



7 September 2018

## ASX Announcement

### Debt Forgiveness and Proposed Capital Raising

Funtastic Limited (ASX: FUN) (**Funtastic**) is pleased to announce that:

- Funtastic has reached an agreement with National Australia Bank (**NAB**) whereby all of Funtastic's indebtedness to NAB will be forgiven following, among other things, receipt by NAB of approximately \$5 million<sup>1</sup> (**Debt Reduction Payment**);
- Funtastic is proposing to fund the Debt Reduction Payment by conducting an institutional placement and entitlement offer (together, the **Capital Raising**) to raise approximately \$8.2 million;
- to facilitate the Capital Raising, Funtastic has asked ASX to place its securities into trading halt in accordance with ASX Listing Rule 17.1 until the commencement of trading on Wednesday, 12 September 2018; and
- on completion of the Capital Raising (and after making of the Debt Reduction Payment), Funtastic's balance sheet will be transformed giving it the financial flexibility to pursue a number of exciting commercial opportunities.

Further detail in relation to the agreement reached with NAB (including details in relation to the conditions to the proposed debt arrangement) and the terms of the proposed Capital Raising (which is expected to commence on Monday, 10 September 2018) will be included in an investor presentation to be released immediately prior to the lifting of the above mentioned trading halt.

For more information, please contact:

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<sup>1</sup> While the precise amount of the Debt Reduction Payment is subject to change (as is customary for debt forgiveness arrangements of the nature agreed between Funtastic and NAB) it is not expected to exceed approximately \$5.4 million.