

# NOTICE OF EXTRAORDINARY GENERAL MEETING OF TOYS'R'US ANZ LIMITED

(ACN 063 886 199) ("COMPANY")

**TAKE NOTICE** that the Extraordinary General Meeting of Shareholders of the Company will be held at the place, date and time specified below:

**Place:** As a virtual meeting  
**Date:** 17 May 2024  
**Time:** 11:00 am (Melbourne time)

**The Meeting is being held by way of a virtual meeting using the online AGM technology. Shareholders are urged to attend and vote at the meeting electronically using the online meeting technology or vote by lodging the Proxy Form attached to this Notice.**

**DATED** 12 April 2024

By order of the Board:



**Kim Larkin**

Company Secretary

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**THIS NOTICE OF EXTRAORDINARY GENERAL MEETING SHOULD BE READ IN ITS ENTIRETY. IF SHAREHOLDERS ARE IN DOUBT AS TO HOW THEY SHOULD VOTE, THEY SHOULD SEEK ADVICE FROM THEIR PROFESSIONAL ADVISERS. SHOULD YOU WISH TO DISCUSS THE MATTERS IN THIS NOTICE OF EXTRAORDINARY GENERAL MEETING PLEASE DO NOT HESITATE TO CONTACT THE COMPANY SECRETARY, KIM LARKIN, ON [KIM.LARKIN@BOARDROOMLIMITED.COM.AU](mailto:kim.larkin@boardroomlimited.com.au).**

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## AGENDA

### A. Address by the Chair and Chief Executive Officer

### B. Resolutions:

#### 1. **Resolution 1: Ratification of prior issue of February 2024 Placement Shares under Listing Rule 7.4**

To consider and, if thought fit, to pass with or without amendment, the following Resolution as an ordinary resolution:

*"THAT, in accordance with Listing Rule 7.4, and for all other purposes, the Company approve the issue of 84,615,383 fully paid ordinary shares in the Company, which occurred on 26 February 2024 on the terms and conditions set out in the Explanatory Statement."*

#### 2. **Resolution 2: Ratification of prior issue of Advisor Shares under Listing Rule 7.4**

To consider and, if thought fit, to pass with or without amendment, the following Resolution as an ordinary resolution:

*"THAT, in accordance with Listing Rule 7.4, and for all other purposes, the Company approve the issue of 2,307,692 fully paid ordinary shares in the Company, which occurred on 26 February 2024 on the terms and conditions set out in the Explanatory Statement."*

#### 3. **Resolution 3: Ratification of prior issue of March 2024 Placement Shares under Listing Rule 7.4**

To consider and, if thought fit, to pass with or without amendment, the following Resolution as an ordinary resolution:

*"THAT, in accordance with Listing Rule 7.4, and for all other purposes, the Company approve the issue of 21,276,596 fully paid ordinary shares in the Company to Mercer Street Global Opportunity Fund II LP, which occurred on 28 March 2024 on the terms and conditions set out in the Explanatory Memorandum."*

#### 4. **Resolution 4: Approval of the issue of securities to Mercer Street Global Opportunity Fund II LP**

To consider and, if thought fit, to pass with or without amendment, the following Resolution as an ordinary resolution:

*"THAT, for the purposes of ASX Listing Rule 7.1, and for all other purposes, the issue of up to 28,500,000 Commencement Shares in the Company to Mercer Street Global Opportunity Fund II LP, on the terms and conditions more particularly described in the Explanatory Memorandum accompanying this Notice, is approved."*

If approved, Resolution 4 will be implemented prior to any consolidation of share capital of the Company the subject of Resolution 10 below.

#### 5. **Resolution 5: Approval of the issue of securities to Mercer Street Global Opportunity Fund II LP**

To consider and, if thought fit, to pass with or without amendment, the following Resolution as an ordinary resolution:

*"THAT, for the purposes of ASX Listing Rule 7.1, and for all other purposes, the issue of up to 793,000 Convertible Securities in the Company to Mercer Street Global Opportunity Fund II LP, on the terms and conditions more particularly described in the Explanatory Memorandum accompanying this Notice, is approved."*

If approved, Resolution 5 will be implemented prior to any consolidation of share capital of the Company

the subject of Resolution 10 below.

**6. Resolution 6: Approval of the issue of securities to Mercer Street Global Opportunity Fund II LP**

To consider and, if thought fit, to pass with or without amendment, the following Resolution as an ordinary resolution:

*"THAT, for the purposes of ASX Listing Rule 7.1, and for all other purposes, the issue of up to 71,428,571 Loan Options in the Company to Mercer Street Global Opportunity Fund II LP, on the terms and conditions more particularly described in the Explanatory Memorandum accompanying this Notice, is approved."*

If approved, Resolution 6 will be implemented prior to any consolidation of share capital of the Company the subject of Resolution 10 below.

**7. Resolution 7: Approval of the issue of securities to Mercer Street Global Opportunity Fund II LP**

To consider and, if thought fit, to pass with or without amendment, the following Resolution as an ordinary resolution:

*"THAT, for the purposes of ASX Listing Rule 7.1, and for all other purposes, the issue of up to 41,666,667 Convertible Security Options in the Company to Mercer Street Global Opportunity Fund II LP, on the terms and conditions more particularly described in the Explanatory Memorandum accompanying this Notice, is approved."*

If approved, Resolution 7 will be implemented prior to any consolidation of share capital of the Company the subject of Resolution 10 below.

**8. Resolution 8: Approval of the issue of RIOT Shares**

To consider and, if thought fit, to pass with or without amendment, the following Resolution as an ordinary resolution:

*"THAT, in accordance with Listing Rule 7.1, and for all other purposes, the Company approve the issue of 35,000,000 fully paid ordinary shares in the Company, on the terms and conditions set out in the Explanatory Memorandum."*

If approved, Resolution 8 will be implemented prior to any consolidation of share capital of the Company the subject of Resolution 10 below.

**9. Resolution 9: Approval of issue of shares to Penelope Cox under the CEO Loan**

To consider and, if thought fit, to pass with or without amendment, the following Resolution as an ordinary resolution:

*"THAT, in accordance with Listing Rule 10.11, and for all other purposes, the Company approve the issue of 10,638,298 fully paid ordinary shares in the Company, on the terms and conditions set out in the Explanatory Memorandum."*

If approved, Resolution 9 will be implemented prior to any consolidation of share capital of the Company the subject of Resolution 10 below.

**10. Resolution 10: Consolidation of capital of the Company**

To consider and, if thought fit, to pass with or without amendment, the following Resolution as an ordinary resolution:

*"THAT, for the purposes of section 254H of the Corporations Act 2001 (Cth), ASX Listing Rules 7.20 and 7.22, and for all other purposes, the issued capital of the Company be consolidated on the basis that every ten (10) Shares on issue will be consolidated into One (1) Share and where this Consolidation results in a fraction of a Share, the Company be authorised to round that fraction up to the nearest whole Share, with*

*the Consolidation to take effect in accordance with the timetable and otherwise on the terms and conditions described in the Explanatory Memorandum accompanying this Notice.”*

If approved, Resolution 10 will be implemented following the issue of securities the subject of the approvals set out in Resolutions 4 to 9 above.

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## NOTES

### 1. Explanatory Memorandum

The Explanatory Memorandum accompanying this Notice of Extraordinary General Meeting is incorporated in and comprises part of this Notice of Extraordinary General Meeting and should be read in conjunction with this Notice of Extraordinary General Meeting.

### 2. Voting exclusion statements

**Resolution 1** - The Company will disregard any votes cast in favour of Resolution 1 by or on behalf of any person who participated in or who will obtain a material benefit as a result of the issue (except a benefit solely by reason of being a holder of ordinary securities in the entity) or an associate of that person or those persons.

