



CANDY CLUB

B2B Segment Update

July 2019



Disclaimer

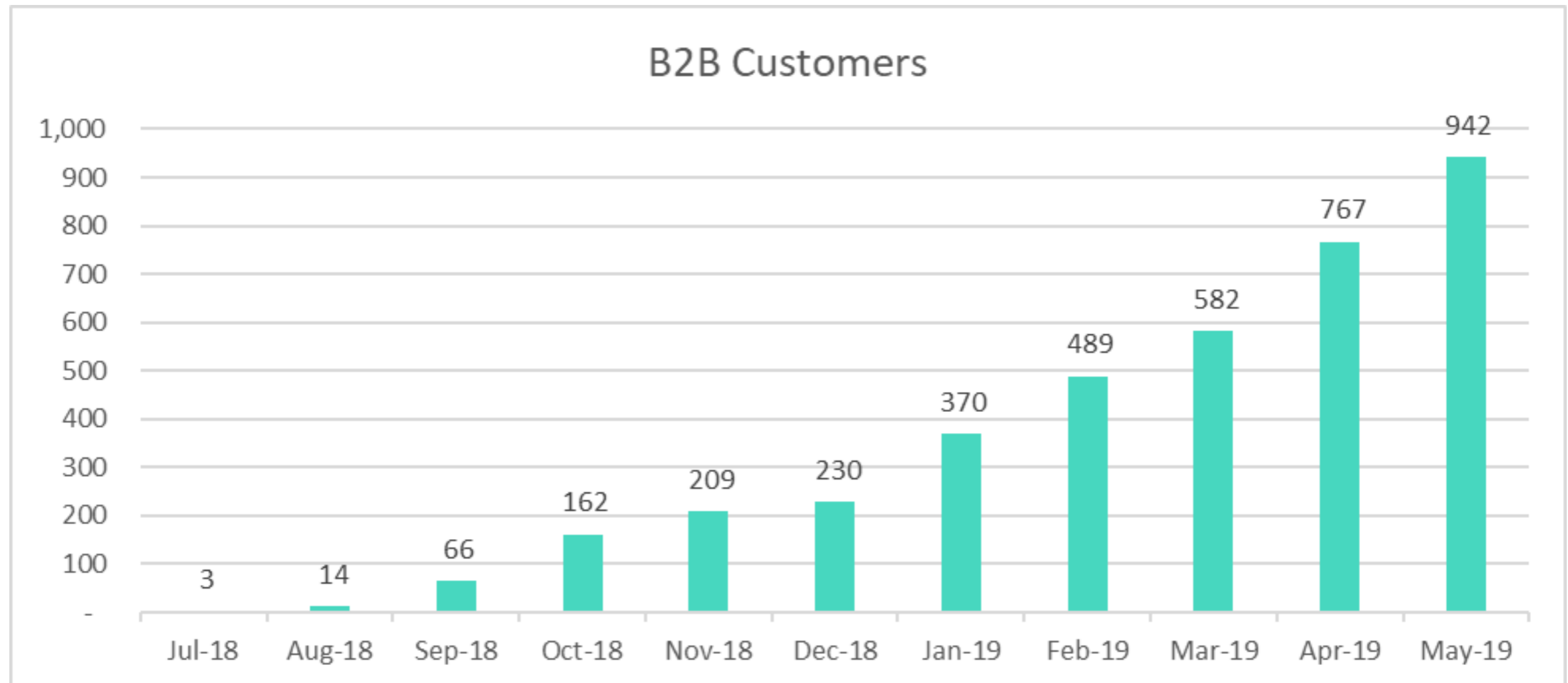


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Our B2B customer base is growing rapidly

Highlights:

- Acquired ~1,000 total retail customers since inception
- In CY '19 total customers increased by over 300% and growing >20% on a month-over-month basis
- Achieved these results with only two dedicated in-house sales people and a non-dedicated independent rep firm – significant opportunity to scale further



We already have an impressive roster of well-known retailers carrying our B2B product line and are adding more every month....

