



Dear Yowie Shareholders,

As you would be aware, Aurora Funds Management Limited as responsible entity for the HHY Fund (**Aurora**) has requested that a general meeting of shareholders be held to pass a resolution to remove your Chairman, Louis Carroll, from the Board.

- Don't let entities with the reputation of Aurora, Keybridge and Bentley unduly influence the direction of your business.
- Your current board and management have ensured that **positive cash flow and profitability are imminent**.
- Changing the Chairman now will disrupt the positive progress that is being made.

Your Board **DOES NOT SUPPORT** the removal of Mr Carroll from the Board, recommend that you **VOTE AGAINST** the resolution and will all be voting their shares **AGAINST** the resolution. Mr Johnson, who is Aurora's nominee on the Board, does not own any shares in Yowie.

Who is behind the resolution?

It is essential that Yowie shareholders are aware of the background to this untimely request for our Chair's removal which has been concocted by three companies, all under the influence of Mr Farooq Khan, and who have all refused to comply with their legal obligations to disclose the nature of their relationship in so far as it relates to your company.

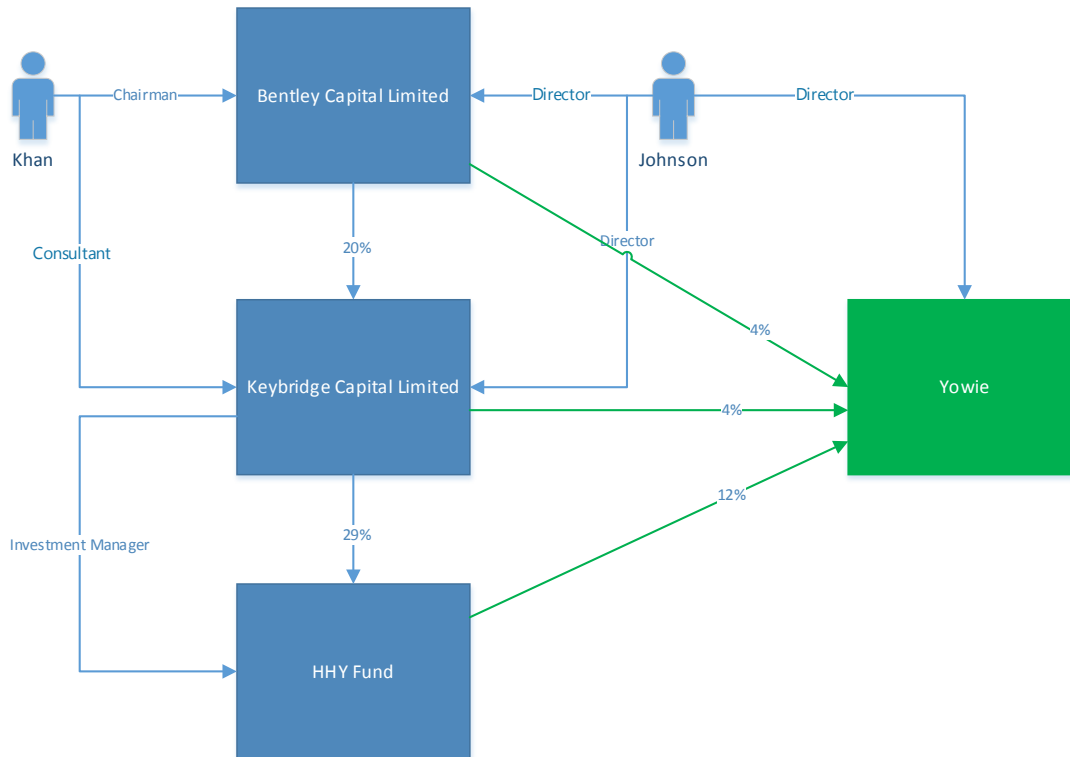
All we know is that Bentley Capital Limited (of which Mr Khan is Chairman and Mr Johnson is a director), controls 20% of Keybridge Capital Limited (of which Mr Khan is a consultant and Mr Johnson is a director) which in turn controls 29% of the HHY Fund (of which Keybridge is the investment manager).

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These entities all held discussions and exchanged information concerning Yowie and then all commenced buying shares in Yowie. They then sought the appointment of Mr Johnson to the board and once he was appointed demanded Mr Carroll step down. The Board refused this request.

Who is Farooq Khan?

Mr Kahn is a corporate raider who is well known for seeking to gain board control of entities with significant cash balances and then implement his own agenda. Historically this has involved Mr Khan increasing his shareholding in the target through various corporate vehicles he controls or is associated with, and once he controls around 20% of the shares, he then demands board representation and ultimately control of the board. If companies do not accept his demands, he then requires shareholder meetings to be called where he seeks support to remove and/or replace the Board.

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Why is Mr Khan trying to take control of Yowie?

Aurora, one of the entities Khan is using to take control of Yowie, provided a statement that sets out their reason for requesting the resolution for Mr Carroll's removal and that statement was included with the Notice of Meeting called pursuant to Section 249D of the Corporations Act.

Your Directors are not responsible for the content of that statement, nor do they agree with the reasons cited by Aurora as set out in the Explanatory Statement accompanying that Notice of Meeting.

Where can I read about Mr Khan?

The following articles are samples of some of the press that has been written about Mr Khan and his activities as an experienced corporate raider.

"Perth's "consummate cash cowboy" (as this newspaper described him in 2002) Farooq Khan is at it again, this time bearing down on cashbox Molopo Energy."

<https://www.afr.com/brand/rear-window/farooq-khan-nicholas-bolton-tony-hartnell-in-second-67m-raid-on-molopo-energy-20170410-gvhmnc>

"In the case of the Molopo saga, there's been enough blood and gore of a corporate variety to do a Coen Brothers script proud. In this case the prize for the squabbling parties is rather a lot of money: \$55m of cash worth 22c a share."

For months Molopo has been under siege from Aurora Funds Management and Keybridge Capital, which are linked with banned director Nicholas Bolton and Perth corporate raider Farooq Khan.

Having declared unacceptable circumstances, the Takeovers Panel in mid-June ordered Aurora and Keybridge to sell most of their Molopo shares because in effect the parties involved were acting in concert without telling the market."

<https://www.livewiremarkets.com/wires/the-new-criterion-the-shareholders-are-revolting>

"Companies controlled by Farooq have a well-established history of doing deals with other companies controlled by Farooq"

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<http://www.pierpont.com.au/article.php?Exceedingly-modest-telephone-network-192>

What is in the best interests of the Company?

As detailed in the Company's 2018 Annual Report, the 2018 financial year was a 'reset' year for Yowie in which the foundations for future success were laid and the company is now moving towards operating profitably.

Costs have been brought under tight control on all fronts, headcount has been reduced, gross margins have been maintained and the revenue decline has been arrested and modest growth restored.

Mr Carroll has been central to this continued improvement and his removal from the Board at this point in time is likely to disrupt the positive trajectory of the Company.

Conversely, Mr Kahn is a well-known corporate raider who has chosen not to disclose to you his plans for Yowie.

For these reasons your Board **DOES NOT SUPPORT** the removal of Mr Carroll from the Board, recommend that you **VOTE AGAINST** the resolution and will all be voting their shares **AGAINST** the resolution. Mr Johnson, who is Aurora's nominee on the Board, does not own any shares in Yowie.

By order of a majority of the Board

Glen Watts
Director

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