

ASX Release | Chapmans Limited (ASX:CHP)**Chapmans Secures US\$4 million in Leading Blockchain Finance and Trading Platform Securrency Inc.****Highlights**

- Chapmans has entered into a binding term sheet to invest US\$4 million in US-based Securrency, Inc.
- Securrency is a leading regulatory and compliance-based asset tokenisation and trading platform
- Capital risk and regulatory compliance have become the key focus of the blockchain and cryptocurrency sector worldwide
- Securrency addresses these issues by offering a unique combination of patent-pending RegTech and FinTech asset trading and compliance-based features paving the way for institutional participation in trading and exchange based activities
- Chapmans investment is based on Securrency's pre-money valuation of US\$50 million
- Chapmans has access to additional investment and performance-related rights to achieve an equity holding of up to approximately 10% in Securrency
- Securrency is exploring a listing on the TSX Venture Exchange through an RTO within the next 120 days at a significantly higher valuation
- Securrency's team is highly experienced and qualified in capital markets, private equity investments, structured finance, commodities and securities trading, artificial intelligence, cybersecurity and anti-money laundering.

9 February 2018: Diversified investment company Chapmans Limited (ASX:CHP) ("Chapmans" or "the Company") is pleased to announce that it has entered a binding term sheet with leading blockchain finance and trading platform Securrency, Inc ("Securrency").

Chapmans has entered into a binding term sheet to invest US\$4 million in Securrency based on Securrency's effective pre-money price of US\$50 million. The valuation is based on revenue projections from ongoing contracted work. Further, a previous investment round in 2017 raised money on a \$20M valuation. Chapmans is contributing \$4M as part of a \$10M round and all other participations are investing on the same valuation basis.

Chapmans has advanced US\$500,000 on a refundable note basis (repayable in 60 days in the event the investment does not proceed and attracting interest at 1.68% p.a.), with another payment of US\$1.5 million on completion and a final payment of US\$2 million 30 days after completion. Chapmans has conducted preliminary technical, financial, legal and taxation due diligence customary for investment of this nature. The deal is subject to further satisfactory due diligence being completed which Chapmans is currently undertaking.

Chapmans will fund the investment via a combination of existing investment capital, the disposal of existing investments and/or via a convertible note and an additional equity raise. In addition to its initial investment, Chapmans has access to additional investment and performance-related rights to achieve an equity holding of up to 10% in Securrency. Chapmans can obtain additional equity in consideration for contributing to the development of Securrency by achieving certain milestones (to be agreed by the parties) such as introducing Securrency to key participants in selected desirable markets (i.e, in the Asia-Pacific region). The specifics of the milestones/performance rights are yet to be agreed and the milestones will be announced to the market once agreed.

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Securrency was founded in November 2015. Since that time, Securrency has developed a technologically advanced and unique exchange platform on which assets may be tokenised and traded by institutional and retail investors. The platform integrates patent pending RegTech and FinTech asset trading and compliance-based features. The platform is currently in its 'pre-release' phase. At present it is undergoing Payment Card Industry Data Security Standards (PCI DSS) compliance certification. The platform has been trading an internally issued asset backed (microlending) portfolio since July 2016. Elements of the platform are being released starting February 2018 with a full release of the platform in August 2018. Securrency has contracted a number of institutional customers with diverse asset portfolios including a large private equity firm, Venture360. Under the contract with the Venture360 (which has over US\$5Bn in assets under management) Securrency is engaged to tokenize their private equity assets. Securrency will tokenize new offerings in 2018 and will move to tokenize all assets in 2019.

Securrency also owns a stake in the recently launched London Football Exchange (LFE), which has customised Securrency's platform with the intent of bringing more than one billion global football fans into the blockchain space. The LFE is expected to provide participating clubs with the opportunity to raise low-cost capital with tokenised equity offers and to achieve significant merchant cost savings with token payments replacing credit card charges. It will also give fans the ability to purchase tickets, memberships, merchandise and unique fan engagement experiences through exchange tradable tokens.

The proliferation of unregulated Initial Coin Offerings (ICOs), cyberattacks on large cryptocurrency exchanges, and purported scams has led to compliance and multi-jurisdictional regulatory protection becoming the primary focus for the large-scale institutional adoption of blockchain solutions. Securrency's platform addresses the need for compliance streamlining the ability to bring liquidity to illiquid assets on a blockchain-based trading platform.

