



March 31, 2019

Australian Securities Exchange  
Rialto Tower  
525 Collins Street  
MELBOURNE VIC 3000

### **COMPANY UPDATE**

Funtastic Limited (ASX: FUN) (**Company**) is pleased to provide the following update.

#### **1. HALF YEAR RESULTS**

The Company has today announced its financial results for the six months ending 31<sup>st</sup> January 2019. The Appendix 4D Statement has been separately lodged with the ASX. The key highlights were:

- Revenues of \$16.1m (on target)
- EBITDA loss of \$0.8m (on target)
- Net Profit After Tax of \$14.3m (driven largely by the NAB bank restructure in September 2018)

#### **2. FULL YEAR OUTLOOK**

The Company currently has a number of key sales and business initiatives underway. These include:

- Toy Story 4 launch
- Floral Beads launch into Interflora
- Chill Factor:
  - Disposable Cup launch
  - Walmart US promotion
- Re-launch of new Pillow Pets range

These initiatives were planned for the second half of FY19; however, three projects have been delayed until the first half of FY20:

- Chill Factor:
  - Disposable Cup launch
  - Walmart US promotion
- Re-launch of new Pillow Pets range

At this point of time, the Company expects second half year revenues and margins to be lower than originally expected due to these delays. Additionally, key retailers have become increasingly cautious following the relatively weak Q4 2018 retail sales and widely reported



weakening of consumer confidence and this is expected to further impact revenues and margins in the second half.

Given the above, the Company is expecting to remain in operating losses for the second half of FY19; however, until the success of the Toy Story 4 launch in April/May is known, it is difficult to be more specific at this point in time.

### **3. \$6 MILLION NEW FUNDING AGREEMENT**

The Company is pleased to advise that it has entered into a Secured Loan Agreement with Jaszac Investments Pty Ltd (Jaszac) under the following terms:

- Up to \$6M in funding over a four-year period
- Interest Rate 12% p.a.
- Secured via the Funtastic business

Jaszac, who is currently Funtastic's largest shareholder, has been working with the Company for a number of months to both grow and diversify the business model. This funding facility will enable the Company to significantly develop some of its existing key owned assets such as Chill Factor, Pillow Pets, Floaties and Floral Beads. The facility will also enable the Company to further develop its licensing capability, which is currently focused on the launch of Toy Story 4 in April/May 2019.

Funtastic and Jaszac look forward to a long and successful relationship.

### **4. SEARCH FOR A NEW CHIEF EXECUTIVE OFFICER**

Further to the Company's announcement on 15<sup>th</sup> January, 2019 in respect to the resignation of the Chief Executive Officer, Mr Steven Leighton, the search for a new CEO has been underway for several weeks. The Board is currently reviewing the short-listed candidates and an update announcement is expected shortly.

**Shane Tanner**  
**Chairman**

0411 107 099

**Howard Abbey**  
**Interim CEO and CFO**

0439 594 880

#### **About Funtastic Limited**

Funtastic Limited (ASX: FUN) is an Australian based listed company which operates in the Toys and Plush, Tech, Apparel and Confectionery markets, principally aimed at the younger demographic market. Apart from distributing leading products throughout Australia for its key partners, Funtastic owns a number of its own products and distributes these to over 30 countries globally

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