

IBO Initial Bottle Offering Term Sheet



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THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

This Initial Bottle Offering Term Sheet comprises the relevant information for the issue of the wine tokens representing each a bottle of Quinta do Vallado - Sociedade Agrícola, Lda., Reg.nr. 504594745, Vilarinho dos Freires, 5050-364 Peso da Régua, Portugal (the “Wine Producer”). Alti Exchange Group Ltd, Liechtenstein, shall act as issuer and as listing authority and enable the issue and the trading of the Tokens among the members of its online trading platform. This document does not constitute a prospectus and does not offer to subscribe for, buy or sell any securities. The Tokens do not represent securities on the meaning of the applicable securities act. The Tokens have not been and will not be registered under any law, governmental agent or other official body. The Tokens are only offered to qualified investors in the meaning of the applicable securities act of Liechtenstein.



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This memorandum relates to the offer (the “Offer”) of 300 bottles of Vallado Adelaide Douro Red 2014 for investment through an Initial Bottle Offering (“IBO”), as new tokens (the “New Tokens”) of the Issuer:





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Vallado Adelaide Douro Red 2014

Number of bottles produced: **3 700**

Number of bottles in retail market: **3 000**

Number of bottles reserved for IBO: **300 bottles**

Average retail price: **€190 per bottle** (Incl. VAT & taxes acc. to country)

IBO launch price: **€168 per bottle** (No taxes while in bond)

Bottles numbered from: **450 to 749** packed in wooden cases of three. Each bottle is tokenized.



After the placement of this Offer, dealings in the Offer Tokens are expected to commence on the Alti Exchange Group on June 8th, 2019.

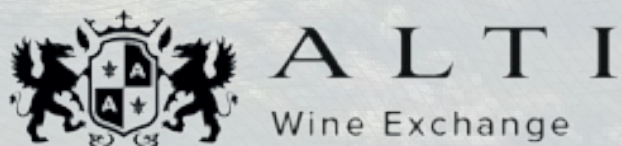


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Subscription Period

Prospective investors may subscribe for the Offer Tokens during the period which is expected to commence on May 15th, 2019 and is expected to end at 5 p.m. Central European Time on or about Jun 8th 2019 (the “Subscription Period”).





The Tokens are designed to track the performance of the listed wine (as defined below).

The Quinta do Vallado Adelaide Douro Red is the top red wine produced by Quinta do Vallado, only declared in exceptional years. The brand Adelaide is a tribute to Dona Antónia Adelaide Ferreira, who once was the owner of Quinta do Vallado, and is the great-great-great-grandmother of the current managers of the estate – João Ferreira Álvares Ribeiro, Francisco Ferreira and Francisco Olazabal.

From vintage 2014 only 3 700 75cl-bottles and 200 150cl-bottles were produced. From those 300 75cl-bottles were allocated for investment purpose at Alti Wine Exchange. Adelaide is packed in wooden boxes of 3, and each bottle is numbered.

This magnificent wine was produced from a small vineyard discovered by the grandsons in 1999, on one of their trips exploring the Douro and its tributaries. This vineyard boasts a mix of over 30 varieties, which was normal practice in centuries past. The vines are resilient, and each provides no more than 400 grams of fruit, which means a limited amount of wine.

In 2014, the vintage was characterized as one of high pluviosity with a warm Spring and mild Summer, contributing to a very balanced and early maturation of the grapes, with no hydric stress or heat waves to cause maturation halts. The harvesting of this plot took place in perfect climatic conditions on the 8th and 9th of September, before the heavy rain that occurred just a few days later.

The grapes, after a careful manual selection on the sorting belt, were de-stemmed and fermented in stainless steel tanks at a controlled temperature of 24°C with mechanical re-montage for 9 days.

After fermentation the wine aged in 225-liter new French Oak barrels for 20 months, and then bottled in July 2016. Finally, it was time to rest!

Since 2016 the wine has been tasted by the three grandsons, and as tradition dictates, the decision to launch the wine must be unanimous: either the three agree or the wine stays put. Adelaide is only declared in exceptional years and available when all three great-great-great-grandsons agree that Adelaide is ready for the world's palates.

Finally, the decision to launch the wine was made. After approximately three years of bottle ageing, under ideal conditions, at the Quinta do Vallado winery.

The Quinta do Vallado Adelaide Douro Red is a rare wine with exceptional qualities to be kept for many decades by collectors and investors. This is the reason Alti Wine Exchange chose this wine for an IBO, because it defines Fine & Rare Wine as wine that gets better with time and appreciates in value.

This is an Offer of 300 Tokens at an Offer Price of 168 euros per Token with admission to the Official List of Alti Wine Exchange on June 8th, 2019.



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The Issuer will receive net proceeds only from the offer and issue of the New Tokens. The Offer Tokens are being offered, as specified in this offer, subject to cancellation or modification of the Offer and subject to certain other conditions.

This does not constitute an offer to sell, or the solicitation of an offer to buy, in any jurisdiction the Offer Tokens in which such offer or solicitation is unlawful. The Tokens have not been and will not be registered under the United States Securities Act of 1933, (the "Securities Act"). Subject to certain exceptions, the Tokens may not be offered or sold within the United States, Canada, Japan, Australia or South Africa to any national, resident or citizen of the United States, Australia, Canada, Japan or South Africa. Accordingly, the Offer is being made (i) within the United States only to qualified institutional buyers ("QIBs") as defined in Rule 144A under the Securities Act ("Rule 144A") in transactions exempt from the registration requirements of the Securities Act and (ii) outside the United States in reliance on Regulation S under the Securities Act ("Regulation S").

The timetable for the Offer may be accelerated or extended. Any such acceleration will be announced in a press release at least three hours before the proposed expiration of the accelerated Subscription Period. Any extension of the timetable for the Offer will be announced in a press release at least three hours before the expiration of the accelerated Subscription Period or original Subscription Period provided that any extension will be for a minimum of one full business day. The Subscription Period will be no less than sixteen business days.

The Offer Tokens are accepted for settlement through Blockchain contracts, and the wine will be deposited at Bordeaux City Bond. Bordeaux City Bond has been approved as DEPOSITORY pursuant to the agreement with Alti Wine Exchange. Delivery of the Wine at any time is to be made through the facilities of Bordeaux City Bond, and is expected to occur through settlement of VAT and due taxes.

In connection with the Offer, the Managers and any of their respective affiliates acting as an investor for their own accounts may subscribe for and/or acquire Offer Tokens and, in that capacity, may retain, purchase, sell, offer to sell or otherwise deal for their own accounts in the Offer Tokens. Accordingly, references in this memorandum to the Offer Token being offered, subscribed, acquired or otherwise dealt with should be read as including any offer to, or subscription, acquisition or dealing by, the Managers and any of their respective affiliates acting as an investor for their own accounts. The Managers do not intend to disclose the extent of any such investment or transaction otherwise than in accordance with any legal or regulatory obligation to do so.