Currently, the blockchain sector is plagued by a lack of compliance and verifiable security practices. Many of the recent Initial Coin Offerings (ICOs) are not sufficiently vetted and no easy way exists to ensure compliance with regulatory requirements. This limits the blockchain sector's market capitalisation as institutional money cannot participate in unregulated offerings.

Securrency solves this problem by layering world-class security and jurisdictionally-relevant compliance over blockchain networks. Using Securrency's patent pending RegTeX software, the Securrency platform provides Know Your Client (KYC) global identity verification, artificial intelligence financial fraud monitoring, and automated tax, regulatory, and bank secrecy act reporting.

Founder & CEO of Securrency Dan Doney was the former Chief Innovation Officer at the US Defense Intelligence Agency and has over 20 years' experience in emerging technology development and finance across government and private sectors. He leads a team of highly credentialed executives who have extensive expertise in blockchain, information technology, compliance, and regulatory frameworks. The company's board, executive and advisory team members have a wealth of experience in military and enterprise level technology development and implementation including capital markets, private equity investments, structured finance, commodities and futures trading, administration and regulation, virtual currency, mobile payment processing, and anti-money laundering compliance.

The investment in Securrency has strong potential for short-term upside for Chapmans with Securrency exploring a listing on the TSX Venture Exchange (TSXV) through a Reverse Takeover (RTO) in the next 120 days. As Securrency continues to grow its business, the TSXV listing valuation is expected by management to be significantly higher than the valuation represented by Chapmans' investment. As of the date of this release, Securrency has not committed to an RTO transaction.

Chapmans Executive Director and Chief Investment Officer Anthony Dunlop: *“We are very pleased to have entered into an agreement to invest US\$4 million in Securrency. We see Securrency as a unique and currently undervalued opportunity that will bring much-needed regulation to the blockchain sector. The investment is also in keeping with our interest in blockchain and our high-conviction investment philosophy of seeking out emerging technologies with global scale.”*

Securrency Founder and CEO Dan Doney: *“Chapmans is an ideal strategic partner for Securrency. They have access to markets and asset classes ideally suited to the Securrency platform. As partners, we’re developing plans to bring liquidity to a range of previously illiquid asset classes including real estate and private equity. Chapmans’ global reach opens new markets for Securrency, especially in Asia and the Pacific.”*

Ends

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About Chapmans Limited

Chapmans Limited (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. The Company seeks to be an active strategic investor in high growth areas of the market and to identify and work with emerging high growth companies. Chapmans’ 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.

The Company made its first strategic investment into blockchain in 2017 and established the Blockchain Industry Advisory Board to identify and assess compelling blockchain investment opportunities. Chapmans’ investment in blockchain technology aligns with its growth plans and commitment to investing in early stage technologies with reach into key international markets.

To learn more please visit: www.chapmansltd.com

About Securrency Inc

Securrency is a combined FinTech/RegTech platform that enables the free trading of previously illiquid asset classes. Securrency makes financial services more secure, transparent, efficient, and accessible by integrating legacy financial services with recent advances in distributed ledger technologies, payment gateways, and security frameworks

To learn more please visit: www.securrency.com



REVOLUTIONIZING BLOCKCHAIN
— FINANCE THROUGH —

SECURRENCY

CONVENIENCE. LIQUIDITY. COMPLIANCE.

FEBRUARY 2018

ABOUT US

Securrency, Inc.® layers compliance and security over blockchain to issue a new financial instrument:

Tokenized Securities

THE RESULT?



IMMEDIATE ACCESS TO CAPITAL MARKETS



ENHANCED LIQUIDITY



GLOBAL DISTRIBUTION

Securrency harnesses the power of blockchain technology to revolutionize capital formation through patent pending compliance, liquidity, and interconnectivity

PROBLEM

The blockchain is plagued by lack of compliance and verifiable security practices

1

Limited Due Diligence: Initial Coin Offerings (ICOs) raised over \$5.2B globally in 2017 – but most offerings are not sufficiently vetted

2

Regulatory Challenges: Regulators deemed equity token ICOs securities, requiring compliance with securities laws

3

Lack of Standards: No easy way exists to conduct regulatory compliant ICOs. Lack of compliance and security standards leads to fraud, theft, regulatory intervention, and misallocation of capital

