



Half Yearly Results

September 2016

Chapmans Delivers Solid Growth Result

... NPAT up **91%** YTD

... EPS up **36%** YTD

	FY 2015 Restated	1ST Half FY2016
Revenue	\$6,023,754	\$2,519,858
NPAT	\$1,703,697	\$1,631,840
EPS (cents per share)	0.1970	0.2672
NTA (cents per share)	0.62	0.68
Current Share Price:		0.30



NPAT
up **91%**



EPS
up **36%**

Continued Growth in Fee Based income



	FY 2015 Restated	1ST Half FY2016
Revenue	\$6,023,754	\$2,519,858
Increase in fair value	\$4,953,015 82%	\$759,858 30%
Advisory fees	\$843,325 14%	\$1,760,000 70%
Other	\$227,413 4%	nil

Undervalued with Significant Capital Upside

- Solid NTA Growth
- Significant discount to NTA with substantial capital upside still to come from developing and listing assets

	FY 2015 Restated	1ST Half FY2016
NTA	\$5,635,364	\$12,130,680
NTA (cents per share)	0.62	0.68
Shares Issued		1,789,500,000
Current Share Price (As at 29 September 2016)		0.30 (cents per share)
Market Cap (As at 29 September 2016)		\$5,368,500
Discount to NTA		56%

Our Investment Focus

Investment Approach

- High conviction investments only
- Compelling high growth opportunities – industry agnostic
- Value proposition must deliver significant revenues through innovation with clear efficiency and/or cost advantages with ability to scale globally
- Low entry price
- Significant capital growth
- Substantial holdings enable CHP to be actively supporting strong executive teams and experienced boards
- Clear visibility to liquidity event typically within 12 – 18 months of CHP investing
- Expansion Capital - to be applied to accelerate growth and expand operations
- Pre-IPO , IPO participation & post-IPO market support
- Actively managed – typically board representation and exclusive advisory & listing rights
- Aggressive minimum target returns

Investment Objective & Philosophy

Return Focus

The Company's investment objective is to achieve aggressive returns through active development of its assets through to ASX listing and other exit events

High Conviction Philosophy

The Company's High Conviction investment philosophy is based on a number of core investment principles:-

1 Concentration and Consistency

Larger stakes in fewer stocks operating in a small concentrated band of innovation facilitated growth opportunities in which the company has competitive subject matter expertise and stakeholder networks.

2 Capital Growth

Value driven through special situation low entry price opportunities with event based re-valuation upside clearly identified if not contracted (for example re-pricing via IPO and other business growth trigger points)

3 Portfolio Diversity

Dynamic mix of private and public targets at different stages of value, risk and return curve with minimum cash holding

4 Flexibility of Horizon

Early stage / short term liquidity and exit options mitigate capital risks and provide visibility to early recovery of capital and minimum returns with the ability to hold longer term positions

5 Active Management & Substantial Holdings Only

Investment Policies

Individual Target Analysis

Quantitative Analysis – Detailed financial modelling and sensitivity testing, cashflow analysis, profitability, EV/Rev, EV/EBITDA & PE

Qualitative Analysis – Validation of proposition, size and timing characteristics of market opportunity, scalability of offer and market penetration, measure of efficiency and/or disruption to current market

Composition of register

Risk Management

Substantial Holding – minimum 5%

Control or influence over corporate finance advisory and capital raising activities

Legal – regulatory framework and operating environment , IP, keyman & 3rd party risks

Market support – IR & broker relationships

Management Analysis & Execution

Assessment of board, management and execution risk

Board representation

Asset Allocation

Diversified across private and public company targets

Current Portfolio

Chapmans Limited
(ASX:CHP)

Chapmans Opportunities
Limited (COL)



Current Portfolio Summary



Enterprise Valuation 30 June 2016	\$13.5m
Chapmans Investment Valuation 30 June 2016	\$ 5.3m
Total Investment to date:	\$ 1.2m
Capital Uplift to date:	4.42x
Equity Holdings:	39.25%
Basis for Valuation:	Recent third party investment
Securities Purchased:	Ordinary Shares

Digital Star Media (DSM) is a mobile digital media business established to capitalize on the global market opportunity in sports media content required for the burgeoning mobile sports fan audience markets. Through its 20FOUR branded mobile App and online platform, DSM allows fans to keep up with their favourite sport stars and access exclusive content free of charge with including personal stories and insights, master classes, one-on-one interaction and unique pay-for-use experiences

The business solves problems for players around monetizing player values outside of salary cap restrictions and hazardous social media platforms while providing compelling new media solutions for brand owners wanting to align brands and products with sport stars to highly measurable and engaged mobile and social media audiences.

Continued



DigitalStar
MEDIA HOLDINGS

The company's business model is based on the traditional media pillars of selling audience reach to big brands with key new media differentiators of:-

- **Smarter commercial model**
Paying much less for exclusive media assets than broadcasters by acquiring sports star mobile and social media rights as opposed to mainstream broadcast rights for games
- **Captures larger audiences**
Leverages larger, more measurable and engaged audiences than free to air and subscription tv audiences
- **New and exclusive content channels**
Exclusive athlete generated content plus exclusive sponsored content publishing the off-field stories and journeys of professional athletes

Highly scalable business with an exceptional executive team and board consisting of proven experts in sports and social media sales, marketing and production combined with global talent management.

The business is preparing to launch in Q1 2017 and has plans for an ASX listing.

