



21 September 2018

The Manager  
Market Announcements Office  
ASX Limited

Dear Sir/Madam

### **ASX Announcement**

#### **Capital Raising offer booklet**

In accordance with the Entitlement Offer timetable previously advised, the Offer Booklet and Entitlement & Acceptance forms have been despatched to shareholders today.

The Offer Booklet and a blank version of the accompanying Entitlement and Acceptance Form are attached below.

For more information, please contact:

Howard Abbey  
Company Secretary  
Funtastic Limited

+61 3 9081 9100

[howard.abbey@funtastic.com.au](mailto:howard.abbey@funtastic.com.au)

#### **Important Information**

This notice does not constitute an offer to sell, or the solicitation of an offer to buy, any securities in the United States or to any person acting for the account or benefit of any person in the United States, or in any other jurisdiction in which such an offer would be illegal. No action has been or will be taken to register, qualify or otherwise permit an offering of the New Shares in any jurisdiction outside Australia or New Zealand. In particular, neither the Entitlements nor the New Shares have been, or will be, registered under the U.S. Securities Act of 1933 (**Securities Act**) or the securities laws of any state or other jurisdiction of the United States. Accordingly, the Entitlements may not be taken up by, and the New Shares may not be offered, sold or resold to, persons in the United States or to persons who are acting for the account or benefit of a person in the United States, unless such Entitlements or New Shares have been registered under the Securities Act or are offered and sold in a transaction exempt from, or not subject to, the registration requirements of the Securities Act and applicable U.S. state securities laws. The provision of this document is not, and should not be considered as, financial product advice. The information in this document is general information only, and does not take into account your individual objectives, taxation position, financial situation or needs. Before acting on the information, you should consider the appropriateness of the information, having regard to your objectives, taxation position, financial situation or needs. If you are unsure of your position, please contact your accountant, lawyer, tax adviser, stockbroker, financial adviser or other professional adviser.

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**Funtastic Limited ACN 063 886 199  
Underwritten Entitlement Offer**

1 for 1 pro rata underwritten non-renounceable entitlement offer of Funtastic Limited ordinary shares at an offer price of \$0.06 per New Share.

Entitlement Offer closes at 5pm (Melbourne time) on Tuesday, 2 October 2018.

This is an important document which is accompanied by a personalised Entitlement and Acceptance Form for you to subscribe for new ordinary shares in Funtastic Limited. Please read this document carefully and call your professional adviser if you have any queries.

**NOT FOR DISTRIBUTION OR RELEASE IN THE UNITED STATES**

## IMPORTANT NOTICES

Capitalised terms used in this "Important Notices" section which are not otherwise defined have the meaning given in section 7 of the Offer Booklet.

### **NOT FOR DISTRIBUTION OR RELEASE IN THE UNITED STATES.**

The Entitlement Offer (defined below) is being made pursuant to section 708AA of the *Corporations Act 2001* (Cth) (**Corporations Act**) which allows entitlement offers to be conducted without a prospectus. As a result, this offer is not being made under a prospectus and it is important for Eligible Shareholders to read and understand the information on Funtastic Limited ACN 063 886 199 (**Funtastic**) and the Entitlement Offer made publicly available, before taking up all or part of their entitlements to purchase new ordinary shares in Funtastic (**New Shares**) pursuant to the offer described in this Offer Booklet (**Entitlements**). In particular, please refer to the enclosed information including the Investor Presentation incorporated by reference into section 3 of this document. Funtastic's interim and annual reports and other announcements are made available at [www.funtastic.com.au](http://www.funtastic.com.au) or [www.asx.com.au](http://www.asx.com.au).

This offer booklet (**Offer Booklet**) is dated Friday, 21 September 2018.

### **This information is important and requires your immediate attention.**

You should read this Offer Booklet carefully in its entirety before deciding whether to invest in New Shares. In particular, you should consider the risk factors outlined in the "Key Risks" section of the Investor Presentation that could affect the operating and financial performance of Funtastic or the value of an investment in Funtastic.

### **Future performance and forward looking statements**

This Offer Booklet contains certain 'forward looking statements'. Forward looking statements can generally be identified by the use of forward looking words such as 'expect', 'anticipate', 'likely', 'intend', 'propose', 'should', 'could', 'may', 'will', 'predict', 'plan', 'believe', 'forecast', 'estimate', 'target', 'continue', 'objectives', 'outlook', 'guidance' and other similar expressions within the meaning of securities laws of applicable jurisdictions and include, but are not limited to, statements regarding the outcome and effects of the Entitlement Offer and the use of proceeds, certain plans, strategies and objectives of management, expected financial performance and Funtastic's debt arrangements. The forward looking statements, opinions and estimates contained in this Offer Booklet are based on assumptions and contingencies which are subject to change without notice, as are any statements about market and industry trends, which are based on interpretations of current market conditions. They involve known and unknown risks and uncertainties and other factors, many of which are beyond the control of Funtastic and its officers, employees, agents and associates and may involve significant elements of subjective judgement and assumptions as to future events which may or may not be correct.

Refer to the "Key Risks" section of the Investor Presentation incorporated by reference into section 3 of this Offer Booklet for a summary of certain general and Funtastic specific risk factors that may affect Funtastic. There can be no assurance that actual outcomes will not differ materially from these forward looking statements. A number of important factors could cause actual results or performance to differ materially from the forward looking statements. Investors should consider the forward looking statements contained in this Offer Booklet in the light of those disclosures. There are usually differences between forecast and actual results because events and actual circumstances frequently do not occur as forecast and their differences may be material. Any forward looking statements are provided as a general guide only and should not be relied upon as an indication or guarantee of future performance. Readers are cautioned not to place undue reliance on forward looking statements.

The forward looking statements are based on information available to Funtastic as at the date of this Offer Booklet. Except as required by law or regulation (including the ASX Listing Rules), Funtastic undertakes no obligation to provide any additional or updated information whether as a result of new information, future events or results or otherwise.

### **Past performance**

Investors should note that past performance, including past share price performance, cannot be relied upon as an indicator of (and provides no guidance as to) future Funtastic performance including future share price performance.

### **Jurisdictions**

This Offer Booklet is intended for use only in connection with the Entitlement Offer to Eligible Shareholders with a registered address in New Zealand or Australia. This Offer Booklet does not constitute an offer or invitation in any place in which, or to any person to whom, it would not be lawful to make such an offer or invitation.

Neither this Offer Booklet (or the accompanying Entitlement and Acceptance Form) nor any of Funtastic's ASX announcements constitute an offer to sell, or a solicitation of an offer to buy, any securities in the United States. Neither this Offer Booklet nor the Entitlement and Acceptance Form may be distributed or released in the United States. Neither the Entitlements nor the New Shares have been, nor will be, registered under the US Securities Act of 1933, as amended (**US Securities Act**), or the securities laws of any state or other jurisdiction of the United States. Neither the Entitlements nor the New Shares may be offered, sold or resold in the United States or to persons acting for the account or benefit of a person in the United States except in a transaction exempt from, or not subject to, the registration requirements of the US Securities Act and applicable United States State securities laws. In the Entitlement Offer, the Entitlements and the New Shares will only be sold in 'offshore transactions' (as defined in Rule 902(h) under the US Securities Act) in compliance with Regulation S under the US Securities Act.

**References to 'you' and 'your Entitlement'**

In this Offer Booklet, references to 'you' are references to Eligible Shareholders and references to 'your Entitlement' or 'your Entitlement' (or 'your Entitlement and Acceptance Form') are references to the Entitlement (or Entitlement and Acceptance Form) of Eligible Shareholders, unless the context provides otherwise.

**Times and dates**

Times and dates in this Offer Booklet are indicative only and subject to change. All times and dates refer to Melbourne time. Refer to the "Key Dates" section of this Offer Booklet for more details.

