had attracted both gallery owners and art dealers and started to be demanded by the most prestigious museums. In 1962 he had his first major museum retrospective at the Tate Gallery in London²¹, which later travelled to the Solomon R. Guggenheim Museum in New York. It was the first in a series of many other international exhibitions that widened Bacon's circle of collectors and confirmed his reputation as an unclassifiable artist.²² That same year, David Sylvester, a British art critic and curator, began making a famous series of interviews with Bacon on BBC Radio.

Bacon also met George Dyer in 1963 who became his companion, and the protagonist of his most successful works conceived between the 1960s and the 1970s. Dyer died on 24 October 1971 in a Parisian Hotel, two nights before the opening of the most significant exhibition Bacon ever had in his lifetime, at the Grand Palais in Paris.²³ He was the second living artist after Pablo Picasso to have been granted such an honour²⁴, and in showing one hundred and eight paintings, Bacon had reached the pinnacle of success. A succession of other

¹⁴ Peppiatt and Eisenman, p. 139.

¹⁵ Alfred H. Barr (1902-1981) was an art historian and the first director of the MoMA in New York from 1929 until 1943.

¹⁶ Erica Brausen (1908-1992) was an art dealer and gallerist who established the Hanover Gallery in London from 1948.

¹⁷ Peppiatt and Eisenman, p. 140.

¹⁸ Peppiatt and Eisenman, p. 142.

¹⁹ Peppiatt, p. 125.

²⁰ Marlborough Fine Art was an art gallery founded in London in 1946 by Frank Lloyd and Harry Fischer. In 1963 another gallery was opened as Marlborough Gerson in Manhattan.

²¹ On the eve of the vernissage, Bacon discovered that his then-partner Peter Lacy had died in Tangiers.

²² Peppiatt, p. 202.

²³ Didier Ottinger, *Bacon En Toutes Lettres* (Paris: Centre Pompidou, 2019), p. 229.

²⁴ Peppiatt and Eisenman, p. 145.

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exhibitions followed at some of the most prestigious art galleries, such as the Galerie Claude Bernard, Galerie Maeght, and Galerie Lelong.

Bacon's constant international exhibition activity ensured that his work grew more and more in recognition around the world with exhibitions in Mexico and Caracas in 1977, in Madrid in 1978, in Japan in 1983, and a second time at the Tate Gallery in 1985, during which time, the then-director of the Tate, Sir Alan Bowness, had defined him as 'The greatest of living painters'.²⁵

In 1988, a major exhibition was dedicated to him in Moscow, one of the last he had in his lifetime, and the first time a living Western artist had been exhibited in the USSR.²⁶

Francis Bacon's deep devotion to art acted as both a haven and a way to express his childhood suffering. He created a unique artistic style and succeeded in exploring different aspects of human life. Aggravated asthma caused him severe breathing problems, and he eventually died of a heart attack in 1992 in Madrid, leaving behind an eternal artistic legacy.

IMAGES:

Fig.1 Francis Bacon © Photo by Raphael GAILLARDE/Gamma-Rapho via Getty Images

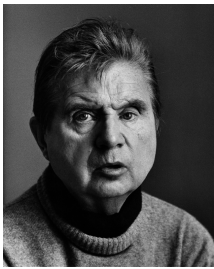
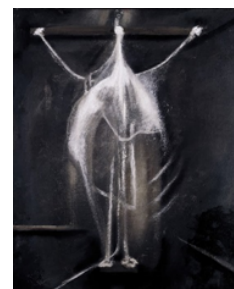


Fig.2 Nicolas Poussin, *Massacre of the Innocents*, c.1628. Oil on canvas, 147 x 171 cm. Musée Condé, Chantilly (France)



Fig.3 Francis Bacon, *Crucifixion*, 1933. Oil on canvas, 62 x 48.5 cm. Private Collection © The Estate of Francis Bacon. All rights reserved, DACS 2023



²⁵ Sir Alan Bowness, 'Foreword' in *London* 1985, p. 7 cited Peppiatt and Eisenman, p. 147.

²⁶ Peppiatt and Eisenman, p. 148.

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Fig.4 Francis Bacon, *Three Studies for Figures at the Base of a Crucifixion*, 1944. Oil on canvas, Tate Modern, London © The Estate of Francis Bacon. All rights reserved, DACS 2023



Fig.5 Francis Bacon, *Painting* 1946. Oil and pastel on canvas, 198 x 132 cm. Museum of Modern Art, New York © The Estate of Francis Bacon. All rights reserved, DACS 2023



FRANCIS BACON ART MARKET ANALYSIS

Bacon's market appeal transcends traditional art categorisations. Some consider him a modern artist, others a post-war artist, attracting a wide range of collectors and placing him among the top-selling artists of the 20th Century. The demand for his works is evidenced by the record-breaking auction sales and the high sell-through rate of his paintings. *Three Studies for Portrait of George Dyer* has achieved a remarkable result at auction, further cementing its status as a valuable asset. Auctioned by Christie's New York in 2017 for USD 51.7 million, the Artwork achieved the eighth most expensive price ever paid at auction for Bacon and is the artist's most expensive small triptych ever sold. Ongoing auction records indicate a strong and sustained interest in Bacon's work²⁷.

Bacon lived through both world wars, which deeply influenced his work and unique perspective. He created a radical new art language that defies any classification. This singularity also influences his categorisation from a market perspective. The art market segmentation is generally based on the artists' dates of birth, so to classify them among different sectors such as Modern or Post-War. However, there is a small number of artists that can be included in different sectors because of their relevance to a particular artistic period. Most of the auctioned artworks by Francis Bacon (born 1909) are included in the Post-War and Contemporary sector despite the fact that he is considered as a Modern artist from a classical perspective. Consequently, various art market reports present the artist's market data and results either with those of other Modern artists such

²⁷ ArtExplored. *Artist Report*, p. 12.

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as Pablo Picasso, or with those of Post-War and Contemporary artists. This particular cross-categorisation status led Francis Bacon to be considered among the highest-selling artists of the 20th Century, whether in one or the other segment, interesting a wide range of collectors.

A dominant figure of the British art scene, Francis Bacon was already recognised during his lifetime as one of the most important painters of the 20th century by museums and scholars.

Institutions have been actively committed to Bacon's work, which ensures stability and durability to the market of his paintings. From the 1960s onward, important retrospectives of his work were held by major museums such as the Tate in London (1962 and later in 1985), the Solomon R. Guggenheim in New York (1963), and the Grand Palais in Paris (1971). Ongoing support continues to this day with recurring exhibitions that include solo shows held at the Centre Pompidou in Paris (2019-2020), the Museum of Fine Arts in Houston (2020), as well as the Royal Academy of Arts in London (2022). These major events generate new research and discoveries in relation to Bacon's work and prompt a surge of public interest, which in turn is expected to have a positive effect on the market, with Bacon's works increasing in value. The publication of Bacon's catalogue raisonné by Martin Harrison in 2016, also plays an important part in strengthening Bacon's market, casting a new light upon the artist's production as a whole and building greater confidence in the authentication process of his works. Only around 580 of Bacon's paintings are known to survive today, and about 70% of that production is still held in private collections, including the Artwork, with the remaining 30% being housed in institutions worldwide.²⁸ Although the total number of paintings is limited, the bulk of his work remaining in private hands today create a favourable situation to allow the market to sustain its development.

Since Bacon's death in 1992, two of his works have set records for the artist. He became the highest valued post-war artist at auction, when his *Triptych 1976* (1976) sold for USD 86.2 million in 2008,²⁹ and his current record is held by *Three Studies of Lucian Freud* (1969) (**Fig. A**), that sold for USD 142.4 million in 2013. At the time, it became the most expensive artwork to ever sell at auction.³⁰ Paintings by Bacon of the greatest quality belong to the high-end of the auction market and are sought after by the most prominent collectors in this field, to the extent they are not already part of major public collections and institutions worldwide.

The total sales revenue for Bacon's market over a period ranging from January 2003 to December 2022 amounts to USD 3.2 billion, on the basis of actualised prices, calculated as sales prices achieved over this period, adjusted for inflation using the December 2022 US CPI-U index.³¹ Although paintings by Bacon come to the market on a recurring basis, only 148 lots in this category have been offered at auction over that period and 135 of these lots sold, which translates into a 91.2% sell-through rate. A succession of major works has been put up for sale since the mid-2000s as collectors started to part with them, and their prices soared, causing Bacon's market to rise with escalating values.³²

Bacon's market is dominated by high value sales, with almost 60% of the lots that sold from 2003 to 2022 having fetched above USD 10 million on an actualised price basis. These 78 lots sold for a little less than USD

²⁸ Harrison, *Francis Bacon: Catalogue Raisonné*.

²⁹ Carol Vogel, 'Bacon Triptych Auctioned for Record \$86 Million', *The New York Times*, 15 May 2008 <<https://www.nytimes.com/2008/05/15/arts/design/15auction.html>> (para. 1 of 17).

³⁰ Carol Vogel, 'At \$142.4 Million, Triptych Is the Most Expensive Artwork Ever Sold at an Auction', *The New York Times*, 12 November 2013 <<https://www.nytimes.com/2013/11/13/arts/design/bacons-study-of-freud-sells-for-more-than-142-million.html>> (para. 1 of 5).

³¹ ArtExplored, *Artist Report*, p. 12.

³² ArtExplored, *Artist Report*, p. 12.

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3 billion in total and made up for about 94% of Bacon's market in value. Among these lots, 59 sold for actualised prices of between USD 10 million and USD 50 million; 16 lots sold for actualised prices of between USD 50 million and USD 100 million and 3 lots sold for actualised prices of over USD 100 million.³³

Bacon's highest prices were mostly achieved during two peaks in 2007-2008³⁴ and 2013-2015. Over the period from January 2007 until December 2022, 28 paintings were sold for actualised prices above USD 40 million, 15 of which were sold during these two peaks.³⁵

His market has remained solid, and paintings of the highest quality are always in demand, achieving the highest prices. It even proved remarkably resilient during the 2020 economic recession with the sale of *Triptych Inspired by the Oresteia of Aeschylus* (1981) (**Fig. B**) that was acquired for a price of USD 84.5 million at auction, equivalent to an actualised price of USD 93 million, the fourth most expensive work by the artist by actualised value.³⁶ This painting was also the most expensive artwork sold at auction that year.³⁷

2022 was a very successful year for Bacon's market, with annual sales revenue of over USD 250 million, resulting in its highest total since previous market peaks.³⁸ *Study for Portrait of Lucian Freud* (1964) (**Fig. C**) was one of the top lots of Sotheby's Jubilee auction that took place in London that year. Acquired for USD 52.5 million, it was the most expensive contemporary painting sold there since 2014^[39] and confirmed the strong interest for Bacon's most important paintings. Almost a year later, in May 2023, a small self-portrait of the artist, dated 1969 (**Fig. D**), sold for USD 34.6 million against a pre-sale estimate of USD 22-28 million. It largely outperformed its pre-sale high estimate by 24%, confirming that works by the artist of the highest quality remain highly sought-after.

The paintings by Bacon that attract the highest prices combine at least two of the following characteristics: a large-scale dimension (9 out of 10 of the most expensive lots by actualised price), a triptych format (6 out of 10), a creation date between 1960 and 1969 (being the most important decade in the artist's career) (5 out of 10), and a known subject, with the most valuable being George Dyer and Lucian Freud (6 out of 10; 3 being of George Dyer).⁴⁰

The Artwork, *Three Studies for Portrait of George Dyer*, is representative of the upper tier of Bacon's market, as it meets all of these requirements, with the exception of the large-scale dimensions. In fact, it is the only small-scale painting that falls within the top-ten list of Bacon's most expensive works sold at auction, which makes it a significant painting in the category of the small portrait triptychs. It was brought to auction on one occasion, selling for USD 51.7 million in 2017. It achieved an auction record for a small triptych by the artist and is the eighth most expensive price ever paid at auction for Bacon. Today, it ranks ninth among his most expensive paintings by actualised price.⁴¹

³³ ArtExplored, *Artist Report*, p. 44-45.

³⁴ This important peak in Bacon's market, that appeared during the global financial crisis of 2007-2008, suggests that his oeuvre could be perceived as a store of value.

³⁵ ArtExplored, *Artist Report*, p. 44-45.

³⁶ ArtExplored, *Artist Report*, p. 44-45.

³⁷ Carlie Porterfield, 'What 2020's Most Expensive Painting Says About The Art Market', Forbes, 30 December 2020 <<https://www.forbes.com/sites/carlieporterfield/2021/12/30/what-2020s-most-expensive-painting-says-about-the-art-market/>>.

³⁸ ArtExplored, *Artist Report*, p. 12.

³⁹ Naomi Rea, 'Francis Bacon's \$52.7 Million Portrait of Lucian Freud Was the Star of Sotheby's Otherwise Lackluster London Sales', *artnet news*, 30 June 2022 <<https://news.artnet.com/market/sothebys-london-summer-auction-report-2139396>> (para. 4 of 13).

⁴⁰ ArtExplored, *Artist Report*, p. 32.

⁴¹ ArtExplored, *Artist Report*, p. 44.

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Overall, small triptychs by Bacon are rarely put up for sale. Over a 20-year period (between 2003-2022), they have only represented 19 lots brought to auction, ten of which were created in the 1960s and three of which depict George Dyer, including the Artwork.⁴² The opportunity to acquire *Three Studies for Portrait of George Dyer* is therefore a highly rare occurrence on the market. Within that 20-year period, the small triptychs have demonstrated a 100% sell-through rate, which means that all lots offered found buyers. They account for USD 576.3 million of sales revenue in total, that represents 17.7% of Bacon's market in value and have an average actualised sales price of USD 30.3 million. 15 out of the 19 sold lots carried pre-sale estimates, and more than a quarter of these lots (26.7%) sold above their high estimate, while the remaining 73.3% sold within their estimates, which shows the great performance of such works. The average CAGR for small triptychs, based on seven repeat sales in this category, is of 11.7%, which is remarkably high compared to the average CAGR of 8.3% for Bacon's paintings resold at auction, between 2003-2022.⁴³ The highest CAGR for Bacon's paintings overall was achieved by a small triptych: *Three Studies for Self-Portrait* (1976) (**Fig. E**) is a depiction of the artist which sold three times, in 1999, in 2005, and in 2008, demonstrating a CAGR of 25.3% between 1999 and 2008. Among the five most expensive small triptychs sold at auction during that period, three depict George Dyer, including the Artwork, fetching over USD 45 million each in actualised value.⁴⁴ (**Fig. F, G, H**). This makes Dyer one of the most sought-after subjects among Bacon's small triptychs, and more generally, his entire works.

Among the 40 or so existing small portrait triptychs, that represent less than 7% of Bacon's artistic output, only five depict George Dyer.⁴⁵ These small triptychs depicting Dyer constitute a unique series which perfectly embodies Bacon's stylistic innovation, and which remains partly in private hands, with two of these paintings being housed in museums (the Tel Aviv Museum of Art and the Louisiana Museum of Art, Humlebæk). *Three Studies for Portrait of George Dyer* is the first artwork that Bacon made in this series, as well as the first painting he ever made of George Dyer. Painted in the early 1960s, it is also one of Bacon's first small portrait triptychs, that would become an emblematic format in his work. That makes *Three Studies for Portrait of George Dyer* a rare example of Bacon's moving tribute to his muse in this intimate triptych scale still available for acquisition.

IMAGES:

Fig. A Francis Bacon, *Three Studies of Lucian Freud*, 1969. Oil on canvas, in three parts, 198 cm x 147.5 cm (each). Private Collection © The Estate of Francis Bacon. All rights reserved, DACS 2023

⁴² ArtExplored, *Artist Report*, pp. 38 and 44-45.

⁴³ ArtExplored, *Artist Report*, pp. 16 and 38.

⁴⁴ ArtExplored, *Artist Report*, p. 16 and 44-45.

⁴⁵ Harrison, *Francis Bacon: Catalogue Raisonné*.

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Fig. B Francis Bacon, *Triptych Inspired by the Oresteia of Aeschylus*, 1981. Oil on canvas, in three parts, 198 x 147.5 cm (each). Private Collection © The Estate of Francis Bacon. All rights reserved, DACS 2023

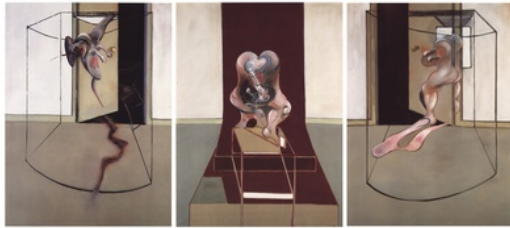


Fig. C Francis Bacon, *Study for Portrait of Lucian Freud*, 1964. Oil on canvas, 198 x 147.8 cm. Private Collection © The Estate of Francis Bacon. All rights reserved, DACS 2023



Fig. D Francis Bacon, *Self-Portrait*, 1969. Oil on canvas, 35.5 x 30.5 cm. Private Collection © The Estate of Francis Bacon. All rights reserved, DACS 2023



Fig. E Francis Bacon, *Three Studies for Self-Portrait*, 1976. Oil on canvas, in three parts, 35.5 x 30.5 cm (each). Private Collection © The Estate of Francis Bacon. All rights reserved, DACS 2023

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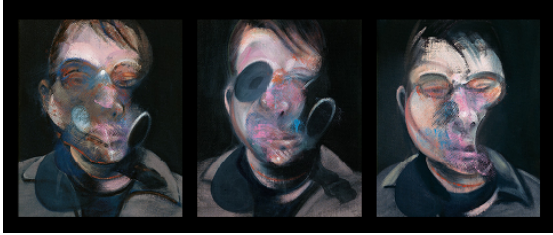


Fig. F Francis Bacon, *Three Studies for Portrait of George Dyer*, 1963. Oil on canvas; in three parts, 35.5 x 30.5 cm (each) (The Artwork). © The Estate of Francis Bacon. All rights reserved, DACS 2023

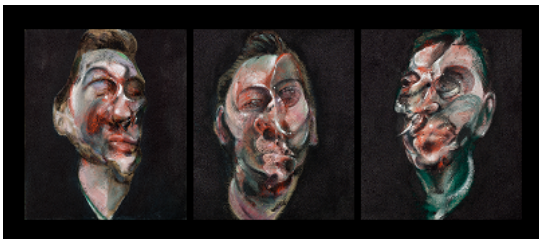


Fig. G Francis Bacon, *Three Studies of George Dyer*, 1966. Oil on canvas, in three parts, 35.5 x 30.5 cm. Private Collection © The Estate of Francis Bacon. All rights reserved, DACS 2023

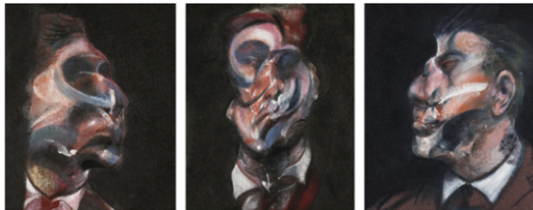
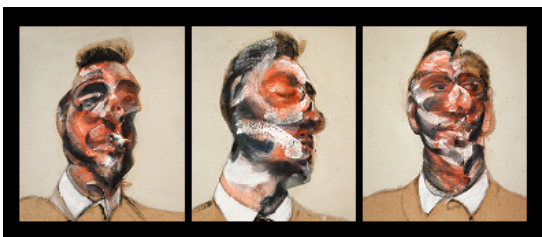


Fig. H Francis Bacon, *Three Studies for Portrait of George Dyer (on light ground)*, 1964. Oil on canvas; in three parts, 35.5 x 30.5 cm. Private Collection © The Estate of Francis Bacon. All rights reserved, DACS 2023



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I. Essential information

NO OPERATING HISTORY

The Company is a recently incorporated company.

The Company is not aware of any governmental, legal or arbitration proceedings which may have, or have had in the recent past significant effects on the issuer and/or group's financial position or profitability.

The Company will publish audited financial statements within 6 months from each financial year end, prepared in accordance with the LuxGAAP reporting standards. The financial year of the Company starts each year on 1 January and it ends each year on 31 December.

CAPITALISATION AND INDEBTNESS

At the incorporation of the Company on 5 December 2022, the share capital of the Company consisted of 40,000 Class A Shares, without nominal value, denominated in USD.

As of 31 December 2022, the share capital of the Company consisted of 40,000 Class A Shares, without nominal value, denominated in USD. The share capital was converted on 16 February 2024 into 1 Class A Share with a nominal value of USD 40,000. As at the date of this Offering Memorandum, only 25% of the capital of the Class A Share is paid up.

WORKING CAPITAL STATEMENT

The Company, in its own opinion and in line with the duration of the validity of the Offering Memorandum, estimates that there is not sufficient working capital for a period of at least 12 months after the publication of the Offering Memorandum.

The Corporate Agent has an obligation to subsidise costs and expenses of the Company as per the Professional Services Agreement (see **Annex C** of this Offering Memorandum). The Corporate Agent principal activity is to intermediate the sale and purchase of artworks and to provide professional corporate services to the issuers such as the Company to be listed on ARTEX MTF. Founded and fully owned by ARTEX AG, the Corporate Agent is managed by Mr. Yassir Benjelloun-Touimi, H.S.H. Prince Wenceslas of Liechtenstein and Mr. Roman Schmidt.

Pursuant to the terms and conditions of the Professional Services Agreement and in particular pursuant to Clause 5.2 thereof, and in case of insufficient liquidity and capital resources of the Company (as duly evidenced by the Company), the Corporate Agent will manage and subsidise the ongoing services (as specified in the Professional Services Agreement) relating to the Company.

Following the subscription of the Offered Shares, the Company will reimburse the Corporate Agent from the amounts allocated to the Company Setup Fee for all costs and expenses incurred in the set-up of the Company, as well as for all costs and expenses incurred and leading up to the closing of the Offering, such costs being ultimately borne by the Seller.

The authorised share capital of the Company is set at USD 55,000,000 and shall be used only for the

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issuance of the Offered Shares (i.e., Class B Shares).

Prior to the Offering, the share capital of the Company will be entirely held by the Class A Shareholder.

STATEMENT OF CAPITALISATION

The below statement of capitalisation is made as of 31 October 2023.

Total current debt (including current portion of non-current debt)	USD 55,424,286
Guaranteed	/
Secured	/
Unguaranteed / unsecured	USD 55,424,286
Total non-current debt (excluding current portion of non-current debt)	USD 0
Guaranteed	/
Secured	/
Unguaranteed / unsecured	/
Shareholder equity	USD 40,000
Share capital	USD 10,000 (paid) USD 30,000 (unpaid)
Legal reserve(s)	/
Other reserves	/

STATEMENT OF INDEBTEDNESS

The below statement of indebtedness is made as of 31 October 2023:

Cash	USD 7,265
Cash equivalents	/
Other current financial assets	USD 477,387
Liquidity	USD 484,652
Current financial debt (including debt instruments, but excluding current portion of non-current financial debt)	USD 55,444,652.00
Current portion of non-current financial debt	/

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Current financial indebtedness	USD 55,444,652.00
Net current financial indebtedness	USD 54,960,000
Non-current financial debt (excluding current portion and debt instruments)	/
Debt instruments	/
Non-current trade and other payables	/
Non-current financial indebtedness	/
Total financial indebtedness	USD 54,960,000

REASONS FOR THE OFFERING AND USE OF PROCEEDS

○ *Investment in the Artwork*

The Offering is conducted to allow investors to indirectly invest in the Artwork, hence giving investor access to a fraction of the Artwork by way of a securitisation transaction in proportion to their investment.

○ *Museums and cultural institutions' partnerships*

It is foreseen that the Artwork will be displayed in museums and/or cultural institutions around the world to make it accessible to the public.

In order to promote and democratise art, the Artwork is intended to be made available as a loan to major museums and institutions for free.

In general terms, this will involve schemes whereby the Artwork is loaned for short periods to make it publicly accessible in temporary exhibitions, on longer-term loans to museums and art galleries or for study, educational, or conservation purposes, while contributing to public understanding of the loaned Artwork. The Corporate Agent shall decide where the Artwork will be exhibited and it will keep shareholders of the Company informed press release which will also be available on the Company's website.

The loan or display of the Artwork will be in accordance with previously agreed high-level security and optimal conditions.

○ *Acquisition of the Artwork and payment of the consideration of the acquisition of the Artwork and costs and expenses related to the subscription of the Offered Shares*

Following its incorporation, the Company entered into the Asset Purchase Agreement relating to the Artwork with the Seller.

Under the provisions of the Asset Purchase Agreement, the consideration for the Artwork remains outstanding in the form of the Loan of the same amount as the Artwork (i.e., USD 55,000,000) (*crédit vendeur*) from the Seller to the Company in accordance with the terms and conditions of the Loan Agreement (the "**Consideration**").

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The receivable due from the Company to the Seller under the Loan shall be repaid in cash from the proceeds of the subscription of the Offered Shares, whereby the loan amount to be repaid will be reduced by the Fees and the net proceeds of the subscription of the Offered Shares will be paid to the Seller. The Company will therefore not receive any proceeds from the subscription of the Offered Shares.

Should the cash proceeds of the subscription of the Offered Shares not be sufficient to repay the Loan (after deduction of the Fees), the outstanding balance shall be repaid by the transfer of the Remaining Shares to the Seller, which will be set off against the outstanding portion of the Loan in accordance with the Companies Law.

All legal and beneficial title to the Artwork shall be transferred from the Seller to the Company at the earlier of: (i) the publication of the press release confirming the completion of the placement of the Offered Shares and setting forth the Offer Price, (ii) the date of the settlement of the Offering, or (iii) any earlier date agreed between the Seller and the Company, provided that any such date occurs on or before 8 March 2024.

FEES

The fees and expenses related to the purchase of the Offered Shares are borne by the Seller and shall reduce the repayment obligation by the Company under the Loan of the same amount. These fees which are ultimately borne by the Seller are:

- sourcing fee: 2% of the gross proceeds from the purchase of the Offered Shares (the “**Sourcing Fee**”);
- bookrunner and placement fee: 1.5% of the gross proceeds for the Sole Bookrunner (the “**Bookrunner Fee**”) and, if any, 1.5% of the gross proceeds for the Placement Agent (as defined below) (the “**Placement Fee**”);
- arranger fee: 3% of the gross proceeds from the purchase of the Offered Shares (the “**Corporate Agent Fee**”), such Corporate Agent Fee being due to the Corporate Agent under the Professional Services Agreement as compensation of the services rendered by the Corporate Agent to the Company;

(the “**IPO Fees**”), and

- the Company setup fee: 0.4% of the value of the Offered Shares (including costs charged by the appraisers for the Valuation Reports and legal fees related to legal advisory services related to the Offering) (the “**Company Setup Fee**”).

The Company Setup Fee shall be used by the Company for covering costs incurred with the Offering. To the extent that the Corporate Agent incurred costs and expenses in the set-up of the Company, and/or costs and expenses leading up to the initial closing of the Offering, the Gross Proceeds (as defined below) shall be used to pay the Company Setup Fee which will reimburse the Corporate Agent for such costs and expenses, as per the Professional Services Agreement. Should the costs incurred in relation to the subscription of the Offered Shares be greater than the Company Setup Fee, the Company shall request for the Corporate Agent to cover the difference pursuant, to clause 5.1 of the Professional Service Agreement. It is expected that the costs incurred

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by the Corporate Agent which are reimbursable as per the Professional Service Agreement will exceed the Company Setup Fee.

The IPO Fees and the Company Setup Fee (together, the “Fees”) shall be all the fees ultimately borne by the Seller; the amount of the Fees advanced by the Company shall reduce the repayment obligation of the Company under the Loan accordingly.

The following table presents an illustration of two scenarios (i.e. (i) placement of 75% of the Offered Shares and (ii) placement of 100% of the Offered Shares). The table (“Table 1”) shows the fees and the proceeds both in USD and EUR assuming an exchange rate of 1.10 and the price per share of USD 100.

		75%		100%	
Currency		USD	EUR*	USD	EUR*
Number of Shares subscribed	(A)	412,500	412,500	550,000	550,000
Price per share	(B)	100	90.91	100	90.91
Gross Proceeds	(C) = (A) x (B)	41,250,000	37,500,000	55,000,000	50,000,000
Placement Agent Fee	(D) = (C) x 1.5%	618,750	562,500	825,000	750,000
Bookrunner Fee	(E) = (C) x 1.5%	618,750	562,500	825,000	750,000
Sourcing Agent Fee	(F) = (C) x 2%	825,000	750,000	1,100,000	1,000,000
Corporate Agent Fee	(G) = (C) x 3%	1,237,500	1,125,000	1,650,000	1,500,000
IPO Fees	(H) = (D) + (E) + (F) + (G)	3,300,000	3,000,000	4,400,000	4,000,000
Company Setup Fee	(I) = 550,000 x (B) x 0.4%	220,000	200,000	220,000	200,000
Fees	(J) = (H) + (I)	3,520,000	3,200,000	4,620,000	4,200,000
Net Proceeds	(K) = (C) - (J)	37,730,000	34,300,000	50,380,000	45,800,000
Shares subscribed by the Seller	(L) = 550,000 - (A)	137,500	137,500	0	0
Price of Seller Shares	(M) = (L) x (B)	13,750,000	12,500,000	0	0
Fees borne by the Seller	(O) = Loan - (M) - (K)	3,520,000	3,200,000	4,620,000	4,200,000

* Assumes a EURUSD exchange rate of 1.10

With respect to any ongoing costs associated with the Artwork, the Company has entered into a Professional Services Agreement with the Corporate Agent, under which the Corporate Agent has undertaken to subsidise cost and expenses of the Company in case of insufficient capital resources of the Company.

The ongoing costs are related to the management of the Artwork and they are both fixed and variable in nature.

The fixed costs are estimated at USD 30,000, of which:

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- USD 5,000 per annum in respect of an annual condition report; and
- USD 25,000 for each round trip in respect of transportation to and from a relevant museum.

Variable costs are estimated at USD 50,305.44, of which:

- USD 35,305.44 per annum in respect of the insurance of the Artwork, at an insured value of USD 56,944,250; and
- USD 15,000 per annum, representing costs associated with restoration and conservation works, if circumstances so require.

Consequently, investors subscribing to the Offered Shares shall not bear (i) any Fees nor (ii) any ongoing costs of the Company.

The Fees shall be paid in EUR based on the Offering Price expressed in USD and the Exchange Rate. The scenarios in Table 1 assume a theoretical EUR-USD exchange rate of 1.10 given such Exchange Rate is not known at the date of this Offering Memorandum. However, the Exchange Rate may differ at the fixing date.

USE OF PROCEEDS

For the purpose of this section all amounts are listed in USD but will be payable at their EUR equivalent, by applying the Exchange Rate, per Offered Share.

As shown in Table 1 in section "Fees", the gross proceeds from the Offering shall be equal to the number of Offered Shares subscribed multiplied by the Offer Price per Offered Share (the "**Gross Proceeds**").

The Gross Proceeds, reduced by the amount of the Fees borne by the Seller, shall be equal to the net proceeds (the "**Net Proceeds**").

The Net Proceeds shall be used by the Company to repay the Loan. In the event where the amount of Net Proceeds is not sufficient to repay the Loan, the Seller shall have the right to receive Remaining Shares in consideration for the contribution of the remaining portion of the Loan to the account 115 "*apport en capitaux propres non rémunéré par des titres*" of the Luxembourg standard chart of accounts (plan comptable normalisé) of the Company.

