



CHAPMANS

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ASX/Media Release
24 April 2017

CHAPMANS ANNOUNCES LAUNCH OF 20FOUR DIGITAL MEDIA BUSINESS

The Directors of Chapmans Limited (ASX: CHP) (Chapmans, the Company) are pleased to announce the formal launch of mobile digital media business 20FOUR Media Holdings Pty Ltd (20FOUR).

Chapmans has a strategic 39% direct equity interest in 20FOUR. It is a sports-focused digital media business whose business model is based on providing fans with a new level of interactive, tailored and personalised access to their favourite sports stars via an App-based platform or online.

20FOUR seeks to provide an extension to standard media and social media via the utilisation of smart peer-to-peer (P2P) technology to create a real and unique connection between sports fans and leading athletes across all sports.

The 20FOUR business model is highly scalable and is designed to capitalise on the global market opportunity in sports media content generated by a burgeoning mobile sports fan audience market.

20FOUR formally launched last week and the App is now 'live' and available on the Apple and Google Play stores. It has also completed the signing of its first tranche of sporting talent, with 60 of Australia's leading elite athletes now on the books of 20FOUR.

These are headlined by NRL superstar Billy Slater, AFL champion Joel Selwood, Australian cricketer Pat Cummins, as well as leading athletes from other sports, such as netball world champion Shari Layton, freestyle motocross rider Robbie Maddison, world and olympic champion snowboarder Alex 'Chumpy' Pullin and professional surfer Laura Enever. Details of all current 20FOUR athletes are available on its website and App.

The launch represents a key milestone in 20FOUR's growth and development pathway, and is the culmination of a sophisticated two year research, development and testing program which has seen approximately \$3 million invested in the business to date.

Chapmans has played a pivotal role in the development of 20FOUR and is delighted with the progress achieved to date. 20FOUR is well ahead of its talent recruitment targets, and it is on schedule to expand its signed talent portfolio to at least 100 athletes by the end of the year, across a diverse range of sports. 20FOUR's 60 signed athletes already provide a total audience reach of around 12 million individuals – three times more than the current target.

Next Steps

With the business now launched, 20FOUR will continue to focus on athlete recruitment plus platform development. It will also undertake a large scale commercial roll-out with major media agencies and brands to allocate marketing and advertising spend, and the business is well advanced in negotiations on this front.

Chapmans' investment in 20FOUR is consistent with its active, high-conviction investment model in the mobile technology sector, and represents a priority investment for Chapmans. Chapmans plans to conduct another round of growth capital funding for 20FOUR to raise an additional amount of up to \$3 million, ahead of a proposed ASX listing this year.

Background to 20FOUR Business Model

20FOUR is a ground-breaking new content business delivered through its smartphone App and website designed to change the way sports fans connect with their sporting heroes. It allows fans to keep up with their favourite sport stars and access exclusive content free of charge, including personal stories and insights, master classes and one-on-one interaction.



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It has identified an untapped market opportunity in which the major shift in consumer engagement toward short form social content is uncoordinated and poorly commercialised.

Athletes will create and share original short-form content directly via the app, and in addition 20FOUR also has a state-of-the-art in-house production team that will produce exclusive content for the platform.

The business caters to the rapidly evolving market in which the personal profiles of athletes have significant commercial value, and delivers this asset to market in a way that encourages big brands and media agencies to engage. The model also directly solves issues for players around monetising their values outside of salary cap restrictions and potentially hazardous social media platforms.

20FOUR is driven by a high calibre management team led by former Fox Sports Head of Strategy Chris Haigh as CEO.

Commenting on the launch Chapmans Chief Investment Officer Anthony Dunlop said:

"We are delighted to see the successful launch of 20FOUR. The business is one that Chapmans identified at an early stage and we have overseen the development and refinement of what we believe is a ground breaking digital media opportunity with significant international market opportunities. 20FOUR represents a thoroughly researched and executed commercialisation model completely in-line with Chapmans active, high growth investment approach. Chapmans looks forward to working closely with 20FOUR to see it achieve its next corporate and operational goals, which include a planned ASX listing this year."

