

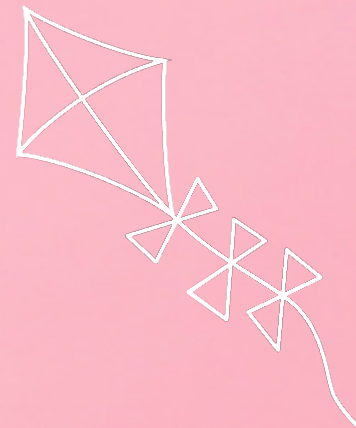


TOYS"R"US ANZ LTD (ASX: TOY)

CEO PRESENTATION TO THE 2022 AGM

7 DECEMBER 2022





Toys“R”Us is the world’s most trusted children and baby brand.

At Toys“R”Us ANZ, we believe that our baby range, toys and hobbies have the power to change lives, create new experiences and build memories and connections that last a lifetime.



OVERVIEW

- Marketing and brand awareness for the Company's direct-to-consumer operations has been expanded, helping to drive increased November sales activity.
- Toys“R”Us is executing its UK expansion strategy, selling through approximately ~A\$715k in the first full month.
- Launch of new headquarters and distribution centre in Victoria, Australia creates a strong platform for sustainable and scalable growth, operating synergies and cost efficiencies.



EXECUTIVE SUMMARY

FY22 Revenue

\$37.9m

↑ 74%

FY21 Revenue

\$21.8m

FY22 Gross Profit

\$8.0m

↑ 93%

FY21 Gross Profit

\$4.1m

31 Jul 2022 Cash

\$12.5m

\$5.8m YoY decrease

31 Jul 2021 Cash

\$18.3m

Cash and equivalents includes cash, cash equivalents and term deposits held at bank and excludes loan facility

- Toys“R”Us ANZ Limited (ASX: TOY) is a digital-first e-commerce direct to consumer retailer of toy, baby, hobby and lifestyle products.
- TOY is the exclusive licensee for Toys“R”Us®, Babies“R”Us® and associated IP in Australia, New Zealand and the UK.
- \$15 million loan facility secured in July 2022 to support launch into the UK ahead of the upcoming peak gifting season.

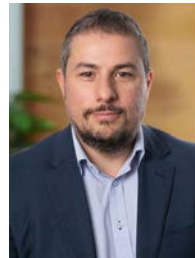
CORPORATE SNAPSHOT

ASX Stock Code	TOY
Listing date	26 Oct 2020 (announcement acquisition by FUN)
FY22 revenue (to 31/7/22)	\$37.9m
Cash balance as at 31 Jul 2022	\$12.5m
Share price as at 4 Oct 2022	\$0.034
Shares on issue	861.86m
Options (13.8c, 1 Nov 2023)	8.46m
Options (16.6c, 1 Nov 2024)	10.18m
Options (13.8c, 1 May 2025)	1.69m
Service rights & deferred share awards	1.0m
Fully diluted shares	883.19m
Fully diluted market cap	\$30.0m

Board & Senior Management



Kevin Moore
Independent Non-Executive Chair



John Tripodi
Non-Executive Director



Silvio Salom
Non-Executive Director



Louis Mittoni
Chief Executive Officer & Managing Director



Wei Si
Chief Financial Officer & Company Secretary



Lian Yu
Chief Operating Officer

Top Shareholders (as at 4 Oct 2022)

Rank	Name	Units	%
1	Louis Mittoni	291.2m	33.8%
2	Jason Sourasis	113.1m	13.1%
3	UBS Nominees Pty Ltd (incl. Regal)	73.9m	8.6%
4	Citicorp Nominees Pty Ltd	51.1m	5.9%
5	Theo Andriopoulos	41.3m	4.8%
	Other Top 20	149.6m	17.4%
Total Top 20		720.1m	83.6%