However this does not apply to a vote cast in favour of a resolution by:

- a person as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with directions given to the proxy or attorney to vote on the resolution in that way; or
- the chair of the meeting as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with a direction given to the chair to vote on the resolution as the chair decides; or
- a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
  - the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the resolution; and
  - the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

**Resolution 2** - The Company will disregard any votes cast in favour of Resolution 2 by or on behalf of JASZAC Investments Pty Ltd or any person who will obtain a material benefit as a result of the issue (except a benefit solely by reason of being a holder of ordinary securities in the entity) or an associate of that person or those persons.

However this does not apply to a vote cast in favour of a resolution by:

- a person as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with directions given to the proxy or attorney to vote on the resolution in that way; or
- the chair of the meeting as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with a direction given to the chair to vote on the resolution as the chair decides; or
- a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
  - the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the resolution; and
  - the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

**Resolutions 3 to 7 (inclusive)** - The Company will disregard any votes cast in favour of Resolutions 3 to 7 (inclusive) by or on behalf of Mercer Street Global Opportunity Fund II LP or any person who will obtain a material benefit as a result of the issue (except a benefit solely by reason of being a holder of ordinary securities in the entity) or an associate of that person or those persons.

However this does not apply to a vote cast in favour of a resolution by:

- a person as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with directions given to the proxy or attorney to vote on the resolution in that way; or
- the chair of the meeting as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with a direction given to the chair to vote on the resolution as the chair decides; or
- a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
  - the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the resolution; and
  - the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

**Resolution 8** - The Company will disregard any votes cast in favour of Resolution 8 by or on behalf of Riot IP Pty Ltd, Riot Creativity Pty Ltd, Riot HoldCo Ltd or any person who will obtain a material benefit as a result of the issue (except a benefit solely by reason of being a holder of ordinary securities in the entity) or an associate of that person or those persons.

However this does not apply to a vote cast in favour of a resolution by:

- a person as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with directions given to the proxy or attorney to vote on the resolution in that way; or
- the chair of the meeting as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with a direction given to the chair to vote on the resolution as the chair decides; or
- a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
  - the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the resolution; and
  - the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

**Resolution 9** - The Company will disregard any votes cast in favour of Resolution 9 by or on behalf of Penelope Cox or any person who will obtain a material benefit as a result of the issue (except a benefit solely by reason of being a holder of ordinary securities in the entity) or an associate of that person or those persons.

However this does not apply to a vote cast in favour of a resolution by:

- a person as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with directions given to the proxy or attorney to vote on the resolution in that way; or
- the chair of the meeting as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with a direction given to the chair to vote on the resolution as the chair decides; or
- a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
  - the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the resolution; and
  - the holder votes on the resolution in accordance with directions given by the beneficiary

to the holder to vote in that way.

### 3. Who may vote

In accordance with Regulation 7.11.37 of the Corporations Regulations, the Company (as convener of the Meeting) has determined that a person's entitlement to attend and vote at the Meeting will be those persons set out in the register of Shareholders as at 7.00pm (Melbourne time) on 15 May 2024. This means that any Shareholder registered at 7.00pm (Melbourne time) on 15 May 2024 is entitled to attend and vote at the Meeting.

### 4. Direct voting using the Online Meeting Platform

The Company is pleased to provide shareholders with the opportunity to attend and participate in the virtual meeting through an online meeting platform powered by Automic.

Shareholders that have an existing account with Automic will be able to watch, listen and vote online.

Shareholders who do not have an account with Automic are strongly encouraged to register for an account **as soon as possible and well in advance of the meeting** to avoid any delays on the day of the meeting. An account can be created via the following link [investor.automic.com.au](http://investor.automic.com.au) and then clicking on "register" and following the prompts. Shareholders will require their holder number (Securityholder Reference Number (**SRN**) or Holder Identification Number (**HIN**)) to create an account with Automic.

Shareholders will be able to vote (see the "Voting virtually at the Meeting" section of this Notice of Meeting below) and ask questions at the Meeting.

#### **Voting Virtually at the Meeting**

Shareholders who wish to vote virtually on the day of the meeting will need to login to the Automic website (<http://investor.automic.com.au/#/home>) with their user name and password.

Shareholders who do not have an account with Automic are strongly encouraged to register for an account **as soon as possible and well in advance of the meeting** to avoid any delays on the day of the meeting.

#### ***How do I create an account with Automic?***

To create an account with Automic, please go to the Automic website (<https://investor.automic.com.au/#/home>), click on 'register' and follow the steps. Shareholders will require their holder number (SRN or HIN) to create an account with Automic.

#### ***I have an account with Automic, what are the next steps?***

Shareholders who have an existing account with Automic (Note: with a username and password) are advised to take the following steps to attend and vote virtually on the day of the meeting:

1. Log in to the Automic website (<https://investor.automic.com.au/#/home>) using your user name and password;
2. **Registration on the Day** – if registration for the virtual meeting is open, click on 'Meeting open for registration' and follow the steps.
3. **Live voting on the Day** – if live voting for the virtual meeting is open, click on 'Meeting open for voting' and follow the steps.

For further information on the live voting process please see the Registration and Voting Guide at <https://www.automicgroup.com.au/virtual-AGMs/>.

### 5. Shareholder questions

Whilst shareholders will be provided with the opportunity to submit questions online at the meeting, it would be desirable if the Company was able to receive them in advance.

Shareholders are therefore requested to send any questions they may have for the Company or its directors at the virtual Shareholders' Meeting to the Company Secretary, Kim Larkin, by emailing to [kim.Larkin@boardroomlimited.com.au](mailto:kim.Larkin@boardroomlimited.com.au).

Please note that not all questions may be able to be answered during the meeting. In this case answers will be made available on the Company's website after the meeting.

## 6. Proxies

A Shareholder entitled to attend this Meeting and vote, is entitled to appoint a proxy to attend and vote on behalf of that Shareholder at the Meeting.

A proxy need not be a Shareholder.

If the Shareholder is entitled to cast two or more votes at the Meeting, the Shareholder may appoint two proxies and may specify the proportion or number of the votes which each proxy is appointed to exercise. If the Shareholder appoints two proxies and the appointment does not specify the proportion or number of votes each proxy may exercise, each proxy may exercise half of the votes held by that Shareholder.

If the Shareholder appoints only one proxy, that proxy is entitled to vote on a show of hands. If a Shareholder appoints two proxies, only one proxy is entitled to vote on a show of hands.

Where two proxies are appointed, any fractions of votes resulting from the appointment of two proxies will be disregarded.

A Proxy Form accompanies this Notice.

Unless the Shareholder specifically directs the proxy how to vote, the proxy may vote as he or she thinks fit, or abstain from voting.

If a Shareholder wishes to appoint a proxy, the Shareholder should complete the Proxy Form and comply with the instructions set out in that form relating to lodgement of the form with the Company.

The Proxy Form must be signed by the Shareholder or his or her attorney duly authorised in writing or, if the Shareholder is a corporation, either signed by an authorised officer or attorney of the corporation or otherwise signed in accordance with the Corporations Act.

If any attorney or authorised officer signs the Proxy Form on behalf of a Shareholder, the relevant power of attorney or other authority under which it is signed or a certified copy of that power or authority must be deposited with the Proxy Form.

The Proxy Form (together with any relevant authority) must be received by no later than 11:00 am (Melbourne time) on 15 May 2024 being 48 hours before the time scheduled for the commencement of the meeting (or any adjournment of that meeting).

The completed Proxy Form may be:

- Mailed to the address on the Proxy Form; or
- Voted online via the Company's Share Registry at <https://investor.automic.com.au/#/home>

## 7. Corporate Representative

Any corporate Shareholder who has appointed a person to act as its corporate representative at the Meeting should provide that person with a certificate or letter executed in accordance with section 250D of the Corporations Act authorising him or her to act as that company's representative. The authority must be sent to the Company and/or registry at least 24 hours in advance of the Meeting.

## 8. Voting Intentions

Subject to any voting restrictions and exclusions, the Chairman intends to vote in favour of the Resolutions.



In respect of undirected proxies, subject to any voting restrictions and exclusions, the Chairman intends to vote in favour of the Resolution.

