

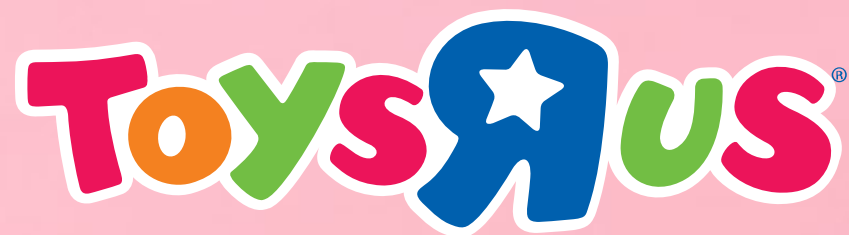


Company Update

April 2024

This presentation has been approved for release by the Board of Directors





We're proud to be one of world's most trusted children and baby brands.

Our range of toys, babies, hobbies and art and craft changes lives, creates new experiences and builds lifelong memories.

Board & Management



Kelly Humphreys *(Non-Executive Chair)*



Kelly is an experienced ASX director, currently serving as Chair of Raiz Invest Limited (ASX:RZI) and Non-Executive Director and Chair of Audit, Risk and Finance Committees on the Boards of The National Stock Exchange (ASX:NSX), and Latrobe Health Services

Prior to her board career, Kelly had an extensive senior executive career in insurance and lending and has deep technical expertise in operations, risk management and governance. She brings a strong commercial approach to achieving objectives in complex regulatory environments and demonstrated ability in engaging stakeholders and working effectively to deliver business growth and improved performance.

Teresa Smith *(Non-Executive Director)*



Teresa is highly skilled in building and enhancing brand equity, with a proven track record in structuring and empowering teams to achieve impactful results through strategic marketing initiatives. She is recognised as an expert in multi-channel marketing, adept at developing and executing comprehensive strategies that drive brand awareness and foster deep customer engagement. Teresa demonstrates visionary leadership and catalyses organisational transformation, driving change as an influential change agent.

Teresa is the former Head of Marketing at Country Road Group, former Brand Manager and Digital Marketing Manager at Bunnings and is currently a Non-Executive Deputy Chair of the Yea & District Memorial Hospital, and Non-Executive Director of Urban Camp.

John Tripodi *(Non-Executive Director)*



John is a business leader with extensive multinational FMCG experience in various strategic and operational roles. John is well known for creating and championing innovative brand strategies with effective commercial outcomes and challenging conventional marketing practices.

He is the current CEO of the diversified sport, entertainment and consumer lifestyle agency, Twenty3 Group. Prior to co-founding the Twenty3 Group, John held senior sales and marketing roles with global confectionery and pet food manufacturer Mars Inc. before moving into general management with the world's largest beauty and personal care company the L'Oreal Group.

Penny Cox *(Chief Executive Officer)*



Penny is an experienced e-commerce executive having held many senior level roles in the UK, Australia, and South-East Asia with LEK Consulting, Ocado, Coles, Redmart, Alibaba & Carousell. As VP Commercial & Marketing at Redmart, Revenue grew 20x from \$14 million to \$285 million, and assortment increased by 25x via partner drop shipping. Net Commercial Margin improvement of 4ppts delivered through improvements in category management and merchandising, negotiation of supplier terms, better pricing and promotion and range management

Penny's proven ability in scaling eCommerce businesses is exactly the leader that Toys "R" Us ANZ's needs to deliver its leaner e-commerce, partnership and relaunch model across Australia.

Toys R Us is a GROWING & VIBRANT GLOBAL BRAND



**1,350+ STORES
IN 31 COUNTRIES**

★ Open Store ★ Online Only

Doing What We Said We Would...

