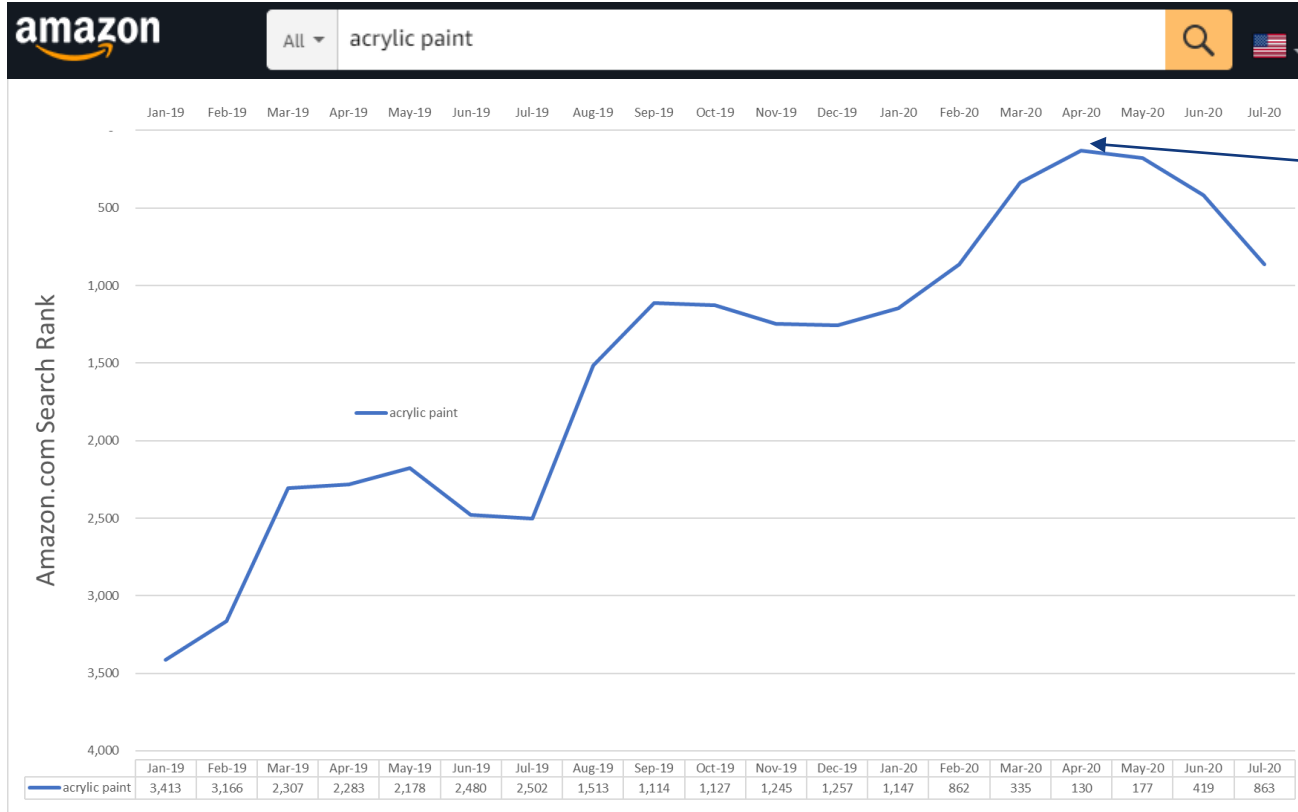


Consumers turned to ecommerce and Amazon in particular during this COVID-19 crisis.

		WE ARE HERE					
		1 PROACTIVE HEALTH-MINDED BUYING	2 REACTIVE HEALTH MANAGEMENT	3 PANTRY PREPARATION	4 QUARANTINED LIVING PREPARATION	5 RESTRICTED LIVING	6 LIVING A NEW NORMAL
PHASE		Interest rises in products that support overall maintenance of health and wellness .	Prioritize products essential to virus containment, health, and public safety.	Pantry stockpiling of shelf-stable foods and a broader assortment of health-safety products: <ul style="list-style-type: none"> • spike in store visits; • growing basket sizes. 	Increased online shopping. Decline in store visits, rising out-of-stocks, strains on the supply chain.	Severely restricted shopping trips. Online fulfillment is limited. Price concerns rise as limited stock availability impacts pricing in some cases.	People return to daily routines but operate with a renewed cautiousness about health. Permanent shifts in supply chain, the use of e-commerce, and hygiene practices.
	HIGH-DEMAND CATEGORIES	<ul style="list-style-type: none"> • Immunity boosters • Health foods & drinks 	<ul style="list-style-type: none"> • Face masks • Hand sanitizer • Cleaning supplies 	<ul style="list-style-type: none"> • Shelf-stable food • Home consumables 	<ul style="list-style-type: none"> • Home office supplies • School supplies 	<ul style="list-style-type: none"> • Home entertainment • Toys/games • Exercise equipment • Hobbies: woodworking, cooking, knitting, etc. 	<ul style="list-style-type: none"> • Permanent eCommerce shift in consumables categories • Increase in DIY beauty and home services dependent on impact to economy • Sharing economy suffers