II. Information on the Company

GENERAL INFORMATION ABOUT THE COMPANY

Formation, incorporation, commercial name and registered office	Art Share 002 S.A. , a public limited liability company (<i>société anonyme</i>), incorporated under the laws of the Grand Duchy of Luxembourg, has its registered office at 16, rue E. Ruppert, L-2453 Luxembourg, Grand Duchy of Luxembourg and is registered with the RCSL under number B273672, having the status of an unregulated securitisation undertaking (<i>organisme</i>
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	<p><i>de titrisation</i>) within the meaning of the Luxembourg law of 22 March 2004 on securitisation, as amended. The Company was incorporated on 5 December 2022.</p> <p>The telephone number of the Company is +352 422229.</p> <p>The website of the Company is www.artshare002.com.</p>
Financial year and duration	<p>The financial year of the Company starts on 1 January and ends on 31 December of each year. The first financial year was a short financial year from the date of incorporation of the Company to the end of the calendar year.</p> <p>The Company has been incorporated for an unlimited duration.</p>
History	<p>The Company was incorporated on 5 December 2022 and does not yet have an established track history. The principal activities of the Company to date have been limited to organisational activities, including those necessary for the acquisition of the Artwork, the preparation and execution of the Offering of the Offered Shares, and the Admission and the Listing.</p> <p>The Company was founded by the Class A Shareholder.</p> <p>The Company is not a regulated entity and is not required to obtain any specific license under Luxembourg laws or any foreign laws for the purpose of conducting its business and in particular to list the Class B Shares.</p>
Corporate purpose	<p>The Company was established for the specific purpose of acquiring, maintaining, promoting and ultimately selling the Artwork.</p> <p>According to Article 3 of the Articles, the sole purpose of the Company is to enter into a securitisation transaction within the meaning of the Securitisation Law regarding an artwork (the “Artwork”). The Company may, in this context, assume risks, existing or future, relating to the holding of the Artwork.</p> <p>The Company may assume those risks by acquiring the Artwork. It may also, to the extent permitted by law and these Articles, transfer or dispose of the Artwork and all related claims it holds, whether existing or future.</p> <p>Risk acquired and assumed by the Company shall be financed through the issuance of shares, whose value return and/or yield depends on such risks that are offered through a private</p>

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	<p>placement within the limit set forth in article 19 of the Securitisation Law.</p> <p>The Company may perform all legal, commercial, technical and financial investments or operations and in general, all transactions which are necessary or useful to fulfil and develop its purpose, as well as all operations connected directly or indirectly to facilitating the accomplishment of its purpose in all areas described above within the limits of the Securitisation Law.</p> <p>The Company may carry out any transactions, whether commercial or financial, which are directly or indirectly connected with its corporate object at the exclusion of any banking activity and engage in any lawful act or activity and exercise any powers permitted for securitisation vehicles under the Securitisation Law to which the Company is subject, that, in either case, are incidental to and necessary or convenient for the accomplishment of the above mentioned purposes; provided that the same are not contrary to the foregoing purposes.</p>
Approved statutory auditor	<p>The Company appointed Groupe Audit Luxembourg, a private limited liability company (<i>société à responsabilité limitée</i>) governed by the laws of the Grand Duchy of Luxembourg, having its registered office at 4, rue Pierre de Coubertin, L-1358 Luxembourg, Grand Duchy of Luxembourg and registered with the RCSL under number B171737 as its approved statutory auditor (<i>réviseur d'entreprises agréé</i>).</p>
Real property	<p>Following the transfer of ownership over the Artwork, as detailed in the section "Material Contracts" - Asset Purchase Agreement, the Company's sole real property shall be the Artwork.</p> <p>Until the effective transfer of title over the Artwork, the Artwork is under the ownership of the Seller.</p> <p>As of the date of this Offering Memorandum, neither the Seller nor the Company have leases for real property.</p>
Employees	<p>The Company has no employees.</p>
Insurance Agreement	<p>As of the date of the Offering Memorandum, an insurance agreement has been put in place with the Lloyd's underwriter Staple Hall Underwriting Services Limited, having its registered office at 52-54 Gracechurch Street, London EC3V 0EH, United</p>

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	<p>Kingdom, to maintain an adequate insurance coverage for the Artwork.</p> <p>Additionally, the Board of Directors is covered under a director and officer insurance agreement entered into between the Class A Shareholder and Geo Europe on behalf of Lloyd's Insurance Company S.A., covering all entities of which Class A Shareholder is a shareholder, subject to an aggregate cap of EUR 1 billion pertaining to the underlying asset purchased by each entity.</p>
Legal proceedings	<p>The Company is not involved in any litigation or other legal proceedings.</p>
Material contracts	<p>As at the date of this Offering Memorandum, the Company entered into the following material contracts, further detailed in section "Material Contracts" of this Offering Memorandum:</p> <ul style="list-style-type: none">• Asset Purchase Agreement• Loan Agreement• Professional Services Agreement• Engagement Letter with the Sole Bookrunner• Engagement Letter with the Auditor• Insurance Agreement• Subscription Agreement

Share capital of the Company and applicable regulations:

Current share capital, shares	<p>As at the date of this Offering Memorandum the Company's share capital is set at USD 40,000 represented by one Class A Share with a nominal value of USD 40,000, of which 25% has been paid up in accordance with the Companies Law. The Class A Share is held by the Class A Shareholder as detailed out in the section "Major Shareholder" of this Offering Memorandum.</p>
Development of the share capital	<p>The Company was incorporated on 5 December 2022 with a share capital of USD 40,000.- divided into 40,000 Class A Shares without nominal value, of which 25% has been paid up in accordance with the Companies Law.</p> <p>On 16 February 2024, the extraordinary general meeting of</p>

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	<p>shareholders of the Company resolved, among others, to set the share capital at USD 40,000 represented by 1 Class A Share with a nominal value of USD 40,000, of which 25% has been paid up in accordance with the Companies Law.</p> <p>Following the Offering, the Company's share capital is expected to increase by the number of the Offered Shares multiplied by the price of the Offered Shares, subscribed for or issued to set-off any outstanding proportion of the Loan.</p>
Authorised share capital	<p>As per article 5.3.1 of the Articles, the Board of Directors is authorised to increase the Company's share capital up to USD 55,000,000 (excluding the existing Company's issued share capital) through the issuance of Offered Shares for a period 5 years as from adoption of the Articles or any deed amending the Articles with regard to the creation, renewal or increase of the authorised share capital, such authorisation being renewable on one or more occasions by the shareholders' meeting for a period which, for each renewal, may not exceed 5 years, provided that the aggregate accounting par value of the authorised share capital issued does not exceed an amount of USD 55,000,000. The Board of Directors may determine in its sole discretion the conditions of any capital increase including without limitation through contributions in cash (including set-off) or in kind, by incorporation of reserves, share premiums or retained earnings, with or without issue of new shares. The Board of Directors shall in particular (but without limitation) be authorised to issue up to 550,000 Offered Shares. Offered Shares issued under the authorised share capital may be issued to such persons and on such terms as the Board shall see fit and specifically, the Board of Directors is authorised to proceed with such issue without reserving a preferential right to subscribe to the shares to be issued for the existing shareholders.</p>
Dividend policy	<p>The Company does not otherwise anticipate generating net profits and thus does not expect to pay any dividends on the Offered Shares in the foreseeable future. However, should the Company generate any net profits, it will distribute any and all such annual net profits to the shareholders as dividends in accordance with article 22 of the Articles.</p>
General rules on allocation of	<p>The Company does not anticipate generating net profits and thus does not expect to pay any dividends on the Offered Shares</p>

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profits and dividend payment	<p>in the foreseeable future.</p> <p>Allocation of profits and dividend payment rules of the Company are governed by the provisions of article 22 of the Articles.</p> <p>In accordance with the Articles, every year a 5% deduction from the net profits is allocated to a legal reserve until it reaches 10% of the share capital. Dividends can be distributed by the Board of Directors or by the shareholders at the general shareholders' meeting in compliance with the Securitisation Law, the Companies Law and the Articles.</p> <p>Distributions are made from the profits and reserves available for distribution. The Board of Directors can declare and pay interim dividends, in compliance with legal requirements and conditions in the Articles, with any overpayment accounted for in the next dividend.</p>
General provisions governing the liquidation of the Company	<p>General provisions governing the liquidation of the Company are set out in article 23 of the Articles.</p> <p>Any dissolution of the Company is required by Companies Law and article 19.10 of the Articles to be approved at a General Meeting. A liquidation of the Company is required to be conducted by one or more liquidator(s) appointed at a General Meeting, who would also set their powers and compensation. After settling all debts and charges, including liquidation expenses, the net liquidation proceeds are to be distributed to the shareholders in line with the distribution rules set out for dividend distributions.</p>
General provisions governing a change in the share capital	<p>Changes to the Company's share capital are required to be made in compliance with the provisions of the Articles, Company Law and Securitisation Law. The Company's share capital may be increased or reduced by a resolution of the general meeting of shareholders adopted as required for an amendment of the Articles or by the Board of Directors in accordance with the Company Law and the provisions of article 5.3 of the Articles.</p>
Shareholdings Disclosure Requirements	<p>On the date of this Offering Memorandum, the Class A Shareholder is the sole shareholder of the Company and directly owns 100% of the share capital of the Company. After the purchase of the Offered Shares, up to 25% of the Offered Shares will be held by the Seller, if not subscribed by the other</p>

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	<p>investors.</p> <p>After the purchase of the Offered Shares, shareholders whose holdings reach, exceed or fall below the significant threshold holdings set out in Rule 62 (<i>Disclosure obligations in respect of significant holdings</i>) of the of the Admission and Operating Rules shall notify the Company in accordance with Rule 66 (<i>Notification to the Company</i>) of the Admission and Operating Rules. In this context, the Company shall make the notification available to the public and shall make a Company announcement.</p> <p>The Company shall comply with the shareholdings disclosures obligations set out in Rule 65 (<i>Disclosures by the Company</i>) of the Admission and Operating Rules.</p>
Amendment to the Rights of Shareholders	<p>The rights attached to the Offered Shares are governed by Luxembourg law and by the Articles. Further to the Listing, any amendments to these rights require a resolution by the shareholders in a General Meeting and the prior approval of and notification to ARTEX MTF, in accordance with the Admission and Operating Rules.</p> <p>Pursuant to Companies Law and the Articles, any amendments to the rights of shareholders as reflected in the Articles, would require the approval of at least two-thirds of the votes cast at a General Meeting. The General meeting must reach a quorum of at least 50% of the issued share capital for this purpose. If such quorum is not achieved at the first meeting, a second meeting can be convened, at which decisions can be taken regardless of the proportion of capital represented.</p> <p>Certain additional changes, such as the change of corporate form or nationality of the Company, require the approval of at least two third of the votes cast.</p>

The Articles were last amended on 16 February 2024 and are in the process of being filed with the RCSL and in the process of being published on the RESA (as defined below).

Pursuant to article 3 of the Articles:

*“ 3.1 The sole purpose of the Company is to enter into a securitisation transaction within the meaning of the Securitisation Law regarding an artwork, the details of which shall be provided in the Offering Memorandum as the case may be (the **Artwork**). The Company may, in this context, assume*

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risks, existing or future, relating to the holding of the Artwork.

3.2 *The Company may assume those risks by acquiring the Artwork. It may also, to the extent permitted by law and these Articles, transfer or dispose of the Artwork and all related claims it holds, whether existing or future.*

3.3 *Risk acquired and assumed by the Company shall be financed through the issuance of shares, whose value return and/or yield depends on such risks that are offered to the public and/or through a private placement within the limit set forth in article 19 of the Securitisation Law.*

3.4 *The Company may perform all legal, commercial, technical and financial investments or operations and in general, all transactions which are necessary or useful to fulfil and develop its purpose, as well as all operations connected directly or indirectly to facilitating the accomplishment of its purpose in all areas described above within the limits of the Securitisation Law.*

3.5 *The Company may carry out any transactions, whether commercial or financial, which are directly or indirectly connected with its corporate object at the exclusion of any banking activity and engage in any lawful act or activity and exercise any powers permitted for securitisation vehicles under the Securitisation Law to which the Company is subject, that, in either case, are incidental to and necessary or convenient for the accomplishment of the above mentioned purposes; provided that the same are not contrary to the foregoing purposes.”*

The Company will place Class B Shares, terms and conditions of which are fully detailed in the Articles and in this Offering Memorandum. Such Class B Shares shall be subsequently admitted to trading on ARTEX MTF.

The Company is not a regulated entity and is not required to obtain any specific license under Luxembourg laws or any foreign laws for the purpose of conducting its business and in particular to list the Class B Shares.

The Company has the status of an unregulated securitisation undertaking (*organisme de titrisation*) within the meaning of the Securitisation Law. It was incorporated and established to facilitate the purchase of an artwork, *Three Studies for Portrait of George Dyer* by Francis Bacon, which in return will create an instrument through which the Artwork can be securitised into a fractional, investable and freely tradeable asset class.

A complete and detailed description of the contemplated transaction process is contained in the section of this Offering Memorandum titled “*Reasons for the Offering and use of proceeds*”.

MAIN INFORMATION ABOUT THE OFFERED SHARES

Securities offered	Offered Shares are in registered form. Offered Shares are registered in the Company's shareholders register in the name of the Common Depository (as defined below), itself acting on behalf
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	<p>of the holders of the Offered Shares.</p> <p>In this respect, the Paying Agent (as defined below) is appointed to authenticate and deliver a Global Certificate (as defined below) to the Common Depositary, for as long as the Offered Shares are represented by the Global Certificate which is held with the Common Depositary in registered form.</p> <p>The records of such Global Certificate shall be conclusive evidence at any time of the registration of the number of Offered Shares in the Company's shareholders register.</p> <p>Each of the persons shown in the records of the Common Depositary as the holder of an Offered Share represented by the Global Certificate should rely solely on the Common Depositary as the record of his shareholding and of each payment made by the Company in relation to such shareholding.</p> <p>Such persons shall have no claim directly against the Company in respect of payments due on the Offered Shares for so as long as the Offered Shares are represented by such Global Certificate and such obligations of the Company will be discharged by payment to the Paying Agent (as defined below).</p>
Offer price	<p>The Company intends to offer the Offered Shares at a price in EUR which is equivalent to USD 100, by applying the Exchange Rate, per Offered Share (the "Offer Price").</p>
Offer period	<p>The Offer Period is expected to be from 16 February 2024 to 5 March 2024 for orders (the "Offer Period").</p>
Placement restrictions	<p>The Remaining Shares to be held by the Seller are subject to the following selling restrictions:</p> <ul style="list-style-type: none">- During the first 3 months from the offering, the Seller shall not be able to sell any of the Remaining Shares;- following the period of 3 months from the offering, the Seller shall have the option to direct the Company to sell on its behalf, via ARTEX MTF

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	<p>one third of the Remaining Shares;</p> <ul style="list-style-type: none">- following the period of 4 months and 15 calendar days from the offering, the Seller shall have the option to direct the Company to further sell on ARTEX MTF one third of the Remaining Shares; and- following the period of 6 months from the offering, the Seller shall have the option to direct the Company to further sell on ARTEX MTF any balance of Remaining Shares then held. <p>The Seller has empowered the Company to have the option to place at all times any of the Remaining Shares at a price in excess of the Offer Price, subject to such Remaining Shares being issued at a maximum discount of 3% to the average closing market price for the previous 5 Business Days, unless otherwise agreed between the Company and the Seller.</p>
Underlying asset	The painting called <i>Three Studies for Portrait of George Dyer</i> , by Francis Bacon, as described in section "Underlying Asset".
Status of the Class B Shares	The Class B Shares will represent equity of the Company. The Class B Shares will rank equally in respect of all rights, distributions and payments.
Taxation	<p>Prospective purchasers of the Offered Shares are advised to consult their own tax advisors as to the tax consequences of any purchase, ownership and disposal of the Class B Shares.</p> <p>The tax legislation of the shareholder's Member States and/or other relevant jurisdictions and of the Company's country of incorporation may have an impact on the income received on the Offered Shares.</p>
ARTEX MTF ticker symbols	BAC1EU
Legal Entity Identifier (LEI) of the Company	254900OEKYEX6EFPVO79

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International Security Identification Number of the Class B Shares	LU2583605592
Ownership cap	<p>A maximum ownership cap of 10% applies to the Offered Shares pursuant to article 12 of the Articles (<i>Mandatory asset purchase</i>) and Part II, Chapter 1, Part II (<i>Mandatory asset purchase</i>) of the Admission and Operating Rules.</p> <p>The Ownership Cap calculation for all purposes, including, but not limited to direct and/or indirect ownership and ownership through acquisition by persons acting in concert.</p> <p>The Ownership Cap does not apply to the Seller with respect to the Remaining Shares to be held by the Seller at closing of the Offering until the Seller reduces its holding of Offered Shares down to 10% of the total number of Offered Shares in issue. After the closing of the Offering, the Seller may not subscribe or acquire to new Offered Shares until it has reduced its holding to 10% and when the Seller's holding reaches 10% of the total number of Offered Shares in issue, the Ownership Cap will apply.</p> <p>Pursuant to article 7 of the Articles, in case of a breach of, or events contemplated by, the Articles or the functioning rules of the Company described in this Offering Memorandum or the Admission and Operating Rules, shareholders agree to a sale on ARTEX MTF any Offered Shares they possess over the Ownership Cap by the Ownership Trustee (as defined below) or any other persons appointed by it.</p>
Mandatory asset purchase	<p>When a shareholder holds Offered Shares in excess of the Ownership Cap, such shareholder shall initiate a mandatory asset purchase pursuant to Part II, Chapter 1 (<i>Mandatory assets purchase</i>) of the Admission and Operating Rules and in accordance with article 12 of the Articles.</p> <p>Such Shareholder shall within the Take-out Deadline (as defined bellow) either (i) initiate a mandatory asset purchase in accordance with the provisions of</p>

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	<p>the Admission and Operating Rules as further detailed in Part II, Chapter 1 (<i>Mandatory assets purchase</i>) to the extent that initiation of such mandatory asset purchase does not occur earlier than 9 months as from the date of this Offering Memorandum or, alternatively (ii) transfer the Offered Shares within the Take-out Deadline with a view to lowering its holding below the Ownership Cap.</p> <p>The shareholder exceeding the Ownership Cap threshold and initiating a mandatory asset purchase in accordance with option (i) as stated above, shall make a bid to the Company to acquire the Artwork at a bid price. Following a Successful Bid, the Bidder shall purchase the Artwork. The proceeds of the sale shall be distributed as return of capital to the Corporate Agent and to the shareholders in accordance with Rule 3.10 of Part II, Chapter 1, Part II (<i>Mandatory assets purchase</i>) of the Admission and Operating Rules.</p> <p>The Company shall enforce the terms of the Ownership Cap in case a shareholder is in default upon the expiry of the Take-out Deadline in accordance with article 7 of the Articles.</p> <p>In that case, the Corporate Agent or any party appointed by it shall sell the defaulting shareholders Offered Shares in excess of the Ownership Cap on ARTEX MTF pursuant to a Forced Sale mechanism contemplated in article 7 of the Articles.</p>
Legislation under which the Offered Shares have been created	<p>The Class B Shares and any rights and obligations arising out of or in connection with them shall be governed by and construed in accordance with Luxembourg law.</p>
Payments and settlement	<p>Delivery of the Class B Shares against payment of the Offer Price shall be made in EUR through the facilities of a Clearing Agency (as defined below).</p>
Other securities	<p>Save the Class B Shares, the Company has not issued any listed or unlisted securities not</p>

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	representing the Company's share capital. The Company has no outstanding convertible securities, exchangeable securities or securities with warrants. There are no relevant acquisition rights or obligations over the Company's authorized but unissued capital or undertakings to increase the Company's issued share capital.
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BUSINESS OVERVIEW

The Company is a public limited liability company (*société anonyme*) incorporated under the laws of the Grand Duchy of Luxembourg existing as a securitisation undertaking (*organisme de titrisation*) within the meaning of the Securitisation Law. It has been set-up to issue shares, tracking the economic risk associated with the Artwork and any other associated risk within the meaning of article 53 of the Securitisation Law financed inter alia by such shares.

The Company was established to facilitate fractional investment in the Artwork through the issuance shares (i.e., undertaking a securitisation transaction of the Artwork).

The principal activity of the Company is to hold and securitise the Artwork, as well as assuming risks, existing or future, relating to the holding of the Artwork. The Company's principal activities to date have been limited to organisational activities, including entering into certain agreement (i) for the acquisition of the Artwork and (ii) those necessary for the preparation and execution of the Offering, the Admission and the Listing.

The Company is managed by the Board of Directors.

The Company does not expect to generate revenues or cashflows from lending the Artwork to museums for free. The Company will not conduct any business activities except for activities relating to the ownership, maintenance and promotion of the Artwork, to the extent that such activities shall be limited to a passive administration of the ownership of the Artwork.

The strategy will be to display and promote the Artwork in a manner designed to improve public understanding of it.

CLASSES OF SHARES

Following the Offering, the shareholding structure will consist of Class A Share and Class B Shares, held respectively by the Class A Shareholder and Class B Shareholders.

- Class A Shares

The Class A Shareholder is further detailed in section V "Major shareholders and related-party transactions", and it shall have the exclusive right to propose a list of names for consideration by the

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General Meeting (as defined below) regarding the appointment of the director(s) of the Company. Class A Shares are not redeemable shares and each Class A Share entitles the holder to one vote.

The Class A Shareholder shall approve certain reserved matters as set out in Article 19.6 of the Articles, namely (i) the listing and trading of the Offered Shares onto another exchange market than ARTEX MTF and (ii) any entry by the Company into any joint venture, partnership, profit sharing agreement, consolidation, amalgamation, liquidation process and/or major project requires the favourable vote or written consent of the Class A Shareholder.

Each of the Class A Shareholder has a preferential right of subscription within the Class A Shares in the event of the issue of new Class A Shares, in return for contributions in cash. Such preferential right of subscription shall be proportional to the fraction of the issued share capital represented by the Class A Shares held by each Class A Shareholder.

- Class B Shares

Class B Shares are redeemable shares and each Class B Share entitles the holder to one vote. For as long as they are admitted to trading, Class B Shareholders must comply at all times with the terms of this Offering Memorandum, the Articles and the ARTEX MTF Admission and Operating Rules. Class B Shares are subject to the Ownership Cap and in the event of breach of the Ownership Cap, Class B Shareholders shall, within a period of 30 calendar days either (i) make a bid to purchase the Artwork as described below in the section "Mandatory Asset Purchase" of this Offering Memorandum, or (ii) reduce its holding below the Ownership Cap.

Each Class B Share shall entitle a distribution of the net profits related to the Artwork, the Company's assets and the liquidation surplus, in accordance with the Articles.

Each Class B Shareholder has a preferential right of subscription within the Class B Shares in the event of the issue of new Class B Shares, in return for contributions in cash. Such preferential right of subscription shall be proportional to the fraction of the issued share capital represented by the Class B Shares held by each Class B Shareholder.

Any amendments to the rights attached to Shares and to these Articles require a resolution of the General Meeting and, for so long some or all of the Offered Shares are listed on ARTEX MTF, any amendment to the rights attached to the Offered Shares will be subject to a prior notification to ARTEX MTF and the consent thereof in accordance with the Admission and Operating Rules, as amended from time to time.

SPECIFIC REGULATORY FRAMEWORK

The rules on preventing market abuse set out in the MAR (as detailed below) and the Liechtenstein Law of 24 November 2006 against Market Abuse in the Trading of Financial Instruments (Market Abuse Act; MG) are applicable to the Company, persons discharging managerial responsibilities within the Company (including the members of the Board of Directors), persons closely associated with such persons, other insiders and persons performing or conducting transactions in the Company's financial instruments. Certain important market abuse rules set out in the MAR that are relevant for investors are described hereunder.

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The Company is required to make inside information public. Pursuant to the MAR, inside information is information of a precise nature, which has not been made public, relating, directly or indirectly, to the Company or to one or more financial instruments, and which, if it were made public, would be likely to have a significant effect on the prices of those financial instruments or on the price of related derivative financial instruments. Unless an exception applies, the Company must without delay publish the inside information by means of a press release and post and maintain it on its website for at least 5 years. The Company may not combine the disclosure of inside information to the public with the marketing of its activities. The Company may also be required to provide ARTEX MTF and the FMA with any press release that contains inside information at the time of publication.

It is prohibited for any person to make use of inside information by acquiring or disposing of, for its own account or for the account of a third party, directly or indirectly, financial instruments to which that information relates, as well as an attempt thereto (insider dealing). The use of inside information by cancelling or amending an order concerning a financial instrument to which the information relates where the order was placed before the person concerned possessed the inside information also constitutes insider dealing. In addition, it is prohibited for any person to disclose inside information to anyone else (except where the disclosure is made in the normal exercise of an employment, profession or duties) or, whilst in possession of inside information, to recommend or induce anyone to acquire or dispose of financial instruments to which the information relates. Furthermore, it is prohibited for any person to engage in or attempt to engage in market manipulation, for instance by conducting transactions which give, or are likely to give, false or misleading signals as to the supply of, the demand for or the price of a financial instrument.

Pursuant to article 19 of the MAR, persons discharging managerial responsibilities, as well as persons being closely associated with them (being “persons closely associated with a person discharging managerial responsibilities”) must notify the FMA and the Company of every transaction conducted on their own account relating to the shares or debt instruments of the Company or to derivatives or other financial instruments linked thereto. The disclosure must be made within 3 Business Days following the date of the transaction. Notification is not required if the total sum of all transactions involving a person holding managerial responsibilities and their related parties is less than EUR 5,000 for the calendar year.

The Company shall ensure that the information that is notified in accordance with the above paragraph is made public promptly and no later than 3 Business Days after the transaction in a manner which enables fast access to this information on a non-discriminatory basis in accordance with the implementing technical standards referred to in point (a) of article 17(10) of MAR.

For the purpose of MAR, “persons discharging managerial responsibilities” means a person within the Issuer who is (i) a member of the administrative, management or supervisory body of the Company or (ii) a senior executive who is not a member of the latter bodies, who has regular access to inside information relating, directly or indirectly, to the Company, and power to take managerial decisions affecting the future developments and business prospects of the Company. Persons closely associated with a person discharging managerial responsibilities within the Company include the following persons:

- a spouse of the person discharging managerial responsibilities, or a partner of that person considered by national law as equivalent to a spouse,

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- according to national law, a dependent child of the person discharging managerial responsibilities,
- a relative of the person discharging managerial responsibilities, who has shared the same household as that person for at least 1 year on the date of the transaction concerned, or
- a legal person, trust or partnership, the managerial responsibilities of which are discharged by a person discharging managerial responsibilities or by a person closely associated with such person as referred to under the above bullet points, which is directly or indirectly controlled by such a person, or which is set up for the benefit of such a person, or the economic interests of which are substantially equivalent to those of such person.

GENERAL SHAREHOLDERS' MEETING

The shareholders exercise their collective rights at a general meeting of shareholders (the “**General Meeting**”). Any regularly constituted General Meeting of the Company shall represent the entire body of shareholders of the Company. General Meetings will be convened in accordance with the provisions of Companies Law and the Articles. The General Meeting is vested with the powers expressly reserved to it by the law and by the Articles.

The Board of Directors shall convene the annual General Meeting within a period of 6 months after the end of the Company's financial year. Other General Meetings may be held at such place and time as may be specified in the respective notices of meetings. General Meetings must be convened by the Board of Directors upon request in writing indicating the agenda and addressed to the Board of Directors by one or several shareholders representing at least 10% of the Company's issued share capital. In such case, a General Meeting must be convened and should be held within a period of 1 month from the receipt of such request. If following such a request a General Meeting is not held in due time, such shareholder(s) may request that the president of the district court (*Tribunal d'Arrondissement*) dealing with commercial matters and presiding over urgent matters appoint a delegate which will convene the General Meeting.

Decisions at a General Meeting are validly taken by a simple majority, irrespective of the number of shares represented (i.e., with no quorum requirements), unless the resolutions relate to certain specific matters as set out by applicable law and/or the Articles, including:

- the exclusion or limitation of preferential subscription rights (to the extent this has not been delegated to the Board of Directors in respect of any authorised capital);
- approving a legal merger or demerger (to the extent required by law);
- the voluntary liquidation of the Company;
- changes to the registered office of the Company to another jurisdiction; or
- an amendment of the Articles, including without limitation: (i) an increase or decrease of the authorised capital, (ii) an issuance of new shares and the corresponding increase of the share capital or (iii) a reduction of the share capital.

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Any vote on such resolutions shall require a quorum representing at least 50% of the Company's issued share capital to which voting rights are attached under the Articles or Luxembourg law, unless otherwise provided by the Articles or mandatorily required by law. If such quorum is not met at first call, a second general meeting may be convened at a later date with no quorum requirement in accordance with applicable law. Such resolutions shall be approved by a two-thirds majority of the votes validly cast on such resolution (whether at first call if the quorum requirement is met, or at second call with no quorum requirement). Abstentions are not considered votes.

Decisions with respect to the Class A Shareholder reserved matters under Art. 19.6 of the Articles require the approval of the Class A Shareholder, as detailed in the Articles.

Decisions with respect to a mandatory sale of the Artwork not resulting from a Forced Sale require the positive vote of Class B Shareholders representing more than 50% of the Class B Shares.

Convening notices must be published in the RESA and in a Luxembourg newspaper at least 15 calendar days before the meeting and may be published on the website of the Company. The notices shall be published in such other manner as may be required by laws, rules or regulations applicable to ARTEX MTF from time to time.

A General Meeting may validly debate and take decisions without complying with all or any of the convening requirements and formalities if all the shareholders have waived the relevant convening requirements and formalities either in writing or, at the relevant Shareholders' meeting, in person or by an authorised representative.

A shareholder may validly participate in a General Meeting through the medium of conference telephone, video conference or any similar form of communications equipment provided that all persons participating in the meeting are able to hear and speak to each other throughout the General Meeting. Subject to the provisions of the Companies Law, the shareholder participating in the General Meeting as per the Articles is deemed present for the calculation of quorum and majority.

A shareholder may be represented at a General Meeting by appointing in writing (or by fax or e-mail or any similar means of communication) a proxy or attorney who need not be a shareholder.

Each shareholder is entitled to attend a General Meeting, to address such meeting and, to the extent applicable, to exercise its voting rights. Shareholders may vote by proxy or written voting forms as specified in the convening notice. The notice of the meeting may determine that the voting rights may be exercised by means of electronic communication.

The Board of Directors may forthwith adjourn any General Meeting by 4 weeks. The Board of Directors must adjourn a meeting if so required by shareholders representing at least 10% of the Company's issued capital.

Such adjournment automatically cancels any resolution already adopted prior thereto. The adjourned General Meeting will have the same agenda as the first one. Shares and proxies regularly deposited in view of the first meeting remain validly deposited for the second one.

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CORPORATE GOVERNANCE REGIME

As a Luxembourg company which shares will be traded on ARTEX MTF, the Company is not required to adhere to the Luxembourg corporate governance regime applicable to Luxembourg companies that are traded in Luxembourg, and the Company has not elected to comply with such corporate governance regime.

III. Operating and financial review and prospects

OPERATING RESULTS

The Company was incorporated on 5 December 2022 and its first financial year ended on 31 December 2022.

LIQUIDITY AND CAPITAL RESOURCES

The subscribed share capital of the Company is USD 40,000 of which 25% has been paid up in accordance with the Companies Law.

It is expected that the Company's liquidity needs shall be satisfied upon the admission and trading of the Offered Shares on ARTEX MTF. In case of any shortage in liquidity, the liquidity needs of the Company shall be assured through the Professional Service Agreement that the Company has entered into with the Corporate Agent. The ongoing costs related to the management of the Artwork are expected to be at around USD 30,000 for the fixed costs and at around USD 50,305.44 for the variable costs as detailed in section "Ongoing Costs" of this Offering Memorandum.

The gross proceeds from Offered Shares are expected to be between the EUR equivalent of USD 41,250,000 and USD 55,000,000.

RESEARCH AND DEVELOPMENT, PATENTS AND LICENSES

The Corporate Agent has applied for rights to trademarks or trade names that the Company uses in connection with the operation of its business, including corporate names, logos and website names. In addition, Corporate Agent has the rights to copyrights, trade secrets and other proprietary rights that protect the business of Corporate Agent and that of the Company. The Corporate Agent does not own the copyright to the Artwork. This Offering Memorandum may also contain trademarks, service marks and trade names of other companies, which are the property of their respective owners. The Corporate Agent's use or display of third parties' trademarks, service marks, trade names or products in this Offering Memorandum is not intended to, and should not be read to, imply a relationship with or endorsement or sponsorship of the Corporate Agent. Solely for convenience, some of the copyrights, trade names and trademarks referred to in this Offering Memorandum are listed without their ©, ® and ™ symbols, but the Company will assert, to the fullest extent under applicable law, its rights to its copyrights, trade names and trademarks. All other trademarks are the property of their respective owners.

ONGOING COSTS

With respect to any ongoing costs associated with the Artwork, the Company has entered into a

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Professional Services Agreement with the Corporate Agent. Notwithstanding a Mandatory Asset Purchase event, investors subscribing to the Offered Shares shall not be responsible for bearing any such ongoing costs. The Company is not expected to generate any ongoing revenue for the foreseeable future. The ongoing costs related to the management of the Artwork are both fixed and variable in nature.

The fixed costs are estimated at USD 30,000, of which:

- USD 5,000 per annum in respect of an annual condition report; and
- USD 25,000 for each round trip in respect of transportation to and from a relevant museum.

Variable costs are estimated at USD 50,305.44, of which:

- USD 35,305.44 per annum in respect of the insurance of the Artwork, at an insured value of USD 56,944,250; and
- USD 15,000 per annum, representing costs associated with restoration and conservation works, if circumstances so require.

In case of insufficient capital resources of the Company, ongoing costs are assumed by the Corporate Agent in exchange for ongoing services rendered by the Corporate Agent to the Company, as provided in the Professional Services Agreement.

IV. Directors, senior management and employees

The Company is managed by a Board of Directors consisting of three directors, duly appointed in accordance with the Articles and the Companies Law, who have been appointed until the annual general meeting of the Company which will be convened for the purpose of approving the financial statements for the financial year ending 31 December 2027.

The Board of Directors has extensive powers to perform all the business operations and administrative functions within the scope of the Company's purpose as defined in the Articles and in conformity with the Companies Law. Powers not explicitly reserved to the shareholders by law or by the Articles fall within the competence of the Board of Directors.

DIRECTORS

The following are the directors of the Company:

1. Mr. Edouard de BURLET;
2. Ms. Ursula SCHMIDT; and
3. Mr. Ronan LE BOUC.

BIOGRAPHY

Edouard de BURLET has an extensive experience of over 40 years in the financial sector, holding prominent roles within Banque Privée Edmond de Rothschild Europe. Within the role, he has acted as Head of the Private Banking Department, Head of Investment Funds Commercial Department and has

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been a member in several coordination committees, including the committee in charge of the group ESG initiatives. Edouard has acted as a member of the board of directors of Edmond de Rothschild Nikko Co Ltd. in Tokyo, and later was in charge of its Professional Business Solution desk, promoting its wrapping structures and transversal business. Currently, Edouard is acting as independent director for investment funds domiciled in Luxembourg. He holds a Master II from the University of Louvain, a B.A. in Economics from the European University of Antwerp, and an MBA from the University of Dallas (USA).

