



TOYS“R”US CONFIRMS A\$15 MILLION IN DEBT FUNDING TO SUPPORT UK LAUNCH

Highlights:

- Toys“R”Us ANZ has executed loan and related agreements in relation to a senior term loan facility of up to A\$15 million to support and advance the Company's planned entry into the UK market and e-commerce launch.
- Australian facilities relocation expected to be completed in September, with UK launch scheduled for late August/early September 2022.

28 July 2022 - Digital-first e-commerce direct-to-consumer retailer, Toys“R”Us ANZ Limited (ASX: TOY) (Toys“R”Us, TOY or the **Company**), is pleased to advise that it has executed loan and related agreements in relation to a senior term loan facility (the **Facility**) of up to A\$15 million to support and advance the Company's planned entry to the UK market and e-commerce launch. Financial close is expected to occur 29 July 2022.

The Facility is repayable three years following the date of the first advance, 18 million warrants to acquire fully paid ordinary shares in the Company will also be issued to the lender with an exercise price of 15 cents per share and three-year expiry term. Funding is on terms management consider to be favourable to the Company, subject to market standard events and customary conditions precedent.

Funds obtained from the Facility will support working capital and capital expenditure requirements for the Company's planned entry into the UK market and e-commerce launch, including the acquisition of inventory.

Dr Louis Mittoni, CEO and Managing Director of Toys“R”Us ANZ, said:

“We are encouraged by the support we have received in finalising the term loan facility and thank our existing and incoming investors for the confidence they have provided. This important step brings us much closer to our near-term goal of significant expansion in Australia and rapid entry into the attractive UK market.

“In the finalisation of the facility, we have remained focused on expediting our plans to move and consolidate our offices and warehouses. Transition from existing warehouses into the Company's new 19,650m² headquarters, warehouse and e-commerce distribution facility in Clayton, Victoria commenced in early July and is scheduled for completion in September. This process is expected to cause near-term disruption to sales

revenues; however, we expect this to be transitory and view the exercise as serving the Company's long-term interests. With the new facility four times the size of the current interim facility, we are building strong foundations for future growth and expansion.

“Against a backdrop of unpredictable declines in Australian consumer confidence with attendant impacts on local toy industry sales, we continue to view the Company’s UK entry to be timed to optimise our opportunity in Europe’s largest toy market. Whilst we have experienced disruptions to equipment availability in the UK that have delayed operations, we remain on track to launch in the UK market in late August/early September.

“Three months ahead of the peak selling season is an exciting time to launch into the UK, which is the largest toy market in Europe and the fourth largest globally, with a total addressable toy market valued at ~£3.3 billion. We look forward to keeping investors updated regarding our progress.”

This announcement is authorised for release by the Board of Directors.

For media enquiries please contact:

Rochelle Burbury, Third Avenue Consulting
0408 774 577

Rochelle@thirdavenue.com.au

ABOUT TOYS“R”US ANZ LIMITED

Toys“R”Us ANZ Limited (ASX: TOY) is an Australian based listed company with a mission to enrich the lives of people by encouraging exploration, creativity and living life more fully through the enjoyment of toys and hobbies.

In addition to distributing leading products throughout Australia for key partners via its trading business Funtastic, the company acquired 100% of the Hobby Warehouse Group in November 2020, including Australian e-commerce websites Toys“R”Us, Babies“R”Us and Hobby Warehouse and the distribution business Mittoni Pty Ltd.

The Company changed its name from Funtastic Limited to Toys“R”Us ANZ Limited on 24 June 2021. Further information is available at corporate.toysrus.com.au



For personal use only