SOURCE: NIELSEN.COM

We saw a marked increase for art material search terms on Amazon during the build up and continuation of the crisis

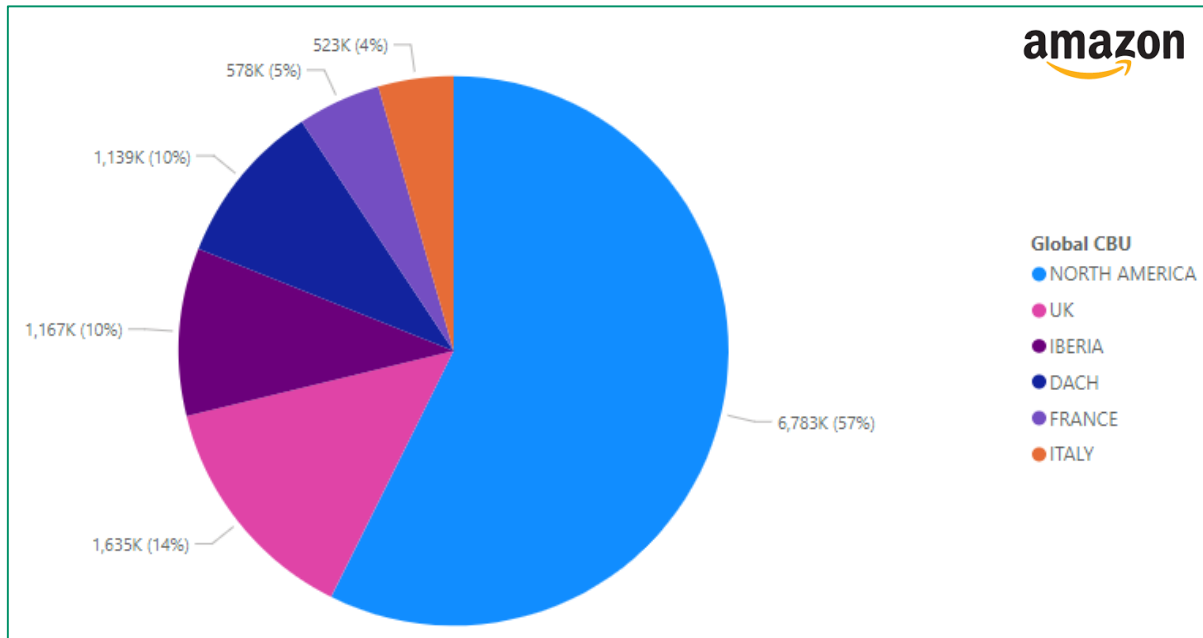


Acrylic Paint was the 130th most searched term on Amazon.com

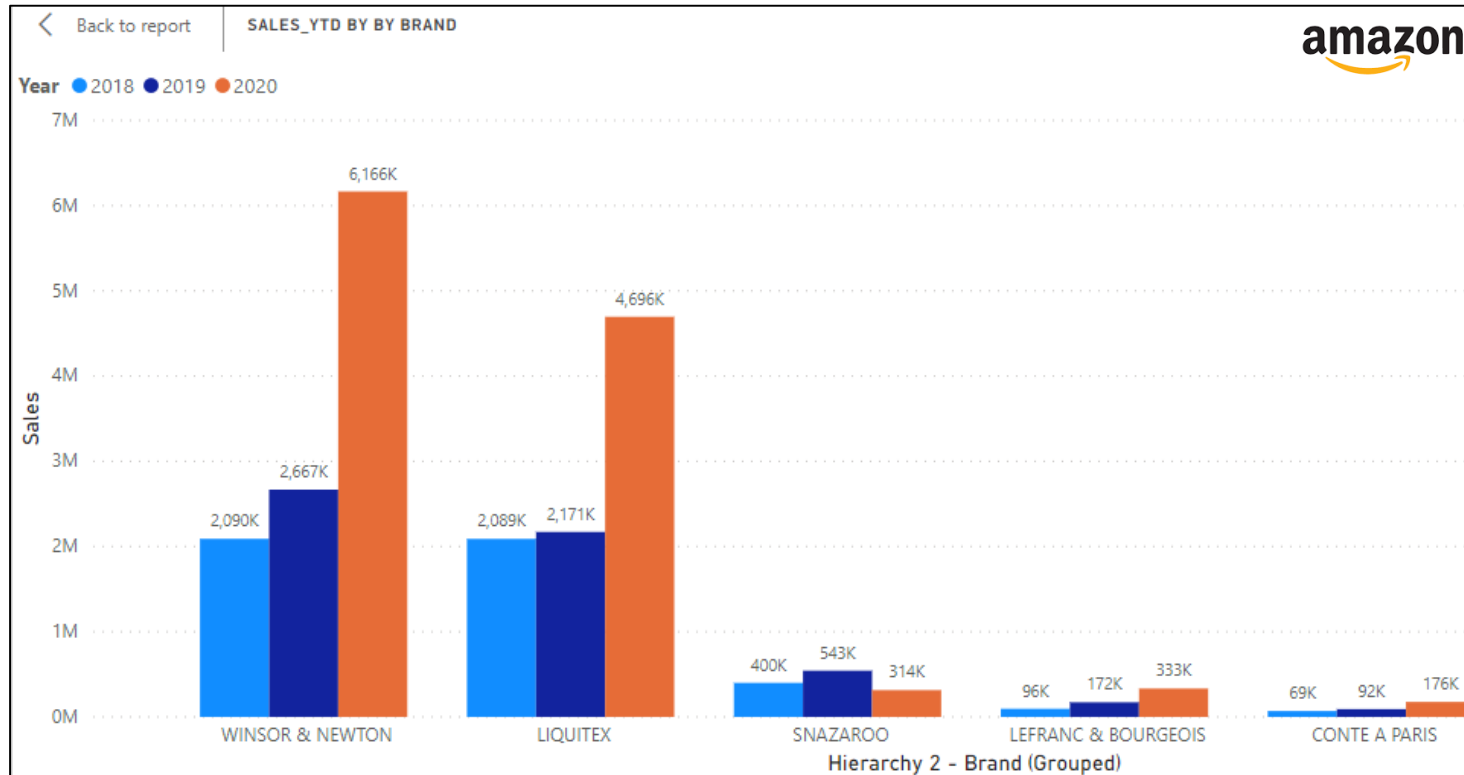
Consumer behavior and our full support of Amazon as a retailer and a channel has led them to become the #1 Global Customer in 2020

YTD Sales In
£11.82M
+108% vs 2019

- Surpassed 2019 Total Sales
- #2 Customer in NA
- #2 Customer in UK
- #1 Customer in Iberia
- 14% of total global turnover



Our core brands have seen tremendous growth this year



YoY

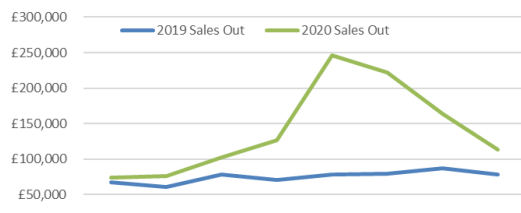
- W&N +131%
- LQ +64%
- LB +79%

Snazaroo is experiencing a decline