4

Barriers to Institutional Participation: Blockchain Market Cap is limited as institutional money cannot participate in unregulated offerings

CASE STUDIES

CONTRACTS FOR OUR SOLUTION



- ✓ Tokenized team equity for fan ownership
- ✓ InfinXchange™ enhanced payment, ticketing, and loyalty program
- ✓ Bringing >1B global football fans into the blockchain space.
Target Revenue: ~\$16.5M (listing), ~\$50K MRR (exchange)



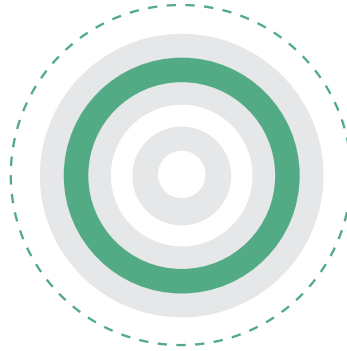
- ✓ Tokenized Private Equity to enhance LP Liquidity
- ✓ RegTeX™ to automate compliance reporting, onboard global investors
- ✓ Enhancing liquidity of over \$1B private equity assets.
Target Revenue: ~\$5.6M (listing), ~\$.5M MRR(exchange)

MARKET OPPORTUNITY

Bringing Blockchain Disruption to the Global Securities Market



\$1.4 Quadrillion
Global Securities Markets

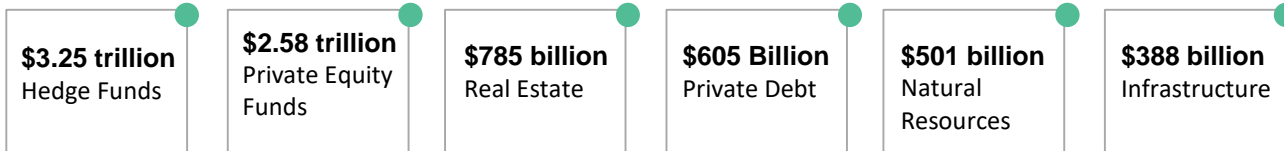


\$8.2 Trillion
Alternative Assets



\$825 Billion
Cryptocurrencies

Total Alternative Assets market as of 2016:



<https://www.institutionalassetmanager.co.uk/2017/09/06/255719/alternative-assets-industry-hits-record-size-2016>

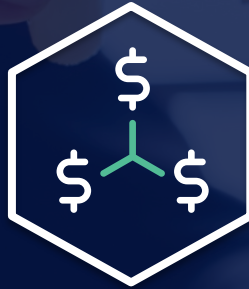
THE SECURENCY SOLUTION

Revolutionize capital formation via the blockchain



COMPLIANCE

Patent pending **RegTeX™** provides Know Your Client (KYC) global identity verification; artificial intelligence financial fraud monitoring; and automated tax, regulatory, and bank secrecy act reporting



LIQUIDITY

Patent pending **Liquidity Engine** and elastic securitization unlocks liquidity in illiquid markets



CONVENIENCE

InfinXchange™ bridges legacy financial services to distributed ledger solutions making access to value as convenient as cash



SECURITY

Cloud hosted, resilient infrastructure with ubiquitous encryption, automated high availability and disaster recovery (HA/DR) and cyclic key management

HOW IT WORKS



PHYSICAL ASSETS



PRIVATE EQUITY

- ✧ Illiquid value in traditional assets
- ✧ Value can be in new (primary market) or existing (secondary market) assets



PORTFOLIO



FUND

- ✧ Assets are aggregated with other like assets in a trust, portfolio, or fund
- ✧ Certain assets like private equity can be tokenized directly if desired



TOKENS

- ✧ Portfolio shares are tokenized and made available to qualified participant for transfer or trade on exchanges
- ✧ Separate tokens for each offering

PRODUCTS

Securrency™ Platform

Securrency Platform provides single point to list, access, trade, and transfer all value

- **Software as a Service (SaaS) offering**
- **Mobile Wallet and Access**
- **Full Service Offering**

InfinXchange™

InfinXchange™ enables third parties (like Venture 360) to “White Label” Securrency’s service