Ursula SCHMIDT is former Executive Vice President in Audit & Compliance for RTL Group, having led for several years the Internal Audit and Compliance practice. Together with her team, she investigated compliance cases and ran a multitude of audit projects worldwide. She has also served as Secretary to the RTL Group's audit committee. Previously, Ursula held senior positions in strategy and controlling at RTL Group and served as chairman of the audit committee of Channel Five. After having helped operations in 30+ countries in setting up compliance frameworks and internal controls, risk management and anti-fraud processes, Ursula started working on a freelance basis to share her broad experience in Controls, Audit and Compliance with her clients internationally. Ursula holds a PhD in Economics from the University of Nuremberg, is a Certified Director at Deutsche Börse, and Certified Compliance & Ethics Professional – International (CCEP-Int.) with the Society of Corporate Compliance and Ethics (SCCE). She speaks German, French, English and Dutch fluently.

Ronan LE BOUC'S background includes over 30 years in the investment fund industry, notably for the DZ BANK Group. The value chain of cross-border funds becoming more complex, he developed, among others, for DZ BANK, an operational model allowing the export of financial vehicles in the clients' targeted host jurisdictions. He is also the author of a book dedicated to this issue, the second edition of which was published at the end of 2021. As independent director he is supporting cross-border investment vehicles particularly in their international development and raises awareness among board members of that question. He holds an MBA and DBA from ISM - St. John's university. He is fluent in French, English, and has a good command of German as well as basic Spanish.

Unless otherwise noted, the business address of each of the directors of the Company is 16, rue E. Ruppert, L-2453 Luxembourg, Grand Duchy of Luxembourg.

None of the directors have been convicted in relation to fraudulent offences for the previous 5 years. Neither have they been involved in any bankruptcy, receivership, liquidation procedures or in companies that have been put into administration or are involved with any such ongoing procedures.

The date of expiration of the current term of office for the directors is the date of the annual general meeting convened for the purpose of approving the financial statements for the financial year to December 2027.

As at the date of the Offering Memorandum, there are no principal activities performed by the directors outside of the Issuer, which are significant to the Issuer. The directors hold no shares in the Company and no options over such shares.

The members of the Board of Directors are also members of the board of directors of other securitisation undertakings (*organisme de titrisation*) within the meaning of the Securitisation Law initiated together with the Corporate Agent's group, whose corporate purpose also envisage the entering into one or more

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securitisation transactions regarding an artwork.

REMUNERATION

For the performance of their roles as directors, and except as may be determined by the shareholders, the directors shall be entitled to the following remuneration from the Company:

- i. an annual fixed remuneration of EUR 10,000 before deduction of any withholding tax and/or other levies deductible by law and exclusive of value added tax, if applicable, payable quarterly; and
- ii. promptly following the closing of the Offering, an additional annual fixed remuneration of EUR 2,000 before deduction of any withholding tax and/or other levies deductible by law and exclusive of value added tax, if applicable, payable quarterly.

The above amounts shall be paid out of the Company Setup Fee.

At the moment, the Company does not envision any increase to the remuneration of the directors.

BOARD PRACTICES

The Company will be managed by a Board of Directors composed of 3 or more directors who shall be appointed by the shareholders in accordance with the Companies Law and the Articles.

The term of office of the directors may not exceed 6 years and they may be re-appointed for successive terms. Directors may at any time be removed from office, with or without cause, by a shareholders' resolution passed in accordance with the Companies Law and the Articles. In case of vacancy of the office of a director appointed by the shareholders, the remaining directors so appointed shall appoint a director to fill the vacancy on a provisional basis. In such circumstances, the next General Meeting shall be asked to confirm the appointment in accordance with the Companies Law and the Articles.

The Board of Directors may appoint a chairman from among its members. It also may appoint a secretary, who need not be a director and who will be responsible for keeping the minutes of the meetings of the Board of Directors and of the shareholders. The Board of Directors will meet upon call by the chairman or by any of the directors by registered mail, facsimile, e-mail or any other similar means of communication, with a 48 hours prior notice. In case of emergency, a board meeting can be validly convened at any time provided the reasons of such emergency must be given in the notice convening the board meeting.

The chairman will preside at all meetings of the Board of Directors except that in his or her absence the Board of Directors may appoint another director as chairman, on a *pro tempore* basis by vote of the majority present or represented at such meeting.

No valid decision of the Board of Directors may be taken if the necessary quorum has not been reached. In case of an equality of votes, the chairman shall have the right to cast the deciding vote. The Board of Directors also may take decisions by means of resolutions in writing signed by all directors. Each director has one vote.

Within the limits provided for by Luxembourg law, the Board of Directors may delegate daily management of the Company and the authority to represent it to one or more persons. The delegation to a member of

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the Board of Directors shall require the Board of Directors to report each year to the ordinary general meeting on the salary, fees, and any advantages granted to the delegate.

Each director shall, immediately upon becoming aware of the fact that such director has, directly or indirectly, a personal financial interest conflicting with the interest of the Company in relation to a transaction entered into or to be entered into by the Company by decision of the Board of Directors (it being understood that the mere fact that any director serves as a manager or director or other officer of, or shareholder of, any affiliate of the Company shall not *per se* constitute a personal financial conflict of interest), disclose such interest to all other directors and cause a record of such person's statement to be included in the minutes of the board meeting.

As per the Articles, the Company has an option to appoint different classes of directors, i.e., class A and class B directors. At the moment, the General Meeting chose to not appoint different classes of directors.

There is no mandatory retirement age for directors under Luxembourg law and no shareholding requirement for directors.

Save as otherwise provided by Companies Law, any member of the Board of Directors who has, directly or indirectly, a financial interest conflicting with the interest of the Company in connection with a transaction falling within the competence of the Board of Directors, must inform the Board of Directors of such conflict of interest and must have his declaration recorded in the minutes of the Board of Directors meeting. The relevant member of the Board of Directors may not take part in the discussions relating to such transaction nor vote on such transaction. Any such conflict of interest must be reported to the next General Meeting prior to such meeting taking any resolution on any other item.

Where, by reason of a conflicting interests, the number of members of the Board of Directors required in order to validly deliberate is not met, the Board of Directors may decide to submit the decision on this specific item to the General Meeting. The conflict-of-interest rules shall not apply where the decision of the Board of Directors relates to day-to-day transactions entered into under normal conditions.

CONFLICTS OF INTEREST

The members of the Board of Directors may also be members of the board of directors of other securitisation undertaking(s) (*organisme de titrisation*) within the meaning of the Securitisation Law initiated together with the ARTEX Group, whose corporate purpose also envisages the entering into one or more securitisation transactions regarding an artwork. In consideration of such multiple directorships, the Directors may be subject to potential conflict of interests in managing the Company's business and affairs.

As per the Professional Services Agreement, the Corporate Agent shall cover ongoing costs on behalf of the Company in case of a shortage in liquidity of the Company. As such, the Corporate Agent has covered costs related to the different service providers of the Company, including the appraisers who established the valuation reports of the Artwork. To mitigate a potential risk of conflict of interests in this sense, the Corporate Agent has engaged two independent appraisers with a long-established expertise in the art market. Moreover, the costs charged by the appraisers for such valuation reports were fixed and uncorrelated to the value of the Artwork. Additionally, such costs charged by the appraisers for such

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Valuation Reports were paid in advance by the Corporate Agent on behalf of the Company and will be borne ultimately by the Seller through the Company Setup Fee.

The Corporate Agent forms part of the ARTEX Group, which includes ARTEX MTF. In consideration to the responsibilities undertaken by the Corporate Agent under the Professional Services Agreement, the Company proceeded with the application for trading the Offered Shares on ARTEX MTF on 19 December 2023 and it is intended that the Company shall continue to list its Offered Shares exclusively on ARTEX MTF on ongoing basis.

Other than as disclosed herein, no conflicts of interest or potential conflicts of interest exist between the members of the Board of Directors as regards the Company on the one side and their private interests, membership in governing bodies of companies, or other obligations on the other side.

EMPLOYEES

The Company does not have any employee as of the date of this Offering Memorandum and does not intend to have any for the foreseeable future.

SHARE OWNERSHIP

The Class A Shareholder holds 1 Class A Share with a nominal value of USD 40,000 of which 25% has been paid up as permitted under the Companies Law.

FOUNDER

The Class A Shareholder, as further described in section V “Major Shareholder” of this Offering Memorandum is also the founder of the Company.

V. Major shareholders and related-party transactions

MAJOR SHAREHOLDER

At the date of this Offering Memorandum, the major shareholder and the sole shareholder of the Company is the Class A Shareholder. The Class A Shareholder at the date of the Offering Memorandum is **Stichting Art Share**, a *stichting* incorporated on 12 September 2022 as a Dutch foundation under the laws of Netherlands, having its corporate office in the municipality of Amsterdam, the Netherlands at Amersfoort, A1, Databankweg 26, Amersfoort, 3821 AL, Netherlands and registered with the trade and companies register of the Netherlands under number 864322999. The board of directors of Stichting Art Share are Nicolas Edward, Jeroen van der Woord and Rena Neville who are identified as the only beneficial owners thereof.

Stichting Art Share has not been set-up for charitable purposes. The corporate object of the Class A Shareholder is to acquire and hold shares with voting rights in the share capital of companies in any legal form and incorporated under the laws of Luxembourg, to exercise all the rights connected to these shares, such as exercising voting rights and receiving dividends and other payments, to focus on governance and oversight of the board of directors of the legal entities.

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The Class A Shareholder holds special rights as outlined in Article 19.6 of the Articles and in section II “Information of the Company” sub-section “Classes of Shares” of the Offering Memorandum. Moreover, the Company’s Board of Directors is appointed via a resolution of the General Meeting, with candidates from a list provided by the Class A Shareholder, as detailed further in article 13.1 of the Articles, or through co-optation by the directors in the case of a vacancy.

Following completion of the subscription to the Offered Shares, it is expected that the shareholder of the Company with the largest participation in the Company will be the Seller, who shall own the Class B Shares not placed with the other investors that have subscribed to the Offered Shares.

RELATED-PARTY TRANSACTIONS

The Company has no related-party transactions to report as at the date of this Offering Memorandum.

INTERESTS OF EXPERTS AND ADVISORS

Experts and advisors are independent and as such, do not hold any interests of any sort in the Company.

VI. Financial Information

The Company was incorporated on 5 December 2022.

Unless indicated otherwise, all financial information presented in the tables below is shown in USD. Certain financial information, including percentages, has been rounded according to established commercial standards. As a result, rounded figures in the tables below may not add up to the aggregate amounts in such tables (sum totals or subtotals), which are calculated based on unrounded figures. Financial information presented in parentheses denotes the negative of such number presented. An “n/a” or “–” signifies that the relevant figure is not available or zero, while a zero (“0”) signifies that the relevant figure has been rounded to zero.

This income statement reflects the position of the Company as at 31 October 2023. All figures below are in USD unless specifically stated otherwise.

Income statement

	Audited 5/12/2022 until 31/12/2022	Audited interim statement as at 31 October 2023
*Total revenue	N/A	447,387
*Net profit/loss	(26,975)	26,975
Year on year revenue growth	N/A	N/A
Operating profit margin	N/A	N/A
Net profit margin	N/A	N/A

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Earnings per share	N/A	N/A
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Balance sheet

	Audited 5/12/2022 until 31/12/2022	Audited interim statement as at 31 October 2023
*Total assets	40,000	55,484,652
*Total liabilities	26,975	55,444,652
*Total equity	13,025	40,000
Net financial debt (long term debt plus short term debt minus cash)	16,975	55,437,387

Cash flow statement

	Audited 5/12/2022 until 31/12/2022	Audited interim statement as at 31 October 2023
*Relevant net cash flows from operating activities and/or cash flows from investing activities and/or cash from financing activities	10,000	7,265

Statement of capitalisation

The below statement of capitalisation is an illustration following the Offering's date taking as a starting point the audited interim accounts.

Total current debt (including current portion of non-current debt)	USD 0
Guaranteed	/
Secured	/
Unguaranteed / unsecured	/
Total non-current debt (excluding current portion of non-current debt)	USD 0
Guaranteed	/

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Secured	/
Unguaranteed / unsecured	/
Shareholder equity	USD 55,260,000
Share capital	USD 55,010,000 (paid) USD 30,000 (unpaid)
Legal reserve(s)	/
Other reserves	/

Operating and Financial Review (OFR) for the Company

Company's overview

The Company is a securitisation vehicle established under Luxembourg law with the sole purpose of securitising a single asset, specifically the Artwork. The Company assumes risks, both existing and future, related to the holding of the sole Artwork. These risks are financed through the issuance of shares, particularly Class B shares, which are listed on ARTEX MTF. The value return and/or yield of these shares depend on the risks assumed by the Company.

The Company has entered into the Professional Service Agreement with the Corporate Agent. Under this agreement, the Company can seek funding from the Corporate Agent to meet its ongoing obligations. For instance, if the Company needs to pay for the insurance of the Artwork, it owns and it has insufficient capital resources, it can seek the necessary funding from the Corporate Agent.

The Company operates within the limits of the Securitisation Law and carries out all legal, commercial, technical, and financial investments or operations necessary or useful to fulfil and develop its purpose. It does not engage in any banking activity and has not launched any new products or initiatives, given its nature as a securitisation vehicle.

Financial performance

During the reporting period, the Company did not generate any revenue. The Company incurred expenses totalling USD 26,975 from 5 December 2022 to 31 December 2022, and USD 420,412 from 1 January 2023 to 31 October 2023.

The main expenses during this period were:

- Legal services: USD 288,206.80
- Insurance for the Artwork: USD 37,770.51
- Shipping costs: USD 28,711.84
- Appraisal: USD 24,876.05

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These expenses were necessary for the Company's operations and are in line with its role as a securitisation vehicle for securitising the Artwork. The Company did not have any unusual or non-recurring items affecting its income statement during the reporting period.

Financial position

The main financial position of the Company is characterised by the Loan of USD 55M. This loan is intended to be repaid in part by the proceeds from the Offering of the Class B Shares onto ARTEX MTF. If applicable, any Offered Shares not subscribed from the Offering will be transferred to the Seller to further aid in the repayment of the loan.

This Loan is tied to the Asset Purchase Agreement that governs the acquisition of the Artwork, which is the sole asset of Company. The terms of this Asset Purchase Agreement and the performance of the Class B Shares' offering are therefore significant factors in the Company's financial position.

Indebtedness

As of 31 October 2023, the Company's total financial indebtedness stood at USD 54,960,000. This indebtedness is broken down as follows:

Liquidity: USD 484,652

Financial Debt: USD 55,444,652

The Loan forms the bulk of the Company's indebtedness and is tied to the performance of the Offering of the Class B shares onto ARTEX MTF and the transfer of any unsubscribed shares to the Seller, as described in the above section "Financial position".

Risk factors

The key material risks identified by the Company are the risks related to the Company and the risks related to the Offered Shares. The four categories of risks related to the Company are: risks related to the Company's financial situation, internal control risks, legal and regulatory risks, and risks related to the art market.

The two categories of risks related to the Offered Shares are the risks related to the nature of the securities and risks related to the Artwork.

For further details on these risk factors please refer to the relevant section "RISKS FACTORS" of this Offering Memorandum.

Material components of earnings and cash flow

The Company is not expecting to generate any revenues or cash flows from its operations. The expenses incurred to date are mostly legal costs related to the Offering of Class B Shares. On an ongoing basis, the costs are divided between general company costs (director salary, audit, accounting, etc.) and costs related to the Artwork, such as the insurance. However, pursuant to the Professional Service Agreement entered between the Corporate Agent and the Company, all such costs are funded by the Corporate Agent, as the Company is not expecting to have any disposable cash. As such, the expenses of the Company do not

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impact its earnings or cash flow, which are always expected to be neutral.

Material business assets and liabilities

The sole asset of the Company is the Artwork it holds pursuant to the Asset Purchase Agreement entered with the Seller. The main financial position of the Company is characterised by the Loan of USD 55 million. This Loan is intended to be repaid in part by the proceeds from the Offering. If applicable, any Class B Shares not subscribed from the Offering will be subscribed by the Seller to further repay of the Loan. The Loan, which forms the bulk of the company's indebtedness, is tied to the performance of the Offering of the Class B shares and the subscription of the Class B Shares by the Seller.

Future Outlook

The future outlook for the Company is primarily dependent on the success of the Offering of Class B Shares and the performance of the Corporate Agent. The Company does not expect to generate any revenues or cashflows and relies heavily on the Corporate Agent to cover operational and ongoing costs, as well as manage all necessary services to maintain the Artwork and the Company.

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VII. Details of the Offering

OFFERING

Prior to the Offering, the Class B Shares have not been listed on any securities exchange, multilateral trading facilities nor other regulated market and there has been no public market for the Class B Shares.

The Offering, its subject matter, the Offer Price, the Offer Period, and the method to purchase Offered Shares is further detailed below.

The Company has not issued any listed or unlisted securities not representing the Company's share capital. The Company has no outstanding convertible securities, exchangeable securities or securities with warrants. There are no relevant acquisition rights or obligations over the Company's authorised but unissued capital or undertakings to increase the Company's issued share capital, with the exception the issuance of the Offered Shares.

a. Subject matter of the Offering

The Offering consists of 550,000 redeemable Class B Shares of the Company without a nominal value, denominated in USD and where all cashflows relating to such shares (*e.g.*, purchase, distributions, redemptions, etc.) shall be settled in EUR.

Zeus Capital Limited has been appointed by the Company to act as the Sole Bookrunner and Placement Agent in connection with the Offering. Furthermore, the Company will appoint additional Placement Agents in connection with the Offering.

The Offered Shares will be subsequently admitted to trading and listed on ARTEX MTF. Application has been made to, following their issuance, admit and list the Offered Shares on ARTEX MTF. No application has or is currently intended to be made for the Class B Shares to be admitted elsewhere or to be traded on any other exchange.

As of the date of this Offering Memorandum, the Company does not hold the legal and beneficial title to the Artwork and the Purchase Price remaining outstanding as a Loan on the terms of the Loan Agreement.

In making an investment decision, each investor must rely on their own examination, analysis and inquiry of the Company and the terms of the Offering, including the merits and risks involved. This Offering Memorandum is not intended to provide the basis on any credit or other evaluation and should not be considered as a recommendation by any of the Company or any of the Placement Agents or any of their respective representatives of affiliates that any recipient of this document should purchase the Class B Shares.

None of the Company or any of the Placement Agents or any of their respective affiliates, is making any representation to any offeree or purchaser of the Offered Shares regarding the legality of an investment in the Class B Shares by such offeree or purchaser. The contents of this Offering Memorandum are not to be construed as legal, business or tax advice. Each investor should consult with his/her/its own advisors as to the legal, tax, business, financial and related aspects of a purchase of the Offered Shares.

The investors also acknowledge that: (i) they have not relied on the Placement Agents or any of their

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respective affiliates in connection with any investigation of the accuracy of any information contained in this Offering Memorandum or their investment decision; (ii) they have relied only on the information contained in this Offering Memorandum; and (iii) that no person has been authorised to give any information or to make any representation concerning the Company or the Offered Shares (other than as contained in this document) and, if given or made, any such other information or representation should not be relied upon as having been authorised by the Company or any of the Placement Agents or any of their respective affiliates.

b. Offer Price and Offer Period

The Company intends to offer the Offered Shares at a price in EUR which is equivalent to USD 100, by applying the Exchange Rate, per Offered Share. The minimum investment is the equivalent EUR value of 1 Offered Share.

Subject to acceleration or extension of the timetable for the Offering, the Offer Period during which prospective institutional investors may submit purchase orders for the Offered Shares shall commence on 16 February 2024 and end on 5 March 2024.

The Offered Shares will be placed by the Placement Agents to prospective institutional investors, who are also qualified investors, on the basis of orders received. The Seller may receive the Remaining Shares.

Investors will be informed of the outcome of the Offering via press releases from the Issuer which be published on www.artshare002.com/documentation.

Unless otherwise agreed between the Company and the Sole Bookrunner, the Company will revoke the Offering if the aggregate subscriptions received for the Offered Shares by 5 March 2024 are made for less than 75% of the Offered Shares.

The Company will not charge investors any expenses or taxes related to the Offering. Notwithstanding this, there may be expenses related to the opening of securities accounts and cash accounts.

Expected timetable for the Offering

Subject to acceleration or extension of the timetable for the Offering, the timetable below lists the expected key dates for the Offering:

Event	Date (2024)
Start of Offer Period	16 February 2024
End of Offer Period.....	5 March 2024
Pricing*	5 March 2024
Allocation.....	5 March 2024
Settlement Date (payment and delivery).....	7 March 2024
First trading date on Artex MTF.....	On or around 8 March 2024

* Determination of the offer price per Offered Share, equivalent to USD 100, by applying the Exchange Rate.

Acceleration or extension

The Company, in agreement with the Sole Bookrunner, on behalf of the Placement Agents, may adjust the dates, times and periods given in the timetable and throughout this Offering Memorandum. In such case,

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the Company will issue a press release with respect to such changes, which will also be posted on the Company's website (www.artshare002.com/documentation). Any other material changes will be published through a press release that will also be posted on the Company's website.

Any extension of the timetable for the Offering will be published in a press release and posted on the Company's website (www.artshare002.com/documentation) before the end of the original Offer Period, for the duration of at least one business day. Any acceleration of the timetable for the Offering will be published in a press release and posted on the Company's website at least three hours before the proposed end of the accelerated Offer Period.

Revocation and suspension

The Company, in agreement with the Sole Bookrunner, on behalf of the Placement Agents, reserve the right to withdraw, revoke or suspend the Offering at any time prior to the Settlement Date or to reduce the size of the Offering, in whole or in part.

The Offering will be withdrawn, in any event, by the Settlement Date if (i) ARTEX MTF does not approve the admission to trading or revokes the admission to listing pursuant to the Admission and Operating Rules or (ii) the conditions under the Placement Agreement are not satisfied or waived, or if the Sole Bookrunner, also on behalf of the other Placement Agents, terminate the Placement Agreement.

In each of the above cases, the notice of withdrawal, revocation or suspension of the Offering will be published on the Company's website (www.artshare002.com/documentation).

Allocation, payment and delivery

Allocation

Allotment to investors, who applied to subscribe for Offered Shares, will be determined by the Company, in agreement with the Sole Bookrunner, on behalf of the Placement Agents, and full discretion will be exercised as to whether or not and how to allot the Offered Shares. There is no maximum or minimum number of Offered Shares which prospective investors may subscribe for or purchase. In the event that the Offering is over-subscribed, investors may receive fewer Offered Shares than they applied for.

The Company and the Sole Bookrunner, on behalf of the Placement Agents, may, at their own discretion and without stating the grounds thereof, reject any applications wholly or partly. Following the allocation of the Offered Shares and prior to the start of the "First Trading Day", the Placement Agents will notify institutional investors or the relevant financial intermediary of any allocation of Offered Shares made to them or their clients. Any money received in respect of applications that are not accepted, in whole or in part, will be returned to the investors without interest or other compensation and at the investor's risk. Investors participating in the Offering will be deemed to have checked and confirmed that they meet the selling and transfer restrictions described in "*Notice to Investors (Selling Restrictions)*" in the Offering Memorandum. Each investor should consult its own advisers as to the legal, tax, business, financial and related aspects of a purchase of, or a subscription for, the Offered Shares.

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Issuance of the Offered Shares

After the allocation of the Offered Shares, the Offered Shares shall be issued to and subscribed by the Settlement Agent by way of payment of a portion of the Offer Price equal to EUR 0.01 per Offered Share to the Company against delivery to the Settlement Agent for itself and on behalf of the Placement Agents of the Offered Shares.

Payment

Payment by investors for the Offered Shares will take place on the Settlement Date via the Settlement Agent's delivery versus payment process known as DVP Settlement (which is a standard securities industry settlement method that guarantees the transfer of securities only happens after payment has been made). The Offer Price must be paid in full in Euro and is exclusive of any taxes and expenses, if any, which must be borne by the investor (see "Taxation" in this Offering Memorandum for an overview of the material tax consequences of the acquisition of the Shares).

Delivery and settlement

Delivery of the Offered Shares against payment of the Offer Price is expected to take place on 7 March 2024 (the "**Settlement Date**").

Settlement with the Company

On the Settlement Date, assuming a successful completion of the Offering, the Settlement Agent shall transfer to the bank account of the Company the residual amount of the net Offer Price (net of any Bookrunner Fee and Placement Agent Fee). Such amount shall then be contributed to the account 115 "*apport en capitaux propres non rémunéré par des titres*" of the Luxembourg standard chart of accounts (*plan comptable normalisé*) of the Company, with the intention for such contribution to be subsequently capitalised under the authorised share capital of the Company.

c. Information on the Offered Shares

(i) Share capital; form of the Offered Shares

As of the date of this Offering Memorandum, the share capital of the Company amounts to USD 40,000 divided into 1 Class A Share with a nominal value of USD 40,000 and being partially paid up (25%) in accordance with the Companies Law, denominated in USD, where all cashflows relating to such shares (e.g. purchase, distributions, redemptions, etc.) shall be settled in USD.

The Company may issue Class B Shares without nominal value, denominated in USD, where all cashflows relating to such shares (e.g. purchase, distributions, redemptions, etc.) shall be settled in EUR Class B Shares have yet to be issued.

The Offered Shares shall be registered in the Company's shareholders register in the name of the Common Depositary (as defined below), itself acting on behalf of the holders of the Offered Shares.

In this respect, the Paying Agent (as defined below) is appointed to authenticate and deliver a Global Certificate (as defined below) to the Common Depositary, for as long as the Offered Shares are

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represented by the Global Certificate which is held with the Common Depositary in registered form.

The records of such Global Certificate shall be conclusive evidence at any time of the registration of the number of Offered Shares in the Company's shareholders register.

Each of the persons shown in the records of the Common Depositary as the holder of an Offered Share represented by the Global Certificate should rely solely on the Common Depositary as the record of his shareholding and of each payment made by the Company in relation to such shareholding. Such persons shall have no claim directly against the Company in respect of payments due on the Offered Shares for so long as the Offered Shares are represented by such Global Certificate and such obligations of the Company will be discharged by payment to the Paying Agent (as defined below).

The Class B Shares and any rights and obligations arising out of or in connection with them shall be governed by and construed in accordance with Luxembourg law.

(ii) Voting rights

Each Class B Share shall entitle its holder to one vote at General Meetings. A violation by the shareholder of its obligations under the Articles or the Admission and Operating Rules, as may be applicable, shall result in the automatic suspension of its voting rights pending resolution of the violation.

In the event that the voting rights of one or several Shareholders are suspended, such Shareholders may attend any General Meeting but the Offered Shares held by them shall not be taken into account for the determination of any quorum and majority in respect of any resolution proposed at such General Meeting.

The Class B Shareholder holds special rights as outlined in Article 6 of the Articles and in section II "Information of the Company", sub-section "CLASSES OF SHARES" of the Offering Memorandum.

(iii) Redemption of Offered Shares

Should the bid side of the orderbook of ARTEX MTF remain empty for 1 month period (i.e. there is no possibility for an investor to sell its/his/her Class B Shares at any given price on ARTEX MTF for that period), the Class B Shareholders are entitled to command the Board of Directors to convene a shareholders' meeting and resolve on a sale of the Artwork with a view to fund a repurchase of their Class B Shares. Such repurchase of the Class B Shares and sale of the Artwork shall be resolved upon by the Class B Shareholders representing more than 50% of the Class B Shares.

The Company shall have a 1 year period to sell the Artwork. This period may be extended to an additional 1 year in case the best possible terms obtainable to effect the mandatory sale during the initial period would represent a discount of 25% on the last appraisal of the Artwork reference price. The Artwork reference price is calculated by multiplying the total number of Offered Shares by the volume weighted average price (VWAP) of the closing price of the last 20 trading days in ARTEX MTF where the daily volume traded exceeds 2,750 shares.

Upon the sale of the Artwork, the Company shall initiate a mandatory redemption of the Offered Shares in accordance with the procedure detailed in article 6.5 of the Articles.

(iv) Dividend and liquidation rights

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Each Class B Share will carry full dividend rights from the date of issuance, if and when declared.

Each Class B Share shall entitle to a distribution of the net profits related to the Artwork.

In the event of the Company's liquidation, any proceeds will be distributed to the holders of the Company's shares in proportion of their interest in the Company's share capital.

The Class B Shares rank equally to the Class A Share, and both share classes are subordinated to all other securities and claims in the case of an insolvency of the Company.

(v) LEI/ISIN/ticker symbol

ARTEX MTF ticker symbols	BAC1EU
Legal Entity Identifier (LEI) of the Company	254900OEKYEX6EFPV079
International Security Identification Number of the Class B Shares	LU2583605592

d. Transferability of Class B Shares, Ownership cap, Mandatory Asset Purchase and placement restrictions on the Remaining Shares

- Transferability of Class B Shares

Class B Shares are freely transferable.

- Ownership cap

Article 12 of the Articles and the provisions of Part II, Chapter I, Part 1 (Company takeovers), Part II, Chapter I, Part 2 (Mandatory Asset Purchases) the Admission and Operating Rules set out an ownership cap of the amount of Class B Shares that any investor may acquire, directly or indirectly, at any time of 10% (the "**Ownership Cap**") as long as Class B Shares are admitted to trading on ARTEX MTF. The ownership calculation for all purposes, including, but not limited to Ownership Cap shall include direct and/or indirect ownership and ownership through acquisition by persons acting in concert.

In accordance with Article 12 of the Articles and the provisions of Part II, Chapter I, Part 1 (Company takeovers), Part II, Chapter I, Part 2 (Mandatory Asset Purchases) of the Admission and Operating Rules, if an investor directly or indirectly acquires Class B Shares in excess of the Ownership Cap, such investor shall within a period of 30 calendar days either (i) make a bid to purchase the Artwork as described below in the section "Mandatory Asset Purchase" of this Offering Memorandum, or (ii) reduce its holding below the Ownership Cap.

In the event of, a breach of, or events contemplated by, the Articles or the Admission and Operation Rules or the functioning rules of the Company described in this Offering Memorandum, the Shareholders agree to a sale on ARTEX MTF any Offered Shares they possess over the Ownership Cap by the Ownership Trustee (as defined below) or any other persons appointed by it pursuant to a Forced Sale mechanism contemplated in article 7 of the Articles.

The Ownership Cap does not apply to the Seller with respect to the Remaining Shares to be held by the Seller at closing of the Offering until the Seller reduces its holding of Offered Shares down to 10% of the

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total number of Offered Shares in issue. After the closing of the Offering, the Seller may not subscribe for or acquire new Offered Shares until it has reduced its holding to 10% and when the Seller's holding reaches 10% of the total number of Offered Shares in issue, the Ownership Cap will apply.

- Mandatory Asset Purchase

Not earlier than 9 months from the date of this Offering Memorandum and following the Listing, a shareholder of the Company that holds more Class B Shares than the Ownership Cap as set out above and that shall initiate a Mandatory Asset Purchase (the "**Bidder**"), shall make a bid to the Company to acquire the Artwork at the Purchase Premium (as defined below) pursuant to Part II, Chapter 1 (*Mandatory assets purchase*) of the Admission and Operating Rules and in accordance with article 12 of the Articles.

Any communications with respect to the Mandatory Asset Purchase shall be made by the Issuer on its website according to (i) the provisions of this section as well as (ii) its own internal procedure.

Once the Bidder initiates the Mandatory Asset Purchase, any natural or legal person (including, for the avoidance of doubt, any existing Shareholder as well as any natural or legal person not being a shareholder of the Company) shall within the Mandatory Asset Purchase Period (as detailed below) make a Counter-Bid (as detailed below) as further detailed below.

The Purchase Premium, net of the Delisting Fee, shall be allocated to the shareholders.

During such Mandatory Asset Purchase Period, any natural or legal person (including, for the avoidance of doubt, any existing Shareholder as well as any Bidder) may issue a Counter-Bid in accordance with the foregoing procedure, at a price that includes at least the Counter-Bid Increment (as defined below).

When a Counter-Bid is made, another new Mandatory Asset Purchase Period shall start by another 15 Business Days as from the date of publication of the Counter Bid on the ARTEX MTF's website, which will automatically cancel and replace the previous Mandatory Asset Purchase process made by the previous Bidder.

In such case, the Purchase Premium shall be increased by an amount corresponding to the Counter Bid Increment (the "**New Purchase Premium**"), and any natural or legal person (including, for the avoidance of doubt, any existing Shareholder as well as any Bidder) shall have the option to increase, in turn, the Counter Bid in a minimum portion of 5% above the previous Counter Bid Increment, in which case the Counter Bid process as detailed above (the "**Counter Bid Process**") shall apply *mutatis mutandis*.

The Counter Bid Process shall apply without limitation each time a Counter Bid is made in accordance with the foregoing.

Any relevant person shall notify the Company, to monitor the process of its intention to initiate the Mandatory Asset Purchase or the Counter Bid Process, as applicable, in writing via email at investor-relations@artshare002.com.

Upon a Successful Bid, the successful Bidder shall purchase the Artwork from the Company, which accepts to sell it to the successful Bidder according to this procedure. Once the sale is finalised, the New Purchase Premium, net of the Delisting Fee, shall be allocated to the shareholders.

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Such operation shall be carried out in a neutral manner, in as much as possible, so that there is no double counting between the shares held by the successful Bidder and the other Shareholders (only to the extent applicable).

