



PROPOSED CHANGE OF COMPANY NAME TO TOYS"R"US ANZ

28 April 2021: Funtastic Limited (ASX: FUN) (**Funtastic, FUN** or the **Company**), is pleased to announce plans to change its name to Toys"R"Us ANZ Limited, reflecting the company's significant transformation to a digital-first retail focus and accelerated growth trajectory. Plans also include an update to the company's ASX ticker symbol to TOY, subject to the necessary approvals.

The change in corporate identity follows the successful acquisition of the Hobby Warehouse Group in November 2020, which includes e-commerce businesses Toys"R"Us, Babies"R"Us, Hobby Warehouse and IT distributor Mittoni Pty Ltd. The Group is the exclusive Australian and New Zealand licensee for the Toys"R"Us® and Babies"R"Us® brands through a long-term licence agreement with the global brand owner, TRU Kids Inc. in the US (**TRUK**).

The proposed change of company name will be put to shareholders at an Extraordinary General Meeting (EGM), details of which will be announced soon.

FUN will also take the opportunity of the general meeting to put several other resolutions to shareholders that the Board believes will assist the Company to continue to drive administrative costs lower and place it in a position of greater strength. These additional resolutions will include:

- Change to the lead auditor; and
- Changes to administrative matters in the Company Constitution.

Other business at the general meeting will include all resolutions required to give full effect to the change of the Company name, change of the lead auditor and the proposed changes to the Company Constitution. A Notice of Meeting and Explanatory Notes will be sent to all shareholders in the prescribed format and will be posted on the ASX Market Announcements platform and Company website as soon as they are finalised and approved.

For more than 70 years, Toys"R"Us has been the dominant global leader in the toy category celebrating the joys of childhood with kids of all ages, and Babies"R"Us has been the trusted destination for all new and expecting parents. Geoffrey the Giraffe, the beloved mascot of Toys"R"Us for more than 50 years, is adored by millions of kids and their families around the world. This brand power remains as Toys"R"Us and Babies"R"Us generate more than US\$2 billion in global retail sales annually through nearly 900 branded stores and e-commerce businesses in 25+ countries across North America, Asia, Africa, Australia, and the Middle East.

"Today's announcement is a great testament to the strength of the Toys"R"Us brand. In just shy of two years, Toys"R"Us has become one of the fastest growing digital players in Australia," said Yehuda Shmidman, Board Director of Toys"R"Us Global and Board Observer of Toys"R"Us ANZ. "We look forward to continuing to work closely with Louis and his team to solidify Toys"R"Us and Babies"R"Us as the leading destination for toy and baby products in the region."

Funtastic CEO, Louis Mittoni, said: "The change in our corporate identity to Toys"R"Us ANZ reflects our company's evolving focus with a strong and confident brand. We are looking to accelerate growth with further expansion that includes the launch of Babies"R"Us and building state-of-the-art logistics capabilities.

"We are excited to form an even closer relationship with the Toys"R"Us brand and global team, and whilst this marks an exciting change in the company's history, it is just the beginning of our new chapter and trajectory."

Background to the Company Name Change

On the 26 November 2020, FUN acquired 100% of shares of Toys R Us Licensee Pty Ltd, which holds the rights to use the brand names Toys"R"Us and Babies"R"Us in Australia and New Zealand under a long term licence agreement with TRUK.

Following acquisition of the Hobby Warehouse Group, the company commenced a review of operations which has included a restructure to its product portfolio and activities, sale of its confectionery business, merging of staff/teams and a reduction to several fixed operating costs targeted at reducing the ongoing cost of doing business.

The strength of the three shopper facing e-commerce pillars, Toys"R"Us, Babies"R"Us and Hobby Warehouse, will be enhanced in future financial periods with increased investment on brand awareness aimed toward the key objective to drive growth and direct-to-consumer revenues. The change in corporate identity reflects the transformation of the company increasingly into a direct-to-consumer retailer of baby, toy and hobby lifestyle products with a digital-first retail focus.

Background to Changes of Lead Auditor and the Company Constitution

On 10 March 2021 the Company advised of its ongoing review of systems, processes and resources during the integration of the Hobby Warehouse Group that are aimed at simplifying the business, increasing operational efficiencies and minimising the cost of doing business. Part of this process has included a review of the professional audit services required by the Group and, accordingly, the Company has recently conducted a tender process for audit services. A Request For Proposal (RFP) was sent to four professional audit firms, including Grant Thornton

as the incumbent lead auditor. The Company received submissions from the four professional audit firms and, following a thorough assessment and review, is now pursuing the required processes to change the lead auditor including putting appropriate resolutions to shareholders at the upcoming EGM.

The Company has also noted a small number of potential improvements to the Company Constitution that, if approved by shareholders, will streamline administrative processes relating to the annual retirement and re-election of Directors and the holding of virtual or hybrid meetings of shareholders when this is allowed under relevant legislation including the Corporations Act. There are also several corrections in rule cross referencing. The Company is therefore in the process of putting appropriate resolutions to shareholders to approve the changes to the Company Constitution.

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

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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 the distribution business of Mittoni Pty Ltd. Further information is available at www.funtastic.com.au.