- Exiting the unsustainable UK Market; ✓
- Reducing our overheads and right-sizing the cost base; ✓
- Reducing aged Inventory; ✓
- Re-build the technology and data stack; ✓
- Exploring new channels to market (e.g. physical retail); ✓
- Better measurement of operational KPIs and effectiveness ✓
- Delivering growth in Baby Category – **late 2024**



Implementing the Pillars of New Business Model



Reduced Capital & Overhead Cost



Capital Restructure Program



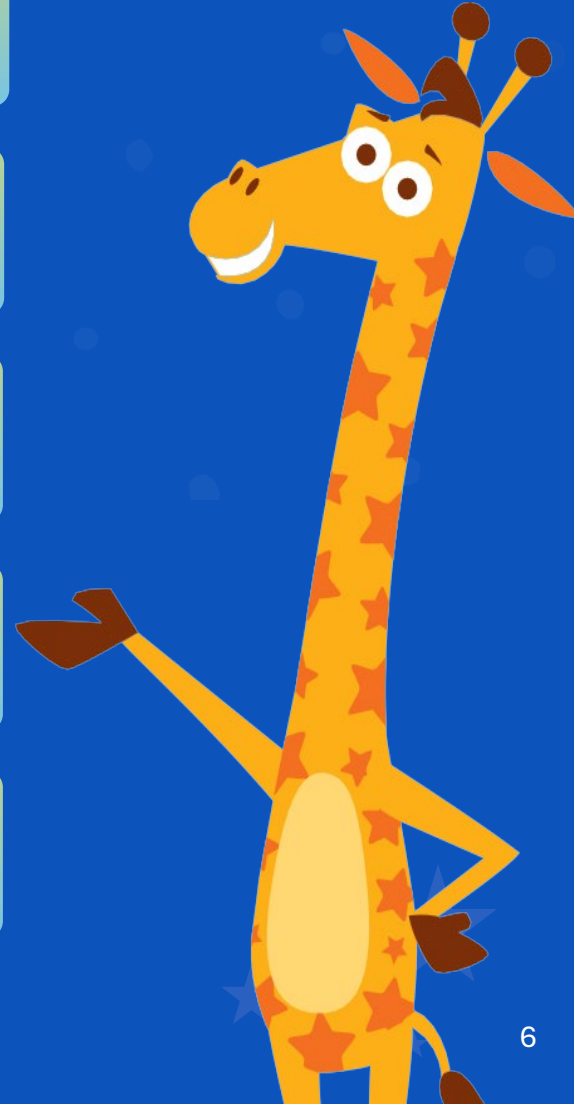
Increase 'House of Brands' Approach



Return Physical Presence with In-Store Partnerships



Relaunch Babies'R'Us



Capital Restructure Program



Proposed Restructuring Program:

- Undertake a 10:1 Share Capital Consolidation

Rationale for Restructuring Program:

- a) Consolidate shares, and lift ASX share price
- b) Lift US broker USD\$0.01 floor price restriction to activate further US market exposure and trading (market makers)

A 'House of Brands' Approach

ToysRUs

BABIESRUs

Hobby
Warehouse

RIOT

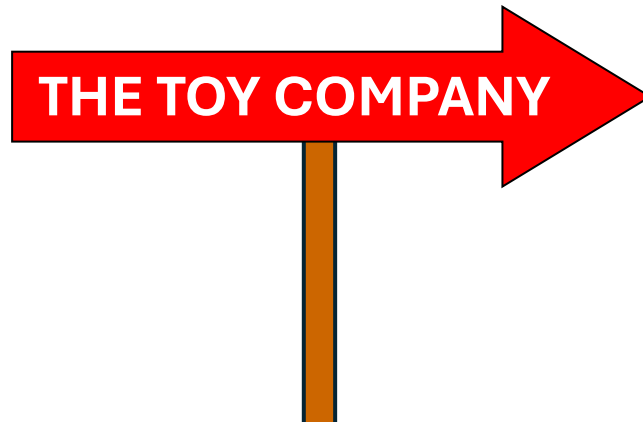


A 'House of Brands' Approach



Re-imagining Brands for the omnichannel age:

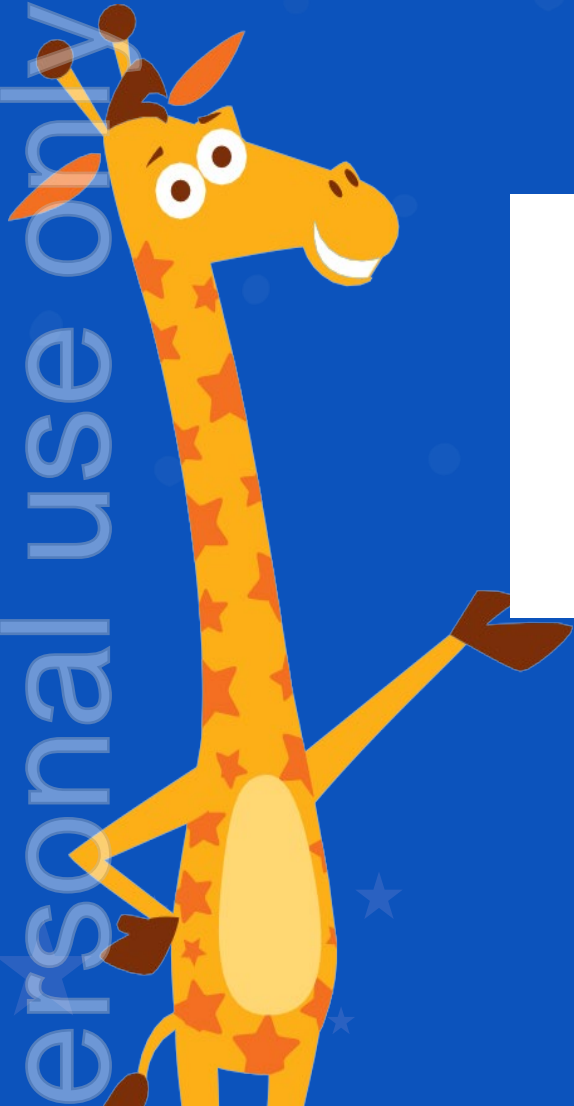
- Cross-pollination of customer databases
- Dedicated merchandise and marketing
- Shared services operations model
- Focused Customer demographic targeting



Strategic Acquisition

RIOT

Art & Craft Supplies



ersonal use only

RIOT – Background and Overview

RIOT

- 49-year-old business
- Avg GP Margins between 36% and 56%
- Owned-branded products achieve >50% gross margin
- Retail database: **540k customers**
 - Average order value \$74.17, average order frequency 2x, predominantly East Coast based
- Wholesale database: **2.4k wholesale clients**
- Latent pricing power, with RRP's below competitors across the range
- Opportunity to expand the business through wholesale and retail channels
- 2 Employees came across to TOY with a wealth of experience with the RIOT brand



Historically Strong Revenue & GP Margins

RIOT

RIOT has a catalogue of brands & inventory carefully developed over the last 50 years:

A) Purchased Inventory at cost: **~\$850,000**

- Currently holding 2.6k SKUs, target is around 5k

B) Purchased Retail database: **540k customers**

- Average order value \$74.17, average order frequency 2x, predominantly East Coast based

C) Purchased Wholesale database: **2.4k wholesale clients**

D) Purchased Brand and IP:

- **RIOT brand name** and **53 domains**, including www.riot.com.au & www.wholesale.riot.com.au
- **14 owned-brands**, with high product margin and 5 generating >\$500k in annual revenue each
- Established products carefully developed over several years, catering to specific regulatory and material requirements

