Appendix 4D – Half-year Report for the period ended 31 January 2025

Company details

Name of entity:	Toys "R" Us ANZ Limited
ABN:	94 063 886 199
Reporting period:	For the half-year ended 31 January 2025
Previous period:	For the half-year ended 31 January 2024

Results for announcement to the market

	31 January 2025 $'000	31 January 2024 $'000	Change $'000	Change %
Revenues from ordinary activities from continuing operations	3,053	5,971	(2,918)	(49%)
Loss from ordinary activities after tax from continuing operations	(3,314)	(6,152)	2,838	46%
Loss from ordinary activities after tax from discontinued operations	2,602	(3,395)	5,997	177%
Loss from ordinary activities after tax	(713)	(9,547)	8,834	92%
Loss for the half-year	(713)	(9,547)	8,834	92%

Dividends
There were no dividends paid, recommended or declared during the current financial period or the previous financial period.

Comments
The loss for the Group after providing for income tax amounted to $713,000 (31 January 2024: $9,547,000).

Net tangible assets

	Reporting period Cents	Previous period Cents
Net tangible assets per ordinary security	(10.0)	(1.37)

Control over entities, gained or lost

UK TRU Limited was dissolved during the period. There were no other control changes during the reporting period.

Details of associates and joint venture entities

Not applicable.

Audit qualification or review

The financial statements were subject to a review by the auditors and a copy of the independent auditor's review report is included in the accompanying half-year review report.

Signed

___________________________ Date: 24 March 2025

Kelly Humphreys (Chair)

TOYS “R” US ANZ LIMITED

ABN: 94 063 886 199

HALF-YEAR REPORT

31 JANUARY 2025

Toys "R" Us ANZ Limited
Directors' report
31 January 2024

The directors present their Interim Report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'Group') consisting of Toys "R" Us ANZ Limited (referred to hereafter as the 'Company') and the entities it controlled for the half-year ended 31 January 2025.

DIRECTORS
The following persons were directors of the Company during or since the end of the half-year:

Kelly Humphreys - Chair and Executive Director (appointed as Executive Chair on 13 February 2025)
Teresa Smith - Executive Director (appointed as Executive Director on 13 February 2025)
John Tripodi - Independent Non-Executive Director
Mark Simari - Independent Non-Executive Director (appointed on 31 October 2024)

Company secretary
Kim Larkin

Operations and financial review
The Company is an Australian based e-commerce retailer with a vision to enrich every stage of life's journey from infancy to adulthood, offering a comprehensive range of essential baby care items, toys and art and craft materials.

Toys 'R' Us ANZ Limited is listed on the Australian Securities Exchange (ASX) under the code 'TOY'. The Company is based in Clayton, Victoria and provides its products across Australia.

The Company has remained focused on delivering on the key pillars of its strategic plan and during the reporting period has:

- Improved product margins across all brands;
- Increased inventory value;
- Exited the UK business and finalised all UK operations;
- Renegotiated more favourable licence terms with our licensor, Toys R Us Kids (TRUK);
- Received $1.5 million funding from Mercer Street Global Fund II LP; and
- Completed the negotiation of the head lease and return of ~$2.7 million bond.

__Operating Results__
During the first half of FY2025, the Group achieved Sales Revenues of $3.1 million from continuing operations, compared to $5.9 million in the previous comparative period from continuing operations. Whilst total revenues decreased, margins and inventory are growing steadily. Loss after income tax for the half year ended 31 January 2025 was $0.7 million (2024: Loss $9.6 million). As at 31 January 2025, the Group's net liabilities were $12.9 million (31 July 2024: net liabilities of $15.2 million).

Sales and marketing
- Overall product margin achieved of 37% compared to 18% for previous reporting period.
- Leading into Christmas, the Cyber week sales generated $0.5 million revenue compared to $0.7 million for previous period. And December revenue was $1.1 million compared to the previous period of $1.5 million.
- Inventory value held as at 31 January 2025 was $1.0 million compared to $0.9 million as at 31 January 2024.

Cost Reduction and Operational Efficiency
The Company reached agreement with its licensor TRUK to exit the UK business and transfer all UK business assets to TRUK in settlement of its USD$1.8 million outstanding loan balance, provided to support the transition of the UK business. TRUK also agreed to release the Group from all remaining liabilities and obligations.

Following TRUK support with the UK business exit, the Company also reached agreement on revised licence terms, reducing the fees by 66% to USD$0.4 million for the next three years.

Sub-leasing of excess space within the Company's premises and transfer of the head-leases on two premises at Clayton resulted in the release of ~$2.7 million bond monies during the period which was used to pay suppliers and build inventory.

The Company will continue to focus on improved operational efficiencies which combined with improved performance will position it to leverage the benefits of scale as we move into the next financial year.