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## EXPLANATORY MEMORANDUM

This Explanatory Memorandum forms part of the Notice convening the Extraordinary General Meeting of Shareholders of Toys"R"Us ANZ Limited (**Company**) to be held as a virtual meeting at 11:00 am (Melbourne time) on 17 May 2024. It is to assist Shareholders in understanding the background to, and the legal and other implications of, the Notice and the reasons for the proposed resolutions. Both documents should be read in their entirety and in conjunction with each other.

### Explanatory Notes to the Resolutions

#### Resolutions 1, 2 and 3: Ratification of prior issues of shares under Listing Rule 7.4

On 20 February 2024, the Company announced:

- a placement comprising of the issue of 84,615,385 383 Shares (**February 2024 Placement Shares**) at an issue price of \$0.0065 per Share to raise \$550,000 (before costs) (**February 2024 Placement**); and
- the issue of 2,307,692 Shares to JASZAC Investments Pty Ltd as consideration for services provided in connection with the Offer (**Advisor Shares**).

On 20 March 2024, the Company announced a further placement comprising of the issue of 21,276,596 Shares (**March 2024 Placement Shares**) to Mercer at an issue price of \$0.0094 per Share to raise \$200,000 (before costs) (**Second 2024 Placement**).

#### ASX Listing Rule 7.4

Under Listing Rule 7.1, the Company is permitted to issue within a 12 month period Equity Securities equal to up to 15% of its ordinary Equity Securities on issue without Shareholder approval. The issue of the February 2024 Placement Shares and Advisor Shares occurred on 26 February 2024, and the issue of the March 2024 Placement Shares on 28 March 2024, without Shareholder Approval using the Company's existing placement capacity under Listing Rule 7.1.

By ratifying the issue of February 2024 Placement Shares and Advisor Shares under the February 2024 Placement, and the March 2024 Placement Shares under the March 2024 Placement, the Company will retain the flexibility to issue equity securities in the future up to the 15% annual placement capacity set out in Listing Rule 7.1, without the requirement to obtain prior Shareholder approval.

Accordingly, the Company is seeking Shareholder ratification pursuant to Listing Rule 7.4 for:

- the issue of February 2024 Placement Shares under the February 2024 Placement;
- the issue of Advisor Shares for services conducted in relation to the Offer; and
- the issue of March 2024 Placement Shares under the March 2024 Placement.

If each of Resolution 1, Resolution 2 and Resolution 3 are approved by Shareholders, the Company will have additional capacity under Listing Rule 7.1 to issue further securities. If each or any of Resolution 1, Resolution 2 and Resolution 3 are not approved by Shareholders, it may jeopardise the Company's ability to issue further Equity Securities given the reduction in placement availability under Listing Rule 7.1.

#### Information required by Listing Rule 7.5

In accordance with ASX Listing Rule 7.3, which contains requirements as to the contents of a notice sent to Shareholders for the purposes of ASX Listing Rule 7.1, the following information is provided to Shareholders:

##### (a) February 2024 Placement Shares (Resolution 1)

<b>Recipient of issue</b>	Each of the following personally invited investors who are sophisticated and professional investors (as defined by section 708
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	<p>of the Corporations Act):</p> <ul style="list-style-type: none"> <li>• Zaza Operations Pty Ltd;</li> <li>• Mercer Street Global Opportunity Fund II LP; and</li> <li>• JASZAC Investments Pty Ltd.</li> </ul> <p>The investors were selected by an appointed broker, Viriathus Capital, and by an existing shareholder which allowed the Company to source its immediate working capital requirements in a cost effective manner.</p>
<b>Number and class of the securities to be issued</b>	<p>84,615,383 Ordinary Shares in aggregate consisting of:</p> <ul style="list-style-type: none"> <li>• 30,769,230 to Zaza Operations Pty Ltd;</li> <li>• 38,461,538 to Mercer Street Global Opportunity Fund II LP; and</li> <li>• 15,384,615 to JASZAC Investments Pty Ltd.</li> </ul>
<b>Material terms of the securities</b>	N/A
<b>Date on which the securities were issued</b>	26 February 2024
<b>Issue price</b>	\$0.0065
<b>Purpose of the issue</b>	Proceeds from the February 2024 Placement are being applied principally to fund the Company's short term working capital requirements.
<b>Use of funds</b>	To fund the Company's short term working capital requirements
<b>Other material terms of agreement</b>	Refer to the Prospectus dated 20 February 2024
<b>Voting exclusion</b>	A voting exclusion statement applies to this resolution, as set out in the Notice

**(b) Advisor Shares (Resolution 2)**

<b>Recipient of issue</b>	JASZAC Investments Pty Ltd
<b>Number and class of the securities to be issued</b>	2,307,692 Fully Paid Ordinary Shares
<b>Material terms of the securities</b>	N/A
<b>Date on which the securities were issued</b>	26 February 2024
<b>Issue price</b>	\$0.0065
<b>Purpose of the issue</b>	To be issued to in accordance with the Prospectus dated 20 February 2024 and as consideration for advisory services provided in relation to the February 2024 Placement.
<b>Use of funds</b>	N/A
<b>Other material terms of agreement</b>	The Company appointed JASZAC Investments Pty Ltd as an advisor to assist with raising \$300,000 of the funds raised and agreed to pay JASZAC Investments Pty Ltd fees of \$15,000 (being 5% of \$300,000) and that these fees would be paid in shares paripassu with all other shares under the February 2024 Placement in the Company in lieu of cash payment given the Company's working capital constraints.
<b>Voting exclusion</b>	A voting exclusion statement applies to this resolution, as set out in the Notice

(c) **March 2024 Placement Shares (Resolution 3)**

<b>Recipient of issue</b>	Mercer Street Global Opportunity Fund II LP
<b>Number and class of the securities to be issued</b>	21,276,596 Fully Paid Ordinary Shares
<b>Material terms of the securities</b>	N/A
<b>Date on which the securities were issued</b>	28 March 2024
<b>Issue price</b>	\$0.0094
<b>Purpose of the issue</b>	To be issued to in accordance with the Prospectus dated 20 March 2024 and as consideration for services provided in relation to the Offer
<b>Use of funds</b>	The funding provided by Mercer will be used for general working capital expenses and for the acquisition of strategic assets and/or businesses
<b>Other material terms of agreement</b>	No additional material terms. The terms of the agreement are as set out in the Prospectus dated 20 March 2024 and the Application Form contained therein and there are no additional material terms other than the terms summarised above.
<b>Voting exclusion</b>	A voting exclusion statement applies to this resolution, as set out in the Notice

**Directors' recommendation**

The Directors unanimously recommend that Shareholders vote in favour of Resolution 1, Resolution 2 and Resolution 3 in particular noting that if each of Resolution 1, Resolution 2 and Resolution 3 is not approved by Shareholders, then the Company may not be able to raise further funds as and when required.

**Resolutions 4, 5, 6 and 7: Approval of the issue of Commencement Shares, Convertible Securities, Loan Options and Convertible Security Options to Mercer Street Global Opportunity Fund II LP**

**Background**

As announced to ASX on 20 March 2024, the Company entered into a Convertible Securities Agreement with Mercer Street Global Opportunity Fund II LP, a US-based investment fund managed by Mercer Street Capital Partners, LLC to provide funding to the Company of up to \$4,200,000 (**Convertible Securities Agreement** or **CSA**) and a loan facility agreement for a facility limit of \$600,000 (**Mercer Loan**).

