

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

IN THE MATTER OF THE COMPANIES' CREDITORS
ARRANGEMENT ACT, R.S.C. 1985, c. C-36, AS AMENDED

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF
TOYS "R" US (CANADA) LTD. / TOYS "R" US (CANADA) LTEE (the "Applicant")

SUPPLEMENTARY MOTION RECORD
OF THE APPLICANT
(Returnable on June 22, 2026)

June 17, 2026

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TAB DOCUMENT

1. Supplementary Affidavit of Neil Taylor sworn June 17, 2026

Exhibits

A. Letter from counsel to 2625229 Ontario Inc. dated June 17, 2026

TAB 1

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**SUPPLEMENTARY AFFIDAVIT OF NEIL TAYLOR
(Sworn June 17, 2026)**

I, Neil Taylor, of the City of Cambridge, in the United Kingdom, **MAKE OATH AND SAY:**

1. I currently serve as the Chief Restructuring Officer ("**CRO**") of the Applicant. I was engaged as CRO of the Applicant pursuant to the terms of an engagement letter dated November 3, 2025 (the "**Engagement Letter**"). In my capacity as CRO of the Applicant, I have become familiar with the business and affairs of the Applicant, and have relied upon the books and records of the Applicant and my personal experiences with the Applicant. As such, I have personal knowledge of the matters deposed to herein. Where I have relied on other sources of information, I have specifically referred to such sources and believe them to be true. In preparing this Affidavit, I have consulted with legal, financial and other advisors to the Applicant and other members of the senior management team of the Applicant. The Applicant does not waive or intend to waive any applicable privilege by any statement herein.

2. On June 11, 2026, I swore an affidavit (the "**Fourth Taylor Affidavit**") in support of the Applicant's motion for, among other things, an approval and vesting order that, among other

things, approves the 262 Transaction contemplated by the 262 Agreement between the Applicant, as vendor, and 2625229 Ontario Inc., as the 262 Purchaser, dated June 11, 2026, and authorizing the Applicant to complete the 262 Transaction.

3. I swear this affidavit to supplement the information set out in the Fourth Taylor Affidavit.

4. Unless otherwise indicated herein, capitalized terms not defined herein have the meanings ascribed to them in the Fourth Taylor Affidavit. All references to monetary amounts in this affidavit are in Canadian dollars unless noted otherwise.

5. On June 17, 2026, the Applicant received a letter from the 262 Purchaser, which is attached hereto as **Exhibit "A"**. Among other things, the letter encloses an assignment and assumption agreement, pursuant to which, the 262 Purchaser assigns its interest in the 262 Agreement to an affiliate, as permitted under the 262 Agreement.

SWORN BEFORE ME over videoconference this 17th day of June, 2026 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely. The affiant is located in the City of Cambridge, in the United Kingdom, while the commissioner is located in the City of Toronto, in the Province of Ontario.

}

DocuSigned by:
Matilda Lici
7CE576F4AA3D4CA...

Commissioner for Taking Affidavits
(or as may be)
Matilda Lici

Signed by:
Neil Taylor
1EE9638BE5E04F3...

NEIL TAYLOR

This is Exhibit "A" of
The Affidavit of Neil Taylor
Sworn before me this 17th day of June, 2026

Signed by:

1EE9638BE5E04F3...

A Commissioner, etc.

Neil Taylor



R. Graham Phoenix*

Tel: 416.748.4776

Email: gphoenix@LN.law

*Practicing as RGP Professional Corporation

DELIVERED VIA EMAIL

(neil.taylor@toysrus.ca, iaversa@airdberlis.com, mlici@airdberlis.com,
jnevsky@alvarezandmarsal.com, leenicholson@stikeman.com)

File code: 39384-0001

June 17, 2026

Toys “R” Us (Canada) Ltd. / Toys “R” Us (Canada) Ltee
2777 Langstaff Road
Concord, ON L4K 4M5

Attention: Neil Taylor

copy to:

-and-

-and-

Aird & Berlis LLP

Counsel to the Applicant

Brookfield Place

181 Bay St., Suite 1800

Toronto, ON M5J 2T9

Attn: Ian Aversa / Matilda Lici

Alvarez & Marsal Canada Inc.

CCAA Monitor

Royal Bank Plaza

200 Bay St., Suite 3501

Toronto, ON M5J 2J1

Attn: Josh Nevsky

Stikeman Elliott LLP

Counsel to the CCAA Monitor

5300 Commerce Court West

199 Bay St.

Toronto, ON M5L 1B9

Attn: Lee Nicholson

Dear Mr. Taylor,

RE: CCAA Proceedings of Toys “R” Us (Canada) Ltd. / Toys “R” Us (Canada) Ltee (the “Applicant”)

Assignment of rights under the Asset Purchase Agreement between the Applicant, as vendor, and 2625229 Ontario Inc., as purchaser, dated June 11, 2026 (the “APA”)

DIP Lender Concerns

We write as counsel to 2625229 Ontario Inc. (“**262Co**”), in its capacities: (i) as purchaser under the APA; and (ii) as DIP Lender in these CCAA proceedings.

