



Prospectus

Toys'R'Us ANZ Limited ACN 063 886 199

Placement of up to 21,276,596 New Shares at an issue price of \$0.0094 per New Share to raise a maximum of approximately \$200,000 before costs
(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).

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IMPORTANT NOTICES

General

This Prospectus is dated 20 March 2024. 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 13 months after the date of issue.

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.

This Prospectus may not be released to US wire services or distributed in the United States except by the Company to "accredited investors" (as defined in Rule 501(a) under the US Securities Act).

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

Letter from the Chair

20 March 2024

Dear Investor,

This Prospectus relates to the private placement to Mercer Street Global Opportunity Fund II LP (**Investor** or **Mercer**), as announced by the Company today, of up to 21,276,596 fully paid ordinary shares in the Company (**New Shares**) at an offer price of \$0.0094 per New Share to raise up to approximately \$200,000 (**Placement**).

In addition to conducting the Placement, the Company announced today:

- that it has entered into an unsecured loan with Mercer for an amount of \$600,000 (**Mercer Loan**). The loan principal and an agreed interest amount of \$90,000 on the loan is repayable in 6 months from the date of the Loan. The Company will also grant Mercer options for the acquisition of shares under the Mercer Loan, subject to shareholder approval (calculated using 50% of the loan amount divided by 120% of the 10 day VWAP per Company share immediately prior to the relevant Loan date);
- pursuant to a convertible securities agreement between the Company and Mercer, Mercer will provide further funding of \$700,000 to TOY by way of convertible securities subject to relevant approvals, including Shareholder approval. Following its initial convertible note investment, Mercer will provide up to a further \$3.5 million in convertible securities subject to the mutual agreement of the parties and other relevant approvals including either Shareholder approval for the issue of additional convertible securities or TOY having sufficient placement capacity in accordance with the ASX Listing Rules (**Mercer Convertible Securities**);
- that it has executed an agreement for the strategic acquisition of the key assets of 50-year-old Arts and Crafts Retail brand RIOT (**Riot Acquisition**); and
- that it has entered into an unsecured loan with TOY CEO Penny Cox for an amount of \$100,000 (**CEO Loan**).

Please refer to the Company's announcement today, for further information in relation to the Mercer Loan, Mercer Convertible Securities, Riot Acquisition and CEO Loan.

The offer price of \$0.0094 under the Placement is a 14.54% discount to the Company's 15-trading day VWAP on 19 March 2024 of \$0.011.

The Company has undertaken the Placement for the purposes of funding the Company's short-term working capital requirements. Given the previous suspension of the Company's Shares in the preceding 12 months, 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 the Investor who is participating in the Placement announced by the Company today and who has been personally invited to accept the Offer. An Application Form will be provided to the Investor only.

The Company expects that it will be reinstated to quotation upon issue of the New Shares under the Prospectus. The Company is not aware of any reason that reinstatement to quotation would not occur.

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

Yours faithfully

Kelly Humphreys
Chair & Non-Executive Director

1 Investment overview

1.1 Summary offer details

Terms of offer	Details
Offer Price per New Share	\$0.0094
Total number of New Shares offered under the Placement	21,276,596*
Total maximum amount to be raised under the Placement (approximately)	\$200,000
Approximate total number of Shares after completion of the Offer**	1,090,663,176

* Subject to rounding.

** This figure does not include issues of any securities to the Investor pursuant to the Mercer Loan, the RIOT Acquisition, the CEO Loan or the proposed Mercer Convertible Securities.

1.2 Important dates

Event	Date
Prospectus date	20 March 2024
Opening date	20 March 2024
Closing Date (5:00pm AEDT)	21 March 2024
Anticipated date of allotment of New Shares	22 March 2024
Shareholding statements expected to be despatched	22 March 2024
Expected date for official quotation of New Shares on ASX	22 March 2024

All dates and times are subject to change and are indicative only. All times are to AEDT. 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 the Company's short-term working capital requirements and for the acquisition of strategic assets.

1.4 Shareholding structure

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

Existing Shares on issue	1,069,386,580
Approximate New Shares to be issued under the Offer	21,276,596*
Approximate total number of Shares after completion of the Offer**	1,090,663,176*

* Subject to rounding.