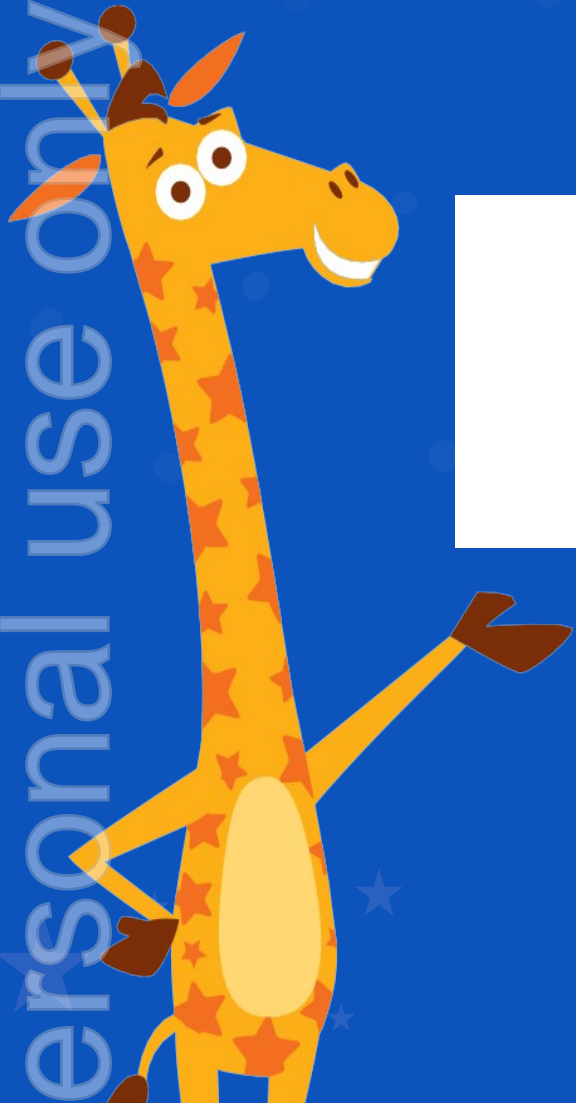


Future Revenue Growth through M&A or Category Expansion

TOY will continue to explore opportunities to grow its House of Brands in the Kids, Toys and Hobbies segments



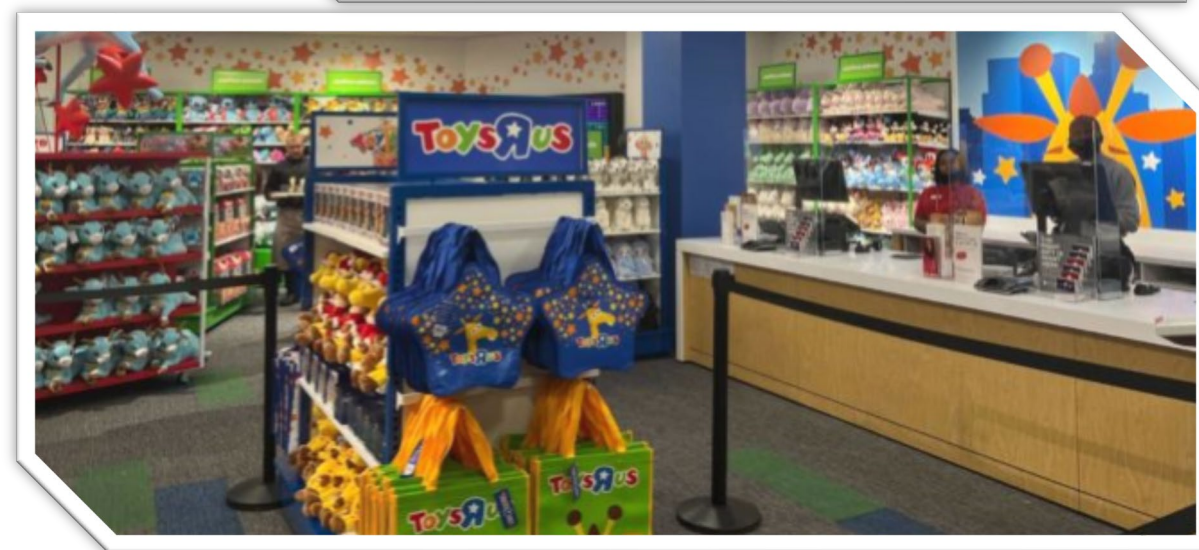
Physical Retail Opportunities



Toys “R” Us – Shop-in-Shop Model Established in USA



“There’s a Toys R Us inside every Macy’s”



The US Toys “R” Us business has seen significant success via a shop-in-shop partnership



Jeff Gennette | Macy's CEO

"...Toys is a huge opportunity for us with a fair share of market opportunity of \$1 billion in annual sales."

