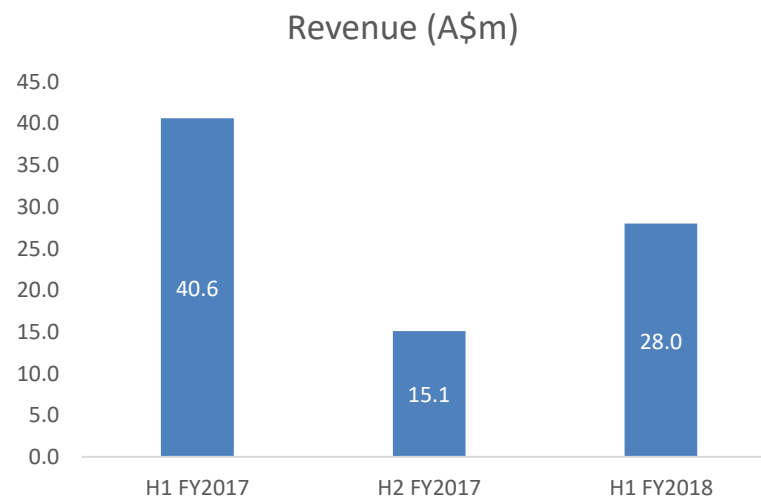
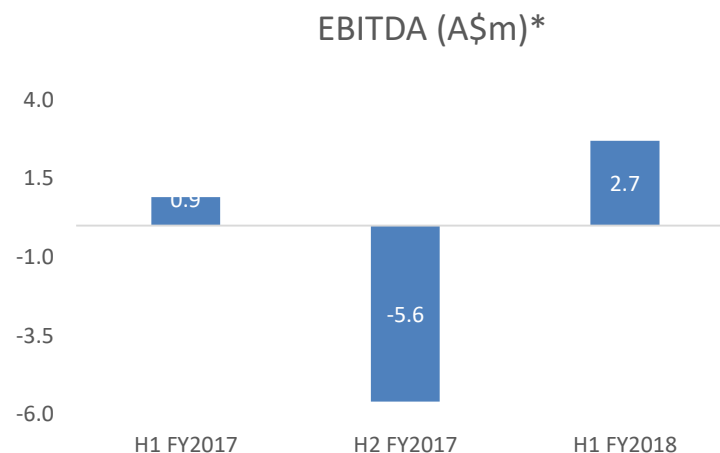


FY18 Half Year Results January 31st 2018



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	✓



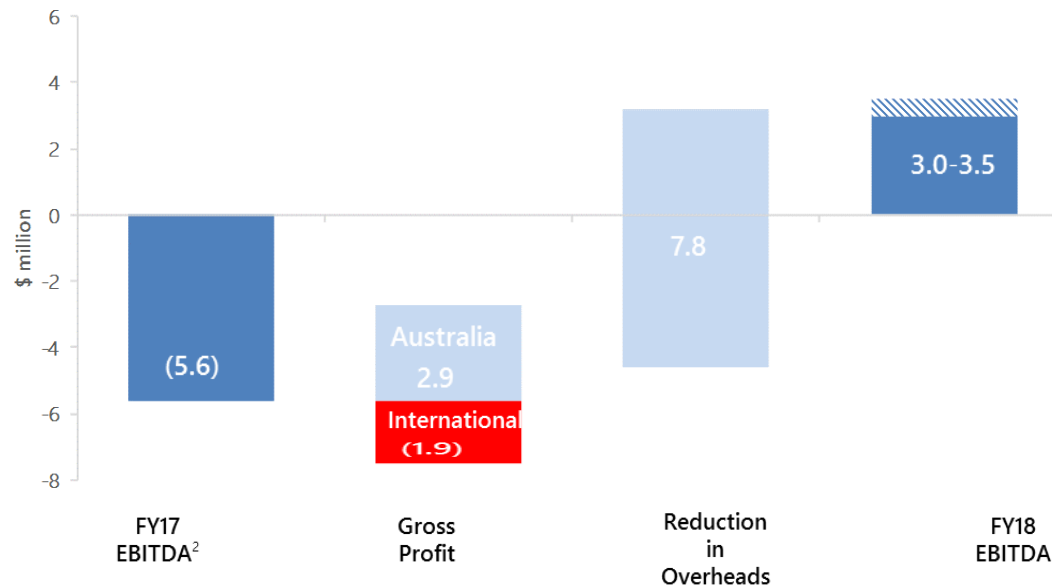
Priorities for the next 6 months

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