** This figure does not include issues of any securities to the Investor pursuant to the Mercer Loan, the RIOT Acquisition, CEO Loan or the proposed Mercer Convertible Securities

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 21,276,596 New Shares in TOY at an issue price of \$0.0094 per New Share to raise a maximum of approximately \$200,000 before costs.	section 3.2
What is the Offer Price of the New Shares?	The New Shares are being issued at \$0.0094 per New Share.	section 3.2
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?	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: <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 	section 6

Question	Answer	Section
	<p>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 +61 7 3010 9393.	section 3.10

1.6 Important notice

This section is not intended to provide full details of the investment opportunity. The Investor 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

Kelly Humphreys

Chair & Non-Executive Director

Kelly Humphreys was appointed as a Non-Executive Director on 5 December 2023 and appointed as Chair on 21 December 2023.

Ms Humphreys is an experienced ASX director, currently serving as Chair of Raiz Invest Limited (ASX:RZI) and Non-Executive Director and Chair of Audit, Risk and Finance Committees on the Boards of The National Stock Exchange (ASX:NSX), Latrobe Health Services and the Victorian Building Authority. She has broad experience across regulatory, health and the financial services sectors.

Kevin Andrew Moore

Non-Executive Director

Kevin Moore was appointed as Executive Chairman and Executive Director on 26 November 2020. Mr Moore stood down as Executive Chairman on 21 December 2023 and was elected as a Non-Executive Director on that date.

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.

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).

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 placement of up to 21,276,596 New Shares in TOY at an issue price of \$0.0094 per New Share to raise a maximum of approximately \$200,000 (before 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 the Investor who is participating in the placement announced by the Company today and who has been personally invited to accept the Offer. An Application Form will be provided to the Investor only.

The offer price of \$0.0094 under the Placement is a 14.54% discount to the Company's 15-trading day VWAP on 19 March 2024 of \$0.011. The Applicant should be aware that an investment in TOY involves risks. The key risks identified by TOY are set out in section 6 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 the Investor is 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 United States

This Prospectus does not constitute a general offer to sell, or the solicitation of an offer to buy, any securities in the United States. The Offer or the New Shares have not been, nor will be, registered under the U.S. Securities Act or the securities laws of any state or other jurisdiction of the United

States. This Prospectus may not be released to US wire services or distributed in the United States except by the Company to "accredited investors" (as defined in Rule 501(a) under the US Securities Act). The New Shares will only be offered and sold outside the United States in 'offshore transactions' as defined in and in reliance on Regulation S under the U.S. Securities Act.

3.9 Foreign selling restrictions

No action has been taken to register or qualify the New Shares or the Offer in any jurisdiction outside of 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.

The 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. The Applicant warrants and represents that they have not and will not send any materials relating to the Offer to any person in the United States or a person acting for the account or benefit of a person in the United States

3.10 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 will be refunded. No interest will be paid to the Investor on any Application Money refunded because of the withdrawal of the Offer.

3.11 Enquiries

If you have questions about the Offer, please contact the Company Secretary on +61 7 3010 9393.

4 How to apply

4.1 Applying for New Shares

The Offer is only available to the Investor who is participating in the Placement announced by the Company today and who has been personally invited to accept the Offer. An Application Form will be provided to the Investor only.

A completed Application Form 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 the Investor.

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 \$0.0094 per New Share. The Application Form must be accompanied by the Application Money. The Company will contact the Investor 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 or directly to the Company, 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 or directly to the Company, 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 the Applicant who applies for New Shares. No stamp duty is payable for subscribing for New Shares under the Offer.

4.6 Information Availability

The Applicant 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 (AEDT) until the Closing Date.

5 Financial information

5.1 Historical and pro forma consolidated balance sheet as at 31 January 2024

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 January 2024 (**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 January 2024.

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 15 March 2024:

Material transactions since 31 January 2024:

- (a) UK exit of TOY (which required approximately \$7M of initial working capital to fund the UK expansion and was expected to incur an initial operating loss of \$6M in the first 12 months as the division built to scale). This involved the transfer of ownership of all UK business assets to Tru Kids Inc. for the settlement of its US\$1.8M outstanding loan balance;
- (b) the renegotiation of finance facility its major finance partner to reduce the facility limit to \$13 million at an interest rate of 11.5% per annum, which requires a lump sum repayment of \$3M by 31 May 2024 and re-pricing of warrants over 18,000,000 ordinary shares to \$0.011 per share; and
- (c) On 20 February 2024, TOY announced the placement of 86,923,077 new Shares at an issue price of \$0.0065 per Share to raise \$550,000.

