

Appendix 4D

Half-year Report

*Rule 4.2A.3
Introduced 1/1/2003*

Name of entity: Yowie Group Limited

ABN: 98 084 370 669

1. Reporting period ("current period"): Half-year ended 31 December 2020

Previous corresponding period: Half-year ended 31 December 2019

2. Results for announcement to the market

US\$'000

2.1 Revenue from ordinary activities down 13% to 5,570

2.2 Loss from ordinary activities after tax attributable to members down 96% to (104)

2.3 Net loss for the period attributable to members down 96% to (104)

2.4 The directors recommend that no amount be paid by way of dividend. No dividend has been paid or declared since the start of the financial period.

2.5 Record date for determining entitlements to dividends: N/A

2.6 A further explanation of the above figures is contained in the "Review of Operations" included within the attached directors' report.

3. Net tangible assets

	Current Period (cents)	Previous Corresponding Period (cents)
Net tangible asset backing per ordinary share	3.45	8.12

4. Details of entities over which control has been gained or lost during the period

N/A

5. Dividends

No dividends have been paid or declared during or since the beginning of the reporting period.

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6. Dividend reinvestment plans

No dividend reinvestment plans are in operation.

7. Details of associates and joint venture entities

N/A

8. Accounting standards for foreign entities

The Group applied Australian Accounting Standards to all entities in the Group including its overseas subsidiaries.

9. Auditor's review report

The accounts were subject to a review by the auditor and the review report is attached as part of the half-year report.

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YOWIE GROUP LTD

ABN 98 084 370 669

HALF-YEAR FINANCIAL REPORT

31 DECEMBER 2020



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COMPANY DIRECTORY

DIRECTORS:	Mr Louis Carroll (Non-Executive Chairman) Mr Mark Schuessler (Managing Director) Mr Nicholas Bolton (Non-Executive Director) Mr John Patton (Non-Executive Director)
KEY MANAGEMENT:	Mr Wayne Brekke (Group Chief Financial Officer) Ms Cynthia Thayer (Group Chief Marketing Officer)
COMPANY SECRETARY:	Mr Neville Bassett
REGISTERED AND PRINCIPAL OFFICE:	Level 4 216 St Georges Terrace Perth WA 6000 Telephone: +61 8 6268 2640
ABN:	98 084 370 669
COMPANY WEBSITE ADDRESS:	www.yowiegroup.com www.yowieworld.com
AUDITOR:	RSM Australia Partners Level 32 Exchange Tower 2 The Esplanade Perth WA 6000
SHARE REGISTRY:	Link Market Services Limited Level 12, QV1 Building 250 St Georges Terrace Perth WA 6000 Telephone: 1300 554 474 or +61 2 8280 7111
ASX CODE:	YOW

DIRECTORS' REPORT

Your Directors submit their report for Yowie Group Ltd ("Yowie or the Group") and the consolidated entity ("the Group") for the half-year ended 31 December 2020.

DIRECTORS

The names of the Group's Directors in office during the half-year and until the date of this report are as follows. Directors were in office for this entire period unless otherwise stated.

Mr Louis Carroll

Mr Mark Schuessler

Mr Nicholas Bolton (*appointed on 30 November 2020*)

Mr John Patton (*appointed on 5 February 2021*)

Mr Neville Bassett (*resigned on 27 November 2020*)

Mr Tudor Marsden-Huggins (*appointed on 7 October 2020; removed on 27 November 2020*)

PRINCIPAL ACTIVITY

Yowie Group Limited 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 and 'Save the Natural World' is at the heart of the Yowie proposition. Yowie Group Limited employs its company-owned intellectual property rights to supply Yowie branded chocolate confectionery product, a digital platform and Yowie branded licensed consumer products. The Group's vision for the Yowie brand is to distribute on a widening basis the Yowie product in the US (United States of America) and AUS (Australia) with further international expansion.

OPERATING AND FINANCIAL REVIEW

During the half-year the Group continued to focus on building a strong sales and distribution network both in the US and AUS markets, with some updates below.

Sales and Distribution

- Global net sales were US\$5.57 million for the half-year ended 31 December 2020, 13% lower than the previous corresponding period. The lower sales during the period was due mainly to COVID-19 related shutdowns in both the US and AUS, though the Group saw an improvement in sales in the last few months of the half year period.

As at 31 December 2020, the Group had over US\$0.6 million in US and AUS backlogged orders as a consequence of the manufacturing facility being shut down by government authorities due to the resurgence of COVID-19. The facility is now back producing and the Group is scheduled to have orders filled whilst maintaining a prudent level of inventory by early February.

The Group continues to maintain close communication with US and AUS retail partners who have worked with Yowie on keeping product available to consumers. Yowie shelf presence and retail consumption has been trending higher in both the US and AUS.