Capital: Additional Funding from Mercer Street Global Fund
Following their initial Placement Investment of $200,000, plus the provision of an unsecured $600,000 loan, in early 2024, US-based Investment Fund Mercer agreed to provide up to a further $4.2 million in funding via Convertible Securities subject to the mutual agreement of the parties and shareholder approval being provided. The Company and Mercer have agreed to the following Tranches under the agreement, $700,000 in May 2024, $785,000 in July 2024 and $1.5 million in October 2024.

Significant changes in the state of affairs
Apart from the developments outlined above, there were no significant changes in the state of affairs of the Group during the financial half-year ended 31 January 2025.

Matters subsequent to the end of the financial half-year
The following events occurred post the end of the financial half-year:

- 13 February 2025 – The Company announced the resignation of Penny Cox as CEO. Non-Executive Directors Kelly Humphreys and Teresa Smith were appointed Executive Chair and Executive Director respectively.
  The Executive Directors are leading the ongoing implementation of the Strategic Transformation Plan and a detailed review across operations. This work is targeted at driving and optimising procurement and sales for the remainder of the financial year, improving sales and marketing efficiency and effectiveness, and identifying cost-savings.
- 17 February 2025 – The Company announced it had entered into a three-year strategic commercial agreement with Directed Electronics Australia Pty Ltd. This partnership is providing comprehensive support to accelerate the strategy including product development and sourcing, marketing and website design, and supply of goods.

No other matter or circumstance has arisen since 31 January 2025 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

Rounding of amounts
The Company is of a kind referred to in Corporations Instrument 2016/191, issued by the Australian Securities and Investments Commission, relating to 'rounding-off'. Amounts in this report have been rounded off in accordance with that Corporations Instrument to the nearest thousand dollars, or in certain cases, the nearest dollar.

Auditor's independence declaration
A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out immediately after this director's report.

This report is made in accordance with a resolution of directors, pursuant to section 306(3)(a) of the Corporations Act 2001.

On behalf of the directors

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Kelly Humphreys
Chair and Executive Director

24 March 2025

RSM Australia Partners

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AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the review of the financial report of Toys "R" Us ANZ Limited for the half-year ended 31 January 2025, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

(i) the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and

(ii) any applicable code of professional conduct in relation to the review.

RSM AUSTRALIA PARTNERS

R J MORILLO MALDONADO
Partner

Date: 24 March 2025
Melbourne, Victoria

Toys "R" Us ANZ Limited
Contents
31 January 2025

General information

The financial statements cover Toys ‘R’ Us ANZ Limited as a Group consisting of Toys ‘R’ Us ANZ Limited and the entities it controlled at the end of, or during, the half-year. The financial statements are presented in Australian dollars, which is Toys ‘R’ Us ANZ Limited’s functional and presentation currency.

Toys ’R’ Us ANZ Limited is a listed public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business are:

Registered office

Level 8, 210 George Street
Sydney, NSW 2000

Principal place of business

Unit 3, 45-49 McNaughton Road
Clayton, VIC 3168

A description of the nature of the Group’s operations and its principal activities are included in the director’s report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of directors, on 24 March 2025.

Toys "R" Us ANZ Limited
Statement of profit or loss and other comprehensive income
For the half-year ended 31 January 2025

	Note	Consolidated 31 January 2025 $'000	31 January 2024* $'000
Revenue from continuing operations			
Revenue from contracts with customers		3,053	5,971
Cost of goods sold		(1,924)	(4,868)
Gross profit		1,129	1,104
Other Income		1,989	295
Expenses			
Administration expense		(1,370)	(1,401)
Employee benefits expense		(1,235)	(1,861)
Marketing and selling expenses		(813)	(1,209)
Warehouse and distribution expenses		(273)	(486)
Total expenses		(3,691)	(4,957)
Earnings before interest, taxation, depreciation and amortisation (EBITDA)		(573)	(3,558)
Finance income		113	60
Depreciation & amortisation expense		(1,274)	(1,527)
Finance costs		(1,739)	(1,286)
Loss before income tax benefit from continuing operations		(3,473)	(6,311)
Income tax benefit		159	159
Loss after income tax benefit from continuing operations		(3,314)	(6,152)
Profit/(Loss) after income tax expense from discontinued operations	5	2,602	(3,395)
Loss after income tax benefit for the half-year		(713)	(9,547)
Other comprehensive income/loss			
Items that may be reclassified subsequently to profit or loss			
Foreign currency translation		58	(73)
Other comprehensive income/loss for the half-year, net of tax		58	(73)
Total comprehensive loss for the half-year		(655)	(9,620)
Total comprehensive loss for the half-year is attributable to:			
Continuing operations		(3,257)	(6,225)
Discontinued operations		2,602	(3,395)
		(655)	(9,620)

Toys "R" Us ANZ Limited
Statement of profit or loss and other comprehensive income
For the half-year ended 31 January 2025

