



# Yowie Annual Shareholder Meeting

---

Perth, Australia

NOVEMBER 2016

# Disclaimer



This presentation (the “Presentation”) is confidential and its content may not be copied, reproduced, redistributed, quoted, referred to or otherwise disclosed, in whole or in part, directly or indirectly, to any third party, except with the prior written consent of Yowie Group Ltd (the “Company”).

This Presentation is for informational purposes only, and does not constitute or form part of an offer, solicitation or invitation of any offer, to buy or subscribe for any securities, nor should it or any part of it form the basis of, or be relied in any connection with, any contract or commitment whatsoever.

This Presentation contains interpretations and forward-looking statements that are subject to risk factors associated with the confectionary and retail industries. You are cautioned not to place reliance on these forward-looking statements, which are based on the current views of the Company on future events. The Company believes that the expectations reflected in the presentation are reasonable but may be affected by a variety of variables and changes in underlying assumptions which could cause actual results to differ substantially from the statements made.

The Company and its Directors, agents, officers or employees do not make any representation or warranty, express or implied, as to endorsement of, the fairness, accuracy or completeness of any information, statement, representation or forecast contained in this presentation and they do not accept any liability for any statement made in, or omitted from, this Presentation.

The information contained in this Presentation noted above are subject to change without notice. This presentation is intended only for the recipients thereof and may not be forwarded or distributed to any other person and may not be copied or reproduced in any manner.

Kinder Surprise is copyright of Ferrero 2009 and a licensed trademark of the FERRERO INTERNATIONAL S.A.

Cadbury Schweppes PLC and Cadbury PLC mentioned in this document are now owned by the Kraft Foods Inc.

Prepared for Yowie Group Ltd for the Yowie TM Label

# Executive Summary – Yowie Well Positioned for Strong Growth

- Unique product and brand brings innovation to the category with contemporary relevant positioning
- Strong growth realization in US, with Global opportunities
- #1 selling immediate consumption novelty chocolate item in US
- Potential to expand into digital and entertainment categories
- Building on talent base
- US\$30m cash and no debt – flexibility to ramp up marketing spend and manufacturing to capture the opportunity



# The Yowie Appeal

- Unique multi-category offering – confectionery, collectible, education through play & learn website
- Strong brand mission – save the natural world
- Collectibility and surprise
- Digital engagement, play and learn
- Premium price point
  - Value for consumers – confectionery plus collectible
  - Strong profit proposition for retailers



# Yowie Brand Positioning

## SAVE THE NATURAL WORLD

Learn through Play – Educating children to protect the environment and endangered animals

## TARGET MARKET

Children, parents, guardians, grandparents, family and friends – for treat and everyday gifting





# Yowie Key Objectives 2017

- ❧ Strong top line growth
- ❧ Strengthen brand awareness through innovative marketing
- ❧ Permanent planogram placement at major US retailers
- ❧ Achieve breadth and depth national US distribution
- ❧ Launch Series 2 'All Americas Series' and Series 3 'Yowie World' Limited Edition Yowie Collectibles
- ❧ Launch pre Halloween & pre Easter advertising campaigns
- ❧ Launch Yowie publishing
- ❧ Expansion into new markets beyond US
- ❧ Double US foiling capacity