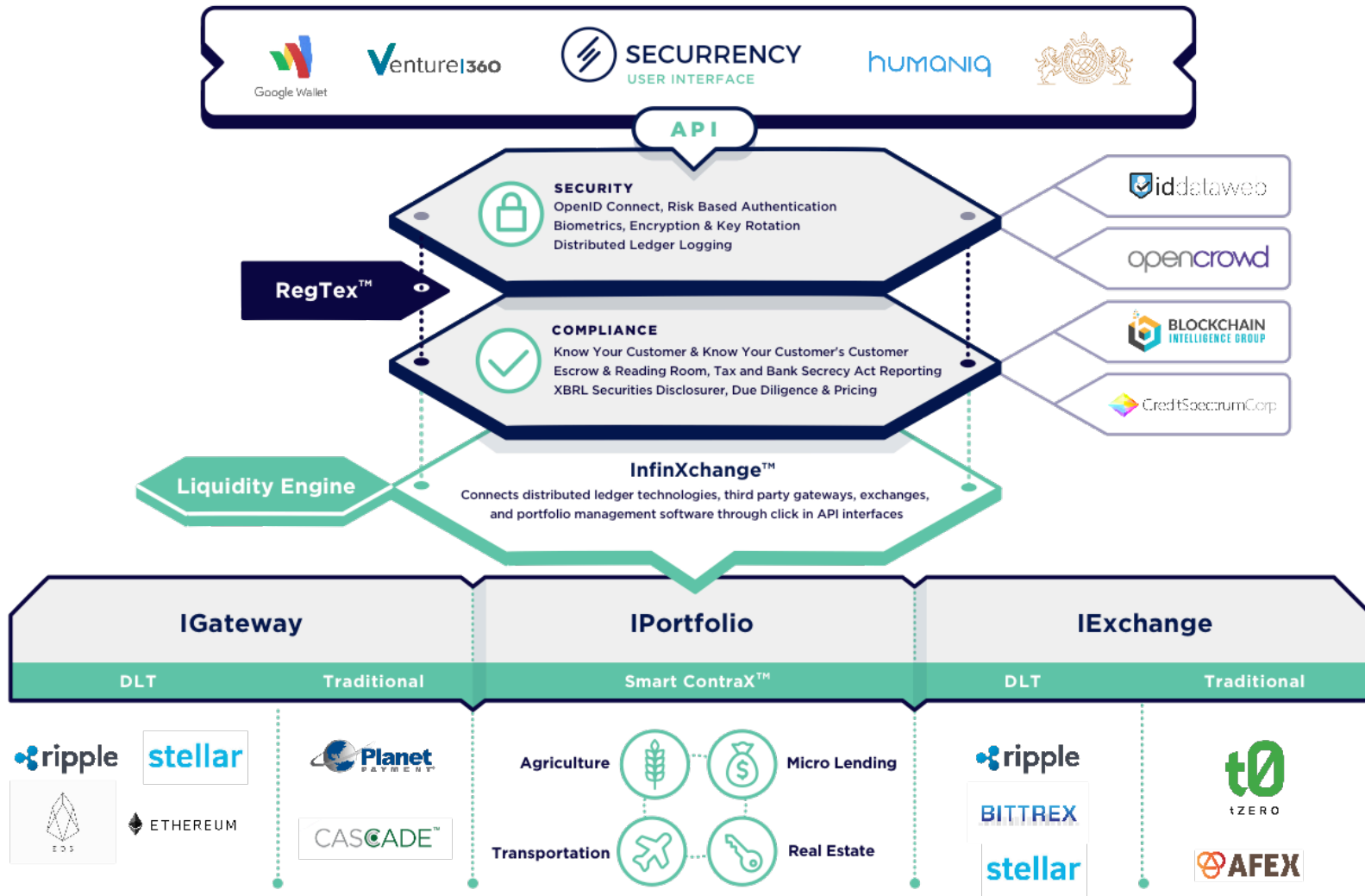
- **Accessible via Application Programming Interface (API)**
- **Rigorous Security model**
- **Ledger and exchange agnostic**