	31 Jul 2023 (AUDITED)	31 Jan 2024 (UNAUDITED) **	Feb 2024 Capital Raising	Cash Burn 1 Feb to 15 Mar 2024	Mar 2024 Capital Raising	Proforma Accounts 15 Mar 2024
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
ASSETS						
CURRENT ASSETS						
Cash and cash equivalents	1,766	310	505	-651	178	342
Trade and other receivables	837	371		327		698
Inventory and other current assets	5,113	1,047		-57		990

	31 Jul 2023 (AUDITED)	31 Jan 2024 (UNAUDITED) **	Feb 2024 Capital Raising	Cash Burn 1 Feb to 15 Mar 2024	Mar 2024 Capital Raising	Proforma Accounts 15 Mar 2024
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Assets of group held for sale	3,119	2,452				2,452
TOTAL CURRENT ASSETS	10,835	4,180	505	-381	178	4,482
NON-CURRENT ASSETS						
Property, plant and equipment	2,767	2,289				2,289
Goodwill and other intangibles	6,899	6,709				6,709
Other Non-Current Assets	2,935	2,756				2,756
Right of use assets	11,167	10,554				10,554
TOTAL NON-CURRENT ASSETS	23,768	22,308	-	-	-	22,308
TOTAL ASSETS	34,603	26,488	505	-381	178	26,790
LIABILITIES						
CURRENT LIABILITIES						
Trade and other payables	3,405	1,885		-81		1,804
Contract liabilities / deferred revenue	114	98				98
Borrowings	12,084	13,000				13,000
Lease Liabilities – short term	576					-
Employee Benefits	460	346				346
Provisions	280					-
Other current liabilities	2,044	1,142				1,142
Liabilities directly associated with disposal group held for sale	1,565	4,627				4,627
TOTAL CURRENT LIABILITIES	20,528	21,098	-	-81	-	21,017
NON-CURRENT LIABILITIES						
Borrowings	526					-
Lease Liabilities – long term	11,284	11,568				11,568
Deferred tax liabilities	738	579				579
Employee benefits	9					-

	31 Jul 2023 (AUDITED)	31 Jan 2024 (UNAUDITED) **	Feb 2024 Capital Raising	Cash Burn 1 Feb to 15 Mar 2024	Mar 2024 Capital Raising	Proforma Accounts 15 Mar 2024
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
TOTAL NON-CURRENT LIABILITIES	12,557	12,147	-	-	-	12,147
TOTAL LIABILITIES	33,085	33,245	-	-81	-	33,164
NET ASSETS / (LIABILITIES)	1,518	-6,757	505	-300	178	-6,374
EQUITY						
Issued capital	292,920	294,215	565		200	294,980
Reserves	476	719				719
Accumulated losses	-291,878	-301,691	-60	-300	-22	- 302,073
TOTAL EQUITY/ (DEFICIENCY)	1,518	-6,757	505	-300	178	-6,374

** As announced to the ASX on 5 Feb 2024 the Company has executed an agreement to exit the TOY UK business so accordingly the division is categorised as a Current Asset Held for Sale as at 31 Jan 2024.

Due to the nature of the pro forma adjustments, they do not represent the actual or prospective financial position of TOY and do not include the impact of the Riot Acquisition, Mercer Loan, CEO Loan or the proposed Mercer Convertible Securities.

5.4 Pro forma cash flow statement as at 15 March 2024

The Company's pro forma historical cash position at 15 March 2024 adjusted for the Offer is derived from actual cash as follows:

Cash as at 15 March 2024	\$342,000
Gross proceeds of the Offer	\$200,000
Offer costs of the Offer	(\$22,000)
Pro forma historical cash balance	<u>\$520,000</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, the potential investor 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

The Investor 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 recent 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 Mercer Loan

The key terms of the Mercer Loan are as follows:

- (a) Mercer will provide a loan to the Company in the amount of \$600,000.
- (b) The loan principal and an agreed interest amount of \$90,000 is repayable in 6 months.
- (c) The Company will also grant Mercer options for the acquisition of shares. The Company plans to seek shareholder approval to issue attaching options, which approval must be obtained by no later than 60 days from the execution of the Loan agreement. If the issue of attaching options is not approved by shareholders, the Company is required to make a \$50,000 payment to Mercer.

