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ADDX tokenises vintage French Burgundy wine portfolio by SGX-listed Intraco's subsidiary

About half of the vintage wines carry "Grand Cru" appellations, the highest tier of wine classification in Burgundy, with vintage years from 2006 to 2020



Two bottles of vintage wine in the Provenance Treasures portfolio that both carry "Grand Cru" appellations, the highest tier of wine classification in Burgundy (PHOTO: ADDX)

Download a high-resolution copy of the photo here: <https://bit.ly/3yKGRtk>
(More photos available in Annex A below)

GLOBAL, 2 NOVEMBER 2022 – Investors with a penchant for wine can now invest in a curated portfolio of vintage French wines through private market exchange ADDX.

The wines are sourced from top wineries in the famed Burgundy region of France, including Domaine Coche-Dury and Domaine Leroy. About half of the bottles carry "Grand Cru" appellations, the highest tier of wine classification in Burgundy¹. The indicative worth of each bottle ranges from hundreds of dollars to thousands. The vintage years of the wines fall between 2006 and 2020.

In September, the primary subscription for these wine tokens was completed at S\$0.83 per token. The minimum subscription size was set at 1,000 tokens or \$830, to give investors fractional access to the investment deal. The secondary trading of tokens is now live on the ADDX exchange.

The portfolio is managed by Provenance Treasuresⁱⁱ a licensedⁱⁱⁱ wholesale wine and alcohol trading company that is a subsidiary of Singapore Exchange mainboard-listed company Intraco Limited (SGX: I06). The investment hurdle return rate is 8% p.a., where the portfolio manager will only receive management or performance fees when returns are above the hurdle rate. To date, Provenance Treasures has purchased and taken delivery of 234 bottles of wines with an indicative worth of S\$696,000^{iv}. It is expecting another 125 bottles with an indicative worth of S\$386,000^v to arrive in Singapore by November 2022.

The bottles are stored in a professional, secured wine storage facility in Singapore and insured at cost.

As portfolio manager, Provenance Treasures has the discretion to make wine-trading decisions in consultation with Domaine Wines, a shareholder of Provenance Treasures. Founded in 2014, Domaine Wines is a Singapore wine distributor that focuses on French Burgundy wine.

Provenance Treasures will take into consideration factors such as the prevailing general economic environment, consumers' demand and wineries' supply situation of selected wines, expected price trends and global wine consumption trends, with the goal of optimising investment returns. The portfolio manager may, from time to time, sell bottles of wine to wine merchants, wine collectors or hospitality and food and beverage operators. Before the sale of any bottle of wine is executed, investors will be given the first right of refusal to purchase that bottle at the prospective sale price.

Provenance Treasures may then return the proceeds of wine sales to investors as capital and redeem a corresponding number of tokens from investors. The portfolio manager may also decide not to return the capital, and instead reinvest the sale proceeds by importing new bottles of wine.

Intraco's Executive Chairman and Director Mak Lye Mun said: "We have seen an acceleration in the demand for digital assets. Accordingly, Intraco is pleased to partner with Domaine Wines to launch the first Burgundy wine tokens on ADDX. The tokenisation of the wines is another step towards Intraco Group's strategy to expand into the digital assets business. We are very encouraged by the interest investors have shown towards the wine tokens and will seek to identify more suitable assets classes in Singapore and the region for tokenisation, as alternative investment opportunities."

ADDX CEO Oi-Yee Choo said: "The value of fine wine as an investment class has appreciated 137% over the past decade^{vi}. Wine investments can play a unique role in portfolio diversification because investment performance tends to be based on factors unrelated to the stock markets. These include weather and climate patterns, harvest yields, vineyard reputation and consumer trends. The Burgundy wine portfolio by Provenance Treasures is the first luxury asset ADDX has

listed. The deal allows investors to own and trade coveted, top-quality wines, while earning a return through an appreciation in the value of the portfolio. The tokens were fully subscribed by investors, many of whom are wine connoisseurs, which demonstrates that when investors have the passion, interest and knowledge relevant to an investment asset, they act as a natural capital 'home' for that asset."