		Consolidated	
		31 January 2025	31 January 2024
	Note	Cents	Cents
Loss per share from continuing operations			
Basic loss per share	16	(0.02)	(0.07)
Diluted loss per share	16	(0.02)	(0.07)
Loss per share from discontinued operations			
Basic loss per share	16	0.02	(0. 04)
Diluted loss per share	16	0.02	(0. 04)
Loss per share			
Basic loss per share	16	(0.01)	(0.11)
Diluted loss per share	16	(0.01)	(0.11)

Toys "R" Us ANZ Limited
Statement of financial position
As at 31 January 2025

	Note	Consolidated 31 January 2025 $'000	31 July 2024 $'000
Assets			
Current assets			
Cash and cash equivalents		579	708
Trade and other receivables		10	-
Inventories		981	594
Other current assets	7	708	905
		2,278	2,207
Assets of disposal group classified as held for sale		-	16
Total current assets		2,278	2,223
Non-current assets			
Property, plant and equipment		1,766	2,023
Right-of-use assets	6	4,232	8,186
Goodwill and other intangibles	8	2,200	2,837
Other non-current assets	7	-	2,756
Total non-current assets		8,198	15,802
Total assets		10,476	18,025
Liabilities			
Current liabilities			
Trade and other payables		1,905	1,871
Contract liabilities/deferred revenue		-	66
Borrowings	9	13,839	14,838
Lease liabilities		259	564
Derivative financial instruments		274	505
Employee benefits	10	235	233
Provisions		-	222
Contingent consideration		210	210
Other current liabilities		828	1,779
		17,550	20,288
Liabilities directly associated with assets classified as held for sale		-	3,128
Total current liabilities		17,550	23,416
Non-current liabilities			
Borrowings	9	1,286	390
Lease liabilities		4,027	8,728
Deferred tax		262	421
Employee benefits	10	-	-
Contingent consideration		252	252
Total non-current liabilities		5,827	9,791
Total liabilities		23,377	33,207
Net assets/(liabilities)		(12,901)	(15,182)
Equity			
Issued capital	11	297,914	295,540
Reserves		1,170	549
Accumulated losses		(311,985)	(311,271)
Total equity/(deficiency)		(12,901)	(15,182)

Toys "R" Us ANZ Limited
Statement of changes in equity
For the half-year ended 31 January 2025

Consolidated	Issued capital $'000	Foreign currency translation reserve $'000	Equity -settled employee benefits reserve $'000	Convertible note options reserve $'000	Accumulated losses $'000	Total equity $'000
Balance at 1 August 2023	292,920	(214)	690	-	(291,878)	1,518
Loss after income tax benefit for the half-year	-	-	-	-	(9,547)	(9,547)
Other comprehensive income/loss for the half-year, net of tax	-	(73)	-	-	-	(71)
Total comprehensive loss for the half-year	-	(73)	-	-	(9,547)	(9,620)
Transactions with owners in their capacity as owners:						
Issue of ordinary shares	1,240	-	-	-	-	1,240
Sale of unmarketable parcels	55	-	-	-	-	55
Share-based payments	-	-	54	-	-	54
Balance at 31 January 2024	294,215	(287)	744	-	(301,425)	(6,753)

Toys "R" Us ANZ Limited
Statement of changes in equity
For the half-year ended 31 January 2025

Consolidated	Issued Capital $'000	Foreign currency translation Reserve $'000	Equity settled Employee benefits Reserve $'000	Convertible note options Reserve $'000	Accumulated Losses $'000	Total deficiency in equity $'000
Balance at 1 August 2024	295,540	(614)	866	297	(311,272)	(15,183)
Loss after income tax benefit for the half-year	-	-	-	-	(713)	(713)
Other comprehensive income/loss for the half-year, net of tax	-	58	-	-	-	58
Total comprehensive loss for the half-year	-	58	-	-	(713)	(655)
Transactions with owners in their capacity as owners:						
Issue of ordinary shares, net of issue costs	2,374	-	-	-	-	2,374
Share-based payments	-	-	115	-	-	115
Options issued pursuant to the convertible note facility	-	-	-	448	-	448
Balance at 31 January 2025	297,914	(556)	981	745	(311,985)	(12,901)

Toys "R" Us ANZ Limited
Statement of cash flows
For the half-year ended 31 January 2025

	Note	Consolidated 31 January 2025 $'000	31 January 2024 $'000
Cash flows from operating activities			
Receipts from customers (inclusive of GST)		3,352	15,842
Payments to suppliers (inclusive of GST)		(5,959)	(16,692)
Payments to employees (inclusive of GST)		(1,434)	(2,899)
Cash utilised in operations		(4,041)	(3,749)
Interest received		113	60
Other revenue		3	295
Interest and other finance costs paid		(1,566)	(729)
Net cash used in operating activities		(5,491)	(4,123)
Cash flows from investing activities			
Payments for property, plant and equipment		-	(158)
Proceeds from refund of security deposits		2,756	145
Net cash from / (used in) investing activities		2,756	(13)
Cash flows from financing activities			
Proceeds from issue of shares	11	2,490	1,368
Proceeds from convertible notes		1,500	-
Proceeds from borrowings		300	3,024
Share issue transaction costs	11	(116)	(73)
Repayment of borrowings		(1,032)	-
Repayment of lease liabilities		(536)	(849)
Net cash from/(used in) financing activities		2,606	3,470
Net decrease in cash and cash equivalents		(129)	(666)
Cash and cash equivalents at the beginning of the financial half-year		708	1,766
Cash and cash equivalents at the end of the financial half-year		579	1,100

The above condensed cashflows include cashflow in relation to discontinued operations. Refer to Note 5 for further details.

