

Spin Master Announces Closing of Secondary Offering of Subordinate Voting Shares

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TORONTO, Nov. 17, 2022 /CNW/ - Spin Master Corp. ("Spin Master" or the "Company") (TSX: TOY) (www.spinmaster.com), a leading global children's entertainment company, today announced the completion of the previously announced secondary offering of 1,900,000 subordinate voting shares (the "Subordinate Voting Shares") of the Company held by Anton Rabie, a co-founder and member of the Company's Board of Directors, through a company he controls (the "Selling Shareholder"), at a price of C\$32.10 per subordinate voting share (the "Offering Price"), for total gross proceeds to the Selling Shareholder of C\$60,990,000 (the "Secondary Offering").

The Company did not receive any proceeds from the Secondary Offering.

The Secondary Offering was made through a syndicate of underwriters including RBC Capital Markets and TD Securities Inc. as co-lead underwriters and joint bookrunners, together with a syndicate of underwriters including BMO Nesbitt Burns Inc., CIBC World Markets Inc., National Bank Financial Inc., Goldman Sachs Canada Inc., Stifel Nicolaus Canada Inc., Canaccord Genuity Corp., Cormark Securities Inc. and Scotia Capital Inc.

Early Warning Requirements

In accordance with National Instrument 62-103 - *The Early Warning System and Related Take-Over Bids, and Insider Reporting Issues*, Anton Rabie, announced today that, pursuant to a prospectus supplement dated November 11, 2022 to the final base shelf prospectus dated November 2, 2021 of the Company, Mr. Rabie indirectly sold an aggregate of 1,900,000 Subordinate Voting Shares of the Company in the Secondary Offering.

The Subordinate Voting Shares indirectly sold by Mr. Rabie were issued immediately prior to the Secondary Offering upon conversion of an equivalent number of multiple voting shares of the Company (the "**Multiple Voting Shares**"). Prior to the conversion, Mr. Rabie beneficially owned 30,406,873 Multiple Voting Shares and 281,249 Subordinate Voting Shares, and following the completion of the Secondary Offering Mr. Rabie continues to hold 28,506,873 Multiple Voting Shares and 281,249 Subordinate Voting Shares.

Prior to the completion of the Secondary Offering, Mr. Rabie beneficially owned 30,406,873 Multiple Voting Shares, representing 43.1% of the Multiple Voting Shares. Upon completion of the Secondary Offering, Mr. Rabie beneficially owns 28,506,873 Multiple Voting Shares, which represents 41.5% of the outstanding Multiple Voting Shares.

The purpose of the Secondary Offering was to enable Mr. Rabie to fulfill a long-standing prior commitment to funding a private growth equity fund he founded. This disposition is intended to satisfy all of his near-term financial commitments.

The Subordinate Voting Shares were sold in the Secondary Offering at a price of C\$32.10 per Subordinate Voting Share and for gross proceeds to Mr. Rabie of C\$60,990,000.

Pursuant to the terms of an agreement made among the Anton Rabie, Ronnen Harary, Ben Varadi (the "**Founders**"), entities controlled by the Founders, and the Company (the "**Principal Shareholders Agreement**"), Mr. Rabie may be considered a joint actor with the Founders. Collectively, pursuant to the Principal Shareholders Agreement, the Founders jointly control 100% of the issued and outstanding Multiple Voting Shares and upon completion of the Secondary Offering continued to jointly control 100% of the issued and outstanding Multiple Voting Shares.

Neither Ronnen Harary nor Ben Varadi participated in the Secondary Offering.

Pursuant to the terms of the Multiple Voting Shares, they are each convertible into Subordinate Voting Shares, on a one-for-one basis, and will convert automatically upon the occurrence of certain events and may be converted at any time at the option of the holder.

Upon completion of the Secondary Offering, the Multiple Voting Shares now beneficially owned by Mr. Rabie represent approximately 27.9% of the issued and outstanding Subordinate Voting Shares, on a partially diluted basis, assuming that the Multiple Voting Shares owned directly and indirectly by all of the Founders were converted into Subordinate Voting Shares in accordance with their terms.

Mr. Rabie and the other Founders have each also executed lock-up agreements in favour of the underwriters of the Secondary Offering pursuant to which they have each agreed, subject to limited exceptions, not to, directly or indirectly, without the prior written consent of the lead underwriters of the Secondary Offering, which consent shall not be unreasonably withheld, sell, grant any option for the sale of, or otherwise dispose or monetize, or offer to announce any intention to do so, in a public offering or by way of private placement or otherwise, any Subordinate Voting Shares, retained interest securities, or any securities convertible or exchangeable into Subordinate Voting Shares for a period of 90 days after the date of closing of the Secondary

Offering.

The Subordinate Voting Shares are currently listed for trading on the Toronto Stock Exchange, while the Multiple Voting Shares are not listed on a marketplace.

An early warning report will be filed on SEDAR and will be available for review at www.sedar.com under the Company's SEDAR profile. For further information and to obtain a copy of the early warning report, please see the Company's profile on SEDAR at www.sedar.com. A copy of the report can also be obtained by calling 416 364-6002. The Company's head office is located at 225 King Street West, Suite 200, Toronto, Ontario, M5V 3M2.

No securities regulatory authority has either approved or disapproved of the contents of this news release. The subordinate voting shares have not been and will not be registered under the United States Securities Act of 1933, as amended (the "U.S. Securities Act") or any state securities laws. Accordingly, the subordinate voting shares may not be offered or sold within the United States unless registered under the U.S. Securities Act and applicable state securities laws or except pursuant to exemptions from the registration requirements of the U.S. Securities Act and applicable state securities laws. This news release does not constitute an offer to sell or a solicitation of an offer to buy any securities of Spin Master in any jurisdiction in which such offer, solicitation or sale would be unlawful.

All amounts expressed herein are in Canadian dollars.

About Spin Master

Spin Master Corp. (TSX: TOY) is a leading global children's entertainment company, creating exceptional play experiences through its three creative centres: Toys, Entertainment and Digital Games. With distribution in over 100 countries, Spin Master is best known for award-winning brands PAW Patrol®, Bakugan®, Kinetic Sand®, Air Hogs®, Hatchimals®, Rubik's Cube® and GUND®, and is the global toy licensee for other popular properties. Spin Master Entertainment creates and produces compelling multiplatform content, through its in-house studio and partnerships with outside creators, including the preschool franchise PAW Patrol and numerous other original shows, short-form series and feature films. The Company has an established presence in digital games, anchored by the Toca Boca® and Sago Mini® brands, offering open-ended and creative game and educational play in digital environments. Through Spin Master Ventures, the Company makes minority investments globally in emerging companies and start-ups. With over 30 offices in close to 20 countries, Spin Master employs more than 2,000 team members globally. For more information visit spinmaster.com or follow-on Instagram, Facebook and Twitter @spinmaster.

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