She added: "With heightened concern over rising inflation and market volatility, investors are increasingly re-allocating capital toward private markets as they seek resilience and diversification. This is a space in which ADDX has established itself as the market leader in Asia, offering private equity, venture capital, hedge funds, commercial papers and bonds, and now luxury investment assets. We are offering a comprehensive shelf of investment opportunities for investors to construct their own private market portfolio – across multiple asset classes and different segments of the risk curve."

Founded in 2017, ADDX is backed by Singapore Exchange (SGX) and Hamilton Lane. ADDX currently serves individual accredited investors^{vii} from 39 countries spanning Asia Pacific, Europe and the Americas (except the US). Using blockchain and smart contract technology, ADDX reduces manual interventions in the issuance, custody and distribution of private market investments. The resulting efficiency from the use of digital securities allows the platform to fractionalise investments in a scalable and commercially viable manner, bringing minimum investment sizes down from USD 1 million to USD 5,000 and thereby expanding investor access to private markets. To date, ADDX has listed more than 40 deals involving blue-chip names such as Hamilton Lane, Partners Group, Investcorp, Singtel, UOB, as well as Temasek-owned entities Mapletree, Azalea, SeaTown and Fullerton Fund Management. Asset classes available on ADDX include private equity, hedge funds, venture capital, private credit, real estate, debt and structured products.

Annex A

Links to download other photos:

- <https://bit.ly/3D1LYaL>
- <https://bit.ly/3D558wJ>

Caption for both photos:

A bottle of vintage wine from Domaine Armand Rosseau in the Provenance Treasures portfolio that carries a "Grand Cru" appellation, the highest tier of wine classification in Burgundy (PHOTO: ADDX)

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About ADDX

ADDX is a full-service capital markets platform with Monetary Authority of Singapore (MAS) licenses for the issuance, custody and secondary trading of digital securities. The financial technology company has raised a total of US\$120 million in funding since its inception in 2017, including US\$50 million in its Series A round in January 2021 and US\$58 million in its Pre-Series B round in May 2022. Its shareholders include Singapore Exchange (SGX), the Stock Exchange of Thailand (SET), Temasek subsidiary Heliconia Capital, the Development Bank of Japan (DBJ), UOB, Hamilton Lane, Tokai Tokyo Financial Holdings and Hanwha Asset Management.

Besides individual accredited investors, ADDX also serves wealth managers and corporate investors through its institutional service, ADDX Advantage. ADDX has been approved by MAS as a recognised market operator (RMO). It also has a capital markets services (CMS) license to deal in securities and collective investment schemes as well as to provide custodial services. For more information, visit [ADDX.co](https://www.addx.co) or <https://www.linkedin.com/company/addxco>.

ⁱ See: <https://www.bbr.com/wine-knowledge/berg-classifications>

ⁱⁱ Provenance Treasures Pte. Ltd. ("Provenance Treasures")

ⁱⁱⁱ Class 4 liquor license for wholesale of liquor under the Liquor Control (Supply and Consumption) Act 2015 (Act 5 of 2015) from the Singapore Police Force

^{iv} Approximate worth as at July 2022, based on relevant offer/asking prices obtained from certain identified online wine marketplace(s) or website(s) that are publicly available. Actual value can only be determined upon the completed sale of these wines.

^v Approximate worth as at July 2022, based on relevant offer/asking prices obtained from certain identified online wine marketplace(s) or website(s) that are publicly available. Actual value can only be determined upon the completed sale of these wines.

^{vi} See Page 85 of The Wealth Report 2022 by Knight Frank: <https://www.knightfrank.com/siteassets/subscribe/the-wealth-report-2022.pdf>

^{vii} The Singapore regulatory regime that ADDX operates under defines an accredited individual investor as an individual whose net personal assets exceed in value S\$2 million (or its equivalent in another currency), or whose financial assets (net of any related liabilities) exceed in value S\$1 million (or its equivalent in another currency), or whose income in the preceding 12 months is at least S\$300,000 (or its equivalent in another currency).