



Toys'R'Us ANZ Limited – outcome of funding negotiations and new strategic plan including exit from UK market

15 August 2023 – Toys'R'Us ANZ Limited (**ASX:TOY**) (**Company**) is pleased to announce it has successfully completed its negotiations with its existing financiers, for a total of \$5.7M of new debt, an equity injection and debt reduction, and provides a broader update on the Company's strategic plan going forward.

As previously announced, TOY has been working with its existing financiers, including TRUK, with respect to the Company's obligations under its existing lending arrangements. As a result, the existing debt financier has agreed in principle to advance \$1.5M in loan facilities to the Company (as detailed further below).

On this basis, the Company will finalise the \$1.313M placement comprising \$0.658M private placement and \$0.655M convertible loan facilities (to be converted to equity upon shareholder approval) entered into with Directors and related parties and anticipated to be made available to the Company on or around 17 August 2023.

TOY will restructure its operations in order to refocus its working capital on ANZ and reduce its operating costs and has reached agreement in principle with TRUK to facilitate an orderly transition of the UK business and the transfer of its UK licence to TRUK. The transfer of the licence is anticipated to release \$7M of working capital requirements, reduce operating loss by \$6M over the next 12 months as well as reduce debt to TRUK by \$2.9M.

The key terms of TOY's renegotiated arrangement have been agreed in principle (subject to documentation):

- the existing debt financier will provide funding of \$1.5M to support TOY's ANZ business to be drawn equally from August to October and which is to be repaid by 31 January 2024;
- TRUK will reduce debt & deferred royalties currently owed by TOY of \$2.9M to facilitate the transfer of the UK licence;
- TOY's UK business will provide transitional services for the UK which are expected to complete by 31 January 2024; and

- TRUK will fund incremental operating expenditure and working capital on an as needs basis to support UK operations through to transfer, and intends to waive any cross default that may exist under the ANZ license.

The Company expects that it will be reinstated to quotation upon issue of the new shares under the prospectus totalling up to \$0.658M and settling of the director loans totalling \$0.655M. The Company is not aware of any reason that reinstatement to quotation would not occur.

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

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