



ASX/Media Release
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CHAPMANS TO ENTER MEDICINAL CANNABIS SECTOR

The Directors of Chapmans Limited (ASX: CHP) (Chapmans, the Company) are pleased to announce that it has established a wholly owned subsidiary company, Cannabis Investments Limited (CIL), to facilitate its entry into the medicinal cannabis sector.

CIL is a specialist cannabis investment company that will seek to pursue high quality, value accretive investment opportunities for the Company in the rapidly emerging global medicinal cannabis sector.

Chapmans advises that CIL is currently in advanced stage negotiations with a number of substantial high quality medicinal cannabis investment opportunities that meet its investment parameters, and will inform the market of any material developments or outcomes as they progress.

Chapmans' entry into medicinal cannabis sector is entirely consistent and complementary to its 'active', high conviction investment philosophy to invest in high growth opportunities across a diversified class of industry sectors.

In line with this established investment philosophy, CIL will also seek to evaluate and invest in a targeted and select number of high value added opportunities in advanced segments of the medicinal cannabis sector. These will include the veterinary science and animal treatment markets, which utilise high value processed and extract medicinal cannabis products, and value added services.

CIL will also seek to pursue global licensing and distribution opportunities for its investments, to help ensure maximum market penetration and return on investment. It will initially focus on North America, which is acknowledged as the world's largest medicinal cannabis market.

Chapmans investment approach for CIL will be to seek substantial direct and active holdings only. This will enable CIL to help drive the execution of the individual business models of its investments. It will also seek to deliver an appropriate level of diversification through multiple investments within the medicinal cannabis sector.

The Company is pleased to advise that it has appointed leading medicinal cannabis sector expert, Mr Cameron McDonald-Stuart to the board of CIL. He will play a key role in identifying and assessing potential investment opportunities for CIL, and also in implementing and overseeing the business model of investments made by CIL.

Mr McDonald-Stuart has vast experience and expertise in the sector. He was the founding Chief Operating Officer and Chief Technical Officer of Cann Operations, the first company to be awarded an Australian medicinal cannabis licence. He was also a founding board member of the Australian Cannabis Industry Association, and currently runs cannabis consulting and technology company, Medicabis.

Mr Cameron McDonald-Stuart is also the Australian publisher of medicinal cannabis investment publication, CannInvestor Magazine, and has an extensive network of industry contacts. He also has cannabis industry qualifications from Oaksterdam University, California.

ENDS

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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.