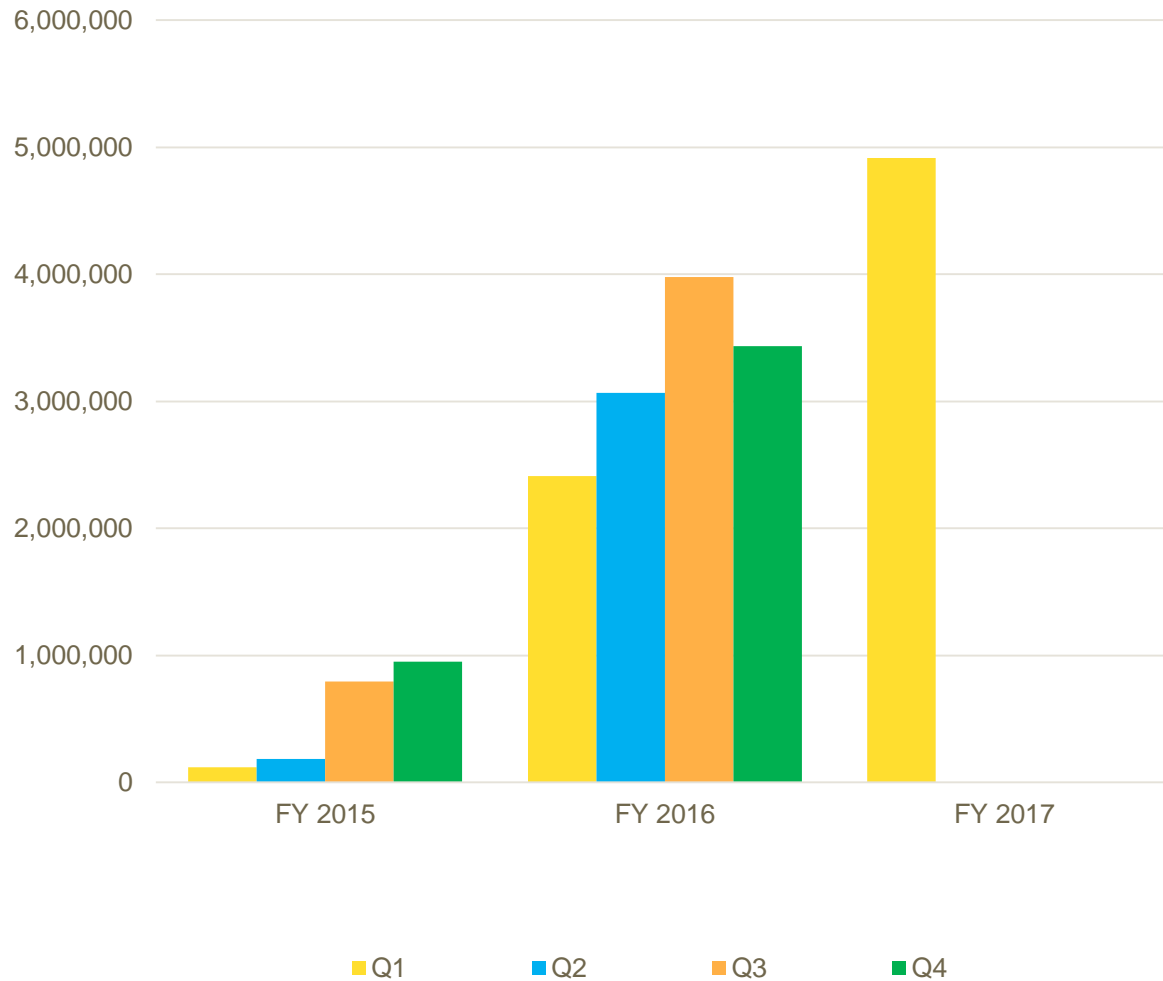


# Highlights from Q1 Performance



- 🐾 Appointed Cove Overlay as CMO supporting global brand focus
- 🐾 Achieved record Net Sales of \$4.9M a 104% increase over Q1 2016 on gross margin of 53%
- 🐾 Launched Series 2 in US
- 🐾 Reached highest US xAOC market share of 0.7%
- 🐾 #1 Novelty item and #4 chocolate item on front end at our top account
- 🐾 Produced a record 2.9M units
- 🐾 Initiated Fall marketing campaign on social media, TV and sampling
- 🐾 Continued distribution expansion into new retailers
- 🐾 Progressed work on new market entries and publishing

# Net Sales FY17, FY16 and FY15 by Quarter





# Strong Balance Sheet

- Net cash position at US\$30million ending Q1 2016
- No debt
- Accounts receivable 98% current, collected within 30 days
- Building inventory in Q2 fiscal year to service larger number of customers
- Low fixed asset position