Macy's toy business

DOUBLED

overnight following
the announcement of
the partnership

15x

Q1 2022 Toy Sales V's
comparable period prior
to the Toys"R"Us
Partnership

93%

of customers who bought
toys cross-shopped into
other product categories

23%

of customers who bought
toys were NEW customers
to Macy's

Flagship Store(s):

Combined location for Babies R Us, Toys R Us and RIOT Art and Craft

- Combining brands into one location creates a strong pull to the location
- Revenue not shared with partners
- Measured expansion once success of first store is proven

Shop-in-Shop:

In discussion with potential partners for Shop-in-Shop opportunities, to replicate the success of Toys “R” Us with Macy’s in the USA

- Likely single-brand partnerships
- Infrastructure already in place, no lease liabilities
- Faster to rollout to more locations, upfront investment likely higher due to number of locations

Looking to the Future



The Company's EGM – May 2024

NOTICE OF EXTRAORDINARY GENERAL MEETING OF TOYS'R'US ANZ LIMITED

(ACN 063 886 199) ("COMPANY")

TAKE NOTICE that the Extraordinary General Meeting of Shareholders of the Company will be held at the place, date and time specified below:

Place: As a virtual meeting
Date: 17 May 2024
Time: 11:00 am (Melbourne time)

The Meeting is being held by way of a virtual meeting using the online AGM technology. Shareholders are urged to attend and vote at the meeting electronically using the online meeting technology or vote by lodging the Proxy Form attached to this Notice.

DATED 12 April 2024

By order of the Board:



Kim Larkin
Company Secretary

THIS NOTICE OF EXTRAORDINARY GENERAL MEETING SHOULD BE READ IN ITS ENTIRETY. IF SHAREHOLDERS ARE IN DOUBT AS TO HOW THEY SHOULD VOTE, THEY SHOULD SEEK ADVICE FROM THEIR PROFESSIONAL ADVISERS. SHOULD YOU WISH TO DISCUSS THE MATTERS IN THIS NOTICE OF EXTRAORDINARY GENERAL MEETING PLEASE DO NOT HESITATE TO CONTACT THE COMPANY SECRETARY, KIM LARKIN, ON KIM.LARKIN@BOARDROOMLIMITED.COM.AU.

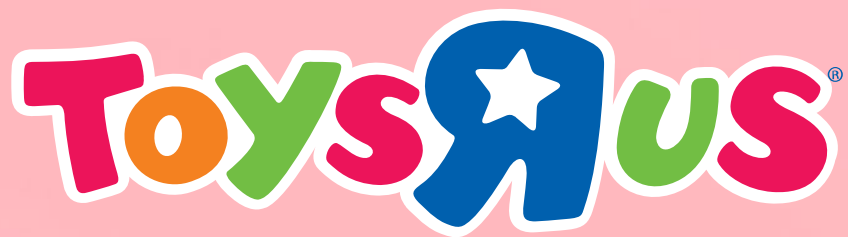


2024 is all about Sustainable Growth

Growth will be supported by:

- Delivering a 'House of Brands' Strategy;
- Reducing overheads with right-sized shared resource cost base;
- Improved technology and data stack;
- Creating new channels to market (e.g. physical retail);
- Optimising business performance margins through economies of scale;
- Exploring further M&A or collaboration opportunities to build top-line Revenue





Thank You!



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