



7 December 2020

Australian Securities Exchange  
Rialto Tower  
525 Collins Street  
MELBOURNE VIC 3000

### Business Update

Following the successful completion of the acquisition of the Hobby Warehouse Group - which includes e-commerce businesses Hobby Warehouse, Toys"R"Us and Babies"R"Us - the Board of Funtastic Limited (ASX: FUN) (**Funtastic** or the **Company**) is pleased to provide a business update based on unaudited management accounts:

- Consolidated Revenue for November 2020 of \$7.1m, up 60% vs pcp
- Consolidated Gross Profit for November 2020 of \$2.0m, up 78% vs pcp
- Consolidated Revenue for Q1 FY21<sup>1</sup> of \$14.0m, generating a consolidated Gross Profit of \$3.6m

The Toys"R"Us website delivered strong results in November 2020:

- Total organic and direct sessions (excluding paid search) increased by more than 200% vs pcp
- Organic Google Search Impressions increased by more than 360% vs pcp
- Average cost per conversion via paid click advertising decreased to a record low of \$6.30

The low average cost per customer conversion (which excludes organic conversions) illustrates the brand recognition and performance of Toys"R"Us, whereby the Company has balanced investment in marketing with current warehousing capacity.

Integration of the businesses will be undertaken over the next six months. This will include a comprehensive review of all product ranges, customer segments and operations.

Investment to build capacity and scale will also be implemented in the coming months, aligned with the planned growth of the Company. This will include implementation of automated supply chain capabilities to increase warehousing capacity and further investment in marketing of our brands and product portfolios.

Funtastic CEO and Managing Director, Louis Mittoni, said "We are very pleased with the performance of the Company during this period. It is indicative of the solid teamwork within our business divisions and the strong connection between shoppers and our brands. Our e-commerce channels contributed the larger proportion of the gross profit and the results are a prelude to what we anticipate in the next several years, with the continued relaunch of Toys"R"Us, the launch of Babies"R"Us and continuation of our digital-first e-commerce road map".

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

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<sup>1</sup> The financial year for Funtastic Limited extends from August to July, with Q1 represented by August to October.

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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](http://www.funtastic.com.au)

**About Hobby Warehouse Group**

Hobby Warehouse Pty Ltd is a 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. In June 2019, Hobby Warehouse signed an exclusive license agreement in relation to Toys"R"Us, Babies"R"Us and associated trademarks and operates the e-commerce website [www.toysrus.com.au](http://www.toysrus.com.au). Hobby Warehouse was acquired by Funtastic Limited on 26 November 2020. Further information is available at [www.hobbywarehouse.com.au](http://www.hobbywarehouse.com.au)

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