



Prospectus

Toys'R'Us ANZ Limited ACN 063 886 199

Placement of up to 59,831,378 New Shares at an issue price of \$0.011 per New Share (**Offer**)

This is an important document and should be read in its entirety. If, after reading this document, you have any questions about the securities being offered for issue under it or any other matter, you should contact your stockbroker, solicitor, accountant or other professional adviser.

This is a transaction-specific prospectus issued in accordance with section 713 of the *Corporations Act 2001 (Cth)*.

Legal Adviser

Lawyers | **McCullough
Robertson**

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IMPORTANT NOTICES

General

This Prospectus is dated 15 August 2023. A copy of this Prospectus was lodged with ASIC on that date. Neither ASIC nor ASX takes any responsibility for the contents of this Prospectus or the merits of any investment under this Prospectus. No New Shares will be allotted or transferred on the basis of this Prospectus after the expiry date. This Prospectus expires on 15 September 2024.

No person may give any information or make a representation about the Offer, which is not in this Prospectus. Information or representations not in this Prospectus must not be relied on as authorised by the Company, or any other person, in connection with the Offer.

This Prospectus provides information for investors to decide if they wish to invest in TOY. Read this document in its entirety. Examine the assumptions underlying the risk factors that could affect the financial performance of TOY. Consider these factors carefully in light of your personal financial circumstances. Seek professional advice from your accountant, stockbroker, lawyer or other professional adviser before deciding whether to invest. The Offer does not take into account the investment objectives, financial situation or needs of particular investors.

The Company will apply to ASX within seven days of the date of this Prospectus for Official Quotation by ASX of the New Shares the subject of the offer.

Transaction Specific Prospectus

This Prospectus is a transaction specific prospectus for an offer of continuously quoted securities and has been prepared in accordance with section 713 of the Corporations Act. It does not contain the same level of disclosure as an initial public offering prospectus. In making representations in this Prospectus regard has been had to the fact that the Company is a disclosing entity for the purposes of the Corporations Act and certain matters may reasonably be expected to be known to investors and professional advisers that potential investors may consult.

Risk Factors

Potential investors should be aware that subscribing for New Shares involves a number of risks. The key risk factors of which investors should be aware of are set out in Section 6. These risks together with other general risks applicable to all investments in listed securities not specifically referred to, may affect the value of the New Shares in the future. Accordingly, an investment in the Company should be considered highly speculative. Potential investors should consider consulting their professional advisers before deciding whether to apply for New Shares pursuant to this Prospectus.

Electronic prospectus

This Prospectus is available electronically at www.toysrus.com.au. Electronic versions of this Prospectus should be downloaded and read in their entirety. Obtain a paper copy of the Prospectus (free of charge) by telephoning 1300 288 664. Applications for New Shares may only be made on the Application Form attached to this Prospectus or in its paper copy form downloaded in its entirety from www.toysrus.com.au.

Foreign selling restrictions

No action has been taken to register or qualify the New Shares or the Offer in any jurisdiction outside Australia, or otherwise to permit a public offering of the New Shares or outside Australia.

The Prospectus does not constitute an offer or invitation in any jurisdiction where, or to any person to whom, the offer or invitation would be unlawful. The distribution of this Prospectus in jurisdictions outside Australia may be restricted by law and persons who come into possession of this Prospectus should seek advice on and observe any of those restrictions. Any failure to comply with the restrictions may constitute a violation of applicable securities laws.

Each potential investor warrants and represents that they will not offer or sell the New Shares in the United States or in any other jurisdiction outside Australia, or to a United States person, except in transactions exempt from registration under the US Securities Act 1933 as amended, and in compliance with all applicable laws in the jurisdiction in which the New Shares are offered and sold.

Forward-looking statements

Statements in this Prospectus may be forward looking statements.

Forward looking statements can be identified by the use of forward-looking terminology such as, but not limited to, 'may', 'will', 'expect', 'anticipate', 'estimate', 'would be', 'believe', or 'continue' or the negative or other variations of comparable terminology. These statements are subject to risks and uncertainties that could cause actual results to differ materially from those projected. The Directors' expectations, beliefs and projections are expressed in good faith and are believed to have a reasonable basis. They are based on, among other sources, the examination of historical operating trends, data in the Company's records and other data available from third parties. There can be no assurance, however, that the Directors' expectations, beliefs or projections will give the results projected in the forward-looking statements. Investors should not place undue reliance on these forward-looking statements.

Additional risk factors that could cause actual results to differ materially from those indicated in the forward-looking statements are set out in Section 6.

Exposure period

No exposure period applies to this Prospectus by operation of the Corporations Act in respect of the New Shares.

Privacy

The Company and the share registry collect, hold and use personal information received from you to communicate and provide services to you as a Shareholder. The Company may disclose information to its agents, service providers (such as the share registry) and government bodies. The Company's privacy policy sets out how you may access, correct and update the personal information that the Company holds about you (by contacting the share registry), how you can complain about privacy related matters and how the Company responds to complaints.

Defined terms

Capitalised terms used in this Prospectus are defined in the Glossary.

Currency

Monetary amounts shown in this Prospectus are expressed in Australian dollars unless otherwise stated.

Photographs and diagrams

Photographs used in this Prospectus without descriptions are only for illustration. The people shown are not endorsing this Prospectus or its contents. Diagrams used in this Prospectus may not be drawn to scale. The assets depicted in photographs in this Prospectus are not assets of the Company unless otherwise stated.

THIS DOCUMENT IS IMPORTANT AND SHOULD BE READ IN ITS ENTIRETY

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Letter from the Chairman

15 August 2023

Dear Investor

On behalf of your Board, I am pleased to offer you the opportunity to confirm your participation in a placement of new TOY shares (**New Shares**).

This prospectus relates to the capital raising that was announced by the Company on 21 July 2023, being a private placement of 59,831,378 fully paid ordinary shares in the Company at an offer price of \$0.011 per New Share to raise \$658,145 (**Placement**), together with a raising of \$655,000 in short term loan facilities, to be converted to equity upon shareholder approval, from directors (including via their nominees) (**Director Loan Facilities**) (together, the **Capital Raising**).

The offer price of \$0.011 under the Placement is the same price as was offered under the Entitlement Offer launched by the Company on 19 June 2023. It is also the same price at which the Director Loan Facilities shall convert into Shares upon shareholder approval being obtained at an extraordinary general meeting to be called by the Company shortly.

As announced by the Company on 14 July 2023, the Entitlement Offer was subject to a minimum raising of at least \$5 million which was not achieved. Accordingly, TOY did not issue any new Shares under the Entitlement Offer nor did it raise any funds. The Company has therefore undertaken the Placement and entered into the Director Loan Facilities for the purposes of funding the Company's short-term working capital requirements. Given the recent suspension of the Company's Shares, this Prospectus has been prepared primarily for the purpose of section 708A(11) of the Corporations Act to remove any trading restrictions on the sale of New Shares issued under the Placement.