ARTEX MTF will finally publish the result of the corporate action on its website and delist the Class B Shares. Under the Admission and Operating Rules, the Corporate Agent will initiate the process to dissolve any relevant entity that was incorporated for the listing of the Class B Shares, whose costs shall be entirely borne by the successful Bidder.

The successful Bidder shall be bound by any loan arrangements in relation to the Artwork entered into by the Company with museums prior to the sale of the Artwork.

The Ownership Trustee has the right to sell the Offered Shares of a shareholder that breaches the terms of the Mandatory Asset Purchase provisions in accordance with article 12 of the Articles.

- Placement restrictions on the Remaining Shares

The Remaining Shares to be held by the Seller, if any, are subject to the following placement restrictions arrangements:

- During the first 3 months from the offering, the Seller shall not be able to place any of the Remaining Shares;
- Following the period of 3 months from the offering, the Seller shall have the option to direct the Company to sell on its behalf, via ARTEX MTF 1/3 of the Remaining Shares;
- Following the period of 4 months and 15 calendar days from the offering, the Seller shall have the option to direct the Company to further place on ARTEX MTF 1/3 of the Remaining Shares; and
- Following the period of 6 months from the offering, the Seller shall have the option to direct the Company to further place on ARTEX MTF any balance of Remaining Shares the held.

The Seller has empowered the Company to have the option to place at all times any of the Remaining Shares at the price in excess of the Offer Price, subject to such Remaining Shares being issued at a maximum discount of 3% from the average market price at the closing time of the previous 5 Business Days, unless otherwise agreed between the Company and the Seller.

Listing

The Company will use all reasonable efforts to have the Offered Shares admitted to listing and trading on the multilateral trading facility operated by ARTEX MTF within a reasonable period after the issue date and the Company will maintain such listing as long as the Offered Shares are outstanding; provided, however, that if the Issuer can no longer maintain such listing or it becomes unduly burdensome to make or maintain such listing, the Company may cease to make or maintain such listing on ARTEX MTF provided that the Company will use its reasonable best efforts to obtain and maintain the listing of the Offered Shares on another recognised exchange (which may be a stock exchange that is not regulated by the European Union).

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There can be no assurance that the application to list the Offered Shares on ARTEX MTF will be approved and settlement of the Offered Shares is not conditioned on obtaining this listing.

Clearing Agencies: Euroclear Bank S.A./NV and Clearstream Banking SA

Custodial and depository links have been established with the Clearing Agencies to facilitate the listing of the Class B Shares and cross-market transfers of the Class B Shares.

The Clearing Agencies shall hold securities for its customers and facilitate the clearance and settlement of securities transactions through electronic book entry transfer between its accountholders. Indirect access to the Clearing Agency is available to other institutions which clear through or maintain a custodial relationship with an accountholder of either system.

The Clearing Agencies shall provide various services including safekeeping, administration, clearance and settlement of internationally traded securities and securities lending and borrowing. The Clearing Agencies also deal with domestic securities markets in several countries through established depository and custodial relationships.

Dilution

Since no Class B Shares have been issued yet, as a result of the issuance of the Offered Shares, there shall be no dilution for holders of Class B Shares. The Class A Shares shall be diluted from 100% of the share capital of the Company down to approximately 0.07% assuming a subscription of 550,000 Offered Shares.

VIII. Additional information

ARTICLES OF ASSOCIATION AND APPLICABLE LAWS

By acquiring the Offered Shares, the shareholders are deemed to have knowledge of and be familiar with the Articles which, *inter alia*, detail the specific terms and conditions of the Offered Shares. The Articles are fully incorporated into this Offering Memorandum by reference: www.artshares002.com/documentation.

The Articles have been lastly amended on 16 February 2024 and are in the process of being filed with the RCSL and in the process of being published on the RESA.

In addition to the Articles, the Company is also governed by the provisions of the Admission and Operating Rules, MAR and the laws of the Grand Duchy of Luxembourg.

MATERIAL CONTRACTS

The following section describes the material agreements that the Company has entered into outside its ordinary course of business since its incorporation or under which the Company has material existing obligations.

- **Professional Services Agreement**

The Company has appointed ARTEX Services AG, a public limited company (Aktiengesellschaft), incorporated under the laws of Liechtenstein, having its registered office at Wuhrstrasse 6, 9490 Vaduz,

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Liechtenstein and registered with the trade and companies register of Liechtenstein under number FL-0002.682.625-9, as Corporate Agent pursuant to the terms of the Professional Services Agreement, a copy of which is attached to this Offering Memorandum in **Annex C**.

The Corporate Agent provides corporate and transactional services as well as services pertaining to the Artwork, including, and not limited to, corporate operational, administration, advisory, consulting and other services.

The Corporate Agent has agreed to provide directly the services set forth below or through its affiliates or sub-contractors with respect to the Artwork and operations on the terms and conditions set forth under the Professional Services Agreement.

The ongoing services include but are not limited to the following:

- *Services Related to the Artwork*
 - Conducting due diligence to ascertain value and authenticity of the Artwork;
 - Coordinating and managing transport for the Artwork in the ordinary course of business, including the display and exhibition thereof;
 - Providing custodial and storage services for the Artwork;
 - Maintaining insurance requirements for the Artwork;
 - Offering cataloguing services; and
 - Undertaking research, conservation, restoration (as deemed necessary by the Corporate Agent), framing services.
- *Certain corporate services*
 - Managing banking activities and payment management;
 - Managing the preparation of regulatory and corporate filings;
 - Providing financial, accounting and bookkeeping services, including retention of an auditor for the Company;
 - Ensuring recordkeeping, shareholder registrar and regulatory compliance;
 - Providing services, subject to the approval of the members of the Company as may be required by law;
 - Ensuring tax advisory and reporting services;
 - Procuring and managing insurance coverage for the Company, including operational errors and omissions coverage and members of the Board of Directors' and officers' coverage;
 - Maintaining the shares ledger and coordinating activities with related parties; and
 - Maintaining IT and software services as required.
- *Transactional services*
 - Administering tasks related to a Mandatory Asset Purchase;
 - Obtaining appraisals and statements of condition in connection either with a sale transaction relating to the Artwork or annual ongoing valuation and conditional report;
 - Providing advisory, legal and professional transactional services;
 - Negotiating terms of a potential sale and the execution thereof;

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- Coordinating and managing the Company in connection with the liquidation or winding up of the Company;
- Selecting and engaging placement agents with respect to any offering of securities of the Company;
- Managing litigation in conjunction with the Board of Directors; and
- Overseeing other transaction-related services and expenditures relating to the Artwork.

The Professional Services Agreement is for an unlimited duration and either party may terminate it by giving to the other party at least 3 months written notice. It may also be terminated by either party by giving written notice to the other party in the event of (i) failure to pay any sums due under the agreement within 6 months, (ii) a material breach of the Corporate Agreement which is not cured within 30 calendar days (iii) the appointment of a receiver in relation to the assets or (iv) fraud, gross negligence or wilful misconduct by the officers of one party in the performance of the agreement.

- **Engagement letter with the Sole Bookrunner**

The Company has appointed the Sole Bookrunner and signed an engagement letter with it. The Sole Bookrunner is engaged on an exclusive basis and shall assume its duties of providing input and assisting the Company in the execution and settlement of the offering of the Offered Shares exclusively to qualified investors in the EEA, and Switzerland and relevant investors in the UK. The Sole Bookrunner is not engaged to conduct or assist or to execute any service in connection with the offering of the Offered Shares to retail investors and they shall not be responsible or liable for the Offering.

- **Engagement Letter with the Auditor**

Groupe Audit Luxembourg, a private limited liability company (*société à responsabilité limitée*) governed by the laws of the Grand Duchy of Luxembourg, having its registered office at 4, rue Pierre de Coubertin, L-1358 Luxembourg, Grand Duchy of Luxembourg and registered with the RCSL under number B171737, has been appointed as approved statutory auditor (*réviseur d'entreprises agréé*) of the Company until 28 September 2026.

The Auditor is a member of the Luxembourg *Institut des Réviseurs d'Entreprises*.

- **Asset Purchase Agreement**

Pursuant to the terms and conditions of the Asset Purchase Agreement, as amended, the Seller agreed to sell and the Company to purchase the Artwork, subject to the fulfilment of certain defined conditions precedent (unless otherwise waived in writing by the Company), and in consideration of the price which consisted of the outstanding amount payable to the Seller under the Loan Agreement.

Under the provisions of the Asset Purchase Agreement, the sale is completed only when: (i) certain conditions precedent are completed to the Company's reasonable satisfaction; and (ii) the Artwork is deposited in the Company's approved facility and the Company (or its Agent) inspects the Artwork and finds it in satisfactory condition in accordance with the provisions of this agreement.

Subject to the paragraph above, all legal and beneficial title to the Artwork shall be transferred from the Seller to the Company at the earlier of: (i)

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the date of the settlement of the Offering, or (ii) any earlier date agreed between the Seller and the Company, provided that any such date occurs on or before 8 March 2024.

If, after the completion of the transfer of all legal and beneficial title to the Artwork to the Purchaser pursuant to (i) or (ii) in the paragraph above, the settlement does not occur, on or before 8 March 2024, the Company shall: (i) transfer all legal and beneficial title to the Artwork back to the Seller, and (ii) at its sole expense, provide all materials, facilities, access and suitable working conditions as required by the Seller to enable the Seller and/or its agents to collect the Artwork from the Company's approved facility.

The conditions precedent under the Asset Purchase Agreement are for the Company to receive the following list of documents:

1. a copy of an agreed form resolution of the board of directors of the Seller approving the terms of, and the transactions contemplated by, the transaction documents to which it is a Party resolving that it execute, deliver and perform such transaction documents;
2. evidence, in form and substance, reasonably satisfactory to the Company, from the Art Loss Register that the Artwork is not listed as missing, taken or stolen;
3. evidence, in form and substance, reasonably satisfactory to the Company that the Artwork is free and clear of all encumbrances of any kind;
4. satisfactory legal and commercial due diligence documentation concerning the Artwork to the Company's reasonable satisfaction;
5. a signed bill of sale by the Seller to the Company;
6. the Valuation Report;
7. the Condition Report;
8. the Schedule of Condition; and
9. the Final Appraisal.

The Company has waived the conditions precedent under points (e) and (f), which were not applicable to the Artwork. At the date of this Offering Memorandum, all the other conditions precedent have been completed.

Under the Asset Purchase Agreement, the Seller provided guarantees in respect the Artwork, including that: (i) the Seller has full legal and beneficial title to the Artwork and that the Artwork is free from all encumbrances and title claims, (ii) there are no title claims threatened or pending in connection with the Artwork, or, so far as the Seller is aware, any facts or circumstances likely to give rise to any title claims, (iii) the Artwork is not a counterfeit, (iv) the Artwork is not the subject of any incorrect attribution, (v) the Artwork has been subject to legal export/import rules, or (vi) the Artwork has not entered into the transaction with the intention of, or otherwise for the purposes of, avoiding liability to pay tax in any jurisdiction.

Pursuant to the Asset Purchase Agreement, the Seller shall, on first demand, indemnify the Company up to a maximum amount equivalent to the Purchase Price, against any loss incurred by the Purchaser at any

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time arising out of, resulting from or in connection with a breach of any of the representations above or any other claim, including but not limited to, the cost of defending or bringing any legal proceedings, and all actions relating to such proceedings, in connection with any such claim.

○ Loan Agreement

Pursuant to the terms and conditions of the Loan Agreement, as amended, the Seller agreed to sell and the Company to purchase the Artwork for consideration of the amount which remains outstanding and constituted an interest-free debt of the Company payable in accordance with the terms of the Loan Agreement. The fees and expenses related to the Offering are borne by the Seller and shall be deducted from the repayment by the Company under the Loan.

Under the provisions of the Loan Agreement, the Company shall repay the loan as follows:

- If, on or before 8 March 2024, Admission and Placing (as defined in the Loan Agreement) occur, the following shall apply:
 - If the Company receives aggregate proceeds of USD 55 million, the Company shall make a cash payment of USD 55 million (minus all commissions, fees and expenses as detailed in the Loan Agreement) to the Seller;
 - If the Company receives aggregate proceeds of at least an amount equivalent to 75% of the Offered Shares (net of all commissions, fees and expenses as detailed in the Loan Agreement), the Company shall pay the Seller as follows:
 - (a) in part, by way of a cash repayment equal to the aggregate proceeds received from the Offering (minus all commissions, fees and expenses) to the Seller; and
 - (b) in part, by way of issuance to the Seller the Remaining Shares.

The difference between the amount of the Loan minus (x) the Net Proceeds paid in cash to the Seller, minus (y) the price of the Remaining Shares to be transferred to the Seller shall be equal to the amount of the Fees ultimately borne by the Seller. The Loan will be fully repaid following completion of the Offering with the Net Proceeds and the contribution of a portion of the claim to the account 115 “*apport en capitaux propres non rémunéré par des titres*” of the Luxembourg standard chart of accounts (*plan comptable normalisé*) of the Company against transfer of the Remaining Shares. The remaining amount under the Loan shall be reduced by the Fees ultimately borne by the Seller.

No interest is payable on the Loan. If, on or before 8 March 2024, Admission and Placing does not occur, the Company shall repay the loan by transferring the Artwork to the Seller and the Company shall, at its sole expense, provide all materials, facilities, access and suitable working conditions as required by the Seller to enable it and/or its agents to collect the Artwork from the Company approved facility.

The Loan Agreement governs the placement restrictions applicable to the Seller’s Remaining Shares following the Offering. The long stop date of the Loan Agreement is 8 March 2024.

○ Subscription Agreement

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Pursuant to the terms and conditions of a subscription agreement dated 1 August 2023, as amended, entered into the Company and the Seller (the “**Subscription Agreement**”), the parties agreed to settle the difference between the Loan (i.e. USD 55 million) and the aggregate net proceeds collected by the Company from offering the Class B Shares (the “**Claim Value**”), by way of the Seller agreeing to subscribe for such number of the Class B Shares in the Company as calculated by dividing the Claim Value by the IPO Price, as defined in the Subscription Agreement.

The Class B Shares which would then be held by the Seller will remain subject to the placement restrictions as detailed under the section “Main Information About the Offered Shares – Placement Restrictions”.

○ **Insurance Agreement**

An insurance agreement has been entered into with the Lloyd’s underwriter Staple Hall Underwriting Services Limited, 52-54 Gracechurch Street, London EC3V 0EH, United Kingdom, to maintain an adequate insurance coverage for the Artwork.

To properly cover the Artwork until the effective transfer of ownership of the Artwork to the Company, an insurance agreement has been entered into the Company, the Corporate Agent, the Seller and its affiliate Concezione Limited. In the event of a claim, the beneficiary of the insurance shall be the owner of the Artwork. Consequently, prior to the Offering, the beneficiary of the insurance shall be the Seller. Following the Offering, i.e., upon the effective transfer of ownership of the Artwork to the Company, the beneficiary of the insurance shall be the Company.

Pursuant to the Insurance Agreement, the insurance policy covers all risks against physical loss or physical damage that happens during the period of insurance, subject to the exclusion, terms and conditions of the insurance policy. The amount insured is USD 56,944,250. The period of insurance commenced on 13 August 2023 and ends on 12 August 2024.

Exclusions are the following:

- 1) loss or damage caused by wear and tear, gradual deterioration, inherent defect, rust or oxidation, moths, insects, vermin, warping, shrinkage, rot, fungus, mould or infestation;
- 2) loss or damage caused by or resulting from reframing, restoring, retouching or any similar process.
- 3) loss or damage caused by or resulting from aridity, humidity, exposure to light or extremes of temperature whether naturally occurring or not. This exclusion does not apply to loss or damage directly resulting from or caused by storm, frost or fire.
- 4) loss from or damage in or on unattended vehicles, unless in the custody of a competent professional carrier.
- 5) mechanical or electrical faults or breakdown of an item forming a part of the collection.
- 6) the amount of the excess shown in the risk details for each incident of loss.
- 7) loss or damage directly or indirectly caused by or resulting from:
 - a) ionising radiation from or contamination by radioactivity from any nuclear fuel or from any

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- nuclear waste or from the combustion of nuclear fuel;
- b) the radioactive, toxic, explosive or other hazardous or contaminating properties of any nuclear installation, reactor or other nuclear assembly or nuclear component thereof;
 - c) any weapon or device employing atomic or nuclear fission and or fusion or other like reaction or radioactive force or matter;
 - d) the radioactive, toxic, explosive or other hazardous or contaminating properties of any radioactive matter; or
 - e) any chemical, biological, bio-chemical, or electromagnetic weapon.
- 8) loss or damage directly or indirectly caused by or resulting from war, invasion, act of foreign enemies, hostilities (whether war be declared or not), civil war, rebellion, revolution, insurrection, military or usurped power, unless the insured item is being transported by air or by sea.
- 9) loss or damage caused by or resulting from any item of the collection being confiscated or taken, or deliberately damaged or destroyed, by or under order of any government or public or local authority.
- 10) any claim where that would be entitled to be paid under any other insurance if the policy did not exist.

Further exclusions concern the following territories: Russian Federation, Ukraine (including any disputed regions and the Crimean Peninsula), and the Republic of Belarus.

In case of an insurance claim, the proceeds shall ultimately benefit the Company and its Shareholders in accordance with the Articles.

Moreover, the Board of Directors is covered under a director and officer insurance agreement entered into between the Class A Shareholder and Geo Europe on behalf of Lloyd's Insurance Company S.A., covering all entities of which Class A Shareholder is a shareholder, subject to an aggregate cap of EUR 1 billion pertaining to the underlying asset purchased by each entity. At the date of this Offering Memorandum, the Class A Shareholder is a shareholder in one other company.

TAXATION

Prospective investors should consult their own professional advisors in the country of their citizenship, residence or domicile as to the effects of local or foreign laws, including Luxembourg tax law, to which they may be subject. The tax legislation of the investor's tax domicile and of the Company's country of incorporation may have an impact on the income received from the securities.

Each Shareholder will assume and be solely responsible for any and all taxes of any jurisdiction or governmental or regulatory authority, including, without limitation, any state or local taxes or other like assessment or charges that may be applicable to any payment to it in respect of the Offered Shares.

Potential purchasers of the Class B Shares should be aware that they may be required to pay stamp taxes or other documentary charges in accordance with the laws and practices of the country where the Class B

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Shares are transferred.

Potential purchasers who are in any doubt as to their tax position should consult their own independent tax advisers. In addition, potential purchasers of Class B Shares should be aware that tax regulations and their application by the relevant taxation authorities change from time to time (maybe with retroactive effect). Accordingly, it is not possible to predict the precise tax treatment which will apply at any given time.

Any change in the Company's tax status or in taxation legislation in Luxembourg or any other fiscal jurisdiction could affect the value of the investments held by the Company or affect the Company's ability to achieve its investment objective for the Class B Shares or alter the post-tax returns to the shareholders.

LUXEMBOURG TAXATION

o *Luxembourg taxation of the Company*

The net taxable profit of the Company should be subject to corporate income tax, municipal business tax and a solidarity surcharge at ordinary rates in Luxembourg. For the year 2023, the aggregate maximum applicable rate amounts to 24.94% for companies located in Luxembourg-City.

To the extent that the Company would observe the provisions of the Securitisation Law, any commitment of the Company towards its shareholders should be assimilated to interest expenses for Luxembourg tax purposes^{46,47}, even if under the Company Law such commitments qualify as dividends⁴⁸.

The LITL provides that arm's length interest payments constitute deductible business expenses for Luxembourg tax purposes⁴⁹.

Further to the implementation of EU Directives related to the fight against tax avoidance⁵⁰ in Luxembourg, the LITL provides *inter alia* for interest deduction limitation rules⁵¹. Under these rules, the annual exceeding borrowing costs⁵² of the Company may be limited to the highest of 30% of its taxable earnings before interest, tax, depreciation and amortisation ("**EBITDA**")⁵³ or EUR 3m ("**Luxembourg Interest Deduction Limitation Rules**"). However, the Luxembourg Interest Deduction Limitation Rules provide for a carve-out for "standalone entities"⁵⁴. Based on the LITL⁵⁵, "standalone entities" are entities that (i) are not part of a consolidated group for financial accounting purpose⁵⁶ and (ii) have no associated enterprise falling within the meaning of the article 164*ter* of the LITL or permanent establishment in another jurisdiction than Luxembourg.

To the extent that the Company would qualify as a "standalone entity" falling within the meaning of the article 168bis of the LITL, the Luxembourg Interest Deduction Limitation Rules should not apply.

Further to the implementation of ATAD 1 and ATAD 2, Luxembourg implemented rules on hybrid

⁴⁶ Article 89 (d) of the Securitisation Law.

⁴⁷ Article 46 (14) LITL.

⁴⁸ Article 97 (6) LITL.

⁴⁹ Article 45 (1) LITL.

⁵⁰ Council Directive (EU) 2016/1164 of 12 July 2016 ("**ATAD 1**") and Council Directive (EU) 2017/952 of 29 May 2017 ("**ATAD 2**").

⁵¹ Article 168bis LITL.

⁵² As defined in the article 168bis (1) of the LITL.

⁵³ *Ibidem*.

⁵⁴ Article 168bis (8) LITL.

⁵⁵ Article 168bis (1) 6. LITL.

⁵⁶ As defined by article 168bis (1) 8. LITL.

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mismatches addressing situations of hybrid mismatches⁵⁷ leading to differences in the tax treatment of an entity or a financial instrument under the laws of two or more jurisdictions. The purpose of the anti-hybrid mismatches rules as implemented in LITL⁵⁸ is to neutralise the double deduction or deduction of a payment in one jurisdiction without inclusion in the taxable basis in the other jurisdiction. Mismatches outcome arising from hybrid entities/financial instruments should be subject to tax adjustments such as the denial of the deduction or inclusion of the income within the taxable basis of the beneficiary of such income.

In addition, the Luxembourg law of 10 February 2021 prohibits the deduction of interest expenses due to related undertakings⁵⁹ established in jurisdictions being part of the Annex I of the conclusions of the European Union Council on the revised list of non-cooperative jurisdiction for tax purposes (such countries or territories being designated on a so-called “Blacklist”). However, where a Luxembourg taxpayer can prove “valid commercial reasons that reflect economic reality”⁶⁰, such prohibition should not apply.

The above rules should be carefully monitored and on case-by-case basis as they may negatively impact the taxation of the Company and the shareholders.

- *Net wealth tax*

To the extent that the Company would observe the provisions of the Securitisation Law, the Company should only be subject to a minimum annual net wealth tax ranging from EUR 535 to EUR 32,100, depending on the Company’s total balance sheet.

- *Withholding tax*

To the extent that the Company would observe the provisions of the Securitisation Law, any commitment of the Company towards its shareholders should be assimilated to interest expenses for Luxembourg tax purposes which should not be subject to withholding tax in Luxembourg.

- *Non-resident capital gains*

Any latent capital gains realised by a non-resident shareholder should be subject to Luxembourg tax provided that such capital gain would be realised on a significant share capital participation in the Company falling within the meaning of the article 100 of the LITL within the first 6 months⁶¹ following the acquisition of the said participation⁶².

- *Value Added Tax (“VAT”)*

To the extent that the Company would observe the provisions of the Securitisation Law, management services falling within the meaning of the Article 44 of the Luxembourg law of 12 February 1979 on VAT (as amended) provided to the Company should not be subject to Luxembourg VAT.

AUTOMATIC EXCHANGE OF INFORMATION

⁵⁷ As defined in article 168ter (1) 2. LITL.

⁵⁸ Article 168ter LITL.

⁵⁹ As defined in article 56 of the LITL.

⁶⁰ Article 1 of the Luxembourg law of 10 February 2021.

⁶¹ Extended to 5 years for non-resident shareholders which have been tax resident in Luxembourg for more than 15 years as mentioned in the Article 156 (8) of the LITL.

⁶² Article 156 (8) LITL.

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Subject to completion, dated 28 February 2024

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- *Common Reporting Standard (“CRS”)*

Luxembourg has implemented the CRS through the Luxembourg act of 18 December 2015 on the automatic exchange of tax information on financial accounts (the “**Act**”). Pursuant to the CRS, participating jurisdictions will obtain from reporting financial institutions, and automatically exchange with exchange partners on an annual basis, financial information with respect to all reportable accounts identified by financial institutions on the basis of common due diligence and reporting procedures.

In light of the Act and based on the information at our disposal, the Company may be considered as an Active Non-Financial Entity (“**ANFE**”) for CRS purpose.

According to the Act⁶³, the Company may be subject to fines in case of (i) failure in respect of the due diligence requirements or (ii) in case of absence of implementation of reporting mechanism and (iii) absence, late, incomplete or inexact reporting.

- *Foreign Account Tax Compliance Act (“FATCA”)*

On 18 March 2010, the Hiring Incentives to Restore Employment Act (the “**HIRE Act**”) was enacted in the United States. The HIRE Act includes provisions known as FATCA. Final regulations under FATCA were issued by the United States Internal Revenue Service (the “**IRS**”) on 17 January 2013 (as amended). The FATCA provisions require financial institutions outside the US (“**foreign financial institutions**” or “**FFIs**”) to provide the IRS with information about financial accounts held directly or indirectly by certain specified US persons. Failure to provide the requested information leads to a 30% withholding tax applying to certain U.S. source income (including dividends and interest) and gross proceeds from the sale or other disposal of property that can produce U.S. source interest or dividends.

On 28 March 2014, the Grand Duchy of Luxembourg entered into a Model 1 Intergovernmental Agreement (“**IGA**”) with the United States of America and a memorandum of understanding in respect thereof. Under the IGA, the FFI is required to collect information aiming to identify its direct and indirect investors that are US persons for FATCA purposes. Any such information on reportable accounts provided to the FFI will be shared with the Luxembourg tax authorities which will exchange that information on an automatic basis with the Government of the United States of America.

In light of the IGA and based on the information at our disposal, the Company may be considered as an Active Non-Financial Foreign Entity (“**ANFFE**”) for FATCA purpose.

Under the Luxembourg IGA (and assuming the Company complies with the relevant obligations under the IGA), the Company should not be subject to withholding under FATCA in respect of any payments it receives and the Company should not be required to withhold tax under FATCA or the IGA (or the Law) from any payments it makes to the shareholders.

- *Directive on Administrative Co-operation (“DAC6”)*

On 25 May 2018, the EU Council adopted a directive (2018/822 amending Directive 2011/16/EU as regards

⁶³ Article 3 of the Act, as amended by the Luxembourg law dated 18 June 2020 (*Loi du 18 juin 2020 portant modification de la loi modifiée du 18 décembre 2015 relative à la Norme commune de déclaration et la loi modifiée du 24 juillet 2015 relative à FATCA*).

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mandatory automatic exchange of information in the field of taxation) that imposes a reporting obligation on parties involved in transactions that may be associated with aggressive tax planning and implemented in Luxembourg with the law of 25 March 2020.

More specifically, the reporting obligation apply to cross-border arrangements that, among others, satisfy one or more “hallmarks” provided for in DAC6 (the “**Reportable Arrangements**”)⁶⁴.

In the case of a Reportable Arrangement, the information that must be reported to the tax authorities include the name of all relevant taxpayers and intermediaries as well as an outline of the Reportable Arrangement, the value of the Reportable Arrangement and identification of any member states likely to be concerned by the Reportable Arrangement.

The reporting obligation in principle rests with persons that design, market or organise the Reportable Arrangement and professional advisors (intermediaries). However, in certain cases, the taxpayer itself can be subject to the reporting obligation.

DOCUMENTS ON DISPLAY

The following documents, or copies thereof, will be available for inspection as long as this Offering Memorandum remains valid in accordance with Article 12 of Regulation (EU) 2017/1129, during regular business hours at our registered office at 16, rue E. Ruppert, L-2453 Luxembourg, Grand Duchy of Luxembourg during usual business hours (Saturdays, Sundays and public holidays excepted):

- the Articles;
- the annual financial statements; in accordance with article 461-8 of Companies Law, the annual financial statements will also be filed with the RCSL and an extract is published on the RESA;
- a first Valuation Report by Dr. Roman Kräussl a copy of which is attached to this Offering Memorandum as **Annex A**. Dr. Roman Kräussl is Professor of Finance at Bayes Business School and a visiting fellow at the Hoover Institution at Stanford University. Previously, Dr. Roman Kräussl has been professor at the Luxembourg School of Finance for 10 years, active in the field of art and finance. Dr. Roman Kräussl mostly consults on art as an asset class, dealing with valuation of artworks and construction of art market indices. He has extensive experience in art and finance, contributing to prestigious publications on art valuation, passion investments and psychology of collecting. He regularly presents his findings at key academic conferences and is chairing various art-finance related, international summits and venues. His work has been featured in the Wall Street Journal, the New York Times, and Forbes’ Annual Investment Guide. He has taught numerous MBA courses at the Amsterdam School of Finance, Goizueta Business School, and Christie’s Education, among others. Dr. Roman Kräussl has no material interest in the Company;
- a second Valuation Report by Winston Art Group a copy of which is attached to this Offering Memorandum as **Annex A**. Winston Art Group specialises in objective appraisal services support by the Uniform Standards of Professional Appraisal Practice. Winston Art Group has more than 75

⁶⁴ As defined in the Luxembourg law of 25 March 2020.

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independent certified appraisers, each specialist has a minimum of 10 years of experience in his or her chosen field. They are compliant with the Uniform Standards of Professional Appraisal Practice guidelines and are members of international appraisers' associations such as Appraisers Association of America and International Society of Appraisers. Winston Art Group has no material interest in the Company;

- this Offering Memorandum;
- the Condition Report;
- the Service Providers Agreements;
- the Admission and Operating Rules;
- the Asset Purchase Agreement;
- the Loan Agreement;
- the Professional Services Agreement;
- the Engagement Letter with the Sole Bookrunner;
- the Engagement Letter with the Auditor; and
- the Insurance Agreement.

The Articles (www.artshare002.com/documentation) are fully incorporated in the Offering Memorandum by reference.

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IX. List of defined terms

Act	means the Luxembourg law dated 18 December 2015 as regards automatic exchange of information with respect to financial accounts in the field of taxation as amended (<i>Loi du 18 décembre 2015 concernant l'échange automatique de renseignements relatifs aux comptes financiers en matière fiscale</i>).
Admission	means the admission to trading of the Offered Shares on ARTEX MTF.
Admission and Operating Rules	means the set of rules detailing the requirements and procedures for the admission and trading of securities on ARTEX MTF.
ANFE	means Active Non-Financial Entity as defined by the Act.
ANFFE	means Active Non-Financial Foreign Entity as defined by FATCA and the IGA.
ARTEX Group	means any company in the ARTEX group of companies, having as ultimate parent company ARTEX AG, a public limited liability company, incorporated under the laws of Liechtenstein, having its registered office at Wuhrstrasse 6, 9490 Vaduz, Liechtenstein and registered with the trade and companies register of Liechtenstein under number FL-0002.641.606-1.
ARTEX MTF	means ARTEX MTF AG, a public limited liability company (Anonym Gesellschaft), incorporated under the laws of Liechtenstein, having its registered office at Wuhrstrasse 6, 9490 Vaduz, Liechtenstein and registered with the trade and companies register of Liechtenstein under number FL-0002.682.571-2, being an exchange-regulated multilateral trading facility market as regulated by the Liechtenstein Financial Market Authority.
Articles	means the articles of association of the Company, as may be amended from time to time.
Artwork	means Three Studies for Portrait of George Dyer by Francis Bacon.
Asset Purchase Agreement	means the asset purchase agreement dated 1 August 2023, as amended, entered into by the Seller and the Company, which documents the sale of the Artwork by the Seller to the Company.
ATAD 1	means Council Directive (EU) 2016/1164 of 12 July 2016 laying down rules against tax avoidance practices that directly affect the functioning of the internal market.

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ATAD 2	means Directive (EU) 2017/952 of 29 May 2017 amending Directive (EU) 2016/1164 as regards hybrid mismatches with third countries.
Auditor	means Groupe Audit Luxembourg, a private limited liability company (<i>société à responsabilité limitée</i>) governed by the laws of the Grand Duchy of Luxembourg, having its registered office at 4, rue Pierre de Coubertin, L-1358 Luxembourg, Grand Duchy of Luxembourg and registered with the RCSL under number B171737, appointed by the Board of Directors as approved statutory auditor (<i>réviseur d'entreprises agréé</i>) until 28 September 2026.
Bid	means an offer made in relation to the Mandatory Asset Purchase procedure.
Bidder	means any natural or legal person not being a shareholder of the Company but intending to initiate a Mandatory Asset Purchase.
Board of Directors	means the board of directors of the Company.
Bookrunner and Placement Fee	means 3% of the gross proceeds from the purchase of the Offered Shares, split between the Sole Bookrunner and the Placement Agent(s).
Bookrunner Fee	means 1.5% of the gross proceeds from the purchase of the Offered Shares.
Business Days	means any day (not being a Saturday or Sunday or a public holiday) on which banks are generally open for non-automated business in each relevant State.
Class A Share	means the class A share, without nominal value, issued by the Company at the date of its incorporation to the Class A Shareholder, and which, for the avoidance of doubt, are subject to the Articles and not issued for the purpose of being listed.
Class A Shareholder	means Stichting Art Share , a <i>stichting</i> foundation governed by the laws of the Netherlands, having its corporate office in the municipality of Amsterdam, the Netherlands at Amersfoort, A1, Databankweg 26, Amersfoort, 3821 AL, Netherlands and registered with the trade and companies register of the Netherlands under number 864322999, or any other holder of the Class A Share from time to time.
Class B Shareholder	means any holder of the Class B Shares from time to time.
Class B Shares	means the class B shares, without nominal value issued by the Company, denominated in dollar currency, where all cashflows relating

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to such shares (e.g. purchase, distributions, redemptions, etc.) are settled in EUR.