Gift Stores



Hospitality



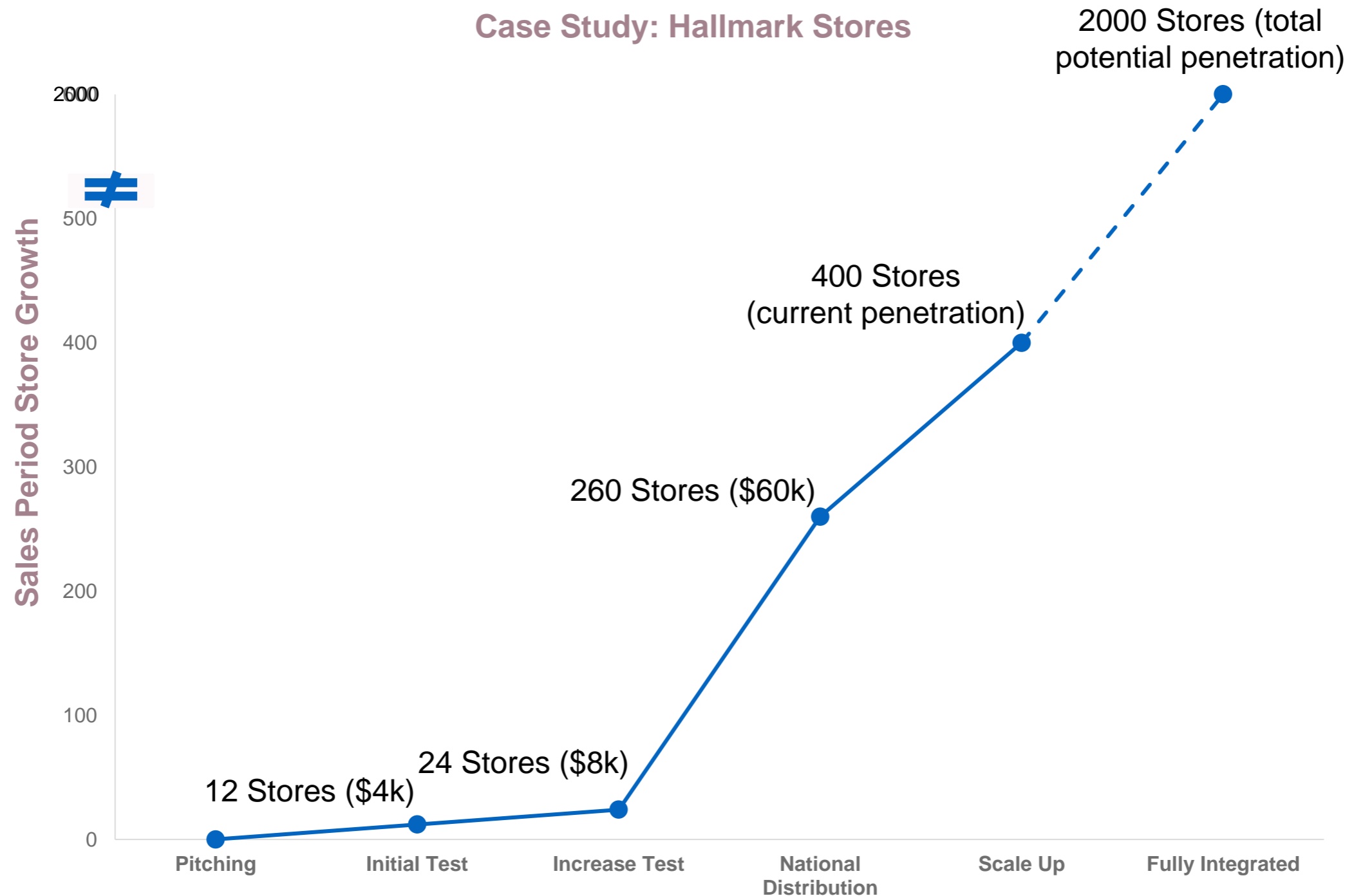
Apparel & eCommerce



Museums & Experience Centers



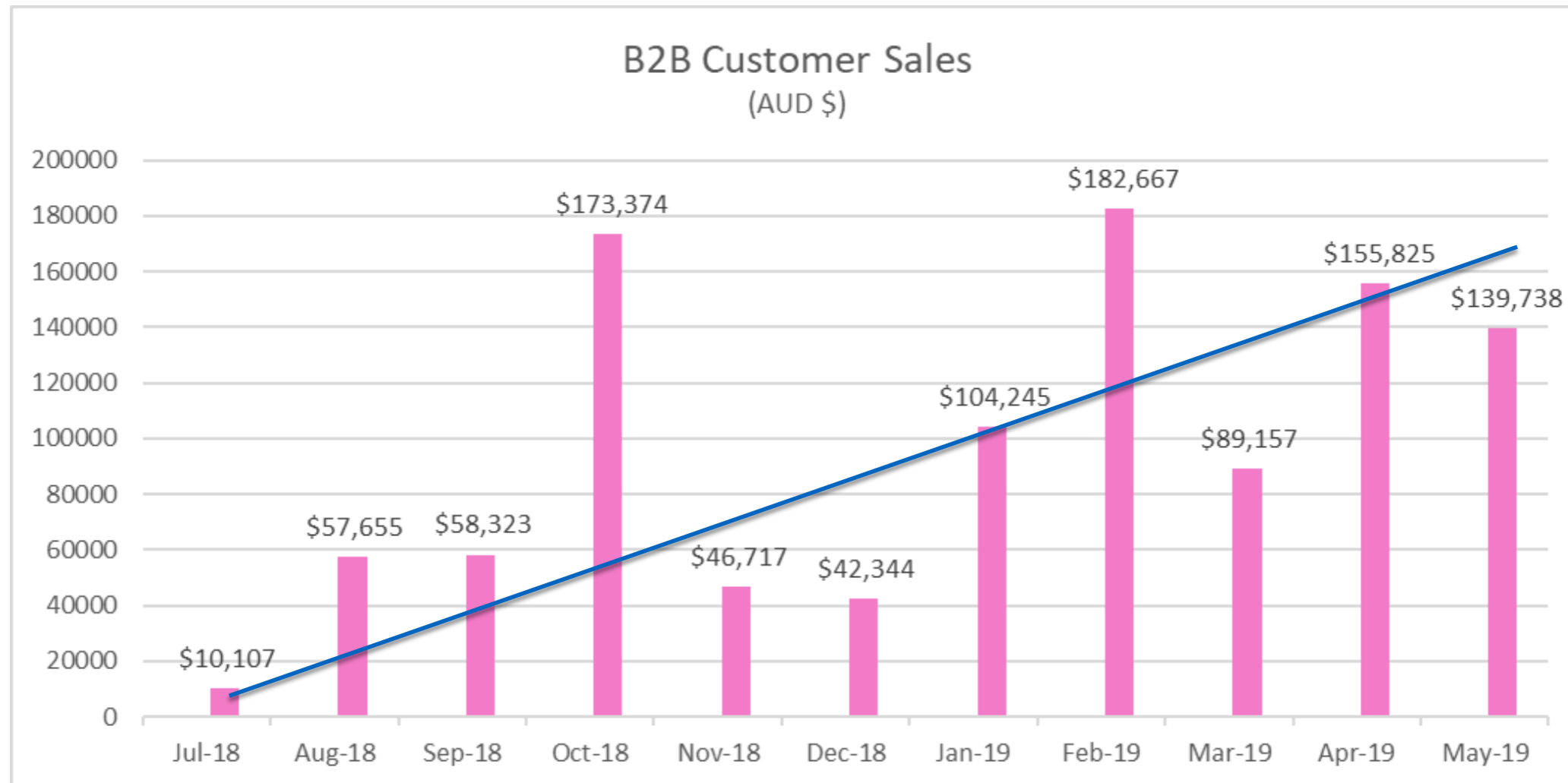
...and we are having success expanding with national retail chains who can accelerate our growth rapidly, as we've done with the Hallmark Stores, where we expanded from an initial 12 store test to 400 stores in 6 months, with a potential to expand further into their 2,000 stores



