



Prospectus

Toys'R'Us ANZ Limited ACN 063 886 199

Issue of 59,545,457 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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Table of contents

IMPORTANT NOTICES ----- 1

Letter from the Chairman ----- 1

1 Investment overview----- 2

2 Details and effect of the Offer----- 5

3 How to apply ----- 7

4 Financial information ----- 9

5 Risk factors-----12

6 Material agreements -----17

7 Additional information -----20

Glossary -----26

Corporate directory -----28

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IMPORTANT NOTICES

General

This Prospectus is dated 26 October 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 26 November 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 5. 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 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 5.

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

26 October 2023

Dear Shareholder

This prospectus relates to the fully paid ordinary shares to be issued on conversion of the Director Loans that were approved by the shareholders of the Company on 18 October 2023 (**New Shares**).

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 therefore:

- (a) completed 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; and
- (b) raised \$655,000 in short term loan facilities (**Director Loan Facilities**), which are to now be converted to shares at \$0.011 per new share following shareholder approval,

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 any subsequent sale of the New Shares.

The issue of New Shares is only available to those directors who provided Director Loan Facilities to the Company where the share issue was approved by the Company on 18 October 2023. An Application Form will be provided to those persons only.

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
Non-Executive Director

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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	59,545,457
Total amount raised under Director Loan Facilities	\$655,000

1.2 Important dates

Event	Date
Prospectus date	26 October 2023
Opening date	26 October 2023
Anticipated date of allotment of New Shares	27 October 2023
Closing Date (5:00pm, Sydney time)	30 October 2023
Shareholding statements expected to be despatched	30 October 2023
Expected date for official quotation of New Shares on ASX	30 October 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 Use of funds

Proceeds from the issue of the New Shares 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 26 October 2023 (the date of this Prospectus)	922,918,048
Approximate New Shares to be issued under the Offer	59,545,457
Approximate total number of Shares after the Offer	982,463,505

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

Question	Answer	Section
What is the Offer?	The Offer is an issue of 59,545,457 New Shares in TOY at an issue price of \$0.011 per New Share.	section 2.1
What is the Offer Price of the New Shares?	The New Shares are being issued at \$0.011 per New Share.	section 2.1
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 6.2 and 7.2
What is the Company's financial position?	The Company's financial position is set out in detail in section 4 of this Prospectus.	section 4
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 attack or other disaster which may have a material adverse impact on TOY's financial performance and cash flows; (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; (e) disruption to any aspect of TOY's supply chain could have a material adverse impact on TOY's operational and financial performance; (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; (g) third parties, such as customers, suppliers and other counterparties to contracts may not be willing or able to perform their obligations to TOY; 	section 5

Question	Answer	Section
	<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 2.1
Further questions	If you have questions about the Offer, please contact the Company Secretary on 1300 288 664.	section 2.10

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 Details and effect of the Offer

2.1 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.

2.2 Overview

The Offer is for an issue of New Shares at \$0.011 per New Share by way of conversion of the Director Loans (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 provided a Director Loan and who are personally invited to accept the Offer. An Application Form will be provided to those persons only.

The Applicant should be aware that an investment in TOY involves risks. The key risks identified by TOY are set out in section 5 of this Prospectus.

2.3 Underwriting

The Offer is not underwritten.

2.4 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.

2.5 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.

2.6 Financial position

The effect of the Offer on the financial position of the Company is set out in section 4.

2.7 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.

2.8 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.

2.9 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.

2.10 Enquiries

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

3 How to apply

3.1 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.

3.2 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.

3.3 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.

3.4 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.

3.5 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.

3.6 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 7.00pm (Sydney time) until the Closing Date.

4 Financial information

4.1 Historical and pro forma consolidated balance sheet as at 31 July 2023

Set out below is a summary of the historical financial information for TOY as at 31 July 2023 (**Historical Financial Information**) and a pro-forma historical statement of the financial position as at 31 July 2023 (**Pro Forma Historical Financial Information**) (collectively, **Financial Information**).

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

4.2 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 July 2023.

4.3 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 July 2023:

Material transactions since 31 July 2023:

- (a) AUD \$1.0M loan drawn down from existing debt facility with lender;

	31 July 2023 Historical (Audited)	Cash burn and borrowings since 31 July 2023	Effect of raising capital	Proforma 31 July 2023
	(\$'000)			
ASSETS				
CURRENT ASSETS				
Cash and cash equivalents	1,766	1,000	655	3,421
Trade and other receivables	837			837
Inventory and other current assets	5,113			5,113
Assets of disposal group held for sale	3,119			3,119
TOTAL CURRENT ASSETS	10,835	1,000	655	12,490
NON-CURRENT ASSETS				
Property, plant and equipment	2,767			2,767
Goodwill and other intangibles	6,899			6,899

Other Non-Current Assets	2,935		2,935
Right of use assets	11,167		11,167
TOTAL NON-CURRENT ASSETS	23,768		23,768
TOTAL ASSETS	34,603	1,000	36,258
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	3,405		3,405
Provisions – short term	740		740
Interest Bearing Liabilities	12,084	1,000	13,084
Other Liabilities – short term	2,158		2,158
Lease Liabilities – short term	576		576
Liabilities of disposal group held for sale	1,565		1,565
TOTAL CURRENT LIABILITIES	20,528	1,000	21,528
NON-CURRENT LIABILITIES			
Interest Bearing Liabilities	526		526
Deferred tax liabilities	738		738
Provisions – long-term	9		9
Lease Liabilities – long term	11,824		11,824
TOTAL NON-CURRENT LIABILITIES	12,557		13,557
TOTAL LIABILITIES	33,085	1,000	34,085
NET ASSETS	1,518		2,173
EQUITY			
Issued capital	292,920	655	293,575
Accumulated losses/ reserves	(291,402)		(291,402)
TOTAL EQUITY	1,518	655	2,173

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

4.4 Pro forma cash flow statement as at 31 July 2023

The Company's pro forma historical cash position at 31 July 2023 adjusted for the Offer is derived from actual cash as follows (**000's**):

Cash as at 30 July 2023	2,766
Gross proceeds of the Offer	655
Offer costs of the Offer	-

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Pro forma historical cash balance

3,421

5 Risk factors

5.1 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.

