

## **Basic Fun, Inc. Takes Strategic Action to Significantly Strengthen its Financial Structure and Position the Company For Future Success**

**Boca Raton, FL, June 28, 2024** – Basic Fun, Inc. (“Basic Fun” or the “Company”), an industry leader in the design, development and marketing of branded toys and imaginative play products to the retail and family entertainment channels, today announced that it, together with certain affiliated entities, has commenced a case in the District of Delaware. As part of the first day filings, the Company is seeking approval of \$50 million in DIP financing from affiliates of Great Rock Capital, as well as a \$15 million subordinate facility to be provided by RBC and the Company’s founders, Jay Foreman and John MacDonald. The financing, once approved, will provide ample liquidity for the on-going operation of the business through the course of the restructuring proceedings, including continued ability to purchase and sell inventory, and support our key licensing, retail and vendor partners. Basic Fun intends to put forward a comprehensive restructuring plan which will allow it to emerge from the court-supervised process quickly and effectively.

According to the Company’s President, Craig Leaf, “As a result of the restructuring process, our partners will be even more secure and confident in their relationship with the Company moving forward as a well-balanced capital structure will ensure the health of our Company for the long-term. This process will facilitate Basic Fun continuing to bring its new and innovative portfolio of products to the marketplace. We appreciate the continued support of our team members and our industry partners as we embark on this next chapter.”

Frank McMahon, Chief Financial Officer, said, “With the financing we will obtain in the process our vendors, licensors and customers should be assured in their ability to continue to confidently partner with us. Basic Fun will move forward with a strengthened financial foundation, allowing us to invest in an even greater product and promotional experience for our best-in-class merchandise assortments globally.”

Jay Foreman, Basic Fun’s CEO and majority shareholder added, “Since the demise of our industry’s largest toy retailer Toys R Us in 2018, through the tumult of the trade wars with China in 2019, Covid in 2020 through 2021, the travails of the supply chain crisis in 2022, inventory overstocks in 2023, and consumer slowdown in the early part of 2024, our industry and Basic Fun have been through a gauntlet of challenges. We intend to use the restructuring process to put those challenges in the rear-view mirror, enabling us to secure a successful future and position us for growth and value creation.”

### **Company Advisors**

Polsinelli PC is serving as legal counsel and Oppenheimer & Co. Inc. is serving as financial advisor.

### **About Basic Fun, Inc.**

Basic Fun! is a dynamic global designer and marketer of classic, innovative children’s entertainment products which strive to bring smiles to people of all ages. The Company has renowned iconic brands and a broad product portfolio that are sold by over 2,500 leading retailers, distributors and family entertainment venues in over 60 countries worldwide. Basic Fun! is dedicated to enriching lives and creating unforgettable moments through imaginative play. Basic Fun’s global headquarters is located in Boca Raton, FL. For more information visit [basicfun.com](http://basicfun.com).

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