RegTeX™

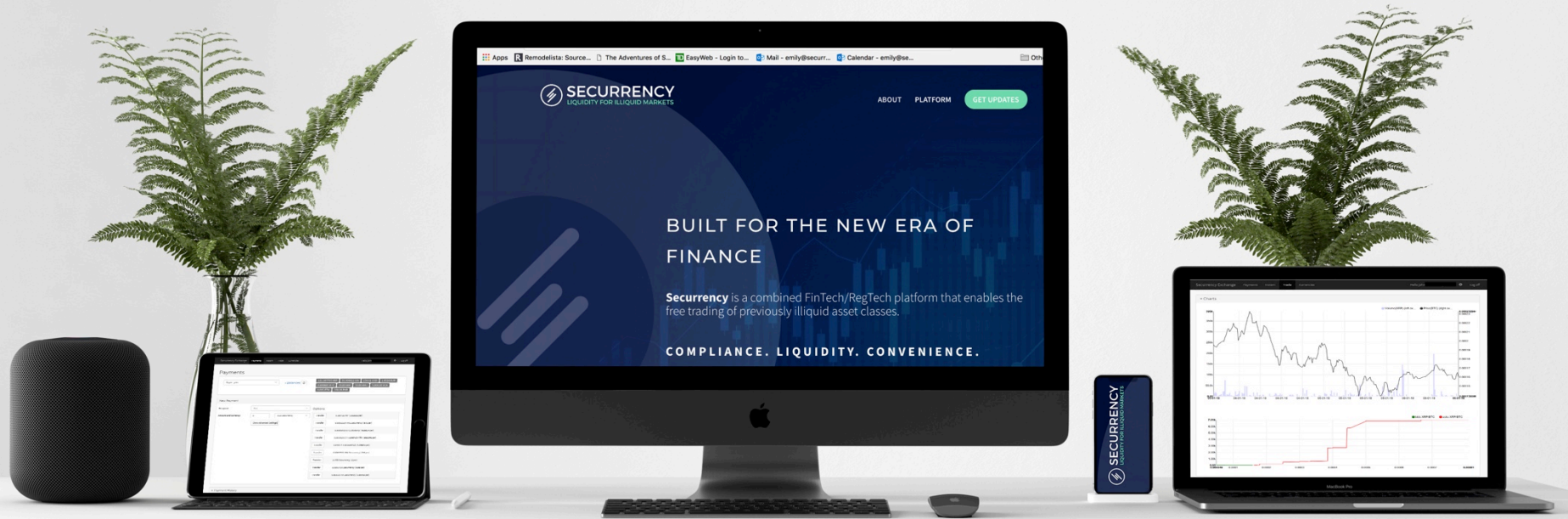
Separable components offering best in class compliance and security services

- **Global identity verification and KYC framework**
- **Rules Engine to map & enforce jurisdictional securities regulations**
- **AI to support bad actor and suspicious activity reporting**
- **Automated compliance reporting including tax, Bank Secrecy Act, and securities disclosures.**

