Trilogy International Annual Meeting – September 28th 2017

Slide 1 – Trilogy International Annual Meeting Introduction

Good morning Ladies and Gentlemen. Welcome to the Trilogy International Annual Shareholders meeting. My name is Grant Baker and I am the Chairman of Trilogy International.

It is a pleasure to be here to present to you this morning and share the results of the 2017 financial year, and to talk to you about the 2018 financial year which is almost at the end of the first half. Angela Buglass the Trilogy International Group CEO will also provide an overview of the Group and Strategic Initiatives of this year.

Some key formalities to get the meeting underway.

Quorum. I am pleased to confirm we have a quorum of at least three shareholders present, therefore I declare the meeting open.

Proxies – 71 proxies have been appointed for the purpose of this meeting representing approximately 19.3 million shares.

Slide 2 – agenda

Today we will cover introductions, my Chairman's address, the CEO presentation from Angela, an opportunity for Q&A and finally the formal business of the meeting.

Slide 3 – Trilogy Group, Board Members

Today we have the full Trilogy Board and I would like to start with introducing them. Independent Director Jack Matthews who joined Trilogy in 2014. Jack has been CEO of several large organisations here and off shore and is an experienced company director. Independent Director Mandy Sigaloff, based in Australia, has run successful digital companies and has extensive experience in communications and fashion brands. Geoff Ross who was our previous Chairman and Executive Director – now non-executive Director, and currently CEO of Moa Brewing and previous CEO of 42 Below. Executive Director Steve Sinclair, former CEO of our company and with experience from 42 below, Empower and PWC.

Both Mandy and I are up for re-election today and later in the meeting we will make a brief presentation to you and answer any questions you may have for us.

Slide 4 – Highlights of FY17

Including the full year effect of the acquisition of CS&Co, we were pleased to share a milestone for TIL with revenue of $103.7m for the 2017 financial year.

Within the consumer brands area of the business we have established new distribution partnerships in markets such as the UK, China and USA and launched 15 pieces of successful New Product Development.

The Joint venture with Forestal Casino has given us much more visibility of Rosehip Oil supply and pricing. Whilst we retain a roster of suppliers across geographies, Forestal is now the primary supplier of 100% certified organic Rosehip Oil to our business.

Last year we also completed our capital raise which enabled us to reduce the debt incurred from the CS&Co acquisition and we dual listed on the ASX, improving liquidity.

In June of this year we acquired 80% of Christchurch based Lanocorp, a manufacturer of skincare, bodycare and haircare.

Currently we are ending the first phase deployment of our first ERP system, quite a milestone for a business that has grown so rapidly in recent years.

Slide 5 – The year in Review

As previously mentioned, revenue was +25% at $103.7m, EBITDA was +19% at $19.4m our Dividend was 4.5 CPS and EPS of $0.18. You will also note the EBIDTA % has grown exponentially in the past 3 years, from just 5% in the FY12/13 years to 19-20% in FY16/17.

Intro to Angela

Slide 7 – Executive Leadership Team

Thanks Grant, and welcome shareholder's I am looking forward to sharing with you today some of the developments of the year thus far, and a look at what lies ahead for the rest of FY18.

Also with us today we have the executive leadership team: Lindsay Render - CFO and Company Secretary, Claire Barnes - Brand GM ECOYA, Rachel McAuley – Global Sales Manager Trilogy, Jane Lawry – Global Marketing Manager Trilogy, Kristy McGregor – Head of Operations, Jo Bye – Head of Digital and Brooke Riley – People & Culture Manager. Louise Clayton the Trilogy Brand General Manager couldn't be with us today.

Slide 5 – the Key Drivers of the result in FY17

As we highlighted at the last AGM, Australia is a key strategic market for all our consumer brands, and FY17 was a stellar result growing at +44% for Trilogy and +11% for ECOYA. As a consequence of the growing Trilogy business within McPhersons, we have naturally increased their stock cover and some of the growth seen last year is due to our our ability to build stock levels particularly of Rosehip Oil which for much of last year had limited availability.

New Product launches or NPD/Innovation are always key drivers of a consumer business and we will share some of the results specifically by brand in later parts of the presentation.

