



TOYS“R”US SIGNS EXCLUSIVE UK SUB-LICENCE AGREEMENT WITH WH SMITH

21 Oct 2022 - Digital-first e-commerce direct-to-consumer retailer, Toys“R”Us ANZ Limited (ASX: TOY) (**TOY** or the **Company**), is pleased to announce that it has signed an exclusive sub-licence agreement with WH Smith High Street Limited (WHS HS) to trial nine Toys“R”Us store-in-store (SIS) implants in the United Kingdom. These trial Toys“R”Us SIS implants are scheduled to open in the first calendar half of 2023. The trial period commences upon the opening of the first SIS implant and extends for a period of twelve (12) months, or longer if mutually agreed, and will include the sale of toys, games and family/children related products typically sold by Toys“R”Us. WHS HS will pay TOY a fixed percentage royalty fee based on sales revenue generated within the SIS implants and the costs associated with operating SIS implants will be borne by WHS HS. At this stage, as a trial, TOY is not expecting to generate material levels of revenue and therefore the agreement is not considered by TOY to be materially price sensitive.

Upon successful completion of the trial period and achievement of mutually agreed key performance indicators, there may be a stage 2 roll-out of further SIS implants over the initial term of the agreement of approximately 10 years (with the ability to grant a further term of 5 years subject to certain conditions being met). The agreement is subject to customary termination agreement clauses and events, including loss of exclusivity if certain key performance indicators are not satisfied. The agreement restricts WHS HS and its affiliates to using Toys“R”Us trademarks and other intellectual property for the purpose of the physical SIS implants and excludes e-commerce.

TOY is the exclusive licensee for Toys“R”Us, Babies“R”Us and associated intellectual property (IP) in Australia, New Zealand and the United Kingdom. On 27 October 2021, the Company and WHP Global announced a landmark long-term exclusive licence agreement for Toys“R”Us ANZ Limited to operate digital and physical retail commerce for Toys“R”Us and Babies“R”Us in the United Kingdom. The UK website has recently been launched and is set to stoke organic growth.

The UK market represents a significant near-term growth opportunity for the Company, delivering into the largest toy market in Europe and the fourth largest globally with a strong brand. The UK baby retail market represents a similarly large and attractive market opportunity; the Babies“R”Us intellectual property is not included in the agreement with WH Smith.

Toys“R”Us continues to pursue its aspirations of driving top line growth to achieve its medium-term goal of 5% market share penetration in the toys, baby and hobby markets in all licensed regions.

This announcement is authorised for release by the Board of Directors.

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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 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 24 June 2021. Further information is available at corporate.toysrus.com.au