**If approved, Resolutions 4, 5, 6 and 7 will be implemented prior to the consolidation of share capital of the Company the subject of Resolution 10.**

Under the terms of the CSA and Mercer Loan the Company intends to issue the following securities to Mercer following obtaining shareholder approval under these Resolutions:

- 793,000 Convertible Notes with a face value of \$1 each as consideration for a \$700,000 investment by Mercer (**Convertible Securities**);
- shares in the Company for nil consideration for entering into the CSA equal to \$199,500 divided by the 10-day average VWAP immediately prior to the completion of the issue of the Convertible Securities (**Commencement Shares**);
- unlisted options to purchase new shares in the Company equal to 50% of the amount invested divided by

120% of the 10 day VWAP per Company share immediately prior to the relevant closing date, with a three year expiry with an exercise price of the 10 day VWAP per share immediately prior to the first closing date each (**Convertible Security Options**);

- unlisted options equal to 50% of the loan amount divided by 120% of the 10 day VWAP per Company share immediately prior to the date on which the options are issued, with a three year expiry with an exercise price equal to 120% of the 10 day VWAP per Company share immediately prior to the date on which the options are issued (**Loan Options**),

(together, the **Mercer Securities**)

### **Mercer Loan**

Under the Mercer Loan, Mercer provided a loan to the Company of \$600,000 with the loan principal plus an agreed interest amount of \$90,000 on the loan to be repaid in 6 months from the date of the Mercer Loan.

The key details of the Mercer Loan are as follows:

- unsecured loan to the Company in the amount of \$600,000.
- The loan principal and an agreed interest amount of \$90,000 is repayable in 6 months.
- The Company will also grant the Loan Options to Mercer subject to shareholder approval (being obtained in this meeting). If the issue of attaching options is not approved by shareholders, an option fee of \$50,000 will be payable by the Company to Mercer by way of a cash payment.
- No other interest is payable on the Mercer Loan.
- The repayment of the Mercer Loan will have priority payment in relation to any subsequent capital raise by TOY exceeding \$2.5 million
- 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.
- Shareholders should also note that the Mercer Loan agreement is subject to a number of operating restrictions, and termination provisions which may require repayment of the Mercer Loan prior to the end of the loan term. This includes where there is an event of default that is not remedied; there is a change of control of the Company under a takeover bid or scheme of arrangement; and/or there is an adverse change in law.
- The funding provided by Mercer will be used for general working capital expenses and for the acquisition of strategic assets and/or businesses.

### **Convertible Securities Agreement**

Under the Convertible Securities Agreement, Mercer will provide a loan to the Company of \$700,000, pursuant to which, the Company will issue to Mercer convertible securities with an aggregate face value of \$793,000 (**Convertible Securities**). Additionally, a subsequent tranche of convertible securities may be issued to Mercer as consideration for a further investment by Mercer of up to \$3.5 million, subject to completion of certain conditions being met (**Subsequent Tranche**).

Using the Floor Price (defined below), the maximum number of shares into which the Convertible Securities may convert into is 158,600,000.

The material terms of the CSA are set out below.

#### **(a) Convertible Securities**

Subject to shareholder approval, 793,000 Convertible Notes (with a face value of \$1 per note) will be issued to Mercer for consideration for the \$700,000 loan to be advanced to the Company. If Mercer provides a conversion notice on or before the date that is two months after the date of execution (**Execution Date**), the Convertible Securities will convert into fully paid ordinary shares at 100% of the

10-day average VWAP during the preceding ten (10) Trading Days on which Shares were traded on the ASX prior to the advancement of the loan (**Conversion Price A**). From two months after the Execution Date, the Convertible Securities will be convertible at the lesser of Conversion Price A, and 90% of the lowest VWAP during the preceding fifteen (15) Trading Days immediately prior to notice of Conversion by the Investor, subject to a minimum conversion price of \$0.005 (the **Floor Price**).

- The Subsequent Tranche of convertible securities will convert into fully paid ordinary shares at the same conversion price as the Convertible Securities.
- Shareholder approval in respect of the Convertible Securities (and related Options) to be issued under the Subsequent Tranche will be sought by the Company at a later date, if required.
- The Convertible Securities have a term of 18 months from the draw down date and the Subsequent Convertible Securities have a term of 15 months from the draw down date.
- No interest is payable on the Convertible Securities or the undrawn funds.
- Mercer may convert any Convertible Securities at any time prior to maturity, by giving the Company a conversion notice, provided such conversion is for a face value in an amount equal to or greater than \$25,000 (unless the remaining face value of the Convertible Notes on issue is less than \$25,000, in which case for the full remaining value).
- 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.
- 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 notes. The relevant interest will accrue from the date of default, calculated daily and compounded monthly until the outstanding liability is satisfied.

(b) **Commencement Shares and Convertible Security Options**

**Commencement Shares**

The number of Commencement Shares is, under the CSA, determined by dividing \$199,500 by the 10-day average VWAP immediately prior to the completion of the issue of the initial convertible securities (**Commencement Share VWAP**).

Given the exact Commencement Share VWAP is unknown as at the time of this notice, the Company has determined to seek shareholder approval based on a Commencement Share VWAP equal to \$0.007 (**Applicable VWAP**).

On this basis, the Company is seeking shareholder approval to issue up to 28,500,000 Commencement Shares. Shareholders should note that the Company expects that the actual Commencement Share VWAP will be higher than the Applicable VWAP of \$0.007, and therefore, the ultimate number of Commencement Shares to be issued is likely to be lower than 28,500,000, subject to the market prices at the relevant time.

**Convertible Security Options**

Additionally, for each tranche drawn down, Mercer will receive 50% option coverage to purchase new Shares in the Company. For each tranche, Mercer will receive a 50% option coverage to purchase new shares in the Company (calculated using the relevant investment amount divided by 120% of the 10 day VWAP per Company share immediately prior to the relevant closing date (**Convertible Security Options VWAP**)). The options will have an exercise price of:

- 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
- 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.

The options will have a 36 month term and will be unlisted.

Given the exact Convertible Security Options VWAP is unknown as at the time of this notice, the Company has determined to seek shareholder approval based on a the 10 day VWAP per Company share immediately prior to the relevant closing date being the same as the Applicable VWAP. Accordingly, the Convertible Security Options VWAP would equal \$0.0084. On this basis, the Company is seeking shareholder approval to issue up to 41,666,667 options. Shareholders should note that the Company expects that the actual Convertible Security Options VWAP will be higher than \$0.0084, and therefore, the ultimate number of Convertible Security Options to be issued is likely to be lower than 41,666,667, subject to the market prices at the relevant time.

(c) **Conditions**

The issue of securities under the Convertible Securities Agreement will be subject to certain final closing conditions, including:

- the Company obtaining Shareholder approval under the Listing Rules for the relevant tranche of the Convertible Notes (and related Options);
- the Company otherwise being permitted to issue the securities under the Listing Rules;
- the Company issuing a cleansing statement for the securities (as applicable);
- customary conditions such as representations and warranties being true and correct; and
- authorisations and consents being obtained, delivery of documents, and no default by the Company.

(d) **Takeover limitation**

Mercer shall not acquire a relevant interest in Shares which causes its voting power in the Company of the Investor and its associates (as defined in the Corporations Act) to exceed 19.99%, and the Company is not required to issue any Shares to Mercer or its associates if it reasonably considers that the issue of Shares will result in a breach of this takeover limitation or the Corporations Act.

(e) **Termination and repayment provisions**

The Convertible Securities 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 Notes prior to their maturity. This includes where:

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

(f) **Use of funds**

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

**Loan Options**

The Company has also agreed to issue unlisted options equal to 50% of the loan amount divided by 120% of the 10 day VWAP per Company share immediately prior to the date on which the options are issued (**Loan Options VWAP**).

Given the exact Loan Options VWAP is unknown as at the time of this notice, the Company has determined to seek shareholder approval based on a the 10 day VWAP per Company share immediately prior to the relevant option issue date being the same as the Applicable VWAP. Accordingly, the Loan Options VWAP would equal \$0.0084. On this basis, the Company is seeking shareholder approval to issue up to 71,428,571 options. Shareholders should note that the Company expects that the actual Loan Options VWAP will be higher than \$0.0084, and therefore, the

ultimate number of Loan Options to be issued is likely to be lower than 71,428,571, subject to the market prices at the relevant time.

