



TOY secures up to \$4.0m in Funding to Launch its House of Brands Growth Strategy

- **\$2.49m TOY placement**
- **Directors to participate in Placement**
- **Up to \$1.5m Subsequent Investment by Mercer Street Global Opportunity Fund II LP from existing facility**

9 July 2024: Toys“R”Us ANZ Limited (ASX:TOY) (Company or TOY) is pleased to announce that it has secured \$2.49 million in funding by way of a Placement to new and existing institutional and sophisticated investors. Additionally TOY has reached an agreement with Mercer Street Global Opportunity Fund II LP (**Mercer**) to invest up to a further \$1.5 million from the existing \$4.2 million (facility limit) convertible securities facility, in two tranches.

Placement

TOY is pleased to advise it has received firm commitments by way of a Placement from new and existing institutional and sophisticated investors to subscribe for approximately 35.57 million fully paid ordinary shares (**Shares**) at an issue price of \$0.07 per share to raise approximately \$2.49 million. Participants in the Placement will receive one free attaching Option will be issued for every two new Shares subscribed for under the Placement, exercisable at \$0.12 per Share and expiring 3 years from the date of issue.

Directors have committed to subscribe for 714,286 Shares under the Placement committing \$50,000 at the same price and terms

All new Shares and attaching Options Issued under the Placement will be subject to Shareholder approval at an Extraordinary General Meeting (**EGM**) to be held on or around Friday, 23rd August 2024.

This is an important next step in TOY’s strategic objective to build a diversified House of Brands. TOY has an impressive array of house brands, backed by a large, loyal customer base with a wealth of green shoot opportunities. This funding will enable the Company to take advantage of the hard work over recent months to right size the business and launch the TOY House of Brands Growth Strategy.

Alpine Capital Pty Ltd and Bell Potter Securities Limited acted as Joint Lead Managers to the Placement. Full details of the Placement, including the Indicative Offer Timetable, can be found in the Equity Raising Investor Presentation issued to ASX today.

Subsequent Investment by Mercer up to \$1.5m

TOY has reached an agreement with Mercer on further investments from the existing \$4.2 million facility

(facility limit), in two tranches. TOY appreciates Mercer's ongoing support of management and the Company's strategic direction.

- **Tranche 1 – Subsequent Investment of \$0.785m**

Mercer will provide \$785,000 of funding to TOY by way of convertible securities with a face value of \$863,500. This funding is not subject to shareholder approval as it falls within TOY's available capacity under ASX Listing Rule 7.1.

Under the terms of the convertible securities agreement with Mercer, TOY will also be required to, subject to shareholder approval to be sought at the EGM, issue options to Mercer (being such number as is equal to 50% of the subsequent investment amount divided by 120% of the 10 day VWAP prior to issue of the options), with a 36 month term and an exercise price equal to 120% of the 10 day VWAP prior to issue of the options (**Subsequent Options**). In the event such options are not issued within 60 days, TOY is required to pay an option fee to Mercer in lieu of issue of the Subsequent Options.

This investment will enable TOY to immediately reinvest in core stock and place deposit orders required to be ready for the significant sales period in Q2 FY 2025.

Given the previous suspension of the Company's Shares in the preceding 12 months, a Prospectus has been prepared primarily for the purpose of the Corporations Act to remove any trading restrictions on the convertible securities issued (and any shares issued on conversion of those convertible securities).

The application is made under the existing \$4.2 million (facility limit) convertible securities facility, the balance of the facility after this investment is a maximum of \$2.715 million (with future advances subject to various conditions, including mutual agreement of Mercer and TOY).

- **Tranche 2 – Subsequent Investment of \$0.715m**

Following the Tranche 1 investment by Mercer, and subject to shareholder approval, a further \$715,000 of funding will be sought from Mercer by way of convertible securities with a face value of \$786,500, dependent upon mutual agreement of the parties at the time of issue.

Any draw down of the additional \$715,000 will be subject to final agreement of Mercer.

For the Key Terms of the Mercer Convertible Securities please refer to the previous ASX Announcement released on the 20 March 2024 or the Explanatory Memorandum which accompanied the EGM Notice released on the ASX on 12 April 2024.

The funds from Mercer will be used in a similar ratio to that of the Placement, the Use of Funds can be found in the Equity Raising Investor Presentation issued at the same time as this Announcement

This ASX release has been authorised by the Board of Directors.

For further information please contact: investor-relations@toysrus.com.au

About Toys“R”Us ANZ Limited:

Toys“R”Us ANZ Limited (ASX: TOY) is an Australian-based listed company with a vision of 'A lifetime journey with every child'. In addition to distributing leading products throughout Australia for key partners via its trading business Funtastic. The company acquired 100% of the Hobby Warehouse Group in November 2020, including Australian e-commerce websites Toys“R”Us, Babies“R”Us and Hobby Warehouse and the distribution business Mittoni Pty Ltd. The Company changed its name from Funtastic Limited to Toys“R”Us ANZ Limited on the 24 June 2021. Further information is available at corporate.toysrus.com.au