Clearing Agency

means each of Euroclear Bank SA/NV, a limited liability company incorporated under the laws of Belgium, having its registered office at 1, boulevard du Roi Albert II, 1210 Brussels, Belgium, and Clearstream Banking S.A., a public limited company incorporated under the laws of the Grand Duchy of Luxembourg, having its registered office at 42, Avenue J.F. Kennedy, L-2967 Luxembourg, Grand Duchy of Luxembourg and registered with the RCSL under number B 9248 and/or any other international central securities depositories as may be designated from time to time.

Common Depositary

means *Banque et Caisse d'Epargne de l'Etat, Luxembourg*, having its registered office at 1, place de Metz, L-1930 Luxembourg and registered with the RCSL under number B30775 and appointed by the Clearing Agency in respect of their joint guidelines for the allocation of common depositary.

Companies Law

means the Luxembourg law of 10 August 1915 on commercial companies, as amended.

Company Net Proceeds

are equal to the Gross Proceeds minus the Sole Bookrunner and Placement Fee (if any).

Company or Issuer

means Art Share 002 S.A., a public limited liability company (*société anonyme*), incorporated under the laws of the Grand Duchy of Luxembourg, having its registered office at 16, rue Eugène Ruppert, L-2453 Luxembourg, Grand Duchy of Luxembourg and registered with the RCSL under number B273672; existing as a securitisation undertaking (*organisme de titrisation*) within the meaning of the Securitisation Law.

Company Setup Fee

means 0.4% of the value of the Offered Shares (including costs charged by the appraisers for the Valuation Reports).

Condition Report

means the condition report for the artwork established by RES SaRL, having its registered address at 21, rue du Pont Aux Choux, 75003 Paris, France.

Consideration

means the consideration for the Artwork pursuant to the Asset Purchase Agreement as described on page 50 of this Offering Memorandum.

Corporate Agent

means ARTEX Services AG, a public limited liability company (*Anonym Gesellschaft*), incorporated under the laws of Liechtenstein, having its registered office at Wuhrstrasse 6, 9490 Vaduz, Liechtenstein and registered with the trade and companies register of Liechtenstein under

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	number FL-0002.682.625-9, a subsidiary of ARTEX AG.
Corporate Agent Fee	means 3% of the gross proceeds from the purchase of the Offered Shares.
Corporate Service Provider	means Vistra (Luxembourg) S.à r.l., a Luxembourg company incorporated under the laws of Luxembourg, having its registered office at 16, rue E. Ruppert, L-2453 Luxembourg and registered with the RCSL under number B142021.
Counter-Bid	means a Bid make by a person other than a Bidder following the making of a Bid which must be at a price that offers at least a 5% additional premium above the Purchase Premium.
Counter-Bid Increment	means the amount of a Counter-Bid represented by the additional premium above the Purchase Premium.
Counter-Bid Process	means the Counter-Bid process.
CRS	means Common Reporting Standard within the meaning of Council Directive 2014/107/EU of 9 December 2014 amending Directive 2011/16/EU as regards mandatory exchange of information in the field of taxation.
CSSF	means the Luxembourg financial supervisory authority, <i>Commission de Surveillance du Secteur Financier</i> .
DAC6	means Council Directive (EU) 2018/822 of 25 May 2018 amending Directive 2011/16/EU as regards mandatory automatic exchange of information in the field of taxation in relation to reportable cross-border arrangements.
Delisting Fee	means a fee paid by the Company to ARTEX MTF in case (i) the Company decides in its own initiative to delist the Company from admittance or (ii) of Mandatory Asset Purchase, that shall amount to 25% of the New Purchase Premium.
EBITDA	means earnings before interest, taxes, depreciation, and amortisation as defined by article 168bis of the LITL.
EEA	means the European Economic Area.
EUR	means the euro currency.
Exchange Rate	means the rate at which EUR will be exchanged for USD as published by the European Central Bank at 16:00 (CET) on 4 March 2024 on the following website:

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https://www.ecb.europa.eu/stats/policy_and_exchange_rates/euro_reference_exchange_rates/html/index.en.html

FATCA	means the Foreign Account Tax Compliance Act.
Fees	mean the Sourcing Fee, the Bookrunner and Placement Fee, the Corporate Agent Fee and the Company Setup Fee.
FFIs	means Foreign Financial Institutions as defined by the HIRE Act.
Forced Sale	means the mandatory sale of the Offered Shares of the defaulting shareholder having committed an Ownership Cap breach on ARTEX MTF in the event of a failure to reduce its holding in the Company below the Ownership Cap or in the absence of a Mandatory Asset Purchase.
FMA	means the Liechtenstein Financial Market Authority.
General Meeting	means a general meeting of shareholders of the Company.
Global Certificate	means the certificate that has been authenticated and delivered by the Paying Agent to the Common Depositary, for as long as the Offered Shares are represented by a global certificate.
Gross Proceeds	are equal to the number of Offered Shares purchased multiplied by the offered price per share expressed in EUR.
HIRE Act	means the Hiring Incentives to Restore Employment Act adopted in the United States on 18 March 2010.
IGA	means Model 1 Intergovernmental Agreement dated 28 March 2014 entered between Luxembourg and the United States of America.
Investment Company Act	means the United States Investment Company Act of 1940.
IRS	means the United States Internal Revenue Service.
Listing	means the listing of the Offered Shares on ARTEX MTF.
LITL	means the Luxembourg law of 4 December 1964 on income tax, as amended (<i>Loi modifiée du 4 décembre 1964 concernant l'impôt sur le revenu</i>).
Loan	means the loan in an amount equivalent to the Purchase Price of the Artwork granted to the Company pursuant to the Loan Agreement.

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Loan Agreement	means the loan agreement entered into by the Seller as lender and the Company as borrower, as amended, in relation to the repayment of the Purchase Price under the Asset Purchase Agreement dated 12 May 2023.
Luxembourg Interest Deduction Limitation Rules	means the rules provided by article 168bis of the LITL.
Luxembourg Prospectus Law	means the Luxembourg law of 16 July 2019 on prospectuses for securities (<i>Loi du 16 juillet 2019 relative aux prospectus pour valeurs mobilières</i>).
Luxembourg VAT Law	means the Luxembourg law of 12 February 1979 on value added tax, as amended (<i>Loi modifiée du 12 février 1979 concernant la taxe sur la valeur ajoutée</i>).
Mandatory Asset Purchase	means the process whereby a party or a group initiates a procedure to acquire the Artwork, not earlier than 9 months as from the date of this Offering Memorandum, in accordance with the procedure as detailed in this Offering Memorandum.
Mandatory Asset Purchase Period	means the period of 15 Business Days as from the date of publication of the Bid on the ARTEX MTF's website.
MAR	means the Regulation (EU) No 596/2014 of the European Parliament and of the Council of April 16, 2014, on market abuse, as amended.
Member State	means a state party to the founding treaties of the European Union.
MiFID II	means the Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments, as amended.
New Purchase Premium	means the Purchase Premium and any Counter-Bid Increment attributable to a Successful Bid.
Offer Period	means the Offer Period which is expected to be from 16 February 2024 to 5 March 2024 for orders.
Offer Price	means price in EUR which is a price equivalent to USD 100, by applying the Exchange Rate, per Offered Share.
Offered Share(s)	means the Class B Shares being offered pursuant to this Offering Memorandum.
Offering	means the offering of the Offered Shares pursuant to this Offering Memorandum.

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Offering Memorandum	means this whole document, including the Annexes.
Ownership Cap	means the maximum authorised ownership limit of 10% in terms of voting rights, capital ownership or profit entitlement of the Company applicable to the holding of the Offered Shares
Ownership Trustee	means the Corporate Agent or an agent appointed from time to time by the shareholders of the Company to enforce the terms of the Ownership Cap with full power of substitution.
Paying Agent	means REYL & Cie Ltd, a Swiss company having its registered office at rue du Rhône, 62, CH-1204 Geneva, Switzerland, acting as paying agent of the Company in relation to the issuance of the Company's shares through the Clearing Agency prior to the Listing, in accordance with the terms and conditions of the Paying Agent Agreement.
Paying Agent Agreement	means the paying agency services agreement entered into by the Paying Agent and the Company.
Placement Agents	means the Sole Bookrunner and the other financial intermediaries acting as placement agents pursuant to the Placement Agreement.
Placement Agreement	means a placement agreement between the Company and the Placement Agents, expected to be entered into in case of successful completion of the Offering.
Placement Fee	means, if any, 1.5% of the gross proceeds from the purchase of the Offered Shares.
Professional Services Agreement	means the professional services agreement entered into by the Corporate Agent and the Company.
Prospectus Regulation	means the amended Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71/EC.
Purchase Premium	means the price to be paid by a Bidder for the Artwork premiuming at least 20% above the average market value of the Company's Shares as determined by ARFX.MTF.ARTK.MTF back period back the last 20 trading days as trading days of the offer.
Purchase Price	means the purchase price for the Artwork being USD 55,000,000.
Qualified Investors	mean qualified investors within the meaning of Article 2 para. 1 lit. e) of the Prospectus Regulation

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RCSL	means the Luxembourg trade and companies register (<i>Registre de Commerce et des Sociétés Luxembourg</i>).
Registrar	means Vistra (Luxembourg) S.à r.l., a Luxembourg company incorporated under the laws of Luxembourg, having its registered office at 16, rue E. Ruppert, L-2453 Luxembourg and registered with the RCSL under number B142021 and appointed by the Company to keep record the holders of the Offered Shares represented by the Global Certificate.
Remaining Shares	means the Offered Shares transferred to the Seller in accordance with the terms and conditions of the Loan Agreement, i.e., up to 137,500 Class B Shares against the contribution of the receivable outstanding under the Loan to the account 115 “ <i>apport en capitaux propres non rémunéré par des titres</i> ” of the Luxembourg standard chart of accounts (plan comptable normalisé) of the Company.
Reportable Arrangements	means cross-border arrangements that satisfy <i>inter alia</i> one or more “hallmarks” provided by DAC6 and as implemented by the Luxembourg law dated 25 March 2020.
RESA	means the Luxembourg central electronic platform of official publications for companies and associations (<i>Recueil Électronique des Sociétés et Associations</i>).
Securities Act	means the United States Securities Act of 1933.
Securitisation Law	means the Luxembourg law of 22 March 2004 on securitisation, as amended.
Seller	means Codelouf Limited, having the company number 1-58377 and being registered at 55 Mount Row, St Peter Port, Guernsey GY1 1NU, the seller of the Artwork.
Seller Net Proceeds	is the difference between the Company Net Proceeds and the Fees.
Service Providers	means the Paying Agent, the Corporate Agent, and any other service providers of the Company acting for itself.
Service Providers Agreements	means any other agreements that may be entered into by the Company in its own name with one or several Service Providers.
Settlement Agent	means Zeus, acting as settlement agent in connection with the Offering exclusively.
Sole Bookrunner	means Zeus, acting as sole bookrunner in connection with the Offering exclusively.

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Sourcing Agent	means Essentia Art Ltd, having its registered address in Madison Building, Midtown, Queensway, GX11 1AA, Gibraltar.
Sourcing Fee	means 2% of the gross proceeds from the purchase of the Offered Shares.
Successful Bid	means a Mandatory Asset Purchase, whether as a result of a Bid or Counter-Bid, which has completed by the later of 15 Business Days elapsing as from the beginning of the 1a relevant Mandatory Asset Purchase Period where no Counter-Bid has been received and compliance of the relevant Bidder or Counter-Bidder with any anti-money laundering know your customer procedures as initiated by ARTEX MTF and any other relevant party from time to time.
Take-out Deadline	means with respect to the Mandatory Asset Purchase, the 30 calendar days starting from the date of settlement.
Target Market Assessment	means solely for the purposes of the product governance requirements contained within: (a) MiFID II; (b) articles 9 and 10 of Commission Delegated Directive (EU) 2017/593 supplementing MiFID II; and (c) local implementing measures, and disclaiming all and any liability, whether arising in tort, contract or otherwise, which any “manufacturer” (for the purposes of the product governance requirements) may otherwise have with respect thereto, the Offered Shares have been subject to a product approval process, which has determined that the Offered Shares are: (i) compatible with an end target market of investors who meet the criteria of eligible counterparties, as defined in MiFID II; and (ii) eligible for distribution through all distribution channels as are permitted by MiFID II.
USD	means the U.S. dollar, currency of the United States of America.
Valuation Reports	means the valuation report on the Artwork prepared by Dr. Roman Kräussl, having his professional address at Christophstrasse 8, 54290 Trier, Germany, dated 10 October 2023, a copy of which is attached in <u>Annex A</u> , and the valuation report on the Artwork prepared by Winston Art Group Inc, Tower 56, 126 East 56th Street, 24th Floor, New York, NY 10022 dated 12 December 2023, a copy of which is attached in <u>Annex A</u> .
VAT	means value added tax as regulated by the Luxembourg law of 12 February 1979 on value added tax, as amended (<i>Loi modifiée du 12 février 1979 concernant la taxe sur la valeur ajoutée</i>).
Zeus	means Zeus Capital Limited, with registered office at 82, King Street,

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Manchester M2 4WQ, United Kingdom.

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Registered Office of the Company 16, rue E. Ruppert L-2453, Luxembourg Grand Duchy of Luxembourg	
Sole Bookrunner, Placement Agent and Settlement Agent	
Zeus Capital Limited 82, King Street, Manchester M2 4WQ United Kingdom	
Legal Advisor to the Company Charles Russell Speechlys SCS 2, rue Jean Monnet L-2180 Luxembourg Grand Duchy of Luxembourg	
Legal Advisor to the Sole Bookrunner	
Linklaters LLP 35, avenue J.F. Kennedy L-1855 Luxembourg Grand Duchy of Luxembourg	
Paying Agent REYL & Cie Ltd Rue du Rhône, 62 CH-1204 Geneva Switzerland	Paying Agent REYL & Cie Ltd Rue du Rhône, 62 CH-1204 Geneva Switzerland
Corporate Service Provider Vistra Luxembourg S.à r.l. 16, rue Eugène Ruppert L-2453 Luxembourg Grand Duchy of Luxembourg	Auditor Groupe Audit Luxembourg 4, rue Pierre de Coubertin L-1358 Luxembourg Grand Duchy of Luxembourg
Clearing Agencies Euroclear Bank S.A./NV 1, boulevard du Roi Albert II B-1210 Brussels Belgium	Domiciliation, Administration Agent and Registrar Agent Vistra Luxembourg S.à r.l. 16, rue Eugène Ruppert L-2453 Luxembourg Grand Duchy of Luxembourg
Clearstream Banking SA 42 Avenue J.F. Kennedy L-2967 Luxembourg Grand Duchy of Luxembourg	Corporate Agent ARTEX Services AG Wuhrstrasse, 6 9490 Vaduz Liechtenstein

Further information on the Artwork

Three Studies for Portrait of George Dyer (1963) has been exhibited in major museums and institutions since the 1970s, such as the Fondation Maeght in Saint-Paul-de-Vence, the Moderna Museet in Stockholm, or the Musée Maillol in Paris. In 2005, it was part of 'Portraits and Heads' at the Scottish National Gallery of Modern Art in Edinburgh: the first museum exhibition ever devoted to Francis Bacon's portraits and related full-length figures, marking his singular achievement with the genre. In 2008, this triptych was included in the most comprehensive retrospective since the artist's death, that took place at London's Tate Britain, marking the centenary of his birth. 65 of Bacon's most significant paintings were selected for this special event, among which *Three Studies for Portrait of George Dyer*. Accompanied by archival material from the Francis Bacon Estate, this landmark exhibition shed new light on Bacon's oeuvre and working practices. It then travelled to the Metropolitan Museum of Art in New York and the Prado in Madrid.

The Artwork also stands out because of its notable provenance, including *Charlie and the Chocolate Factory's* author Roald Dahl as its former owner. A passionate collector of art and antiques, Dahl started to acquire artworks by Matisse, Renoir, Cézanne, Van Gogh, or Degas after World War II, but he sometimes had to part with some of it. Among his endlessly changing collection were four paintings by Francis Bacon which he acquired between 1963 and 1967: *Three Studies for Portrait of George Dyer* (1963), *Landscape Near Malabata* (1963), *Portrait of Henrietta Moraes on White* (1964), and *Study For A Head Of Lucian Freud* (1967). Dahl admired the painter with whom he became acquainted in the 1950s and developed a close friendship. He immediately called him a 'giant of his time'⁶⁵.

Provenance

- Marlborough Fine Art Ltd, London
- Roald Dahl, Great Missenden
- Waddington Galleries Ltd, London
- Private collection, Paris
- Christie's NY, 17 May 2017, Lot 38 – B
- Private collection (acquired at the above sale)

Exhibitions

British Paintings 1945-1970, Kunstnerforbundet, Oslo; Kunstforening, Trondheim; Kunstforeningen, Bergen; Museum Narodowe, Warsaw; Museum Narodowe, Poznan, and Museum Narodowe, Krakow, January-July 1972, n.p., no. 10 (illustrated)

Francis Bacon, Tate Gallery Liverpool, Liverpool, February 1990-January 1991, pp. 18-19 (illustrated)

⁶⁵ N. Crosland in conversations with D. Sturrock and R. Dahl, Letter to Claude Gallimard, 29th October, 1971, in D. Sturrock, *Storyteller: The Life of Roald Dahl*, London 2011, p. 440

PRELIMINARY OFFERING MEMORANDUM

Subject to completion, dated 28 February 2024

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Bacon-Freud: Expressions, Fondation Maeght, Saint-Paul-de-Vence, July-October 1995, pp. 46-47 and 204, no. 11 (illustrated in colour)

Wounds: Between Democracy and Redemption in Contemporary Art, Moderna Museet, Stockholm, February-April 1998, vol. 1, p. 171; vol. 2, n.p. (illustrated in colour)

Francis Bacon : Le Sacré et le Profane, Fondation Dina Vierny-Musée Maillol, Paris, April-June 2004, pp. 112 and 157 (illustrated in colour)

Francis Bacon: Portraits and Heads, Scottish National Gallery of Modern Art, Edinburgh, June-September 2005, pp. 60-61, no. 29 (illustrated in colour)

Francis Bacon. Die Portraits, Hamburger Kunsthalle, Hamburg, October 2005-January 2006, p. 73, no. 28 (illustrated in colour)

Francis Bacon: A Centenary Retrospective, Tate Britain, London; Museo Nacional del Prado, Madrid, and Metropolitan Museum of Art, New York, September 2008-August 2009, pp. 186 and 280 (illustrated in colour)

Sources:

- Literature

British Council, *Francis Bacon: Portraits and Heads*, exh. cat. Edinburgh, Scottish National Gallery of Modern Art, 4 June – 4 September 2005 (Edinburgh: National Galleries of Scotland in association with the British Council, 2005), pp. 60-61, no. 29 (illustrated in colour)

British Council, *British Paintings 1945-1970*, exh. cat. Oslo, Kunstnerforbundet; Trondheim, Kunstforening; Bergen, Kunstforeningen; Warsaw, Museum Narodowe; Poznan, Museum Narodowe; and Krakow, Museum Narodowe, 1972, n.p., no. 10 (illustrated)

Christie, Manson and Woods Ltd. *Post-War and Contemporary Art, Evening Sale : Auction, New York, Rockefeller Plaza, Wednesday 17 May 2017*, catalogue of sale (New York: Christie's. Print, 2017), n.p. (lot 38B)

Elliott, David, *Wounds: Between Democracy and Redemption in Contemporary Art*, exh. cat. Stockholm, Moderna Museet, 14 February – 19 April 1998 (Stockholm: Moderna Museet, 1998), vol. 1, p. 171; vol. 2, n.p. (illustrated in colour)

Francis, Richard and Durham, Andrew, *Francis Bacon*, exh. cat. Liverpool, Tate Gallery Liverpool, 20 February 1990 – 13 January 1991 (Liverpool: Tate Gallery Liverpool, 1990), pp. 18-19 (illustrated)

Harrison, Martin, *Francis Bacon: Catalogue Raisonné: Volume III 1958-71* (London: Estate of Francis Bacon, 2016), vol. 3, pp. 738-739, no. 63-15 (illustrated in colour)

Harrison, Martin, *Francis Bacon: A Centenary Retrospective*, exh. cat. London, Tate Britain, 11 September 2008 - 4 January 2009; Prado, Museo Nacional del Prado, 3 February-19 April 2009; and New York, Metropolitan Museum of Art, 18 May – 16 August 2009 (London: Tate Publishing, 2008), pp. 186 and 280 (illustrated in colour)

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Heinrich, Christoph, *Francis Bacon. Die Portraits*, exh. cat. Hamburg, Hamburger Kunsthalle, October 2005-January 2006 (Hamburg: Hamburger Kunsthalle, 2005), p. 73, no. 28 (illustrated in colour)

Hergott, Fabrice, *Francis Bacon*, exh. cat. Paris, Centre National d'Art et de Culture Georges Pompidou, 27 June – 14 October 1996 ; Munich, Haus der Kunst, 4 November 1996 - 31 January 1997 (Paris: Centre Georges Pompidou), p. 64 (illustrated)

Peppiatt, Michael, *Francis Bacon: Le Sacré et le Profane*, exh. cat. Paris, Fondation Dina Vierny-Musée Maillol, 7 April – 30 June 2004, trans. by Jeanne Bouniort and Patrice Cotensin (Paris: Fondation Dina Vierny - Musée Maillol, 2004), pp. 112 and 157 (illustrated in colour)

Prat, Jean-Louis, *Bacon-Freud: Expressions*, exh. cat. Saint-Paul, Alpes-Maritimes, Fondation Marguerite et Aimé Maeght, 4 July – 15 October 1995, Saint Paul, Fondation Maeght (Saint-Paul de Vence: Fondation Maeght, 1995), pp. 46-47 and 204, no. 11 (illustrated in colour)

Sturrock, Donald, *Storyteller: The Authorised Biography of Roald Dahl* (New York: Simon & Schuster, 2010), p. 440

- Bibliography

Ottinger, Didier, *Bacon en toutes lettres*, exh. cat. 11 September 2019 - 20 January 2020 (Paris: Centre Pompidou, 2019)

Peppiatt, Michael, *Francis Bacon, Anatomie d'une énigme*, trans. by Jeanne Bouniort (Barcelone: Flammarion, 2019)

Peppiatt, Michael and Eisenman, Stephen F., *Francis Bacon, l'Homme et la Bête*, exh. cat., London, Royal Academy of Arts 29 January-17 April 2022, ed. by Fonds Mercator (London: Royal Academy of Arts, 2021)

Sylvester, David, *The brutality of Fact: Interviews with Francis Bacon* (London: Thames and Hudson, 2016)

Sylvester, David, *Looking back at Francis Bacon*, (London: Thames and Hudson, 2000)

ArtExplored, *Artist Report, Francis Bacon*, ArtExplored, July 2023

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Annex A: Valuation Reports

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WINSTON
ART GROUP

Fair Market Value Appraisal - Accounting and Prospectus Inclusion

Client:

ARTEX Services AG

Job Number:

16834.3

Appraisal Effective Date:

September 25, 2023

Total Appraised Value:

\$45,000,000

Note: The value included in this appraisal is a Fair Market Value in accordance with IRS Publication 561 and the Technical Advisory Memorandum 9235005 (see definition in our Scope of Work) and includes assumed fees such as Buyer's Premium. However, this value does not necessarily represent the net amount the owner would receive in a hypothetical sale as of the effective date of the appraisal.

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ART GROUP

SIGNED CERTIFICATION

I, the undersigned, on behalf of Winston Art Group, Tax ID #27-2541263, being duly sworn, hereby depose and certify:

That to the best of the appraiser's knowledge and belief:

- the statements of fact contained in this report are true and correct.
- this appraisal represents the appraiser's best judgment and opinion as to the FAIR MARKET VALUE of the subject property.
- the reported analyses, opinions, and conclusions are limited only by the reported assumptions, disclaimers, and terms and limiting conditions outlined in this report, and these are the appraiser's personal, impartial and unbiased professional analyses, opinions, and conclusions.
- the appraiser has no present or prospective interest in the property that is the subject of this report and no personal interest with respect to the parties involved.
- the appraiser has performed services as an appraiser for the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment.
- the appraiser has no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
- the appraiser's compensation for completing this assignment is based on an hourly rate and not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
- the appraiser's analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the 2020-2021 *Uniform Standards of Professional Appraisal Practice*, effective through December 31, 2023.
- the appraiser has not made a personal inspection of the property that is the subject of this report.

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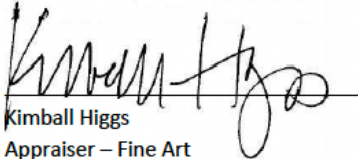
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- Winston Art Group specialist Tim Hunter gave significant personal property assistance by performing the onsite inspection and providing the appraiser, Kimball Higgs, with images and descriptions of the property that is subject in this report.



Kimball Higgs
Appraiser – Fine Art

12th day of December, 2023

PRELIMINARY OFFERING MEMORANDUM

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SCOPE OF WORK

Purpose of Appraisal: The appraiser was asked to prepare a Fair Market Value appraisal from images and descriptions for the purposes of accounting and prospectus inclusion. This report is not valid for any other purposes. For the avoidance of doubt, the Appraisal shall not be construed as providing investment advice or to be relied upon by those making investment decisions, and our appraisers specifically disclaim any liability to such unknown and unauthorized third parties.

Category of Items: Fine Art

Intended Use of Appraisal Report: Accounting and Prospectus Inclusion

Client: ARTEX Services AG

Owner: The name of the current owner has not been disclosed by the client, but they have confirmed for provenance purposes that the work is in a Private Collection.

Effective Date of Appraisal: The values expressed in this appraisal are effective as of the requested date, September 25, 2023.

Date of Report: December 12, 2023

Intended User(s) of Appraisal: This appraisal can be used and relied upon by the client and its designates. Any other user is considered an unintended user.

Assignment Considerations: Winston Art Group specialist Tim Hunter inspected the property in one location in London on February 3, 2023, and was provided with adequate time to examine the property. The onsite specialist examined the property with a flashlight and under available daylight in situ. When necessary, the item was examined with a magnifying lens. A black light was used to examine the fine art for the present assignment and any visible condition issues have been noted in the narrative when applicable. The appraiser, Kimball Higgs, was unable to inspect the property in person; he therefore appraised solely from images and descriptions supplied from the onsite specialist's inspection or provided by the client. Documentation and information relating to the work's provenance, exhibition histories, and literature references was provided by the client. No formal condition report was supplied by the client for the property in this assignment.

The appraiser was given adequate time to research the property. Relevant comparable information is included in the document or maintained in the work file at the offices of Winston Art Group and is available upon request. The appraiser was unable to personally examine the comparable works used for this assignment, and thus relied on information available through online databases, dealers, and/or galleries. Not all comparables have current condition reports available for review.

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Limiting Conditions: This report is made at the request of the party named for its use. It is not an indication or verification of title of ownership. The question of title was not considered for this appraisal. The identification of the interest of the requesting party is simply that represented to the appraiser by such party and no inquiry or investigation has been made nor is any opinion given as to the truth of such representation.

The appraiser did not undertake a title search with the Art Loss Register. The appraiser is not an authenticator but had no reason to doubt the authenticity of the property. The values expressed are based on the general expertise and qualifications of the appraiser as to the appropriate markets and values for the items and purpose involved. The appraised values are based on whole ownership and possessory interest undiminished by any liens, fractional interests or any other form of encumbrance or alienation. The values expressed herein are based on the appraiser's judgment based on research and are not a representation or warranty that the items will realize those values if offered for sale at auction or otherwise. The values expressed are based upon current information on the date made and no opinion is hereby expressed as to any future or past values, unless otherwise expressly stated.

All pages of this appraisal, from the cover page to the final page with appraiser's qualifications, are considered as part of the report; the date listed on the cover sheet is the date from which the entirety of the report is valid. Estimates of value and quality may vary from one appraiser to another with such variances not necessarily constituting an error on the part of the appraiser; therefore, statements and data contained herein cannot be considered as a guarantee or warranty. We assume no liability with respect to any action, which may be taken on the basis of this appraisal or for any unintended error or omission from this report, except in the case of fraud, willful misconduct, or gross negligence.

Extraordinary Assumptions: An extraordinary assumption is defined as an assumption, directly related to a specific assignment, as of the effective date of the assignment results, which, if found to be false, could alter the appraiser's opinions or conclusions. The appraised values assume clear title, good condition as of the date of the report, and authenticity. It is assumed that all relevant information about the items being appraised has been provided to the appraiser. Any later disclosed, or newly discovered information or unknown information/provenance may change the values of the items.

The appraiser, Kimball Higgs, was unable to inspect the property in person; he therefore appraised solely from images and descriptions provided by the onsite specialist or the client and assumed this information to be accurate.

The appraiser was unable to personally examine the comparable works used for this assignment, and thus relied on information available through online databases, dealers, and/or galleries and assumed authenticity, condition and value information to be accurate. When no condition report is available, the appraiser assumed comparable examples to be in good condition unless otherwise noted in the auction or retail listings. All information provided by the client is assumed to be accurate.

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Hypothetical Conditions: A hypothetical condition is defined as a condition, directly related to a specific assignment, which is contrary to what is known by the appraiser to exist on the effective date of the assignment results but is used for the purpose of analysis. No hypothetical conditions have been applied to this appraisal.

Method of Examination: Examination consisted of a visual inspection of the items and images to confirm the medium, style, quality, date, measurements, and condition of the property. Lighting and image quality were considered adequate. The appraiser, Kimball Higgs, was unable to inspect the property in person; he therefore appraised solely from images and descriptions provided by the onsite specialist and the client to confirm physical characteristics.

Photography: Professional images were supplied by the client and have been uploaded for use in this document. Photographs have been cropped and straightened for closer views. Photos may be reduced or enlarged in size. It is meant to provide identification of the property and should not be taken as an accurate representation. No other editing or modifications have been made to the photographs.

Fine Arts Procedures: Works of art are not subjected to x-ray or testing by other specialized equipment; evaluation of condition is made on the basis of visual examination. A black light was used to examine the fine art for the present assignment and any visible condition issues have been noted in the narrative when applicable. Overpainting, prior restorations, etc., may not always be apparent to the unaided eye and may not be taken into account in determining value.

Method of Research: Where an appraisal is based not solely on the items, but also on data and/or documentation supplied to the appraiser, this appraisal shall so state by making a reference to this fact. Research was conducted in the home office of the Winston Art Group appraiser and with on-line auction result databases, such as Invaluable, Artnet, Artprice, AskArt, Sotheby's website and catalogues, Christie's website and catalogues, and relevant retail galleries and databases, when necessary, to identify sale prices of comparable property. The appraiser regularly attends auction previews and sales in this genre, as well as major fairs exhibiting comparable material, and discusses market trends with auction house professionals and dealers. In addition, the appraiser consulted sale catalogues, catalogues raisonné, and other printed materials that support the appraisal.

Approach to Value: The appraiser has employed the "Sales Comparison Approach (market comparison)" to arrive at the appraised "Fair Market Value." The values contained within this report are exclusive of any state and/or local sales taxes. The "income" approach was not considered applicable as the property in this report is not used to generate income. The "cost" approach was not considered applicable as there is no need to determine the value of the subject property based on the cost of manufacturing or recreating an identical object at this time.

Market Examined: The "Sales Comparison Approach (market comparison)" analyzes recent sales of comparable articles at major international and regional auction houses, private and public sales, shows

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and exhibitions, as well as prevailing prices at retail shops and galleries where the article may normally be traded.

Type of Valuation: The **Fair Market Value** is defined by the IRS as stated in the Treasury Regulation Sections 20.2031-1 (b) as "the price at which the property would change hands between a willing buyer and a willing seller, neither being under any compulsion to buy or to sell and both having reasonable knowledge of relevant facts" (IRS Publication 561). According to Technical Advisory Memorandum 9235005 [May 27, 1992], fair market value should include the buyer's premium. The fair market value of a particular item of property includible in the decedent's gross estate is not to be determined by a forced sale price. Nor is the fair market value of an item of property to be determined by the sale price of the item in a market other than that in which such item is most commonly sold to the public, taking into account the location of the item wherever appropriate. Thus, in the case of an item of property includible in the decedent's gross estate, which is generally obtained by the public in the retail market, the fair market value of such an item of property is the price at which the item or a comparable item would be sold at retail. (Treasury Regulations Section 20.2031-1 (b))

Type of Appraisal & USPAP Compliance: This report is considered an unrestricted appraisal according to the rules of *USPAP 2020-2021 (Uniform Standard of Professional Appraisal Practice)*, effective through December 31, 2023 and follows the guidelines of *USPAP* for providing all of the necessary information/analysis to satisfy the report writing requirements of an unrestricted appraisal.

PRELIMINARY OFFERING MEMORANDUM

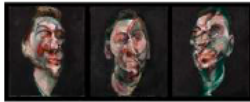
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WINSTON ART GROUP

Fair Market Value



WAG #: 16834/403303

\$45,000,000

BACON, FRANCIS (Irish, 1909-1992)

Three studies for Portrait of George Dyer, 1963 (triptych)

Titled and dated verso of center canvas

Oil on canvas, in three parts

14" x 12" (35.5 x 30.5 cm) each

CONDITION

The image at left was provided by the client and has been digitally uploaded for use in this document. Images from the Winston Art Group inspection of the subject work are kept on file.

