



22 January 2021

Australian Securities Exchange
Rialto Tower
525 Collins Street
MELBOURNE VIC 3000

SALE OF CONFECTIONERY BUSINESS

Following the successful acquisition of the Hobby Warehouse Group - which includes e-commerce businesses Toys"R"Us, Babies"R"Us and Hobby Warehouse, Funtastic Limited (ASX: FUN) today announced the sale of its Confectionery Business to Sweet Season Pty Ltd. This sale is in line with the strategic intent to transform the business by overhauling existing portfolios; introducing new products; expanding its e-commerce focus; and exploring inorganic growth opportunities in emerging growth sectors.

The key points and the financial impact of the transaction are as follows:

- Acquirer: Sweet Season Pty Ltd.
- Sale Price: \$1.05m comprising current inventory and all other assets of the Confectionery Business including confectionery brand names and other intellectual property. Adjustments to the sale price will be made in accordance with inbound inventory and customer sales.
- Business Description: The sale of candy, lollies including fizzer packs, sour rolls, sour straps, and chocolate eggs as food items (but excludes distribution of products associated with food, for example Chill Factor and similar products).
- Revenue of the Confectionery Business for the year ended 31 July 2020: \$4.2m which represents 17.1% of the FUN Audited Total Revenue for the year ended 31 July 2020 and approximately 8% of the pro forma full year revenue of the new FUN Group post acquisition of the Hobby Warehouse Group.
- Net Assets of the Confectionery Business as of 31 July 2020 amounted to \$195k which represents 4% of the FUN Total Assets on 31 July 2020 and 1.4% of the pro forma total assets of the new FUN group post the acquisition of the Hobby Warehouse Group.

Mr Louis Mittoni, the CEO and Managing Director of FUN said "the sale of the confectionery business is part of the ongoing strategic review of all product ranges, customer segments and operations. It accelerates materialisation of value for part of the business and will allow investment to build scale and to right-size the business, aligned with the planned growth and focus of the Company to deliver our mission of encouraging children to engage with as many forms of play as possible and assist people to explore, create and live life more fully."

It is expected that the sale will be finalised prior to the end of the financial half year on 31 January 2021.

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



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Forward Looking Statements

The video linked to this announcement may contain forward-looking statements including statements regarding certain plans, strategies and objectives of the Company and its subsidiaries and the opportunities available to them. Any forward-looking statements, opinions and estimates provided in this announcement speak only as of the date of this announcement and are based on assumptions and contingencies which are subject to change without notice. Any forward-looking statements are provided as a general guide only and should not be relied upon as an indication, guarantee or prediction of future performance.

About Funtastic Limited

Funtastic Limited (ASX: FUN) is an Australian based listed company with a mission to enrich the lives of people by encouraging exploration, creativity and living life more fully through the enjoyment of hobbies and toys. In addition to distributing leading products throughout Australia for its key partners, Funtastic owns a number of its own products and distributes these globally. The acquisition of the Hobby Warehouse Group in late 2020, included the acquisition of 100% of Australian e-commerce websites Toys“R”Us, Babies“R”Us and Hobby Warehouse and distribution business Mittoni. Further information is available at www.funtastic.com.au.