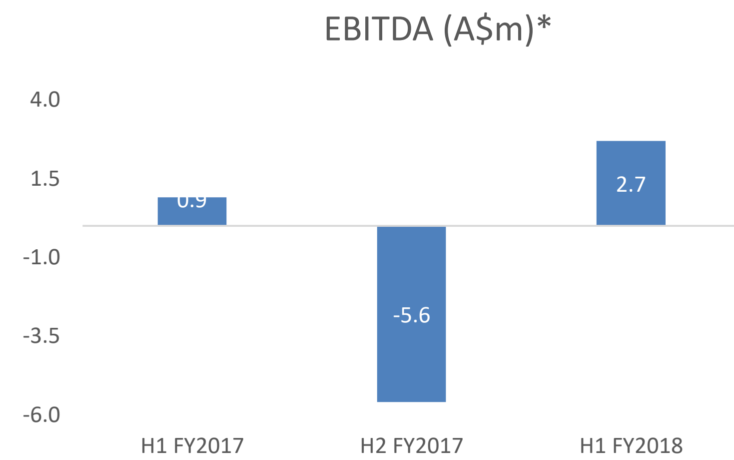
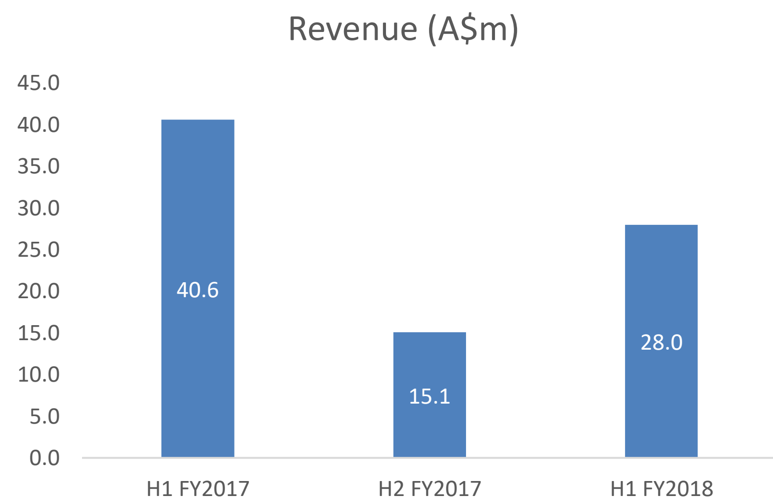
FY18 Half Year Results January 31st 2018

1H FY18 Results Highlights

- **EBITDA of $2.7m (excluding profit on debt forgiveness):**
  - **200% increase on prior first half year 2017**
  - **8% up on upper end of forecast to market**
- **NPAT of $35.3m (including debt forgiveness)**
- **Revenue of $28.0m:**
  - **31% decrease on prior first half year 2017**
  - **strategic decision to move away from unprofitable revenue lines**
- **Gross margin increased to 39%:**
  - **7 % points increase on prior first half year 2017**
  - **Improved sales mix**
- **Overhead costs reduced by 33% to $8.3m**
- **Finance costs reduced by 40% to $1.2m**





*Pre Impairment and debt forgiveness

FY18 H1 Results

	H1 FY2017	H2 FY2017	H1 FY2018	Change vs H1 2017
Revenue	$40.6m	$15.1m	**$28.0m**	31%
Gross Profit	$13.0m	$3.9m	**$10.9m**	16%
Gross Margin	32%	26%	**39%**	7% points
Overheads	$12.3m	$10.7m	**$8.3m**	33%
EBITDA/(Loss)	$0.9m	($5.6m)	**$2.7m**	200%
NPAT/(Loss)	($4.4m)	($29.1m)	**$35.3m**	Large

Achievements in the Last 6 months

The Board and Management is implementing the recommendations of the 2017 strategic review.

Bank refinancing	Finalised debt reduction of $35m in August	✓
Capital raising	$8.2m equity raising in September	✓
Razor contract renewal	In November renewed distribution contract with Razor, the Global leader in electric and push scooters	✓
Improve commercial relationships	Re-engagement with major factories and suppliers	✓
Improve sales mix	Dramatically improved ‘go to market’ process	✓
Significant cost reductions	International sale and exit high cost base	✓
Management restructure	Complete management restructure and cost initiatives post part international business sale	✓
Strong first half result	Delivered operating EBITDA of $2.7m (excluding profit on debt forgiveness), 200% increase on prior first half year 2017	✓

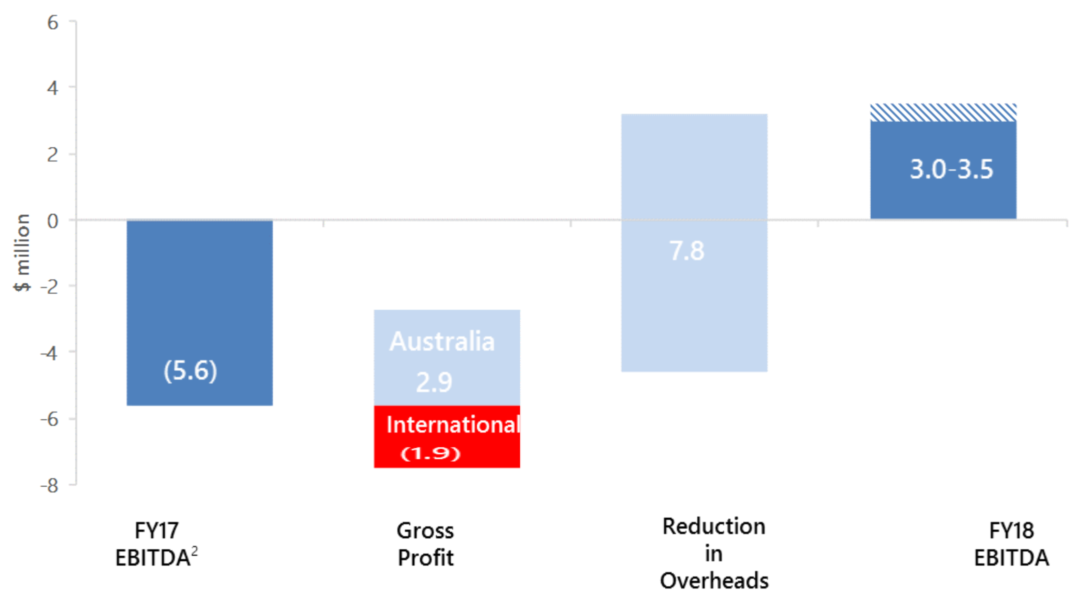
Priorities for the next 6 months

The Board and Management is implementing the recommendations of the 2017 strategic review to turn a H2 2017 EBITDA loss of $5.6m into a positive EBITDA for H2 2018.

Product development	Grow and build our brands in Toys & Plush. Continue to grow Apparel contracts. Secure additional licencing and agency agreements with Tech and Confectionery.
Cash conversion	Significant operating cash flow performance
E-commerce	Drive e-commerce, social marketing and new channels of distribution
Commercial relationships	Further develop long term supply partnerships and reduce the dependence of one-off transactional opportunities
Debt	Restructure bank facility post September 2018

Outlook & Guidance

- **FY18 EBITDA guidance of $3.0m to $3.5m is confirmed.**
- **Significant improvement in operating cashflow for H2 vs H1.**
- **The stronger performance and outlook is driven by:**
    - **Success with a number of new products**
    - **Improved gross margins due to sales mix**
    - **Stricter criteria in our product portfolio**




THANK YOU