



# CHAPMANS

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**ASX/Media Release**  
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## **CHAPMANS PROVIDES UPDATE ON 20FOUR DIGITAL MEDIA BUSINESS**

The Directors of Chapmans Limited (ASX: CHP) (Chapmans, the Company) are pleased to provide the following update on the progress of sports media business 20FOUR Media Holdings Pty Ltd (20FOUR).

20FOUR is a sports-focused digital media business whose business model provides fans with exclusive behind the scenes stories in the form of curated athlete feeds and content categories personalising fan access to their favourite sports stars. The content consists of athlete generated stories and studio produced content delivered via 20FOUR's App-based platform and mobile website as well as its social media platforms. Chapmans has a strategic 39% direct equity interest in 20FOUR.

As a one stop talent, creative, production and media distribution house, the business solves a number of critical problems faced by media agencies and brands when looking to engage professional athletes for commercial purposes including speed to secure talent, speed to create and produce content, costs and access to large audiences and distribution channels.

20FOUR formally launched in April (ASX announcement, 24 April 2017) and has made outstanding progress and has outperformed all key metrics in its first quarter of operations.

### **Headline results to date include;**

- 20FOUR has signed more than 100 professional athletes across a broad spectrum of sporting codes including AFL, NRL, cricket, surfing, netball, moto and action sports including UFC with another 100 athletes pending;
- The business now has a combined audience of over 14 million social accounts;
- 20FOUR has logged a total of 4.5 million video views across the 20FOUR App, website and social channels since its launch with month on month growth of more than 75%.
- The business is actively engaged with approximately 45 global and local media agencies and big brands receiving briefs and delivering on commercial campaigns

### **Commercial Campaigns**

20FOUR is now post revenue and commercially proven well ahead of forecasts, having run a number of highly successful campaigns in its first quarter of operations. These include custom mouthguard manufacturer GuardLab, which completed a marketing and sponsored content campaign via 20FOUR which leveraged Australian UFC star Rob Whittaker. The campaign involved a three episode short form content series featuring Whittaker and GuardLab in the lead up to Whittaker's UFC title winning bout earlier this month.

The business also secured global icon Schick Hydro to brand another content campaign based around AFL player Max Gawn from the Melbourne Demons which achieved 160,000 direct views with a total campaign reach of 2.19m after being aired on Fox Sports' AFL Footy Show with feature articles in the Herald Sun and other major publications.

Another campaign featuring one of 20FOUR's elite sporting talents followed NRL star Billy Slater's recovery from injury in a series of short-form videos. This campaign was also highly successful and was viewed over 600,000 times over just a two week period during the State of Origin series.



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The success of the GuardLab, Schick Hydro and Billy Slater campaigns, amongst others, has underlined the effectiveness of the 20FOUR business model; a targeted, fast and cost effective medium which provides advertisers with direct access to very high profile talent tightly aligned with brands.

20FOUR is able to turn a campaign brief around in days rather than months. From a sports fan standpoint, there is a growing trend for fans wanting to follow their heroes away from the field and the short-form content provided by 20FOUR provides the perfect environment for this.

The 20FOUR App brings the features of existing social networks onto a single unique platform, creating an entirely new channel, designed to provide sports fans with original, authentic content shared directly by their sporting heroes.

The platform provides sports stars with access to a legitimate new form of income and gives advertisers and brands an entirely new means of reaching millions of fans, quickly and efficiently.

The 20FOUR App is available on the Apple and Google Play stores.

**20FOUR CEO Chris Haigh said:**

*"The boom in influencer marketing has both confused and excited brands and advertisers, so 20FOUR's business model is focused on keeping things simple - by offering advertisers even greater reach and influence at a fraction of the time and cost usually associated with producing a content marketing campaign. Athletes generally achieve much higher engagement on social media than "reality" or "Insta-famous" type celebrities, and 20FOUR's focus is on creating sharable lifestyle content seen through the lens of sports stars, which gives brands access to a truly influential set of sporting heroes."*

**Chapmans Chief Investment Officer and 20FOUR director Anthony Dunlop said:**

*"We are extremely pleased and excited by the success and rate of progress achieved by 20FOUR since its launch. It is clear the business model is both robust and compelling, and with authentic content-led marketing now representing a new paradigm in advertising, 20FOUR is at the forefront of this emerging segment. It represents a highly efficient and effective way for brands and advertisers to reach their target market, and Chapmans looks forward to continuing to working closely with 20FOUR as the business accelerates its growth plans."*

## **Background to 20FOUR Business Model**

20FOUR is a ground-breaking new sports media business with revenues generated both through its App and website platform as well as off-platform revenues. It's 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.

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 value outside of salary cap restrictions and potentially hazardous social media platforms.

Current 20FOUR athletes include NRL superstar Billy Slater, AFL champion Joel Selwood, Australian cricketer Peter Siddle, netball world champion Sharni Layton, freestyle motocross rider Robbie Maddison and professional surfer Laura Enever. Details of all current 20FOUR athletes are available on its website [www.20four.com.au](http://www.20four.com.au).

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.



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## Capital Raise Closed

20FOUR has completed a capital raise of approximately \$2.5m on a pre-money valuation of \$13.5m with Chapmans and another existing shareholder taking up an additional \$1m in ordinary shares and balance coming from new investors.

This sees the market capitalisation of 20FOUR at \$16m with Chapmans maintaining it's 39% holding with an increase in the carrying value of it's investment from \$5.3m to \$6.3m.

20FOUR confirms it's intention to list on the ASX this year.

## New Zealand Representation

This month the business commenced it's direct representation in Auckland to work with 20FOUR's NZ talent including All Black winger Julian 'The Bus' Savea and NZ Black Caps cricketer Martin Guptill, media agencies and major brands .

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For more information about 20FOUR, please visit: [www.20four.com.au](http://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.