**Currency**

Unless otherwise stated, all dollar values in this Offer Booklet are in Australian dollars (A\$).

**New Shares**

Funtastic and the Underwriters (defined below) will have no responsibility and disclaim all liability (to the maximum extent permitted by law) to persons who trade New Shares they believe will be issued to them before they receive their holding statements, whether on the basis of confirmation of the allocation provided by Funtastic or the Funtastic Share Registry or otherwise, or who otherwise trade or purport to trade New Shares in error or which they do not hold or are not entitled to.

If you are in any doubt as to these matters you should first consult with your stockbroker, accountant or other professional adviser.

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## Key Dates

Event	Date
Announcement of Placement and Entitlement Offer	Thursday, 13 September 2018
Issue of Placement shares	Thursday, 13 September 2018
"Ex" Date	Monday, 17 September 2018
Record Date	7pm (Melbourne time) on Tuesday, 18 September 2018
Despatch of Offer Booklet and Entitlement and Acceptance Form to Eligible Shareholders	Friday, 21 September 2018
Entitlement Offer opens	Monday, 24 September 2018
Entitlement Offer closes	5pm (Melbourne time) on Tuesday, 2 October 2018
Issue of New Shares under the Entitlement Offer	Tuesday, 9 October 2018
Despatch of updated holding statements	Tuesday, 9 October 2018
Normal trading of New Shares issued under the Entitlement Offer expected to commence on ASX	Wednesday, 10 October 2018

The timetable above is indicative only and is subject to change without notice. Funtastic, with the consent of the Underwriters, reserves the right, subject to the Corporations Act, ASX Listing Rules and other applicable laws to amend or vary any or all of the dates and times without notice. In particular, Funtastic reserves the right to extend the closing date of the Entitlement Offer, accept late applications (either generally or in particular cases) and to withdraw the Entitlement Offer without prior notice.

The commencement of quotation of New Shares is subject to confirmation from ASX.

Cooling off rights do not apply to the Entitlement Offer. You cannot withdraw your application once it has been accepted. Eligible Shareholders are encouraged to submit their Entitlement and Acceptance Form as soon as possible after the Entitlement Offer opens.

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## Letter from the Chairman

21 September 2018

Dear Shareholder

On behalf of Funtastic, I am pleased to invite you to participate in a 1 for 1 pro rata non-renounceable entitlement offer of new fully paid ordinary shares in Funtastic (**New Shares**) at an offer price of \$0.06 per New Share (**Offer Price**) to raise gross proceeds of approximately \$7 million (**Entitlement Offer**).

The proceeds of the Entitlement Offer (along with the recently announced Placement<sup>1</sup>) are being used to settle Funtastic's outstanding indebtedness with its financier, to provide Funtastic with additional working capital and to pay the costs of the Placement and Entitlement Offer.

The Entitlement Offer is underwritten by Bell Potter Securities Limited (**Bell Potter**) to \$2.1 million and by JASZAC Investments Pty Ltd (**JASZAC Investments** and together with Bell Potter, the **Underwriters**) to \$4.9 million.

### Entitlement Offer

Under the Entitlement Offer, eligible shareholders are entitled to acquire 1 New Share for every existing Funtastic ordinary share (**Share**) held on the record date, being 7pm (Melbourne time) on Tuesday, 18 September 2018 (**Record Date**). The board of Funtastic considers that the pro rata nature of the Entitlement Offer favours existing Funtastic shareholders in recognition of their continuing support.

The Offer Price (of \$0.06 per New Share) represents a discount of 16.7% to the closing market price of Shares on Friday, 7 September 2018, the business day before Funtastic announced a trading halt, and a 6.4% discount to the theoretical ex-rights price<sup>2</sup>.

New Shares issued under the Entitlement Offer will rank equally with existing Shares from the date of issue.

Accompanying this Offer Booklet is your personalised Entitlement and Acceptance Form which contains details of your pro rata Entitlement. Your Entitlement may have value and it is important that you determine whether to take up or do nothing in respect of your Entitlement (see section 1).

It is important to note the action which you must take in order to participate in the Entitlement Offer. Taking no action will result in a lapse of your rights for no consideration and dilute your percentage ownership in Funtastic.

The Entitlement Offer closes at 5pm (Melbourne time) on Tuesday, 2 October 2018. To participate, you need to ensure that you have completed your application by paying the requisite accompanying payment (**Application Monies**) by BPAY<sup>3</sup>, or by lodging your Entitlement and Acceptance Form with your Application Monies paid by cheque, so that they are received before this time in the manner described in this Offer Booklet.

### Further information

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<sup>1</sup> Funtastic has also announced a placement of New Shares to institutional investors to raise a further approximately \$1.23 million (**Placement**). 20,562,620 New Shares were issued under the Placement (each of which will carry an entitlement to participate in the Entitlement Offer).

<sup>2</sup> The theoretical ex-rights price (**TERP**) is a theoretical weighted average price at which Shares should trade immediately after the "ex" date of the Entitlement Offer. The TERP is a theoretical calculation only and the actual price at which Shares trade immediately after the "ex" date for the Entitlement Offer will depend on numerous factors and may not be equal to TERP.

<sup>3</sup> Registered to BPAY Pty Ltd ABN 69 079 137 518.

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Further information on the Entitlement Offer and Funtastic's business is detailed in this Offer Booklet.

You should carefully read this Offer Booklet in its entirety and consult your financial adviser before making your investment decision. In particular, you should read and consider the "Key Risks" section of the Investor Presentation incorporated by reference into section 3 of this Offer Booklet which contains a summary of some of the key risks associated with an investment in Funtastic.

On behalf of the Funtastic Board, I encourage you to consider this opportunity to participate in the growth of Funtastic.

Yours faithfully,

A square box containing a handwritten signature in black ink. The signature appears to read "Shane Tanner".

**Shane Tanner**

Chairman

Funtastic Limited

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## Summary of options available to you

### Eligible Shareholders

If you are an Eligible Shareholder you may take any one of the following actions:

take up all or part of your Entitlement; or

do nothing and let all or part of your Entitlement lapse.

Options	Key considerations
<b>Option 1:</b> take up all or part of your Entitlement	<ul style="list-style-type: none"><li>You may elect to purchase New Shares at the Offer Price.</li><li>The New Shares will be fully paid and rank equally in all respects with existing Shares from the date of issue.</li><li>The Entitlement Offer closes at 5pm (Melbourne time) on Tuesday, 2 October 2018.</li><li>If you do not take up your Entitlement, or only take up part of your Entitlement, the balance will lapse and you will receive no benefit.</li><li>Eligible Shareholders are not able to apply for New Shares in excess of their Entitlement as set out in their personalised Entitlement and Acceptance Form.</li></ul>
<b>Option 2:</b> do nothing and let all or part of your Entitlement lapse	<ul style="list-style-type: none"><li>If you do nothing with respect to all or part of your Entitlement, the relevant portion of your Entitlement will lapse and you will receive no benefit. These Entitlements will be subscribed for by the Underwriters.</li><li>By allowing your Entitlement to lapse, you will forgo any exposure to increases or decreases in the value of the New Shares had you taken up your Entitlement. Although you will continue to own the same number of Shares, your percentage shareholding in Funtastic will be diluted.</li></ul>

### Ineligible Shareholders

If you are a Shareholder that is not an Eligible Shareholder you are an Ineligible Shareholder.

### How to apply

#### Overview of the Entitlement Offer

Eligible Shareholders are being offered the opportunity to purchase 1 New Share for every existing Share held as at 7pm (Melbourne time) on the Record Date, at the Offer Price per New Share.