The Offer is only available to those investors who participated in the Placement announced by the Company on 21 July 2023 and who are personally invited to accept the Offer. An Application Form will be provided to those persons only.

The Company is pleased to announce it has successfully completed its negotiations with its existing financiers, for a total of \$5.7 million 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, the Company 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 \$1.5 million in loan facilities to the Company (as detailed further below).

On this basis, the Company is finalising the \$1.3 million placement pursuant to this Prospectus comprising a \$658,145 private placement and \$655,000 convertible loan facilities (to be converted to equity upon shareholder approval) entered into with Directors and related parties.

The Company 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 \$7 million of working capital requirements, reduce operating loss by \$6 million over the next 12 months as well as reduce debt to TRUK by \$2.9 million.

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

- the existing debt financier will provide funding of \$1.5 million to support the Company'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 the Company of \$2.9 million to facilitate the transfer of the UK licence;
- the Company'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.

Based solely on the information provided by TOY and the facts known at this time, ASX has confirmed to the Company that it is not aware of any reason why ASX would not reinstate TOY's securities to quotation once the proposed placement of up to 59,831,378 new shares under the prospectus have been issued, the director loans totalling \$655,000 have been settled and TOY provides an announcement for release to the market satisfactory to ASX confirming that these matters have occurred.

ASX has indicated that if other material facts come to light following the confirmation above, ASX may withdraw or change its position.

I encourage you to read this Prospectus and the information referred to in it in its entirety before making an investment decision.

Yours faithfully



Kevin A Moore
Chair & Non-Executive Director

1 Investment overview

1.1 Summary offer details

Terms of offer	Details
Offer Price per New Share	\$0.011
Total number of New Shares offered under this Prospectus	59,831,378
Total amount to be raised under the Placement	\$658,145
Total amount raised under Director Loan Facilities	\$655,000
Total amount to be raised under the Capital Raising	\$1,313,145

1.2 Important dates

Event	Date
Prospectus date	15 August 2023
Opening date	15 August 2023
Closing Date (5:00pm, Sydney time)	16 August 2023
Anticipated date of allotment of New Shares	17 August 2023
Shareholding statements expected to be despatched	18 August 2023
Expected date for official quotation of New Shares on ASX	18 August 2023

All dates and times are subject to change and are indicative only. All times are to Sydney time. The Company reserves the right to vary these dates and times without notice.

1.3 Purpose of the Offer and use of funds

Proceeds from the Capital Raising will be applied principally to fund working capital.

1.4 Shareholding structure

The following table shows the shareholding structure of TOY on completion of the Offer:

Existing Shares on issue as at 15 August 2023 (the date of this Prospectus)	863,086,674
Approximate New Shares to be issued under the Offer	59,831,378
Approximate total number of Shares after the Offer	922,918,052
Further shares to be issued on conversion of the Director Loan Facilities (subject to Shareholder approval)	59,552,430

1.5 Potential questions and answers

Question	Answer	Section
Who is the issuer of this Prospectus?	Toys'R'Us ANZ Limited ACN 063 886 199	Not applicable
What is the Offer?	The Offer is placement of up to 59,831,378 New Shares in TOY at an issue price of \$0.011 per New Share.	section 3.1
What is the Offer Price of the New Shares?	The New Shares are being issued at \$0.011 per New Share.	section 3.1
What rights and liabilities attach to the New Shares?	The New Shares will rank equally in all respects with the Shares held by the Existing Shareholders. The rights and liabilities attaching to all Shares are set out in the Company's constitution.	sections 7.2 and 8.2
What is the Company's financial position?	The Company's financial position is set out in detail in section 5 of this Prospectus.	section 5
What risks are involved with an investment in the Company?	<p>An investment in TOY is subject to both general and specific risks which you should consider before making a decision to apply for New Shares. Key specific risks include:</p> <ul style="list-style-type: none"> (a) if TOY is unable to manage its indebtedness and the restrictions applicable to it as a result of this indebtedness, its ability to implement its business strategy may be impaired and the results of its operations and financial condition may be adversely affected; (b) TOY may require additional funds to satisfy its existing and future debt facilities and to invest in its other activities and future projects; (c) TOY is exposed to a range of operational risks including equipment failures and other accidents, industrial action or disputes, lease renewals, damage by third parties, floods, fire, major cyclone, earthquake, terrorist 	section 0

Question	Answer	Section
	<p>attack or other disaster which may have a material adverse impact on TOY's financial performance and cash flows;</p> <p>(d) the sustainability and growth in the level of TOY's revenue and profit margins is dependent on its continued ability to secure and maintain relationships with customers and suppliers;</p> <p>(e) disruption to any aspect of TOY's supply chain could have a material adverse impact on TOY's operational and financial performance;</p> <p>(f) the failure of any of TOY's or its customers' IT systems, including inventory management systems, could have a significant impact on TOY's ability to trade;</p> <p>(g) third parties, such as customers, suppliers and other counterparties to contracts may not be willing or able to perform their obligations to TOY;</p> <p>(h) any adverse change in TOY's existing relationships with key distributors and retailers could have a material adverse impact on its operations and financial performance;</p> <p>(i) TOY relies on a range of parties for its product sourcing and licensing strategy. Any change in existing relationships (including termination of any key supply arrangements) or any change in terms or conditions of overseas suppliers and any change in the international political or economic environment may lead to material adverse changes to TOY's operational and financial performance; and</p> <p>(j) the Company has a wide range of competitors including major international companies, and a large number of smaller companies. The actions of these competitors or changes in consumer preferences may adversely affect TOY's financial performance.</p>	
Is the Offer underwritten?	The Offer is not underwritten.	section 3.1
Further questions	If you have questions about the Offer, please contact the Company Secretary on 1300 288 664.	section 3.10

1.6 Important notice

This section is not intended to provide full details of the investment opportunity. Shareholders must read this Prospectus in full to make an informed investment decision. The New Shares offered under this Prospectus carry no guarantee of return of capital, return on investment, payment of dividends or on the future value of the Shares.

2 TOY – the business

2.1 Board and management team

Kevin Andrew Moore

Executive Chair & Managing Director

Kevin Moore was appointed as Executive Chairman and Executive Director on 26 November 2020.

He has multinational board and governance experience, specialising in digital marketing, and is a growth director with a focus on \$10 to \$100 million businesses. He has a corporate career with director level marketing and general management experience across 30 countries, with success in launching and growing Australian and Global brands. His private company career saw him build a small technology based retail marketing business into the sector leader with 2,500 team members in Australia and New Zealand, and clients that include Apple, Amazon, Bunnings, Coles and Woolworths.

Silvio Salom

Non-Executive Director

Silvio Salom was appointed as non-executive director on 11 November 2022.

Mr Salom has a background in Technology and Fine Art, and has more than 30 years of senior leadership experience at both Board and operational level of private and public companies, spanning some 40 countries across UK, Europe, North America and Asia. Silvio has founded and operated a number of companies.

