

## Quarterly Activities Report for the period to 30 June 2015

### Highlights

- Yowie confectionery product to rollout nationally across the US into approximately 4300 Walmart stores from August 2015
- Successful completion of a small, twelve store trial in a Tier 1 grocery retail account in Dubai, Middle East
- Commencement of quotation of Yowie American Depository Receipts ("ADRs") on the OTC platform in the US

### Sales & Marketing

During the quarter:

- Announced that the Yowie confectionery product will rollout nationally across the U.S. into approximately 4300 Walmart stores from August 2015.

The national launch across the entire network of Walmart stores is a direct result of a consistent Yowie sales performance that began with a 50 store trial in Texas during September 2014 extending in March 2015 to a rollout across 1500 Walmart stores. The time from the 50 store trial to the complete national rollout of only 11 months confirms Walmart's high expectation for the Yowie product.

Yowie ranging across all Walmart stores will be in prime in-store location for an impulse purchase on "assisted" and "self" check-out stands across all 4300 stores, but may vary by store. The expanded point of sale to the self check-out lanes will give the product additional front-end exposure for impulse purchases.

- Announced the successful completion of a small, twelve store trial in a Tier 1 grocery retail account in Dubai, Middle East. The twelve trial stores are part of a major international supermarket chain.

In all stores benchmark targets were exceeded within the required time frame. Consumer response has been positive and consistent with other markets where

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the product is being sold, trialed or research has been undertaken. Pricing was in line with the US market taking into account currency exchange.

Next steps will involve expansion of the trial across more stores and trade channels, over a longer period. The details of the next stage trial are being determined.

The Middle East is emerging as one of the fastest growing chocolate markets across the globe. The market is said to be set for a compound annual growth rate of 6.09% from 2014 to 2019. The global chocolate market is expected to grow at just 2.3 % over the same period. (Confectionery News, September 9, 2014).

This early result in the Middle East is viewed by the Company as a promising outcome on which to build a consistently strong performance. The Middle East trial is part of planned progress aligned to the Company's mission to build a successful global brand company.

The Yowie confectionery product continues to make steady progress across a broad range of trade channels, including:

- **Mass Merchandiser:** Walmart from successful trial to national rollout
- **Drug:** Tier 1 pharmaceutical retailer
- **Fuel & Convenience:** 2 national groups
- **Grocery:** Safeway national rollout in progress
- **General Retail:** Cost Plus World Market
- **Distributors:** 6 Distributors delivering coverage across 49 US States
- **Specialist Candy:** Including Dylan's Candy Bars
- **Leisure & Entertainment:** Zoos and Resorts
- **Also Selling On Line:** It's Sugar & Cost Plus World Market

Building a strong, focused sales and distribution network in the US market and servicing all accounts to the optimum remains the No 1 priority for the Company in the US market.

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Subsequent to quarter end, Yowie launched a partnership project with the American Association of Zoos and Aquariums (AZA) inaugural AZA SAFE: Saving Animals From Extinction (SAFE) initiative. Founded in 1924, AZA is a nonprofit organization dedicated to the advancement of zoos and aquariums in the areas of conservation, education, science and recreation. Yowie will undertake a product sampling program across the 229 AZA-accredited zoos and aquariums in the U.S over holidays and weekends commencing in August. The AZA SAFE vision and mission which is focused on saving endangered species in the wild is in perfect accord with Yowie's own mission to help 'Save the Natural World'.

In 2013, AZA-accredited institutions provided \$160 million in support of approximately 2,700 conservation projects in more than 115 countries. In 2014, the 228 zoos and aquariums accredited by AZA attracted more than 183 million visitors. Approximately 50 million visitors were children, making zoos and aquariums some of the best places for families to connect with nature and each other. In the last ten years, AZA accredited zoos and aquariums formally trained more than 400,000 teachers. School field trips annually connect more than 12 million students with the natural world.

