



26 October 2020

Australian Securities Exchange
Rialto Tower
525 Collins Street
MELBOURNE VIC 3000

Successful completion of \$29.0 million conditional placement

The Board of Funtastic Limited (ASX: FUN) ("**Funtastic**" or the "**Company**") is pleased to announce the successful completion of its fully underwritten conditional placement via the issue of approximately 258.9 million new fully paid ordinary shares ("**New Shares**") at an offer price of \$0.112 ("**Offer Price**") ("**Price**") ("**Placement**").

Highlights

- Funtastic executes \$29.0 million Placement
- Placement was well supported by existing shareholders and new investors
- Concurrent to the Placement, Funtastic has announced the acquisition of Hobby Warehouse Group, which comprises Mittoni Pty Ltd, Hobby Warehouse Pty Ltd and Toys R Us Licensee Pty Ltd
- Funds raised in the Placement will be applied to funding growth initiatives, paying down debt and for working capital

The Company announced on Friday, 23 October 2020 the transformational acquisition of 100% of the Hobby Warehouse Group ("**HWG**") which owns one of Australia's leading baby, toy and hobby e-commerce platforms with over 1 million subscribers ("**Acquisition**"). In conjunction with this, major shareholder Jaszac Investments Pty Ltd committed to converting \$6 million of its debt to equity at the Offer Price ("**Debt Conversion**"). The Placement, Acquisition and Debt Conversion are all interconditional and subject to shareholder approval to be sought at the Company's Annual General Meeting to be held on Monday, 23 November 2020 ("**AGM**"). Further details of the Acquisition and Debt Conversion are detailed in the ASX Announcement, Presentation, Independent Expert's Report and Notice of Meeting which were released to the ASX on Friday, 23 October 2020.

The Placement was well supported by existing and new shareholders, with the Offer Price representing a 72% premium to the last traded price on Wednesday, 30 September 2020, being \$0.065. Funds raised will be applied to working capital to fund growth of the combined group, development of logistics, warehousing and automation capabilities, marketing and brand development, debt repayment and the development of e-commerce technology and associated IP.

Settlement of the New Shares, if approved by shareholders, is expected to occur on Wednesday, 25 November 2020, post the AGM.

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Event	Date*
Announce Acquisition of Hobby Warehouse Group and Equity Raising	23 October 2020
Despatch of Notice of Meeting and Independent Expert's Report	23 October 2020
Trading halt lifted and Funtastic shares recommence trading	26 October 2020
Annual General Meeting	23 November 2020
Settlement of Placement and Debt Conversion	25 November 2020
Placement and Debt Conversion shares allotted and commence trading on ASX	26 November 2020

*These dates are indicative only and subject to change

Bernie Brookes AM, Chair of Funtastic said "We would like to thank both our existing and new shareholders for supporting this Placement and proposed Acquisition and, in particular, Jason Sourasis of Jaszac Investments who strongly supported the deal and Placement. With a strengthened balance sheet, Funtastic is well positioned to take advantage of the structural shift towards e-commerce for toys and hobby products while continuing to support and grow our ongoing wholesale agreements with our distribution and retail partners. We look forward to completion of the Acquisition and entering the Christmas trading period well funded for growth".

This announcement is authorised for release by the Board of Directors.

Bernie Brookes AM
Chairman

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About Funtastic Limited

Funtastic Limited (ASX: FUN) is an Australian-based listed company which operates in the Outdoor Lifestyle, Family Safety and Education, Fun Lifestyle and Confectionery markets, principally aimed at families with kids. In addition to distributing leading products throughout Australia for its key partners, Funtastic also owns a number of its own products and distributes these globally. Further information is available at www.funtastic.com.au

About Hobby Warehouse Group

Hobby Warehouse is an independent, Australian-owned company established in 2011 with a mission to enrich the lives of people by encouraging exploration, creativity and living life more fully through the enjoyment of hobbies. It is headquartered in Dandenong in Australia. Further information is available at www.hobbywarehouse.com.au