### Other matters

It is noted that Shareholder approval under Resolutions 4 and 7, if passed, will be valid in respect of the issue of the Commencement Shares, Loan Options and Convertible Security Options under at any applicable VWAP, up to the approved limit of 28,500,000 Commencement Shares, 71,428,571 Loan Options and 41,666,667 Convertible Security Options (i.e. the approval will not be limited by the application of any indicative pricing set out above).

In the event that the Company is required to issue, in aggregate, in excess of the amounts set out above, the Company proposes to either seek further shareholder approval or issue the required additional Commencement Shares, Loan Options and/or Convertible Security Options under its then placement capacity under Listing Rule 7.1.

The table below is provided to demonstrate the number of Commencement Shares, Loan Options and Convertible Security Options that may be issued at various 'Applicable VWAPs'. Notwithstanding the figures shown in the table below, in accordance with the Convertible Securities Agreement, the Company is not required to issue any Shares to Mercer if it reasonably considers that the issue of Shares will result in Mercer's voting power in the Company exceeding 19.99%.

Applicable VWAP	\$0.007	\$0.005	\$0.010
<b>Number of Commencement Shares issued</b>	28,500,000	39,900,000	19,950,000
<b>Number of Loan Options issued</b>	71,428,571	100,000,000	50,000,000
<b>Number of Convertible Security Options issued</b>	41,666,667	58,333,333	29,166,667
<b>Shares issued on conversion of Convertible Security Options and Loan Options</b>	113,095,238	158,333,333	79,166,667
<b>Total Shares on issue following conversion*</b>	1,232,258,414	1,288,896,509	1,189,779,843

*\*Notes: Based on the number of Shares on issue as at the date of this Notice, being 1,090,663,176 Shares and does not include the effect of any other securities to be issued as part of this notice, including to Mercer.*

The table below is provided to demonstrate the dilution that may occur at various Applicable VWAPs, assuming all Convertible Security Options and Loan Options approved for the purposes of Resolutions 6 and 7, are granted and then converted into Shares (but ignoring any other issuances).

Example Shareholder	Holding as at date of Notice	% of Shares as at date of Notice	% after dilution at Applicable VWAP of \$0.007	% after dilution at Applicable VWAP of \$0.005	% after dilution at Applicable VWAP of \$0.010
<b>Shareholder 1</b>	5,000,000	0.46%	0.41%	0.39%	0.42%
<b>Shareholder 2</b>	10,000,000	0.92%	0.81%	0.78%	0.84%
<b>Shareholder 3</b>	25,000,000	2.29%	2.03%	1.94%	2.10%

The figures in above do not take into account any adjustments to the number or terms of the options as a result of the proposed Consolidation if approved under Resolution 10.

### ASX Listing Rule 7.1

ASX Listing Rule 7.1 provides that a Company must not, subject to specified exceptions under ASX Listing Rule 7.2, issue or agree to issue Equity Securities during any 12-month period in excess of 15% of the number of



ordinary Equity Securities on issue at the commencement of that 12-month period without Shareholder approval.

The Company requires Shareholder approval under ASX Listing Rule 7.1 in respect of the issue of the Commencement Shares, Convertible Securities, Loan Options and Convertible Security Options as none of the exceptions in ASX Listing Rule 7.2 apply and the Company currently has no remaining capacity to issue the Commencement Shares, Convertible Securities, Loan Options and Convertible Security Options.

If Resolutions 4, 5, 6 and 7 is approved by Shareholders, the Company will be able to issue the Commencement Shares, Convertible Securities, Loan Options and Convertible Security Options to Mercer in accordance with the Convertible Securities Agreement.

If Resolutions 4, 5, 6 and 7 are not approved by Shareholders, but Resolutions 1, 2 and 3 are approved by Shareholders (in which case the February 2024 Placement Shares, Advisor Shares and March 2024 Placement Shares will be deemed to have occurred with Shareholder approval and will not be deducted from the Company's placement capacity under Listing 7.1), then the Company may issue the Commencement Shares, Convertible Securities, Loan Options and Convertible Security Options to Mercer under its then placement capacity under Listing Rules 7.1 and 7.1A.

However, if all of Resolutions 1, 2, 3 and 4 to 7 are not approved, then the Company will not be able to issue the Commencement Shares, Convertible Securities, Loan Options and Convertible Security Options to Mercer, in which case the Company is obligated under the CSA to repay Mercer the initial loan of \$700,000.

### Information required by Listing Rule 7.3

In accordance with ASX Listing Rule 7.3, which contains requirements as to the contents of a notice sent to Shareholders for the purposes of ASX Listing Rule 7.1, the following information is provided to Shareholders:

(a) **Commencement Shares**

<b>Recipient of issue</b>	Mercer Street Global Opportunity Fund II LP
<b>Number and class of the securities issued</b>	Up to 28,500,000 fully paid ordinary shares
<b>Issue price</b>	Nil – these shares were issued in consideration for Mercer entering into the CSA
<b>Date of issue</b>	The Company will issue the relevant securities following the shareholder approval, and in any event by no later than 3 months after the date of the meeting
<b>Purpose of the issue</b>	Issued to Mercer in accordance with the Convertible Securities Agreement dated 20 March 2024
<b>Use of funds</b>	N/A
<b>Other material terms of agreement</b>	Please refer to section (b) above of this Explanatory Memorandum
<b>Voting exclusion</b>	A voting exclusion statement applies to resolution 4, as set out in the Notice.

(b) **Convertible Securities**

<b>Recipient of issue</b>	Mercer Street Global Opportunity Fund II LP
<b>Number and class of the securities issued</b>	793,000 Convertible Notes (ie Convertible Securities)
<b>Material terms of the securities</b>	Please refer to section (a) above of this Explanatory Memorandum
<b>Issue price</b>	Issued at a price of approximately \$0.8827 per \$1 face value Convertible

	Note (i.e. \$700,000 consideration paid)
<b>Date of issue</b>	The Company will issue the relevant securities following the shareholder approval, and in any event by no later than 3 months after the date of the meeting
<b>Purpose of the issue</b>	Issued to Mercer in accordance with the Convertible Securities Agreement dated 20 March 2024
<b>Use of funds</b>	General working capital, but excluding the capital repayment of any existing debt loan without the prior written approval of the Investor
<b>Other material terms of agreement</b>	Please refer to section (a) above of this Explanatory Memorandum
<b>Voting exclusion</b>	A voting exclusion statement applies to resolution 5, as set out in the Notice

(c) **Convertible Security Options**

<b>Recipient of issue</b>	Mercer Street Global Opportunity Fund II LP
<b>Number and class of the securities issued</b>	Up to 41,666,667 unlisted options
<b>Material terms of the securities</b>	Unlisted options exercisable at 120% of the 10 day VWAP per Share immediately prior to the date of issue of those options, with a three year expiry
<b>Issue price</b>	Nil
<b>Date of issue</b>	The Company will issue the relevant securities following the shareholder approval, and in any event by no later than 3 months after the date of the meeting
<b>Purpose of the issue</b>	Issued to Mercer in accordance with the Convertible Securities Agreement dated 20 March 2024
<b>Use of funds</b>	N/A
<b>Other material terms of agreement</b>	Please refer to section (b) above of this Explanatory Memorandum
<b>Voting exclusion</b>	A voting exclusion statement applies to resolution 6, as set out in the Notice

(c) **Loan Options**

<b>Recipient of issue</b>	Mercer Street Global Opportunity Fund II LP
<b>Number and class of the securities issued</b>	71,428,571 unlisted options.
<b>Material terms of the securities</b>	Unlisted options exercisable at 120% of the 10 day VWAP per Share immediately prior to the date of issue of those options, with a three year expiry
<b>Issue price</b>	Nil
<b>Date of issue</b>	The Company will issue the relevant securities following the shareholder approval, and in any event by no later than 3 months after the date of the meeting
<b>Purpose of the issue</b>	Issued to Mercer in accordance with the Mercer Loan dated 20 March 2024
<b>Use of funds</b>	N/A
<b>Other material terms</b>	Please refer to section (b) above of this Explanatory Memorandum

<b>of agreement</b>	
<b>Voting exclusion</b>	A voting exclusion statement applies to resolution 7, as set out in the Notice.