Monthly revenue is trending up

Highlights:

- Total revenue from inception through May '19 exceeds \$1,000,000 AUD
- Clear seasonality pattern emerging highlighted by spikes to support key retail holiday windows including Halloween (Aug/Sept) Christmas (Sept/Oct) and Valentine's Day (Jan/Feb)
- Average customer order exceeds >\$500 AUD
- Seasonality dictates that Q3/Q4 make up 75% of annual sales industry wide

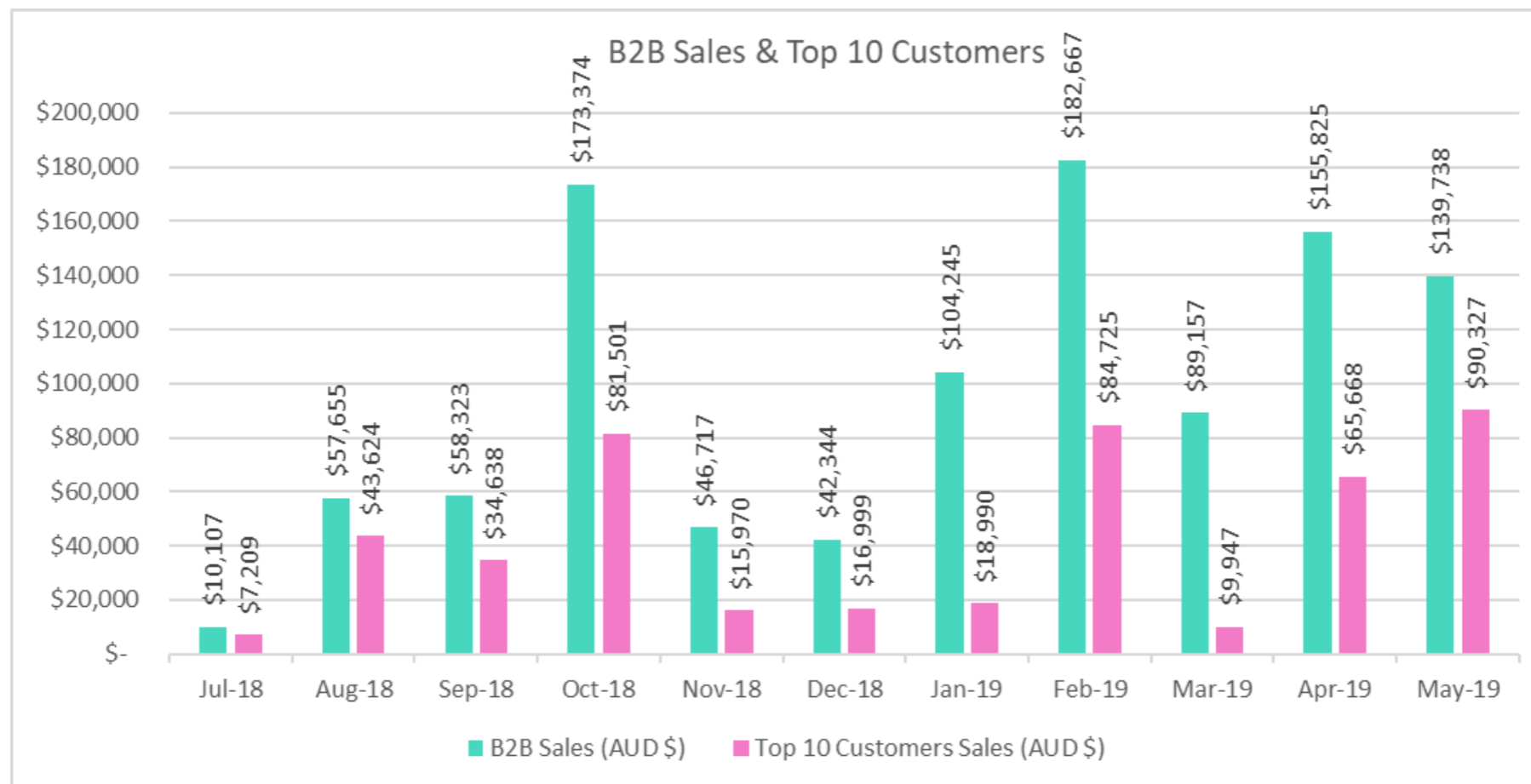


*Blue line is indicative of upward trend

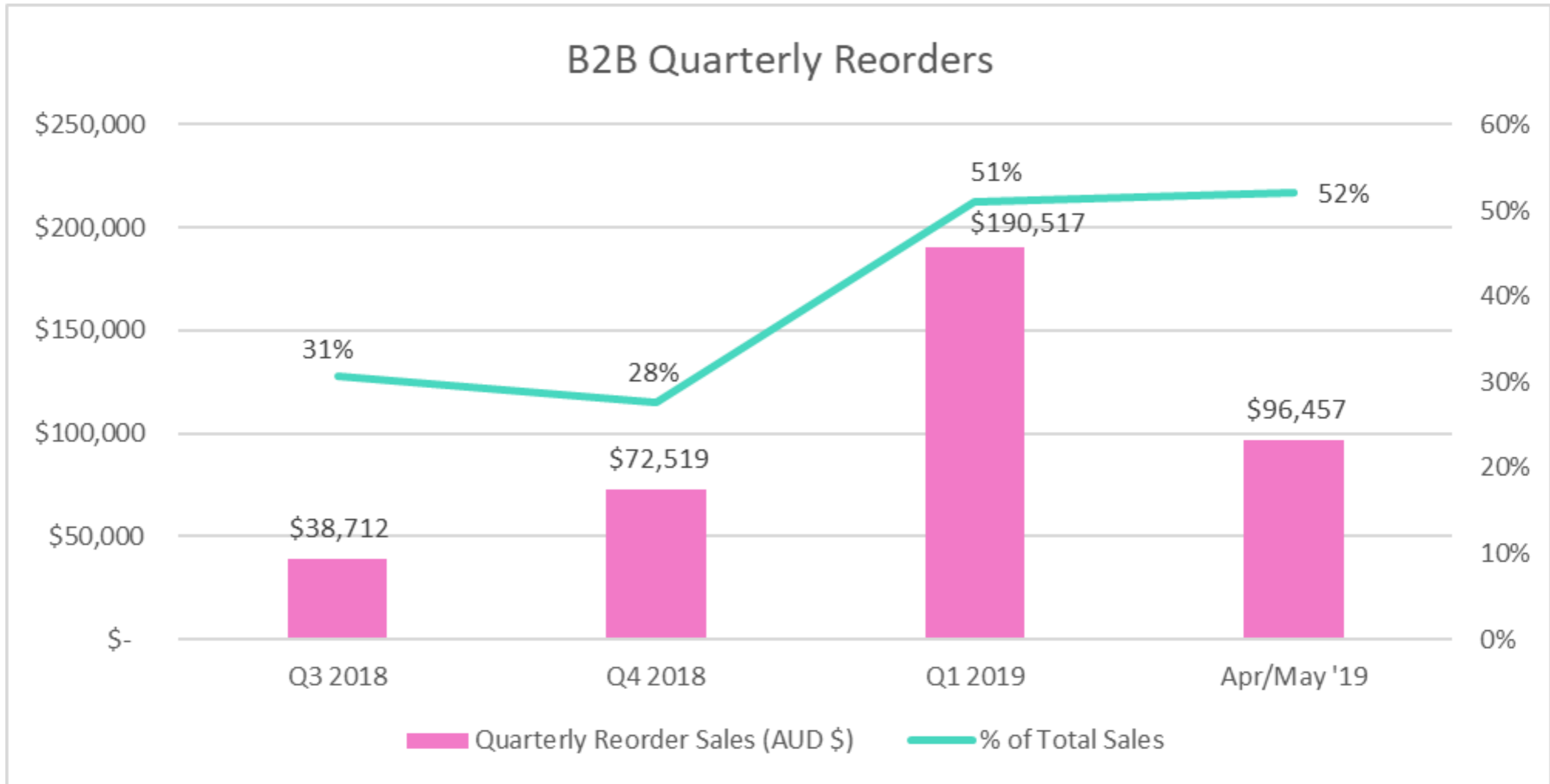
Revenue is comprised of a well-balanced mix of large and small customers

