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ADDX Tokenises XM Studios Investment, After Heliconia Backs The Luxury Collectibles Maker

Deal anchored by Heliconia Capital provides exposure to fast-growing company XM Studios, that holds intellectual property licenses from global brands such as Marvel and DC Comics



Caption: XM Studios CEO Ben Ang (right) and ADDX CCO Oi Yee Choo (left), with XM's premium collectible statue Batman Shogun, from the Batman Samurai Line.

Download a high-resolution copy of the photo here: bit.ly/3h14aWR

SINGAPORE, 9 SEPTEMBER 2021 – XM Studios¹, a company backed by Heliconia Capital, announced a listing of exchangeable notes today on digital securities investment platform ADDX – formerly known as iSTOX. The deal raises S\$4.5 million in fresh capital for the company producing premium art

¹ XM Holdco Pte. Ltd. is the 100% owner of XM Studios Pte. Ltd. ("XM Studios") and the issuer of the exchangeable notes. The business of the group is primarily undertaken by XM Studios.



collectibles for global brands such as Marvel, DC Comics, and Hasbro². The deal follows last week's announcement of Heliconia as a new strategic investor in XM Studios. Heliconia is an independently-managed wholly owned subsidiary of Temasek Holdings.

Founded in 2012, Singapore-based XM Studios has seen a strong increase in revenues along with an expanding network of licensing agreements. In 2020, revenues more than doubled to S\$16.9 million from S\$7.9 million the year before, while the company also recorded a net profit of over S\$4.2 million in 2020.

To take full advantage of the benefits of digital securities, the entire offering was tokenised on the ADDX platform, with no parallel non-digital issuance. Heliconia anchored the deal with a S\$1-million investment. Other international accredited investors³ took part on the same terms as Heliconia, in an offering that was over 1.75-times subscribed based on the company's fundraising target. To accommodate high demand from investors during the subscription phase, the size of the deal was increased from S\$3 million to S\$4.5 million. The raised capital will be used for the expansion of XM Studios' premium and premium mass collectibles business in new markets and the acquisition of new intellectual property licenses, as well as for general working capital purposes.

The new offering took the form of exchangeable notes that are redeemable for shares in XM Studios at a significant discount under specific liquidity scenarios. If the exchangeable notes are not redeemed within 18 months, the notes will mature at an interest rate of 6% per annum. Due to the efficiency gains from digital securities, ADDX was able to broaden investor access by reducing the minimum investment size to S\$10,000, down from the S\$1-million minimum that is typical for such investments. Primary subscriptions have closed, and XM Studios tokens are now listed on the ADDX secondary exchange, where they can be traded by all accredited investors, including those who did not subscribe in the first instance.

The listing of exchangeable notes of XM Studios marks the first in a new line of equity-linked products by ADDX, expanding the suite of ADDX listings beyond funds and bonds. In line with its strategy of building a multi-asset platform to meet all private market needs of investors, ADDX plans to roll out other new product lines this year, including structured products and investments with exposure to cryptocurrencies.

XM Studios is a Singapore-based global design studio specialising in the creation of premium collectibles. Among the major intellectual property licenses it holds are Marvel, Star Wars, DC Comics, and Sanrio. Hand-crafted and hand-painted, these collectible statues are made with intricate attention to details such as fine zips and buckles. They also come with "switch out" parts to reflect how the character would look in various settings and moods. Depending on complexity and size, the statue

² XM Studios' current IP licenses include Disney (Marvel, Star Wars, Alien/Predator, Mickey & Friends), Warner Bros. Consumer Products (DC Comics, The Great Gatsby, Looney Tunes, Harry Potter, Tom and Jerry and Scooby-Doo), Hasbro (G1 Transformers, Magic: The Gathering, Dungeons & Dragons), Godzilla, Ultraman, Sanrio, Top Cow, and Iron Maiden.

³ 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).



collectibles have prices ranging from under S\$1,000 to as much as S\$6,000 each. XM Studios makes the collectibles in collaboration with a team of international sculptors, illustrators and designers, and distributes them via a global network of 20 key distributors⁴.