- SNZ -42%



UK Sales Out

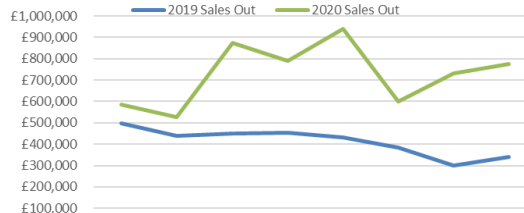


£-	Jan	Feb	March	April	May	June	July	Aug
2019 Sales Out	£67,659	£60,843	£78,101	£70,206	£78,044	£79,702	£87,277	£78,783
2020 Sales Out	£74,145	£75,689	£102,76	£127,16	£246,15	£221,79	£163,64	£113,76

While still higher than last year, sales out has been declining over the last three months



US Sales Out

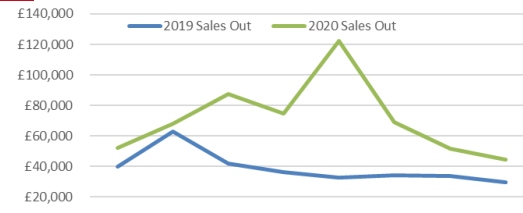


£-	Jan	Feb	March	April	May	June	July	Aug
2019 Sales Out	£497,5	£439,4	£451,8	£453,7	£431,0	£384,9	£301,9	£339,0
2020 Sales Out	£586,3	£526,9	£873,3	£790,2	£941,5	£598,2	£730,4	£774,2

Sales out has been like a rollercoaster, up one month, down the next, but trending up over the last 3-months.