### Corporate

- Arranged for the quotation of Yowie American Depositary Receipts ("ADRs") on the OTC platform in the United States via a sponsored level 1 ADR program through BNY Mellon. The Company's ADRs will trade under the symbol "YWRPY" and represent 1 ADR for every 10 ordinary Yowie ASX listed shares.
- 3,230,000 listed options and 1,000,000 unlisted options were exercised, raising an additional \$876,000.
- As at 30 June 2015, the Company held cash reserves of \$11.1 million.

Wayne Loxton  
**Executive Chairman**  
**Yowie Group Ltd**

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### About Yowie

Yowie Group Ltd is a global brand licensing company specialising 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 includes distribution of Yowie product in North America, with further expansion planned into Australia, New Zealand and throughout Asia, where the Yowie brand is known and brand equity remains strong, even with the brand not having been active in the market for around eight years. Expansion into Europe and the Middle East are key strategic priorities for a second-stage brand rollout.

Yowie Group Ltd was first listed on the Australian Securities Exchange [www.asx.com.au](http://www.asx.com.au) in December 2012 under code name 'YOW'. The Company's registered head office is in Perth, Western Australia.

For more information on the company go to [www.yowiegroup.com](http://www.yowiegroup.com)  
The Yowie consumer website can be found at [www.yowieworld.com](http://www.yowieworld.com)

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# Appendix 4C

## Quarterly report for entities admitted on the basis of commitments

Introduced 31/03/00 Amended 30/09/01, 24/10/05, 17/12/10

Name of entity

**YOWIE GROUP LTD**

ABN

98 084 370 669

Quarter ended ("current quarter")

30 June 2015

### Consolidated statement of cash flows

| Cash flows related to operating activities                | Current quarter<br>\$A'000 | Year to date<br>(12 months)<br>\$A'000 |
|---|----------------------------|--|
| 1.1 Receipts from customers                               | 1,345                      | 2,322                                  |
| 1.2 Payments for (a) staff costs                          | (183)                      | (474)                                  |
| (b) advertising and marketing                             | (171)                      | (221)                                  |
| (c) research and development                              | -                          | -                                      |
| (d) leased assets   | -                          | -                                      |
| (e) other working capital <sup>1</sup>                    | (2,758)                    | (9,659)                                |
| 1.3 Dividends received                                    | -                          | -                                      |
| 1.4 Interest and other items of a similar nature received | 93                         | 193                                    |
| 1.5 Interest and other costs of finance paid              | -                          | (1)                                    |
| 1.6 Income taxes paid                                     | -                          | -                                      |
| 1.7 Other (royalty and settlement income)                 | 43                         | 152                                    |
| <b>Net operating cash flows</b>                           | <b>(1,631)</b>             | <b>(7,688)</b>                         |

<sup>1</sup> Includes \$1,425k purchases of raw materials and manufacturing costs for the quarter and \$4,173k year to date.

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**Appendix 4C**  
**Quarterly report for entities**  
**admitted on the basis of commitments**