Note 1. Material accounting policy information

These general-purpose financial statements for the interim half-year reporting period ended 31 January 2025 have been prepared in accordance with Australian Accounting Standard AASB 134 'Interim Financial Reporting' and the Corporations Act 2001, as appropriate for for-profit oriented entities. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'.

These general-purpose financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with the annual report for the year ended 31 July 2024 and any public announcements made by the company during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, except for the policies stated below.

Going concern basis of accounting
The financial report has been prepared on the going concern basis which contemplates the continuity of normal business activities and the realisation of assets and the discharge of liabilities in the normal course of business.

During the half-year ended 31 January 2025, the Group incurred a net loss after income tax of $0.7 million and has cash outflows from operating activities of $5.5million. Also, as at 31 January 2025, the Group’s current liabilities exceeded its current assets by $15.2 million and the Group’s total liabilities exceeded its total assets by $12.8 million.

These factors indicate a material uncertainty which may cast significant doubt as to whether the Group will continue as a going concern and therefore whether it will realize its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial report.

The Directors, after reviewing the Group’s budget and cashflow forecast for the twelve-month period from the date of signing the financial statements, have concluded that the Group will have sufficient cash and other financial resources to support its operations for the relevant period and therefore they believe that there are reasonable grounds to believe that the Group will be able to continue as a going concern. Along other matters, the budget and cashflow forecast considered the following:

- As disclosed in Note 10, the company has a further $1.215 million available from the convertible securities facility, with Mercer Street Global Opportunity Fund II LP, subject to further agreement between the parties;
- The Group is working on a range of initiatives to raise further cash to fund operations, which are expected to be successful. The Company has a history of successfully undertaking capital raising (including the most recent $2.5 million equity funding raised in September 2024, refer to Note 11 for details);
- The Directors are currently in negotiations with its existing lenders to restructure the terms of the Term loan borrowing (refer to Note 9). The Directors believe they will be successful in these negotiations;
- The budget and cashflow forecast prepared by management for the twelve-month period from the date of signing the financial statements, which are based on management and the directors' best estimates and assumptions about certain economic factors, and the operating and trading performance of the Group, indicate an expected improvement on the Group’s results and net cash from operating activities.

Accordingly, the Directors believe that the Group will be able to continue as a going concern and that it is appropriate to adopt the going concern basis in the preparation of the financial report.

The financial report does not include any adjustments relating to the amounts or classification of recorded assets or liabilities that might be necessary if the Group does not continue as a going concern.

Note 1. Material accounting policy information (continued)

New or amended Accounting Standards and Interpretations adopted
Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

Note 2. Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

Key sources of estimation uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Share-based payment transactions
The Group measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by using either the Binomial or Black-Scholes model taking into account the terms and conditions upon which the instruments were granted. The accounting estimates and assumptions relating to equity-settled share-based payments would have no impact on the carrying amounts of assets and liabilities within the next annual reporting period but may impact profit or loss and equity.

Goodwill and other indefinite life intangible assets
The Group tests annually, or when impairment indicators are identified, whether goodwill and other intangible assets have suffered any impairment in accordance with the accounting policy. The recoverable amount of the cash generating units has been determined based on either relief from royalty models or the present value of the expected cash flows. These calculations require the use of assumptions. A significant change to these assumptions may affect the recoverable amount of the cash generating units.

The Group defines its cash generating units (CGU) as the smallest identifiable group of assets that generates cash inflows. Under this interpretation, for the purpose of impairment of goodwill, the Group has identified two CGUs, being the business to consumer (B2C) and business-to-business (B2B) CGUs. During the financial year ended 31 July 2024, the operations related to the B2B business were discontinued. Therefore, for the half year ended 31 January 2025 management has determined that there is only one segment. This goodwill was assessed for indicators of impairment and no indicators were present.

Recoverability of inventory
The Group regularly assesses whether the net realisable value (NRV) of its inventories is reasonable in light of changing market conditions. Whilst the Group has provided to recognise the best estimate for the amount for which its inventory will be realised, the final amounts will be subject to the prevailing market conditions and may differ from the amounts provided.