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You have a number of decisions to make in respect of your Entitlement. You should read this Offer Booklet carefully before making any decisions in relation to your Entitlement.

The Entitlement Offer is fully underwritten by the Underwriters on the terms and conditions of the two separate Underwriting Agreements entered into by the Company with Bell Potter and JASZAC Investments (see section 6.15 below for further detail).

## **The Entitlement Offer**

Under the Entitlement Offer, Eligible Shareholders are invited to apply for 1 New Share for every existing Share held as at the Record Date at the Offer Price per New Share.

The Entitlement Offer opens at 9am (Melbourne time) on Monday, 24 September 2018 and will close on the Entitlement Offer Closing Date (which is Tuesday, 2 October 2018).

## **Your Entitlement**

Your Entitlement is set out on the accompanying personalised Entitlement and Acceptance Form and has been calculated as 1 New Share for every existing Share you hold as at the Record Date.

If you have more than one registered holding of Shares, you will be sent more than one personalised Entitlement and Acceptance Form and you will have a separate Entitlement for each separate holding.

See sections 6.3 and 6.13 for information on restrictions on participation.

## **Consider the Entitlement Offer carefully in the light of your particular investment objectives and circumstances**

The Entitlement Offer is being made pursuant to provisions of the Corporations Act which allow entitlement offers to be made without a prospectus. This Offer Booklet does not contain all of the information which may be required in order to make an informed decision regarding an application for New Shares offered under the Entitlement Offer. As a result, it is important for you to read carefully and understand the information on Funtastic and the Entitlement Offer made publicly available prior to deciding whether to take up all or part of your Entitlement or do nothing in respect of your Entitlement. In particular, please refer to this Offer Booklet and other announcements made available at [www.funtastic.com.au](http://www.funtastic.com.au) (including announcements which may be made by Funtastic after publication of this Offer Booklet).

Please consult with your stockbroker, lawyer, accountant, financial adviser or other professional adviser if you have any queries or are uncertain about any aspect of the Entitlement Offer. You should also refer to the "Key Risks" section of the Investor Presentation.

## **Options available to you**

If you are an Eligible Shareholder, you may take any of the following actions:

take up all or part of your Entitlement;

do nothing and let your Entitlement lapse.

### **Taking up all or part of your Entitlement**

If you wish to take up all or part of your Entitlement, please either:

- (a) complete and return the personalised Entitlement and Acceptance Form with the requisite Application Monies; or

pay your Application Monies via BPAY® by following the instructions set out on the personalised Entitlement and Acceptance Form,

in each case, so that they are received by the Funtastic Share Registry by no later than the Entitlement Offer Closing Date.

If you take up and pay for all or part of your Entitlement before the close of the Entitlement Offer, it is expected that you will be issued New Shares on Tuesday, 9 October 2018. Funtastic's decision on the number of New Shares to be issued to you will be final.

Funtastic also reserves the right (in its absolute discretion) to reduce the number of New Shares issued to Eligible Shareholders, or persons claiming to be Eligible Shareholders, if Funtastic believes their claims to be overstated or if they or their nominees fail to provide information to substantiate their claims to Funtastic's satisfaction (see section 6.8).

Eligible Shareholders are not able to apply for New Shares in excess of their Entitlement.

### **Letting all or part of your Entitlement lapse**

If you do nothing with respect to all or part of your Entitlement, the relevant portion of your Entitlement will lapse and you will receive no benefit.

By allowing your Entitlement to lapse, you will forgo any exposure to increases or decreases in the value of the New Shares had you taken up your Entitlement. Although you will continue to own the same number of Shares, your percentage shareholding in Funtastic will be diluted.

## **Payment**

You can pay by BPAY® or by cheque. Cash payments will not be accepted. Receipts for payment will not be issued. Funtastic will treat you as applying for as many New Shares as your payment will pay for in full up to your Entitlement.

Any Application Monies received for more than your final allocation of New Shares will be refunded as soon as practicable after the close of the Entitlement Offer. No interest will be paid to applicants on any Application Monies received or refunded.

### **Payment by BPAY®**

For payment by BPAY®, please follow the instructions on the personalised Entitlement and Acceptance Form. You can only make payment via BPAY® if you are the holder of an account with an Australian financial institution that supports BPAY® transactions.

If you are paying by BPAY®, please make sure you use the specific Biller Code and your unique Customer Reference Number (**CRN**) on your personalised Entitlement and Acceptance Form. If you have multiple holdings and consequently receive more than one personalised Entitlement and Acceptance Form, when taking up your Entitlement in respect of one of those holdings only use the CRN specific to that holding. If you do not use the correct CRN specific to that holding your application will not be recognised as valid.

Please note that should you choose to pay by BPAY®:

you do not need to submit your personalised Entitlement and Acceptance Form but are taken to make the declarations, representations and warranties on that Entitlement and Acceptance Form and in section 2.8;

if you do not pay for your full Entitlement, you will be deemed to have taken up your Entitlement in respect of such whole number of New Shares which is covered in full by your Application Monies; and

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it is your responsibility to ensure that your BPAY® payment is received by the Funtastic Share Registry by no later than the Entitlement Offer Closing Date. Your financial institution may implement earlier cut-off times with regard to electronic payment and you should therefore take this into consideration in the timing of when you make payment.

**Payment by cheque**

For payment by cheque, you should complete your personalised Entitlement and Acceptance Form in accordance with the instructions on the form and return it accompanied by a cheque in Australian currency for the amount of the Application Monies, payable to "Funtastic Limited" and crossed "Not Negotiable".

Your cheque must be:

- (a) for an amount equal to \$0.06 multiplied by the number of New Shares that you are applying for; and

in Australian currency drawn on an Australian branch of a financial institution.

You should ensure that sufficient funds are held in relevant account(s) to cover the Application Monies as your cheque will be processed on the day of receipt. If the amount of your cheque for the Application Monies (or the amount for which the cheque clears in time for allocation) is insufficient to pay in full for the number of New Shares you have applied for in your personalised Entitlement and Acceptance Form, you will be taken to have applied for such lower whole number of New Shares as your cleared Application Monies will pay for. Alternatively, your application will not be accepted.

**Mail**

To participate in the Entitlement Offer, your payment must be received no later than the Entitlement Offer Closing Date. If you make payment via cheque, you are required to deliver your completed personalised Entitlement and Acceptance Form together with Application Monies:

by post to:

Funtastic Limited  
c/- Boardroom Limited  
GPO Box 3993  
Sydney NSW 2001

Re: Funtastic Entitlement Offer

**OR**

by hand delivery to:

Funtastic Limited  
c/- Boardroom Limited  
Level 12, 225 George Street,  
Sydney NSW 2000

Re: Funtastic Entitlement Offer

Personalised Entitlement and Acceptance Forms and Application Monies will not be accepted at Funtastic's registered or corporate offices, or other offices of the Funtastic Share Registry.