Digital4ge



Enterprise

Valuation 30 June 2016

\$16.80m

Chapmans Investment

Valuation 30 June 2016

\$ 2.50m

Total Investment to date:

\$ 0.75m

Capital Uplift to date:

3.33x

Equity Holdings:

15%

Basis for Valuation:

ASX & Recent third party investment

Securities Purchased:

Ordinary Shares

Digital4ge is a specialist early stage mobile technology commercialization business which identifies and secures majority holding equity rights in compelling early stage businesses with scalable and global market potential.

The company's business model is to secure the equity and investment rights for specific qualified opportunities and within 12 - 24 months to develop each opportunity as individually registered spin outs with liquidity and significant capital uplift returns achieved through ASX listings or trade sale options.

Chapmans Limited invested \$750,000 in 2014 in exchange for a 15% equity holding with board representation.

Continued



REFFIND Limited (ASX:RFN)

Digital4ge developed and listed its first asset, REFFIND Limited in July 2015 by way of IPO on the ASX. At 30 June this year RFN had a market capitalization of approximately \$19 million with operations in Australia and the United States where it offers an innovative mobile communication solution for enterprises with a focus on employee referrals. Digital4ge holds approximately 43% of RFN.

Visual Amplifiers Limited (VAMP)

Digital4ge's other key asset is a 60.61% equity holding in Visual Amplifiers Limited (VAMP) which is a compelling social media product placement platform connecting influencers and big brand advertisers.

VAMP provides mass demographic product placement on Instagram for brands through VAMP's influencer briefing and payment platform. The company works as a link among +700 social influencers' on its books with big brand clients by offering services that include talent recruitment, product delivery and payments through to reporting, analytics and optimization.

VAMP influencers post images within brand specified date ranges with a focus on product placement as opposed to product endorsement which strengthens the brands image and generates a higher reach in terms of comments and likes. VAMP has successfully represented Samsung, Ebay, Smirnoff, Vittoria, General Pants, UniQlo, Snapple and many others.



Enterprise Valuation 30 June 2016	\$3.2m
Total Investment to date:	\$0.6m
Capital Uplift to date:	n/a
Equity Holdings:	19%
Basis for Valuation:	Recent Investment
Securities Purchased:	Ordinary Shares

SDA has developed and patented breakthrough next generation plasma gasification technology with significant market opportunities in the global hazardous waste treatment and renewable energy industries. The technology has been developed over the past 10 years in Europe and Australia and is designed to address the performance, efficiency and scale limitations of existing waste to energy gasification technology with the objective of optimizing conversion, cost and accessibility requirements of the global waste mass markets

The technology solves chronic storage and insurance costs for heavy industries that generate hazardous and toxic waste while addressing large balance sheet liabilities associated with environmental and public health risks for large waste producers such as oil refineries, petro-chemical manufacturers, mining, metals and pharmaceutical companies

Continued



Plasma gasification is a next generation of gasification, a globally proven and adopted process by which carbon based material is converted into synthetic gas – ‘syngas’. Syngas is a global commodity and has a wide range of uses including various forms of renewable energy such as electricity generation and as a fuel or feedstock for chemical manufacturers.

Compared to other clean tech or brown-to-green technologies, SDA’s technology has breakthrough cost, performance and implementation advantages presenting mass scale adoption opportunities in huge addressable global markets. Two key unique features are:-

- Converts 100% of waste material into clean syngas – competing technologies only convert 30% - 50% and produce residual tars and toxic chemicals such as dioxins hence limiting their adoption.

- Operates with low energy consumption and can be installed on-site as a fixed or mobile plant

In July this year Chapmans invested \$600,000 through its subsidiary Chapmans Opportunities Limited for a 19% equity holding with board representation and exclusive advisory and ASX listing rights.

SDA has entered into a strategic 12 months research, development and commercialization agreement with CSIRO who have commissioned SDA’s test batch processing plant in Queensland and are preparing to test customer bulk samples to enable the company to progress with long term supply agreements with large scale multi-plant customers.



Enterprise Valuation 30 June 2016	\$40.6m
Total Investment to date:	\$5.0m
Capital Uplift to date:	n/a
Equity Holdings:	12.30%
Basis for Valuation:	Recent third party investment
Securities Purchased:	Ordinary Shares

FSG is an innovative sports gaming product business with unique player value database, fantasy sports and sports lotto products. The company has a unique business to business model that optimizes revenues for its database and product innovation by leveraging into the large marketing budgets and customer bases of the major global sports betting companies (wholesale customers) as well as white labelling it's products to large companies such as sporting clubs, franchises and large corporates (enterprise customers).

In June this year Chapmans invested \$5m through it's subsidiary Opportunities Limited (COL) for a 12.30% equity holding in FSG as part of a \$10.45m placement, with board representation, exclusive corporate advisory and ASX listing rights.

Continued



FSG has since signed its first wholesale supply agreement with the Australian arm of a large global sports betting company under which its dynamic player database and fantasy sports platform are to be supplied on a white label basis on a large continuous revenue share basis. The company expects to replicate this outstanding outcome with many of the largest sports betting companies in Australia.

Significant demand for FSG's enterprise customer offer from leading sporting franchises, retailers and big brand corporates also exists.

Macau Ho family interests have invested \$5.425m alongside COL with plans to enter the mainland China market and build significant revenues

New sports lotto product '**LineUp**' positioned for launch second half 2016

The company plans to expand into key international markets working with strategic partners in each territory with mainland China and India the first markets targeted.

The company has plans to list on the ASX in 2017.

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