Intangible assets and goodwill
Intangible assets are amortised, based on the useful life assessed by management, as follows:

Software	3 years
Customer database	5 years
Patents	20 years
Trademarks	3-5 years
Licensed distribution agreements	1-20 years

Whilst the current useful lives are management's best estimate, a periodic review is undertaken to ensure these remain appropriate.

Note 2. Critical accounting judgements, estimates and assumptions (continued)

Goodwill and other intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired.

Valuation of conversion features attached to the convertible notes
The Group has issued convertible debt instruments that contain embedded conversion features. The debt component is valued based on discounting the contractual cash flows by the interest rate that would apply to an otherwise identical debt instrument with no conversion feature, which usually involves significant judgment in relation to identifying benchmark debt with similar features. The fair valuation of conversion features requires significant judgment due to the reliance on various assumptions and market variables.

The fair value of the conversion feature is determined using a Monte Carlo simulation model, which incorporates inputs such as the Company's stock price, volatility, risk-free interest rate, and expected terms until conversion. Changes in these inputs could result in significantly different fair value estimates. Management continually assesses market conditions and updates assumptions as required.

Note 3. Operating segments

Identification of reportable operating segments
Based on the internal reports reviewed by the Board of Directors and key management personnel (who are identified as the Chief Operating Decision Makers ('CODM')) to make strategic and operating decisions, assess business performance and in determining the allocation of resources, by 31 January 2024 management determined that the group had two operating segments, being Business to Consumer (B2C) and Business to Business (B2B).

The CODM reviews EBITDA (earnings before interest, tax, depreciation and amortisation). The accounting policies adopted for internal reporting to the CODM are consistent with those adopted in the financial statements.

The information reported to the CODM is on a monthly basis.

Information about products and services
The principal products of each of these operating segments are follows:
- B2C - direct-to-consumer sale of consumer products (toys, hobby and baby goods); and
- B2B - wholesaling and distribution of IT products.
- Corporate - relates to the corporate running costs of the Group

During the second half of the financial year ended 31 July 2024, the operations related to the B2B business were discontinued. Pursuant to classification of B2B segment as a discontinued operation (see note 5), operating segment information from continuing operations have only been provided for B2C segment. Therefore, for the half year ended 31 January 2025 management has determined that there is only one segment.

The directors have assessed that there are no major customers.

Geographical information

The Group’s revenue from continuing operations are generated in Australia.

The Group's non-current assets are situated in Australia. The geographical non-current assets below are exclusive of, where applicable, financial instruments.

Note 4. Revenue

Revenue	**Consolidated 31 January 2025 $'000**	**Consolidated 31 January 2024 $'000**
Continuing operations		
Revenues from contracts with customers		
Revenue from the sale of goods	3,053	5,971

Disaggregation of revenue
The disaggregation of revenue from contracts with customers is as follows:

	Consolidated 31 January 2025 $'000	**Consolidated 31 January 2024 $'000**
Geographical regions		
Australia	3, 053	5,971
Timing of revenue recognition		
Goods transferred at a point in time	3, 053	5,971

Note 5. Discontinued operations

B2B Business
During the financial year ended 31 July 2024, following a strategic review, the Board concluded that the Mittoni business was not core to its ongoing operations and decided to stop operating the business and focus on building its core brands.

UK business
During the previous year, following a strategic review, the Board concluded to restructure its operations in order to reduce its operating costs and reached agreement with TRU Kids Inc to facilitate an orderly transition of the UK business and the transfer of its UK licence to TRU Kids Inc.

Consequent to the above, the Mittoni business operations and the UK business operations have been classified as discontinued operations and its assets and liabilities have been classified as disposal group held for sale in accordance with AASB 5 *Non-current Assets Held for Sale and Discontinued Operations.*

Note 5. Discontinued operations (continued)

Financial performance information

	Consolidated	
	31 January 2025 $'000	31 January 2024 $'000
Revenue	5	7,856
Cost of goods sold	-	(7,458)
Total revenue	5	397
Other Income	2,610	-
Marketing and selling expenses	-	(908)
Warehouse and distribution expenses	-	(1,760)
Employee benefits expenses	(12)	(916)
Administration expenses	(1)	(209)
Impairment of goodwill and other intangible assets	-	-
Total expenses	(13)	(3,792)
Profit/(Loss) before income tax expense	2,602	(3,395)
Income tax expense	-	-
Profit/(Loss) after income tax expense from discontinued operations	2,602	(3,395)

	Consolidated	
	31 January 2025 $'000	31 January 2024 $'000
Net cash used in operating activities	(8)	(1,563))
Net cash used in financing activities	-	-
Net decrease in cash and cash equivalents from discontinued operations	(8)	(1,563)

Restructuring costs

As at 31 January 2025, the Group has provided for an amount of $Nil (2024: $222,000) towards restructuring and legal costs in association with exiting the UK operations and surrender of the UK licence.

