



30 April 2019

ASX Market Announcements
ASX Limited
20 Bridge Street
Sydney NSW 2000

Key Priorities for FY2019-20 & March Quarter Cash Commentary

Yowie Group Ltd (ASX: YOW) (the “Group” or “Yowie”) provides the following update.

Key Priorities for FY2019 -20

- Return to positive revenue growth trajectory.
- Continue progress on increasing US and Australian retail distribution.
- Add new Yowie confectionary products to broaden brand footprint.
- Improve financial performance delivering positive EBITDA and cash flow.

Executing Multiple Growth Drivers

Our ability to grow in competitive markets will be driven by:

1. **Retail activities and activations:** having our product on floor displays, especially around holidays in all channels, drives incremental sales.
2. **Brand awareness:** connecting with our core consumer, families with children who are chocolate lovers and conscious about eco conservation. Key to this is our realigned social media campaign, family digital experiences and our partnership with the Wildlife Conservation Society. Our realigned social media optimization in January has resulted in a 41% increase in YowieWorld website traffic, Facebook reach is up 25% and YouTube views are up 65%.
3. **New products:** offering new surprise inside products emphasizing a premium sustainably sourced treat and quality collectibles.

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4. Retail Distribution: Encouragingly, Yowie continues to grow distribution in all US channels, through 23 February 2019 reaching 42.3% ACV, over 50k outlets. Importantly, not only does this increase our products' availability, but it also reduces our reliance on our biggest customers.

- **US Convenience:** we have made great improvements over the past year, achieving >22% of all outlets (25k stores, more than doubling the previous year's store count).
- **US Food:** this channel has significant room to grow, with 20% of all outlets (5k stores, 37% improvement to last year) carrying Yowie. We have commitments from several large chains totaling over 1,200 stores that will move this number in the coming months.

New Product Launches

New Yowie Collector Series will be released twice a year, with simultaneous US and Australia launches. New products broaden our appeal, encourage collectability and continue to promote our purpose of educating children about the natural world and conservation.

- **Series 5 (Wildwater Series):** will be hitting US and Australian retail shelves in May/June.
- **Yowie Bites:** have begun Bites pipeline shipments in the US, with May on shelf in selected retailers.
- **Development:** is in progress for other new items for launch before the end of calendar 2019, including specially designed products for Australia.
- **Digital:** we are developing upgrades to current apps (YowieScope) and looking at other technologies.

Financial

- **Cash flow:** we anticipate continued improving cash run rate, with positive operating cash in the near term.
- **EBITDA:** positive EBITDA margin expected during FY2020.
- **Capital deployment:** we carefully evaluate the financial returns and costs associated with new distribution outlets taking into account merchandising costs, shelf costs, display costs, pricing and freight etc.

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2019 March Quarter Cash Commentary

- For the March 2019 quarter Yowie reported US\$2.37m of cash receipts from customers, making a total of US\$11.03m for the nine months of this financial year. March saw good sales activity although some of the cash was received in April, falling outside of the third quarter.
- US\$2.27m was spent on product manufacturing and operating costs, including toy purchases to support Series 5 and Yowie Bites.
- US\$0.56m was spent on investing activities. This includes investment in plant & equipment, and moulds.

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Global CEO & Managing Director - Yowie Group Ltd

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About Yowie

Yowie Group Ltd is a global brand licensing company specializing in the development of consumer products designed to promote learning, understanding and engagement with the natural world through the adventures and exploits of six endearing Yowie characters. Educating children and adults about the environment and ecology is at the heart of the Yowie proposition.

Yowie Group employs its company-owned intellectual property rights in the outsourcing of the manufacturing and distribution of the Yowie chocolate confectionery product and in the development of a Yowie digital platform and Yowie branded licensed consumer products. The Company's vision for the Yowie brand is to distribute on a widening basis the Yowie product in North America and ANZ, with further international expansion.

For more information on the company go to www.yowiegroup.com

The Yowie consumer website can be found at www.yowieworld.com

DISCLAIMER

This Announcement 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 announcement 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.

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