John (Giovanni Antonio) Tripodi

Non-Executive Director

John Tripodi was appointed as non-executive director on 25 October 2018.

Mr Tripodi is a business leader with multinational FMCG experience in various strategic and operational roles with a track record of championing innovative brand strategies that deliver successful commercial outcomes. He is currently the CEO of the diversified sport, entertainment and consumer lifestyle agency, Twenty3 Group. Prior to co-founding the Twenty3 Group, Mr Tripodi held senior sales and marketing roles with Mars Inc. before moving into general management with the L'Oreal Group.

Penny Cox

Chief Executive Officer

Ms Cox was officially appointed as Chief Executive Officer on 7 August 2023, although she has been working with the Company on a consulting basis since June 2023.

Ms Cox is an experienced e-commerce leader with a track record of growing companies from \$25m to \$350m. She has extensive experience across a variety of functions including Marketing, Commercial, Operations and Technology. She was previously SVP of Growth at Carousell Group and before that VP of Commercial at RedMart (since acquired by Alibaba).

Wei Si

Chief Financial Officer

Wei is a finance and accounting professional with extensive experience in financial controlling and reporting for publicly listed and multi-national companies. He has managed all areas of finance

including internal/ external reporting; local and international taxation; corporate banking and treasury; payroll; fixed asset management; credit control; inventory control and internal compliance. Having been involved in IPO, global divestitures and managing stakeholders within matrix hierarchy, he brings a good balance of technical and pragmatic approach to managing financial matters and risks, process improvements and people.

Mr Si is professionally trained at Ernst & Young in the audit & assurance division, where he managed audit engagements for a diverse range of clients in the Retail; Consumers; Industrial and Property sectors.

Mr Si is a Chartered Accountant and holds a Bachelor of Commerce degree from the University of Melbourne.

3 Details and effect of the Offer

3.1 Purpose of prospectus

The Company has been suspended from trading on the ASX for more than 5 days in the last 12 months and as a result was precluded from issuing a 'cleansing' notice in accordance with section 708A(5) of the Corporations Act to ensure the New Shares are not subject to on-sale restrictions. This Prospectus will remove the on-sale restrictions.

3.2 Overview

The Offer is a placement of New Shares at \$0.011 per New Share to raise about \$658,145 (before direct offer costs including fees paid to advisers and to providers of specific services to cover share registry, printing and postage costs).

The Board intends to use the proceeds of the Offer to fund its short-term working capital requirements.

The Offer is only available to those investors who participated in the placement announced by the Company on 21 July 2023 and who are personally invited to accept the Offer. An Application Form will be provided to those persons only.

The offer price of \$0.011 under the Placement is the same price as was offered under the Entitlement Offer launched by the Company on 19 June 2023. It is also the same price at which the Director Loan Facilities shall convert into Shares upon shareholder approval being obtained at an extraordinary general meeting to be called by the Company shortly.

The Applicant should be aware that an investment in TOY involves risks. The key risks identified by TOY are set out in section 0 of this Prospectus.

3.3 Underwriting

The Offer is not underwritten.

3.4 Purpose of the Prospectus

This Prospectus has been prepared primarily to facilitate the secondary trading of the New Shares issued under this Prospectus.

Only Applicants are eligible to receive New Shares under this Prospectus.

3.5 Impact on control

The issue of the New Shares under this Prospectus is not expected to have any material effect on the control of the Company.

3.6 Financial position

The effect of the Offer on the financial position of the Company is set out in section 5.

3.7 Taxation considerations

The taxation consequences of an investment in the Company depend upon your particular circumstances. You should make your own enquiries about the taxation consequences of an

investment in the Company. If you are in doubt about the course you should follow, you should consult your accountant, stockbroker, lawyer or other professional adviser.

3.8 Foreign selling restrictions

No action has been taken to register or qualify the New Shares or the Offer in any jurisdiction outside Australia and New Zealand, or otherwise to permit a public offering of the New Shares outside Australia and New Zealand.

The Prospectus does not constitute an offer or invitation in any jurisdiction where, or to any person to whom, the offer or invitation would be unlawful. The distribution of this Prospectus in jurisdictions outside Australia and New Zealand may be restricted by law and persons who come into possession of this Prospectus should seek advice on and observe any of those restrictions. Any failure to comply with the restrictions may constitute a violation of applicable securities laws.

Each Applicant warrants and represents that they will not offer or sell the New Shares in the United States or in any other jurisdiction outside Australia or New Zealand, or to a United States person, except in transactions exempt from registration under the US *Securities Act 1933* as amended, and in compliance with all applicable laws in the jurisdiction in which the New Shares are offered and sold.

3.9 Withdrawal

The Company reserves the right to withdraw the Offer, at any time before the allotment of New Shares. If the Offer does not proceed, the Application Money is refunded. No interest is paid on any Application Money refunded because of the withdrawal of the Offer.

3.10 Enquiries

If you have questions about the Offer, please contact the Share Registry on 1300 288 664.

4 How to apply

4.1 Applying for New Shares

Completed Application Forms for New Shares must be mailed or delivered to the Company by the Closing Date set out in section 1.2 in accordance with the instructions provided by the Company to each Applicant.

The Opening Date and Closing Date for the Offer (as set out in section 1.2) are indicative only and subject to change without notice. The Company may vary these dates, including to close the Offer early, extend the Closing Date or to withdraw the Offer at any time prior to issue. If any of the dates are changed, subsequent dates may also change. You are encouraged to lodge your Application Form as soon as possible after the opening date.

4.2 Payment

The consideration for the New Shares is payable in full on application by a payment of \$0.011 per New Share. The Application Form must be accompanied by the Application Money. The Company will contact potential investors with details regarding how payment can be made.

Receipts for payment will not be issued.

4.3 Application Form is binding

A completed and lodged Application Form, or a payment made through BPAY, constitutes a binding offer to acquire New Shares on the terms of this Prospectus and cannot be withdrawn.

If the Application Form is not completed correctly it may still be treated as a valid application for New Shares. The Directors' (or their delegates') decision whether to treat an acceptance as valid and how to construe, amend or complete the Application Form is final.

By completing and returning your personalised Application Form with the requisite Application Money or making a payment by BPAY, you will also be taken to have acknowledged, represented and warranted on behalf of each person on whose account you are acting that you:

- (a) are not a person to whom it would be illegal to make an offer or issue New Shares under the Offer; and
- (b) acknowledge that the New Shares have not been, and will not be, registered under the US *Securities Act of 1933* or under the laws of any other jurisdiction outside Australia or New Zealand.

4.4 Validity of Application Forms

An Application Form may only be distributed with, attached to or accompany a complete and unaltered copy of this Prospectus.

By completing and lodging an Application Form received with this Prospectus, the Applicant represents and warrants that the Applicant has personally received a complete and unaltered copy of this Prospectus before completing the Application Form.