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## Representations

By completing and returning your personalised Entitlement and Acceptance Form or making a payment by BPAY®, you represent and warrant to Funtastic that you:

are an Eligible Shareholder;

acknowledge that you have read and understand this Offer Booklet and your personalised Entitlement and Acceptance Form in their entirety;

agree to be bound by the terms of the Entitlement Offer, the provisions of this Offer Booklet (including section 6.5), and Funtastic's constitution;

authorise Funtastic to register you as the holder(s) of New Shares issued to you;

declare that all details and statements in the personalised Entitlement and Acceptance Form are complete and accurate;

declare you are over 18 years of age and have full legal capacity and power to perform all of your rights and obligations under the personalised Entitlement and Acceptance Form;

acknowledge that once Funtastic receives your personalised Entitlement and Acceptance Form or any payment of Application Monies via BPAY®, you may not withdraw your application or funds provided, except as allowed by law;

agree to apply for and be issued up to the number of New Shares specified in the personalised Entitlement and Acceptance Form, or for which you have submitted payment of any Application Monies via BPAY® at the Offer Price per New Share;

authorise Funtastic, either Underwriter, the Funtastic Share Registry and their respective officers or agents to do anything on your behalf necessary for New Shares to be issued to you, including to act on instructions of the Funtastic Share Registry upon using the contact details set out in your personalised Entitlement and Acceptance Form;

acknowledge and agree that:

determination of eligibility of investors for the purposes of the Entitlement Offer is determined by reference to a number of matters, including legal and regulatory requirements, logistical and registry constraints and the discretion of Funtastic and/or the Underwriters;

Funtastic and each of the Underwriters, and each of their affiliates, disclaim any duty or liability (including for negligence) in respect of that determination and the exercise or otherwise of that discretion, to the maximum extent permitted by law;

declare that you were the registered holder(s) at the Record Date of the Shares indicated on the personalised Entitlement and Acceptance Form as being held by you on the Record Date;

acknowledge that the information contained in this Offer Booklet and your personalised Entitlement and Acceptance Form is not investment advice nor a recommendation that New Shares are suitable for you given your investment objectives, financial situation or particular needs;

acknowledge that this Offer Booklet is not a prospectus, does not contain all of the information that you may require in order to assess an investment in Funtastic and is given in the context of Funtastic's past and ongoing continuous disclosure and periodic financial announcements to ASX;

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acknowledge the statement of risks in the "Key Risks" section of the Investor Presentation, and that an investment in Funtastic subject to risk;

acknowledge that neither Funtastic nor either of the Underwriters or any of their related bodies corporate, affiliates, directors, officers, partners, employees, representatives, agents, consultants or advisers, guarantees the performance of Funtastic, nor do any of them guarantee the repayment of capital;

agree to provide (and direct your nominee or custodian to provide) any requested substantiation of your eligibility to participate in the Entitlement Offer and of your holding of Shares on the Record Date; and

authorise Funtastic to correct any errors in your personalised Entitlement and Acceptance Form or other form provided by you.

By completing and returning your personalised Entitlement and Acceptance Form or making a payment by BPAY®, you will also be deemed to have acknowledged, represented and warranted on behalf of each person on whose account you are acting that:

(a) you are not in the United States and you are not acting for the account or benefit of a person in the United States;

you understand and acknowledge that neither the Entitlements nor the New Shares have been, or will be, registered under the US Securities Act or the securities laws of any state or other jurisdiction in the United States;

you have not and will not send this Offer Booklet, the Entitlement and Acceptance Form or any other materials relating to the Entitlement Offer to any person in the United States or any other country outside Australia or New Zealand; and

if you are acting as a nominee or custodian, each beneficial holder on whose behalf you are submitting the Entitlement and Acceptance Form is resident in Australia or New Zealand and is not in the United States and is not acting for the account or benefit of a person in the United States, and you have not sent this Offer Booklet, the Entitlement and Acceptance Form or any information relating to the Entitlement Offer to any such person.

### **Ineligible Shareholders**

In accordance with ASX Listing Rule 7.7.1 and Section 9A of the Corporations Act, the Company has decided that it is unreasonable to extend the Entitlement Offer to any Shareholder with a registered address outside of Australia or New Zealand as at the Record Date, having regard to:

- (a) the number of Shareholders with addresses outside of Australia or New Zealand;
- (b) the number and value of the New Shares those Shareholders would be offered under the Entitlement Offer; and
- (c) the cost to the Company of complying with applicable legal and regulatory requirements in such other countries.

Accordingly, the Entitlement Offer is not being extended to, and does not qualify for distribution or sale by or to, and no New Shares will be issued to, Shareholders having registered addresses outside Australia or New Zealand. To the extent that there are any Ineligible Shareholders registered at the Record Date, the Company will send details of the Entitlement Offer to each Ineligible Shareholder and advise each Ineligible Shareholder that they will not be offered New Shares under the Entitlement Offer.

### **Enquiries**

If you have not received or you have lost your personalised Entitlement and Acceptance Form, or have any questions, please contact either Funtastic or the Funtastic Share Registry (see section 8 for details).

Alternatively, you can access information about the Entitlement Offer online at [www.funtastic.com.au](http://www.funtastic.com.au).

If you have any further questions, you should contact your stockbroker, lawyer, accountant, financial adviser or other professional adviser without delay.

## Investor Presentation

Please refer to Investor Presentation lodged with the ASX on Thursday, 13 September 2018 for more information.

## Australian taxation considerations

### Australian taxation considerations

The information in this section deal only with the Australian taxation implications of the Entitlement Offer if you:

are a permanent resident for Australian income tax purposes (hereafter referred to as an "Australian resident shareholder"); and

hold your Shares on capital account.

This summary does not consider the consequences for Shareholders that:

(a) hold existing Shares, New Shares or Entitlements in a business of share trading, dealing in securities or otherwise hold their existing Shares, New Shares or Entitlements on revenue account or as trading stock;

acquired the Shares in respect of which the Entitlements are issued under any employee share scheme;

are subject to the "taxation of financial arrangements" provisions in Division 230 of the *Income Tax Assessment Act 1997* (Cth) in relation to their holding of Shares, New Shares or Entitlements; or

acquired the Entitlements otherwise than because they are an Eligible Shareholder.

This summary is based upon the legislation and established interpretation of legislation as at the date of this Offer Booklet, but is not intended to be an authoritative or complete statement of the law as relevant to the circumstances of each Shareholder. Shareholders should seek independent professional advice in relation to their own particular circumstances.

As the taxation implications of the Entitlement Offer will depend upon a Shareholder's particular circumstances, Shareholders should seek and rely upon their own professional taxation advice before concluding on the particular taxation treatment that will apply to them. Shareholders that are subject to tax in a jurisdiction outside Australia may be subject to tax consequences in that jurisdiction in respect of the Entitlement Offer that are not covered by this summary. Such Shareholders should seek and rely upon their own professional taxation advice in relation to the taxation implications of the Entitlement Offer in any jurisdictions that are relevant to them.

Neither Funtastic nor any of its officers or employees, nor its taxation or other advisers accepts any liability or responsibility in respect of any statement concerning taxation consequences of the Entitlement Offer.

The information contained in this section is of a general nature only and does not constitute tax advice nor does it take into account any financial objectives, tax positions or investment needs of any Eligible Shareholders or Ineligible Shareholders and should not be relied upon

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as such. It is important that each Eligible Shareholder seek professional tax advice to take into account its particular circumstances.

## **Income tax consequences of Entitlements**

### **Issue of Entitlements**

The issue of Entitlements to Australian resident shareholders should not, of itself, give rise to any amount of assessable income or capital gain for Shareholders.

### **Exercise of Entitlements**

The exercise of Entitlements should not, of itself, result in any amount being included in a Shareholder's assessable income and should not give rise to any capital gain under the CGT provisions.

Eligible Shareholders that exercise their Entitlements will receive New Shares. New Shares will be taken to have been acquired on the day on which the Entitlements were exercised for CGT purposes.

The cost base of each New Share acquired will be the sum of the amount paid to exercise the corresponding Entitlement (i.e. the Offer Price) and any non-deductible incidental costs in acquiring the New Shares.

### **Lapse of Entitlement**

If an Eligible Shareholder does not accept all or part of their Entitlement in accordance with the instructions set out above, then that Entitlement will lapse. There should be no adverse tax implications for an Eligible Shareholder from the lapse of the Entitlement.

## **Income tax consequences of New Shares**

The New Shares should constitute CGT assets for CGT purposes.

Dividends paid to Eligible Shareholders in relation to their New Shares should generally be subject to the same income tax treatment as dividends in relation to existing Shares held in the same circumstances.