FY22 KEY ACHIEVEMENTS



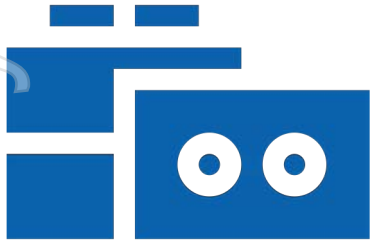
- Secured long-term exclusive license agreement to operate Toys“R”Us, Babies“R”Us and associated IP in the United Kingdom.
- Established 3PL logistics service partnership with Amethyst Group as warehouse and logistics provider in Warwickshire, UK. **The UK website has been launched and is set to stoke organic growth.**
- Steady organic Australian order growth facilitated by commissioning of state-of-the-art Autonomous Mobile Robot (AMR) e-commerce storage and picking logistics centre.
- Warehouse upgrade completed – new facility in Clayton, Victoria provides capacity supporting up to c.A\$250 million.

B2C revenue +98%
YoY to \$26.0m

B2B revenue +28%
YoY to \$11.1m



THE STORY SO FAR...



- 185 vendors, 685 brands, 20,000 products.
- Toys“R”Us, Babies“R”Us and Hobby Warehouse retail brands.
- 188k active customers.
- \$133.50 average order value¹, 21% gross profit margin.
- \$12.45 average cost of customer acquisition².

FUTURE-FOCUSED BUSINESS MODEL

- Digital-first strategy - aligned with how shoppers are and will increasingly shop in the future.
- Low cost of doing business – centralised efficient operations incorporating state-of-the-art logistics technologies.
- Commencement of expansion to UK, Europe’s largest toy market with 25%+ online penetration of retail sales.

COMPETITIVE ADVANTAGE

- World’s most loved and trusted children and baby brands Toys“R”Us and Babies“R”Us, improved conversions and market recognition.
- Unbroken demographic journey – addressing the needs of families from newborn, toddlers through to teenagers and adults.
- Expansive product range, specialising in toys, babies and hobbies.

¹ Average for the three months ending 31 July 2022.

² Calculated as total click-ad cost divided by total number of Toys R Us e-commerce orders for the six months ending 31 July 2022.



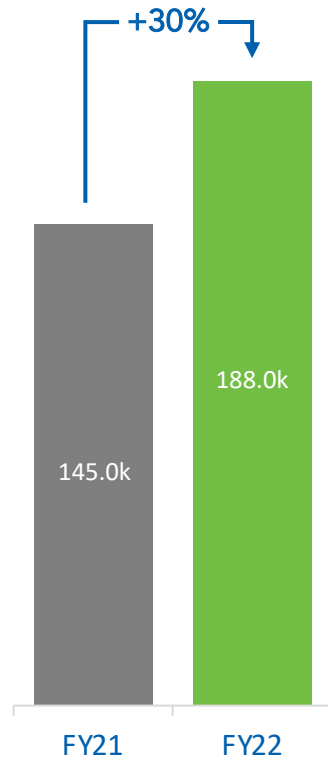
TRADING HIGHLIGHTS



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ACTIVE CUSTOMERS

Total Active B2C
eCommerce Customers

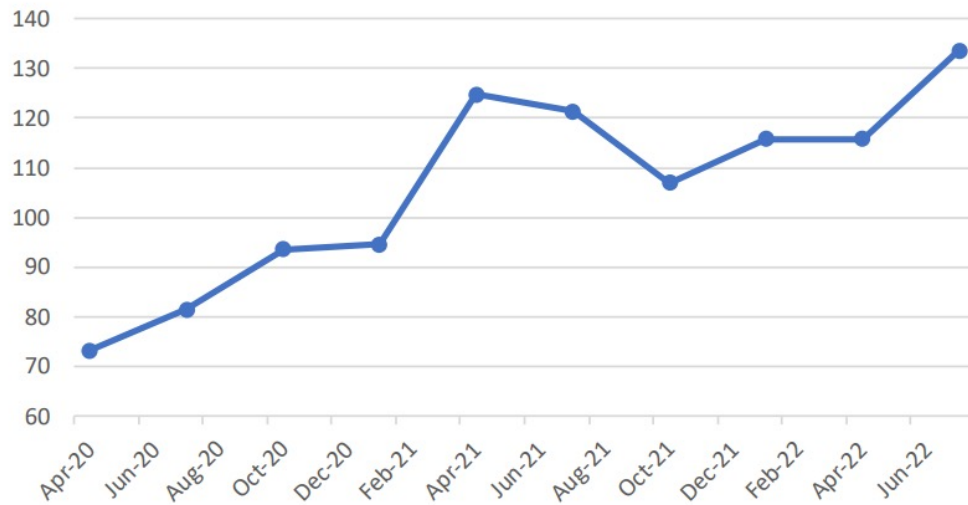


Total active customers increased markedly during FY22, despite lengthy delivery network delays, order backlogs and pausing of shipments in Feb 2022 with migration of key business systems now complete.