### Directors' recommendation

The Directors unanimously recommend that Shareholders vote in favour of each of Resolutions 4, 5, 6 and 7 in particular noting that if each of Resolution 4 is not approved by Shareholders, then the Company will not be able to complete the intended capital raise and the Company is unlikely to have the required funds to continue its operations.

## Resolution 8: Approval of issue of shares in relation to the RIOT transaction

### Background

On 20 March 2024, the Company announced that it has entered into an asset sale agreement (**Asset Sale Agreement**) to acquire certain intellectual property assets (including domain names, business names and trademarks) and stock on hand (**Assets**) from Riot HoldCo Pty Ltd ACN 656 220 058 and Riot IP Pty Ltd ACN 656 219 822.

**If approved, Resolution 8 will be implemented prior to the consolidation of share capital of the Company the subject of Resolution 10.**

In consideration for the Assets, the Company agreed to:

- pay to the relevant sellers \$247,000 in cash (**Cash Payment**);
- issue 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, being 35,000,000 Shares (**RIOT Shares**)).
- 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 transaction contemplated by the Asset Sale Agreement completed on 28 March 2024, as per the Company's announcement on the same day, with the Company having made the Cash Payment. The Riot Shares are to be issued following shareholder approval being sought by the Company at this meeting.

The Asset Sale Agreement also provides for Earn Out consideration payable by the Company. 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), and determined as follows:

- 90 days after the end of each Earn Out Consideration Period TOY must determine the 'Contribution Margin' for the relevant Earn Out Consideration Period, the 'Contribution Margin' being calculated as the revenue less costs and expenses (ie cost of goods, marketing and shipping costs), directly related to the operation of the RIOT assets acquired; and
- the quantum of the Earn Out will be 10% of the relevant Contribution Margin for the relevant Earn Out Consideration Period.

In relation to each Earn Out Consideration Period, the Sellers may elect to be issued with shares in TOY, or options to acquire TOY shares. In the event that the sellers elect to be issued the Earn Out for a relevant period in the form of Shares, the number of shares to be issued will be determined by dividing the relevant Earn Out amount by the 15-day VWAP price of TOY shares as at the day prior to the proposed issue date.

In the event that the sellers elect to be issued the Earn Out for a relevant period in the form of options, 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 will be subject to shareholder approval at the time and which must be obtained within 60 days of the end of each relevant Earn Out Consideration Period, and otherwise in compliance with the ASX Listing Rules. As such the issue of shares or options under the Earn Out are not being put to shareholders for consideration at this time.

The Share Consideration will be subject to voluntary escrow for 6 months from the date of completion of the Riot Acquisition which completed on 28 March 2024. Any shares issued pursuant to the Earn Out (whether the sellers opt for shares to be issued, or options which are later exercised), will be subject to voluntary escrow for 6 months from, depending on the relevant Earn Out Consideration Period, 30 June 2025 and 30 June 2026 respectively, as applicable.

### **ASX Listing Rule 7.1**

Under Listing Rule 7.1, the Company is permitted to issue within a 12 month period Equity Securities equal to up to 15% of its ordinary Equity Securities on issue without Shareholder approval.

By approving the issue of Riot Shares, the Company will be able to meet its obligations under the Asset Sale Agreement, retain the flexibility to issue equity securities in the future up to the 15% annual placement capacity set out in Listing Rule 7.1, without the requirement to obtain prior Shareholder approval.

Accordingly, the Company is seeking Shareholder approval pursuant to Listing Rule 7.1 for the issue of the RIOT Shares.

If Resolution 8 is approved by Shareholders, the Company will be able to issue the RIOT Shares in accordance with the Asset Sale Agreement. If Resolution 8 not approved by Shareholders, the Company must make the \$350,000 payment in cash, which may affect the Company's ability to continue its operations as currently intended.

### **Information required by Listing Rule 7.3**

In accordance with ASX Listing Rule 7.3, which contains requirements as to the contents of a notice sent to Shareholders for the purposes of ASX Listing Rule 7.1, the following information is provided to Shareholders:

<b>Recipient of issue</b>	Riot HoldCo Pty Ltd ACN 656 220 058 and Riot IP Pty Ltd ACN 656 219 822 (or their respective nominees)
<b>Number and class of the securities to be issued</b>	35,000,000 Ordinary Shares
<b>Issue price</b>	\$0.01 per share
<b>Date of issue</b>	The Company will issue the relevant securities following the shareholder approval, and in any event by no later than 3 months after the date of the meeting
<b>Purpose of the issue</b>	To satisfy the Company's obligations under the Asset Sale Agreement
<b>Use of funds</b>	N/A
<b>Other material terms of agreement</b>	Asset Sale Agreement, the material details of which have been set out above
<b>Voting exclusion</b>	A voting exclusion statement applies to this resolution, as set out in the Notice

### **Directors' recommendation**

The Directors unanimously recommend that Shareholders vote in favour of Resolution 8.

### **Resolution 9: Approval of issue of shares to Penelope Cox**

On 20 March 2024, The Company entered into an unsecured convertible loan agreement with its Chief Executive

Officer (**CEO**) Penelope Cox whereby it was agreed that Penelope Cox will provide \$100,000 of funding to the Company which, subject to shareholder approval and in accordance with the ASX Listing Rules, will convert the loan into new shares in TOY at a conversion price of \$0.0094 per share being the same price under the March 2024 Placement (**CEO Loan**).

Resolution 9 seeks shareholder approval for the issue of 10,638,298 shares (**CEO Loan Shares**) in the Company to Penelope Cox.

**If approved, Resolution 9 will be implemented prior to the consolidation of share capital of the Company the subject of Resolution 10.**

The key terms of the CEO Loan are as follows:

- (a) Penelope Cox has provided 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 Penelope 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.

**Listing Rule 10.11**

ASX Listing Rule 10.11 provides that unless one of the exceptions in Listing Rule 10.12 applies, the Company, as a listed company, must not issue equity securities to persons in a position of influence without Shareholder approval.

A person in a position of influence for the purposes of Listing Rule 10.11 includes:

- (a) a related party;
- (b) a person who is, or was at any time in the 6 months before the issue of agreement, a substantial (30%+) holder in the Company;
- (c) a person who is, or was at any time in the 6 months before the issue or agreement, a substantial (10%+) holder in the Company and who has nominated a director to the board of the Company pursuant to a relevant agreement which gives them a right or expectation to do so;
- (d) an Associate of a person referred to in (a) to (c) above; and
- (e) a person whose relationship with the Company or a person referred to in (a) to (d) above is such that, in the ASX's opinion, the issue or agreement should be approved by Shareholders.

Penelope Cox by virtue of having previously served as a Director of the Company within the previous 6 months is a person in a position of influence for the purposes of Listing Rule 10.11. The proposed issue does not fall within any of the exceptions in Listing Rule 10.12, and therefore requires the approval of the Company's Shareholders under Listing Rule 10.11.

To this end, Resolutions 9 seeks the required Shareholder approval to issue the CEO Loan Shares to Penelope Cox under and for the purposes of Listing Rule 10.11.

If approval is obtained under Listing Rule 10.11, in accordance with Listing Rule 7.2 (exception 14), separate approval is not required under Listing Rule 7.1.

If Resolutions 9 is passed, the Company will be able to proceed with the proposed issues of the CEO Loan Shares to Penelope Cox.

If Resolution 9 is approved by Shareholders, the Company will be able to issue the CEO Loan Shares in accordance with the CEO Loan. If Resolution 9 is not approved by Shareholders, the CEO Loan Shares may not be issued and the CEO Loan will become repayable in cash at the end of its term.