Other key terms:

- (a) No other interest is payable on the Loan.
- (b) The repayment of the Loan will have priority payment in relation to any subsequent capital raise by TOY exceeding \$2.5 million.
- (c) Mercer will receive a 50% option coverage to purchase new shares in the Company (calculated using 50% of the Loan amount divided by 120% of the 10 day VWAP per Company share immediately prior to the relevant Loan date). The options will have an exercise price of an amount equal to 120% of the 10 day VWAP per share immediately prior to the Loan date, and the options will have a 36 month term.
- (d) In the event of a default by the Company, the Company must pay interest at a rate of 18% per annum on the amount outstanding. The relevant interest will accrue from the date of default, calculated daily and compounded monthly until the outstanding liability is satisfied.

Termination and repayment provisions:

- (a) Shareholders should also note that the Loan agreement is subject to a number of operating restrictions, and termination provisions which may require repayment of the Loan prior to the end of the Loan term. This includes where:
 - (i) there is an event of default that is not remedied;
 - (ii) there is a change of control of the Company under a takeover bid or scheme of arrangement;
 - (iii) a material adverse effect occurs in respect of the Company or any of its material assets.

Use of funds:

The funding provided by Mercer will be used for general working capital expenses and for the

acquisition of strategic assets and/or businesses.

7.3 Mercer Convertible Securities Agreement

The key terms are as follows:

- (a) Subject to relevant approvals, \$700,000 will be paid to TOY as the first tranche of convertible securities with a face value of \$793,000. This entitles Mercer the right to convert these convertible securities into fully paid ordinary shares:
 - (i) if the convertible securities are converted into equity within 2 month of the date of the relevant agreement, at a conversion price equal to 100% of the VWAP during the preceding ten (10) Trading Days on which Company shares were traded on the ASX (**Conversion Price A**); or otherwise
 - (ii) the lesser of Conversion Price A and 90% of the lowest VWAP of the Company shares during the preceding fifteen (15) Trading Days on which Company shares traded on the ASX immediately prior to the relevant notice for conversion, subject to a floor price of \$0.005.
- (b) The Company plans to seek shareholder approval to issue the convertible securities, and for associated attaching options and commencement shares at a general meeting, which approval must be obtained by no later than 60 days from the execution of the Agreement.
- (c) The first tranche of convertible securities will have a term of 18 months from the date of issue, with any subsequent convertible securities having a term of 15 months from the date of issue.
- (d) No interest is payable on the convertible securities or the undrawn funds.
- (e) The Company has the right to repurchase any unconverted convertible securities, at any time during the term of each tranche, at 105% of the outstanding face value. If the repurchase is elected, Mercer will have the right to convert up to 30% of any outstanding face value prior to settlement.

Other key terms:

- (a) It is intended that Mercer not own more than 9.99% of the shares in the Company at any point in time, and in any event their holding in the Company will not exceed 19.99%.
- (b) Mercer will receive new shares (commencement shares) equal to approximately \$199,500 divided by the 10-day average VWAP immediately prior to the completion of the issue of the initial convertible securities for nil cash consideration, which will be issued on the same date as the initial convertible securities are issued.
- (c) Additionally, for each tranche of convertible securities, Mercer will receive a 50% option coverage to purchase new shares in the Company (calculated using 50% of the relevant investment amount divided by 120% of the 10 day VWAP per Company share immediately prior to the relevant closing date). The options will have an exercise price of:
 - (i) for the options relating to the initial tranche of convertible securities: an amount equal to 120% of the 10 day VWAP per share immediately prior to the first closing date; and
 - (ii) for any subsequent investment options: an amount equal to 120% of the 10 day VWAP per Share immediately prior to the date of issue of those options.

- (iii) The options will have a 36 month term.
- (d) In the event of a default by the Company, the Company must pay interest at a rate of 18% per annum on the face value of all outstanding convertible securities. The relevant interest will accrue from the date of default, calculated daily and compounded monthly until the outstanding liability is satisfied.

Other conditions:

- (a) The issue of securities under that agreement is otherwise subject to a number of closing conditions, including:
- (i) the Company obtaining shareholder approval under the Listing Rules for the subsequent tranche of the convertible securities (and related options);
 - (ii) the Company otherwise being permitted to issue the securities under the Listing Rules;
 - (iii) the Company issuing a cleansing statement or prospectus for the securities (as applicable); and
 - (iv) customary conditions such as representations and warranties being true and correct; and
- (b) Authorisations and consents being obtained, delivery of documents, and no default by the Company.

