

NXTGEN Store Update

August 2021

Forward Looking Statements

Forward Looking Statements Disclaimer

This presentation contains forward-looking statements. Forward-looking statements give current expectations or forecasts of future events or our future financial or operating performance. The forward-looking statements contained in this presentation are based on management's good-faith belief and reasonable judgment based on current information, and these statements are qualified by important risks and uncertainties, many of which are beyond our control, that could cause our actual results to differ materially from those forecasted or indicated by such forward-looking statements. These risks and uncertainties include: potential risks and uncertainties relating to the ultimate geographic spread of COVID-19; the severity of the COVID-19 pandemic; the duration of the COVID-19 pandemic; actions that may be taken by governmental authorities to contain the COVID-19 pandemic or to treat its impact; the potential negative impacts of COVID-19 on the global economy and foreign sourcing; the impacts of COVID-19 on our financial condition and business operations; our ability to compete effectively in a competitive industry; fluctuations in commodity prices; our ability to appropriately respond to changing merchandise trends and consumer preferences; successful implementation of our store growth strategy; decreases in our Halloween sales; the impact of helium shortages on our financial performance; disruption to the transportation system or increases in transportation costs; product recalls or product liability; economic slowdown affecting consumer spending and general economic conditions, including as a result of the COVID-19 pandemic; loss or actions of third party vendors and loss of the right to use licensed material; disruptions at our manufacturing facilities; and the additional risks and uncertainties set forth in "Risk Factors" in Party City's Annual Report on Form 10-K for the year ended December 31, 2020 and in subsequent reports filed with or furnished to the Securities and Exchange Commission. Although we believe that the expectations reflected in the forward-looking statements are reasonable, we cannot guarantee future events, outlook, guidance, results, actions, levels of activity, performance or achievements. Readers are cautioned not to place undue reliance on these forward-looking statements. Except as may be required by any applicable laws, Party City assumes no obligation to publicly update or revise such forward-looking statements, which are made as of the date hereof or the earlier date specified herein, whether as a result of new information, future developments or otherwise.

NXTGEN Store Performance Meeting Expectations

Key strategies of inspiring customers, removing friction and expanding usage occasions are delivering a strong sales increase with less inventory investment

Focal Elements of our NXTGEN Store Format

Inspire Customers:

- Elevate in-store experience by creating “shops” with key categories
- Leverage color and elevated theater to draw customers into key sections
- Highlight assortment improvements in upgraded quality and differentiation

Remove Friction from Purchase Experience:

- Improved sightlines and navigation with lower fixtures
- Realignment of category adjacencies based on shopper data
- Simplify balloon shopping experience
- Curated assortment to have more of what the customer wants

Expand Usage Occasions:

- Introducing new usage occasions to meet a broader range of party needs
- Improved offering of localized assortment options

Key Performance Metrics

Investment

~\$150,000 Net of Tenant Improvement Allowance

Sales Lift

Mid-Single Digit Percentage Increase Versus Balance of Chain

Inventory

Over \$100,000 Reduction

Payback

Less Than 24 Months Average

Future Performance Enhancements in Development to Coincide with Broader Rollout

Several improvements are underway to further improve performance as we further rollout the concept in 2022

Performance Enhancement Highlights

Inspire Customers:

- Improve “shop in shop” experience in key categories
- Enhance theater leveraging key licenses and trends
- Test lower new fixtures to better showcase trend merchandise

Remove Friction from Purchase Experience:

- Technology-based tools to facilitate customer empowerment and control when planning and purchasing for their party
- New signing and graphics package
- Self-checkout options for customers

Expand Usage Occasions:

- Rollout four new product platforms in 2022

Projected Store Count

	# Stores Per Year	# Cumulative Stores	% of Fleet
2020	22	22	3%
2021	73	95	13%
2022	100 - 125	195 - 220	~26-30%