SECURENCY Architecture & Ecosystem



PLATFORM PREVIEW: LIVE SCREENSHOTS



SECURENCY TEAM

MANAGEMENT | ADVISORS | CONSULTANTS



**DAN
DONEY: CEO**
Fmr DIA Chief
Innovation Officer



**JOHN
HENSEL: COO**
Fmr Director International
Programs US Navy



**LIVIU
FLOROAIE: CFO**
Fmr Renewable Energy
Finance Executive



**PATRICK
CAMPOS: CSO**
Fmr Lawyer King & Spalding
and founder BWG Trinity



**JUSTIN
HADGKISS: CRO**
Fmr CTO Wave Money



**RON
POE: CCO**
Certified Anti-money
Laundering Specialist



**HAZEM DANNY
AL NAKIB:
Crypto Advisor**
fmr Banker RBC and
Consultant BCG



**CHRISTOPHER
BEAUFAIT:
Management Advisor**
Fmr President GE Aviation



**JEFF TRUITT:
General Counsel**
Partner Smith Anderson Law



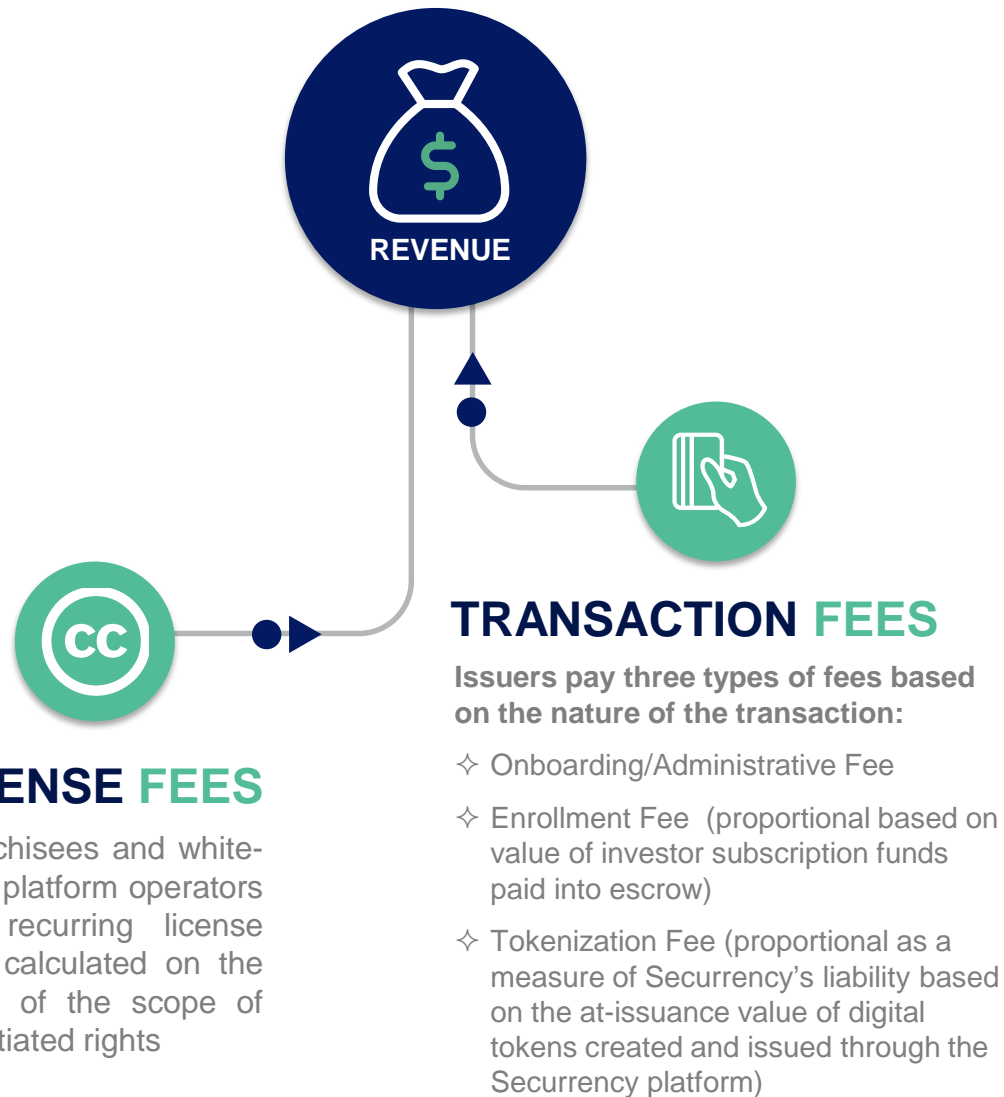
**CAROL VAN
CLEEF: OCC &
Bank Secrecy**
Leading Digital Payments
Advisor











**JIM NEWSOME:
Exchange
Regulation**
Fmr CFTC Chairman

BUSINESS MODEL

Securrency's
Primary Revenue
is generated from two
categories:



PARTNERSHIPS

Global KYC and Attribute Verification		ID DataWeb is an integrated identity security company which provides Identity Verification, Adaptive Authentication, and Trusted Federation (Single Sign On) solutions through our patented cloud service, the Attribute Exchange Network (AXN™).
AI Wallet Verification and Fraud Detection		Quickly drill down to the critical information you require, contained within any Blockchain. Our API will manage the Big Data burden across multiple data sources, while you assess risk and make informed decisions.
Asset Valuation and Risk Assessment		Founded in 2000 by ex-Moody's analysts Ann Rutledge and Sylvain Raynes, to provide the market with credit metrics that measure the real-time risk and value attributes of structured securities and their derivatives.
Bank and Financial Service Integration		Builds custom 360 View Dashboards, Smart Search, Blockchain Solutions, Mobile Applications and big data solutions on Cloud Platforms.
Specialized Advisor		KAIZEN is a boutique firm offering specialized advisory services to Government, Institutional and Individual Clients in the domains of Economic Development, Asset Development & Management, as well as Real Estate Development.
Distributed Ledger Partners		Stellar is an open platform for building financial products that connect people everywhere.
Global Wallet access		HumanIQ is a simple and secure mobile app, delivering financial inclusion solutions globally.
Blockchain linked ACH/Wire/SWIFT/Credit Transactions		The Cascade Prepaid Mastercard® delivers inclusive products and services, bringing the FinTech revolution to everyone.

