



February 7, 2020

Australian Securities Exchange  
Rialto Tower  
525 Collins Street  
MELBOURNE VIC 3000

### **COMPANY UPDATE**

Funtastic Limited (ASX: FUN) (**Company**) is pleased to provide the following update.

#### **1. Half Year Results**

The Company will announce its financial results for the six months ending 31 January 2020 on 31 March 2020. As indicated at the 2019 AGM, consumer spending in the retail sector was expected to be depressed during the half. Actual consumer spend over the Christmas period was worse than expected. As a result, revenues and margins were below expectations, and based on unaudited preliminary half year financials, the Company expects to incur an EBITDA loss in the range of \$3.3 - \$3.5m for the half year.

#### **2. Cessation of contract**

The Company has brought about an early termination of the Thinkway Toys contract ahead of the scheduled completion date of December 2021 and are currently in discussion to finalise the terms. It is estimated that the early cessation of the contract will adversely impact revenue by \$1.0 - \$1.5m over the remaining original contract period.

#### **3. New funding agreement**

The Company is pleased to advise that it has increased the Secured Loan Agreement, which matures in December 2023, with Jaszac Investments Pty Ltd (Jaszac) under the following key terms:

- Up to an additional \$6M in funding over a four-year period
- Interest Rate 12% p.a.
- To secure their funding, Jaszac will register a security over the assets of the Company

Jaszac, who is currently Funtastic's largest shareholder, has continued to support the Company during the development of a turnaround strategy, with the objective of returning the business to sustainable profitability and creating a platform to grow shareholder value going forward.

**Bernie Brookes**  
**Chairman**  
0438 101 422

**Howard Abbey**  
**Company Secretary & CFO**  
0439 594 880



#### **About Funtastic Limited**

Funtastic Limited (ASX: FUN) is an Australian based listed company which operates in the Toys and Plush, Tech, Apparel and Confectionery markets, principally aimed at the younger demographic market. Apart from distributing leading products throughout Australia for its key partners, Funtastic owns a number of its own products and distributes these to over 30 countries globally