



ASX/Media Release
28 July 2016

BUSINESS UPDATE – CHAPMANS RETURNS TO PROFITABILITY

HIGHLIGHTS

- Chapmans Limited returns to profitability with NPAT for half year ending 30 June of approximately \$0.55m
- Significant investment portfolio value growth continues – the current value of the investment portfolio is now \$23.45m as detailed below

The Directors of Chapmans Limited (ASX: CHP) (Chapmans, the Company) are pleased to provide the following update on its business activities and current investments.

Chapmans to return to Profitability

Chapmans is delighted to advise that the business expects to report a net profit after for the half year ending 30 June 2016 of approximately \$0.55 million (on an unaudited basis). This represents a major turnaround in performance relative to previous recent profit results reported by the Company, and provides strong validation for the Company's high growth investment model.

Having established what it sees as a portfolio of exciting early stage high growth opportunities, Chapmans is of the view that the business is now well position to deliver further profit growth, as well as shareholder value, moving forward.

Investment Portfolio Overview

Chapmans Opportunities Ltd (COL)

Chapmans Opportunities Limited (COL) is a subsidiary of Chapmans and is a special purpose investment vehicle focused on making non-controlling investments in small to medium Australian companies.

- COL issued \$4 million of shares at a pre-money valuation of \$16 million in June 2016;
- Chapmans now holds 80% of COL with a \$20m valuation, and therefore Chapmans shareholding in COL is currently valued at \$16 million;
- In June (ASX announcement, 14 June 2016), COL took a strategic \$5 million position in emerging mobile and online sports gaming business **Fantasy Sports Global Limited (FSG)**. FSG is an Australian-based sports technology company focused on the development and operation of state-of-the-art fantasy sports gaming platforms with significant international market opportunities.
- In July (ASX announcement, 18 July 2016), COL entered into an exclusive binding subscription agreement to take a strategic \$2.5 million interest in breakthrough plasma gasification business **Syn Dynamics Australia Pty Ltd (SDA)**. SDA has developed a patented next-generation plasma gasification technology that converts a wide range of waste material into a high value syngas product. COL views this as a ground breaking clean-tech opportunity, poised to enter the commercialisation phase with a massive potential addressable market globally.



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- In addition to its investment in FSG and SDA, COL will also actively advise both companies on the further development and commercialisation of their respective technologies, and will seek to list them on the ASX in due course.

Digital Star Media Holdings Pty Ltd

- In May (ASX announcement, 31 May 2016) **Digital Star Media (DSM)** completed a \$1.5 million pre-IPO capital raise on a pre-money valuation of \$12 million. Chapmans holds a 39.25% direct holding in DSM, which is currently valued at \$5.3 million.
- DSM is an emerging sports media company focused on developing a unique, high-potential App-based sports fan engagement business. Its business model is based on providing fans with a new level of interactive, tailored and personalised access to their favourite sports stars. It seeks to provide an extension to standard media and social media via exclusive athlete content and high quality short form content sponsored by big brands aligning themselves to athletes and their social media audience. It also commercialises the utilisation of smart peer-to-peer (P2P) technology for unique fan-to-athlete experiences.

Digital4ge

- Chapmans holds a strategic 15% interest in Australian technology commercialisation company, **Digital4ge Pty Ltd (Digital4ge)**. Digital4ge is the developer of a number of App-based technology opportunities, one of which is ASX-listed employee engagement business, **REFFIND (ASX: RFN)**.
- By virtue of its holding in Digital4ge, Chapmans has a 6.7% look through interest in Reffind which is valued at \$0.7 million (at current share price of \$0.10);
- Chapmans also has a 10% look through interest in another of Digital4ge's App enabled plays, **Visual Amplifiers (VAMP)**, which equates to a value of \$1.2 million. It also has a 1.25% direct interest in VAMP, via a \$150,000 investment in VAMP – giving a total value of its VAMP investment, of \$1.35 million. Vamp's business model is based on an Instagram-driven social demographic product placement for brands and is designed to increase exposure and reach of a company's brand.

Other Investments

- Chapmans holds 1.25 million shares in listed big data-focused company SkyFii Limited (ASX: SKF), currently valued at \$0.1 million; and
- Chapmans advises it has disposed of its interest in listed minerals exploration company Capital Mining Limited (ASX: CMY).

Chapmans will provide further updates in due course on its current investments and any material new investment opportunities.

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.

About COL

Chapmans Opportunities Limited (COL) is a subsidiary of ASX-listed diversified investment company Chapmans Limited (ASX: CHP). It is an investment entity focused on making non-controlling investments in small to medium Australian companies, predominantly providing active expansion capital in the technology sector. COL plans to seek an ASX-listing in due course.