Ben Ang, Chief Executive Officer of XM Studios, said: “XM Studios has grown from a humble shop in Singapore’s Bras Basah Complex into a global brand. We could not have done this without the consistent support of our fans and collectors over the past decade. The fundraising on ADDX was designed to allow fractional access at a minimum investment of just S\$10,000, because we wanted to provide long-time XM Studios fans with the chance to take part in the growth of the company. The new capital also enables XM Studios to seize opportunities in the next phase of our expansion – in new markets and new segments like premium mass collectibles, allowing fans to buy their favourite collectibles at a more affordable price range.”

Oi Yee Choo, Chief Commercial Officer of ADDX, said: “XM Studios is a superhero of a company, a home-grown Singapore start-up with an expanding global footprint. Even as it grows rapidly, the firm has succeeded in turning profitable, making it an attractive investment proposition. Over the past decade, XM Studios has built a loyal, cult-like following among comic fans through its well-made products and high-quality portfolio of licensing agreements. They started with Marvel in 2013, but did not rest on their laurels, announcing in this year alone licenses with the likes of Sanrio, Harry Potter, Looney Tunes, and The Great Gatsby, as they expand into the premium mass collectibles segment. Investors stand to benefit by exchanging into shares at an attractive discount to valuation under specific liquidity scenarios.”

Ms Choo added: “The new line of equity-linked products on ADDX offers investors a chance to diversify their portfolios through companies experiencing faster growth. Before these products are listed on ADDX, they go through a robust due diligence and listing committee process⁵. ADDX also strongly favours listings with reputable lead or anchor investors, such as Heliconia in this case. Furthermore, the fractional sizes enabled by digital securities empowers investors to take on just the right amount of any investment for their current portfolios.”

Digital securities, also known as security tokens or tokenised securities, are issued using blockchain and smart contract technology to automate processes and reduce dependence on intermediaries. Their digital nature enables self-executing corporate actions at various points in the life cycle of a security, including dividend and coupon payments, cap table management, as well as trading and settlement. Digital securities can be offered in fractional sizes to serve a wider segment of investors because they are efficient to administer. Issuers benefit from a larger pool of potential investors, lower issuance cost and a shorter lead time from the planning and structuring of a deal to its final issuance.

Founded in 2017, ADDX is an integrated issuance, custody and exchange platform for digital securities regulated by the Monetary Authority of Singapore (MAS). The financial technology company is backed by Singapore Exchange, Heliconia Capital and Japanese investors JIC Venture Growth Investments (JIC-

⁴ XM Studio’s 20 key distributors cover the following markets: USA, Brazil, Argentina, Europe, South Africa, Mainland China, Hong Kong, Taiwan, Japan, Korea, India, Australia, Indonesia, Vietnam, Thailand, the Philippines, Malaysia and Singapore.

⁵ For more information on how ADDX approves investment products, visit: addx.co/en/how-do-we-select-offerings



VGI) and the Development Bank of Japan (DBJ)⁶. ADDX currently serves accredited corporate and individual investors in 27 countries, spanning Asia Pacific, Europe, and the Americas (excluding the US).

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About XM Studios

Founded in 2012, XM Studios is a Singapore-based global design studio specialising in the creation of hand-crafted premium collectibles. XM Studios is recognised annually by various international industry bodies as one of the best design houses in pop culture collectibles, having scooped up numerous awards from community-led events such as the Statue Forum Awards. XM Studios was the winner of Singapore's Emerging Enterprise Award in 2018, and was previously awarded a prestigious "Mickey" award by Disney for Product of the Year. Current intellectual property licenses include Disney (Marvel, Star Wars, Alien/Predator, Mickey & Friends), Warner Bros. Consumer Products (DC Comics), Hasbro (G1 Transformers, Magic: The Gathering, Dungeons & Dragons), Godzilla, Ultraman, Sanrio and more. For more information, please visit www.xm-studios.com.

About ADDX

ADDX is a future-ready capital markets platform set to usher in a new era for fundraising and investment. Through digital securities, ADDX offers a more innovative, flexible, inclusive, and efficient system for an emerging generation of investors and issuers. ADDX is on a mission to enable all users to transact exactly the way they want to and extend capital market access to a broader segment of the community. ADDX is owned and operated by ICHX Tech. ICHX Tech 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.

⁶ Other ADDX shareholders include Korea's Hanwha Asset Management, Japan's Tokai Tokyo Financial Holdings and Thailand's Kiatnakin Phatra Financial Group.