### **Chapter 2E of the Corporations Act**

Chapter 2E of the Corporations Act prohibits the Company from giving a financial benefit to a related party of the Company unless either:

- (a) the giving of the financial benefit falls within one of the exceptions to the provisions; or
- (b) Shareholder approval is obtained prior to the giving of the financial benefit.

The proposed issue of CEO Loan Shares (which is an equity security, for the purposes of the Chapter 2E of the Corporations Act) constitutes the giving of a financial benefit.

A "related party" for the purposes of the Corporations Act and the Listing Rules is widely defined and includes a director of a public company, a spouse of a director of a public company or an entity controlled by a director of a public company. The definition of "related party" also includes a person who was a related party in the previous 6 months.

The non-conflicted Directors of the Company carefully considered the issue of the CEO Loan Shares and formed the view that the giving of this financial benefit is on arm's length terms, as Penelope Cox is acquiring shares at the same price as Mercer under the March 2024 Placement, who is a non-related participant.

Accordingly, the non-conflicted Directors of the Company believe that the issue of the CEO Loan Shares falls within the "arm's length terms" exception as set out in section 210 of the Corporations Act, and rely on this exception for the purposes of this Resolution. Therefore, the proposed issue of the CEO Loan Shares require Shareholder approval under and for the purposes of Listing Rule 10.11 only.

### **Information required by ASX Listing Rule 10.13**

In accordance with ASX Listing Rule 10.13, which contains requirements as to the contents of a notice sent to Shareholders for the purposes of ASX Listing Rule 10.11, the following information is provided to Shareholders:

<b>Recipient of issue</b>	Penelope Cox
<b>Relationship with Company</b>	Penelope Cox was a director of the Company within the last 6 months
<b>Number and class of the securities to be issued</b>	10,638,298 Ordinary Shares
<b>Issue price</b>	\$0.0094 – being the the same price at which Mercer was issued shares under the March 2024 Placement
<b>Date of issue</b>	The Company will issue the relevant securities following the shareholder approval, and in any event by no later than 1 month after the date of the meeting
<b>Purpose of the issue</b>	To satisfy the repayment of the CEO Loan

<b>Use of funds</b>	Working Capital (being the original use of funds at the time the CEO Loan was entered into)
<b>Other material terms</b>	CEO Loan terms as set out above
<b>Voting exclusion</b>	A voting exclusion statement applies to this resolution, as set out in the Notice.

### Directors' recommendation

The Directors unanimously recommend that Shareholders vote in favour of Resolution 9.

## Resolution 10: Consolidation of the capital of the Company

Resolution 10 seeks Shareholder approval for the Company to consolidate its issued capital through the consolidation of every ten (10) Shares into One (1) Share (**Consolidation**).

Under section 254H of the Corporations Act, the Company may convert all or any of its shares into a larger or smaller number of shares by ordinary resolution passed at a general meeting.

### Purpose and Rationale of the Consolidation

The Company currently has a large number of Shares on issue, being 1,090,663,176 Shares as at the date of this Notice. The Consolidation will result in a more appropriate and effective capital structure for the Company and is intended to result in a Share price more appealing to a wider range of strategic partnerships and investments. A share consolidation can also potentially reduce share price volatility due to the resulting reduction in the number of shares traded. The potential reduction in share price volatility and the number of shares traded can also result in the potential to reduce liquidity.

The Board believes that the consolidation of the Company's capital is in the best interests of its Shareholders. The Consolidation will theoretically increase Toys' share price at the time that it takes effect by a factor of ten (10), subject to prevailing market conditions. It will also reduce the administrative burden, cost and complexity of administering a capital base which currently has nearly 1 billion ordinary shares on issue.

### Effect of the Consolidation

In addition to consolidation of the Shares on issue on a 10 to 1 basis, if the Consolidation is approved, any convertible securities in the capital of the Company must also be reorganised in accordance with the terms and conditions of those convertible securities and ASX Listing Rule 7.22.1. Given the Company will also have on issue a number of convertible securities, the convertible securities will account for the consolidation in the same ratio as the Consolidation of Shares and their respective exercise prices will be amended in inverse proportion to that ratio.

This section of the Explanatory Memorandum provides the information required by ASX Listing Rule 7.20 to be provided to Shareholders in relation to the Consolidation.

#### (a) Effect on capital structure

As at the date of this Notice of Meeting, the effect which the Consolidation would have on the Company's capital structure is set out in the table below:

Security	Pre-Consolidation	Post-Consolidation (Resolution 10 approved)
Shares	1,090,663,176	109,066,318
Unquoted Securities	36,653,932	3,665,394
Warrant	Warrant over 18,000,000 Shares	Warrant over 1,800,000 Shares

*Note: Does not include securities to be issued under Resolutions 4 to 9.*

**(b) Shares**

The Company has 1,090,663,176 Shares on issue as at the date of this Notice. If Resolution 10 is approved, every ten (10) Shares on issue will be consolidated into One (1) Share (subject to rounding).

As at the date of this Notice, this will result in the number of shares currently on issue reducing from 1,090,663,176 to 109,066,318 (subject to rounding). This does not include the impact of the additional securities to be issued under Resolutions 4 to 9, but those securities will be consolidated on the same basis.

**(c) Unquoted securities**

Unquoted Options

The Company has a total of 5,114,846 unquoted Options on issue as at the date of this Notice. The following table sets out the effect of the Consolidation on the Options (subject to rounding):

Code	Pre-Consolidation			Post-Consolidation (Resolution 10 approved)		
	Options	Exercise Price	Expiry Date	Options	Exercise Price	Expiry Date
TOYAH	1,696,717	\$0.166	01/11/24	169,672	\$1.66	01/11/24
TOYAI	1,726,173	\$0.199	01/11/25	172,617	\$1.99	01/11/25
TOYAF	1,691,956	\$0.138	01/05/25	169,196	\$1.38	01/05/25
<b>Total</b>	<b>5,114,846</b>			<b>511,485</b>		

The Consolidation will not result in any change in the substantive rights and obligations of existing holders of Options.

Unquoted Service Rights and Share Appreciation Rights

Code	Pre-Consolidation	Post-Consolidation (if Resolution 10 is approved)
	Rights	Rights
TOYAG	16,863,632	1,686,363
TOYAJ	14,675,454	1,467,545
<b>Total</b>	<b>31,539,087</b>	<b>3,153,908</b>

The Consolidation will not result in any change in the substantive rights and obligations of existing holders of Options.

Warrants

The Company has granted a warrant over 18,000,000 shares to be issued in the capital of the Company. The agreement pursuant to which the warrant is granted states that the 'Exercise Price' (of \$0.05 per share) and/or number of shares to be issued on the exercise of the warrant must be adjusted to be such amount or number as complies with the Listing Rules and so that the relevant warrant holder does not suffer any material detriment following a capital reconstruction which includes a share consolidation. The effect of the Consolidation on the warrants will be as follows:

	Pre-Consolidation		Post-Consolidation (Resolution 10 approved)	
	Number of shares that may be issued	Exercise Price	Number of shares that may be issued	Exercise Price



<b>Warrant Particulars</b>	18,000,000	\$0.05	1,800,000	\$0.50
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Upon any adjustment being made, the Company will notify the relevant warrant holder in writing, informing them of the revised Exercise Price and/or number of shares that may be issued upon the exercise of a warrant.

**(d) Fractional entitlements**

Where the Consolidation results in an entitlement to a fraction of a security, that fraction will be rounded up to the nearest whole security.

**(e) Holding statements**

With effect from the date of the Consolidation, all existing holding statements will cease to have any effect, except as evidence of entitlement to a certain number of securities on a post Consolidation basis. New holding statements will be issued to security holders, who are encouraged to check their holdings after the Consolidation.

**(f) Taxation**

The Consolidation should not result in a capital gains tax event for Australian tax residents. The cost base of the Shares held after the Consolidation will be the sum of the cost bases of the original Shares pre-Consolidation. The acquisition date of Shares held after the Consolidation will be the same as the date on which the original Shares were acquired.

