

TO THE ADDRESSEE

26 August 2025

Dear Sir/Madam

**TOYS”R”US ANZ LIMITED (ACN 063 886 199) (SUBJECT TO DEED OF COMPANY ARRANGEMENT)
('COMPANY')
FEDERAL COURT PROCEEDING NO VIC1041/2025 ('PROCEEDING')**

You are receiving this notice because you hold either:

- shares in the Company (**Shares**); and/or
- vested or unvested share options, warrants or other instruments convertible into securities in the Company (**Options**).

This notice is provided to you pursuant to orders 2 and 3 of the Orders of Justice McElwaine made in the Proceeding on 20 August 2025 (**20 August 2025 Orders**).

Background

Duncan Clubb and I were appointed as Voluntary Administrators of (among others) the Company on 4 June 2025.

At the Second Meeting of the Company’s creditors held on 10 July 2025, creditors resolved that the Company execute a Deed of Company Arrangement (**DOCA**) in accordance with the proposal outlined in the Report to Creditors prepared by the Voluntary Administrators pursuant to Section 75-225 of the *Insolvency Practice Rules (Corporations) 2016* and Section 439A of the *Corporations Act 2001* (Cth) (the **Act**) dated 3 July 2025 (**Report**).

The DOCA was executed on 31 July 2025, and Mr Clubb and I were appointed as Deed Administrators of the Company.

The DOCA contemplates the transfer of all of the Shares and Options in the Company to A.C.N. 687 771 679 Pty Ltd (**ACN**) for nil consideration. ACN is a special purpose acquisition vehicle and related entity of Directed Electronics Australia Pty Ltd ACN 126 066 322 (**Directed**).

The estimated return to unsecured creditors under the DOCA is up to 8 cents in the dollar in respect of admitted debts. There will be no return to shareholders of the Company under the DOCA. The Deed Administrators have engaged Pitcher Partners to prepare an Independent Expert Report assessing the

value of the Shares and Options in a liquidation scenario (i.e. in the event that the DOCA does not effectuate, and the Company is placed into liquidation) (**Independent Expert Report**). The Independent Expert Report concluded that the Shares and Options hold no value on a liquidation basis.

Court Application

Effectuation of the DOCA is conditional on, among other things, the Deed Administrators obtaining leave of the Court under section 444GA(1)(b) of the Act to transfer the Shares to ACN or its nominee.

The Deed Administrators have commenced the Proceeding referred to above seeking orders under section 444GA(1)(b) and section 447A(1) of the Act for leave to transfer the Shares (and, to the extent necessary, the Options) to ACN or its nominee (**Court Application**).

The final hearing date of the Court Application has not yet been fixed. The Deed Administrators will send you a further notice once a hearing date has been allocated.

Key Documents

Copies of:

- this notice;
- the Report;
- the DOCA;
- the Independent Expert Report;
- the Originating Process filed in the Proceeding on 13 August 2025 and supporting affidavit of Luke Francis Andrews sworn on 13 August 2025; and
- the 20 August 2025 Orders,

(Documents) are available to view and download at:

<https://www.bdo.com.au/en-au/insights/appointments/toys-r-us> and
<https://corporate.toysrus.com.au/shareholder-information/>.

A final copy of the Explanatory Statement and any further documents filed by the Deed Administrators in support of the Court Application (for example, supplementary affidavit material), will be uploaded to the BDO and Toys websites in due course.

You should read the Documents carefully. Pursuant to order 4 of the 20 August 2025 Orders, if you wish to appear at the hearing of the Court Application, you must file and serve on the Deed Administrators and the Australian Securities and Investments Commission (**ASIC**) a Notice of Appearance in the prescribed form and indicating the grounds of opposition. The address for service of the Deed Administrators is:

K&L Gates, Level 25, 525 Collins Street, Melbourne Victoria 3000
Stephen.hume@klgates.com / anna.smith@klgates.com

If you have any queries, please send an email to toysrus@bdo.com.au.

Yours faithfully

A handwritten signature in black ink, appearing to be 'Luke Andrews', with a stylized flourish at the end.

Luke Andrews
Joint & Several Deed Administrator