The Company does not accept a completed Application Form if it has reason to believe the Applicant has not received a complete copy of the Prospectus or it has reason to believe that the Application Form has been altered in any way.

4.5 Brokerage and Stamp Duty

No brokerage fee is payable by Applicants who apply for New Shares. No stamp duty is payable for subscribing for New Shares under the Offer.

4.6 Information Availability

Applicants can obtain a copy of this Prospectus from TOY's website at www.toysrus.com.au or by calling the share registry on 1300 288 664 (within Australia) and +61 2 9698 5414 (outside Australia) at any time from 8.30am to 5.00pm (Sydney time) until the Closing Date.

5 Financial information

5.1 Historical and pro forma consolidated balance sheet as at 31 December 2022

Set out below is a summary of the historical financial information for TOY as at 31 December 2022 (**Historical Financial Information**) and a pro-forma historical statement of the financial position as at 31 December 2022 (**Pro Forma Historical Financial Information**) (collectively, **Financial Information**).

The Financial Information has been prepared to illustrate the effect of the Offer.

5.2 Basis of preparation of financial information

The stated basis of preparation for the Historical Financial Information is in accordance with the recognition and measurement principles of the Australian Accounting Standards.

The stated basis of preparation for the Pro Forma Historical Financial Information is in a manner consistent with the recognition and measurement principles of the Australian Accounting Standards applied to the Historical Financial Information and the events or transactions to which the pro forma adjustments relate, as described in this section of the Prospectus, as if those events or transactions had occurred as at 31 December 2022.

5.3 Pro-forma adjustments to consolidated balance sheet

The Pro Forma Historical Financial Information has been derived from the Historical Financial Information and has been prepared on the basis that the following significant transactions occurred as at 31 January 2023:

Material transactions since 31 January 2023:

- (a) AUD \$1.5M loan drawn down from existing debt facility with lender; and
- (b) USD \$750K loan drawn down from new debt facility with licensor – TRU Kids Inc.

	31 January 2023 Historical (Audited)	Cash burn and borrowings since 31 January 2023	Effect of Capital Raising	Proforma 31 January 2023
	\$'000	\$'000	\$'000	\$'000
ASSETS				
CURRENT ASSETS				
Cash and cash equivalents	5,623	(3,511)	1,273	3,385
Trade and other receivables	1,147			1,147
Inventory and other current assets	9,659			9,659
TOTAL CURRENT ASSETS	16,429	(3,511)	1,273	14,191
NON-CURRENT ASSETS				
Property, plant and equipment	2,575			2,575
Goodwill and other intangibles	20,838			20,838
Other Non-Current Assets	3,764			3,764

Right of use assets	11,779			11,779
TOTAL NON-CURRENT ASSETS	38,956			38,956
TOTAL ASSETS	55,385	(3,511)	1,273	53,147
LIABILITIES				
CURRENT LIABILITIES				
Trade and other payables	4,257			4,257
Provisions – short term	424			424
Other Liabilities – short term	2,236			2,236
Lease Liabilities – short term	681			681
TOTAL CURRENT LIABILITIES	7,598			7,598
NON-CURRENT LIABILITIES				
Interest Bearing Liabilities	10,000	2,609		12,609
Deferred tax liabilities	895			895
Lease Liabilities – long term	11,577			11,577
TOTAL NON-CURRENT LIABILITIES	22,472	2,609		25,081
TOTAL LIABILITIES	30,070	2,609		32,679
NET ASSETS	25,315	(6,120)	1,273	20,468
EQUITY				
Issued capital	293,027		1,313	294,340
Accumulated losses/ reserves	(267,712)	(6,120)	(40)	(273,872)
TOTAL EQUITY	25,315	(6,120)	1,273	20,468

Due to the nature of the pro forma adjustments, they do not represent the actual or prospective financial position of TOY.

5.4 Pro forma cash flow statement as at 31 January 2023

The Company's pro forma historical cash position at 31 January 2023 adjusted for the Offer is derived from actual cash as follows:

Cash as at 30 June 2023	\$2,112,000
Gross proceeds of the Offer	\$1,313,000
Offer costs of the Offer	(\$40,000)
Pro forma historical cash balance	<u>\$3,385,000</u>

6 Risk factors

6.1 Factors influencing success and risk

Introduction

This section identifies the major risks the Board believes are associated with an investment in TOY.

The TOY business is subject to risk factors, both specific to its business activities, and risks of a general nature. Individually, or in combination, these might affect the future operating performance of TOY and the value of an investment in the Company. There can be no guarantee that TOY will achieve its stated objectives or that any forward-looking statements will eventuate. An investment in the Company should be considered in light of relevant risks, both general and specific. Each of the risks set out below could, if it eventuates, have a material adverse impact on TOY's operating performance and profits, and the market price of the Shares.

Before deciding to invest in the Company, potential investors should:

- (a) read the entire Prospectus;
- (b) consider the assumptions underlying the risk factors that could affect the financial performance of TOY;
- (c) review these factors in light of their personal circumstances; and
- (d) seek professional advice from their accountant, stockbroker, lawyer or other professional adviser before deciding whether to invest.

6.2 General market risks

Investors should be aware that the market price of TOY's securities may be influenced by a number of factors. General movements in local and international stock markets, exchange rates, prevailing economic conditions, investor sentiment and interest rates could all affect the market price of TOY's securities. These risks apply generally to any investment on the stock market.

In addition to the general risks associated with investing in the stock market, there are risks specific to investing in any particular entity. Some risks may be outside TOY's control and not capable of mitigation. If in doubt about the general or specific risks associated with TOY's securities, you should seek advice from your professional advisers.

Investment risks

Factors affecting the price at which TOY Shares are traded on ASX could include domestic and international economic conditions. In addition, the prices of a listed entity's securities are affected by factors that might be unrelated to its operating performance, such as general market sentiment.

Macro economic risks

TOY's operational and financial performance is affected by the Australian and other international economies and, in particular, the consumer markets within those economies. General and business conditions, inflation, interest rates, monetary and fiscal policy, political circumstances and currency exchange rates are all matters which may affect TOY's operating and financial performance.

Taxation risks

A change to the current taxation regime in Australia or in overseas jurisdictions in which TOY operates may affect TOY and its shareholders.

Accounting standards

Australian accounting standards are set by the Australian Accounting Standards Board (**AASB**) and are outside TOY's control. Changes to accounting standards issued by AASB could materially adversely affect the financial performance and position reported in TOY's financial statements.

6.3 Specific risks

Below is an analysis of some of the specific business risks facing TOY in the conduct of its activities. TOY is exposed to risks relevant to many businesses, including increasing competition, information systems failure risk and protection of intellectual property. This section is intended to be a concise summary of the key risks to TOY's business – not an exhaustive list of all possible risks.

Financial risk

If TOY is unable to manage its indebtedness and the restrictions applicable to it as a result of this indebtedness, its ability to implement its business strategy may be impaired and the results of its operations and financial condition may be adversely affected.