ES Sales Out

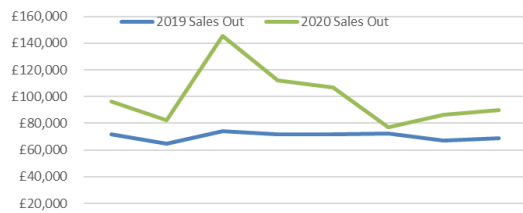


£-	Jan	Feb	March	April	May	June	July	Aug
2019 Sales Out	£39,980	£62,990	£41,765	£36,576	£32,955	£34,061	£33,683	£29,632
2020 Sales Out	£52,132	£68,096	£87,391	£74,709	£122,55	£68,929	£51,877	£44,419

While still higher than last year, sales out has been declining over the last three months.



FR Sales Out

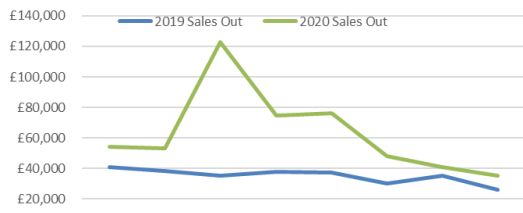


£-	Jan	Feb	March	April	May	June	July	Aug
2019 Sales Out	£71,506	£64,484	£74,288	£72,001	£71,972	£72,444	£67,121	£68,798
2020 Sales Out	£96,566	£82,394	£145,17	£112,20	£107,12	£77,171	£86,229	£89,971

After experiencing a slight decline from May to June, we have are trending upwards over the last 2-months.



IT Sales Out

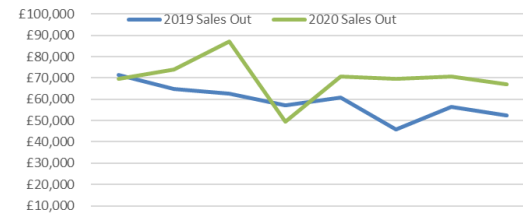


£-	Jan	Feb	March	April	May	June	July	Aug
2019 Sales Out	£40,694	£38,462	£35,511	£37,734	£37,351	£30,028	£35,142	£26,026
2020 Sales Out	£54,406	£53,068	£122,85	£74,506	£76,068	£48,179	£40,816	£35,067

Sales Out volume approaching last year's volume.

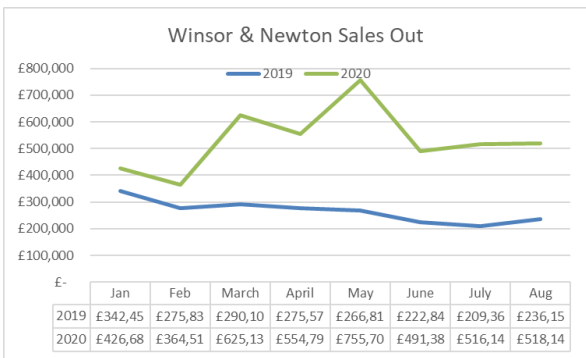


DE Sales Out

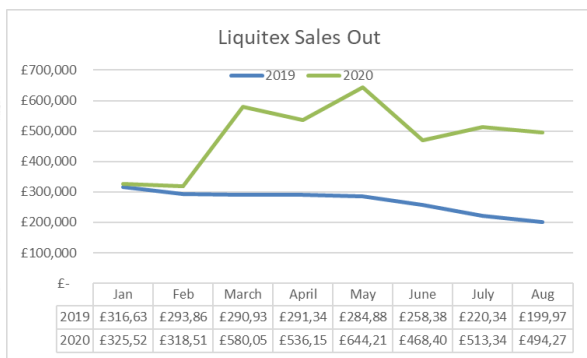


£-	Jan	Feb	March	April	May	June	July	Aug
2019 Sales Out	£71,483	£64,781	£62,747	£57,140	£60,730	£45,868	£56,601	£52,521
2020 Sales Out	£69,720	£73,841	£87,283	£49,378	£70,610	£69,596	£70,808	£67,200

