



Market Update

20 September 2017

Following the successful completion of the 11 for 5 pro-rata Renounceable Entitlement Offer that has raised \$8.2m in fresh equity, the Board of Funtastic Limited is pleased to provide the following market update.

Shareholders have previously been advised of the Company's new debt restructuring arrangement with its banker, National Australian Bank. Directors are now pleased to note the all formal agreements with the NAB have now been executed with the net debt reduced to circa \$15m.

In addition, the previously announcement agreement to sell part of the Company's international business has now also been executed and completed. The impact of this agreement immediately sheds overhead costs of approximately \$3.5m per annum.

The Board is pleased to further advise that:

1. The Company is now trading profitably and is tracking to achieve its first half profit expectations.
2. Christmas trading is on track with strong forward commitments.
3. A number of our new products including Jo Jo and Twister Track are performing extremely well.

Directors are also pleased with the early performance of the new leadership team, led by our CEO, Steven Leighton. Steven has also invested heavily into Funtastic and is already a Top 20 shareholder.

Shane Tanner
Chairman
Funtastic Limited