Highlights:

- The chart below shows total monthly revenue and monthly revenue by our top 10 customers
- Small, independent retailers currently make up the majority of our monthly revenue (66% in CY '19)
- Larger, national accounts are becoming an increasingly larger % of our overall business, which will accelerate growth as that trend continues
- No current or anticipated risk exists due to client concentration



Repeat customers accounted for 51% of total revenue in Q1 2019

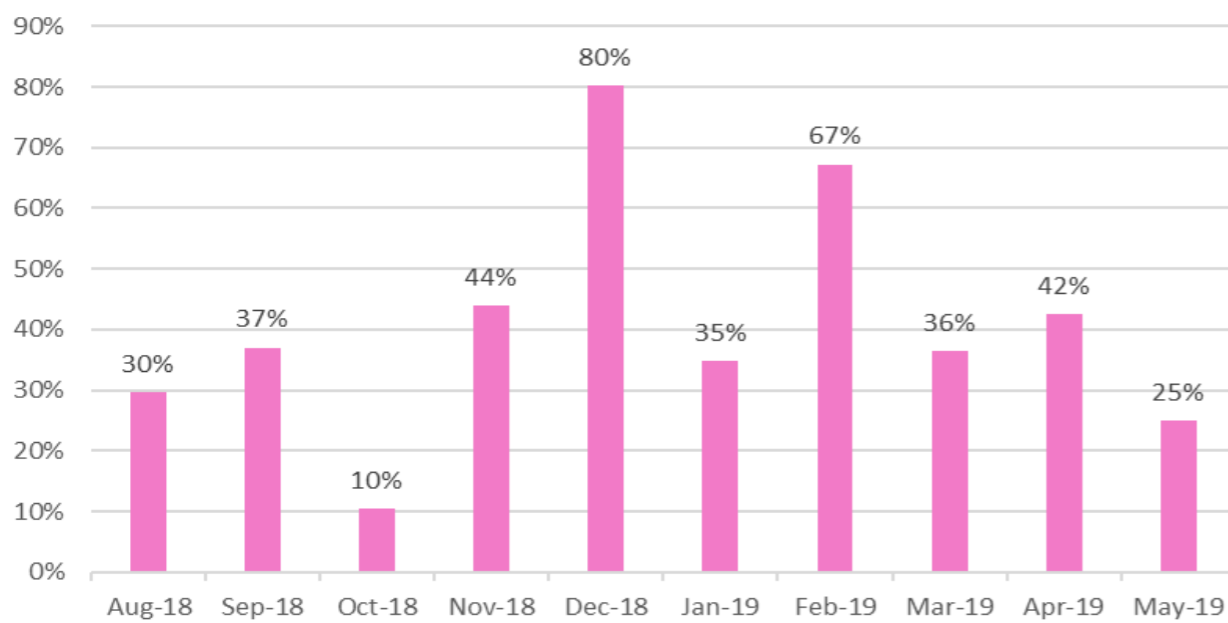


Customer reorder rates remain strong

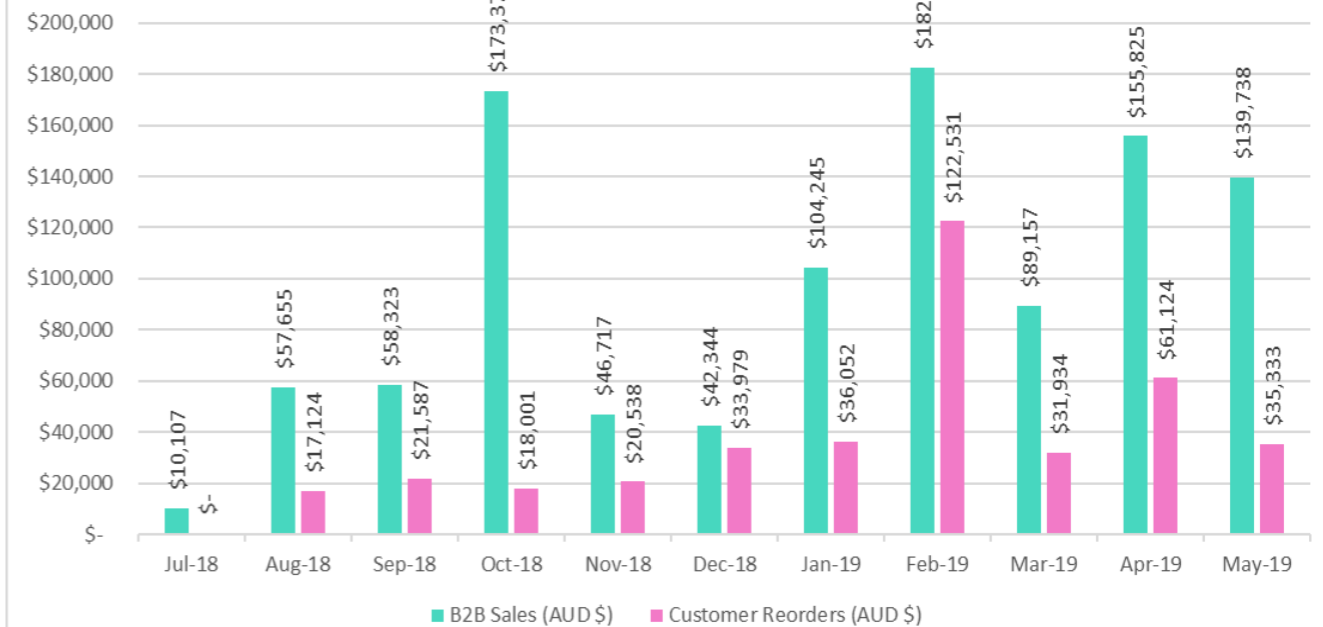
Highlights:

- Repeat customers have generated ~40% of total revenue since inception
- This makes it easier to scale and more cost effective & profitable to do so