# Yowie Growth Pillars



## SALES

- Channel expansion - U.S market
  - Increased customer base
  - Increased breadth & depth of distribution
  - Market expansion – global
  - Increase merchandising

## MARKETING

- Trial, test & learn strategy (as per sales)
  - Build investment based on results
  - Mixed media & key market testing
  - Increase brand awareness
  - Develop world conservation partnerships

## PEOPLE

- Acquire and develop talent
  - Strengthened support functions
  - Increase sales force

## SUPPLY

- Ensure a reliable and efficient supply chain
  - Reduce cost of production as scale increases
  - Seek new sources of supply

## DIGITAL

- Create new revenue streams in new categories
  - Publishing
  - Webisodes development
  - Film & Cartoon

# Significantly Expand Distribution in US



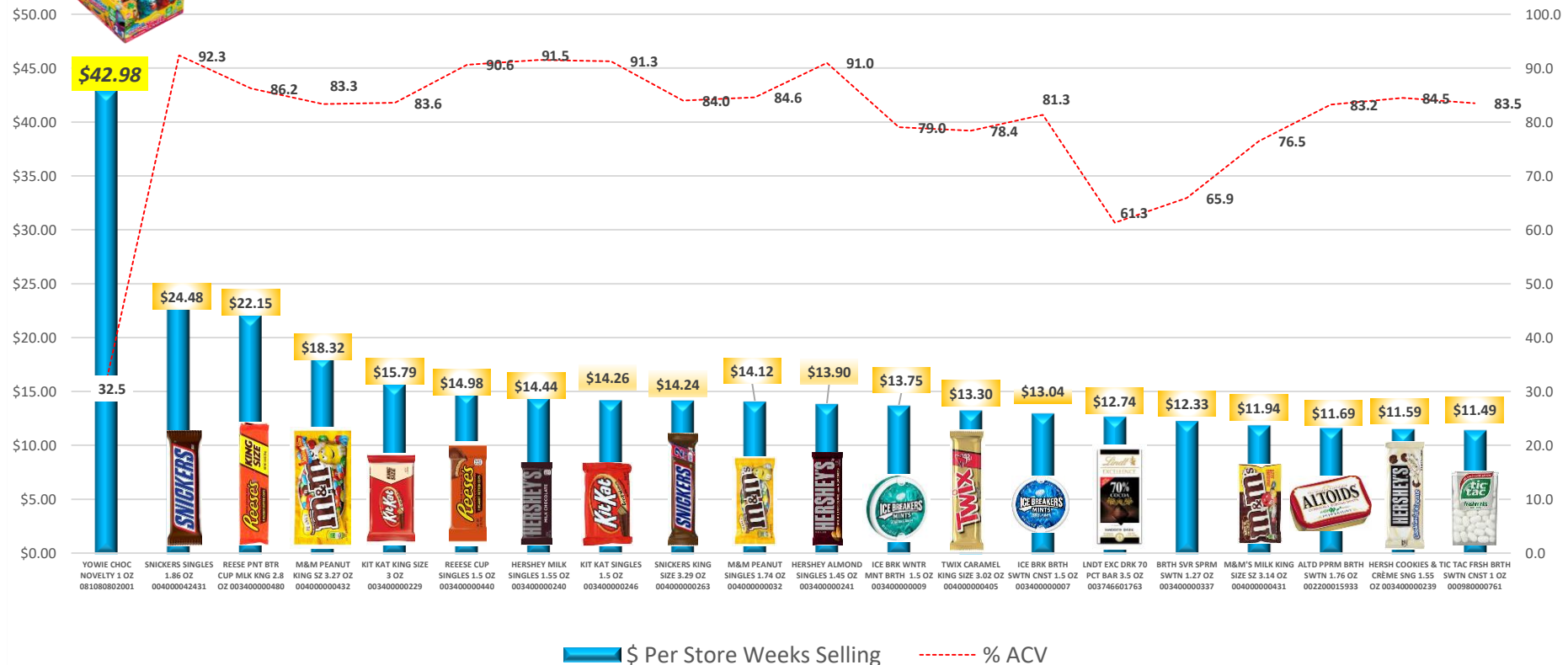
- Added 9 new accounts in Q1
- Increasing US sales resources
- Merchandising units sold in Q1 reached 17,500 X 48 count units providing increased merchandising at US retailers
- Achieved 0.7% market share in Nielsen xAOC latest 52 weeks
- Participated in McLane customer Trade Show to reach new customers