This Explanatory Memorandum does not consider the tax implications in respect of Shares or other securities held on revenue account, as trading stock or by non-Australian resident Shareholders. Shareholders should consider their own circumstances and seek professional advice in relation to their tax position. Neither the Company nor any of its officers or employees assumes any liability or responsibility for advising Shareholders or other security holders about the tax consequences of the proposed Consolidation.

**(g) Indicative timetable\***

If approved by Shareholders, the proposed Consolidation will take effect following the last date on which each of the security issuances contemplated in under Resolutions 4 to 9 (if and to the extent approved by shareholders) are issued, which the Company anticipates will occur in accordance with the following indicative timetable (which has been prepared in accordance with Appendix 7A (paragraph 7) of the ASX Listing Rules).

<b>Event</b>	<b>Date</b>
Company announces Consolidation by issuing an Appendix 3A.3 notice Notice of Meeting despatched	12 April 2024
Date of Meeting	17 May 2024
Effective date of Consolidation	24 May 2024
Last date for trading in pre-Consolidation Shares	27 May 2024
Unless otherwise determined by ASX, trading commences in the post-Consolidation Shares on a deferred settlement basis	28 May 2024
Record Date Last day for Company to register transfers on a pre-Consolidation basis	29 May 2024
First day for Company to update register and send holding statements to shareholders reflecting the change in the number of shares they hold	30 May 2024

Last day for Company to update its register and send holding statements to securityholders reflecting updated numbers and to notify ASX that this has occurred	05 June 2024
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\*This timetable is indicative only and is subject to change

**Directors' recommendation**

The Directors unanimously recommend that Shareholders vote in favour of Resolution 10.

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## DEFINITIONS

Throughout this Explanatory Memorandum the following various words and phrases are capitalised and the definitions of these capitalised words and phrases are set out below:

"**ASIC**" means the Australian Securities & Investments Commission;

"**Applicable VWAP**" has the meaning given to that term described in the section of the Explanatory Memorandum relating to Resolutions 4, 5, 6 and 7;

"**ASX**" means ASX Limited (ACN 000 943 377);

"**ASX Listing Rules**" or "**Listing Rule**" means the Official Listing Rules of the ASX;

"**Board**" means the board of Directors of the Company;

"**Business Day**" means a day on which trading takes place on the stock market of the ASX;

"**Chairman**" means the chairman of the Extraordinary General Meeting;

"**Company**" or "**Toy**" means Toys"R"Us ANZ Limited ACN 063 886 199;

"**Consolidation**" means has the meaning given in the Explanatory Memorandum;

"**Constitution**" means the Company's constitution;

"**Convertible Note**" means a convertible note which is convertible into Shares in the Company, and otherwise on terms described in the Explanatory Memorandum;

"**Corporations Act**" means the *Corporations Act 2001 (Cth)*;

"**Corporations Regulation**" means the *Corporations Regulation 2001 (Cth)*

"**Directors**" mean the current Directors of the Company;

"**Equity Securities**" means has the meaning given to that term in the Listing Rules;

"**Explanatory Memorandum**" means this Explanatory Memorandum as modified or varied by any supplementary Memorandum issued by the Company from time to time;

"**Extraordinary General Meeting**" means the meeting convened by the Notice of Meeting;

"**Management**" means the management of the Company;

"**Meeting**" or "**Extraordinary General Meeting**" means the Extraordinary General Meeting convened by this Notice;

"**Mercer**" means Mercer Street Global Opportunity Fund II LP;

"**Notice**" or "**Notice of Meeting**" means the notice convening the Extraordinary General Meeting of the Company to be held on 17 May 2024 which accompanies this Explanatory Memorandum;

"**Option**" means an option to acquire a Share;

"**Performance Right**" means a right to acquire a Share subject to performance hurdles;

"**Proxy Form**" means the proxy form that is enclosed with and forms part of this Notice;

"**Resolution**" means a resolution in the form proposed in the Notice of Meeting;

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**"RIOT Group"** means Riot HoldCo Ltd, Riot IP Pty Ltd and Riot Creativity Pty Ltd;

**"Share"** means a fully paid ordinary share in the capital of the Company;

**"Shareholder"** means a shareholder of the Company;

**"Subsequent Tranche"** has the meaning given in the Explanatory Memorandum; and

**"VWAP"** means the volume weighted average market price.

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Your proxy voting instruction must be received by **11.00am (AEST) on Wednesday, 15 May 2024**, being **not later than 48 hours** before the commencement of the Meeting. Any Proxy Voting instructions received after that time will not be valid for the scheduled Meeting.

## SUBMIT YOUR PROXY

Complete the form overleaf in accordance with the instructions set out below.

### YOUR NAME AND ADDRESS

The name and address shown above is as it appears on the Company's share register. If this information is incorrect, and you have an Issuer Sponsored holding, you can update your address through the investor portal: <https://investor.automic.com.au/#/home> Shareholders sponsored by a broker should advise their broker of any changes.

### STEP 1 – APPOINT A PROXY

If you wish to appoint someone other than the Chair of the Meeting as your proxy, please write the name of that Individual or body corporate. A proxy need not be a Shareholder of the Company. Otherwise if you leave this box blank, the Chair of the Meeting will be appointed as your proxy by default.

### DEFAULT TO THE CHAIR OF THE MEETING

Any directed proxies that are not voted on a poll at the Meeting will default to the Chair of the Meeting, who is required to vote these proxies as directed. Any undirected proxies that default to the Chair of the Meeting will be voted according to the instructions set out in this Proxy Voting Form, including where the Resolutions are connected directly or indirectly with the remuneration of KMP.

### STEP 2 - VOTES ON ITEMS OF BUSINESS

You may direct your proxy how to vote by marking one of the boxes opposite each item of business. All your shares will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any item by inserting the percentage or number of shares you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on the items of business, your proxy may vote as he or she chooses. If you mark more than one box on an item your vote on that item will be invalid.

### APPOINTMENT OF SECOND PROXY

You may appoint up to two proxies. If you appoint two proxies, you should complete two separate Proxy Voting Forms and specify the percentage or number each proxy may exercise. If you do not specify a percentage or number, each proxy may exercise half the votes. You must return both Proxy Voting Forms together. If you require an additional Proxy Voting Form, contact Automic Registry Services.

### SIGNING INSTRUCTIONS

**Individual:** Where the holding is in one name, the Shareholder must sign.

**Joint holding:** Where the holding is in more than one name, all Shareholders should sign.

**Power of attorney:** If you have not already lodged the power of attorney with the registry, please attach a certified photocopy of the power of attorney to this Proxy Voting Form when you return it.

**Companies:** To be signed in accordance with your Constitution. Please sign in the appropriate box which indicates the office held by you.

**Email Address:** Please provide your email address in the space provided.

**By providing your email address, you elect to receive all communications despatched by the Company electronically (where legally permissible) such as a Notice of Meeting, Proxy Voting Form and Annual Report via email.**

### CORPORATE REPRESENTATIVES

If a representative of the corporation is to attend the Meeting the appropriate 'Appointment of Corporate Representative' should be produced prior to admission. A form may be obtained from the Company's share registry online at <https://automic.com.au>.

### Lodging your Proxy Voting Form:

#### Online

Use your computer or smartphone to appoint a proxy at <https://investor.automic.com.au/#/loginsah> or scan the QR code below using your smartphone

**Login & Click on 'Meetings'. Use the Holder Number as shown at the top of this Proxy Voting Form.**



#### BY MAIL:

Automic  
GPO Box 5193  
Sydney NSW 2001

#### IN PERSON:

Automic  
Level 5, 126 Phillip Street  
Sydney NSW 2000

#### BY EMAIL:

[meetings@automicgroup.com.au](mailto:meetings@automicgroup.com.au)

#### BY FACSIMILE:

+61 2 8583 3040

#### All enquiries to Automic:

##### WEBSITE:

<https://automicgroup.com.au/>

##### PHONE:

1300 288 664 (Within Australia)  
+61 2 9698 5414 (Overseas)