You are all by now aware of the exciting but unpredictable nature of the CBEC China opportunity and it is fair to say that we, like other segments have seen some softening in Non-Domestic Consumption for both NZ & Australia. That said, we are satisfied that we have set ourselves up well for the future with our dedicated distribution partner for that channel and we are far closer to the Daigou market, stock and pricing on the e-commerce platforms than we have ever been.

We discussed last year the impact of rising raw material costs, particularly in Trilogy with Rosehip Oil. Our JV with Forestal was a strategic move to secure supply and as Grant has already highlighted that has given us better visibility of future supply and pricing as they become our primary supply partner.

Finally, in yet another busy year, we have invested in infrastructure – specifically Capex investment into our first ever ERP system. We went live in NZ in July, experienced our first month end in August and are now in planning mode to roll out to our manufacturing division PTY in Australia early next year.

Slide 9 – split by division

Taking one final glance at the group results for FY17, we can see a change in the revenue split with Trilogy & Goodness at 28%, ECOYA at 21% and CS&Co at 51% for the full year including 9mths of Trilogy sales.

Slide 10 – Trilogy Natural Products

Trilogy & Goodness

Slide 11 – 20 Seconds

We are thrilled to be able to update our claim and now a bottle of Trilogy Rosehip Oil is sold every 20 seconds, somewhere in the world. We saw a +13% growth in this division YOY after the inter-company elimination for NZ, +17% adjusting for that.

We spent a great deal of the year working on our ever-important distributor relationships, renewing with the likes of MCP in Australia where we have seen great success, changing some distributor models where the country needs better retail focus such as Korea and moving the model to full service from consignment in the UK. The QBID or cross border e-commerce agreement was signed in September 2016 so is now just a year old and progressing well. Across all markets, we totalled over 6000 doors in the year.

Slide 12 – Product Development

In FY17 we extended the ever-popular Rosehip Oil range to include a Light variant, specifically developed for the hotter climes of Asia but ranking #12 overall in sales already. In line with the category growth in serum, we also launched a Rosapene Radiance Serum around this time last year.

In October, our small but popular Body Care range was re-launched with new and improved packaging and branding, two new products a Pure Plant Body Oil and an Exfoliating Body Balm made with rosehip husk. This re-launch increased sales in NZ Pharmacy by +44%.

Slide 13 – Goodness

Goodness is now over two years old and given the competitive nature of the natural skincare markets in Australia and NZ, we are proud of the market share we have achieved in NZ (5.2% of natural/organic skincare in grocery and despite the traditional attitude of pharmacy to grocery brands, we are also seeing new uptake in the pharmacy channel in both markets. We have now launched onto a simple but effective Shopify e-commerce platform and are in discussions with new international markets for this brand.

Slide 14 – Strategy

We said we would grow market share in existing markets and build emerging markets. We have seen a slowing in Natural Skincare category growth in Australia and NZ at +2.8% and -9.8% respectively. These numbers compare to growth rates of 25% and 12.5% around the same time last year. On the basis that the market has slowed in Australia and declined in NZ – we are pleased to say we have maintained market share despite these market dynamics.

For China, we called out the increasing NDC that we were experiencing in both the home markets and said we would set up a direct relationship with these CBEC sites to ensure we had complete visibility – this we have done and despite a volatile regulatory environment, the consumer demand for Trilogy is strong and growing via our Weibo and Wechat social media channels.

I mentioned that we have strengthened many our distributor relationships and we are pleased to share that there are new beauty channels opening in both the USA, UK and we have a totally new channel in Turkey with a department store group called Akar.

Product Innovation is still strong and you may have seen recently our latest Sensitive re-launch with more to come in half two.

The Goodness brand has been working to bring more products to the busy mass market and also won a Bauer Best in Beauty for our Every Morning Moisturiser SPF15.

Slide 15 – CBEC

It's important here that we remind you all as shareholders that Trilogy does not condone animal testing, we are currently able to trade via CBEC and avoid registration and therefore the requirement for animal testing. We constantly monitor these regulations and need to remain able to respond to changing market conditions. Our relationship with QBID in Australia/China is a transparent and close partnership where we actively engage on strategy to deliver to this discerning consumer market. We have launched our flagship on Tmall this May, VIP.com launched late last year and the strategy is to continue to nurture these and our informal Daigou channels to maximise product availability at a good market price.