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For more information about 20FOUR, please visit: www.20four.com.au

About Chapmans

Chapmans (ASX: CHP) is an ASX listed diversified investment company engaged in special situation investments across a diverse range of industries, with a focus and expertise in the mobile and advanced industrial technology sectors. It seeks to be an active strategic investor in high growth areas of the market, and to identify and work with emerging high growth companies. The Company's investment philosophy and approach are based on a unique mix of high conviction and special situation features, characterised by advisory and equity investments structured around specific events and assets for both public and large private corporates.



Press release
April 24, 2017

20FOUR launches game-changing new sports fan app

A ground-breaking new smartphone app set to revolutionise the way sports fans connect with their heroes is now live, with the business contemplating a potential public float later this year.

Known as 20FOUR, the app targets modern sports fans who have shown a preference for “bite-sized”, on-demand content to enhance their fan experience, and delivers original, short-form material directly from athletes themselves.

Headlining the talent on hand are NRL superstar, **Billy Slater**, and captain of the Geelong Football Club in the AFL, **Joel Selwood**. Joining them are cricketer **Peter Siddle**, netball world champion **Sharni Layton**, freestyle motocross rider **Robbie Maddison** and professional surfer **Laura Enever**.

20FOUR currently has around sixty high profile Australian athletes creating and sharing exclusive content directly with fans via the 20FOUR network and is looking to increase this to at least 100 by the end of the calendar year.

Athletes will create and share original content directly via the app, while 20FOUR also boasts a formidable in-house production team that will produce exclusive content.

Haigh said that the platform is designed to capitalise on a gap in the market, and take advantage of consumer demand for authentic, but ‘snackable’ content.

“20FOUR has identified an untapped market opportunity in which the shift of consumer engagement toward short form social content is uncoordinated and poorly commercialised,” Haigh said.

Currently privately held, the venture is in the process of raising around \$3 million which will fund further growth before progressing plans for an IPO based ASX listing.

A small group of family office and high net-worth investors have co-invested alongside principal seed investor, Chapmans Limited (ASX:CHP), a small cap high growth institutional investor.

National Head of Investment from Maxus, Ricky Chanana, said, “There is a genuine opportunity in the Australian market for someone to marry high profile talent, organic reach and cost efficiencies and deliver real value to Media Agencies.”

“Everyone is looking for ways to incorporate high quality talent into their content, but it's a time consuming and ultimately expensive process.”

CEO Chris Haigh, a former Fox Sports Executive, leads a team with considerable experience in sports marketing and fan engagement, drawing from the AFL, William Hill and News Corp.

“In particular, the social content of popular sports stars now hold real currency, however, allocation of big-brand media spend in this area is massively under-represented.”

“20FOUR can carry the sporting conversation between games, and throughout the off-season, in a way that hasn’t been seen before in this market. It’s a win-win for the fans and the athletes”.

The idea is to provide fans with material not available anywhere else, and “create a genuine connection between fans and their sporting heroes”, according to Haigh.

“Sports stars are able to legitimately earn out-of-salary-cap income and develop their personal brands at the same time, while their agents are supportive because they too see the revenue opportunity.”

“Brands and creative agencies understand that we will be able to create and deliver content sometimes within hours of opportunities arising.”

“By extension, 20FOUR will provide a major boost to initiatives such as peer to peer fundraising, CSR related causes and community awareness programs.”

The platform is also looking to attract corporate sponsors who can opt to own segments or content.

20FOUR will showcase content from all of Australia’s major sporting codes, including Australian Rules, Rugby League, Netball and Cricket, as well as Surfing, Snowboarding and Moto-X.

The 20FOUR app, which has been developed in Sydney, is now live and available for download on the Apple and Google Play stores.

For more information about 20FOUR, please visit: www.20four.com.au

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