Any future sale or disposal of New Shares will constitute a disposal for CGT purposes. A capital gain will arise if the capital proceeds on disposal exceed the cost base of a New Share. A capital loss will arise if the capital proceeds on disposal are less than the reduced cost base of a New Share.

The New Shares must have been held for at least 12 months in order for Eligible Shareholders (who are an individual, trustee or complying superannuation fund) to be eligible for the CGT discount in relation to a disposal of New Shares. Refer section 4.2 above for further details.

## **Other Australian taxes**

GST and stamp duty should not generally be payable in relation to the issue, sale, or exercise of Entitlements, nor in relation to the acquisition of New Shares

Eligible Shareholders may however be restricted in their ability to claim input tax credits in relation to costs incurred in relation to their acquisition of the New Shares. This will depend on each Eligible Shareholder's particular circumstances.

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## Effect of the Entitlement Offer on the control of Funtastic

There are various possible scenarios in relation to the Entitlement Offer that may arise each with varying impacts on the control of Funtastic. The outcome of these scenarios will largely depend on the extent to which Eligible Shareholders take up their Entitlements and apply for New Shares. However, because the Entitlement Offer is structured as a pro rata issue and is fully underwritten, the potential effect of the issue of the New Shares on the control of Funtastic is substantially reduced.

The Entitlement Offer is a pro-rata offer so that if all Eligible Shareholders take up their Entitlements, the existing voting power of all Eligible Shareholders will remain substantially the same, as the number of Ineligible Shareholders is relatively minor.

However, if some Eligible Shareholders take up their Entitlements, Eligible Shareholders who do not take up all of their Entitlements will have their interest in Funtastic diluted.

Shareholders should note that if they do not participate in the Entitlement Offer, and as the Entitlement Offer is fully underwritten, their respective shareholdings could be diluted by up to approximately 50%. Examples of how the dilution may impact the Shareholders that do not take up their Entitlements are set out in the table below:

Holder	Holding as at Record Date	Shareholding as at Record Date	Entitlements under the Offer	Holdings if Entitlements not taken up	Shareholding if Entitlements not taken up
Shareholder 1	100,000,000	25%	100,000,000	100,000,000	12.5%
Shareholder 2	50,000,000	12.5%	50,000,000	50,000,000	6.25%
Shareholder 3	20,000,000	5%	20,000,000	20,000,000	2.5%

**NB:** the table assumes that Offer, and any shortfall, is fully subscribed.

Please note that as at the date of this Offer Booklet, JASZAC Investments<sup>4</sup> (and together with its "related parties"<sup>5</sup>) holds 14,700,000 Shares (which equates to approximately 12.60% of Funtastic's existing Shares). On completion of the Entitlement Offer, and assuming that no other Eligible Shareholder subscribes for their Entitlement, JASZAC Investments (and together with its related parties) may hold as much as 20,700,000 Shares (i.e. up to approximately 14.75% of Funtastic's existing Shares).

Furthermore, at least 4 of the Company's existing substantial holders (i.e. those Shareholders who hold at least 5% of the Funtastic's Shares (post-Placement)) have committed to take up their full Entitlement under the Entitlement Offer.

### Important information

The information (**Information**) in this Offer Booklet has been prepared by Funtastic.

The Information is dated 21 September 2018 (other than the Investor Presentation was published on ASX's website on Thursday, 13 September 2018). This Information remains subject to change without notice and Funtastic is not responsible for updating this Information.

There may be additional announcements made by Funtastic in the Entitlement Offer Period that may be relevant to your consideration of whether to take up or do nothing in respect of

<sup>4</sup> JASZAC Investments is an entity controlled by Mr Jason Sourasis.

<sup>5</sup> As that term is defined in section 228 of the Corporations Act.

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your Entitlement. Therefore, it is prudent that you check whether any further announcements have been made by Funtastic (by visiting the ASX website at [www.asx.com.au](http://www.asx.com.au)) before submitting your application to take up your Entitlement.

No party other than Funtastic has authorised or caused the issue of this Information, or takes any responsibility for, or makes, any statements, representations or undertakings in this Information.

**This Information is important and requires your immediate attention.**

You should read this Information carefully and in its entirety before deciding how to deal with your Entitlement. In particular, you should consider the risk factors outlined in the "Key Risks" section of the Investor Presentation incorporated by reference into section 3 of this Offer Booklet, any of which could affect the operating and financial performance of Funtastic or the value of an investment in Funtastic.

You should consult your stockbroker, lawyer, accountant, financial adviser or other professional adviser to evaluate whether or not to participate in the Entitlement Offer.

### **Trading of New Shares**

It is expected that trading on ASX of New Shares to be issued under the Entitlement Offer will commence at 10am (Melbourne time) on Wednesday, 10 October 2018 on a normal (i.e. "T+2") settlement basis.

Funtastic will have no responsibility and disclaims all liability (to the maximum extent permitted by law) to persons who trade New Shares they believe will be issued to them before they receive their holding statements, whether on the basis of confirmation of the allocation provided by Funtastic or failure to maintain their updated details on the Funtastic Share Registry or otherwise, or who otherwise trade or purport to trade New Shares in error or which they do not hold or are not entitled to.

**If you are in any doubt as to these matters, you should first consult with your stockbroker, lawyer, accountant, financial adviser or other independent professional adviser.**

### **Eligible Shareholders**

**Eligible Shareholders** are those persons who:

are registered as a holder of Shares as at the Record Date, being 7pm (Melbourne time) on Tuesday, 18 September 2018;

have a registered address on the Funtastic share register in Australia or New Zealand;

are not in the United States and are not acting for the account or benefit of a person in the United States; and

are eligible under all applicable securities laws to receive an offer under the Entitlement Offer.

This Information contains an offer of New Shares to Eligible Shareholders in Australia or New Zealand and has been prepared in accordance with section 708AA of the Corporations Act. Accordingly, neither this Offer Booklet nor the Entitlement and Acceptance Form are required to be lodged or registered with ASIC and no prospectus for the Entitlement Offer will be prepared. These documents do not contain, or purport to contain, all of the information that a prospective investor may require in evaluating a possible investment in Funtastic. They do not and are not required to contain all of the information which would be required to be disclosed in a prospectus.

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Shareholders who are not Eligible Shareholders are Ineligible Shareholders. Funtastic reserves the right to determine whether a Shareholder is an Eligible Shareholder or an Ineligible Shareholder.

By returning a completed personalised Entitlement and Acceptance Form or making a payment by BPAY®, you will be taken to have represented and warranted that you satisfy each of the criteria listed above to be an Eligible Shareholder. Nominees, trustees or custodians are therefore advised to seek independent professional advice as to how to proceed.

### **Ineligible Shareholders**

Funtastic has decided that it is unreasonable to make offers under the Entitlement Offer to Shareholders who have registered addresses outside Australia and New Zealand. Funtastic has had regard to the number of such holders in those places and the number and value of the New Shares that they would be offered, and the cost of complying with the relevant legal and regulatory requirements in those places.

Ineligible Shareholders are not eligible to participate in the Entitlement Offer due to securities laws restrictions on the offer of New Shares in certain jurisdictions.

### **Ranking of New Shares**

New Shares issued under the Entitlement Offer will be fully paid and rank equally in all respects with existing Shares. The rights and liabilities attaching to the New Shares are set out in Funtastic's constitution, a copy of which is available at [www.funtastic.com.au](http://www.funtastic.com.au).

### **Risks**

The Investor Presentation details important factors and risks that could affect the financial and operating performance of Funtastic. You should refer to the "Key Risks" section of the Investor Presentation released to ASX on Thursday, 13 September 2018. You should consider these factors in the light of your personal circumstances, including financial and taxation issues, before making a decision in relation to your Entitlement.