COMPETITIVE ADVANTAGES

REGULATOR
ALIGNMENT



GLOBAL
KYC/AML



LIQUIDITY

Liquidity *Engine*

TRANSFERABILITY

InfinXchange™

CONVENIENCE

CASCADE
FinTech

DISTRIBUTION
CONTROL

RegTeX™

TIMELINE

2016

Securrency, Inc. Founded
– Nov '15

Liquidity Patent
Pending
– Jan '16

Initial Blockchain
Portfolio Launch
– May '16

2017

InfinXchange
Platform Beta
– Jan '17

Integrated KYC
Compliance
– Apr '17

Compliance Patent
Pending – Sep '17

2018

Football Exchange
Contract
– Nov '17

PCI DSS &
Security Audit
complete
– Mar '18

ROADMAP

2018 Q1

- ✧ Scaling & Security Penetration Testing
- ✧ Single Click Issuance

2018 Q2

- ✧ Securrency Platform Launch
- ✧ Channel Partner API

2018 Q3

- ✧ Mobile Interface
- ✧ Artificial Intelligence Fraud Detection

2018 Q4

- ✧ Multilateral Trading Facility (MTF) License
- ✧ Artificial Intelligence Pricing Model

INVESTMENT HIGHLIGHTS

1

Opportunity

By unlocking multi-trillion dollar global securities market, projected revenue exceeds \$180M by 2020

2

Intellectual Property

Multiple blockchain patents pending

3

Compliance Leader

Most extensive compliance framework in Blockchain market

4

Experience

Blockchain revenue generation since 2016

5

Global Reach

Initial London Football Exchange contract welcomes over 1 Billion users worldwide into blockchain space

6

Team

World Class technology and compliance experts



SECURRENCY

CONVENIENCE. LIQUIDITY.
COMPLIANCE.

THANK YOU

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John Hensel | COO | john@securrency.com

www.securrency.com

2018

APPENDIX

DAN DONEY | CEO & FOUNDER



Dan is the former Chief Innovation Officer at the Defense Intelligence Agency and 2014 Fierce 15 awardee as a top government change agent. He has 20+ years of experience in emerging technology development and finance across government and private sectors. Dan is a software developer and innovator in artificial intelligence, cybersecurity, process automation, dynamic asset pricing and enterprise architecture. Dan holds a B.S. in Systems Engineering & Economics from the U.S. Naval Academy and a M.S. in Nuclear Engineering from MIT. (Clearance: TS/SCI)

John Hensel | COO & Co-Founder



John Hensel currently serves as Securrency, Inc. COO and Senior Executive Officer for Securrency Middle East North Africa (MENA) Operations in Dubai, UAE. Prior to co-founding Securrency in 2015, John served in executive leadership and senior program management positions with the U.S. Navy. His uniformed career spanned 25 years with extensive experience leading cross functional teams to include international business development efforts managing portfolios valued in excess of \$15B. His assignments include Director of International Programs for Maritime Aircraft and the Senior Military Program Manager for Commercial Derivative Aircraft – a global fleet of 281 aircraft. He holds a B.S. in Physics from the U.S. Naval Academy, an M.B.A. from John Hopkins University, and an M.A. from the Naval War College (Clearance: TS/SCI).

Ronald Poe | Co-Founder & CCO



Ron is a former global executive and Managing Partner who sold his Tokyo-based firm to a leading Japanese private equity fund. He has extensive executive-level engagement serving IT industry companies (IBM, Microsoft, Cisco, EMC, Oracle and Dell) through to numerous Silicon Valley startups. A previous Marine Corps Captain, Ron led a recruiting station ranked 45 of 49 to become #1 in less than a year. Ron holds a B.S. in Marine Engineering from the U.S. Naval Academy and is a Certified Anti-Money Laundering Specialist (CAMS).