Termination and repayment provisions:

Shareholders should also note that the agreement is subject to a number of termination provisions which may prevent the Company drawing on the funding facility or require repayment of the convertible securities prior to their maturity. This includes where:

- (a) there is an event of default that is not remedied;
- (b) there is a change of control of the Company under a takeover bid or scheme of arrangement;
- (c) The Company's shares are delisted from the ASX (subject to certain exceptions in respect of early repayment); or
- (d) there is an adverse change in law.

Use of funds:

The funding provided by Mercer will be used for general working capital expenses.

7.4 Riot Acquisition

TOY has entered into an agreement to acquire intellectual property assets (including domain names, business names and trademarks) and stock on hand of Riot.

In consideration for the acquisition, TOY has agreed to:

- (a) pay to the relevant sellers \$247,000 in cash;
- (b) issue TOY shares to the relevant sellers (or nominee) to the value of \$350,000 at an agreed price of \$0.010 per share (subject to shareholder approval and/or the Company having

capacity under ASX Listing Rule 7.1), (**Share Consideration**); and

- (c) issue to the relevant sellers (or nominee) further shares or options in TOY (based on performance), to the maximum value of \$500,000 per year for two years (**Earn Out**).

The Earn Out will be based on the 'Contribution Margin' achieved in relation to the RIOT assets, and will be paid in respect of each period commencing 1 July and ending 30 June, beginning on 1 July 2024, for two years (each an **Earn Out Consideration Period**).

In relation to each Earn Out Consideration Period, the Sellers may elect to be issued with share in TOY (the price of which will be based on the 15-day VWAP of TOY shares as at the day prior to the proposed issue date), or options to acquire TOY shares.

The number of options will be determined as 1.5 times the number of shares which would have been issued if the sellers had elected to be issued with shares. The options will be issued for nil consideration and will have an exercise price equal to 150% of the 15-day VWAP of TOY shares as at the day prior to the date of issue of the option, and have an expiry date of 36 months from the date of issue. The issue of shares or options under the Earn Out must occur in compliance with the ASX Listing Rules.

The Share Consideration will be subject to voluntary escrow for 6 months from the date of completion of the Riot Acquisition which is expected to occur soon.

7.5 CEO Loan

Key details:

The key terms of the CEO Loan are as follows:

- (a) Penny Cox will provide a loan to the Company in the amount of \$100,000.
- (b) The Company shall seek the approval of its shareholders for the purposes of ASX Listing Rule 10.11 and for all other purposes in order to repay the loan in full by issuing shares to Penny Cox, the number of which shall be equal to the loan amount divided by \$0.0094.
- (c) The loan principal is repayable in 12 months unless converted earlier into equity.

Other key terms:

No other interest is payable on the loan.

Termination and repayment provisions:

Shareholders should also note that the loan agreement is subject to a number of operating restrictions, and termination provisions which may require repayment of the loan prior to the end of the loan term. This includes where:

- (a) there is an event of default that is not remedied; and/or
- (b) there is a change of control of the Company under a takeover bid or scheme of arrangement.

Use of funds:

The funding will be used for general working capital expenses.

7.6 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.

7.7 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.

As a disclosing entity under the Corporations Act, the Company states that:

- (a) it is subject to regular reporting and disclosure obligations;
- (b) copies of documents lodged with ASIC in relation to the Company may be obtained from, or inspected at, an office of ASIC; and
- (c) it will provide a copy of each of the following documents, free of charge, to any person on request between the date of issue of this Prospectus and the Closing Date:
 - (i) the financial report for the Company for the full year ended 31 July 2023;
 - (ii) the financial report of the Company for the half year ended 31 January 2022; and
 - (iii) all continuous disclosure notices given by the Company after the lodgement of the full year financial report referred to above and before the lodgement of this Prospectus with ASIC (see below).

There is no information which has been excluded from a continuous disclosure notice in accordance with the ASX Listing Rules that investors or their professional advisers:

- (a) would reasonably require for the purpose of making an informed assessment of:
 - (i) the assets and liabilities, financial position and performance, profits and losses and prospects of the Company; and
 - (ii) the rights and liabilities attaching to the securities the subject of this Prospectus; and
- (b) would reasonably expect to find in this Prospectus.

