

The successful sale of the first Picasso painting tokenized brings significant ROI for token holders

- The artwork was tokenized in October 2021 and the sale finalizes its investment cycle with success for investors.
 - This initiative demonstrates how blockchain technology can make art investments accessible, profitable, and seamless.

May 25, 2023.- – *Fillette au béret* (1964) the first Picasso painting tokenized, has been sold. The collaborative effort initiated in 2021 between Artemundi and Sygnum Bank is concluded with the burning of tokens and a pay-out to all token holders. This historic project set a new precedent for art ownership and fractional investment.

The artwork, whose ownership was minted onto the blockchain in October 2021, was acquired by more than 60 investors who are receiving an annualized ROI of ~15%¹.

“After many years of managing investment fund structures, the experience with tokenization has revealed that the fundamentals of the art trade remain the same in terms of quality, provenance, conditions and pricing, and fractional artworks ownership via a blockchain perfects the direct ownership without costly intermediaries,” says Javier Lumbreras, CEO of Artemundi.

"The sale of *Fillette au béret*, the first Picasso painting to be tokenized, has made the benefits of tokenization tangible for token holders: this includes access to unique art investments, portfolio diversification opportunities and the potential for significant returns," acclaimed Fatmire Bekiri, Sygnum's Head of Tokenization, on the successful conclusion of the investment cycle of this pioneering Art Security Token (AST).

A pioneer operation with successful results for investors

Artemundi and Sygnum Bank partnered in 2021 for this tokenization project. It marked the first time the ownership rights for a Picasso were broadcast onto a public blockchain by a regulated bank, enabling investors to purchase and trade “shares” in the artwork called Art Security Tokens (ASTs).

ASTs facilitate access to digital marketplaces and reduce barriers to entry for the art market. Under Swiss banking regulation, institutional and private investors could buy, sell or trade fractionalized ownership of Picasso's *Fillette au béret* (PIC1), starting from CHF 1,000 per token on SygnEx, Sygnum's blockchain-based organized trading facility (OTF).

An artwork with several owners can be bought and sold seamlessly

The process of buying and selling the tokenized artwork was very similar to the traditional methods, though blockchain technology has made this process more secure, compliant and efficient. After receiving an offer for the painting from a potential buyer – above the initial price – this was communicated to token holders for a vote on the sale. With more than two thirds of investors in favor of selling, Artemundi, and Sygnum Bank executed the sale.

Net of fees related to the sale, Artemundi distributed the proceeds to the token holders' wallets at Sygnum Bank, which happened at exceptional speed thanks to smart contract technology. With a smart contract, ownership title is only transferred when the entire purchase price has been received by the seller from the buyer.

About Sygnum

Sygnum is the world's first digital asset bank, founded on Swiss and Singapore heritage. We empower professional and institutional investors, banks, corporates and DLT foundations to invest in the digital asset economy with complete trust. Our team enables this via personal, expert service and secure, convenient access to our integrated portfolio of crypto banking, asset management, tokenization and B2B banking services.

Sygnum is a licenced Swiss bank and is also regulated in the established global financial hubs of Singapore, Abu Dhabi and Luxembourg. We believe that the future has heritage. Our diverse crypto-native team of banking, investment and digital asset technology professionals are building a trusted, regulated bridge between the traditional and digital asset economies that we call Future Finance. To learn more about how Sygnum is shaping this trusted digital asset ecosystem, please visit sygnum.com.

About Artemundi

Founded in 1989, Artemundi was born out of a pioneering idea and a principled objective: to help clients build and diversify their art investments without the excessive fees associated with traditional brick-and-mortar art companies while adhering to transparent business practices. Artemundi has evolved into an industry-leading art investment company with thousands of successful transactions and over a billion dollars managed in art. Lately, we are adopting technology to create new investment opportunities through blockchain and art securitization.

www.artemundi.com

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ⁱ Results may vary between initial token holders (unsold tokens or tokens bought during the subscription period) and others purchasing their units via the bank's exchange platform at different times and their respective pro-rata share of the administrative expenses.