Patrick F. Campos | Chief Strategy Officer



Patrick founded BWG Trinity, a unique multi-disciplinary investment advisory and project development platform with active transactions in the Middle East, Europe, Africa and Central Asia. With BWG, Patrick has structured, negotiated and managed projects, deal structures and companies in multiple industries, including energy, music & entertainment, hospitality, mining & natural resources, consumer products, commodities trading, pharmaceuticals & life sciences and digital technologies. Previously, Patrick worked as a lawyer for King & Spalding LLP on the Global Transactions Group, which was recognized by Chambers Global and Legal 500 as among the leading practitioners in the UAE and Saudi Arabia and named to the list of “Best Lawyers in the UAE”.

Liviu Floroae | Chief Financial Officer



Liviu is a dynamic professional and leader with cross-functional international expertise in business and financial analysis, project finance, business development, mergers and acquisitions, treasury, public offerings, asset management, debt compliance, and tax structuring. At SunEdison, Liviu was head of financial planning and analysis where he was the lead business partner of the asset management team, responsible for the financial forecasting, planning, analytics and reporting for Terraform (Nasdaq: TERP) and SunEdison North America, overseeing 4.5GW (\$12 billion fleet) and over 400 renewable power plants, the vast majority located in the United States, and a small part in the UK and Chile. Strong communication and analytical skills, team-builder and team-player, detail oriented, with ability to conduct business in English, Spanish, French, Italian and Romanian.

Justin Hadgkiss | Chief Risk Officer



Emerging markets specialist with ten years' experience in program management, technology project management, business analysis and strategy across Asia-Pacific including go-to-market plans for Mobile at Visa, a 5-year technology strategy plan with Boston Consulting Group for ANZ Asia-Pacific, and strategy for ANZ Bank – Vietnam and Cambodia. Mobile payments expert having worked in both the building and operations of Wave Money (Myanmar), WING (Cambodia), and on the vendor side of mobile money (for Fundamo and Visa) regionally. A successful Program and Project manager, launching Visa Debit and EMV issuing and acquiring, Bancassurance, and Mortgages in Cambodia, Debit cards for WING mobile money customers, a remittance product to the Philippines, and ATM payments (utility bills and mobile phone credit top-up).

Jeff Truitt | General Counsel



Jeff Truitt brings deep transactional experience as a Partner with Smith Anderson, a Chambers-ranked law firm. His practice includes a focus on mergers and acquisitions, capital formation and finance transactions, and the negotiation of commercial and technology licensing arrangements. Prior to joining Smith Anderson, Jeff practiced with Sidley Austin in Chicago. Jeff is the former Chairman of Rise Against Hunger. He currently serves on the North Carolina Board of CPA Examiners (a state regulatory body), the International Qualifications Appraisal Board, and the International Law Council of the state bar. Jeff is a certified nuclear engineer and holds a J.D. from the University of Chicago Law School.

Carol Van Cleef | Advisor



Carol Van Cleef is a pragmatic and forward-thinking advocate in the regulation of FinTech and RegTech, including emerging and alternative payments systems, prepaid access, mobile payments, virtual currencies, and blockchain/ledger technologies. A Certified Anti-Money Laundering Specialist, Carol created a series of AML compliance training programs sponsored by the Conference of State Bank Supervisors and attended by regulators from 45 states and representatives of domestic and foreign banks, securities firms, money services businesses and other entities. She also developed and leads an AML Compliance Bootcamp for Virtual Currency and Blockchain Technology Companies, which has been attended by the virtual currency community and bankers. She participates in the Uniform Law Commission's efforts to draft a model legal code for virtual currencies.

Jim Newsome – Delta Strategy Group



Jim Newsome served as Chairman of the Commodities and Futures Trading Commission (CFTC) from 2000-2004 where he guided the regulation of the nation's futures markets and led the regulatory implementation of the Commodity Futures Modernization Act of 2000 (CFMA). He served as one of four members of the President's Working Group for Financial Markets along with the Secretary of the Treasury and the Chairmen of the Federal Reserve and SEC. In 2004, Newsome left federal service to assume the role of President and CEO of the New York Mercantile Exchange (NYMEX). As head of NYMEX, he managed daily operations of the largest physical derivatives exchange in the world. He led the NYMEX IPO and merged NYMEX with the CME Group to create the world's largest futures marketplace. He currently serves on the boards of the Williamson Dickie Company, Hudson Field, TruMarx, Data Partners, the Chamber of Digital Commerce, Bloq, and Bitfury. He previously served on the boards of Gavilon, the NYMEX, CME Group, Dubai Mercantile Exchange, LedgerX, and the National Futures Association.