### **Reconciliation and the rights of Funtastic and the Underwriter**

The Entitlement Offer is a complex process and, in some instances, investors may believe that they will own more Shares than they ultimately did as at the Record Date or are otherwise entitled to more New Shares than initially offered to them. If reconciliation is required, it is possible that Funtastic may need to issue additional New Shares (**Top-Up Shares**) to ensure that the relevant investors receive their appropriate allocation of New Shares. Funtastic also reserves the right to reduce the size of an Entitlement or number of New Shares allocated to Eligible Shareholders, or persons claiming to be Eligible Shareholders or other applicable investors, if Funtastic believes in its complete discretion that their claims are overstated or if they or their nominees fail to provide information requested to substantiate their claims. In that case, Funtastic may, in its discretion, require the relevant Shareholder to transfer excess New Shares to the Underwriters at the Offer Price per New Share. If necessary, the relevant Shareholder may need to transfer existing Shares held by them or to purchase additional Shares on-market to meet this obligation. The relevant Shareholder will bear any and all losses caused by subscribing for New Shares in excess of their Entitlement and any actions they are required to take in this regard.

By applying under the Entitlement Offer, including pursuant to acquisitions of Entitlements, those doing so irrevocably acknowledge and agree to do the above as required by Funtastic in its absolute discretion. Those applying acknowledge that there is no time limit on the ability of Funtastic nor the Underwriters to require any of the actions set out above.

## **No cooling off rights**

Cooling off rights do not apply to an investment in New Shares. You cannot withdraw your application once it has been accepted.

## **Notice to nominees and custodians**

If Funtastic believes you hold Shares as a nominee or custodian you will have received, or will shortly receive, a letter in respect of the Entitlement Offer. Nominees and custodians should consider carefully the contents of that letter.

Persons acting as nominees for other persons must not take up any Entitlements on behalf of, or send any documents related to the Entitlement Offer to, any person in the United States or any person that is acting for the account or benefit of a person in the United States. Persons in the United States and persons acting for the account or benefit of persons in the United States will not be able to take up any of their Entitlements and may receive no value for any such Entitlements held.

Funtastic is not required to determine whether or not any registered holder or investor is acting as a nominee or custodian or the identity or residence of any beneficial owners of existing Shares or Entitlements. Where any person is acting as a nominee or custodian for a foreign person, that person, in dealing with its beneficiary, will need to assess whether indirect participation in the Entitlement Offer by the beneficiary, including following acquisition of Entitlements on the ASX or otherwise, complies with applicable foreign laws. Funtastic is not able to advise on foreign laws.

## **Not investment advice**

This Offer Booklet is not a prospectus under the Corporations Act and has not been lodged with ASIC. It is also not financial product advice and has been prepared without taking into account your investment objectives, financial circumstances or particular needs. Funtastic is not licensed to provide financial product advice in respect of the New Shares. This Information does not purport to contain all the information that you may require to evaluate a possible application for New Shares, nor does it purport to contain all the information which would be required in a prospectus prepared in accordance with the requirements of the Corporations Act. It should be read in conjunction with Funtastic's other periodic statements and continuous disclosure announcements lodged with ASX, which are available at [www.funtastic.com.au](http://www.funtastic.com.au).

Prospective investors should conduct their own independent investigation and assessment of the Entitlement Offer and the information contained in, or referred to in, this Offer Booklet. An investment in Funtastic is subject to investment risk including possible loss of income and principal invested. Before deciding whether to apply for New Shares, you should consider all materials sent to you in relation to the Entitlement Offer and any relevant materials lodged with ASX, and whether the New Shares are a suitable investment for you in light of your own investment objectives, financial circumstances and investment needs (including financial and taxation issues) and having regard to the merits or risks involved (including the "Key Risks" set out in the Investor Presentation). If, after reading the Information, you have any questions about the Entitlement Offer, you should contact your stockbroker, lawyer, accountant, financial adviser or other professional adviser.

## **Quotation and trading**

Funtastic has applied to ASX for official quotation of the New Shares in accordance with the ASX Listing Rule requirements. If ASX does not grant quotation of the New Shares, Funtastic will repay all Application Monies (without interest).

Subject to approval being granted, it is expected that normal trading of New Shares issued under the Entitlement Offer will commence at 10am (Melbourne time) on Wednesday, 10 October 2018.

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## Continuous disclosure

Funtastic is a "disclosing entity" under the Corporations Act and is subject to regular reporting and disclosure obligations under the Corporations Act and the ASX Listing Rules, including the preparation of annual reports and half yearly reports.

Funtastic is required to notify ASX of information about specific events and matters as they arise for the purposes of ASX making that information available to the stock markets conducted by ASX. In particular, Funtastic has an obligation under the ASX Listing Rules (subject to certain exceptions) to notify ASX immediately of any information of which it is or becomes aware which a reasonable person would expect to have a material effect on the price or value of the Shares. That information is available to the public from ASX.

Some documents are required to be lodged with ASIC in relation to Funtastic. These documents may be obtained from, or inspected at, an ASIC office.

## Information availability

If you are in Australia or New Zealand, you can obtain a copy of this Offer Booklet during the Entitlement Offer Period by calling the Funtastic Share Registry.

A replacement Entitlement and Acceptance Form can also be requested by calling the Funtastic Share Registry.

If you access the electronic version of this Offer Booklet, you should ensure that you download and read the entire Offer Booklet. The electronic version of this Offer Booklet on the Funtastic website will not include an Entitlement and Acceptance Form.

## Foreign jurisdictions

This Information has been prepared to comply with the requirements of the securities laws of Australia and New Zealand. To the extent that you hold Shares or Entitlements on behalf of another person resident outside Australia or New Zealand, it is your responsibility to ensure that any participation (including for your own account or when you hold Shares or Entitlements beneficially for another person) complies with all applicable foreign laws and that each beneficial owner on whose behalf you are submitting the personalised Entitlement and Acceptance Form is not in the United States and not acting for the account or benefit of a person in the United States.

This Offer Booklet does not constitute an offer in any jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer. No action has been taken to register or qualify the Entitlement Offer, the Entitlements or the New Shares, or otherwise permit the public offering of the New Shares, in any jurisdiction other than Australia and New Zealand.

The distribution of this Information (including an electronic copy) outside Australia and New Zealand is restricted by law. If you come into possession of this Information, you should observe such restrictions.

Any non-compliance with these restrictions may contravene applicable securities laws.

### **New Zealand**

This Offer Booklet has been prepared in compliance with Australian law and has not been registered, filed with or approved by any New Zealand regulatory authority under the FMC Act. It is not a product disclosure statement under New Zealand law and has not been registered, filed with, or approved by any New Zealand regulatory authority and is not required to, and may not, contain all the information that a product disclosure statement under New Zealand law is required to contain. It is a term of this offer that the offer of securities to the public in New Zealand is made in compliance with the laws of Australia and any code, rules and requirements relating to the offer that apply in Australia.

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The Entitlements and the New Shares in the Entitlement Offer are not being offered to the public within New Zealand other than to existing Shareholders with registered addresses in New Zealand to whom the offer of these securities is being made in reliance on the FMC Act and the Financial Markets Conduct (Incidental Offers) Exemption Notice 2016.

## **Deed of Settlement and Release**

Funtastic has entered into an agreement with its financier, the National Australia Bank (NAB), in relation to the retirement of approximately \$21.3 million of debt (**NAB Debt**) (which amount includes approximately \$2.6 million owing under a corporate market loan facility which was convertible by NAB into a convertible note) (**Deed of Settlement and Release**).