GROWING LOYALTY AND ORDER VALUE

Average Order Value (A\$)
Toys "R"Us Australia



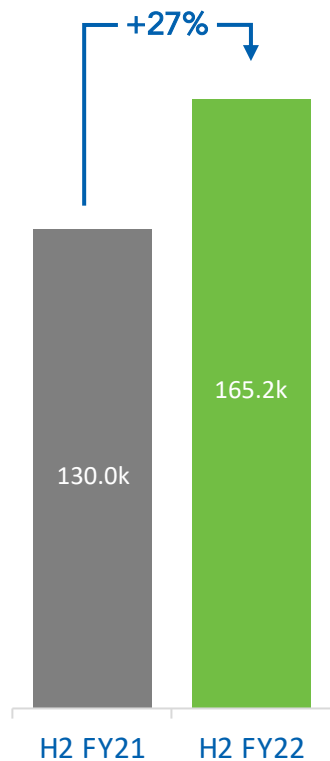
- Average Toys "R"Us Australia order value (AOV) in Q4 FY22 was A\$133.50, +10% YoY.
- Average cost of customer acquisition (CAC)¹ increased to A\$12.45 in H2 FY22, reflecting industry-wide pressure on advertising costs.
- Return customers placed orders valued at A\$146.55, +26% compared with first time customers in the H2 FY22 period.

¹ Calculated as total click-ad cost divided by total number of all e-commerce orders for the six months ending 31 July 2022 on www.toysrus.com.au.

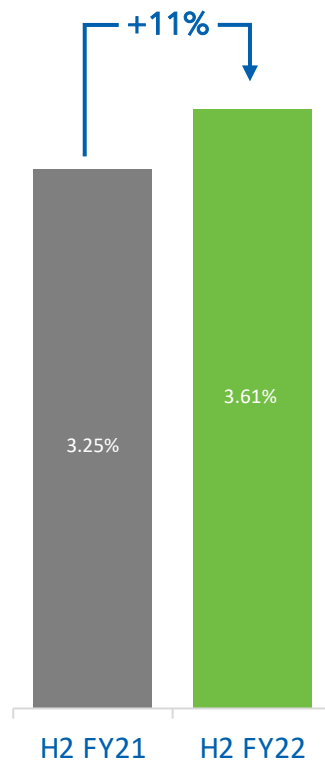


CUSTOMER ACQUISITION

Toys“R”Us
Active Customers



Toys“R”Us Click Ad
Conversion Rate



- Total active customers for Toys“R”Us increased ~27% in H2 FY22 vs pcip to 165k, following continued investment in online marketing in challenging trading conditions.
- Total active customers across all e-commerce channels increased ~30% on pcip to 188k.
- Higher average click-ad conversion rates continued to contribute to improved ROI and customer conversion volumes.

NOVEMBER MILESTONES

A KEY TRADING PERIOD

Results across the Company's retail brands in November:

- Total number of orders received ~48,500, +38% vs. pcp.
- Total value of orders received A\$5.4 million¹, +27% vs. pcp.

Cyber Week²

- Total number of orders received ~22,000, +38% vs pcp.
- Average order value (AOV):
 - A\$129.90 for Australia, flat vs pcp; and
 - £34.70 for the UK.
- Total value of orders received A\$2.6 million, +26% vs pcp.

1. GBP to AUD conversion rate of 1.80 has been utilised to calculate Australian Dollar amounts.

2. Cyber Week 2022 extended from Sunday 20 November to Monday 28 November 2022 inclusive, with the previous corresponding period (pcp) from Sunday 21 November to Monday 29 November 2021 inclusive.