5.2 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.

5.3 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.

5.4 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.

6 Material agreements

6.1 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.

6.2 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.

6.3 Director Loan Facilities

As announced by the Company on 21 July 2023, the Company has entered into short term loan facilities, which following the approval of Shareholders on 18 October 2023, shall now be converted to fully paid ordinary shares, with certain directors, John Tripodi, Silvio Salom and Kevin Moore (including via their nominees) to secure further funding of \$655,000.

6.4 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.

7 Additional information

7.1 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 July 2023 to the date of this Prospectus are set out below.

Date	Announcements
24/10/2023	Change of Date of Annual General Meeting
23/10/2023	Board Composition Update
20/10/2023	Change in substantial holding - Mittoni
18/10/2023	Final Director's Interest Notice - Cox
18/10/2023	Executive Director - Penny Cox
18/10/2023	Results of Extraordinary General Meeting
18/10/2023	Chairman's Address to Extraordinary General Meeting
12/10/2023	Annual General Meeting Date and Director Nominations
5/10/2023	Change in substantial holding - Mittoni
5/10/2023	Initial Director's Interest Notice - Humphreys
5/10/2023	Appointment of Kelly Humphreys as Non-Executive Director
3/10/2023	Response to ASX Price Query
29/09/2023	FY2023 Financial Results and Operational Update
29/09/2023	Appendix 4E and Financial Report FY2023
14/09/2023	Extraordinary General Meeting - Notice of Meeting
5/09/2023	Executive Changes
30/08/2023	Director Re-election Clarification
29/08/2023	Change in substantial holding - Mittoni
24/08/2023	Notification of cessation of securities - TOY
24/08/2023	Initial Director's Interest Notice - Cox
24/08/2023	Appointment of Penny Cox as Managing Director

Date	Announcements
18/08/2023	Ceasing to be a substantial holder
17/08/2023	Reinstatement to Quotation
17/08/2023	Change of Director's Interest Notice - Tripodi
17/08/2023	Change of Director's Interest Notice - Salom
17/08/2023	Change of Director's Interest Notice - Moore
17/08/2023	Allotment of Placement Shares & Settlement of Director Loans
17/08/2023	Application for quotation of securities - TOY
17/08/2023	Application for quotation of securities - TOY
16/08/2023	Proposed issue of securities - TOY
15/08/2023	Placement Prospectus
15/08/2023	Outcome of Funding Negotiations and New Strategic Plan
10/08/2023	Voluntary Suspension Extension

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 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 the Annual Report and the Company's ASX announcements since 31 July 2023 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 and any continuous disclosure notices lodged by the Company from 31 July 2023 to the date of this Prospectus.

7.2 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 6.2 of this Prospectus.

7.3 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.

7.4 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.

7.5 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.

7.6 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 \$3,500 for these services.

7.7 Substantial Shareholders

The following Shareholders have a substantial holding in TOY:

Shareholder	Shares	Percentage interest
Hobby Warehouse Holdings Pty Ltd and its Associates	227,818,441	24.47%
JASZAC Investments Pty Ltd	139,824,164	14.23%

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

7.8 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
Kelly Humphreys	N/A	0	0	0	0

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.

7.9 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 \$5,000.

7.10 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.

7.11 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.

7.12 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.

7.13 Authorisation

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

Dated 26 October 2023



Kevin Andrew Moore
Non-Executive Director

Glossary

Annual Report	means the annual report of the Company for the financial year ended 30 July 2023 which includes audited financial statements for the financial year ended 31 July 2023 and the auditor's report, which was lodged with ASX and ASIC on 29 September 2023.
Applicant	means a person or entity who participated with a Director Loan Facility 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.
CHESS	means Clearing House Electronic Subregister System, operated by ASX Settlement.
Closing Date	means 30 October 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 6.3.
Existing Options	means the Options already on issue in TOY and referred to in section 7.3 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.
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 new Shares to be issued by TOY under this Prospectus.
Offer	means the issue of the New Shares at an issue price of \$0.011 per New Share, as approved by Shareholders at the general meeting held on 18 October 2023.
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.

For personal use only

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

Directors and executives

Mr Kevin A Moore - Non-Executive Director
Mr Silvio Salom - Non-Executive Director
Mr John (Giovanni Antonio) Tripodi - Non-Executive Director
Ms Kelly Humphreys - Non-Executive Director
Ms Penny Cox - Chief Executive 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

Lawyers to the Offer

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

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 8:30am and 7:00pm (AEDT) 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>.
- CHESSE 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 CHESSE subregister, enter your CHESSE 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 XXX@XXX.COM

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: XXX XXX
Account BSB: XXX-XXX
Account number: XXXXXX
Swift Code: XXXXXXXXX

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 7:00pm (AEDT), or via email at corporate.actions@automic.com.au.