PROVENANCE

Marlborough Fine Art, London

Roald Dahl, Great Missenden

Waddington Galleries, Ltd., London

Private collection, Paris

Christie's, New York, May 17, 2017, lot 38. Sold for \$51,767,500 including buyer's premium.

Private collection

LITERATURE

"Francis Bacon", exh. cat., Paris, Centre National d'Art et de Culture

Georges Pompidou, 1996, p. 64 (ill.).

D. Sturrock, "Storyteller: The Authorized Biography of Roald Dahl", New York, 2010, p. 440.

M. Harrison, ed., "Francis Bacon: Catalogue Raisonné: Volume III" 1958-71, London, 2016, pp. 738-739, no. 63-15 (ill. in color).

EXHIBITIONS

Oslo, Kunstnerforbundet; Trondheim, Kunstforening; Bergen, Kunstforeningen; Warsaw, Museum Narodowe; Poznan, Museum Narodowe and Krakow, Museum Narodowe, "British Paintings 1945-1970", Jan. - Jul. 1972, n.p., no. 10 (ill.)

Francis, Richard. Francis Bacon, Tate Gallery, Liverpool, 20 February 1990-13 January 1991. Liverpool: Tate Gallery Liverpool, 1990, pp. 18-19 (ill.)

Saint-Paul-de-Vence, Fondation Maeght, "Bacon-Freud: Expressions", Jul. - Oct. 1995, pp. 46-47 and 204, no. 11 (ill. in color).

Stockholm, Moderna Museet, "Wounds: Between Democracy and Redemption in Contemporary Art", Feb. - Apr. 1998, vol. 1, p. 171; vol. 2, n.p. (ill. in color).

Paris, Fondation Dina Vierny-Musée Maillol, "Francis Bacon: Le Sacré et le Profane", Apr. - Jun. 2004, pp. 112 and 157 (ill. in color).

Edinburgh, Scottish National Gallery of Modern Art, "Francis Bacon: Portraits and Heads", Jun. - Sept. 2005, pp. 60-61, no. 29 (ill. in color).

Hamburger Kunsthalle, "Francis Bacon. Die Portraits", Oct. 2005 - Jan. 2006, p. 73, no. 28 (ill. in color).

London, Tate Britain; Madrid, Museo Nacional del Prado and New York, Metropolitan Museum of Art, "Francis Bacon: A Centenary Retrospective", Sept. 2008 - Aug. 2009, pp. 186 and 280 (ill. in color).

FURTHER DETAILS

The subject work is comprised of three portraits of Bacon's lover George Dyer: a three-quarter view facing left, a face-on view, and a three-quarter view facing right. It was painted in 1963, within months of Bacon's first epochal meeting of Dyer in late 1963. It is the first of many portraits based on photographs of Dyer by John Deakin and commissioned by Bacon. This is one of five triptychs of Dyer in the small format; the others were completed in 1964 (two), 1966 and 1969. One of the other small-format

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Dyer triptychs is also on a dark background, one from 1964 is painted on a pink ground, one from 1969 is on a violet ground, and another was painted on a light yellowish ground. Dyer died by his own hand in 1971, but so powerful was his influence that Bacon continued to paint his image after his death.

Historic sales at auction of Dyer triptychs include \$45.6M for the example with a yellowish background (Sotheby's, London, June 2014) and \$38.6M for the 1966 version on a dark background (November 2017). The subject work holds the record at \$51.8M; this is a record for any small format triptych.

More recent sales of small format triptychs have not risen to record levels; they include 'Three Studies for Self Portrait, 1979', sold out of the Allen Collection for \$29M, as well as 'Three Studies for Portrait of Henrietta Moraes, 1963' from the William Paley Collection for \$27.24M. Surprisingly, 'Three Studies for Portrait of Lucien Freud, 1964' sold at the low estimate (including buyer's premium) for \$30M at Sotheby's, New York in November 2022.

Although 2022 was something of a banner year for total sales (over \$210M), in Bacon's market, we did not see record prices, suggesting that the values have leveled off. We note especially the return to market of the 'Red Pope, Second Version', which failed to sell in London in October 2017 at an estimate reported by be over \$70M, only to make \$46.3M in May 2022 against an estimate of \$40M to \$60M. Given these recent values, well below the \$51.8M value achieved at auction for the subject work, we feel an estimate range of \$30M to \$50M is prudent and we have placed the Fair Market Value just above the midway point to reflect the hammer price plus buyer's premium.

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Fair Market Value

Grand Total (1 Item) \$45,000,000

Value as of September 25, 2023

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Appendix

Comparable Auction Sales

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Comparables for BACON: Three studies for Portrait of George Dyer, 1963 (triptych)



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artnet price database

	3		Francis Bacon
[IMAGE REDACTED]	Title	Three Studies for a Portrait of George Dyer	
	Description	Francis Bacon (1909-1992)Three Studies for a Portrait of George Dyer	
	Medium	oil on canvas	
	Year of Work	1963	
	Size	Height 14 in.; Width 12 in. / Height 35.5 cm.; Width 30.5 cm.	
	Misc.	Inscribed	
	Sale of	Christie's New York: Wednesday, May 17, 2017 [Lot 0038B] Post-War and Contemporary Evening Sale	
	Estimate	No Estimate Received	
	Sold For	51,767,500 USD Premium	
	8		Francis Bacon
[IMAGE REDACTED]	Title	THREE STUDIES OF GEORGE DYER	
	Description	titled and dated 1966 on the reverse of the left panel oil on canvas, in three parts<	
	Medium	oil on canvas	
	Year of Work	1966	
	Size	Height 14 in.; Width 12 in. / Height 35.6 cm.; Width 30.5 cm.	
	Misc.	Inscribed	
	Sale of	Sotheby's New York: Thursday, November 16, 2017 [Lot 00040] Contemporary Art Evening Auction	
	Estimate	35,000,000 - 45,000,000 USD	
	Sold For	38,614,000 USD Premium	
	10		Francis Bacon
[IMAGE REDACTED]	Title	Three Studies for Portrait of Lucian Freud	
	Description	Property from a Private European CollectionFrancis Bacon1909 - 1992Three Studi	
	Medium	oil on canvas, in three parts	
	Year of Work	1964	
	Size	Height 14 in.; Width 12 in. / Height 35.6 cm.; Width 30.5 cm.	
	Sale of	Sotheby's New York: Wednesday, November 16, 2022 [Lot 00120] Contemporary Evening Auction	
	Estimate	30,000,000 - 40,000,000 USD	
	Sold For	30,000,000 USD Premium	

The subject work

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	11		Francis Bacon
		Title	Three Studies for Self-Portrait
[IMAGE REDACTED]		Description	Visionary: The Paul G. Allen CollectionFRANCIS BACON (1909-1992)Three Studies for triptych—oil on canvas
		Medium	1979
		Year of Work	1979
		Size	Height 14 in.; Width 12 in. / Height 35.6 cm.; Width 30.5 cm.
		Misc.	Signed
		Sale of	Christie's New York: Wednesday, November 9, 2022 [Lot 00052] Visionary: The Paul G. Allen Collection Part I
		Estimate	25,000,000 - 35,000,000 USD
		Sold For	29,015,000 USD Premium
	12		Francis Bacon
		Title	Three Studies for Portrait of Henrietta Moraes
[IMAGE REDACTED]		Description	A Legacy of Innovation: Works From The Collection of William S. Paley Sold to Benefit the oil on canvas, in three parts
		Medium	1963
		Year of Work	1963
		Size	Height 14 in.; Width 12 in. / Height 35.5 cm.; Width 30.5 cm.
		Sale of	Sotheby's London: Friday, October 14, 2022 [Lot 00112] Contemporary Evening Auction
		Estimate	No Estimate Received
		Sold For	24,300,000 GBP Premium (27,242,152 USD)
	15		Francis Bacon
		Title	SELF-PORTRAIT
[IMAGE REDACTED]		Description	signed, titled and dated 1975 on the reverseoil and Letraset on canvas35.5
		Medium	oil and Letraset on canvas
		Year of Work	1975
		Size	Height 14 in.; Width 12 in. / Height 35.5 cm.; Width 30.5 cm.
		Misc.	Signed, Inscribed
		Sale of	Sotheby's London: Wednesday, June 26, 2019 [Lot 00009] Contemporary Art Evening Auction
		Estimate	15,000,000 - 20,000,000 GBP (19,023,462 - 25,364,616 USD)
		Sold For	16,542,650 GBP Premium (20,979,898 USD)

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	18		Francis Bacon
		Title	Three Studies for a Portrait
[IMAGE REDACTED]		Description	Francis Bacon (1909-1992) Three Studies for a Portrait signed, titled, inscribe
		Medium	oil on canvas, in three parts
		Year of Work	1976
		Size	Height 14 in.; Width 12 in. / Height 35.5 cm.; Width 30.5 cm.
		Misc.	Signed, Inscribed
		Sale of	Christie's London: Tuesday, March 6, 2018 [Lot 00025] Post-War and Contemporary Art Evening Auction
		Estimate	10,000,000 - 15,000,000 GBP (13,885,032 - 20,827,548 USD)
		Sold For	10,008,750 GBP Premium (13,897,181 USD)
	20		Francis Bacon
		Title	Study for Self-Portrait
[IMAGE REDACTED]		Description	Francis Bacon (1909-1992) Study for Self-Portrait signed, titled and dated 'Study for Se
		Medium	oil on canvas
		Year of Work	1979
		Size	Height 13.9 in.; Width 12.2 in. / Height 35.3 cm.; Width 31 cm.
		Misc.	Signed, Inscribed
		Sale of	Christie's New York: Wednesday, November 13, 2019 [Lot 0017B] Post-War and Contemporary Art Evening Sale
		Estimate	8,000,000 - 12,000,000 USD
		Sold For	9,014,500 USD Premium
	33		Francis Bacon
		Title	STUDIES OF ISABEL RAWSTHORNE
[IMAGE REDACTED]		Description	each: signed and titled on the reverse oil on canvas, in two parts each: 35.5 by 3
		Medium	oil on canvas
		Year of Work	1983
		Size	Height 14 in.; Width 12 in. / Height 35.5 cm.; Width 30.5 cm.
		Misc.	Signed, Inscribed
		Sale of	Sotheby's London: Thursday, October 5, 2017 [Lot 00025] Contemporary Art Evening Auction
		Estimate	1,800,000 - 2,500,000 GBP (2,363,135 - 3,282,132 USD)
		Sold For	1,988,750 GBP Premium (2,610,936 USD)

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Sales of Dyer portraits (page 1)

2	[IMAGE REDACTED]	<p>Francis Bacon</p> <p>Title Three Studies for a Portrait of George Dyer</p> <p>Description Francis Bacon (1909-1992) Three Studies for a Portrait of George Dyer titled and dated 1966 on the reverse of the left panel oil on canvas, in three parts</p> <p>Medium triptych—oil on canvas</p> <p>Year of Work 1963</p> <p>Size Height 14 in.; Width 12 in. / Height 35.5 cm.; Width 30.5 cm.</p> <p>Misc. Inscribed</p> <p>Sale of Christie's New York: Wednesday, May 17, 2017 [Lot 00388] Post-War and Contemporary Evening Sale</p> <p>Estimate No Estimate Received</p> <p>Sold For 51,767,500 USD Premium</p>
4	[IMAGE REDACTED]	<p>Francis Bacon</p> <p>Title Three studies for portrait of George Dyer (on light ground) (in 3 parts)</p> <p>Description oil on canvas, in three parts each: 35.5 by 30 cm.; 14 by 12 in. Executed in 1964.</p> <p>Medium oil on canvas</p> <p>Year of Work 1964</p> <p>Size Height 14 in.; Width 11.8 in. / Height 35.5 cm.; Width 30 cm.</p> <p>Sale of Sotheby's London: Monday, June 30, 2014 [Lot 00015] Contemporary Art Evening Auction</p> <p>Estimate 15,000,000 - 20,000,000 GBP (25,654,182 - 34,205,576 USD)</p> <p>Sold For 26,682,500 GBP Premium (45,634,512 USD)</p>
5	[IMAGE REDACTED]	<p>Francis Bacon</p> <p>Title THREE STUDIES OF GEORGE DYER</p> <p>Description titled and dated 1966 on the reverse of the left panel oil on canvas, in three parts</p> <p>Medium oil on canvas</p> <p>Year of Work 1966</p> <p>Size Height 14 in.; Width 12 in. / Height 35.6 cm.; Width 30.5 cm.</p> <p>Misc. Inscribed</p> <p>Sale of Sotheby's New York: Thursday, November 16, 2017 [Lot 00040] Contemporary Art Evening Auction</p> <p>Estimate 35,000,000 - 45,000,000 USD</p> <p>Sold For 38,614,000 USD Premium</p>

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Sales of Dyer portraits (page 2)

	7	
	Title	Francis Bacon
	Description	Study for head of George Dyer
[IMAGE REDACTED]	Medium	titled and dated 1967 on the reverse oil on canvas
	Year of Work	1967
	Size	Height 14.1 in.; Width 12 in. / Height 35.8 cm.; Width 30.4 cm.
	Misc.	Inscribed
	Sale of	Sotheby's London: Tuesday, July 1, 2008 [Lot 00011] Contemporary Art Evening Auction
	Estimate	No Estimate Received
	Sold For	13,761,250 GBP Premium (27,423,774 USD)

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2017 and 2022 appearance of 'Red Pope'

Artnet

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artnet price database

	1		Francis Bacon
		Title	Study of Red Pope 1962, 2nd Version 1971
[IMAGE REDACTED]		Description	Property from a Private European CollectorFrancis Bacon1909 - 1992Study of Red
		Medium	oil on canvas
		Year of Work	1971
		Size	Height 78 in.; Width 58.1 in. / Height 198 cm.; Width 147.5 cm.
		Misc.	Signed
		Sale of	Sotheby's New York: Thursday, May 19, 2022 [Lot 00115]
		Estimate	Contemporary Evening Auction
		Sold For	40,000,000 - 60,000,000 USD 46,284,500 USD Premium
	8		Francis Bacon
		Title	Study of Red Pope 1962. 2nd Version 1971
[IMAGE REDACTED]		Description	Francis Bacon (1909-1992)Study of Red Pope 1962. 2nd Version 1971signed, titled
		Medium	oil on canvas
		Year of Work	1962
		Size	Height 78 in.; Width 58.1 in. / Height 198 cm.; Width 147.5 cm.
		Misc.	Signed, Inscribed
		Sale of	Christie's London: Friday, October 6, 2017 [Lot 0016A]
		Estimate	Post-War and Contemporary Art Evening Auction
		Sold For	No Estimate Received Bought In

Estimate reported in excess of \$70M

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2022 Bacon sales (page 1)

[IMAGE REDACTED]	1	Francis Bacon
	Title	Three Studies for Portrait of Lucian Freud
	Description	Property from a Private European CollectionFrancis Bacon1909 - 1992Three Studi
	Medium	oil on canvas, in three parts
	Year of Work	1964
	Size	Height 14 in.; Width 12 in. / Height 35.6 cm.; Width 30.5 cm.
	Sale of	Sotheby's New York: Wednesday, November 16, 2022 [Lot 00120] Contemporary Evening Auction
Estimate	30,000,000 - 40,000,000 USD	
Sold For	30,000,000 USD Premium	
[IMAGE REDACTED]	2	Francis Bacon
	Title	Three Studies for Self-Portrait
	Description	Visionary: The Paul G. Allen CollectionFRANCIS BACON (1909-1992)Three Studies for
	Medium	triptych—oil on canvas
	Year of Work	1979
	Size	Height 14 in.; Width 12 in. / Height 35.6 cm.; Width 30.5 cm.
	Misc.	Signed
Sale of	Christie's New York: Wednesday, November 9, 2022 [Lot 00052] Visionary: The Paul G. Allen Collection Part I	
Estimate	25,000,000 - 35,000,000 USD	
Sold For	29,015,000 USD Premium	
[IMAGE REDACTED]	3	Francis Bacon
	Title	Figure Crouching'
	Description	Francis Bacon1909 - 1992'Figure Crouching'oil and sand on canvas180 x
	Medium	oil and sand on canvas
	Size	Height 70.9 in.; Width 48 in. / Height 180 cm.; Width 122 cm.
	Sale of	Sotheby's Paris: Monday, October 24, 2022 [Lot 00003] Inside the World of Francis Bacon: Provenant de la Collection Majid Boustany
	Estimate	3,500,000 - 5,000,000 EUR (3,456,107 - 4,937,296 USD)
Sold For	4,021,900 EUR Premium (3,971,462 USD)	

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2022 Bacon sales (page 2)

[IMAGE REDACTED]	4	Francis Bacon Title Description Medium Year of Work Size Sale of Estimate Sold For	Three Studies for Portrait of Henrietta Moraes A Legacy of Innovation: Works From The Collection of William S. Paley Sold to Benefit the oil on canvas, in three parts 1963 Height 14 in.; Width 12 in. / Height 35.5 cm.; Width 30.5 cm. Sotheby's London: Friday, October 14, 2022 [Lot 00112] Contemporary Evening Auction No Estimate Received 24,300,000 GBP Premium (27,242,152 USD)
[IMAGE REDACTED]	5	Francis Bacon Title Description Medium Year of Work Size Misc. Sale of Estimate Sold For	Painting 1990 PROPERTY FROM A PRIVATE EUROPEAN COLLECTIONFRANCIS BACON (1909-1992)Painting 1990< oil on canvas 1990 Height 78 in.; Width 58.1 in. / Height 198 cm.; Width 147.5 cm. Signed Christie's London: Thursday, October 13, 2022 [Lot 00027] 20th/21st Century: London Evening Sale 7,000,000 - 9,000,000 GBP (7,940,109 - 10,208,711 USD) 7,102,250 GBP Premium (8,056,091 USD)
[IMAGE REDACTED]	6	Francis Bacon Title Description Medium Year of Work Size Cat. Rais. Sale of Estimate Sold For	Study for Portrait of Lucian Freud Estimate Upon RequestProperty of a Distinguished European CollectorFrancis Bacon< oil on canvas 1964 Height 78 in.; Width 58.1 in. / Height 198 cm.; Width 147.5 cm. Martin Harrison Sotheby's London: Wednesday, June 29, 2022 [Lot 00010] British Art: The Jubilee Auction No Estimate Received 43,336,000 GBP Premium (52,636,948 USD)

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2022 Bacon sales (page 3)

7		Francis Bacon
	Title	Seated Man
[IMAGE REDACTED]	Description	FRANCIS BACON (1909-1992)Seated Manoil on canvas55 x 43 3/4in. (140 x 110cm
	Medium	oil on canvas
	Year of Work	Circa 1957
	Size	Height 55.1 in.; Width 43.3 in. / Height 140 cm.; Width 110 cm.
	Sale of	Christie's London: Tuesday, June 28, 2022 [Lot 00077] 20th/21st Century: London Evening Sale
	Estimate	2,000,000 - 3,000,000 GBP (2,441,108 - 3,661,662 USD)
	Sold For	2,922,000 GBP Premium (3,566,459 USD)
8		Francis Bacon
	Title	Study of Red Pope 1962, 2nd Version 1971
[IMAGE REDACTED]	Description	Property from a Private European CollectorFrancis Bacon1909 - 1992Study of Red
	Medium	oil on canvas
	Year of Work	1971
	Size	Height 78 in.; Width 58.1 in. / Height 198 cm.; Width 147.5 cm.
	Misc.	Signed
	Sale of	Sotheby's New York: Thursday, May 19, 2022 [Lot 00115] Contemporary Evening Auction
	Estimate	40,000,000 - 60,000,000 USD
	Sold For	46,284,500 USD Premium
9		Francis Bacon
	Title	Untitled (Head)
[IMAGE REDACTED]	Description	oil on fibreboard65.5 x 55.5 cm (25 3/4 x 21 7/8 in.)Painted circa 1948.
	Medium	oil on fiberboard
	Year of Work	1948
	Size	Height 25.8 in.; Width 21.9 in. / Height 65.5 cm.; Width 55.5 cm.
	Sale of	Phillips London: Thursday, March 3, 2022 [Lot 00023] 20th Century & Contemporary Art Evening Sale
	Estimate	600,000 - 800,000 GBP (799,254 - 1,065,672 USD)
	Sold For	772,700 GBP Premium (1,029,306 USD)

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2022 Bacon sales (page 4)

	10	Francis Bacon
	Title	Triptych 1986-7
[IMAGE REDACTED]	Description	FRANCIS BACON (1909-1992)Triptych 1986-7(i) signed, titled, inscribed and dated
	Medium	oil, pastel, aerosol paint and dry transfer lettering on canvas, in three parts
	Year of Work	1986-1987
	Size	Height 78 in.; Width 58.1 in. / Height 198 cm.; Width 147.5 cm.
	Misc.	Signed, Inscribed
	Sale of	Christie's London: Tuesday, March 1, 2022 [Lot 00038] 20th/21st Century: London Evening Sale
	Estimate	35,000,000 - 55,000,000 GBP (46,610,732 - 73,245,440 USD)
	Sold For	38,459,208 GBP Premium (51,217,480 USD)

PRELIMINARY OFFERING MEMORANDUM

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The information contained in this preliminary offering memorandum is not complete and may be changed. A final investment decision should be made on the final offering memorandum that is expected to be made available on 5 March 2024.

For the avoidance of doubt, the Appraisal shall not be construed as providing investment advice and is not to be relied upon by those making investment decisions; our appraisers specifically disclaim any liability to such unknown and unauthorized third parties. This appraisal is 37 pages long; it must be viewed in its entirety for complete information on the work in question. No excerpt is to be considered a valid appraisal.

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MARKET OVERVIEW

[REDACTED]

Value as of September 25, 2023

16834.3, Fair Market Value Appraisal

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126 East 56th Street | 24th Floor | New York, NY | 10022 | 212.542.5755

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APPRAISAL TERMINOLOGY & DEFINITIONS

Actual Cash Value: A term that refers to market value and is generally synonymous with payment restricted to cash. Some insurance policies also define ACA as the replacement cost minus any depreciation.

Administrator: An individual appointed by the court if a decedent has died without a will, if no executor is named in the will, or if the executor named cannot or will not serve.

Ad Valorem: Derived from the Latin, this term means “according to value” and is commonly used in relation to a tax levied on property in proportion to the value of the property.

Alternate Valuation Date: A term most frequently identified with estate appraisals. At present, it is the date six months to the day after the date of death, on which the fiduciaries of an estate can chose, legally, to have the estate valued rather than on the date of the death. In this manner, the IRS allows the estate the choice of a date that may be more advantageous for tax purposes in the event that the market or price for the objects in question has changed significantly, usually declining in value materially, from the date of the death to the date six months after the death. If the alternate date of death is chosen, then all items in the estate must be valued on that alternate date, not just personal property.

Antique: As defined by the United States Customs Department, any object that is 100 years old or older is an antique. However, the term is broadly interpreted with its definition varying from object to object and year to year. Generally speaking, the following are the most accepted definitions: 1.) an item collected or desirable due to its rarity, condition, utility or some other unique feature that is older than 100 years. Motors vehicles, in contrast, are considered antiques in the United States if they are older than twenty-five years, while some electronic gadgets of more recent vintage may be considered antiques. 2.) ancient art such as sculptures, gem, medals and seals collected from Greek and Roman civilizations.

Appraisal: As defined in the Uniform Standards of Professional Appraisal Practice (USPAP), “the act or process of developing an opinion of value; an opinion of value.” According to the USPAP, value can “be numerically expressed as a specific amount, as a range of numbers, or as a relationship (e.g., not more than, not less than) to a previous value opinion or numerical benchmark (e.g., assessed value, collateral value).” It should be noted that the USPAP states that using any other term for an appraisal does not remove the work from being in compliance with USPAP; it is an appraisal if an opinion of value is given.

Appraisal Report: The written or oral communication of an appraiser’s conclusions transmitted to the client upon completion of the assignment. The USPAP includes requirements for reporting.

Arbitration: Arbitration is a cost-effective alternative to litigation. Arbitration is the submission of a dispute to one or more impartial persons for a decision known as an “award.” Awards are made in writing and are generally final and binding on the parties in the case.

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Assembled, associated or married pieces: Terms used to describe property that is composed of parts from various other pieces. A married piece is beyond a mere restoration and is often an attempt at deception unless the marriage is clearly identified as such when sold.

Blockage Discount: A principle applied to the valuation of large groups of similar and like items that, if sold during a limited period of time, might result in a depression of the prices one might expect if the items were sold separately in an ordinary market cycle.

Buyer's Premium: The percentage of the bid or "hammer" price paid by the buyer to the auction house when purchasing an item. The fee usually ranges between 5 percent and 25 percent.

Buy In (BI): Occurs at auction when an object does not meet its reserve price and fails to sell.

Catalogue Raisonné: A scholarly catalogue that should include all the known works of an artist or all of his or her known works of an artist or all of his or her known works in a specific medium at the time of the catalogue's compilation. Essential information identifying the works is included, making the catalogue a definitive reference book.

Certificate of Authentication/Authenticity: An official document that certifies that the piece in question is right, of the period, and by the creator designated. Some states (including New York) require specific information be included on a certificate of authentication.

Clear Title: Refers to ownership of property that is free from encumbrance, obstruction, burden or limitation.

Comparables: Those objects selected by the appraiser as being similar to one being appraised. An examination and analysis of sales figures for similar works or comparable objects allows the appraiser to arrive at an appraised value for the object under consideration.

Condition: Term referring to the physical state of a property and must be noted in an appraisal document.

Conservation: The treatment and preventive care of an object so that its condition does not deteriorate and will remain stable; the preservation of a piece involving careful maintenance and protection of an object, using materials and procedures that will have no adverse effect on it.

Cost Approach: A valuation approach used to determine the value of an object based upon the cost of re-creating the identical piece. This approach may be applied to a piece when the methods of construction or materials used are replicable.

Craquelure: The result of natural movement of the support (canvas) and or the shrinking of the medium during the aging process of painting. It usually appears on the surface in a spider web-like series of cracks. The surface can be stabilized by reclining the canvas and filling the cracks.

Value as of September 25, 2023

16834.3, Fair Market Value Appraisal

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Crazing: The fine and random cracking that extends only through the surface of pottery, porcelain, stone, or concrete. Crazing can appear along or perpendicular to the length of a piece, only in polygonal shapes, or as random spider webs and is due to differential contraction between the surface and interior sections, often as a result of changes in temperature. It has no significance in terms of structure or durability, and does not by itself constitute a cause for rejection. It can, however, mark the beginning of disintegration. All ceramic and concrete products and many natural stones under varying conditions of moisture and temperature are frequently subject to crazing. In some Asian potteries and porcelains, crazing is admired and produced in a deliberate and regulated manner.

Cultural Patrimony: Objects that are associated with the Holocaust, items from past and present wars that were pillaged or removed from their homelands or owners, and those objects taken and robbed from the underdeveloped and poor countries. Today, there is an effort to prevent the continuous exploitation and export of these treasures from their homelands.

Fair Market Value (FMV): Regarding income tax, Treas. Reg. Section 1.170A-1 (c)(2) provides that the fair market value is the price at which the property would change hands between a willing buyer and a willing seller, neither being under any compulsion to buy or sell and both having reasonable knowledge of the relevant facts. Regarding estate tax, Treas. Reg. Section 20.2031-6(a) provides that a fair market value of a decedents household and personal effects is the price that a willing buyer would pay to a willing seller, neither being under any compulsion to buy or to sell and both having reasonable knowledge of the relevant facts. Regarding gift tax, Treas. Reg. Section 25.2512-1 of the Gift Tax Regulations provides that the value of the property is the price at which the property would change hands between a willing buyer and a willing seller, neither being under any compulsion to buy or sell and both having reasonable knowledge of the relevant facts.

Forced Liquidation Market: The market in which property is quickly sold within a restricted time frame and without the freedom to consider the most appropriate marketplace, the time of exposure, or the price.

Forced Liquidation Value: The lowest range "NET" value, usually for the purpose of a quick and/or forced sale. It is defined as "the most probable price in terms of cash, or other precisely revealed terms, for which the property would change hands if sold immediately without regard to the relevant marketplace." (ASA 1994 Handbook, p. 2)

Form 8283: Federal tax law allows you to claim a deduction for the value of all property you donate to a qualified charity during the year provided you are eligible to itemize deductions. Generally, any nonprofit organization that promotes religious, literary, educational, scientific, humanitarian or other charitable causes will qualify. However, if the combined value of all property you donate is more than \$500, you must prepare Form 8283 and attach it to your tax return.

Foxing: Brown spots caused by iron particles in the paper that "rust" and discolor the paper when it is exposed to humidity. Sometimes, mold is mistaken for foxing.

Fractional Gifts: Fractional gifts of property allow the donor to have partial possession of the object over a

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specified period of time until full ownership transfers to the donee.

Hammer Price: The actual bid price at auction as the hammer falls; it does not include the buyer's premium.

Highest and Best Use: A term commonly used in appraising real estate property that has been carried over into the field of personal property appraisals. The term refers to the evaluation of personal property, when the possible, in the most appropriate marketplace that will bring the highest price.

Hypothetical Conditions: According to USPAP, those conditions that are contrary to the conditions that actually exist, but are supposed for the purpose of reasonable analysis. Hypothetical conditions assume conditions contrary to known facts about physical, legal or economic characteristics of a subject property or about conditions external to the property, such as the market conditions or trends, or about the integrity of data used in an analysis. Appraisals of damaged or destroyed objects employ hypothetical conditions. A hypothetical condition may be used in an assignment only if 1) the use of the hypothetical condition is clearly required for legal purposes, for purposes of reasonable analysis or for purposes of comparison; 2) the use of the hypothetical condition results in a credible analysis; and 3) the appraiser complies with the disclosure requirements set forth in USPAP for hypothetical conditions.

Income Approach: A valuation approach used to determine the value of an object that will be used to generate future income. This is most often done through leasing, rental or the creation of reproductions but not through a one-time only sale with transfer of title and/or copyright.

Inherent Vice: Extreme conditions of temperature, light, and humidity contribute to an object deteriorating or destroying itself. The resulting loss of value is caused by the inherent nature of the object rather than the result of an external cause or a casualty.

Inpainting: Similar to overpainting, a technique commonly used by conservations to restore a painting that has suffered the loss or deterioration of paint on a canvas or other medium. It generally implies work that is well done with a minimum of intervention by the conservator.

In the Style Of: Refers to an item that is not of the period in which it was supposed to have been made but rather was made at a later time as a copy of an earlier piece.

Lined: A term that usually refers to a painting on canvas that has been supported by another layer of canvas due to the deterioration of the original support.

Liquidation Value: A value based on the price realized in a sale situation under moderately forced or limiting conditions and under time constraints. This action may be initiated by the owner or a crediting institution. It is implicit in this definition that liquidation value will generally be lower than market value.

Loss of Value: The difference in value between the value of the property prior to damage and the value of the property after that damage has been repaired.

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Market Analysis: The study of market conditions for a specific type of personal property; sometimes both the retail and wholesale markets must be examined and analyzed.

Marketable Cash Value: The value realized, net of expenses, by a willing seller disposing of property in a competitive and open market to a willing buyer, both being reasonably knowledgeable of all the relevant facts and neither being under constraint to buy or sell.

Medium: 1.) The material from which an object is made or on which it is produced; it may include paper, canvas, board, cel (acetate), bronze; 2.) The specific tool and material used by the creator; e.g., brush and oil paint, chisel and stone; 3.) The mode of expression used by a creator; e.g., painting, sculpture, graphic arts, etc.; 4.) A liquid that may be added to a paint to increase its manipulability without decreasing its adhesive, binding or film forming properties.

Mint Condition: The condition of an object that is the same as when they were originally created. A term taken from coinage, it refers to the same condition as when a coin was minted.

Most Appropriate Market or Marketplace: The venue in which an appraiser determines that an object can be sold most easily and at the highest price. In the case of personal property, when comparables are scarce, it frequently references the most appropriate market, which can be a combination of auction and private gallery sales.

Net Value: A term commonly used in matters of equitable distribution to indicate the market value of personal property exclusive of any sales commissions or any other costs that would reduce the value of the property.

No Commercial Value (NCV): A term that usually refers to an object or a group of objects, usually in estate situations, for which it is not reasonable to assign a monetary value; for example, a mattress and a box spring.

Original Cost: Also known as the historical cost or the cost of acquiring an item of personal property.

Overpainting: A term that refers to restorative work on a painting in which is applied over already dry areas of paint. It sometimes includes the original artist's glazes. Overpainting is similar to inpainting, but inpainting only fills in areas of missing paint without covering the original paint.

Oxidation: The binding of oxygen to a metal to form rust or the binding of oxygen to wood to darken it.

Patina: A film, produced by oxidation that builds up on the surface of an object. The term also refers to the final coating that is applied to a bronze by the artist or the foundry crafting the bronze.

Personal Property: Defined by USPAP as "identifiable, tangible objects that are considered by the general public as being "personal"; for example, furnishings, artwork, antiques, gems and jewelry, collectibles, machinery and equipment.

Pre-Existing Damage: Any wear, tear, repairs or other changes to new condition seen on an item of personal property prior to its evaluation in a damage and/or loss of value situation.

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Preservation: Related to conservation and restoration, preservation actions are taken to prevent further changes to or deterioration of objects, sites or structures.