	Consolidated	
	31 January 2025 $'000	31 July 2024 $'000
Carrying amount at the start of the period	222	280
Provisions recognised during the period	-	(58)
Provisions utilised during the period	(222)	-
Carrying amount at the end of the period	-	222

Note 6. Right-of-use assets

	Consolidated	
	31 January 2025 $'000	**31 July 2024 $'000**
Non-current assets		
Land and buildings - right-of-use	4,370	10,089
Less: Accumulated depreciation	(138)	(1,903)
	4,232	8,186

Reconciliations
Reconciliations of the written down values at the beginning and end of the current financial half-year are set out below:

Consolidated	Land and buildings $'000	Total $'000
Balance at 1 August 2024	8,186	8,186
Disposals	(3,563)	(3,563)
Depreciation expense for the half-year	(391)	(391)
Balance at 31 January 2025	4,232	4,232

Note 7. Other assets

	Consolidated	
	31 January 2025 $'000	**31 July 2024 $'000**
Current assets		
Prepaid expenses	564	905
Prepaid deposits for purchase of inventory	144	-
	708	905
Non-current assets		
Bonds and security deposits	-	2,756
	708	3,661

Note 8. Goodwill and other intangibles

	Consolidated	
	31 January 2025 $'000	31 July 2024 $'000
Non-current assets		
Goodwill - at cost	827	30,522
Less: Accumulated impairment	-	(29,695)
	827	827
Other licenses and trademarks - at cost	375	375
Less: Accumulated amortisation	(72)	(63)
	303	312
Customer database - at cost	5,271	5,271
Less: Accumulated amortisation	(4,399)	(3,867)
	872	1,404
Software - at cost	576	576
Less: Accumulated amortisation	(378)	(282)
	198	294
	2,200	2,837

Reconciliations
Reconciliations of the written down values at the beginning and end of the current financial half-year are set out below:

Consolidated	Goodwill $'000	Other licences and trademarks $'000	Customer database $'000	Software $'000	Total $'000
Balance at 1 August 2024	827	312	1,404	294	2,837
Additions	-	-	-	-	-
Amortisation expense	-	(9)	(532)	(96)	(637)
Balance at 31 January 2025	827	303	872	198	2,200

Impairment testing – Goodwill

During the financial year ended 31 July 2024, the operations related to the B2B business were discontinued and the remaining goodwill written off. Therefore, the Group has identified that there is one cash generating unit which is aligned with the operating segments disclosed in Note 3 and against which goodwill and other intangibles are allocated and tested.

Goodwill	Consolidated	
	31 January 2025 $'000	31 July 2024 $'000
Business to consumer (B2C)	827	827
	827	827

Note 8. Goodwill and other intangibles (continued)

Directors and Management have considered and assessed reasonable possible changes to the key assumptions and have not identified any instances that could cause the carrying amount of the cash generating unit to exceed its recoverable amount as at 31 January 2025.

Note 9. Borrowings

	Consolidated	
	31 January 2025 $'000	**31 July 2024 $'000**
Current liabilities		
Term loan	13,225	14,238
Other	14	-
Short-term loan – Mercer	600	600
	13,839	14,838
Non-current liabilities		
Convertible notes payable – at amortised cost	1,286	390
	15,125	15,228

Convertible notes

On 20 March 2024 the Company entered into a Convertible Securities Agreement with Mercer Street Global Opportunity Fund II LP to provide funding to the Company up to $4,200,000 (Convertible Securities Agreement or 'CSA'). The initial drawdown was $700,000 (Tranche 1), a further $785,000 (Tranche 2) and a further $1,500,000 (Tranche 3) was drawn down on 11 October 2024.

In the current period, the Company issued 1,650,000 convertible securities (CS) at $0.9091 per CS with a face value of $1.00 ("Tranche 3"). Subject to CSA, a further investment of up to $1,215,000 CS can be issued in the future ("Further Tranche").

The maturity date for Tranche 3 is 15 months from the date issue (11 October 2025). The convertible notes have a zero coupon and therefore no interest is payable with the exception of a default event. The convertible notes are unsecured.

The Directors appointed an external valuation expert to perform a fair valuation of the embedded derivatives as at the respective issue dates and as at 31 January 2025. The fair value methodology adopted by the external valuer was the Monte Carlo Simulation model.

Note 10. Employee benefits

	Consolidated 31 January 2025 $'000	31 July 2024 $'000
Current liabilities		
Annual leave	167	175
Long service leave	68	58
	235	233
Non-current liabilities		
Long service leave	-	-
	235	233

Note 11. Issued capital

	Consolidated 31 January 2025 Shares	31 July 2024 Shares	31 January 2025 $'000	31 July 2024 $'000
Ordinary shares - fully paid	151,262,158	115,690,728	297,914	295,540

Movements in ordinary share capital

Details	Date	Number of Shares	Issue price	$'000
Balance	1 August 2024	115,690,728		295,540
Issue for placement	2 September 2024	35,571,430	$0.0070	2,490
Capital raising costs		-	-	(116)
Balance	31 January 2025	151,262,158		297,914

Note 12. Dividends

There were no dividends paid, recommended or declared during the current or previous financial half-year.