Page 16 – the reveal

In addition to the relaunch of our Sensitive range which has seen a 204% uplift in sales in Farmers, we have launched this month our 15th birthday celebration oil – a super seed oil blend alongside our sampler set of 5 oils which has already sold out in Malaysia and New Zealand.

Page 17/19 – some video audio entertainment

Page 18 – FY18

We continue for the remainder of this year to focus on new markets, new channels, new products and driving our market share in Australia and New Zealand.

We have intensified our consumer marketing in the second half to coincide with our 15th birthday celebrations and we have a firm supply of Rosehip Oil to last us through the peak season.

Page 20 – Distributors

Just a reminder of the global stretch of our leading brand, the USA, UK and ROW markets are all going to see retail penetration grow in the 2nd half of the year.

Page 21 – Social Responsibility

In addition to our JV relationship with Forestal Casino in Chile, we have a developing relationship with The Rosehip Company in Lesotho. We have invested in their company and their community via funding for an oil press, vehicles and forward commitments that have allowed them to lock in casual staff during the harvest period.

More recently, we have agreed to support he Mants'ase Children's home which is local and nearby assisting vulnerable children in Lesotho.

This year Trilogy also achieved Carbon neutral status via Enviro-mark's carboNZero programme.

Slide 22 – ECOYA and Home Fragrance Bodycare

Slide 23

Looking back to FY17 ECOYA had a +7% result YOY driven by a strong result in Australia and New Zealand but a weakened performance in Markets that we call 'ROW'. This was a deliberate action to re-trench in international and we are now ready in the 2nd half of 2018 post the ECOYA 2.0 relaunch to activate growth plans for the UK, Korea and Scandinavia.

Given the lower margins in this segment, EBITDA was compressed due to brand investment, however NPD and Limited Editions continue to contribute over 25% of sales and grew +18% YOY.

Page 24 – Strategy

Innovation – please take the time to look around the room at what we internally called ECOYA 2.0 – a brand re-launch that includes a new logo, new secondary packaging, new fragrances and new imagery.

Distribution initiatives are under way and we look forward to naming those in our half year results.

Our website and e-commerce model is currently preparing for a re-birth, out from under an outdated and overtly complicated platform to Shopify Plus with AfterPay – speeding up the shopping process, payments and giving us more opportunity for automated marketing to our most loyal consumers.

A mentioned on the previous slide, after diverting some focus in FY17, we have new contracts and distributors in place now – a new baseline to activate to in these markets.

Slide 25 – The relaunch

So, this is the biggest refresh in our 13-year history, we have slightly reduced our sku count but increased our fragrance offering to include a woodier side of the fragrance wheel -Spiced Ginger and Musk, Cedarwood and Leather, and our latest successful Ltd Edt Blue Cypress and Amber.

Let's take a look at the inspiration:

Video and Press creative

Page 28 – Summer Limited Editions

Four fragrance variants, inspired by our favourite Southern Hemisphere holiday locations – New Zealand, Australia, Bali and the South Pacific – launching in September and here for you to appreciate today.

Page 29- Xmas

As you will know from our financial performance and forecasts, Christmas is an increasingly important trading time for our business not only for ECOYA but also CS&Co with their large fragrance and gifting lines. ECOYA this year will launch 16 products inspired by our new livery but with stocking fillers and a 3rd fragrance for all you Gourmands in the room – Dark Chocolate Meringue and Raspberry. Fresh Pine will be available for the first time in a centrepiece size candle and Summer Spritz will appeal to those of you that like the sweeter scents.

Page 30 – ROY

For the remainder of the year, we will focus on home markets, the successful rollout and marketing of the new ECOYA range, Christmas and gifting including a corporate program. All of which you will see boldly and beautifully presented on our new e-commerce platform from mid-October.

Page 31 – Distribution

Page 32 – CS&CO

As you will recall CS&CO is the number 1 beauty distributor in New Zealand and this business was highly earnings accretive at $53.4m in the year FY17. From July, we moved the distribution of Trilogy and Goodness to this wholly owned subsidiary that has performed in line with expectations since acquisition in 2015.