Assignment of APA

In accordance with Section 12.5 of the APA, 262Co (as purchaser) is entitled to assign its right, title and interest in, to and under the APA, without prior consent, to a party that is an “Affiliate” (within the meaning of the Ontario Business Corporations Act), provided such assignment is completed before the CCAA Court issues the subject approval and vesting order.



Please be advised that, in accordance with Section 12.5 of the APA, 262Co has assigned its interest to 1001648524 Ontario Inc. – a wholly owned Affiliate of 262Co – pursuant to the Assignment and assumption agreement (the “**Assignment Agreement**”) enclosed herewith.

Although not required under the APA, we request that the Applicant execute and return the Assignment Agreement in the space provided, to acknowledge the assignment contemplated thereby.

Objection by Receiver of “Everest”

On June 17, 2026, we received a letter from counsel to the Receiver/Trustee of 1322297 Ontario Inc o/a Everest (“**Everest**”) objecting to the inclusion of claims as a purchased asset in the APA on the basis that the Receiver/Trustee “may” have claims against directors or officers of the Applicant.

This letter is confusing and wholly prejudicial to the DIP Lender (and any other creditors of the Applicant).

- The letter is focussed on matters arising in the receivership of Everest. While Everest is a creditor of the Applicant, it is unclear on what basis the events arising between TD Bank and Everest (and any supply of inventory by Everest to the Applicant) would give rise to a claim by the Applicant.
- Regardless, the inclusion of claims in purchase agreements is commonplace. The claims are assets, all of which are subject to the DIP Lender’s Charge and other secured claims. In this case, as set out in the Monitor’s Third Report dated June 12, 2026, the value of the inventory and other working capital assets is many millions less than the DIP Loan. It follows, then, that the DIP Lender is paying a premium for the assets. The Monitor carried out the SISP in accordance with the SISP Order issued by the CCAA Court on April 1, 2026 and no other party made a meaningful offer to acquire these assets. Any claims would otherwise be subject to the DIP Lender’s security. (Note: this is without considering 262Co’s \$15M+ senior secured position, ranking second after the DIP Loan).
- The claims are *Applicant* claims and do not include free-standing claims against directors and officers by third-parties. Accordingly, contrary to the Receiver/Trustee’s position, the APA does not operate as a “broad release” of potential personal claims. In fact, it is not a release at all.

We raise the above not because these points warrant debate, but because – as the Receiver/Trustee’s letter says – we anticipate 262Co will be asked whether it will complete the transaction under the APA if the claims were excluded from the Purchased Assets?

The answer is - *no*.



262Co has negotiated the APA with a view to continuing the business of the Applicant. It will have a licence of the "TOYS R US" brand until January 25, 2027. It will explore the possibility of a licence extension or a rebrand. Additionally, it has come to an agreement in principle to continue operations at the Sherway Gardens location, which it intends to add to the APA if it is approved. In doing so, it will expend considerable additional funds, including on employing the vast majority of the Applicant's existing workforce, to continue operations. It is not prepared to do so on terms other than as agreed in the APA.

Thank you and best regards.

Yours truly,

LOOPSTRA NIXON LLP

Per:

R. Graham Phoenix
Partner

RGP/aa

69013167.2

Assignment & Assumption Agreement

[see attached]

ASSIGNMENT AND ASSUMPTION AGREEMENT

THIS AGREEMENT (the “**Agreement**”) is made effective as of the 17th day of June 2026.

B E T W E E N:

2625229 ONTARIO INC., a corporation existing under the laws of the Province of Ontario
(the “**Assignor**”)

- and -

1001648524 ONTARIO INC., a corporation existing under the laws of the Province of Ontario
(the “**Assignee**”)

WHEREAS:

- A. Toys “R” Us (Canada) Ltd. / Toys “R” Us (Canada) Ltee (the “**Vendor**”) commenced proceedings (the “**CCAA Proceedings**”) under the *Companies’ Creditors Arrangement Act* (Canada) (the “**CCAA**”) and obtained an initial order from the Ontario Superior Court of Justice (Commercial List) (the “**CCAA Court**”) on February 3, 2026, as amended and restated on February 13, 2026 (as such Order may be further amended, restated or varied from time to time, the “**Amended and Restated Initial Order**”), pursuant to which, *inter alia*, Alvarez & Marsal Canada Inc. was appointed as CCAA monitor (the “**Monitor**”).
- B. The Applicant obtained a further order from the CCAA Court on April 1, 2026 (as such Order may be further amended, restated or varied from time to time, the “**SISP Approval Order**”), among other things, authorizing the Applicant to undertake a sale and investment solicitation process (the “**SISP**”) to solicit offers or proposals for a sale or investment in respect of the Applicant and/or its assets and authorizing and directing the Applicant and the Monitor to implement the SISP pursuant to the terms thereto.
- C. Assignor submitted an offer to acquire substantially all of the assets, property and undertaking of the Vendor in the SISP, which offer was ultimately accepted as a successful offer in the SISP; and, resulted in asset purchase agreement between the Vendor, as vendor, and the Assignor, as purchaser, dated June 11, 2026 (the “**APA**”).
- D. The Vendor making a motion to CCAA Court for an approval and vesting order (the “**AVO**”) in respect of the APA returnable on June 22, 2026.
- E. Pursuant to the s. 12.5 of APA, the Assignor may, without the prior written consent of the Vendor, assign its right, title and interest in, to and under the APA, to an “**Affiliate**” (as such term is defined the Ontario *Business Corporations Act*) provided such assignment is completed prior to the Court issuing the AVO.
- F. The Assignor has advised that is wishes to assign all of its right, title and interest in, to and under the APA to the Assignee, as set out herein.

