



August 19, 2025

Dear Car Toys Vendor:

Car Toys Inc, a 38-year-old Washington based specialty retailer is planning on selling the majority of its stores to a combination of tenured employees and local competitors. Car Toys has commenced a voluntary Chapter 11 proceeding in the State of Washington courts, to facilitate these transactions, to maximize its business value, maximize job opportunities and support business continuity.

Car Toys plans to conclude an asset sale of 35 of its stores to five different parties consisting of highly tenured employees and regional competitors. This plan will provide jobs for the majority of the Car Toys employees and deliver customer service continuity for its highly valued customers in each of its existing markets.

Car Toys has been a leader in the industry for over thirty-eight years. We have highly valued our partnerships and relationships with you. We are disappointed to make this announcement to you today, but also pleased that the new buyers will be able to continue to support you, our customers and employees in the future. Through new ownership, our customers will be able to continue to purchase your products in the majority of our stores and all of our markets.

Car Toys and the industry, has faced multiple headwinds over the past few years. Notably, post-pandemic continued industry revenue declines and uniquely unfavorable developments related to Wireless Advocate bankruptcy proceedings that have strained Car Toys' financial position. As one of our valued vendors, we want you to be among the first to know more about the decisive actions we are taking to give our business the best possible future. In order to facilitate ongoing store-level operations, employment, and vendor services, Car Toys, Inc. has initiated an orderly sales process under Chapter 11 of the U.S. Bankruptcy Code.

The aforementioned sales process will be comprised of five distinct buyers, acquiring 35 (of 47) stores across all of Car Toys' operating regions. All markets will have customer service continuity, and this plan will preserve the majority of employee's positions while allowing the Car Toys brand and reputation to continue.

We are committed to continuing our relationships with all of our vendors throughout our restructuring process. Our debtor-in-possession financing and cash flows will help to ensure that we are able to meet our commitments to you, as well as our employees, clients and other business partnerships. While there are many misconceptions about a sales process under Chapter 11 and what it entails, we want to assure you that this is simply a court-supervised process that will allow us to restructure our company's capital and ownership structure while



continuing to operate, paving the way for Car Toys, Inc.'s assets to operate through a financially healthy and sustainable future.

With our additional financing in place, we fully expect to pay vendors in the ordinary course of business for all goods and services delivered to any Car Toys, Inc. entity on or after our Chapter 11 filing on August 18, 2025. Goods and services that were delivered prior to our filing will be settled as part of the Chapter 11 process, as we cannot pay any of these "pre-petition" claims without specific approval from the bankruptcy court. Suppliers who have pre-petition claims will be provided with a proof-of-claim form to be completed and filed with the court. This form can also be found online at <https://cases.stretto.com/CTI>. The determination of whether the claim is pre- or post-petition is based on the date of delivery, not on the date of the invoice.

Most importantly, we want to reassure you that Car Toys remains committed to our partnership and to delivering the highest quality mobile electronics and related products, which continue to enhance our customers' lives every day. We'll continue to share updates as we reach key milestones in the restructuring process and are available to answer any questions in the meantime. I am extremely grateful and proud of the industry leading work and friendships built together for the last 38 years.

Best regards,

A handwritten signature in blue ink, appearing to read 'Dan Brettler', with a large, stylized flourish at the end.

Dan Brettler
Chairman