# YOWIE! A Top Novelty Item in Total US xAOC



## Immediate Consumption Confectionery: \$ Per Store Per Weeks Selling

Nielsen: Total US xAOC Latest 52 Weeks Ending 10/8/2016



🌱 **2x the productivity** of leading brands with only a 32.5% ACV

# YOWIE!

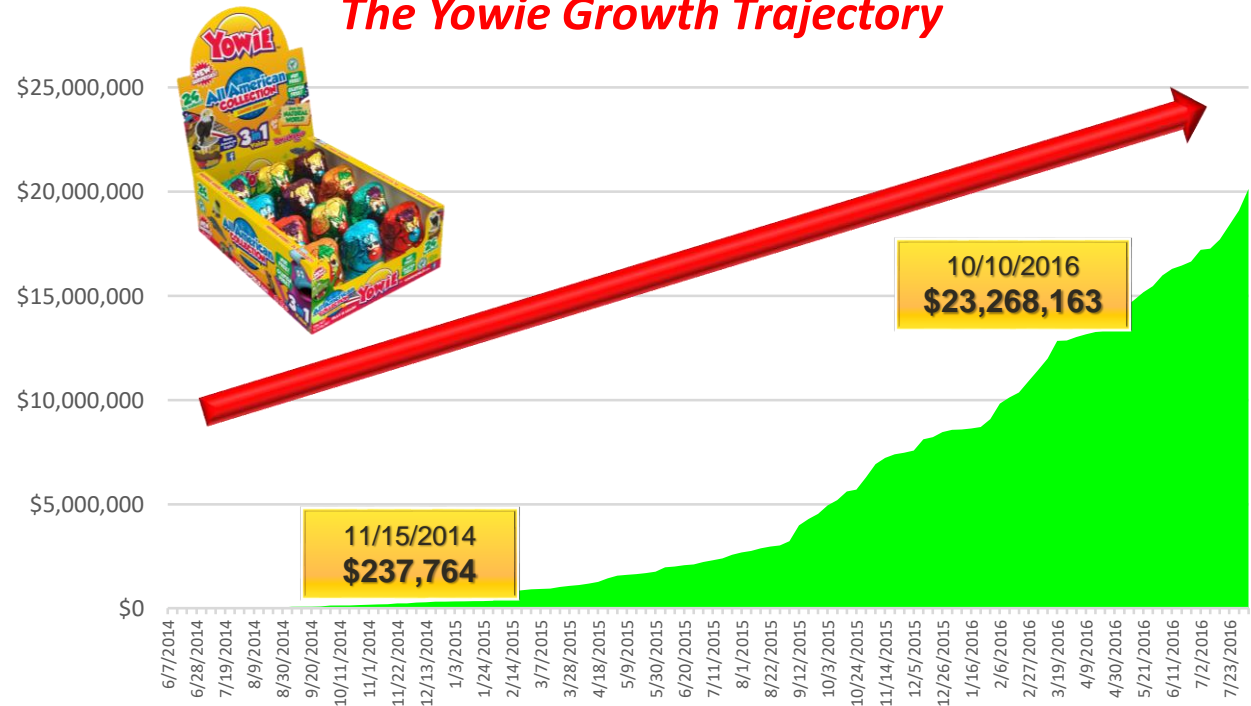
## The Fastest Growing Novelty Brand in the US!