NOW THEREFORE in consideration of the sum of One Dollar (\$1.00) paid by the Assignee to the Assignor and for other good and valuable consideration (the receipt and sufficiency of which are hereby acknowledged) the parties hereby covenant and agree as follows:

1. **Recitals** – The Assignor and Assignee (collectively, the “**Parties**”) acknowledge and agree that the recitals are true and correct.

2. **Assignment** – As of the date hereof, the Assignor hereby assigns, transfers and sets over to the Assignee all of the Assignor’s rights, title, benefits, privileges and interests in, to and under the APA, together with all benefits and advantages to be derived therefrom and together with the benefit of all covenants, guarantees and indemnities thereunder, with full power to the Assignee to take all such measures for the enjoyment of the rights thereunder as the Assignor might take as of and from the date hereof, including the benefit of any AVO sought in connection with CCAA Court approval of the APA and the transaction contemplated by the APA (the “**Assignment**”).

3. **Assumption** – The Assignee hereby accepts the Assignment and agrees to, together with the Assignor on a joint and several basis, assume, observe and perform all of the duties, obligations, terms, provisions and covenants of the Assignor contained in the APA.

4. **Representations and Warranties** – The Assignor and Assignee each hereby represent to and in favour of each other and the Vendor that each of the following statements will be true and correct as at the closing of the transaction contemplated by the APA (the “**Closing**”):

- (a) the Assignor and Assignee are each corporation duly incorporated and subsisting under the laws of the Province of Ontario;
- (b) the Assignee is an Affiliate of the Assignor;
- (c) the Assignor and Assignee are each validly registered under subdivision d of Division V of the *Excise Tax Act* (Canada) and that such registrations are in good standing, full force and effect and have not now, nor on the Closing will be surrendered or revoked; and
- (d) the Assignor and Assignee each have good and sufficient corporate power and authority to enter into this Agreement, the APA, and documents ancillary thereto.

5. **Notice to the Vendor; Third-Party Beneficiary** – The Parties agree that the Assignor shall present a fully executed copy of this Agreement to the Vendor and that, upon delivery of the same, the Vendor may rely on the terms of this Agreement as a third-party beneficiary hereunder (including but not limited to Section 3 hereof) to bind the Assignee, on a joint and several basis with the Assignor, to perform and fulfill all duties, obligations, terms, provisions and covenants of the Assignor contained in the APA.

6. **Further Assurances** – The Parties shall, at all times and from time to time hereafter and upon every reasonable written request to do so, make, do, execute, deliver or cause to be made, done, executed and delivered all such further acts, deeds, assurances and things as may be required for more effectually implementing and carrying out the true intent and meaning of this Agreement.

7. **Governing Law** - This Agreement shall be governed by the laws of the Province of Ontario.

8. **Successors and Assigns** - This Agreement shall be binding upon and shall inure to the benefit of the parties hereto and their respective successors and permitted assigns.

9. **Time of Essence** - Time shall be of the essence of this Agreement.


10. **Severability** - If any provision contained in this Agreement or its application to any person or circumstance shall, to any extent, be invalid or unenforceable, the remainder of this Agreement shall not be affected, and each provision of this Agreement shall be separately valid and enforceable to the fullest extent permitted by law.

11. **Counterparts**- This Agreement may be executed in several counterparts and a pdf. or facsimile transmission received by each party of the other party's signature will serve to confirm the execution thereof.

IN WITNESS WHEREOF the parties hereto have duly executed this Agreement effective as of the day and year first above written.


Assignor

2625229 ONTARIO INC.

Per: 
Name: Doug Putman
Title: President
I have the authority to bind the corporation.

Assignee

1001648524 ONTARIO INC.

Per: 
Name: Doug Putman
Title: President
I have the authority to bind the corporation.

ACKNOWLEDGEMENT OF VENDOR

The Vendor hereby acknowledges receipt of this Agreement and the assignment of the Assignor's right, title and interest in, to and under the APA to the Assignee, with effect as of the date first above written.

TOYS "R" US (CANADA) LTD. / TOYS "R" US (CANADA) LTEE

Per: _____
Name: Neil Taylor
Title: President
I have the authority to bind Vendor.

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Court File No. CL-26-00000042-0000

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"R" Us (Canada) Ltee*

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