Note 13. Contingent liabilities and contingent assets

As at 31 January 2025, the Group had a commitment to issue a bank guarantee amounting to $412,500; which has not yet been satisfied. As at 31 July 2024, the Group issued bank guarantees of $ 2.76 million, and an equivalent amount of cash deposit was placed with the bank (see note 7).

There are no contingent assets as at 31 January 2025 (2024: $Nil).

Note 14. Licence guarantee commitments

Under the terms of various License Agreements, the company guarantees the minimum level of license payments. The commitment in relation to these guarantees not already recognised is as follows:

	Consolidated	
	31 January 2025 $'000	31 July 2024 $'000
Committed at the reporting date but not recognised as liabilities, payable:		
Within one year	642	769
One to five years	3,333	2,953
More than five years	20,894	19,797
	24,869	23,519

Note 15. Events after the reporting period

The following events occurred post the end of the financial half-year:

- 13 February 2025 – The Company announced the resignation of Penny Cox as CEO. Non-Executive Directors, Kelly Humphreys and Teresa Smith were appointed Executive Chair and Executive Director respectively to jointly lead and maintain business operations.
- 17 February 2025 – The Company announced it had entered into a strategic commercial agreement with Directed Electronics Australia Pty Ltd.

No other matter or circumstance has arisen since 31 January 2025 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial periods.

Note 16. Earnings per share

	Consolidated	
	31 January 2025 $'000	31 January 2024 $'000
Loss per share from continuing operations		
Loss after income tax	(3,385)	(6,152)
	Cents	**Cents**
Basic loss per share	(0.02)	(0. 07)
Diluted loss per share	(0.02)	(0. 07)

	Consolidated	
	31 January 2025 $'000	31 January 2024 $'000
Profit/(Loss) per share from discontinued operations		
Profit/(Loss) after income tax	2,602	(3,395)

Note 16. Earnings per share (continued)

	Cents	Cents
Basic Profit/(Loss) per share	0.02	(0.04)
Diluted Profit/(Loss) per share	0.02	(0.04)

	Consolidated	
	31 January 2025 $'000	31 January 2024 $'000
Loss per share		
Loss after income tax	(713)	(9,547)

	Cents	Cents
Basic loss per share	(0.01)	(0.11)
Diluted loss per share	(0.01)	(0.11)

	Number	Number
Weighted average number of ordinary shares		
Weighted average number of ordinary shares used in calculating basic earnings per share	145,042,017	94,864,116
Weighted average number of ordinary shares used in calculating diluted earnings per share	145,042,017	94,864,116

Note 17. Share-base payments

(a) Expenses recognised

An expense of $115,699 (2024: $54,000) has been recognised in the profit and loss in relation to share-based payments granted.

(b) Share options and share appreciation rights

An employee incentive plan has been established by the Group and approved by shareholders at a general meeting whereby the Group may, at the discretion of the Remuneration and Nomination Committee, grant options and rights over ordinary shares in the company to directors and employees. The grant of options and rights forms a part of the Company's long term incentive objectives to encourage directors and employees to have a greater involvement in the achievement of the Company's objectives. Options and rights provide an incentive to strive to that end by participating in the future growth and prosperity of the Company through share ownership. The options and rights are issued for nil consideration and are only subject to a vesting condition relating to the participant's continued employment with the Company. The options and rights must be exercised before their expiry date, or they will lapse. On the exercise of an option, the holder must pay to the Company the relevant exercise price multiplied by the number of options being exercised by the holder. The Company will issue the holder with a share for each option or right that the participant validly exercises.

(c) Reconciliation

Set out below are the summaries of options granted under the employee incentive plan as at 31 January 2025:

Grant date	Expiry date	Exercise Price	Balance at the start of the half-year	Granted	Expiry date	Exercised/ cancelled	Balance at the end of the half-year
23/11/2020	01/11/2024	$1.660	169,196	-	-	-	169,196
23/11/2020	01/11/2025	$1.990	169,672	-	-	-	169,672
01/05/2021	01/05/2025	$1.380	172,618	-	-	-	172,618
31/05/2024	31/05/2027	$0.116	5,593,804	-	-	-	5,593,804
			6,105,290	-	-	-	6,105,290

Note 17. Share-base payments (continued)

Set out below are the summaries of rights granted under the employee incentive plan as at 31 January 2025:

Grant date	Expiry date	Exercise price	Balance at the start of the half-year	Granted	Exercised	Expired/ forfeited/ other	Balance at the end of the half-year
23/11/2020	10/12/2036	$1.800	50,000	-	-	-	50,000
27/12/2023	27/12/2025	$0.0000	545,455	-	-	-	545,455
27/12/2023	27/12/2026	$0.0000	545,455	-	-	-	545,455
27/12/2023	27/12/2027	$0.0000	545,455	-	-	-	545,455
13/12/2024	13/12/2025	$0.0000	-	603,620	-	-	603,620
13/12/2024	13/12/2026	$0.0000	-	603,620	-	-	603,620
13/12/2024	13/12/2027	$0.0000	-	603,620	-	-	603,620
			1,686,365	1,810,860	-	-	3,497,225

Set out below is a summary of share appreciation rights granted under the employee incentive plan as at 31 January 2025:

Grant date	Expiry date	Exercise price	Balance at the start of the half-year	Granted	Exercised	Expired/ forfeited/ other	Balance at the end of the half-year
21/09/2021	21/09/2026	$1.800	8,000	-	-	-	8,000
27/12/2023	27/12/2028	$0.000	1,454,545	-	-	-	1,454,545
			1,462,545	-	-	-	1,462,545

Set out below is a summary of share warrants granted to the lender of the term loan as at 31 January 2025:

Grant date	Expiry date	Exercise price	Balance at the start of the half-year	Granted	Exercised	Expired/ forfeited/ other	Balance at the end of the half-year
28/07/2022	27/07/2025	$1.500	1,800,000	-	-	-	1,800,000
			1,800,000	-	-	-	1,800,000

For the rights granted during the current financial half-year, the valuation model inputs used to determine the fair value at the grant date, are as follows:

Grant date	Expiry date	Share price at grant date	Exercise price	Expected volatility	Dividend yield	Risk-free interest rate	Fair value at grant date
13/12/2024	13/12/2025	$0.055	-	-	-	-	$0.055
13/12/2024	13/12/2026	$0.055	-	-	-	-	$0.055
13/12/2024	13/12/2027	$0.055	-	-	-	-	$0.055

Toys "R" Us ANZ Limited
Directors' declaration
31 January 2025

In the directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, Australian Accounting Standard AASB 134 'Interim Financial Reporting', the Corporations Regulations 2001 and other mandatory professional reporting requirements;

- the attached financial statements and notes give a true and fair view of the group's financial position as at 31 January 2025 and of its performance for the financial half-year ended on that date; and

- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of directors made pursuant to section 303(5)(a) of the Corporations Act 2001.

On behalf of the directors

Kelly Humphreys
24 March 2025

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INDEPENDENT AUDITOR'S REVIEW REPORT
To the Members of Toys "R" Us ANZ Limited

Conclusion

We have reviewed the accompanying half-year financial report of Toys "R" Us ANZ Limited ('the Company') and its controlled entities (together referred to as 'the Group') which comprises the statement of financial position as at 31 January 2025, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, notes comprising material accounting policies information and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of the Group is not in accordance with the *Corporations Act 2001* including:

(a) giving a true and fair view of the Group's financial position as at 31 January 2025 and of its performance for the half-year ended on that date; and

(b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and *Corporations Regulations 2001*.

Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity* ('ASRE 2410'). Our responsibilities are further described in the Auditor's Responsibilities for the Review of the Financial Report section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's review report.

Material Uncertainty Related to Going Concern

We draw attention to Note 1 in the interim financial report, which indicates that the Group incurred a loss of $0.7 million and had net cash outflows from operating activities of $5.5 million during the half year ended 31 January 2025. Also, as at 31 January 2025, the Group's current liabilities exceeded its current assets by $15.2 million and the Group's total liabilities exceeded its total assets by $12.9 million. As stated in Note 1, these events and conditions, along with other matters as set forth in Note 1, indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our conclusion is not modified in respect of this matter.

Responsibility of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility for the Review of the Financial Report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the Group's financial position as at 31 January 2025 and of its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

RSM AUSTRALIA PARTNERS

R J MORILLO MALDONADO
Partner

Melbourne, Victoria
Dated: 24 March 2025

Toys "R" Us ANZ Limited
Corporate directory
31 January 2025

Directors	Kelly Humphreys (Chair) John Tripodi Teresa Smith Mark Simari
Company secretary	Kim Larkin
Registered office	Level 8, 210 George Street Sydney, NSW 2000
Principal place of business	Unit 3, 45-49 McNaughton Road Clayton, VIC 3168
Share register	Automic Pty Ltd Level 5, 126 Phillip Street Sydney NSW 2000
Auditor	RSM Australia Partners Level 27, 120 Collins Street Melbourne VIC 3000
Solicitors	McCullough Robertson Level 11, 66 Eagle Street Brisbane QLD 4000
Bankers	Westpac Banking Corporation 4 Nexus Court Mulgrave VIC 3170
Stock exchange listing	Toys "R" Us ANZ Limited shares are listed on the Australian Securities Exchange (ASX code: TOY)
Website	corporate.toysrus.com.au
Corporate Governance Statement	Refer to the Company's website for all corporate governance information: https://corporate.toysrus.com.au/investors/corporate-governance/