Page 33 – Acquisitions

Page 34 – Lanocorp

Managing Director Tim McIver cannot be with us today but this is our first opportunity to showcase this latest addition to the TIL family. A New Zealand based manufacturer of skincare, bodycare and haircare. Lanocorp also boasts a small portfolio of consumer brands. You will be most familiar with the founding brand Lanocreme which has a loyal following especially via the inbound tourist markets in NZ and Australia. In addition, Lanocorp has a natural skincare brand that can be found in leading grocers, By Nature – so with this acquisition we strengthen our grocery portfolio. Rata & Co and Tiaki are mostly sold internationally.

Page 35 – Christchurch Plant

Founded over 25years ago, Lanocorp is also earnings accretive for TIL achieving over $10.3m in FY17.

Recently, the team and the manufacturing has moved to a purpose-built facility in Rolleston which is 3,200sqm.

In FY18 the By Nature brand will be the largest contributor to overall growth with a large channel opening for this brand in the USA Mass Market.

Page 36 – Trading Update

Demand continues for our core consumer brands and market data confirms that we have held market share in a declining market.

China remains a focus for us both via the informal NDC/Daigou and formal QBID CBEC channels.

ECOYA has experienced some short term raw material challenges in Half 1 which we expect to right themselves in Half 2.

In terms of Guidance:

Excluding anything unforeseen, for the 6 mths ending Sept 30th 2017 we expect total revenue to exceed $50m and total EBITDA to exceed $6m. Impacts on H1 profitability have been: increased RHO costs, investment in ECOYA re-launch, CS margin compression as a result of the weakening NZ dollar, offset by upside from Lanocorp. TIL expects revenue and EBITDA growth in FY18 to be greater than 10% subject to the performance of our developing market in China CBEC.

Consistent with prior years, TIL expects revenue and EBITDA growth to be skewed towards the 2nd half.

Thank you for your interest in the business overall, I now hand back to Grant to lead the formalities of the meeting.

Shareholder Discussion

Thanks, Angela. Ladies and Gentlemen, I now invite any questions, comments or discussion from the shareholders.

If you would like to ask a question, please put your hand and wait for one for the team to bring you a microphone before directing your question to the chair.

Slide 37 – Business of meeting

We now move onto the formal business of the meeting. There are three resolutions to be considered today. We will not seek seconders to the resolutions but will invite discussions on each. Will shareholders please raise their hand for a microphone and then give their name before speaking.

Slide 38 – Re-election of the directors, resolution 1

The first resolution is the re-election of myself, therefore I invite Independent Director Jack Matthews to lead this part of the meeting.

Thank you Grant and good afternoon everyone.

The first resolution, as recommended by the Board, the re-election of Grant Baker as a director. Before putting to vote, Grant will say a few words in regards to his election.

(Grants comments)

I move **"That Grant Baker be re-elected as a Director of the Company".**

Is there any discussion?

The poll on the re-election of Grant Baker and on the other resolutions will be conducted at the end of the meeting.

Over to you Grant.

Slide 39– Re-election of the directors, resolution 2

Thanks Jack, Resolution 2 as recommended by the Board, is the re-election of Mandy Sigaloff as a Director.

Before putting to vote, Mandy will say a few words in regards to her election.

(Mandy's comments)

I move **"That Mandy Sigaloff be re-elected as a Director of the Company".**

Is there any discussion?

Thankyou.

Slide 40 – Appointment of Auditor, Resolution 3

Resolution 3 is the re-appointment of PWC as auditors

I move **"That PWC be re-appointed as auditors of the Company and that the directors be authorised to fix the auditors remuneration for the coming year".**

Is there any discussion?

Thank you. That completes the business of the meeting.

Are there any further questions from shareholders on the Annual Report, the presentations or the discussion on the resolutions?

(Questions)

If there is no further discussion, I would now ask shareholders to vote on the three resolutions that have been considered.

Slide 41 – Poll Instructions

Voting papers need to be completed by ticking “For”, “Against”, or “Abstain” against each resolution.

Please do not tick the **“Proxy Discretion”** box.

The voting papers will be collection in the boxes provided and Computershare Investor Services will oversee the voting.

The poll results will be released to the NZX as soon as practical following results of the voting being confirmed by Computershare Investor Services.

Thank you for joining us today. On behalf of the Board, management team and wider TIL team, we would like to thank you, our shareholders, for your continued support as we scale the business and delivery long term shareholder value.

I declare the meeting closed and invite you to join us for morning tea.