Yowie is a Multi Million \$ Brand in the US!

\$23 Million in CUM \$ sales since launch!

### The Yowie Growth Trajectory



# Yowie Tier 1 Partners in the US-Today





# U.S. Market Retail Accounts Update



In only two years Yowie has achieved ranging in three tier one national retail accounts, over 40,000 stores with sales recorded across 50 current active accounts and/or account groups.



- ✔ **Mass Merchandiser:** From successful trial to national rollout to over 4,500 stores
- ✔ **Drug:** National pharmaceutical retailer 6,500 stores
- ✔ **Fuel & Convenience:** 2 national groups
- ✔ **Grocery:** National grocer rollout to 1,318 stores
- ✔ **General Retail:** Cost Plus World Market
- ✔ **Distributors:** 6 Distributors delivering coverage across 50 U.S States
- ✔ **Leisure & Entertainment:** Zoos and Resorts
- ✔ **Also Selling On Line:** 2 on-line retailers
- ✔ **Store Expansion:** Reached over 40k stores in 2016 fiscal

# Ensure Reliable & Cost Efficient Supply Chain

- State of the art chocolate molding and packaging line supports significant expansion capability
- 90 million units p.a. molding capacity
- Ability to optimize costs going forward
- Expansion to 40 million p.a. packaging by mid-November 2016
- Strong Quality Control Systems
- Exploring alternate supply sources



# Enter New Markets

- ❧ Developing market research for North America expansion
- ❧ Conducted Focus Group research in Asia
- ❧ Developing distribution plan for Australia
- ❧ Assessing distribution partners in Europe
- ❧ Exploring lower priced product for price segmentation
- ❧ Developing launch plan for 2 new markets in 2017



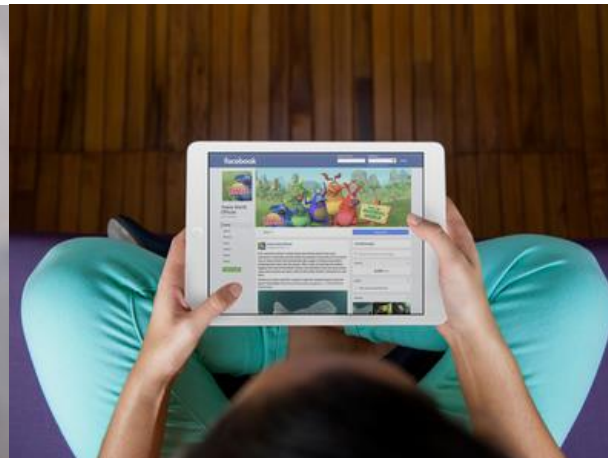
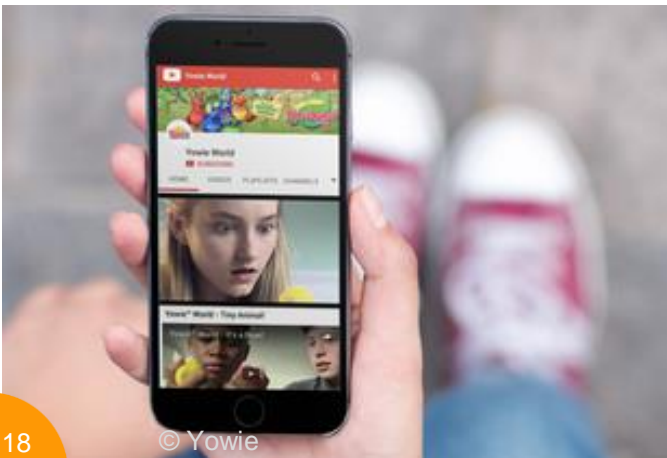


# Build Global Brand Awareness through Innovative Marketing

- 🐾 Next stage development Yowieworld.com
- 🐾 Increased advertising investment in US of \$2M+, including TV
- 🐾 Expanded Yowie Collectibles program
- 🐾 New Yowieworld.com Collectors Zone
- 🐾 Seasonal promotion activities
- 🐾 New “my protectedspecies” consumer promotion
- 🐾 Partnerships and Aliances with conservation entities
- 🐾 Affiliation with local Zoos, Aquariums and Ecology-based ve
- 🐾 Market research



ADOLESCENT.