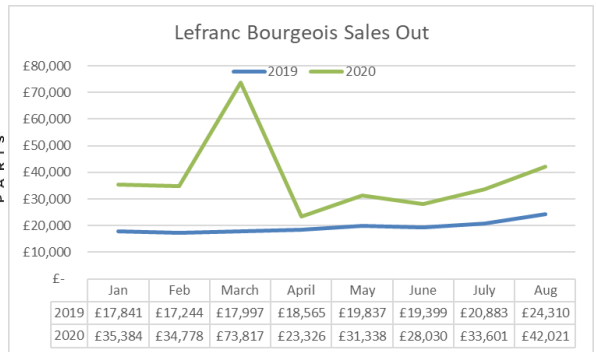
Has been consistent in the last 4-month and higher than last year.



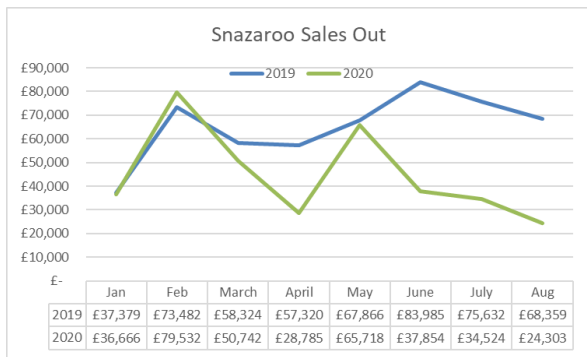
Watercolour is the top selling range and is +135% YTD. Oil is second and is up +119%. Acrylic is third but has highest growth +217% vs last year.



Basics still the leading range in revenue and growth +220%. Sold more \$'s in individual tubes YTD than we have in sets.



Large growth in March due to Covid-19 but a sharp decline in April due to French warehouses closures but seeing growth return since May. Overall, +94% YTD



Globally, the brand is -42% YTD. The last three months have been declining. YTD, UK market is flat, and NA is -65%

Case Study: Snazaroo Sales in North America utilizing Profitero

snazaroo™

NA Sales

↓ 65%

- Snazaroo Sales in NA down believed to be due to COVID-19
- Less physical parties
- Consumers weary of touching their face

amazon

Category

↓ 29%

snazaroo™

Traffic

↑ 8%

Conversion

↓ 3.3%

9% 2019 vs. 5.7% 2020

- Overall sales of Face Paint on Amazon is down 29%
- Snazaroo has lost market share and was higher the category decline
- Product Views to Snazaroo is up but Conversion Rate is significantly down

Data Driven Decision Making

- The North American team devised a comprehensive plan for Halloween
- Lower priority on driving new traffic to the category or Snazaroo
- Higher priority on increasing conversion (Content, Coupons/Promos)
- UK Market working with an Amazon Agency to help drive traffic and sales.

Our current key challenges center around stock availability and how we then focus our resources and A&P budget effectively towards what we have

Key Challenges	Summary
Low or no inventory of top sellers	Increase in demand as consumers gravitate towards Amazon
Decrease in item visibility	Leads to loss sales and long-term search rankings (digital shelf space)
Increase item visibility	When item is back stock we will need to compete for the shelf space (AMS Ads)
Increase awareness of in stock items	Turn our focus and attention to those items that we do have in stock that are similar to the best sellers that are out of stock. Will have to compete for shelf space by increasing traffic/views to these products via AMS Search advertising

Our key plans to maximise Amazon are centered around data driven decisions and developing a deeper understand and alignment across Europe

Opportunities	Summary
Data Driven Decisions	Using Amazon Analytics and Profitero to help us better understand consumer behavior and to make data driven decisions to proactively drive conversion
Catalog/Content optimizations	Focus on in stock items to optimize content for user experience and organic search rankings. Focusing on the right products for the Amazon consumer and optimizing content to help further drive conversion. Creating 'Mobile Hero Images'
Amazon Europe	Developing a deeper understanding of our sales across the European markets. Starting to align our thinking across all EU markets and have recently hired Pan-EU Amazon Manager
Reach new consumers	Consumer behavior during these times has led many to try our products for the first time

Amazon continues their online dominance, and we will be there to help inspire every artist in the world with our historic brands



- **Data Driven Decision Making**
- **Deeper understanding of consumer behavior**
- **Focus on optimizing Europe – strategic hiring of Pan-EU Manager role**
- **Strategically Investing our A&P**
- **Building a stronger partnership with Amazon in the US – weekly calls with a human!**