TOY may need to raise additional funds

TOY may require additional funds to satisfy its existing and future debt facilities and to invest in its other activities and future projects. Any further equity funds raised may result in a dilution in your shareholding. There is also a risk that TOY may not be able to raise further funds as and when required.

Operational risk

TOY is exposed to a range of operational risks including equipment failures and other accidents, industrial action or disputes, lease renewals, damage by third parties, floods, fire, major cyclone, earthquake, terrorist attack or other disaster. These risks may have a material adverse impact on TOY's financial performance and cash flows.

Sustainability of revenues and margins

The sustainability and growth in the level of TOY's revenue and profit margins is dependent on its continued ability to secure and maintain relationships with customers and suppliers. TOY relies on various key customer and supplier relationships and the loss or impairment of any of these relationships could have a material adverse effect on the Company's operations, financial condition and prospects.

Supply chain disruptions

TOY has established an extensive and reliable supply chain that allows it to procure and deliver products to customers in a timely and efficient manner. Disruption to any aspect of this supply chain could have a material adverse impact on TOY's operational and financial performance.

IT systems

TOY is reliant on the capability and reliability of its information technology systems and backup systems and those of its external service providers (such as communication carriers) to process transactions, manage inventory, report financial results and manage its business. The failure of any of TOY's or its customers' IT systems, including inventory management systems, could have a significant impact on TOY's ability to trade. Such failures may have an adverse effect on the Company's future financial performance.

Counterparty risk

Third parties, such as customers, suppliers and other counterparties to contracts may not be willing or able to perform their obligations to TOY. TOY provides credit to its customers and the inability of its customers to pay their debts may materially impact the Company's financial performance, position and prospects.

Loss of key personnel

TOY's business operations depend to a significant extent on its key personnel, in particular its senior management team. These individuals have extensive experience in, and knowledge of, the markets TOY operates in and TOY's business. The loss of key personnel and the time taken to recruit suitable replacement(s) or additional personnel could adversely affect the Company's future financial performance.

Product risk

The products TOY supplies to customers are subject to sales agreements with customers and must meet certain specifications. Despite controls and measures being in place, products may fall outside these specifications due to process failures, equipment malfunctions, or variability of inputs during the manufacturing and packaging processes, which could have a material adverse effect on the Company's reputation, financial condition and results of operations. Furthermore, TOY may be exposed to certain warranty and liability risks relating to defects in products. If any product it sells is defective or fails to meet the required specifications, the relevant customer may assert claims against the Company.

Occupational health and safety

TOY's operations are subject to health and safety laws and regulations. Failure to comply with these laws and regulations could result in enforcement action by regulatory authorities which could result in monetary penalties for the Company. In addition, any significant regulatory body investigation or enforcement of health and safety requirements could damage the Company's reputation as a responsible corporate citizen and employer or could result in suspension or closure of operations.

Intellectual property

There can be no assurances that the validity, ownership or authorised use of intellectual property (including technology, know-how, trademarks, designs and patents (both owned and licensed) relevant to TOY's business may not be challenged.

Insurance

It is not always possible to obtain insurance against all risks and TOY may decide not to insure against certain risks as a result of high premiums or other reasons. The occurrence of an event that is not fully covered, or covered at all, by insurance, could have a materially adverse effect on the Company's financial position.

Consumer demand

TOY's operating and financial performance is dependent on consumer demand for its products. If the Company does not deliver products that appeal to consumers, or if there is a decline in consumer demand for its products, TOY's financial and operating performance could be materially adversely affected. If product input costs increase and TOY seeks to pass on such increases to consumers through higher prices, this could result in a reduction in consumer demand for TOY's products and a fall in revenue.

Retailer relationships

Any adverse change in TOY's existing relationships with key distributors and retailers could have a material adverse impact on its operations and financial performance. Any action by distributors or retailers to reduce their inventories could also result in a fall in revenue for TOY. The Company notes that two of its key retailers are currently implementing revised strategic plans, and TOY is expanding its distribution base domestically and internationally to diversify this potential risk.

Product sourcing and licensing

TOY relies on a range of parties for its product sourcing and licensing strategy. Any change in existing relationships (including termination of any key supply arrangements) or any change in terms or conditions of overseas suppliers and any change in the international political or economic environment may lead to material adverse changes to TOY's operational and financial performance.

Damage to brands

The reputation and value associated with TOY's and/or its licensors' brands could be adversely impacted by a range of factors and could have an adverse effect on the Company's future financial performance.

Interest rates and foreign exchange risks

Adverse movements in exchange rates may impact product costs and price competitiveness which may impact the operations and financial performance of TOY. Also, adverse fluctuations in interest rates may impact TOY's financial performance.

Competition

TOY competes in the toy, sporting and confectionary product segments in both Australia and overseas. The Company has a wide range of competitors including major international companies, and a large number of smaller companies. The actions of these competitors or changes in consumer preferences may adversely affect TOY's financial performance.

Litigation and disputes

Legal and other disputes may arise from time to time in the ordinary course of the Company's operations. Any such dispute may impact profitability or affect the value of TOY's assets.

6.4 Cautionary statement

Statements in this Prospectus may be forward looking statements.

Forward looking statements can be identified by the use of forward looking terminology such as, but not limited to, 'may', 'will', 'expect', 'anticipate', 'estimate', 'would be', 'believe', or 'continue' or the negative or other variations of comparable terminology. These statements are subject to

risks and uncertainties that could cause actual results to differ materially from those projected. The Directors' expectations, beliefs and projections are expressed in good faith and are believed to have a reasonable basis. They are based on, among other sources, the examination of historical operating trends, data in the Company's records and other data available from third parties. There can be no assurance, however, that the Directors' expectations, beliefs or projections will give the results projected in the forward-looking statements. Investors should not place undue reliance on these forward-looking statements.

Additional factors that could cause actual results to differ materially from those indicated in the forward-looking statements are discussed earlier in this section.

7 Material agreements

7.1 Key documents

The Board considers that certain agreements relating to TOY are significant to the Offer, the operations of TOY or may be relevant to investors. A description of material agreements or arrangements, together with a summary of the more important details of each of these agreements is set out below.

7.2 Constitution

The following is a summary of the major provisions of the Company's constitution:

General Meeting

Shareholders are entitled to be present in person (which includes attendance in a virtual or hybrid meeting), or by proxy, attorney or representative to attend and vote at general meetings of the Company. Shareholders may requisition meetings in accordance with section 249D of the Corporations Act and the Constitution of the Company.

Voting rights

Subject to any rights or restrictions for the time being attached to any class or classes of shares, at general meetings of Shareholders or classes of Shareholders:

- (a) each Shareholder entitled to vote may vote in person or by proxy, attorney or representative;
- (b) on a show of hands, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder has one vote; and
- (c) on a poll, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder shall, in respect of each fully paid Share held by them, or in respect of which he is appointed a proxy, attorney or representative, have one vote for each Share held, but in respect of partly paid shares shall have such number of votes as bears the same proportion to the total of such Shares registered in the Shareholder's name as the amount paid (not credited) bears to the total amounts paid and payable (excluding amounts credited).