Primary Market: A market created either by the maker or the maker's agent when an object is sold for the first time, usually in galleries or stores. The secondary market is the venue for the sale of an object between a seller and a buyer when neither of them have participated in the creation or initial sale of the object. In the instance of multiples, a valid secondary market cannot exist while the maker or his agent retains a supply of the original offering.

Primary Source: Material, used in research and data comparisons, that is gathered from first-hand witnesses and includes auctions attended, galleries, art fairs and stores visited as well as actual comparables witnessed by the appraiser.

Provenance: The history of an object that may include its past ownership as well as its exhibition and catalogue history.

Pristine/Mint/Proof Condition: Refers to an object in excellent condition, as if new, and usually in its original packaging or box.

Publication 561: A publication of the IRS designed to help donors and appraisers determine the value of property (other than cash) that is given to qualified organizations. It also explains what kind of information you must have to support the charitable contribution deduction you claim on your return. This publication does not discuss how to figure the amount of your deduction for charitable contributions or written records and substantiation required.

Qualified Appraisal: An appraisal will be treated as a qualified appraisal within the meaning of §170 (f)(11)(E) if the appraisal complies with all the requirements of §1.170A-13(c) of the existing regulations (except for the extent the regulations are inconsistent with § 170 (f)(11)), and is conducted by a qualified appraiser in accordance with generally accepted appraisal standards. See sections 3.02(2) and 3.03 of Notice 2006-96. An appraisal will be treated as having been conducted in accordance with generally accepted appraisal standards within the meaning of §170 (f)(11)(E)(i)(II) if, for example, the appraisal is consistent with the substance and principles of the Uniform Standards of Professional Appraisal Practice ("USPAP").

Qualified Appraiser: 1) Appraisal designation. An appraiser will be treated as having earned an appraisal designation from a recognized professional appraiser organization within the meaning of §170 (f)(11)(E)(ii)(I) if the appraisal designation is awarded on the basis of demonstrated competency in valuing the type of property for which the appraisal is performed. (2) Education and experience in valuing the type of property. An appraiser will be treated as having demonstrated verifiable education and experience in valuing the type of property subject to the appraisal within the meaning of §170 (f)(11)(E)(iii)(1) if the appraiser makes a declaration in the appraisal that, because of the appraiser's background, experience, education and membership in professional associations, the appraiser is qualified to make appraisals of the type of property being valued. (3) Minimum education and experience. An appraiser will be treated as having met minimum education and experience

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requirements within the meaning of § 170 (f)(11)(E)(ii)(I) if the appraiser has successfully completed college or professional-level coursework that is relevant to the property being valued, has obtained at least two years of experience in the trade or business of buying, selling, or valuing the type of property being valued, and has fully described in the appraisal the appraiser's education and experience that qualify the appraiser's education and experience that qualify the appraiser to value the type of property being valued.

Recto: The right-hand page of a book or the front side of a leaf or picture.

Refinished Condition: When a piece has been stripped or skinned of its original patina and has received a new finish.

Related Use Rule: An IRS rule that is applied to charitable contributions and states that to receive the full allowable tax deduction, a donor must donate property to an institution whose mission explicitly includes the acquisition and use of such property.

Replacement Value: The amount it would cost to replace an item with one of similar and like quality purchased in the most appropriate marketplace within a limited amount of time.

Reproduction: Refers to a piece made as an exact copy of an original period piece, but is not made to deceive.

Resale Value: The price at which an item can be sold in the marketplace.

Reserve: The minimal amount for which a consignor agrees to sell a work at auction. By law, the reserve must not more than the low estimate. Generally, a reserve is 10-50 percent below the low estimate.

Restoration: A process whereby, if an object has lost a part and that is missing part or piece is replaced or restored to simulate the original, the object can be returned as closely as possible to its original condition.

Retail Replacement Value (RRV): A property's highest value, usually for insurance purposes, that is defined as the highest amount in terms of US dollars that would be required to replace the property with another of similar age, quality, origin, appearance, provenance and condition within a reasonable length of time in an appropriate and relevant market. When applicable, sales and/or import tax, commissions, and or premiums are included in this amount.

Retail Value: Used to establish a price guideline for retail pricing, the appraised retail value is derived from retail replacement value. It is defined as a reasonable amount in terms of US dollars that would be required to purchase a property of similar age, quality, origin, appearance, provenance, and condition within a reasonable length of time in an appropriate and relevant market. Unlike retail replacement value, a retail value does not include any fees or additional costs such as taxes, framing, conservation, restoration or additional commissions.

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Retrospective Appraisal: A type of appraisal that gives an opinion of value with an effective date that is prior to the date of the report.

Sales Comparison Approach: The most commonly applied valuation approach when appraising personal property, in which appraised value is based on achieved prices for similar works by the same artist or artisan of equal standing and related reputation (alternatively called Comparative Market Data Approach, Market Data Approach or Comparable Market Data Approach.)

Salvage Value (SV): A valuation term implying abandonment by the rightful owner with the result that the person recovering the property may be entitled to a pre-agreed percentage of any net price realized in a future sale. Although there have been some exceptions, salvage is generally the lowest or rock-bottom price realized in a sale situation. This is the net price, in cash or other precisely revealed terms, for which the property would change hands if sold immediately without regard to the relevant marketplace and appropriate use. In certain cases, this may be required to disassemble and dispose of the property in a quick, forced and expedient manner.

Scheduled Articles: A term used by insurance companies for articles of personal property that are individually listed, described and valued on an insurance policy. Although some insurance companies will accept a receipt of a recent purchase, the schedule is typically based on an appraisal. Scheduled items usually carry a lower insurance premium than items that are covered by a blanket insurance policy.

Scrap Value: The amount of money that could be realized if a property were sold for the value of its material content.

Secondary Market: Refers to the marketplace in which a used object is bought and sold. Once an item is no longer available from the original source, it is considered a secondary market item. The term usually refers to the auction market and is in no way associated with the value or the condition of the object. The secondary is the venue for the sale of an object, through an auction or a gallery, between a seller and a buyer, neither of whom has participated in the creation or initial sale of the object. In the instance of multiples, a valid secondary market cannot exist while the maker or his agent retains a supply of the original offering.

Secondary Source: Examples of secondary sources utilizing exact primary sources in research and data comparison are Artnet, ArtFact, P4a, Gordonsart, Art-Sales-Index, newel.com and other internet research tools.

Seller's Premium: The percentage of the bid or "hammer" price paid by a seller to an auction house when selling an item. The fee ranges from nothing to 35 percent and may be more negotiable than the buyer's premium.

Statement of Assumptions & Limiting Conditions: Terms or concepts generally linked together in most appraisals. An assumption is that which is taken to be true. An extraordinary assumption is an assumption, directly related to a specific assignment, that, if found to be false, could alter the appraiser's opinions or conclusions. A limiting condition refers to the conditions that limit the

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Tertiary Market: A marketplace that occurs in a forced sale situation such as a liquidation or salvage sale.

Thermoluminescence Test: The definitive way to tell the true age of pottery, stoneware, porcelain, bronze and terra cotta. There are only a handful of laboratories worldwide that perform the thermoluminescence test, the most prominent of which is in Oxfordshire, England. Today, most large auction houses will not put an artifact on sale without a certificate showing that the test has verified the object's age. To test an object's thermoluminescence, a small sample (about 100 milligrams) is heated to extreme temperatures. Most mineral materials store up increasing amounts of radioactive energy that is drawn from radioactive decay in and around the mineral. When heated (thermo), most minerals release the stored energy in the form of light (luminescence). By measuring the amount of light released from a material, one can calculate how many years have passed since the artifact was fired. Generally, the more light released, the older the item is.

Ultraviolet Light (UV): Short, high-energy, invisible light waves beyond violet in the light spectrum, with a length of 250 to 400 nanometers.

Uniform Standards of Professional Appraisal Practice (USPAP): The appraisal standards covering the development and communication of appraisers' opinions and conclusions published by the Appraisal Standards Board of The Appraisal Foundation. First published in 1987, these standards apply to all disciplines of appraising.

Verso: The left-hand page of a book or the back side of a leaf or a picture.

Vintage: A widely used term that refers to an object that was formerly in vogue, but not more than 100 years old. This definition may vary by object; for example, a vintage fountain pen is generally thought to be one manufactured before 1965.

Work Size: The dimensions of works on panel or board. When the word "sight" is used in conjunction with work size, it refers to the dimensions of the visible image of the work.

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TERMS AND LIMITING CONDITIONS¹

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KIMBALL HIGGS
SENIOR DIRECTOR, FINE ART
CONTEMPORARY, MODERN, IMPRESSIONIST & 19th CENTURY FINE ART
BOOKS & MANUSCRIPTS

WORK EXPERIENCE

Winston Art Group, New York, NY (May 2010-Present)

Senior Director, Fine Art

Specialist, Contemporary, Modern and 19th Century American and European Art

Specialist, Books and Manuscripts

- Appraises corporate and private collections for insurance, donation, collateral loan, damage, family division, divorce and estate purposes.
- Advises private clients on the purchase and sale of Fine Art
- Expert testimony for Fine Art
- Lectures on Fine Art to collectors, and to legal, financial and insurance communities

Gurr Johns, New York, NY (2005-May 2010)

Director, Fine Art Department – American, European, and Asian Contemporary and Modern Art

Gagosian Gallery, New York, NY (2001-2005)

Specialist - American and European Contemporary Art and works on paper, prints

Sotheby's, New York, NY (1994-2001)

Book and Manuscript Department, Assistant Vice President

Prints and illustrations, contemporary artists' books and architectural drawings, books and manuscripts

The Grolier Club, New York, NY (1987-1994) *Acting librarian, catalogue librarian*

EDUCATION

- **Columbia University**, New York, M.S. (Rare Books and Special Collections Librarianship)
- **University of California**, San Diego, B.A.

PROFESSIONAL ASSOCIATIONS AND ADDITIONAL INFORMATION

- Uniform Standards of Professional Appraisal Practice (USPAP) compliant until October 2023
- Appraisers Association of America, Annual Award for Excellence in the Arts, Committee Member
- The Grolier Club of New York, 1996-present; Committee on Admissions, 1997-present; Committee on Prints, Drawings and Photographs, 2000- present
- American Printing History Association, 1989-2001; board member, New York chapter, 1989-1994; newsletter editor, 1990-1991
- Trustee, International Print Center, New York 2004- 2021
- Jury Member, International Print Center, New York: "A Selection of New Prints," 2003-2004
- Jury Member, The Annual American Institute of Graphic Art comp competition, New York: "Fifty Books/Fifty Covers," 1995

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For the avoidance of doubt, the Appraisal shall not be construed as providing investment advice and is not to be relied upon by those making investment decisions; our appraisers specifically disclaim any liability to such unknown and unauthorized third parties. This appraisal is 37 pages long; it must be viewed in its entirety for complete information on the work in question. No excerpt is to be considered a valid appraisal.

WINSTON
ART GROUP

EXHIBITIONS

- "Auroral Light: Photographs by Women from Grolier Club Member Collections," 2003 Co- curator
- "New Members Collect," The Grolier Club, 1997 Co-curator
- "The Great Tradition in Typography," The Grolier Club, 1994 Co-curator "Book Arts Past & Present," HarperCollins Gallery, New York, 1990 Curator
- Designed and installed several book and print exhibitions at the New York Bar Association and the Metropolitan Museum of Art

PUBLICATIONS

- *The Auroral Light: Photographs by Women from Grolier Club Member Collections*, exhibition catalogue and checklist, The Grolier Club, New York, 2003
- Leonard Baskin (obituary), *Art on Paper* magazine, September/October 2000 "Albert Gallup", in the anthology, *Grolier Club 2000*. New York, 2000 "Antiquarian Books" entry in *1999 Britannica Book of the Year*. New York, 1998 "Antiquarian Books" entry in *1998 Britannica Book of the Year*. New York, 1997
- "The Great Traditions in Typography", exhibition checklist, The Grolier Club, New York, 1994 William Everson's *The Poet is Dead*, book review in *Fine Print* magazine, 1990
- "And I Also Collect...", *Gazette of the Grolier Club*, 1988-1989. New York, 1990
- Presented a talk to The Aspen Society with David Nolan, Gallerist and Bryan Faller of Art Legacy Planning on Artists Estates, April 24, 2019
- Presented a webinar on Banksy with Berkeley One specialist Katya Zigerlig 14 September 2021

Value as of September 25, 2023

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WINSTON
ART GROUP

TIMOTHY HUNTER, MA, DPhil (Oxon), FSA
SENIOR FINE ART CONSULTANT
OLD MASTER PAINTINGS, DRAWINGS AND SCULPTURE
19TH CENTURY EUROPEAN ART
IMPRESSIONIST AND MODERN ART

WORK EXPERIENCE

Winston Art Group, London, UK [England] (2019-Present)
Senior Fine Art Consultant

Venator Fine Art Ltd., London, UK [England] (2014 – Present)
Managing Director and Founder

- Art Consultancy, Valuation and Research
- Expert consultant for the Arts Council of Great Britain
 - Expert on Reviewing Committee for the Export of Works of Art
 - Advises on the sale of archives and paintings to the nation

Falcon Fine Art Ltd., London, UK [England] (2014 – 2018)
Vice President

- Head of Art Financing, providing loans throughout Europe using art as collateral

Gurr Johns Ltd, London, UK (2009-2014)
Director, Senior Specialist Old Masters and 19th Century Art

Christie's, London, UK [England] (1993 – 2009)
Director, Impressionist and Modern Art
Head of 19th Century European Art
Senior Director, Old Master & British Pictures
Director, Valuations Department
Specialist, Books, Manuscripts & Archives Department

The Ashmolean Museum, University of Oxford, Oxford, UK [England] (1992 – 1993)
Curator, Department of Western Art
Tutor in Medieval History and Art History

EDUCATION

Magdalen College, University of Oxford, UK

- B.A. (First Class Honours), Modern History
- M.A., Diploma History of Art (Distinction)
- D.Phil, Medieval Art History

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PUBLICATIONS

“Primer vous dirray les colours”: Some Thoughts on Colour in the Early Development of Heraldry’, *Heralds and Heraldry*, ed., N. Ramsay (forthcoming, 2022)

“Quid Milites Pugnantes?” An Early Representation of *Chanson de Geste* on the Romanesque Frieze of Angoulême Cathedral Reexamined’ *Studies in Iconography*, vol. 34, (January 1, 2013): 133-174

‘A pair of recently discovered late medieval embroideries, the arms of Castile, and the appearance of heraldic textiles’ *The Display of Heraldry: The Heraldic Imagination in Arts and Culture* (The Heraldry Society, London, 2019), pp. 25-42

Hidden Magdalen, ed. D. Roberts (Oxford, 2008)
Essays on Paintings and Drawings

The Oxford Companion to Western Art, ed., H. Brigstocke (Oxford, 2000)
Various entries

A Catalogue of Paintings in Magdalen College Oxford: Volume I The Brocklebank Bequest
(Forthcoming, 2023)

A Catalogue of Paintings in Magdalen College Oxford: Volume II Tudor and Stuart Portraits
(Forthcoming, 2023)

Book and Exhibition Reviews (1990s - present):
Variously *The Burlington Magazine*; *Apollo*; *Opera Now*; *Harpers & Queen*; *World of Interiors*; *The Art Book*; *The Art Newspaper*

ADDITIONAL INFORMATION & CERTIFICATIONS

- Member of Professional Advisers to the International Art Market (PAIAM)
- Uniform Standards of Professional Appraisal Practice (USPAP) compliant through February 2024
- Fellow of the Society of Antiquaries (elected 2014)
- Honorary member of the Senior Common Room, Magdalen College, Oxford
- Guest Lecturer on courses at Kingston University; The Royal Academy of Arts, London; The Courtauld Institute of Art, London; Christie’s Education; Sotheby’s Art Institute; and others

Value as of September 25, 2023

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**Francis Bacon Report - Update
October 10, 2023
Prof. Dr. Roman Kräussl**

The goal of this analysis is to offer a scientific fair market valuation approach of the **Francis Bacon** (1909-1992) painting *Three Studies for a Portrait of George Dyer (1963)*. This analysis is an unbiased and quantitative-driven expert view, solely based upon the data available and as such will not be biased by taste or any art historical relevance. More specifically, this report has been prepared to answer the following question:

What would be the likely market value for the work being sold at auction in October 2023?

Considering an auction sale in October 2023 and being conservative, the fair market value (hammer price) of Francis Bacon's *Three Studies for a Portrait of George Dyer (1963)* is estimated to be in the range of **USD 49,500,000 to USD 57,000,000** (considering hammer prices).

In October 2023, I constructed the underlying database with artworks by Francis Bacon offered in the secondary market at auction. In total, there were 194 paintings offered at auction over the period 1994 to 2023, including all relevant pricing and artwork information. After deleting 15 buy-ins, the final sample consisted of 179 paintings left for the index construction and detailed quantitative analyses. I explicitly note that a buy-in rate of 7.7% (15 buy-ins out of a total of 194 paintings offered at auction) is an extremely low buy-in rate and indicates an overall very strong demand for Bacon paintings throughout the last three decades.

Table 1 provides a closer look of the top 20 auction sales of Bacon paintings during the period 1994 and 2023 with their respective USD premium prices, USD hammer prices, their USD low and high estimates, the date of the sale and the auction house and its location.

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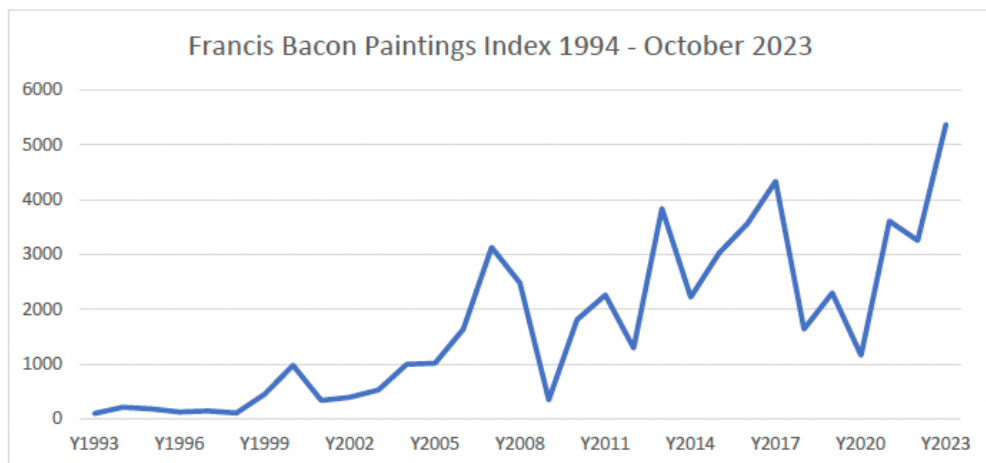
Rank	Artwork	Premium in USD	Hammer in USD	Low Estimate in USD	High Estimate in USD	Date	Auction House
1	<i>Three Studies of Lucian Freud</i> (1969)	142,405,000	127,000,000	NA	NA	12/11/2013	Christie's New York
2	<i>Triptych</i> (1976)	86,281,000	77,000,000	NA	NA	14/05/2008	Sotheby's New York
3	<i>Inspired by the Oresteia of Aeschylus</i> (1981)	84,550,000	74,000,000	60,000,000	80,000,000	29/06/2020	Sotheby's New York
4	<i>Studies for a Portrait of John Edwards</i> (1984)	80,805,000	72,000,000	NA	NA	13/05/2014	Christie's New York
5	<i>Portrait of George Dyer Talking</i> (1966)	69,625,143	62,043,759	NA	NA	13/02/2014	Christie's London
6	<i>Study from Innocent X</i> (1962)	52,680,000	47,000,000	NA	NA	15/05/2007	Sotheby's New York
7	<i>Triptych 1974-1977</i> (1974/77)	51,893,419	46,297,350	NA	NA	06/02/2008	Christie's London
8	<i>Study for Portrait of Lucian Freud</i> (1964)	52,545,029	45,468,862	NA	NA	29/06/2022	Sotheby's London
9	<i>Three Studies for a Portrait of George Dyer</i> (1963)	51,767,500	46,000,000	NA	NA	17/05/2017	Christie's New York
10	<i>Triptych 1986-7</i> (1986-1987)	51,216,471	44,393,851	46,609,815	73,243,995	01/03/2022	Christie's London
11	<i>Study for a Head</i> (1952)	50,380,000	44,000,000	20,000,000	30,000,000	16/05/2019	Sotheby's New York
12	<i>Study for Portrait</i> (1977)	49,812,500	44,000,000	NA	NA	17/05/2018	Christie's New York
13	<i>Portrait of Henrietta Moraes</i> (1963)	47,765,000	42,500,000	NA	NA	13/05/2015	Christie's New York
14	<i>Study of Red Pope 1962, 2nd Version 1971</i> (1971)	46,284,500	40,000,000	40,000,000	60,000,000	19/05/2022	Sotheby's New York
15	<i>Second Version of Study for Bullfight No.1</i> (1969)	45,961,000	41,000,000	NA	NA	14/11/2007	Sotheby's New York
16	<i>Three Studies For Portrait of George Dyer (On Light Ground)</i> (1964)	45,488,326	40,489,000	25,572,000	34,096,000	30/06/2014	Sotheby's London
17	<i>Seated Figure</i> (1960)	44,965,000	40,000,000	40,000,000	60,000,000	12/11/2014	Christie's New York
18	<i>Figure Writing Reflected In Mirror</i> (1976)	44,882,500	40,000,000	30,000,000	40,000,000	09/05/2012	Sotheby's New York
19	<i>Self Portrait</i> (1978)	42,957,148	38,319,050	15,924,800	23,887,200	21/06/2007	Sotheby's London
20	<i>Study of Nude with Figure in a Mirror</i> (1969)	39,322,288	35,073,120	NA	NA	27/02/2008	Sotheby's London

Table 1. Bacon Paintings: Top 20, 1994 – October 2023

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It is a plausible assumption that these historical auction sales might not represent the current market for (top) Bacon paintings. These historical auction sales prices underestimate the current value of a Bacon painting, i.e., the (hypothetical) hammer price for which a Bacon painting would sell today, that is represented in our case by the fair market value of October 2023. In addressing these valid concerns, in the next step I will make use of the self-constructed annual hedonic art price index for Francis Bacon. This art price index covers the period 1994 to October 2023 and is solely based on transparent auction sales.

Figure 1 presents the Francis Bacon Paintings Price Index over the period 1994 to October 2023.



We observe that the index starts in January 1994 at 100 and ends in October 2023 at a value of 5,382. This implies that an average Bacon painting bought in January 1994 for USD 100,000 would be hypothetically worth USD 5,382,000 in October 2023. This corresponds to a theoretical annualized return on investment (ROI) of 14.32%, which is a strong performance. This proves especially relevant once we look over the last decade: at the beginning of the year 2013, the index value was 1,300 and in October 2023 it was at 5,382, which means that a hypothetical USD 1,000,000 investment in an average Bacon painting in early 2013 would be worth today USD 4,140,000, which implies a theoretical annualized return on investment (ROI) of 14.10%, which is an exceptional ROI.

Now that we have constructed the Francis Bacon Paintings Price Index, we can use it to determine the (hypothetical) hammer prices of his paintings sold at auction at different dates in time, i.e., in our case for hypothetical auction price of the canvas *Three Studies for a Portrait of George Dyer* (1963) in October 2023. My quantitative valuation model would assign a hypothetical hammer price of USD 57,000,000 in October 2023 for the Francis Bacon painting *Three Studies for a Portrait of*

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George Dyer (1963). (The calculation is as follows: auction sales prices from 2017 * index value today / index value 2017.) This is based on the assumption that the hammer price of USD 46,000,000 that was paid for the artwork in May 2017 was a fair market value. If we would assume that the USD 46,000,000 were too high, and a more reasonable value would have been USD 43,000,000, the hypothetical hammer price in October 2023 would be above USD 53,000,000. Even if we would assume that the real value would have been only USD 40,000,000 in May 2017, its hypothetical value in October 2023 would still be more than USD 49,500,000.

One might argue that there has been an art market correction during the last months. Thus, we might subtract 10% from the hypothetical value of USD 57,000,000 in October 2023; in such a more conservative scenario, we would expect the a hypothetical hammer price of USD 51,300,000 in October 2023 for the Francis Bacon painting *Three Studies for a Portrait of George Dyer* (1963).

I note that this hypothetical hammer price range of USD 49,500,000 to USD 57,000,000 in October 2023 for the Francis Bacon painting *Three Studies for a Portrait of George Dyer* (1963) might be on the lower side once fractional ownership and diversification benefits are considered: One potential ARTEX investor would not need to buy the whole Bacon painting (and takes all responsibility, read: risk) but invests only in a fraction of it. Since the average investor would never have the chance to participate in the upside potential of a top Bacon artwork, the final offer price (including a liquidity premium of 3 percent) would be more likely in the range of USD 51,000,000 to USD 59,000,000.

Disclaimer

This valuation report takes into account public auction price sales of *Francis Bacon's* paintings available for the reporting period from *January 1, 1994 to October 10, 2023*. The valuation reflects a judgment given at the valuation date (*October 10, 2023*) based on historical market data. The validation outcome can change at any time after that date due to the volatility of the art market, possible exogenous and/or endogenous market events. No representation or warranty is made regarding future performance of the valuation object. The author owes responsibility only to *ARTEX Services AG* under the terms of the *Contractor Agreement* (signed by both parties on *November 2, 2022*). The author will not be liable for any losses, claims, damages, and/or liabilities incurred by any third party.

Roman Kraußl

Prof. Dr. Roman Kräußl

London, December 12, 2023

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Short Bio

I have attached my CV, which outlines my experience as a Professor of Finance at Bayes Business School (formerly Cass), City, University of London and Visiting Fellow at the Hoover Institution at Stanford University. I received my PhD in Financial Economics at the Center for Financial Studies (CFS) at Goethe-University, Frankfurt and I acted as the Head of Quantitative Research at Cognitrend GmbH, a spin-off from Deutsche Bank, and specialized in behavioral finance and the development of mathematical trading models. My area of research focuses on Alternative Investments, including private equity, infrastructure, art, and green finance. When I engage with the industry, I mostly consult on art as an asset class, dealing with valuation of artworks and construction of art market indices. My work analyzes the market performance of art and of individual artists in order to help investors evaluate and optimise different portfolio allocations. I regularly write for Manager Magazin, the leading German monthly business magazine, on art as an investment. I regularly present my findings at key academic conferences, and I am being frequently asked to chair various international summits. My academic research is published in leading economic journals such as *The Journal of Finance*, *The Review of Financial Studies*, *Management Science*, *Journal of Financial and Quantitative Analysis*, and the *Strategic Management Journal*. Some of my research work has been featured in the *Wall Street Journal*, the *Financial Times*, *The Economist*, the *New York Times*, *Forbes' Annual Investment Guide*, *Fortune*, the *Guardian* and on CNBC, among other media outlets. In addition to this experience, I have taught numerous Executive MBA courses at the Amsterdam School of Finance at VU University Amsterdam and at the Goizueta Business School at Emory University, Atlanta, USA. I have recently developed the Art & Finance Executive Teaching Program in cooperation with Christie's Education London. Given my experience, as outlined above, I feel qualified to comment on the Francis Bacon analysis and my findings regarding this study.

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Annex B: Condition Report

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Condition report

Three studies for Portrait of George Dyer
Francis Bacon

Identification

Title: *Three Studies for Portrait of George Dyer*

Artist: Francis Bacon

Date: 1963

Status: Private collection

Dimensions: 35,5 x 30,5 cm (each)

Technique: Oil on canvas; in three parts

Examination date: 03/02/23

Before examination, the paintings were framed and protected with a soft white cardboard at the back. They were removed from their frame in order for non-invasive scientific analyses to be conducted.

Support

The paintings are held on their wooden stretcher by nails and staples.

The back of the canvases were not visible because covered with a protective backing made out of rough cardboard, on which various labels have been glued.

The weaves of the canvases are woven very tightly and regularly; the thickness of the yarn is also very regular. The fabric appears to be industrial. Not much more can be said, as the back of the canvases are non-accessible.

The overall tension of the support on the frame is good and we do not notice any deformation of the canvases on the face. Furthermore, they do not appear to have any structural defects.

The support is stable and in a good state of conservation.

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Paint layer

The compositions differ as to the preparatory layer:

Portrait 1: No preparatory layer seems to have been applied by the artist. He would have painted his composition directly on the canvas.

Portrait 2: No preparatory layer seems to have been applied by the artist. He would have painted his composition directly on the canvas.

Portrait 3: A green preparatory layer appears to have been applied to the canvas prior.

The paint layer is made with an oily medium. Its thickness varies significantly: in some places we find little to no paint at all, while in other areas the paint is much thicker and more prominent. The colour palette is quite varied, with artificial pigments.

No losses can be observed on the painted layer, its adhesion to the support is satisfactory. A possibly involuntary paint drop can be seen on Portrait 1.

The surface presents no cracks as well as no wear areas.

Infrared reflectography does not reveal the presence of a preparatory drawing or changes in the composition. Portrait 1 presents a much darker background than its peers, possibly due to a high concentration of carbon based material.

Observation of the surface under ultraviolet light reveals a strong fluorescence of the pigments. No previous restoration campaign is visible on the artworks. All three paintings are not varnished.

The paint layers are in a very good state of conservation; they are stable and aesthetically satisfactory.

The overall condition of the paintings is excellent. The support is stable and doesn't show any structural alteration.



RES

Siège - 21 rue du Pont aux Choux 75003 Paris Atelier - 21 bd Ney 75018 Paris

+33 (0)1 42 71 89 66 contact@res-sarLeu

www.res-sarLeu

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Identification

Title: *Three Studies for Portrait of George Dyer*
Artist: Francis Bacon
Date: 1963
Status: Private collection
Dimensions: 35,5 x 30,5 cm (each)
Technique: Oil on canvas ; in three parts
Examination date: 28/09/23
Examination conditions: The paintings were framed, observed with their protective glass and their cardboard backing on.

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Condition report

The portraits were observed with direct light and raking light through the protective glass.

Compared to the last condition report, made by Res on February the 2nd, 2023, the state of the paint layer is identical.

We can still observe the few wears (Portrait n°2), the few threads pointing out (all three portraits), and the few lifted but stable paint flakes.

We don't observe any additional loss, flaking or wear. It seems that the pictures will not develop any alteration in the short run if conserved and manipulated properly.

The paint layer is stable, and the overall condition of the paintings is very satisfactory.



RES

Siège – 21 rue du Pont aux Choux 75003 Paris Atelier – 21 bd Ney 75018 Paris

+33 (0)1 42 71 89 66 contact@res-sar.leu

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Annex C: Professional Services Agreement



Professional Services Agreement (as amended)

between

ARTEX Services AG
Aeulestrasse 24
9495 Triesen
Liechtenstein
(the "Corporate Agent")

and

Art Share 002 S.A.
16, rue E. Ruppert
L-2453 Luxembourg
Grand Duchy of Luxembourg
(the "Company")

This Professional Services Agreement (the "Agreement") is made by and between the Company and the Corporate Agent (each a "Party" and collectively the "Parties").

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THIS PROFESSIONAL SERVICES AGREEMENT (the “**Agreement**”) is effective as of the Commencement Date set forth below and has been amended on 07 December 2023,

BETWEEN:

- 1) **Art Share 002 S.A.** a public limited liability company (*société anonyme*), having the status of an unregulated securitisation company (*société de titrisation*) within the meaning of the Luxembourg law of 22 March 2004 on securitisation, governed by the laws of the Grand-Duchy of Luxembourg, having its registered office at 16, rue E. Ruppert, L-2453 Luxembourg, and registered with the Luxembourg Trade and Companies Register (*Registre de commerce et des sociétés du Luxembourg*) under number B273672 (the “**Company**”)

and

- 2) **ARTEX Services AG**, a company registered in Liechtenstein under number FL-0002.682.625-9 whose registered office is at Aeulestrasse 24, 9495 Triesen, Liechtenstein (the “**Corporate Agent**”),

(hereinafter jointly referred to as the “**Parties**” and, individually, as a “**Party**”).

WHEREAS:

- 1) The Company is a Securitisation Vehicle which shall be set-up to securitise the underlying Artwork through the issuance of shares to different types of investors, as detailed in the prospectus of the Company (the **Securitisation Transaction**).
- 2) The shares of the Company so issued shall under certain conditions be offered on the Artex multilateral trading facility market (the **MTF**).
- 3) The Corporate Agent provides specialist services pertaining to artworks, including, and not limited to, corporate operational, administration, advisory, consulting and other services and has reasonable skills, knowledge, qualifications and experience in that field.
- 4) Within that context, the Corporate Agent may assist the Company with the Securitisation Transaction on the one hand, and with any offering of its shares excluding Class A Shares on the MTF (the **Offered Shares**) on the other hand (the **Investment Structure Support Services**).
- 5) Further, the Corporate Agent may assist the Company with the Ongoing Services as the Company may require.
- 6) The Company wishes to engage the Corporate Agent to provide the Services to the Company based on the terms and conditions set out herein leading up to the initial closing of the Company Offering and then on an ongoing basis.

