



## Quarterly Activities Report

**30 May 2025:** Toys"R"Us ANZ Limited (ASX:TOY) (Company) presents its Quarterly Activities Report and Appendix 4C for the period ending 30 April 2025.

### **KEY ACTIVITIES**

- **Recapitalisation Plan**
- **Product Margins remain Strong**
- **Expanding Channels to Market**
- **Operational Discipline Maintained**

### **Recapitalisation Plan**

The Company is working with our primary debt holder, who is supporting short-term cash requirements and working with the Board at a strategic level whilst a recapitalisation plan is finalised.

The recapitalisation plan, if agreed, will provide the Company with sufficient capital to not only fund ongoing operations but also enable the business to deliver financially sustainable operations.

### **Trading Results and Margins**

Despite sales for the quarter being significantly constrained by inventory limitations, the Company achieved sales revenues of \$863,000 compared to \$779,000 for the same quarter last year (Australia only). In dollar terms, the gross profit for the current quarter was more than double the same quarter last year.

Product margins remained strong across all brands, with an average margin of 39% for the quarter, an increase of 17 percentage points compared to the 22% average margin recorded in the same quarter last year (Australia only).

The Company remains firmly focused on driving profitable revenue growth, with a continued emphasis on optimising net contribution margin after accounting for marketing, shipping, and fulfilment costs.

### **Expanding Channels to Market**

A key strategic objective of the Board is to grow existing and introduce new online shopping channels, including the expansion of the drop-shipping model.

In line with this objective, management expanded the drop-shipping channel during the quarter, now promoting over 1,100 SKUs. This initiative is now generating stronger sales and contributing to higher returning customer rates.

The management team also commenced reengaging the wholesale channel database during the quarter. This channel is indicating early signs of sustainable growth in sales revenues

### **Operational Discipline**

In addition to significant overhead reductions achieved in previous quarters, a disciplined approach has been maintained and a number of savings efficiencies actioned during the quarter.

The focus for the Company has been on optimising marketing channels to strengthen revenue. Targeted paid media campaigns have driven strong improvement on metrics, with return on advertising spend (ROAS) increasing from \$2.84 to \$6.73 or a 137% increase over the period.

The Company is proud to report that Customer Satisfaction (CSAT) scores continue to exceed expectations, consistently remaining above the benchmark of 4.5 out of 5. This strong customer sentiment is reflected in our growing base of over 1.5 million loyal customers, with steady quarter-over-quarter growth highlighting robust engagement and retention.

**Related entities:** Payments to related entities during the quarter were \$93,000, representing remuneration and fees paid to the Executive Directors, including compensation for their interim Executive roles. The Non-Executive Directors have elected to defer their Director fee payments in the short term.

### **Kelly Humphreys, Executive Chair said:**

"The Board and management team have worked tirelessly over the quarter, focussed on driving operational efficiencies and implementing robust marketing strategies. This work is now achieving better outcomes for the business and demonstrating the capability to deliver profitable operations when fully funded.

The Board is working to finalise a recapitalisation of the business and remains committed to delivering long term success for your Company."

***This ASX release has been authorised by the Board of Directors.***

For further information please contact: [investor-relations@toysrus.com.au](mailto:investor-relations@toysrus.com.au)

### **About Toys"R"Us ANZ Limited:**

Toys"R"Us ANZ Limited (ASX: TOY) is an Australian-based listed company with a vision of 'A lifetime journey with every child'. The Company operates as House of Brands strategy via its Australian e-commerce websites Toys"R"Us, Babies"R"Us, RIOT Art and Craft and Hobby Warehouse. 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)

## Appendix 4C

### Quarterly cash flow report for entities subject to Listing Rule 4.7B

**Name of entity**

Toys”R”Us ANZ Limited

**ABN**

94 063 886 199

**Quarter ended (“current quarter”)**

30 April 2025

<b>Consolidated statement of cash flows</b>	<b>Current quarter</b>	<b>Year to date (9 Months)</b>
	<b>\$’000 (unaudited)</b>	<b>\$’000 (unaudited)</b>
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	949	4,226
1.2 Payments for		
(a) research and development	-	-
(b) product manufacturing and operating costs	(566)	(3,286)
(c) advertising and marketing	(305)	(1,760)
(d) leased assets	-	-
(e) staff costs	(560)	(2,014)
(f) administration and corporate costs	(307)	(1,996)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	-	113
1.5 Interest and other costs of finance paid	(75)	(1,641)
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	-
1.8 Other (provide details if material)	-	3
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(864)</b>	<b>(6,355)</b>

<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) businesses	-	-
(c) property, plant and equipment	(41)	(41)
(d) Investments	-	-
(e) intellectual property	-	-
(f) other non-current assets	-	-
2.2 Proceeds from disposal of:		
(a) entities	-	-
(b) businesses	-	-
(c) property, plant and equipment	-	-
(d) Investments	-	-
(e) intellectual property	-	-
(f) other non-current assets	-	2,756
2.3 Cash flows from loans to other entities	-	-
2.4 Dividends received (see note 3)	-	-
2.5 Other (provide details if material)	-	-
<b>2.6 Net cash from / (used in) investing activities</b>	<b>(41)</b>	<b>2,715</b>