|  | Current quarter<br>\$A'000 | Year to date<br>(12 months)<br>\$A'000 |
|--|----------------------------|--|
| 1.8 Net operating cash flows (carried forward)       | (1,631)                    | (7,688)                                |
| <b>Cash flows related to investing activities</b>    |                            |  |
| 1.9 Payment for acquisition of:                      |                            |  |
| (a) businesses (item 5)                              | -                          | -                                      |
| (b) equity investments                               | -                          | -                                      |
| (c) intellectual property (product development)      | -                          | (20)                                   |
| (d) physical non-current assets                      | (84)                       | (157)                                  |
| (e) other non-current assets                         | -                          | (220)                                  |
| 1.10 Proceeds from disposal of:                      |                            |  |
| (a) businesses (item 5)                              | -                          | -                                      |
| (b) equity investments                               | -                          | -                                      |
| (c) intellectual property                            | -                          | -                                      |
| (d) physical non-current assets                      | -                          | -                                      |
| (e) other non-current assets                         | -                          | -                                      |
| 1.11 Loans to other entities                         | -                          | -                                      |
| 1.12 Loans repaid by other entities                  | -                          | -                                      |
| 1.13 Other (provide details if material)             | -                          | -                                      |
| <b>Net investing cash flows</b>                      | <b>(84)</b>                | <b>(397)</b>                           |
| <b>1.14 Total operating and investing cash flows</b> | <b>(1,715)</b>             | <b>(8,085)</b>                         |
| <b>Cash flows related to financing activities</b>    |                            |  |
| 1.15 Proceeds from issues of shares, options, etc.   | 876                        | 11,140                                 |
| 1.16 Proceeds from sale of forfeited shares          | -                          | -                                      |
| 1.17 Proceeds from borrowings                        | -                          | -                                      |
| 1.18 Repayment of borrowings                         | -                          | -                                      |
| 1.19 Dividends paid                                  | -                          | -                                      |
| 1.20 Other (capital raising costs)                   | -                          | (639)                                  |
| <b>Net financing cash flows</b>                      | <b>876</b>                 | <b>10,501</b>                          |
| <b>Net increase / (decrease) in cash held</b>        | <b>(839)</b>               | <b>2,416</b>                           |
| 1.21 Cash at beginning of quarter/year to date       | 11,859                     | 8,246                                  |
| 1.22 Exchange rate adjustments to item 1.21          | 38                         | 396                                    |
| <b>1.23 Cash at end of quarter</b>                   | <b>11,058</b>              | <b>11,058</b>                          |

+ See chapter 19 for defined terms.

**Payments to directors of the entity and associates of the directors**

**Payments to related entities of the entity and associates of the related entities**

|      |  | Current quarter<br>\$A'000 |
|------|--|----------------------------|
| 1.24 | Aggregate amount of payments to the parties included in item 1.2 | 166                        |
| 1.25 | Aggregate amount of loans to the parties included in item 1.11   | -                          |

1.26 Explanation necessary for an understanding of the transactions

Payments include:

- Payments of directors' fees and consulting fees to directors

**Non-cash financing and investing activities**

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

None

2.2 Details of outlays made by other entities to establish or increase their share in businesses in which the reporting entity has an interest

Nil

**Financing facilities available**

*Add notes as necessary for an understanding of the position.*

|     |                             | Amount available<br>\$A'000 | Amount used<br>\$A'000 |
|-----|-----------------------------|-----------------------------|------------------------|
| 3.1 | Loan facilities             | -                           | -                      |
| 3.2 | Credit standby arrangements | -                           | -                      |

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**Reconciliation of cash**

| Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows. |                          | Current quarter<br>\$A'000 | Previous quarter<br>\$A'000 |
|---|--------------------------|----------------------------|-----------------------------|
| 4.1   | Cash on hand and at bank | 3,430                      | 4,859                       |
| 4.2   | Deposits at call         | 7,628                      | 7,000                       |
| 4.3   | Bank overdraft           | -                          | -                           |
| 4.4   | Other (provide details)  | -                          | -                           |
| <b>Total: cash at end of quarter (item 1.23)</b>  |                          | <b>11,058</b>              | <b>11,859</b>               |

**Acquisitions and disposals of business entities**

|     | Acquisitions<br>(Item 1.9(a))             | Disposals<br>(Item 1.10(a)) |
|-----|---|-----------------------------|
| 5.1 | Name of entity                            | -                           |
| 5.2 | Place of incorporation or registration    | -                           |
| 5.3 | Consideration for acquisition or disposal | -                           |
| 5.4 | Total net assets                          | -                           |
| 5.5 | Nature of business                        | -                           |

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## Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act (except to the extent that information is not required because of note 2) or other standards acceptable to ASX.
- 2 This statement does ~~does not~~\* (*delete one*) give a true and fair view of the matters disclosed.

Sign here: N J Bassett  
(Company Secretary)

Date: 31 July 2015

Print name: Mr Neville Bassett

## Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
2. The definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report except for any additional disclosure requirements requested by AASB 107 that are not already itemised in this report.
3. **Accounting Standards.** ASX will accept, for example, the use of International Financial Reporting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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+ See chapter 19 for defined terms.