



## TOYS“R”US® AND BABIES“R”US® RETURNING TO UNITED KINGDOM IN 2022

### TOYS“R”US ANZ SIGNS EXCLUSIVE LICENCE WITH WHP GLOBAL FOR UK RIGHTS

**27 October 2021** - Toys“R”Us ANZ Limited (ASX: TOY) (**TOY** or the **Company**) and WHP Global (“WHP”), the parent company of Toys“R”Us® and Babies“R”Us® today announced they have signed a landmark long-term exclusive licence agreement for Toys“R”Us ANZ to run digital and physical retail commerce for Toys“R”Us® and Babies“R”Us® in the United Kingdom.

This highly significant milestone is an acknowledgment of TOY’s commitment to the brands and successful relaunch in Australia of Toys“R”Us and Babies“R”Us, and a testament to the collaborative working relationship with worldwide brand owner WHP Global.

“We selected Toys“R”Us ANZ as our partner to expand into the United Kingdom because of their proven success in launching with us in Australia under the leadership of their CEO, Dr. Louis Mittoni,” said Yehuda Shmidman, WHP Global and Toys“R”Us Chairman and CEO. “Toys“R”Us today is a vibrant business with over 900 stores and e-commerce sites across 25+ countries generating over US\$2 billion a year in sales and growing, especially with the new launches underway for both the US and UK markets.”

Dr Louis Mittoni, CEO and Managing Director of Toys“R”Us ANZ, said: “Tailoring our successful Australian relaunch plan to the UK echoes the success of other e-commerce ‘platform play’ businesses that have delivered growth and value due to their ability to quickly and cost effectively expand their software, processes, partner relationships and brands into new countries. Since Toys“R”Us’ return to Australia in June 2019, we have scaled quickly as customers returned to the much-loved brand and our e-commerce model has proven its success.

“My team and I are looking forward to developing technical and commercial relationships with UK-based vendors and partners and to engage with the many loyal Toys“R”Us former customers and fans in the UK.”

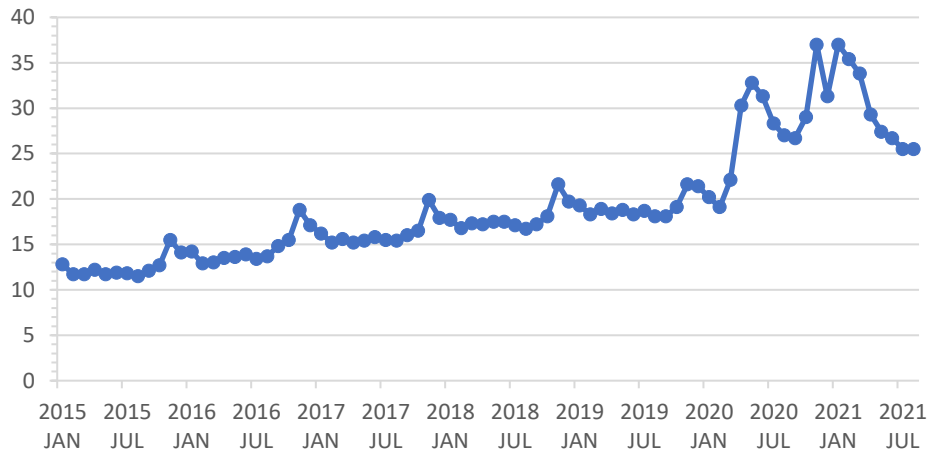
The UK has one of the most advanced e-commerce markets in Europe, whereby internet sales account for more than one quarter of all retail sales in the UK<sup>1</sup> and is forecast to be one-third of all retail sales by 2025.

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<sup>1</sup> Office for National Statistics, Internet sales as a percentage of total retail sales ratio (%), 17 September 2021.

The UK is ranked third worldwide by the number of online shoppers per capita, representing around 80% of the UK population; it is ranked fourth worldwide by online B2C revenue, estimated at £99 billion in the 2020 calendar year<sup>2</sup>.

Internet Sales as % of Total Retail for the UK<sup>1</sup>



The total addressable market for toys and games in the UK for 2020 was £3.3 billion<sup>3</sup>, representing the largest toy market in Europe and the fourth largest globally.

#### Operations to be re-established in the UK

Toys“R”Us ANZ plans to commence online sales to UK shoppers over the next several months, initially from existing operations in Australia, whilst it works to establish local teams, offices and logistics facilities during 2022 and 2023.

TOY recently announced a purpose-built, state-of-the-art warehouse distribution and adjoining head office facility located in Victoria. The new premises have been specifically designed and configured to house the TOY headquarters and to accommodate the Company’s medium-term requirements for warehousing, office space as well as a Toys“R”Us retail experience centre. This includes an initial AU\$2 million investment in Autonomous Mobile Robot (AMR) technology to increase capacity and efficiency. The new centre will enable the company to realise its UK growth ambitions, with a further strategy to transfer these technologies and other processes to future locations.

TOY delivered strong results for the fourth financial quarter despite the relocation of warehouses between 22 July to 12 August. The number of orders received via the Toys“R”Us Australia website during September was 18.4k, representing an increase of 73.5% YoY<sup>4</sup> and equivalent to 50% of orders received during the FY21 Q4 period.

The Company ended the 2021 financial year with a strong balance sheet and is cash self-sufficient should it choose to be with a cash at bank balance of AU\$17.3 million, and is planning for rapid revenue growth over the next several years.

<sup>2</sup> Statista, Value of online retail sales in the United Kingdom (UK) from 2012 to 2020 (in billion GBP).

<sup>3</sup> The NPD Group, Toys and games bring fun to the UK in a Challenging 2020, 14 January 2021.

<sup>4</sup> Comparison period comprises orders received only via the Toys“R”Us e-commerce website within the 30-day period 31 August to 29 September 2021 inclusive versus 31 August to 29 September 2020.

In connection with the licence agreement, TOY will issue shares to Tru Kids Inc. equal in value to US\$1.76m, subject to shareholder approval at the Annual General Meeting (AGM) to take place later this year.

This announcement is authorised for release by the Toys“R”Us ANZ Limited Board of Directors.

### **About Toys“R”Us ANZ Limited**

Toys“R”Us ANZ Limited (ASX: TOY) is an Australian-based listed company with a mission to enrich the lives of people by encouraging exploration, creativity and living life more fully through the enjoyment of toys and hobbies. In addition to distributing leading products throughout Australia for key partners via its trading business Funtastic, the company recently 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](http://corporate.toysrus.com.au)

### **About WHP Global**

WHP Global is a leading New York based firm that acquires global consumer brands and invests in high-growth distribution channels including digital commerce platforms and global expansion. WHP owns ANNE KLEIN®, JOSEPH ABBOUD®, LOTTO® and a controlling interest in TOYS"R"US®, BABIES"R"US®, Geoffrey® the Giraffe and more than 20 additional consumer brands in the toy and baby categories. The company also owns WHP+ ([www.whp-plus.com](http://www.whp-plus.com)), a turnkey direct to consumer digital e-commerce platform for brands, with full in-house operations including technology, data analytics, logistics, creative and digital marketing. For more information, please visit [www.whp-global.com](http://www.whp-global.com).

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