<b>3. Cash flows from financing activities</b>		
3.1 Proceeds from issues of equity securities (excluding convertible debt securities)	-	2,490
3.2 Proceeds from issue of convertible debt securities	-	1,470
3.3 Proceeds from exercise of options	-	-
3.4 Transaction costs related to issues of equity securities or convertible debt securities	-	(116)
3.5 Proceeds from borrowings	555	855
3.6 Repayment of borrowings	(18)	(1,019)
3.7 Transaction costs related to loans and borrowings	-	-
3.8 Dividends paid	-	-
3.9 Other – lease payments	-	(537)
<b>3.10 Net cash from / (used in) financing activities</b>	<b>(537)</b>	<b>3,143</b>

## Quarterly cash flow report for entities subject to Listing Rule 4.7B

<b>4.</b>	<b>Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1	Cash and cash equivalents at beginning of period	579	708
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(864)	(6,355)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(41)	2,715
4.4	Net cash from / (used in) financing activities (item 3.10 above)	537	3,143
4.5	Effect of movement in exchange rates on cash held	-	-
<b>4.6</b>	<b>Cash and cash equivalents at end of period</b>	<b>211</b>	<b>211</b>

<b>5.</b>	<b>Reconciliation of cash and cash equivalents</b> at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	<b>Current quarter \$'000</b>	<b>Previous quarter \$'000</b>
5.1	Bank balances	211	579
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
<b>5.5</b>	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>211</b>	<b>579</b>

<b>6.</b>	<b>Payments to related parties of the entity and their associates</b>	<b>Current quarter \$'000</b>
6.1	Aggregate amount of payments to related parties and their associates included in item 1	93
6.2	Aggregate amount of payments to related parties and their associates included in item 2 and 3	-
<p><i>Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.</i></p> <p>The amount at 6.1 includes the payment of directors' fees and emoluments excluding reimbursement for administrative expenses and travel expenses.</p>		

<b>7.</b>	<b>Financing facilities</b> <i>Note: the term "facility" includes all forms of financing arrangements available to the entity.</i> <i>Add notes as necessary for an understanding of the sources of finance available to the entity.</i>	<b>Total facility amount at quarter end \$'000</b>	<b>Amount drawn at quarter end \$'000</b>
7.1	Loan facilities	14,500	14,379
7.2	Credit standby arrangements	0	0
7.3	Other (convertible securities)	2,985	2,985
7.4	<b>Total financing facilities</b>	<b>17,485</b>	<b>17,364</b>
7.5	<b>Unused financing facilities available at quarter end</b>		121
7.6	<p>Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.</p> <p>As at 30 April 2025, the Group has a fixed interest rate of 11.5% p.a. on its secured borrowings of \$13.79 million, with a total borrowing facility of \$13.9 million. In an event of default payment of interest, the Group will have an additional interest expense of \$0.2 million per annum at an incremental 1.5% interest rate.</p> <p>The Group has a \$5 million funding agreement with Mercer Street Global Opportunity Fund II LP, consisting of a \$200,000 private placement of ordinary shares, \$600,000 Unsecured Loan and up to \$4.2 million via a convertible securities facility (refer to ASX Announcement on 20 March 2024). No funds from the convertible securities were received in the April quarter. A further \$1.215 million is available to be drawdown, subject to further agreement between the parties.</p>		

<b>8.</b>	<b>Estimated cash available for future operating activities</b>	<b>\$'000</b>
8.1	Net cash from / (used in) operating activities (item 1.9)	(864)
8.2	Cash and cash equivalents at quarter end (item 4.6)	211
8.3	Unused finance facilities available at quarter end (item 7.5)	121
8.4	Total available funding (item 8.2 + item 8.3)	331
8.5	<b>Estimated quarters of funding available (item 8.4 divided by item 8.1)</b>	0.38
<i>Note: if the entity has reported positive net operating cash flows in item 1.9, answer item 8.5 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.5.</i>		
8.6	<p>If item 8.5 is less than 2 quarters, please provide answers to the following questions:</p> <p>8.6.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?</p> <p>The Group expects that operating cashflows will continue to improve in the next quarter due to the strategic initiatives delivered and in progress, including:</p> <ul style="list-style-type: none"> <li>Continue to improve the blended gross profit margin across the House of Brands businesses and a focus on profitable sales;</li> <li>Right-sizing inventory to accommodate core brands, new products and house brands;</li> <li>Maintain the right-size overheads appropriate for the current business; and</li> <li>Other corporate actions.</li> </ul>	

8.6.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?

The Group has taken a number of steps which have or are expected to result in significant additional cash, including:

- The Group has a \$5 million funding agreement with Mercer Street Global Opportunity Fund II LP. The undrawn facility at the date of this report is \$1.215 million, with further drawdowns subject to agreement between the parties; and
- The Group continues to work on a recapitalisation plan to fund operations, which is expected to be successful.

8.6.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

The Group expects to be able to continue operations based on the successful execution of the combined initiatives described in 8.6.1 and 8.6.2.

*Note: where item 8.5 is less than 2 quarters, all of questions 8.6.1, 8.6.2 and 8.6.3 above must be answered.*

## Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: .....30 May 2025.....

Authorised by: .....By the Board .....  
(Name of body or officer authorising release – see note 4)

## Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.