



## TOYS“R”US STRATEGIC PLAN UPDATE AND AMENDED FINANCE FACILITY AGREEMENT

**10<sup>th</sup> May 2023** – Digital-first e-commerce direct-to-consumer retailer, Toys“R”Us ANZ Limited (**ASX:TOY**) (**Toy** or the **Company**), advises that it has today entered into an Amended Finance Facility Agreement (**Amended Agreement**) as one of the seven steps in the Strategic Plan announced to the ASX on 30 March 2023.

The Company is pleased to confirm that to date it has:

- Realised cost reductions of c.\$4 million in calendar year 2023;
- Released c.\$1 million of previously secured working capital and highlighted a further \$1 million of secured working capital now targeted for release;
- Accessed \$1.5 million of debt facilities of c.\$5 million in new funds, bringing total debt utilised to \$11.5 million;
- Appointed a UK Commercial Director and moved to shortlist applicants for the new Managing Director role for the ANZ region; and
- Improved the Company’s gross margin in the Australian direct to consumer e-commerce division from 16.4% for the month of February 2023 to 22.3% for the month of April 2023.

The Amended Agreement provides for:

- Utilisation of \$1.5 million under the Finance Facility;
- Initial interest rate of 11.5% per annum, reducing upon the Company successfully completing an equity raise, subordinated capital or convertible note of not less than \$5million.;
- Amendment to financial covenants applicable to the facility; and
- Amendment to terms of the Warrant issued by the Company.

A summary of the key terms of the Amended Finance Facility is appended.

### Warrant and SARS

The Company will today be issuing an Appendix 3G for the Warrant issued under the original Finance Facility Agreement with the Financier on 28 July 2022 and also 130,000 Share Appreciation Rights

previously issued to employees of the Company. The lodgement of the Appendix 3G for each of these issuances was previously overlooked by the Company as a result of administrative oversight.

**This ASX release has been authorised by the Board of Directors.**

### **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 recently 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 the 24 June 2021. Further information is available at [corporate.toysrus.com.au](https://corporate.toysrus.com.au)

### **For media enquiries please contact:**

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### Key terms of Amended Finance Facility

<b>Interest Rate</b>	Initially 11.5% per annum
<b>Termination Date</b>	28 July 2025
<b>Voluntary Repayment</b>	Allowed subject to a minimum amount of \$1,000,000.
<b>Security</b>	Floating charge over revolving assets and fixed charge over all other Collateral of the Company and it's subsidiary entities.
<b>Financial Covenants</b>	Financial Covenants in respect of:  <ol style="list-style-type: none"><li>1. Minimum Shareholders Funds;</li><li>2. Aggregate Available Cash; and</li><li>3. Asset Backed Ratio.</li></ol>
<b>Warrant</b>	Amendment to the terms of the Warrant over 18,000,000 ordinary shares (expiring on 28 July 2025) issued by the Company on 28 July 2022 such that the exercise price is \$0.07.

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