If a person present at a general meeting represents personally or by proxy, attorney or representative more than one Shareholder, on a show of hands the person is entitled to one vote only, even though he or she represents more than one Shareholder.

Dividends and interim dividends

The Directors may pay any interim and final dividends.

Dividend reinvestment plan

Subject to the ASX Listing Rules and the Corporations Act, the Directors of the Company may on terms they decide, implement a dividend reinvestment plan. No such plan exists as at the date of this Prospectus.

Winding-up

If the Company is wound up, the liquidator may, with the authority of a special resolution of Shareholders, divide among the Shareholders the whole or any part of the property of the Company and may determine how the division is to be carried out as between the Shareholders or different classes of Shareholders.

Shareholder liability to forfeiture of Shares

As the New Shares under the Prospectus are fully paid ordinary shares, they will not be subject to any calls for money by the Directors and will therefore not become liable for forfeiture.

Transfer of Shares

Generally, Shares in the Company are freely transferable, subject to formal requirements, the registration of the transfer not resulting in a contravention of or failure to observe the provisions of a law of Australia and the transfer not being in breach of the Corporations Act or the ASX Listing Rules.

Future increase in capital

Subject to the Constitution, the Directors may issue new Shares and preference shares from time to time.

Variation of rights

Under Section 246B of the Corporations Act, the Company may, with the sanction of a special resolution passed at a meeting of Shareholders vary or abrogate the rights attaching to Shares. If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may be varied or abrogated with the consent in writing of the holders of three quarters of the issued shares of that class, or if authorised by a special resolution passed at a separate meeting of the holders of the shares of that class.

Alteration of Constitution

In accordance with the Corporations Act, the Constitution can only be amended by a special resolution at a general meeting passed by at least three quarters of votes validly cast for Shares at the general meeting. In addition, at least 28 days' written notice specifying the intention to propose the resolution as a special resolution must be given.

Listing Rules

If the Company is admitted to trading on the Official List, then despite anything in the Constitution, if the Listing Rules prohibit an act being done, the act must not be done. Nothing in the Constitution prevents an act being done that the Listing Rules require to be done. If the

Listing Rules require an act to be done or not to be done, authority is given for that act to be done or not to be done (as the case may be). If the Listing Rules require the Constitution to contain a provision and it does not contain such a provision, the Constitution is deemed to contain that provision. If the Listing Rules require the Constitution not to contain a provision and it contains such a provision, the Constitution is deemed not to contain that provision. If a provision of the Constitution is or becomes inconsistent with the Listing Rules, the Constitution is deemed not to contain that provision to the extent of the inconsistency.

7.3 Director Loan Facilities

As announced by the Company on 21 July 2023, the Company has entered into short term loan facilities, which shall be converted to equity upon shareholder approval, with certain directors, John Tripodi, Silvio Salom and Kevin Moore (including via their nominees) to secure further funding of \$655,000.

The Loan Facilities are unsecured, have a term of 12 months and attract a nil interest rate. Subject to prior shareholder approval, the Loan Facilities are repayable through the issue of Shares (calculated by dividing the loan amount advanced under the facility by an issue price of \$0.011 per Share) upon such approval being obtained. The Loan Facilities shall otherwise be repayable on maturity but may, with the consent of the Lender, be repaid early without penalty.

7.4 Documents available for inspection

Copies of the following documents are available for inspection during normal office hours at the registered office of the Company for 13 months after the date of this Prospectus:

- (a) the constitution of TOY; and
- (b) the consents to the issue of this Prospectus.

8 Additional information

8.1 Continuous reporting and disclosure obligations

This Prospectus is a 'transaction specific prospectus' issued under section 713 Corporations Act as a prospectus for the issue of continuously quoted securities.

In general terms, a transaction specific prospectus is only required to contain information about the effect of the issue of securities on a company and the rights attaching to the securities. It is not necessary to include general information about all of the assets and liabilities, financial position, profits and losses or prospects of the issuing company.

The Company is subject to regular reporting and disclosure obligations because it is a 'disclosing entity' for the purposes of the Corporations Act. Additionally, as a listed company, TOY is subject to the Listing Rules which require disclosure to ASX of any information the Company has which a reasonable person would expect to have a material effect on the price or value of its Shares.

Copies of ASX announcements are available on the ASX website or the Company's website at www.toysrus.com.au.

The Company's ASX announcements since 31 December 2022 to the date of this Prospectus are set out below.

Date	Announcements
10/08/2023	Voluntary Suspension Extension
27/07/2023	Suspension from Quotation
27/07/2023	Pause in Trading
27/07/2023	Final Director's Interest Notice - Mittoni
26/07/2023	Director Resignation
21/07/2023	Proposed issue of securities - TOY
21/07/2023	Reinstatement to quotation
21/07/2023	TOY Successfully Raises \$1.3 million
14/07/2023	Cancel - Proposed issue of securities - TOY
14/07/2023	Suspension from Quotation
14/07/2023	Completion of Entitlement Offer
13/07/2023	Trading Halt
13/07/2023	Entitlement Offer and Shortfall
6/07/2023	Legal Ruling in favour of TOY
27/06/2023	Entitlement Offer Despatched
27/06/2023	US\$2.0 Million Finance Facility
20/06/2023	Entitlements Offer - Timetable Correction
19/06/2023	Update - Proposed issue of securities - TOY
19/06/2023	Entitlements Offer Notice to Option Holders
19/06/2023	Entitlements Offer Notice to Ineligible Shareholders
19/06/2023	Entitlement Offer Information Booklet

Date	Announcements
19/06/2023	Cleansing Notice
19/06/2023	Investor Presentation
19/06/2023	Proposed issue of securities - TOY
19/06/2023	Entitlements Offer
15/06/2023	Trading Halt
14/06/2023	Partnership Agreement with Riot
14/06/2023	US\$2million Finance Facility Negotiations
13/06/2023	Appointment of Chief Executive Officer
2/06/2023	WHSmith High Street Stores
15/05/2023	CEO Resignation
10/05/2023	Notification regarding unquoted securities - TOY
10/05/2023	Notification regarding unquoted securities - TOY
10/05/2023	Strategic Plan Update and Amended Finance Facility Agreement
3/04/2023	UK Operations Commercial Director Appointment
30/03/2023	1H23 Results Announcement
30/03/2023	Appendix 4D and Interim Financial Report 1H23
20/03/2023	ANZ Executive Search
6/03/2023	Notification of cessation of securities - TOY
28/02/2023	December Trading and Business Update
22/02/2023	Share Sale Facility for Unmarketable Parcels Correction
22/02/2023	Notification of buy-back - TOY
22/02/2023	On Market Buy Back
22/02/2023	Share Sale Facility for Holders of Unmarketable Parcels
21/02/2023	Change of Registered Address
21/02/2023	Company Secretary Appointment/Resignation

In addition, copies of documents lodged with ASIC in relation to the Company may be obtained from, or inspected at, an office of ASIC.