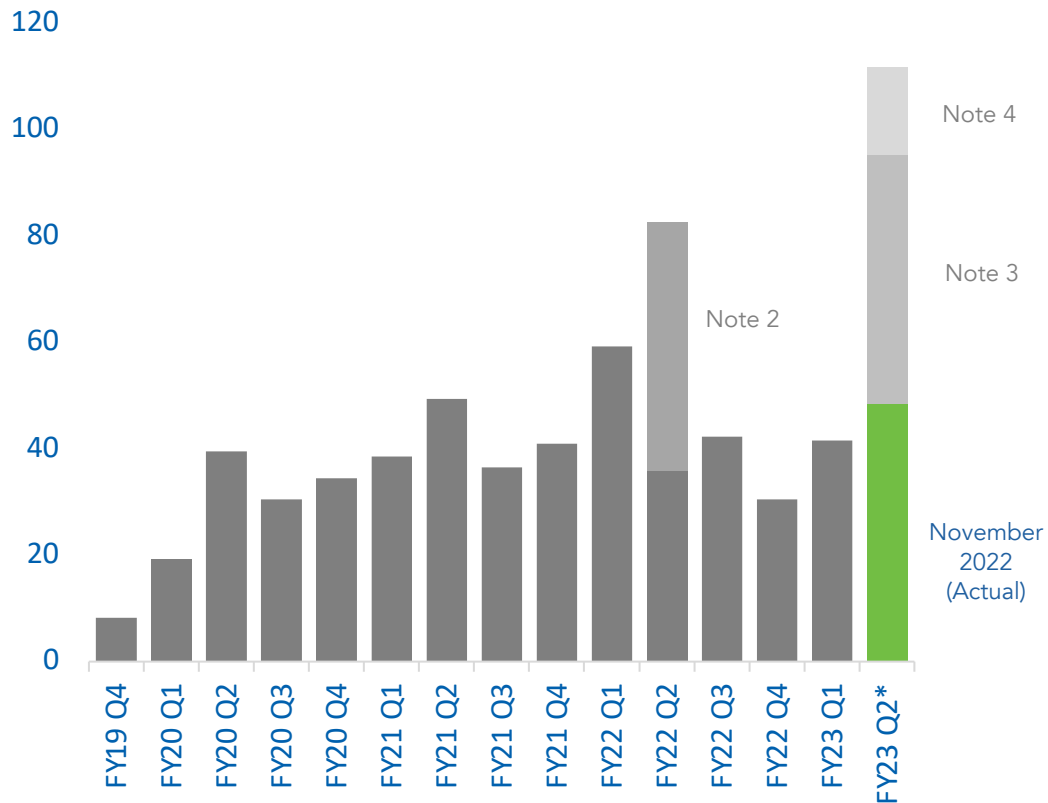
NOVEMBER MILESTONES...(CONT)

- The proportion of repeat customers increased to 26%, compared with 20% vs. pcp. for Toys“R”Us Australia, illustrating the effectiveness of marketing and improvements in customer loyalty and shopping return rates.
- With delivery carrier arrangements in the UK complete and operable, approximately A\$715k of launch inventory sold in November – the first full month of trading.
- Replenishment of inventory ongoing in advance of December and calendar year 2023.



YEAR TO DATE PERFORMANCE

E-Commerce # Orders Received By Quarter¹ ('000s)



- Calendar 2022 has been a year of significant peaks and troughs as the exceptional circumstances associated with COVID lockdowns and self-isolation abated, some pure play online companies down by up to ~20-40%, TOY has managed an improved relative growth performance.
- Relative performance expected to be maintained.
- Return to trend with YTD increase in the value of orders received (e-commerce only) in the 4 months to November 2022 ~A\$11m, +2.6% YoY.
- Shoppers purchasing later in the peak trading season, combined with the UK evidencing the number of orders received in the first six days of December +[60%] vs. pcp.

* Not a forecast, provided for illustrative purposes only, actual November 2022 figures (unaudited).