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NOW, THEREFORE, the Parties have agreed as follows:

DEFINITIONS AND INTERPRETATION

1.1. In this Agreement, unless the context otherwise requires, the following expressions have the following meanings:

1915 Law	means the Luxembourg law of 10 August 1915 on commercial companies, as amended.
Agreement	means this document, the annexed Schedules, which are incorporated herein, together with any future written and executed amendments agreed to by the Parties;
Applicable Data Protection Laws	means the Regulation (EU) 2016/679 of the European Parliament and of the Council of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data, and repealing Directive 95/46/EC (General Data Protection Regulation/GDPR) and applicable national personal data protection laws and regulations, as amended from time to time.
ARTEX AG	means the holding company ARTEX AG, a company registered in Liechtenstein under number FL-0002.641.606-1 whose registered office is at Aeulestrasse 24, 9495 Triesen, Liechtenstein;
Artwork	means the artwork that shall be acquired and securitised by the Company, as defined under the Prospectus;
Board of Directors	means the persons duly appointed and responsible for managing the Company;
Books and Records	means all books and records, ledgers, employee records, customer lists, files, correspondence, and other records of every kind (whether written, electronic, or otherwise embodied) owned or used by a Party or in which a Party's assets, the business or its transactions are otherwise reflected, other than stock books and minute books;
Business Day	means each day upon which the banks are open for business in Luxembourg and Liechtenstein;
Company	means Art Share 002 S.A. a public limited liability company (<i>société anonyme</i>), having the status of an unregulated securitisation company (<i>société de titrisation</i>) within the meaning of the Luxembourg law of 22 March 2004 on

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securitisation, governed by the laws of the Grand-Duchy of Luxembourg, having its registered office at 16, rue E. Ruppert, L-2453 Luxembourg, Grand Duchy of Luxembourg, and registered with the Luxembourg Trade and Companies Register (*Registre de commerce et des sociétés du Luxembourg*) under number B273672 existing as a securitisation vehicle (*organisme de titrisation*) within the meaning of the Luxembourg law of 22 March 2004 on securitisation, as amended;

Commencement Date	means 5 December 2022;
Confidential Information	means any information which came into the possession of each Party in the course of the Agreement and is identified or treated by the other Party, as being confidential or which, by reason of its character or the circumstances or manner of its disclosure, is evidently of such a nature including, but not limited to, patents, trademarks, design rights, know how, copyrights, trade secrets (and any other proprietary right), data base rights, applications, business plans, business methods, corporate plans, concepts, ideas, new products, sales statistics, marketing surveys and the names, addresses and contact details of customers and suppliers or potential customers and suppliers.
Corporate Agent	means ARTEX Services AG, a company registered in Liechtenstein under number FL-0002.682.625-9 whose registered office is at Aeulestrasse 24, 9495 Triesen, Liechtenstein, being a subsidiary of ARTEX AG;
EEA	means the European Economic Area;
Exclusivity	has the meaning ascribed to such term in Clause 3.2;
Extraordinary Expenses	means any third-party costs associated with extraordinary or non-routine, payments and expenses, if any, relating to the Company or the Artwork, and as more detailed in Schedule 2;
Investment-related Fees	means the fees and expenses in consideration to the Investment Structure Services, fees that may be subsidised by the Corporate Agent in the context of the Services to be provided, pursuant to the terms of this Agreement;
Investment Structure Support Services	means services relating to (i) the support and administration with the acquisition and sale of the Artwork, (ii) the brokerage relating to the funding of the Company required to acquire the Artwork, when applicable, (iii) the arranging, securitizing and

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	managing the listing of the Shares on the MTF, and (iv) other related services as may be agreed between the Parties;
Offering	has the meaning ascribed to such term in Clause 3.2;
Offered Shares	mean all shares of the Company excluding Class A Shares;
Ongoing Services	means the services as specified under Schedule 1 of this Agreement;
Prospectus	means the Company's prospectus;
Recurring Payments and Expenses	means fees and expenses in consideration to the Ongoing Services as listed in Schedule 1, fees that may be subsidised by the Corporate Agent in the context of the Services to be provided, pursuant to the terms of this Agreement;
Securitisation Law	means the Luxembourg law of 22 March 2004 on securitisation, as amended;
Securitisation Vehicle	means the company which assumes, directly or through another undertaking, risks relating to claims, other assets or obligations assumed by third parties, or inherent to all or part of the activities of third parties, and issues financial instruments whose value or yield depends on such risks, as defined under the Securitisation Law;
Services	means the Ongoing Services and the Investment Structure Support Services together;
Shares	means the shares offered by the Company in the context of the Offering;
Mandatory Asset Purchase	means an asset purchase bid or tender offer where a proposal is made by a person or a legal entity to purchase shares of the Company, as further detailed in the Prospectus;
Term	has the meaning ascribed to such term in Clause 2.1;
The MTF	means ARTEX MTF AG, a company registered in Liechtenstein under number FL-0002.682.571-2 whose registered office is Aeulestrasse 24, 9495 Triesen, Liechtenstein being a subsidiary of ARTEX AG.

1.2. Unless the context otherwise requires, each reference in this Agreement to:

- a) "writing", and any cognate expression, includes a reference to any communication effected by electronic or facsimile transmission or similar means;

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- b) a statute or a provision of a statute is a reference to that statute or provision as amended or re-enacted at the relevant time;
 - c) “this Agreement” is a reference to this Agreement and each of the Schedules as amended or supplemented at the relevant time;
 - d) a Schedule is a schedule to this Agreement; and
 - e) a Clause or paragraph is a reference to a Clause of this Agreement (other than the Schedules) or a paragraph of the relevant Schedule.
- 1.3. The headings used in this Agreement are for convenience only and shall have no effect upon the interpretation of this Agreement.
- 1.4. Words imparting the singular number shall include the plural and vice versa.

TERM OF THE AGREEMENT

- 2.1. Subject to the provisions of Clauses 8.1 and 10, this Agreement will come into force on the Commencement Date of 5 December 2022 and shall subsist for an indefinite term until further written notice (the “**Term**”).

CORPORATE AGENT'S OBLIGATIONS

- 3.1. The Corporate Agent shall render the Services to the Company in accordance with the provisions of this Agreement.
- 3.2. In case of insufficient liquidity and capital resources of the Company (when required, as should be evidenced by the Company), the Corporate Agent accepts to subsidise and assume shortfall of funds arising from Recurring Payments and Expenses and Investment Structure Support Services in the normal course of business on behalf of the Company for any Services rendered under this Agreement, subject to the Company continuing to list its Offered Shares to be traded only and exclusively on the MTF (the **Offering**) and/or any other trading venue belonging to ARTEX AG (the **Exclusivity**) and subject to the provisions in Schedule 2.
- 3.3. In the event of a Mandatory Asset Purchase by a prospective acquirer or in case of the liquidation of the Company, the obligations under Clause 3.2 shall no longer apply as from the date of the Successful Bid (as defined in the Prospectus) in case of a Mandatory Asset Purchase, and as from the date when the liquidation has been initiated.
- 3.4. The Corporate Agent shall perform its obligations under this Agreement in a reasonable and timely manner in accordance with the provisions of this Agreement.
- 3.5. The Corporate Agent shall provide the Company with such information and advice in connection with the Services and the provision thereof as the Company may, from time to time, reasonably require both before and during the provision of the Services.



- 3.6. The Corporate Agent shall use reasonable endeavours to keep the Company informed of any special requirements (including, but not limited to, legislative requirements) applicable to the rendering of the Services. To the extent necessary and appropriate, the Corporate Agent and the Company shall promptly take steps to comply with any such requirements. These steps shall not otherwise alter this Agreement in any way, subject to each Party's right under Clause 7.5 to request a meeting to review such changes.
- 3.7. The appointment of the Corporate Agent under this Agreement is non-exclusive. The Services provided by the Corporate Agent to the Company are not exclusive and the Corporate Agent may, in its discretion, render the same or similar services as rendered to the Company to any person or persons whose business may be in direct or indirect competition with the Company provided that provision of such other services by the Corporate Agent or of any other sub-contractor or employee by the Corporate Agent does not adversely affect the Corporate Agent's ability to carry out the contracted Services fully and suitably on a timely basis.
- 3.8. The Corporate Agent shall provide written notice to the Company's representative should the Corporate Agent engage any third parties for providing any of the Services. The costs and expenses of appointing such third parties for providing such Services shall be borne by the Corporate Agent, subject to sub-Clause 5.2, it being understood that the Corporate Agent shall not charge any fees in addition thereto with respect to such outsourced services.

COMPANY'S OBLIGATIONS

- 4.1. The Company shall pay the fees as set out in Schedule 2.
- 4.2. The Company shall provide the Corporate Agent with such information in connection with the Services and the provision thereof as the Corporate Agent may, from time to time, reasonably require both before and during the provision of the Services.
- 4.3. The Company shall perform its obligations under this Agreement in a reasonable and timely manner in accordance with the provisions of this Agreement.
- 4.4. The Company shall grant the MTF the exclusivity in admitting its Shares for trading (the **Exclusivity**) following the obligations set out under Clause 3.2 and 3.3 shall be fulfilled on an ongoing basis, subject to Clause 8.1, Clause 10 and the provisions of Schedule 2 as well as the decision to delist the Shares from the MTF in accordance with the Company's articles of association and / or the 1915 Law, as applicable.
- 4.5. To ensure the proper operational efficiency, the Company shall act in accordance with any reasonable directions issued by the Corporate Agent in relation to the Services. The Corporate Agent shall not be liable for any failure to provide the Services or any part thereof which arises out of the Company's failure to follow any such directions.
- 4.6. The Company shall allow the Corporate Agent and its personnel access at all Books and Records at all times for the purpose of providing the Services.

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4.7. The Company shall use reasonable endeavours to keep the Corporate Agent informed of any special requirements (including, but not limited to, legislative requirements) applicable to the rendering of the Services. To the extent necessary and appropriate, the Corporate Agent and the Company shall (as under sub-Clause 3.6) promptly take steps to comply with any such requirements. These steps shall not otherwise alter this Agreement in any way, subject to each Party's right under sub-Clause 7.6 to request a meeting to review such changes.

FEES AND PAYMENT

- 5.1. Subject to the terms and conditions detailed in Clause 3 and Clause 4, the Corporate Agent shall pay the fees and expenses for the provision of the Services, in accordance with Schedule 2.
- 5.2. Following any placement of the Offered Shares on the MTF, the Corporate Agent shall instruct the Company to pay the Investment-related Fees to the relevant recipient of such fees, and the Company shall pay such fees without delay, in accordance with the respective agreement with the recipient.
- 5.3. The Company will reimburse the Corporate Agent for all costs and expenses incurred in the set-up of the Company, as well as for all costs and expenses incurred and leading up to the initial closing of the Offering, subject to sufficient liquidity and capital resources of the Company (insufficiency that shall be duly evidenced by the Company).
- 5.4. In the event that a new specified service is required by the Company during the Term of this Agreement, the Corporate Agent shall have the right to discuss and agree the additional scope of work to be performed and may request a meeting under Clause 7.6 to review changes to fees and payments.
- 5.5. Where applicable, payments required to be made pursuant to this Agreement by either Party shall be made within 15 Business Days of the date of the relevant invoice in the currency of such invoice as the other Party may from time to time nominate, without any set-off, withholding or deduction except such amount (if any) of tax as that Party is required to deduct or withhold by law.
- 5.6. Where any payment pursuant to this Agreement is required to be made on a day which is not a Business Day, it may be made on the next following Business Day.
- 5.7. If either Party fails to pay on the due date any amount which is payable to the other pursuant to this Agreement then, without prejudice to and notwithstanding sub-Clause 10.2, that amount shall bear interest from the due date until payment is made in full, both before and after any judgment, at a rate of 0.75% per annum.

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PROVISION OF THE SERVICES

- 6.1. The Corporate Agent shall, throughout the Term of this Agreement, provide the Services to the Company in accordance with the terms and conditions of this Agreement and the provisions of Schedule 1.
- 6.2. The Corporate Agent shall provide the Services only as specified in Schedule 1 during its business hours (08:30 to 17:30 CET) unless otherwise agreed in writing by the Parties.
- 6.3. The Corporate Agent shall be responsible for ensuring that it complies with all statutes, regulations, bylaws, standards, codes of conduct and any other rules relevant to the provision of the Services.
- 6.4. The Corporate Agent shall use all due and proper care to ensure that the manner in which it provides the Services does not have any adverse effect on the name, reputation, image or business of the Company.
- 6.5. In the event that the Corporate Agent commits any breach of any of the terms and conditions of this Agreement by failing to provide the Services to the required service levels or commits any other breach which adversely affects the provision of the same, the following provisions will apply:
 - a) the Company may give written notice to the Corporate Agent requiring the Corporate Agent to rectify the breach, if such breach is capable of remedy;
 - b) if the Corporate Agent fails to comply with any such notice given under sub-Clause 6.5.a) within 20 Business Days or, alternatively, if such breach is not capable of remedy:
 - the Company will be entitled to obtain any of the Services affected by the breach from any third party until such time as it is reasonably satisfied that the breach has been rectified; and
 - the Corporate Agent shall pay on demand to the Company by way of damages, the amount by which the cost to the Company of obtaining any third party services under sub-Clause 6.5 exceeds the cost of obtaining the same from the Corporate Agent under this Agreement plus a sum equal to any reasonable foreseeable loss (including loss of business) suffered by the Company as a result of the Corporate Agent's failure or breach. This demand must be reasonable, justified and accompanied of any document/information evidencing the total damages allegedly suffered by the Company.
- 6.6. The obligations of the Corporate Agent under sub-Clause 6.5.b) shall not be affected by the termination of this Agreement.
- 6.7. The rights of the Company under sub-Clause 6.5 shall be in addition to, and without prejudice to, any other rights or remedies of the Company.
- 6.8. The Corporate Agent may to the extent it determines that it would be advisable, arrange for and coordinate the services of other professionals, experts and consultants to provide any or all of the Services under the Agreement in which case,

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the costs and expenses of such third parties for providing such services shall be borne by the Corporate Agent, subject to sub-Clause 5.2, it being understood that the Corporate Agent shall not charge any fees in addition thereto with respect to such outsourced services.

6.9. The Company is expressly authorising the Corporate Agent to engage into the necessary agreements related to sub-Clause 6.8 for performing the Services under this Agreement.

6.10. Subject to the obligations of the Corporate Agent under the terms and conditions of this Agreement, and without prejudice to the provisions of sub-Clause 6.5, the Company shall be free at any time (and without obligation to notify, inform or otherwise consult the Corporate Agent) to arrange for any services (which are similar to the Services or otherwise) to be provided by any third party whatsoever.

SUPPORT SERVICE AND AGREEMENT MONITORING

7.1. The Company and the Corporate Agent shall arrange meetings between the Company's representative and the Corporate Agent's representative at regular quarterly intervals in order to discuss the provision of the Services in accordance with the service levels, where relevant, based upon performance reports generated in accordance Schedule 3.

7.2. Both Parties shall produce written reports from meetings held pursuant to sub-Clause 7.1 within 20 Business Days following such meetings and shall use their reasonable endeavours to comply with any and all agreed actions to be taken with respect to the provision of the Services, the service levels as specified in Schedule 3, and the performance by each Party of its respective obligations under this Agreement.

7.3. The Company and the Corporate Agent shall arrange meetings between the Company's management representative and the Corporate Agent's management representative at regular annual intervals in order to discuss matters arising out of meetings held pursuant to sub-Clause 7.1 and any other matters including, but not limited to, those relating to the provision of the Services and the service levels.

7.4. In addition to the matters set out in sub-Clause 7.3, the Company's management representative and the Corporate Agent's management representative shall, in their quarterly meetings conduct an agreement review during which the Parties may propose, discuss and agree upon any desired or necessary alterations to this Agreement including, but not limited to, its terms and conditions, scope and duration. Any such agreed changes shall not be effective unless evidenced in writing and signed by the duly authorised representatives of the Parties.

7.5. Notwithstanding the provisions of sub-Clause 7.4, in the event that changes to this Agreement are required due to circumstances including, but not limited to, legislative or regulatory change, either Party shall have the right to call for an immediate agreement review to discuss the necessary changes and action to be taken. Any

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changes agreed upon during such agreement reviews shall not be effective unless evidenced in writing and signed by the duly authorised representatives of the Parties.

RIGHTS OF THE CORPORATE AGENT

- 8.1. The Corporate Agent and its affiliates shall have the right to engage in the following activities pertaining to the underlying Artwork, and will be responsible for all incremental costs associated with such activities (including taxes) subject to any applicable laws:
- a) Display rights;
 - b) Management of intellectual property, such as trade marks and copyrights;
 - c) Assisting with the issuance of financial instruments or any product or contract with a value determined by the underlying Artwork;
 - d) The exclusive right to lend the Artwork to museums, galleries, exhibitions, and the like; and
 - e) The exclusive rights to decide on commercialising the Artwork. For the avoidance of doubt, any proceeds from such activities belong to the Company.

CONFIDENTIALITY

- 9.1. Each Party undertakes that, except as provided by sub-Clause 9.2 or as authorised in writing by the other Party, it shall, at all times during the continuance of this Agreement and five (5) years after its termination:
- a) keep confidential all Confidential Information;
 - b) not disclose any Confidential Information to any other person;
 - c) not use any Confidential Information for any purpose other than as contemplated by and subject to the terms and conditions of this Agreement;
 - d) not make any copies of, record in any way or part with possession of any Confidential Information; and
 - e) ensure that none of its directors, officers, employees, agents or advisers does any act which, if done by that Party, would be a breach of the provisions of sub-clauses 9.1.a) to 9.1.d) above.
- 9.2. Either Party may:
- a) disclose any Confidential Information to:
 - i. any sub-contractor or supplier of that Party;
 - ii. any governmental or regulatory body; or
 - iii. any employee or officer of that Party or of any of the aforementioned persons, parties or bodies;
- to such extent only as is necessary for the purposes contemplated by this Agreement, or as required by law, and in each case subject to that Party first informing the person, party or body in question that the Confidential Information is confidential and (except where the disclosure is to any such body as is mentioned in sub-Clause 9.2.a.ii above or any employee or officer of any such body) obtaining and submitting to the other Party a written undertaking from the person in question, as nearly as practicable in the terms of this Clause 9, to keep the Confidential Information confidential and to use it only for the purposes for which the disclosure is made; and

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- b) use any Confidential Information for any purpose, or disclose it to any other person, to the extent only that it is at the date of this Agreement, or at any time after that date becomes, public knowledge through no fault of that Party, provided that in doing so that Party does not disclose any part of that Confidential Information which is not public knowledge.

TERMINATION

- 10.1. Either Party may terminate this Agreement by giving to the other Party not less than three (3) months written notice.
- 10.2. Either Party may forthwith terminate this Agreement by giving written notice to the other Party if:
 - a) any sum owing to that Party by the other Party under any of the provisions of this Agreement is not paid within six (6) months of the due date for payment;
 - b) a material breach by the Corporate Agent of the terms of the Agreement which breach is not cured within 30 calendar days after receipt by the Corporate Agent of a notice requiring *inter alia* remedy of such breach from any member of the Company (provided that if such breach is not capable of cure within 30 calendar days, and the Corporate Agent is diligently taking steps to cure the breach, then no such event shall be deemed to have occurred unless and until the Corporate Agent fails to cure such breach within 60 calendar days after receiving notice thereof;
 - c) encumbrancer takes possession, or where the other Party is a company, a receiver is appointed in relation with, any of the property or assets of that other Party;
 - d) any of its executive officers is found guilty of fraud, gross negligence or wilful misconduct in the context of the performance of this Agreement;
 - e) the sentencing of the Corporate Agent of a criminal act;
 - f) a material violation by the Corporate Agent or any of its executive officers of any applicable law that has a material adverse effect on the Company's business;
 - g) the other Party makes any voluntary arrangement with its creditors or, being a company, becomes subject to an administration order;
 - h) the other Party, being an individual or firm, has a bankruptcy order made against it or, being a company, goes into liquidation (except for the purposes of bona fide amalgamation or reconstruction and in such a manner that the company resulting therefrom effectively agrees to be bound by or assume the obligations imposed on the other Party under this Agreement);
 - i) anything analogous to any of the foregoing under the law of any jurisdiction occurs in relation to the other Party;
 - j) the other Party ceases, or threatens to cease, to carry on business; or
 - k) control of the other Party is acquired by any person or connected persons not having control of that other Party on the date of this Agreement. For the purposes of this Clause 10, "control" and "connected persons" shall have the meanings ascribed thereto by article 1711-1 of the 1915 Law.
- 10.3. Subject to Clause 10.1, the Company shall have the right to forthwith terminate this Agreement by giving written notice to the Corporate Agent in the event that the

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Corporate Agent fails to provide the Services in compliance with the service levels as set out in Schedule 3.

- 10.4. The right to terminate this Agreement given by this Clause 10 shall not prejudice any other right or remedy of either Party in respect of the breach concerned (if any) or any other breach.

POST-TERMINATION

- 11.1. Upon the termination of this Agreement for any reason:
- a) any sum owing by either Party to the other Party under any of the provisions of this Agreement shall become immediately due and payable;
 - b) In the case of a Mandatory Asset Purchase, the due and payable fees (if any) for the period from and including the date of the last payment of the due and payable fees (if any), as applicable, to and excluding the date of consummation of the Mandatory Asset Purchase (i.e., the date where 100% of the consideration has been received) shall be pro-rated and shall be payable in cash at the rate;
 - c) any rights or obligations to which any of the Parties to this Agreement may be entitled or be subject before its termination shall remain in full force and effect where they are expressly stated to survive such termination;
 - d) termination shall not affect or prejudice any right to damages or other remedy which the terminating Party may have in respect of the event giving rise to the termination or any other right to damages or other remedy which either Party may have in respect of any breach of this Agreement which existed at or before the date of termination;
 - e) subject as provided in this Clause 11, and except in respect of any accrued rights, neither Party shall be under any further obligation to the other Party;
 - f) each Party shall return to the other Party any materials in which the ownership has not been transferred to that other Party which have, for any reason, been provided for the purposes of this Agreement; and
 - g) each Party shall (except to the extent referred to in Clause 9) forthwith cease to use, either directly or indirectly, any Confidential Information, and shall forthwith return to the other Party any documents in its possession or control which contain or record any Confidential Information.

LIABILITY

- 12.1. The Corporate Agent shall indemnify and hold harmless the Company, its subcontractors, agents and employees from and against any and all claims, costs and liabilities howsoever arising and of whatsoever nature and whether in contract or in tort, including injury to or death of any person or persons or loss of or damage to any property arising out of or in respect of the performance or failure to perform its obligations under this Agreement if and to the extent that such losses, costs, damages and expenses are caused or contributed to by the negligent acts or omissions of the Corporate Agent or any persons for which the Corporate Agent is otherwise legally liable.

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- 12.2. The Company shall indemnify and hold harmless the Corporate Agent, its subcontractors, agents and employees from and against any and all claims, costs and liabilities howsoever arising and of whatsoever nature and whether in contract or in tort, including injury to or death of any person or persons or loss of or damage to any property arising out of or in respect of the performance by the Company of its obligations under this Agreement if and to the extent that such losses, costs, damages and expenses are caused or contributed to by the negligent acts or omissions of the Company or any persons for which the Company is otherwise legally liable.
- 12.3. Except as expressly provided in this Agreement, neither Party shall be liable or responsible to the other in contract, tort or otherwise (including any liability for negligence) for:
- a) any loss of revenue, business, contracts, anticipated savings or profits, or any loss of use of facilities; or
 - b) any special indirect or consequential loss howsoever arising.
- 12.4. For the purposes of sub-Clause 12.3.a “anticipated savings” means any expense which either Party expects to avoid incurring or to incur in a lesser amount than would otherwise have been the case by reason of the use of the Services provided by the Corporate Agent under this Agreement.

FORCE MAJEURE

- 13.1. Neither Party to this Agreement shall be liable for any failure or delay in performing their obligations where such failure or delay results from any cause that is beyond the reasonable control of that Party, *i.e.* unforeseeable, insurmountable and external, and which prevents the relevant Party from performing its obligations under this Agreement. Such causes include, but are not limited to: power failure, internet Corporate Agent failure, industrial action, civil unrest, fire, flood, storms, earthquakes, acts of terrorism, acts of war or governmental action.

DATA PROTECTION

- 14.1. To the extent that the Company provides Corporate Agent with any personal data, the parties acknowledge and agree that, subject to limited exceptions, the Company will act as controller in relation to such personal data.
- 14.2. Each party hereto agrees: (i) to process personal data in accordance with the Applicable Data Protection Laws, as may be applicable to each Party; (ii) to provide the other Party with such reasonable assistance as may be required to enable it to comply with its obligations under the Applicable Data Protection Laws.
- 14.3. For complete details of the Corporate Agent’s collection, processing, storage, and retention of personal data including, but not limited to, the purpose(s) for which personal data is used, the legal basis or bases for using it, details of the Company’s or third party’s rights and how to exercise them, and personal data sharing (where applicable), please refer to the Corporate Agent’s Privacy Notice available from www.artex.io.

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NATURE OF THE AGREEMENT

- 15.1. This Agreement is personal to the Parties and neither Party may assign, loan, or charge any of its rights hereunder.
- 15.2. This Agreement, including its Schedules, contains the entire Agreement between the Parties with respect to its subject matter and may not be modified except by an instrument in writing signed by the duly authorised representatives of the Parties provided that any amendment that would be adverse or detrimental to the interests of the Company must be approved by its shareholders beforehand.
- 15.3. Each Party acknowledges that, in entering into this Agreement, it does not rely on any representation, warranty or other provision except as expressly provided in this Agreement, and all conditions, warranties or other terms implied by statute or common law are excluded to the fullest extent permitted by law.
- 15.4. No failure or delay by either Party in exercising any of its rights under this Agreement shall be deemed to be a waiver of that right, and no waiver by either Party of a breach of any provision of this Agreement shall be deemed to be a waiver of any subsequent breach of the same or any other provision.
- 15.5. At any time after the date hereof each of the Parties shall, at the request and cost of the other Party, execute or procure the execution of such documents and do or procure the doing of such acts and things as the Party so requiring may reasonably require for the purpose of giving to the Party so requiring the full benefit of all the provisions of this Agreement.

SEVERANCE

- 16.1. The Parties agree that, in the event that one or more of the provisions of this Agreement is found to be unlawful, invalid or otherwise unenforceable, that / those provisions shall be deemed severed from the remainder of this Agreement. The remainder of this Agreement shall be valid and enforceable.

RELATIONSHIP OF THE PARTIES

- 17.1. Nothing in this Agreement shall constitute, or be deemed to constitute, a partnership between the Parties nor, except as expressly provided, shall it constitute, or be deemed to constitute an agency of any other Party for any purpose.
- 17.2. Subject to any express provisions to the contrary in this Agreement, the Corporate Agent shall have no right or authority to, and shall not do any act, enter into any contract, make any representation, give any warranty, incur any liability, assume any obligation, whether express or implied, of any kind on behalf of the Company or bind the Company in any way.

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NOTICES

- 18.1. All notices under this Agreement shall be in writing and be deemed duly given if signed by, or on behalf of, a duly authorised officer of the Party giving the notice.
- 18.2. Notices shall be deemed to have been duly given:
- a) when delivered, if delivered by courier or other messenger (including registered mail) during normal business hours of the recipient; or
 - b) when sent, if transmitted by facsimile or e-mail and a successful transmission report or return receipt is generated; or
 - c) on the fifth (5) Business Day following mailing, if mailed by national ordinary mail, postage prepaid; or
 - d) on the tenth (10) Business Day following mailing, if mailed by airmail, postage prepaid; or
in each case addressed to the most recent address, e-mail address, or facsimile number notified to the other Party.

LAW AND JURISDICTION

- 19.1 This Agreement (including any non-contractual matters and obligations arising therefrom or associated therewith) shall be governed by, and construed in accordance with, the laws of Grand Duchy of Luxembourg.
- 19.2 Any dispute, controversy, proceedings or claim between the Parties relating to this Agreement (including any non-contractual matters and obligations arising therefrom or associated therewith) shall fall within the competence of, and will be resolved in front of the Luxembourg Arbitration Centre.

IN WITNESS WHEREOF this Agreement has been duly executed the day and year first before written.

PRELIMINARY OFFERING MEMORANDUM

Subject to completion, dated 28 February 2024

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[SIGNATURE PAGE]



**SCHEDULE 1
Services**

1. Ongoing Services

The Corporate Agent shall provide the following services set forth below through itself directly or through its affiliates or sub-contractors with respect to the Artwork and operations of the Company, as per the terms and conditions set forth in this Agreement.

The Ongoing Services include and are not limited the following and remain subject to any applicable laws:

1) ARTWORK

- a. Due diligence to ascertain value and authenticity of the Artwork;
- b. Coordinating and managing transport for the Artwork in the ordinary course of business, including the display and exhibition thereof;
- c. Custodial and storage services for the Artwork;
- d. Maintaining insurance requirements for the Artwork;
- e. Commercialise the Artwork;
- f. Cataloguing services; and
- g. Research, conservation, restoration (as deemed necessary by the Corporate Agent), framing services.

2) CORPORATE SERVICES

- a. Oversight and management of banking activities and payment management;
- b. Management of preparation of regulatory and corporate filings;
- c. Financial, accounting and bookkeeping services, including retention of an auditor for the Company;
- d. Recordkeeping, shareholder registrar and regulatory compliance;
- e. Payroll services;
- f. Providing services, subject to the approval of the members of the Company as may be required by law;
- g. Tax advisory and reporting services;
- h. Procuring and managing insurance coverage for the Company, including operational errors and omissions coverage and members of the Board of Manager's and officers' coverage;
- i. Maintaining the shares ledger and coordinating activities with related parties;
- j. Maintaining IT and software services as required.

3) TRANSACTIONAL SERVICES

- a. Administration relating to a Mandatory Asset Purchase;
- b. Obtaining appraisals and statements of condition in connection either with a sale transaction relating to the Artwork or annual ongoing valuation and conditional report;
- c. Advisory, legal and professional transactional services;
- d. Negotiation of terms of a potential sale and the execution thereof;

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- e. Coordinating and management of the Company in connection with the liquidation or winding up of the Company;
- f. Selection and engagement of an underwriter, placement agent and other financial intermediaries with respect to any offering of securities of the Company, as may be applicable;
- g. Managing litigation in conjunction with the Board of Directors;
- h. Other transaction-related services and expenditures relating to the Artwork.

2. Investment Structure Support Services

On top of the Ongoing Services as detailed above, the Corporate Agent shall provide the following services set forth below through itself directly or through its affiliates or sub-contractors with respect to Company, as per the terms and conditions set forth in this Agreement.

The Investment Structure Support Services include but are not limited the following:

- a. Providing support and administration services related to the acquisition and sale of the Artwork;
- b. Providing support related to the funding of the Company as required to acquire the Artwork, as may be applicable;
- c. Arranging, securitizing and managing the listing of the Shares on the MTF.

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SCHEDULE 2
Fees

1. Recurring Payments and Expenses

Pursuant to the terms and conditions of the Agreement and especially Clause 5.2, and subject to insufficient liquidity and capital resources of the Company (insufficiency that shall be duly evidenced by the Company), the Corporate Agent will manage and subsidise the Ongoing Services (as specified in Schedule 1) relating to the Company.

For the avoidance of doubt, Recurring Payments and Expenses shall include necessary administrative and maintenance costs and expenses including but not limited to:

- Crating and shipping costs of the Artwork (all instances);
- Storage costs of the Artwork;
- Insurance costs of the Artwork;
- Display or gallery costs of the Artwork;
- Artist's resale rights, as may be applicable.
- Costs associated with filings and compliance with applicable laws;
- Agency fees;
- Accounting fees;
- Legal fee; and
- Costs associated with corporate actions of the Company and/or the liquidation of the Company.

2. Investment-related Fees

Pursuant to the terms and conditions of the Agreement and especially Clause 5.2, and subject to insufficient liquidity and capital resources of the Company (insufficiency that shall be duly evidenced by the Company), the Corporate Agent will manage and subsidise the Investment Structure Support Services relating to the Company.

For the Investment Structure Support Services, the Company shall pay the following fees to the Corporate Agent: 3% of the initial listing price of the Company multiplied by the percentage of Offered Shares at each Offering.

Moreover, the Company shall pay the following fees to the Corporate Agent or directly to the respective agents as may be instructed by the Corporate Agent, as it follows:

- for the intermediation of the acquisition of the artwork, a sourcing fee to the sourcing agent/advisor,
- for the financial advisory services to the Company, an advisory fee to the financial advisor,
- for the legal advisory services related to the Offering, a legal fee to the legal advisors appointed,
- other fees associated with the Offering,

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as per the agreements entered between the Corporate Agent and the respective agents/advisors, as acknowledged by the Company.

3. Extraordinary Expenses

Any extraordinary or non-routine services, if any, will be managed and paid for by the Corporate Agent, subject to insufficient liquidity and capital resources of the Company.

Extraordinary Expenses may include but are not limited to:

- Payments associated with litigation, judicial proceedings or arbitration (regardless of whether or not the Company is a named defendant or party to such litigation), including, without limitation, attorneys' fees, settlements or judgments;
- Costs associated with any material transactions, such as any third-party costs and expenses incurred in connection with any merger, third-party Mandatory Asset Purchase or other similar transaction;
- Costs and taxes, if any, associated with selling the Artwork.

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**SCHEDULE 3
Service Levels**

Following the requirements under Clause 7, the Corporate Agent shall produce a report outlining the services provided to date including and not limited to the following:

- Issue levels - a full specification of all issue levels, providing a detailed definition of each.
- Performance monitoring - Providing details on how performance will be monitored and measured. If a standard system is to be used, include details of that system. Specify what data will be collected and how that data relates to the measurement of performance.
- Performance report - Documenting overall services provided.