This Prospectus contains information specific to the Offer. If investors require further information in relation to the Company, they are recommended to take advantage of the opportunity to inspect or obtain copies of the documents referred to above.

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 the Company lodged its annual financial report for the financial year ended 31 July 2023 to the date of this Prospectus are set out below.

Date	Announcements
18/03/24	Trading Halt

Date	Announcements
29/02/24	Appendix 4C and Quarterly Activities Report
27/02/24	Change in substantial holding
26/02/24	Application for quotation of securities - TOY
26/02/24	Application for quotation of securities - TOY
21/02/24	Appendix 3C
20/02/24	Proposed issue of securities - TOY
20/02/24	Proposed issue of securities - TOY
20/02/24	<u>Placement Prospectus</u>
20/02/24	Private Placement Raises \$550,000
16/02/24	Trading halt
05/02/24	UK Exit and Renegotiation of Finance Facility
02/02/24	Notification of cessation of securities - TOY
15/01/24	Change in substantial holding
10/01/24	Final Director's Interest Notice - Salom
03/01/24	Director Resignation
02/01/24	Change of Director's Interest Notice - Tripodi
02/01/24	Change of Director's Interest Notice - Salom
02/01/24	Change of Director's Interest Notice - Humphreys
29/12/23	Notification regarding unquoted securities - TOY opens new window
21/12/23	Results of Annual General Meeting
21/12/23	Chairman & CEO Addresses and Presentation to AGM
06/12/23	Change in substantial holding
30/11/23	Escrowed Shares Release
28/11/23	Appendix 4C and Quarterly Activities Report
28/11/23	Change in substantial holding
22/11/23	Change of Director's Interest Notice - Humphreys
17/11/23	Annual General Meeting Notice of Meeting
10/11/23	Change in substantial holding
02/11/23	Becoming a substantial holder - Salom
01/11/23	Appendix 4G and Corporate Governance Statement

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 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 lodgement of the Annual Report 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

Code	Existing Options	Exercise price	Expiry date
TOYAH	1,696,717	\$0.166	1 November 2024
TOYAF	1,691,956	\$0.138	1 May 2025
TOYAI	1,726,173	\$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 Other securities

The Company has the following other securities on issue as at the date of this Prospectus (excluding Shares and the Existing Options noted above).

Code	Security	Number on issue
TOYAG	Service rights	16,863,632
TOYAJ	Share appreciation rights	14,675,454
TOYAK	Warrants	1

8.5 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.

8.6 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.

K&L Gates 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.

Automic Pty Ltd has given, and has not withdrawn, its written consent to be named as Share Registry of the Company in the form and context in which it is named.

8.7 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.

K&L Gates has acted as legal adviser to the Company for the Offer and has provided legal advice on the Offer. K&L Gates will be paid an amount of approximately \$7,500 for these services (excluding GST and disbursements). During the 24 months preceding lodgement of this Prospectus with ASIC, K&L Gates has provided other general legal services provided to the Company on standard industry terms and conditions.

Automic Pty Ltd has been appointed to conduct the Company's share registry functions and to provide administrative services in respect to the processing of Application Forms received pursuant to this Prospectus, and are paid for these services on standard industry terms and conditions.

Viriathus Capital has been appointed as placement agent in relation to the Offer and will receive a fee equal to 6% of the amount raised on standard industry terms and conditions.

8.8 Substantial Shareholders

The following Shareholders have a substantial holding in TOY:

Shareholder	Shares	Percentage interest
Citicorp Nominees Pty Ltd	148,650,810	18.37%
Hobby Warehouse Holdings Pty Ltd and its Associates	105,696,949	9.86%
JASZAC Investments Pty Ltd and its Associates	136,788,235	12.75%
Apes with With Wings Pty Ltd	52,097,728	4.87%

8.9 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 lodgement 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
Kevin Andrew Moore	Held indirectly via a related entity	0	34,941,554	3,422,890	0
John (Giovanni Antonio) Tripodi	Held directly and indirectly via a related entity	110,803	1,363,637	0	500,000 (directly) 8,181,816 (indirectly)
Kelly-Anne Humphreys	Held indirectly via a related entity	0	35,000,000	0	8,181,816

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 Chair and \$60,000 per annum for each of the non-executive directors.

8.10 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 \$22,000.