The information in the Annual Report, the Half Yearly Report and the ASX announcements described in the table above may be of interest to investors and their financial advisers as these documents contain information regarding the Company's financial position and operations that investors may consider relevant to any decision to apply for New Shares under the Offer.

The Directors rely upon section 712(3) Corporations Act with the inclusion by reference of:

- (a) the Annual Report and the Half Yearly Report; and
- (b) the Company's ASX announcements since 31 December 2022 set out in the table above, for the purposes of section 711 Corporations Act.

The Company will give free of charge, to any person who requests it before the Closing Date, a copy of the Annual Report or the Half Yearly Report and any continuous disclosure notices lodged by the Company from 31 December 2022 to the date of this Prospectus.

8.2 Rights attaching to New Shares

The rights attaching to the New Shares, which are the same as the Existing Shares, are set out in the Company's constitution and summarised in section 7.2 of this Prospectus.

8.3 Existing Options

Existing Options	Exercise price	Expiry date
10,149,450	\$0.138	1 November 2023
10,180,305	\$0.166	1 November 2024
1,691,956	\$0.138	1 May 2025
10,357,040	\$0.199	1 November 2025

The Board considers it is unlikely that any Existing Options will be exercised before the Closing Date. However, if any Existing Options are exercised before the Closing Date, any proceeds raised will be applied to the general working capital of TOY.

8.4 Litigation

To the best of the Directors' knowledge and belief, no litigation, mediation, conciliation or administrative proceeding is taking place, pending or threatened against the Company.

8.5 Consents and disclaimers of responsibility

None of the parties referred to below has made any statement that is included in this Prospectus or any statement on which a statement made in this Prospectus is based, except as specified below. Each of the parties referred to below, to the maximum extent permitted by law, expressly disclaims, and takes no responsibility for, any part of this Prospectus, other than the reference to its name and the statement included in this Prospectus with the consent of that party, as specified below.

McCullough Robertson has given, and has not withdrawn, its written consent to be named as lawyers to the Company in the form and context in which it is named.

8.6 Interests of experts and advisers

Except as set out in this Prospectus:

- (a) no person named in this Prospectus as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Prospectus has any interest or has had any interest during the last two years:
 - (i) in the formation or promotion of TOY;
 - (ii) in property acquired or proposed to be acquired by TOY in connection with its formation or promotion or the offer of the New Shares, or
 - (iii) the offer of the New Shares; and

- (b) no amount has been paid or agreed to be paid, and no benefit has been given, or agreed to be given, to any person named in this Prospectus as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Prospectus in connection with the services provided by the person in connection with the:
 - (i) formation or promotion of TOY, or
 - (ii) offer of the New Shares.

McCullough Robertson has acted as legal adviser to the Company for the Offer and has provided legal advice on the Offer. McCullough Robertson will be paid an amount of \$35,000 for these services.

8.7 Substantial Shareholders

The following Shareholders have a substantial holding in TOY:

Shareholder	Shares	Percentage interest
Hobby Warehouse Holdings Pty Ltd and its Associates	291,205,818	33.74%
JASZAC Investments Pty Ltd	103,064,772	11.94%
Thorney Investment Group Australia Limited	43,596,832	5.1%

The table above shows the current shareholding of each substantial Shareholder.

8.8 Interests of Directors

Other than as set out above or elsewhere in this Prospectus:

- (a) no Director or proposed Director of TOY has, or has had in the two years before lodgment of this Prospectus, any interest in:
 - (i) the formation or promotion of TOY;
 - (ii) any property acquired or proposed to be acquired by TOY in connection with the formation or promotion or the offer of the New Shares; or
 - (iii) the offer of the New Shares, and
- (b) no amounts have been paid or agreed to be paid and no benefit has been given or agreed to be given, to any Director or proposed Director of TOY either:
 - (i) to induce him or her to become, or to qualify him or her as, a Director, or
 - (ii) otherwise for services rendered by him or her in connection with the formation or promotion of TOY or the offer of the New Shares.

Shareholdings

The Directors or their associates have a beneficial interest in the following Shares and Existing Options at the date of this Prospectus:

Director	Shareholder	Direct Shares	Indirect Shares	Existing Options	Service Rights
Silvio Salom	Held indirectly via a related entity	0	24,825,000	0	0
Kevin Andrew Moore	Held indirectly via a related entity	0	4,032,462	5,114,465	0
John (Giovanni Antonio) Tripodi	Held directly	110,803	0	0	500,000

Payments to Directors

The constitution of TOY provides that the Directors may be paid, as remuneration for their services, a sum set from time to time by the Shareholders in general meeting, with that sum to be divided among the Directors as they agree.

The maximum aggregate amount which has been approved by the Shareholders for payment to the Directors is \$500,000 per annum. The current non-executive directors fees are \$90,000 per annum for the Chairman and \$60,000 per annum for each of the non-executive directors.

8.9 Expenses of the Offer

The total estimated expenses of the Offer payable by the Company including ASX and ASIC fees, accounting fees, legal fees, share registry fees, printing costs, public relations costs and other miscellaneous expenses are estimated to be \$40,000.

8.10 Allotment

TOY will apply within seven days from the date of this Prospectus for quotation of the New Shares on ASX. It is expected that allotment of the New Shares under the Offer will take place no more than five Business Days after the close of the Offer.

Application Money will be held by TOY on trust for Applicants until the New Shares are allotted. No interest will be paid on Application Money.

It is the responsibility of Applicants to work out the number of New Shares allotted and issued to them before trading the New Shares. The sale by an Applicant of New Shares before receiving their holding statement is at the Applicant's own risk.

8.11 CHESS

The Company will apply for the New Shares to participate in CHESS. An Applicant who is issued New Shares under this Offer will receive a shareholding statement instead of a share certificate. It sets out the number of New Shares issued to the successful Applicant.

The shareholding statement also provides details of the Shareholder's HIN (in the case of a holding on the CHESS sub-register) or SRN (in the case of a holding on the issuer sponsored sub-register).

Shareholders need to quote their HIN or SRN, as applicable, in all dealings with a stockbroker or the share registry. Further statements are given to Shareholders showing changes in their shareholding during a particular month. Additional statements may be requested at any time, although the Company reserves the right to charge a fee for them.

8.12 Privacy

Applicants may be asked to give personal information to TOY directly, and through the share registry, such as name, address, telephone and fax numbers, tax file number and account details. The Company and the share registry collect, hold and use that personal information to provide facilities and services to Applicants and undertake administration. Access to information may be disclosed by the Company to its agents and service providers on the basis that they deal with the information under the *Privacy Act 1988* (Cth). The Company's privacy policy sets out how Shareholders may request access to and correction of their personal information held by or on behalf of the Company (by contacting the share registry), how Shareholders can complain about privacy related matters and how the Company responds to complaints.