© Yowie

# Fall Marketing Campaign

- ❧ Key objective of the Fall campaign is raising brand awareness
- ❧ Social media campaign near 50M impression on Facebook and YouTube
- ❧ Pre-Halloween includes 10 Yowie Viral videos (50K views in first 2 days)
- ❧ TV ads in 2 cities on popular networks: Nickelodeon, Nick@Nite, Cartoon Network, NBC
- ❧ Sampling to consumers at zoos
- ❧ Use of Bus Kings in 2 cities to reach mass audience



# 360° Yowie \$1.1 Million Advertising Campaign



84.5 Million Total Impressions



On Air Broadcast  
2.0 M Impressions  
Illinois & Texas

nickelodeon™



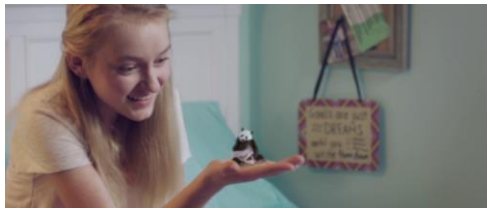
38.8M  
Impressions



10.8M  
Impressions



4.2M Impressions  
Mobile Video



50 Bus Kings  
Illinois & Texas



# Bus Kings



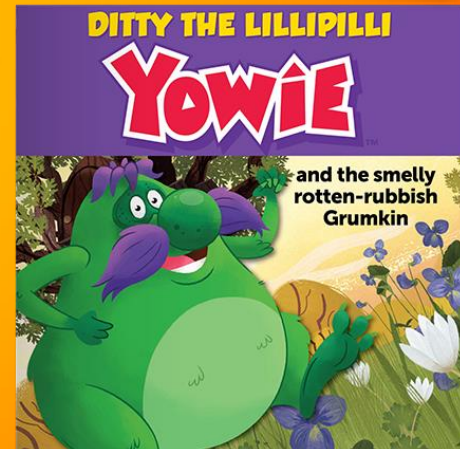
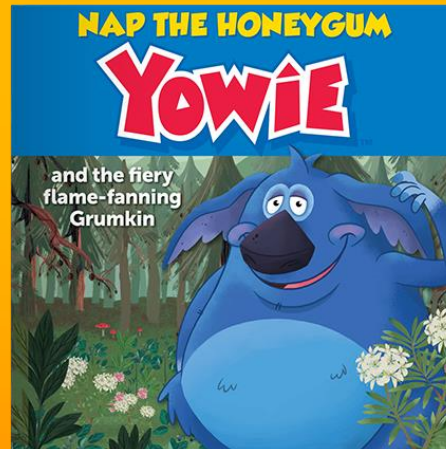
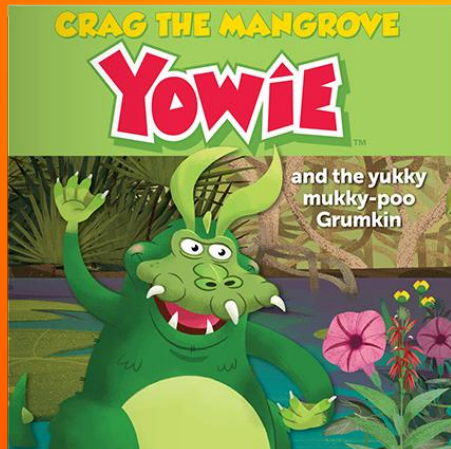
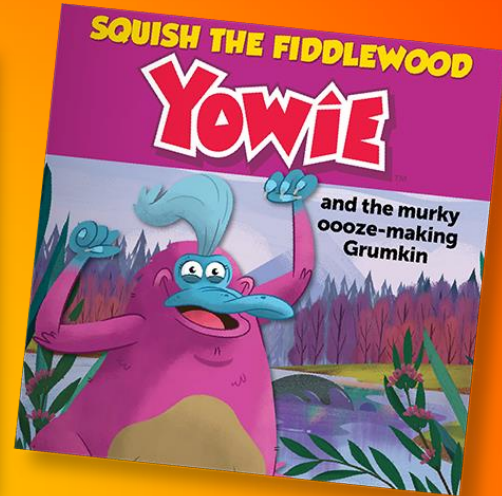
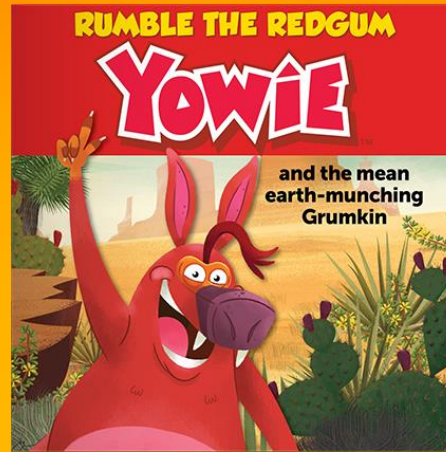
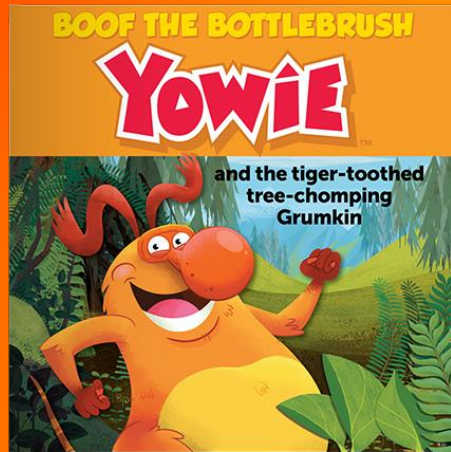