8.11 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 the Applicant until the New Shares are allotted. No interest will be paid on Application Money.

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

8.12 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.

8.13 Privacy

The Applicant 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 the Applicant 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.

8.14 Authorisation

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

Dated 20 March 2024

Kelly Humphreys

Chair & Non-Executive Director

Glossary

AEDT	Australian Eastern Daylight Time
Annual Report	means the annual report of the Company for the financial year ended 31 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 1 November 2023.
Applicant	means a person or entity who participated in the placement announced by the Company on 20 March 2024 and who submits an Application Form.
Application Form	means an application form accompanying this Prospectus provided by the Company to the Investor.
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 5.00pm AEDT on 21 March 2024.
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.
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.
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.
Mercer or Investor	Mercer Street Global Opportunity Fund II LP.
Mercer Convertible Securities	has the meaning given to that term in the 'Letter from the Chair'.
Mercer Convertible Securities Agreement	means the agreement between Mercer and the Company more particularly described in section 7.3 of this Prospectus.
Mercer Loan	has the meaning given to that term in the 'Letter from the Chair'.
Mercer Loan Agreement	means the agreement between Mercer and the Company more particularly described in section 7.2 of this Prospectus.
New Shares	means the Shares issued by TOY under this Prospectus.

Offer or Placement	means the placement of up to 21,276,596 New Shares at an issue price of \$0.0094 per New Share to raise up to approximately \$200,000 (before costs), under this Prospectus.
Offer Price	means \$0.0094 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.
VWAP	has the meaning given to the term 'volume weighted market average price' under the Listing Rules.
You	means the investors under this Prospectus.



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

Ms Kelly Humpreys - Chair & Non-Executive Director

Kevin A Moore - Non-Executive Director

Mr John (Giovanni Antonio) Tripodi - Non-Executive Director

Ms Penny Cox - Chief Executive Officer

Company Secretary

Kim Larkin

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

K&L Gates

25/525 Collins Street

Melbourne VIC 3000



PLACEMENT APPLICATION FORM

1. Number of Shares applied for

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Application payment (multiply box 1 by \$0.0094 per Share)

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2. Applicant name(s) and postal address (Refer to Naming Standards overleaf)

[illegible]

3. Contact details

Telephone Number

()

Contact Name (PLEASE PRINT)

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Email Address

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By providing your email address, you elect to receive all communications despatched by the Company electronically (where legally permissible).

4. CHESS Holders Only – Holder Identification Number (HIN)

X									
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Note: if the name and address details in section 2 does not match exactly with your registration details held at CHES, any Shares issued as a result of your Application will be held on the Issuer Sponsored subregister.

5. TFN/ABN/Exemption Code

Applicant #1

[illegible]

Applicant #2

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Applicant #3

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If NOT an individual TFN/ABN, please note the type in the box
C = Company; P = Partnership; T = Trust; S = Super Fund

CORRECT FORMS OF REGISTRABLE TITLE

Type of Investor	Correct Form of Registration	Incorrect Form of Registration
Individual	Mr John Richard Sample	J R Sample
Joint Holdings	Mr John Richard Sample & Mrs Anne Sample	John Richard & Anne Sample
Company	ABC Pty Ltd	ABC P/L or ABC Co
Trusts	Mr John Richard Sample <Sample Family A/C>	John Sample Family Company
Superannuation Funds	Mr John Sample & Mrs Anne Sample <Sample Family Super A/C>	John & Anne Superannuation Fund
Partnerships	Mr John Sample & Mr Richard Sample <Sample & Son A/C>	John Sample & Son
Clubs/Unincorporated Bodies	Mr John Sample <Health Club A/C>	Health Club
Deceased Estates	Mr John Sample <Estate Late Anne Sample A/C>	Anne Sample (Deceased)

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 \$0.0094 per Share, per the terms of the Prospectus lodged 20 March 2024.

1. **Shares Applied For & Payment Amount** - Enter the number of Shares & the amount of the application monies payable you wish to apply for.
2. **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.
3. **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.
4. **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.
5. **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.
6. **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 kim.larkin@boardroomlimited.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: Toys"R"Us ANZ Limited

Account BSB: 033-065

Account number: 565 126

Bank: Westpac

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 Kim Larkin by either phone on +61 7 3010 9393 between 10:00am and 6:00pm (AEDT), or via email at kim.larkin@boardroomlimited.com.au.