Under the Deed of Settlement and Release, NAB will accept:

repayment of the sum of \$5 million; plus

repayment of further drawings (if any) made under the facilities between the date of the deed and settlement on 15 October 2018; plus

return of extant bank guarantees totalling \$610,000 and any unrepresented letters of credit drawn down after the date of the agreement (or alternatively the provision of cash cover for those contingent liabilities),

in full and final satisfaction of the NAB Debt and in exchange for which it will release and discharge its securities. In addition, Funtastic must use its best endeavours to repay a wages advance of \$397,092.62 before 15 October 2018.

## **Underwriting of Entitlement Offer**

Funtastic has entered into an underwriting agreement with Bell Potter under which Bell Potter will underwrite up to \$2.1 million of the Entitlement Offer and an underwriting agreement with JASZAC Investments under which JASZAC Investments will underwrite up to \$4.9 million of the Entitlement Offer (together, the **Underwriting Agreements** and each an **Underwriting Agreement**).

Bell Potter and JASZAC Investments are together referred to as "**the Underwriters**" and each an **Underwriter**. Although the Company has entered into separate Underwriting Agreements with each of Bell Potter and JASZAC Investments, the terms of each Underwriting Agreement are in substantially the same.

### **Conditions precedent**

Together, the Underwriters have committed to underwrite the Entitlement Offer in full, subject to the satisfaction of certain conditions precedent.

The conditions precedent in the Underwriting Agreements are substantially the same, except that Bell Potter's Underwriting Agreement has an additional condition precedent, being that Funtastic is required to provide written evidence satisfactory to Bell Potter before 8am on the Entitlement Offer Settlement Date that:

NAB has confirmed in writing:

the amount required to be paid to it under clauses 3.8 and 4.1 of the Deed of Settlement and Release on the Settlement Date (as defined in the Deed of Settlement and Release) does not exceed \$5 million; and

that it is satisfied that the obligations of the Company in clauses 3.8 and 4.1 of the Deed of Settlement and Release have been complied with and any further obligations under such clauses will be of no further force or effect.

Each Underwriting Agreement is also conditional on the other Underwriting Agreement not being breached, terminated or amended without consent.

### **Terms of Underwriting Agreements**

Further, as is customary with these types of arrangements:

- (a) Funtastic has agreed, subject to certain carve-outs, to indemnify the Underwriters, their affiliates and related bodies corporate, and each of their respective officers, employees and advisers from and against all losses directly or indirectly suffered or incurred in connection with the Entitlement Offer;

Funtastic and each of the Underwriters have given certain representations, warranties and undertakings in connection with (among other things) the Entitlement Offer;

each Underwriter may terminate its Underwriting Agreement and be released from its obligations under it on the occurrence of certain events, including (but not limited to) where:

the Deed of Settlement and Release becomes void or voidable, or has been amended (without the prior written consent of the Underwriter) or is breached, or is otherwise terminated or rescinded by any of the parties to that agreement;

the Entitlement Offer documents or any aspect of the Entitlement Offer does not comply in any material respect with the Corporations Act or the ASX Listing Rules or any other applicable law;

the Entitlement Offer breaches any law or a change in law takes place that would prohibit the Entitlement Offer, or Funtastic becomes subject to regulatory or government actions in respect of the Entitlement Offer;

Funtastic withdraws or terminates the Entitlement Offer, or is unable to issue Shares under the Entitlement Offer;

ASX announces that Funtastic will be removed from the official list or that any Shares will be delisted or suspended from quotation by ASX;

the S&P/ASX 200 Index closes on any two consecutive business days in the period from Thursday, 13 September 2018 to the Tuesday, 8 October 2018 at a level that is 10% or more below the level of that index as at the close of trading on the business day before the date of the Underwriting Agreement or is at or below that level at the close of trading on the business day immediately prior to Tuesday, 8 October 2018;

Funtastic or any of its related bodies corporate become insolvent or there is an act or omission which may result in Funtastic or any of its related bodies corporate becoming insolvent;

the Entitlement Offer timetable is delayed by more than 2 business days without the Underwriter's approval;

the other Underwriting Agreement becomes void or voidable, or has been amended without Bell Potter's or JASZAC Investment's (whichever is applicable) consent, or is otherwise terminated or rescinded.

### **Shortfall**

To the extent that valid applications for New Shares are not received before the Entitlement Offer closes (**Shortfall**), the Underwriters have agreed to underwrite and subscribe for all of

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the Shortfall (i.e. in their respective proportions of approximately \$2.1 million for Bell Potter and \$4.9 million for JASZAC Investments (**Respective Proportions**)).

### **Fees**

Bell Potter will be paid a management and underwriting fee of 5% of the gross Entitlement Offer proceeds calculated by multiplying \$0.06 by the number of New Shares offered under the Entitlement Offer (including any New Shares issued under the Shortfall).

JAZSAC will be paid a management and underwriting fee of 4% of the underwritten amount of \$4,919,199.72.

### **Other**

Neither the Underwriters nor any of their respective related parties have authorised or caused the issue of this Information, or made or authorised the making of any statement that is included in this Information or any statement on which a statement in this Information is based, and they do not take any responsibility for this Information or any action taken by you on the basis of such information. To the maximum extent permitted by law, the Underwriters and their respective related parties exclude and disclaim all liability for any expenses, losses, damages or costs incurred by you (directly or indirectly) as a result of your participation in the Entitlement Offer and this Information being inaccurate or incomplete in any way for any reason, whether by negligence or otherwise. Neither the Underwriters nor any of respective related parties make any recommendations as to whether you or your related parties should participate in the Entitlement Offer nor do they make any representations or warranties to you concerning this Entitlement Offer, or any such information and you represent, warrant and agree that you have not relied on any statements made by the Underwriters or any of their respective related parties in relation to the New Shares or the Entitlement Offer generally.

Funtastic will arrange for any Shortfall to be taken up by the Underwriters in their Respective Proportions. However, it is important to note that Underwriters will be acting for and providing services to Funtastic in this process and will not be acting for or providing services to Shareholders or any other investor. The engagement of the Underwriters by Funtastic is not intended to create any agency, fiduciary or other relationship between any Underwriter and the Shareholders or any other investor.

## **Governing Law**

This Information, the Entitlement Offer and the contracts formed on acceptance of the Entitlement and Acceptance Forms are governed by the laws applicable in Victoria, Australia. Each applicant for New Shares submits to the exclusive jurisdiction of the courts of the State of Victoria and the Commonwealth of Australia.

## **Disclaimer of representations**

No person is authorised to give any information, or to make any representation, in connection with the Entitlement Offer that is not contained in this Information.

Any information or representation that is not in this Information may not be relied on as having been authorised by Funtastic, or its related bodies corporate, in connection with the Entitlement Offer. Except as required by law, and only to the extent so required, none of Funtastic, nor any other person, warrants or guarantees the future performance of Funtastic or any return on any investment made pursuant to this Information or its content.

## **Withdrawal of the Entitlement Offer**

Funtastic reserves the right to withdraw all or part of the Entitlement Offer and this Information at any time, subject to applicable laws, in which case Funtastic will refund Application Monies in relation to New Shares not already issued in accordance with the Corporations Act and without payment of interest.

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To the fullest extent permitted by law, you agree that any Application Monies paid by you to Funtastic will not entitle you to receive any interest and that any interest earned in respect of Application Monies will belong to Funtastic.

## Privacy

As a Shareholder, Funtastic and the Funtastic Share Registry have already collected certain personal information from you. If you apply for New Shares, Funtastic and the Funtastic Share Registry may update that personal information or collect additional personal information. Such information may be used to assess your acceptance of the New Shares, service your needs as a Shareholder, provide facilities and services that you request and carry out appropriate administration.