Create new  
revenue streams  
in new categories





# Yowie Publishing to launch in fiscal 2017



## Publishing

# Investing in YowieWorld.com



- 🐾 Next stage development using new insights and learning
- 🐾 New content, new and better gaming
- 🐾 New creative considering publishing animation
- 🐾 Exploring live footage of animals in their natural habitat

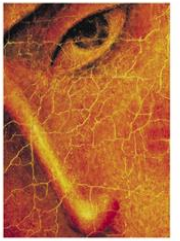
## NEW! Tabs:

- 🐾 “Collectors” tab to organize your Yowie collection
- 🐾 “Video” tab features all the latest advertising materials
- 🐾 “My Protected Species” tab featuring new consumer promotion





# Yowie Animation & Film Development



ICON

- 🐾 Meetings progressing with animators, studios and distributors
- 🐾 Studios and distributors are excited by the potential of the Yowie creative
- 🐾 Yowie confectionery generates unique marketing opportunities through retail network distribution
- 🐾 Currently in negotiation with experienced Hollywood film script writer identified for development of Yowie webisodes, animated series and feature film script.



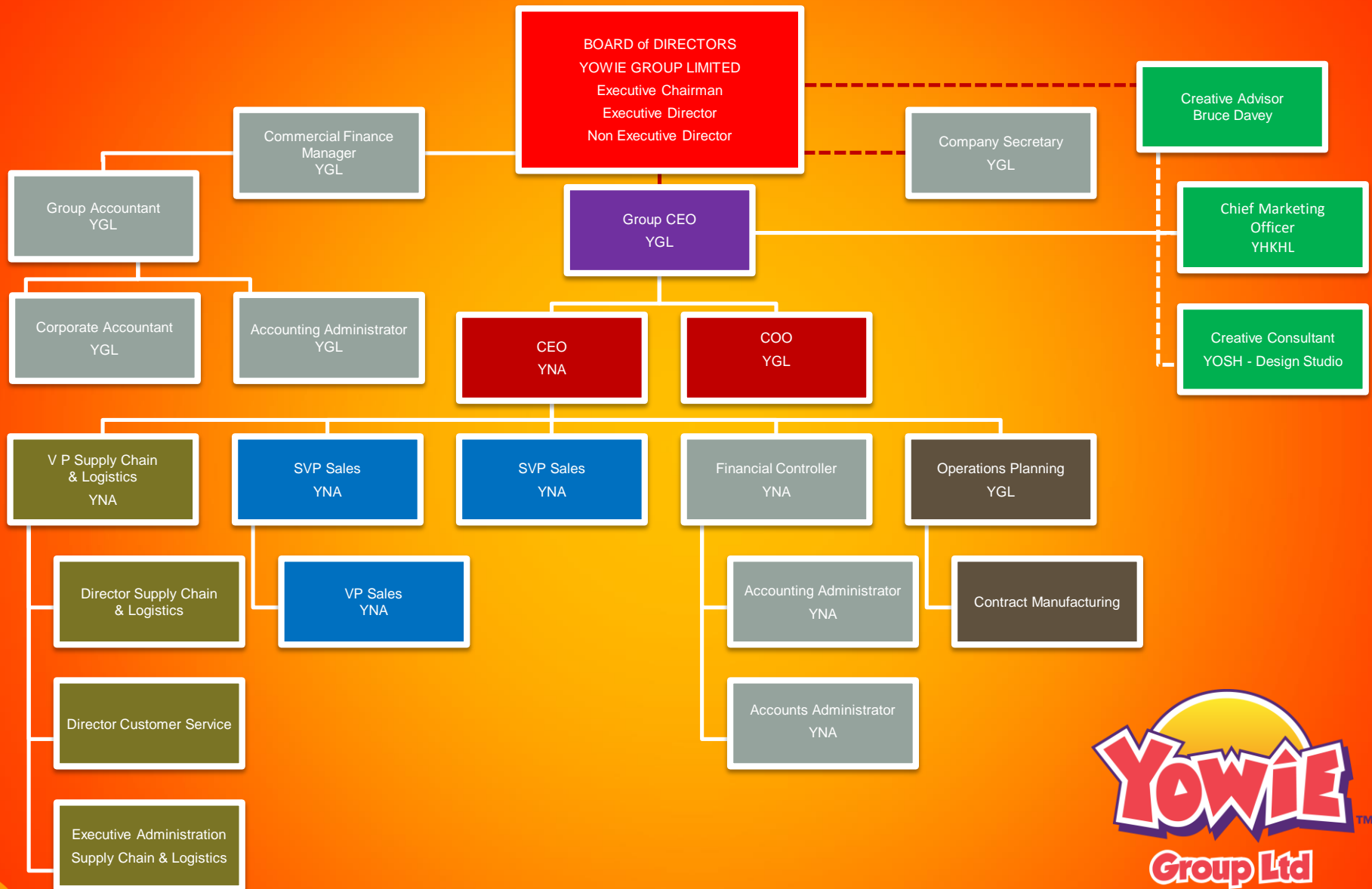


## Acquiring & Developing Talent





# Group Organizational Structure



# Our Objectives for 2017

- 🐾 On track for strong growth versus 2016
- 🐾 Increase US sales team and add new accounts
- 🐾 Improve cash outflow versus 2016 despite significant talent acquisition and marketing investment
- 🐾 Significantly increase brand awareness in US
- 🐾 Continue to gain US market share
- 🐾 Double foiling capacity by November 2016
- 🐾 On track to publish Yowie books
- 🐾 Enter new markets
- 🐾 Maintain strong balance sheet





**Invest for success in Yowie today!**