8.13 Authorisation

This Prospectus is issued by the Company. Each Director has consented to the lodgment of the Prospectus with ASIC.

Dated 15 August 2023

Kevin Andrew Moore
Executive Chair & Managing Director

Glossary

Annual Report	means the annual report of the Company for the financial year ended 30 June 2022 which includes audited financial statements for the financial year ended 30 June 2022 and the auditor's report, which was lodged with ASX and ASIC on 7 November 2022.
Applicant	means a person or entity who participated in the placement announced by the Company on 21 July 2023 and who submits an Application Form.
Application Form	means an application form accompanying this Prospectus.
Application Money	means the money received by the Company under the Offer, being the Offer Price multiplied by the number of New Shares applied for by an Applicant.
ASIC	means the Australian Securities and Investments Commission.
ASX	means ASX Limited ACN 008 624 691 or the securities exchange operated by it (as the case requires).
Board	means the board of directors of the Company.
Business Day	means a business day as defined in the Listing Rules.
Capital Raising	means the capital raising taking the form of the Placement and the Loan Facilities.
CHESS	means Clearing House Electronic Subregister System, operated by ASX Settlement.
Closing Date	means 16 August 2023.
Company or TOY	means Toys'R'Us ANZ Limited ACN 063 886 199.
Corporations Act	means <i>Corporations Act 2001</i> (Cth).
Directors	means the directors of the Company.
Director Loan Facilities	means the director loan facilities described at section 7.3.
Existing Options	means the Options already on issue in TOY and referred to in section 8.3 of this Prospectus.
Existing Shareholders	means the holders of Shares before the date of this Prospectus.
Existing Shares	means the Shares already on issue in TOY.
Half Yearly Report	means the report of the Company for the half year ended 31 December 2022 which includes reviewed financial statements for the financial year 31 December 2022 and the auditor's review report, which was lodged with ASX and ASIC on 30 March 2023.
Listing Rules	means the Listing Rules of ASX and any other rules of ASX which are applicable while the Company is admitted to the Official List of ASX, each as amended or replaced from time to time, except to the extent of any express written waiver by ASX.
New Shares	means the Shares issued by TOY under this Prospectus.
Offer	means the placement of up to 59,831,378 New Shares at an issue price of \$0.011 per New Share to raise up to approximately \$658,145 (before costs), under this Prospectus.
Offer Price	means \$0.011 per New Share.

Prospectus	means this prospectus.
Shareholders	means shareholders in TOY.
Shares	means fully paid ordinary shares in TOY.
Us or we	means the Company.
You	means the investors under this Prospectus.

Corporate directory

Company

Toys'R'Us ANZ Limited ACN 063 886 199
Level 8, 210 George St
Sydney, NSW 2000
Tel: +61 3 9081 9100
www.toysrus.com.au

Lawyers to the Offer

McCullough Robertson
Level 11
66 Eagle Street
Brisbane, QLD 4000
www.mccullough.com.au

Directors and executives

Kevin A Moore - Chair & Non-Executive Director
Mr Silvio Salom - Non-Executive Director
Mr John (Giovanni Antonio) Tripodi - Non-Executive Director
Ms Penny Cox - Chief Executive Officer
Mr Wei Si - Chief Financial Officer

Company Secretary

Kim Clark

Share Registry

Automic Pty Ltd ACN 152 260 814
Tel: +61 2 9698 5414
Within Australia: 1300 288 664
Outside Australia: +61 2 9698 5414
www.automicgroup.com.au

For personal use only

INSTRUCTIONS FOR COMPLETING THE FORM

This is an Application Form for new fully paid Ordinary Shares in Toys'R'Us ANZ Limited ACN 063 886 199, at a subscription price of \$0.011 per Share.

- Shares Applied For & Payment Amount** - Enter the number of Shares & the amount of the application monies payable you wish to apply for.
- Applicant Name(s) and Postal Address** - The Application must be in the name of a natural person(s), companies or other legal entities acceptable by the Company. At least one full given name and surname is required for each natural person. Refer to the table above for the correct forms of registrable title(s). Applicants using the wrong form of names may be rejected. Next, enter your postal address for the registration of your holding and all correspondence. Only one address can be recorded against a holding.
- Contact Details** - Please provide your contact details for us to contact you between 9:00am and 5:00pm (AEST) should we need to speak to you about your application. In providing your email address you elect to receive electronic communications. You can change your communication preferences at any time by logging in to the Investor Portal accessible at <https://investor.automic.com.au/#/home>.
- CHESS Holders** - If you are sponsored by a stockbroker or other participant and you wish to hold Shares allotted to you under this Application on the CHESS subregister, enter your CHESS HIN. Otherwise leave the section blank and on allotment you will be sponsored by the Company and a "Securityholder Reference Number" (SRN) will be allocated to you.
- TFN/ABN/Exemption** - If you wish to have your Tax File Number, ABN or Exemption registered against your holding, please enter the details. Collection of TFN's is authorised by taxation laws but quotation is not compulsory and it will not affect your Application.
- Payment** - Payments for applications made using this application form can only be made by Electronic Funds Transfer (EFT), details below. Do not forward cash with this Application Form as it will not be accepted.

DECLARATIONS

BY SUBMITTING THIS APPLICATION FORM WITH THE APPLICATION MONIES, I/WE DECLARE THAT I/WE:

- Have completed this Application Form in accordance with the instructions on the form;
- Declare that the Application Form and all details and statements made by me/us are complete and accurate;
- I/we agree to provide further information or personal details, including information related to tax-related requirements, and acknowledge that processing of my application may be delayed, or my application may be rejected if such required information has not been provided;
- Where I/we have been provided information about another individual, warrant that I/we have obtained that individual's consent to the transfer of their information to the Company;
- Authorise the Company and their agents to do anything on my/our behalf necessary (including the completion and execution of documents) to enable the Shares to be allocated;
- Agree to be bound by the Constitution of the Company; and
- Acknowledge that neither the Company nor any person or entity guarantees any particular rate of return of the Shares, nor do they guarantee the repayment of capital.

LODGEMENT INSTRUCTIONS

EMAIL: Please send your completed Application Form and payment receipt to submissions@automicgroup.com.au

PAYMENT: You can pay by Electronic Funds Transfer "EFT"

The unique reference which has been assigned to your Application is: [Registration Name]-TOY

Funds are to be deposited directly to following bank account:

Account name: xxxxxx
Account BSB: xxxxxx
Account number: xxxxxx
Swift Code: xxxxxx

Important:

You must quote your unique reference as your payment reference/ description when processing your EFT payment. Failure to do so may result in your funds not being allocated to your Application and New Shares subsequently not issued.

You must provide a copy of your payment receipt, that shows the unique reference, payment amount, sender, and date.

If you require further information about the Offer, please contact Automic by either phone on 1300 288 664 or +61 2 9698 5414 between 8:30am and 5:00pm (AEST), or via email at corporate.actions@automic.com.au.