To do that, Funtastic and the Funtastic Share Registry may disclose your personal information for purposes related to your shareholdings to their agents, contractors or third party service providers to whom they outsource services, in order to assess your application for New Shares, the Funtastic Share Registry for ongoing administration of the register, printers and mailing houses for the purposes of preparation of the distribution of Shareholder information and for handing of mail, or as otherwise under the *Privacy Act 1988* (Cth).

If you do not provide Funtastic with your personal information Funtastic may not be able to process your application. In most cases you can gain access to your personal information held by (or on behalf of) Funtastic or the Funtastic Share Registry. Funtastic aims to ensure that the personal information retained about you is accurate, complete and up to date. To assist with this please contact Funtastic if any of the details you have provided change. If you have concerns about the completeness or accuracy of the information Funtastic has about you, please notify Funtastic and it will take steps to correct it. You can request access to your personal information by telephoning or writing to Funtastic through the Funtastic Share Registry as follows:

### Mailing address

Funtastic Limited  
c/- Boardroom Limited  
GPO Box 3993,  
Sydney NSW 2001

Re: Funtastic – Personal Information

### Delivery

Funtastic Limited  
c/- Boardroom Limited  
Level 12, 225 George Street,  
Sydney NSW 2000

Re: Funtastic – Personal Information

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## Definitions

In this Offer Booklet, the following terms have the corresponding meanings unless otherwise defined:

Term	Meaning
\$	Australian dollars.
<b>Application Monies</b>	monies received from a Shareholder in respect of its application for New Shares under the Entitlement Offer.
<b>ASIC</b>	Australian Securities and Investments Commission.
<b>ASX</b>	ASX Limited ACN 008 624 691 or the financial market operated by it, as the context requires.
<b>ASX Listing Rules</b>	the listing rules administered by ASX.
<b>CGT</b>	Capital Gains Tax.
<b>CRN</b>	Customer Reference Number.
<b>Deed of Settlement and Release</b>	has the meaning given in section 6.14.
<b>Eligible Shareholder</b>	a Shareholder who satisfies the criteria in section 6.2.
<b>Entitlement</b>	the number of New Shares that an Eligible Shareholder is entitled to apply for under the Entitlement Offer, as determined by the number of Shares held by that Eligible Shareholder on the Record Date.
<b>Entitlement and Acceptance Form</b>	the personalised entitlement and acceptance form accompanying this Offer Booklet.
<b>Entitlement Offer</b>	the 1 for 1 pro rata non-renounceable entitlement offer of New Shares at the Offer Price under this Offer Booklet.
<b>Entitlement Offer Closing Date</b>	the date on which the Entitlement Offer closes, being 5pm (Melbourne time) on Tuesday, 2 October 2018.
<b>Entitlement Offer Period</b>	the period from and including the date on which the Entitlement Offer opens, being 9am on Monday, 24 September 2018 until and including the Entitlement Offer Closing Date.
<b>FMC Act</b>	<i>Financial Markets Conduct Act 2013</i> (New Zealand).
<b>Funtastic</b>	Funtastic Limited ACN 063 886 199.
<b>Funtastic Share Registry</b>	Funtastic's share registry, Boardroom Limited.
<b>GST</b>	Goods and Services Tax.
<b>Ineligible Shareholder</b>	a Shareholder who is not an Eligible Shareholder.
<b>Information</b>	information contained in the Offer Booklet (including the Investor Presentation) and enclosed personalised Entitlement and Acceptance Form.
<b>Investor Presentation</b>	investor presentation lodged on the ASX website on Thursday, 13 September 2018.
<b>New Share</b>	a new fully paid ordinary share in the equity capital of Funtastic.
<b>Offer Booklet</b>	this offer booklet dated 21 September 2018.

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<b>Offer Price</b>	\$0.06 per New Share.
<b>Record Date</b>	7pm (Melbourne time) on Tuesday, 18 September 2018.
<b>Share</b>	a fully paid ordinary share in the equity capital of Funtastic.
<b>Shareholder</b>	a person who holds a Share or Shares.
<b>US Securities Act</b>	U.S. Securities Act of 1933.

## Corporate directory

### **Funtastic Limited ACN 063 886 199**

Level 2, 315 Ferntree Gully Road

Mount Waverley VIC 3149

[www.funtastic.com.au](http://www.funtastic.com.au)

### **Funtastic Share Registry**

Boardroom Limited

Level 12, 225 George Street, Sydney NSW 2000

1300 737 760 (or +61 2 9279 0664 (if calling from New Zealand))

[corporateactions@boardroomlimited.com.au](mailto:corporateactions@boardroomlimited.com.au)

For personal use only



**funtastic**  
**Funtastic Limited**  
**ABN 94 063 886 199**

**BoardRoom**

**All correspondence to**  
 Boardroom Pty Limited  
 GPO Box 3993  
 Sydney NSW 2001  
**Tel:** 1300 737 760 (within Aust)  
**Tel:** + 61 2 9290 9600 (outside Aust)  
**Fax:** + 61 2 9279 0664  
[www.boardroomlimited.com.au](http://www.boardroomlimited.com.au)  
[corporateactions@boardroomlimited.com.au](mailto:corporateactions@boardroomlimited.com.au)

**ENTITLEMENT OFFER ENTITLEMENT AND ACCEPTANCE FORM**

**Entitlement No.**

**Subregister**

**SRN/HIN.**

**Number of Shares held at 7pm  
 (Melbourne time) on 18 September 2018**

**Offer Closes: 5pm (Melbourne time) 2 October 2018**

NON-RENOUNCEABLE ENTITLEMENT OFFER OF NEW SHARES AT AN ISSUE PRICE OF \$0.06 EACH ON THE BASIS OF 1 NEW SHARE FOR EVERY 1 ORDINARY SHARE HELD, PAYABLE IN FULL UPON ACCEPTANCE OF THIS OFFER.

**A Rights Acceptance**

If you wish to accept your **FULL ENTITLEMENT** please complete and return this form **WITH YOUR PAYMENT FOR THE AMOUNT SHOWN BELOW**. The return of this form by the close date with payment will constitute acceptance of the Entitlement Offer. Your signature is only required when an alteration to your address is indicated by you over the page.

Entitlement to New Shares on the basis of 1 New Share for every 1 Ordinary Share held	Price Per Share	Amount Payable for Full Acceptance, at \$0.06 per New Share
	<b>\$0.06 per Share =</b>	

If you wish to accept **PART OF YOUR ENTITLEMENT ONLY** please complete this form showing in the box below the **NUMBER OF NEW SHARES BEING ACCEPTED** and the appropriate amount payable.

Number of New Shares accepted	Price Per Share	Amount Enclosed
	<b>\$0.06 per Share =</b>	<b>\$</b>

**B Payment**

Payment may only be made by BPAY or cheque. Cash will not be accepted via the mail or at the Funtastic Limited Share Registry. Payments cannot be made at any bank.

**Payment Option 1 - BPAY**



**Billers Code: 119065**

**Telephone & Internet Banking - BPAY®**

Contact your bank, credit union or building society to make this payment from your cheque or savings account.

- To pay via BPAY please contact your participating financial institution
- If paying by BPAY you do not need to return the Application Form**
- If paying by BPAY the amount of your payment received in the account divided by the issue price will be deemed to be the total number of shares you are applying for.

**Payment Option 2 – Cheque (Record cheque details below)**

DRAWER	CHEQUE NO.	BSB NO.	ACCOUNT NO.	AMOUNT \$AUD
				<b>\$</b>

- Only cheques or bank drafts in Australian dollars and drawn on a bank or financial institution in Australia will be accepted.
- Your cheque or bank draft must be made payable to **"Funtastic Limited"** and crossed "Not Negotiable".
- Please ensure that you submit the correct amount. Incorrect payments may result in your application being rejected.

**THIS FORM CONTINUES OVERLEAF**

