



CHAPMANS

HIGH CONVICTION INVESTMENT & FINANCE

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ASX/Media Release
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DIGITAL STAR MEDIA TO RAISE \$3M

- **Digital Star Media has entered into an agreement to raise \$3m at a 'pre money' valuation of \$12m.**
- **Chapmans has a strategic 40% direct holding in Digital Star Media – valued at \$4.8m.**
- **Significant value uplift from initial \$700,000 strategic investment made in July 2015.**
- **Digital Star Media is developing a unique, high-potential App-based global sports fan engagement business.**
- **Money raised to fund ongoing growth and development.**

The Directors of Chapmans Limited (ASX: CHP) (Chapmans, the Company) are pleased to announce that emerging technology platform-based company, Digital Star Media Holdings Pty Ltd (Digital Star Media), has entered into an agreement to raise \$3 million to fund the continued growth and development of the business.

Digital Star Media is developing a unique App-based sports fan engagement business to be launched this year. Chapmans is a cornerstone investor in Digital Star Media with a strategic 40% holding in the business and an active role in advising and developing Digital Star Media's strategic plan and commercial market entry.

Digital Star Media has entered into a mandate with Lodge Corporate Pty Ltd (Lodge) for Lodge to act as exclusive Corporate Advisor and Lead Manager for a pre-IPO capital raise of a minimum of \$3 million, at a 'pre-money' valuation of \$12 million. This values Chapmans direct interest in Digital Star Media at \$4.8 million.

Chapmans initial (\$700,000) strategic investment in Digital Star Media of July 2015 was made on a 'pre-money' valuation of \$1.05 million, and the Company is delighted with the value up-lift achieved in its investment to date. The \$3 million pre-IPO raise will result in a significant increase in capital value for Chapmans, and it views it as being highly value accretive for shareholders.

This position has the potential to be further enhanced via the raising of additional capital in an IPO of Digital Star Media, which is currently anticipated to be undertaken by the end of Q3, 2016. Lodge's mandate includes a proposed IPO capital raise.

Chapmans investment in Digital Star Media is entirely consistent with its active, high-conviction business model in the mobile technology sector, where it has made a number of value accretive investments.

Digital Star Media's 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. It seeks to provide an extension to standard media and social media via the utilisation of smart peer-to-peer (P2P) technology.



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The funds raised in the pre-IPO capital raise will be used to fund the ongoing growth and development of the business. This will include progressing negotiations with high profile sporting bodies in Australia and internationally with a view to securing partnering and/or licensing agreements, and building its operational and platform capabilities.

ENDS

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Chapmans business model

Chapmans is a diversified investment company with a focus on fast growth sectors, such as the mobile technology space. It has specific expertise in identifying high quality opportunities, transaction structure and assisting companies through development and commercialisation to deliver value accretive outcomes. Chapmans is developing an expanding portfolio of transactions and opportunities, which it believes positions it for a period of significant growth. It will assess such opportunities based on their growth and value potential, with a view to providing strategic investment and corporate advisory services to selected high-growth companies.

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 technology sector. 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.