1. Financial year extends 1 August to 31 July.

2. Adding December 2021 and January 2022 actuals.

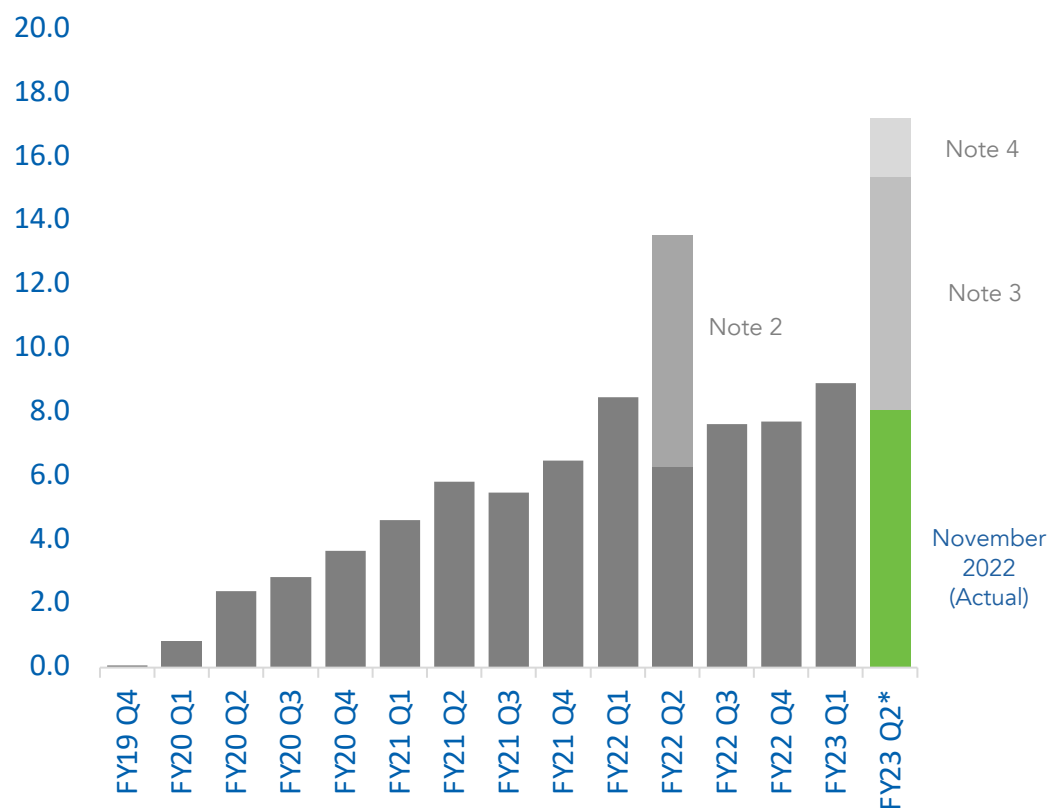
3. Adding December 2021 and January 2022 with 0% YoY growth to November 2022 actuals.

4. Adding December 2021 and January 2022 with 35% YoY growth to November 2022 actuals.

5. All e-commerce orders in Australian dollars from 1 August 2022 to 30 November 2022.

RETURN CUSTOMER SUPPORTING GROWTH

Toys R Us AU # Repeat Customers By Quarter¹ ('000s)



- Return customers supporting growth as brand awareness rises, reaching ~32% in FY22 Q4.
- Further growth anticipated as the TOY increases marketing and awareness through new channels – expanding the Company's audience with our instantly recognisable brand.
- Illustrates effectiveness of marketing and improvements in customer loyalty and shopping return rates.

* Not a forecast, provided for illustrative purposes only, actual November 2022 figures (unaudited).

¹ Financial year extends 1 August to 31 July.

² Adding December 2021 and January 2022 actuals.

³ Adding December 2021 and January 2022 with 0% YoY growth to November 2022 actuals.

⁴ Adding December 2021 and January 2022 with 25% YoY growth to November 2022 actuals.

MARKETING & AWARENESS



- Large format billboards ~total 86 locations.
- Radio, Sydney and Melbourne markets.
- Digital paid online advertising.
- Email and SMS direct marketing.
- Expanded audience reach.