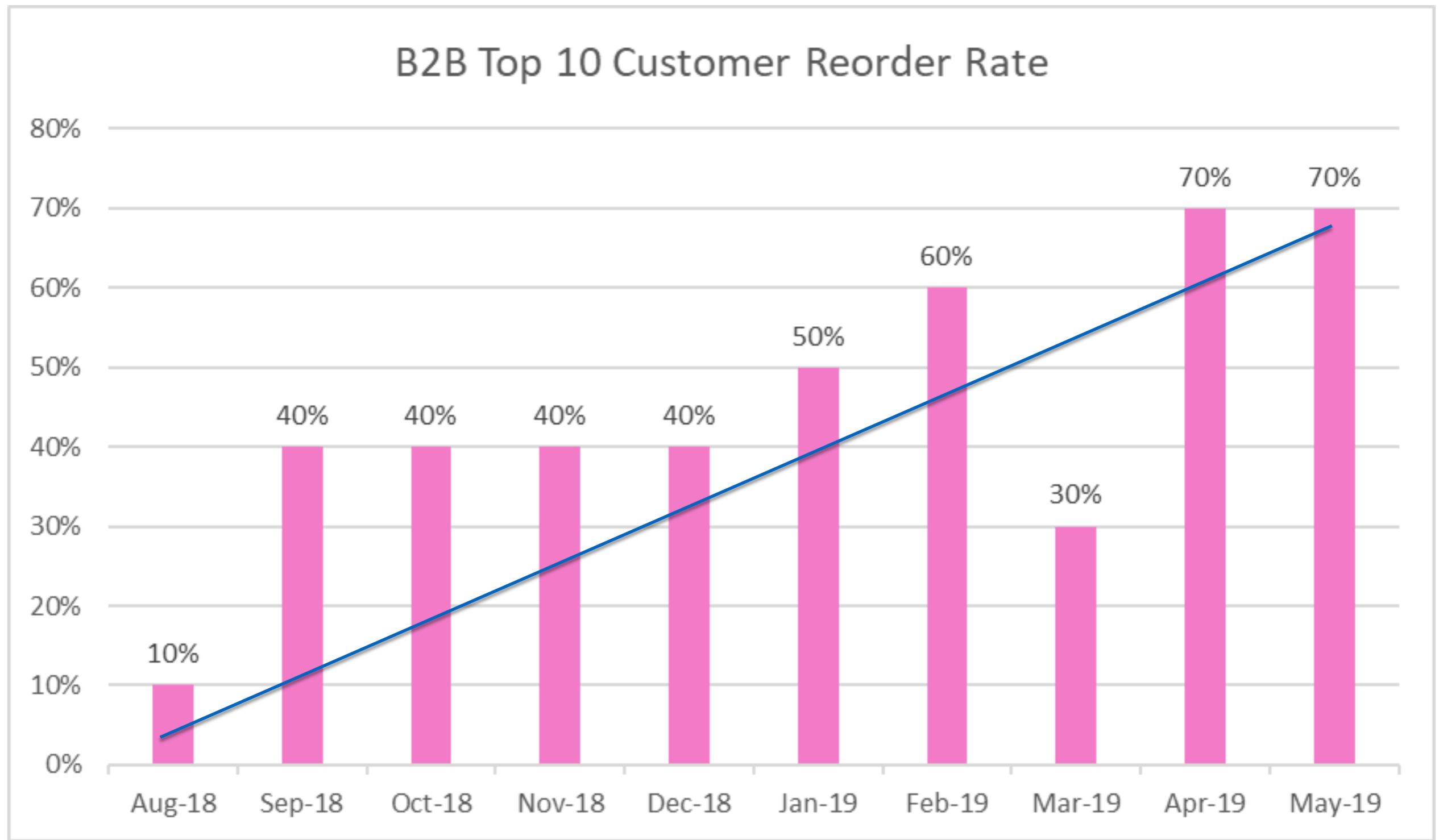
B2B Monthly Reorders as a % of Sales



B2B Sales & Reorders



Top 10 customers continue to reorder at a high rate



*Blue line is indicative of upward trend

B2B Recap

Highlights:

1. **The Company is acquiring a significant amount of new customers every month**
2. **Existing customers, big and small, are reordering at a high rate**
3. **We have achieved these results in a short period of time and with a small sales staff**

Takeaways:

1. **Reorders rates are high because of strong product sell through at retail**
2. **We have a proven and repeatable sales model with a diverse customer base of an estimated addressable market of 1mm retail accounts across the USA**
3. **With only 1,000 total customers to date and just a handful of major retailers penetrated in and only in limited distribution, there is a significant opportunity to expand our customer base**
4. **So long as we continue to acquire customers and experience reorder rates at or near to our current metrics, the Company's growth prospects are strong**
5. **Adding a few talented sales people will only help to accelerate our growth**