B2B SEGMENT: PROFITABLE GROWTH



- Our B2B segment is led by the Mittoni IT importing and distribution business, specialising in extreme performance eSports PC/console gaming peripherals, office products, consumer electronics and other enthusiast accessories.
- Our B2B business complements TOY's B2C operations and contributes increasingly profitable growth.
- B2B revenue increased by 28% YoY in FY22 to \$11.1m.



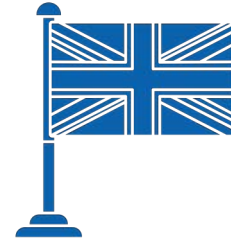
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**UNITED
KINGDOM
EXPANSION**



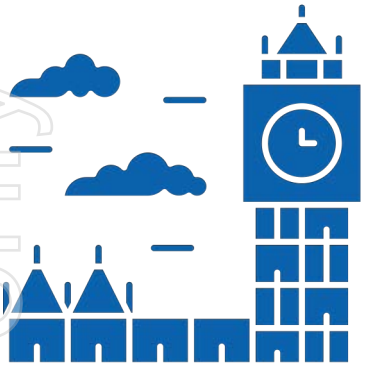
UK MARKET OPPORTUNITY



- The UK is one of the most advanced e-commerce markets in Europe.
- Internet sales account for more than one quarter of all UK retail sales, forecasted to increase to be one-third of all retail sales by 2025.
- 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.

- Total addressable toy market for Toys“R”Us of £3.7 billion, representing the largest toy market in Europe and the fourth largest globally.
- Total addressable baby market for Babies“R”Us of ~£3.4 billion (includes maternity, equipment and clothing; excludes food and baby care).
- Former Toys“R”Us UK sales revenue peaked at £439m in 2015 and £421m in 2016 respectively.
- **Toys“R”Us remains a legendary brand in the UK, well-known and much-loved.**

UK LAUNCHED OCTOBER 2022



- UK expansion commenced with a capital-light, digital-first market entry in October 2022, in time for the holiday and new year season in late 2022.
- Recently appointed third-party logistics (3PL) specialist Amethyst Group as warehouse and logistics provider in the UK. Fully operable.
- Complementing the digital-first operating model, on 21 October 2022, the Company announced that it had signed an exclusive sub-licence agreement with WH Smith High Street Limited to trial nine Toys“R”Us store-in-store implants.

COMMENCEMENT OCTOBER 2022

- Toys“R”Us UK soft launched with 4,500 items.
- Babies“R”Us also launched with ~1,300 items.
- Product sourced from over 170 vendors.
- Arrangements with delivery carriers operable.
- A\$715k sales of launch inventory in first full month.

GROWTH OPPORTUNITIES

TOTAL ADDRESSABLE MARKET

\$6.3b

United Kingdom Expansion

\$19.1b

VENDOR, BRAND AND PRODUCT RANGE

16,000

Toy, Baby and Hobby Range

20,000+

- Acquisition of the UK region license, very importantly, consolidates the company's growth trajectory for the foreseeable future.
- Ability to leverage combined growth, vendor partnerships and future strength of Australia, New Zealand and United Kingdom territories.
- Increased local and global marketing of Toys"R"Us will promote growth.
- Ongoing expansion of brands and range.

INVESTMENT HIGHLIGHTS

Established business reintroducing one of the world's best-loved children's brands to Australia and the UK through a digital-first operating model

Superior product ranging and driving lower operating costs via investments in robotic automation and capacity to maintain this advantage

Delivering strong growth in revenue underpinned by improvements to operational capabilities and customer service levels

B2B business complements B2C operations and continues to contribute profitably to the Group

Implementing plans to accelerate and scale the Toys“R”Us, Babies“R”Us and Hobby Warehouse operations in Australia, and relaunch Toys“R”Us and Babies“R”Us in the UK

A world-class executive team pursuing a medium-term goal of 5% market share penetration in the toys, baby and hobby markets in all licensed regions





TOYS“R”US GLOBAL – AGM VIDEO MESSAGE

Yehuda Shmidman

Chair & CEO of WHP Global &
Toys“R”Us Global

Board Observer of Toys“R”Us ANZ



Video Message to Shareholders



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Thank You

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