OPERATING AND FINANCIAL REVIEW (continued)

Sales and Distribution (continued)

- The Group continued to progress towards broadening its distribution network and growing market share.

The Group saw continued upward Nielsen® retail \$ consumption trends in the past 13 weeks (+9.5%), due to +10% in Convenience and +76.4% in Grocery.

- In response to consumer requests, the Group will be bringing back several earlier Series in a combined promotion titled “Blast from the Past”, launching in AUS and the US during our fiscal Q4, prior to our Series 7 release (new series).

Corporate

- The Group completed the return of capital of 4 cents per share with a total of A\$8.73 million (equivalent to US\$6.07 million) being returned to shareholders in July 2020.
- Mr Tudor Marsden-Huggins joined the Board as a Non-Executive Director on 7 October 2020. Mr Marsden-Huggins was not re-elected at the Annual General Meeting held on 27 November 2020.
- Mr Neville Bassett resigned from his position as Non-Executive Director on 27 November 2020. Mr Bassett continues in the role of the Company Secretary.
- Mr Nicholas Bolton and Mr John Patton joined the Board as a Non-Executive Director on 30 November 2020 and 5 February 2021 respectively.

Financial Overview

- The Group maintained its Gross Margin at 51% of net sales enabling the Group to invest with retailers and marketing where appropriate.
- EBITDA loss for the half-year ended 31 December 2020 was US\$0.14 million, an improvement from EBITDA loss of US\$1.2 million for the previous corresponding period. The improvement was mainly attributable to a reduction in administration and marketing expenditures.
- Net loss after tax attributable to members was US\$0.1 million, compared to US\$2.93 million in the previous corresponding period. The reduction was largely due to the impairment of the Group’s non-current assets in the previous corresponding period and an improvement in EBITDA as described above.
- As at 31 December 2020, the Group’s consolidated cash position was US\$7.98 million (30 June 2020: US\$11.8 million), after the return of capital of US\$6.07 million to shareholders during the half-year ended 31 December 2020.

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OPERATING AND FINANCIAL REVIEW (continued)
Financial Overview (continued)

- A summary of the cash flows for the Group during the period is as follows:

Cash flows used in:	US\$
- Operating activities	1.92 million
- Investing activities	-
- Financing activities (<i>return of capital</i>)	<u>(6.07 million)</u>
Net cash flows for the year	<u>(4.15 million)</u>
Opening cash and cash equivalents balance	11.80 million
Effect of foreign exchange movements	<u>0.33 million</u>
Closing cash and cash equivalents balance	<u>7.98 million</u>

The positive operating cash flow of US\$1.92 million can be attributed to a reduction in overhead expenditures and reduced inventory levels due to the lower level of raw materials purchases for the half-year.

- The net assets of the Group as at 31 December 2020 was US\$7.55 million, down from US\$13.4 million as at 30 June 2020. The decrease in net assets of the Group was primarily due to return of capital of US\$6.07 million that was completed in July 2020.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

There were no significant changes in the state of affairs of the Group during the half-year ended 31 December 2020.

EVENTS SUBSEQUENT TO BALANCE DATE

Refer to Note 13 in the Notes to the Consolidated Financial Statements.

AUDITOR'S INDEPENDENCE DECLARATION

The auditor's independence declaration is included on page 6 of the financial report.

This report is made in accordance with a resolution of directors, pursuant to section 306(3)(a) of the Corporations Act 2001.

The half-year report is expressed in US Dollars (US\$), unless stated otherwise.

On behalf of the Board


Louis Carroll
Non-Executive Chairman

24 February 2021

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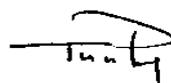
AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the review of the financial report of Yowie Group Limited for the half-year ended 31 December 2020, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- (ii) any applicable code of professional conduct in relation to the review.



RSM AUSTRALIA PARTNERS



TUTU PHONG
Partner

Perth, WA
Dated: 24 February 2021

**CONDENSED CONSOLIDATED STATEMENT OF
PROFIT OR LOSS
AND OTHER COMPREHENSIVE INCOME
FOR THE HALF-YEAR ENDED 31 DECEMBER 2020**



	Note	Consolidated	
		Half-Year Ended 31 Dec 2020 US\$	Half-Year Ended 31 Dec 2019 US\$
Sale of goods		5,570,494	6,433,241
Cost of sales		(2,717,443)	(3,334,487)
Gross profit		2,853,051	3,098,754
Selling and distribution		(1,591,341)	(1,918,582)
Marketing		(493,818)	(689,432)
Administration	3(a)	(1,052,273)	(1,824,051)
Other income		59,450	109,410
Foreign exchange gains / (losses)		(5,531)	82,206
Write-down of inventory		126,313	(96,666)
Impairment of non-current assets	3(b)	-	(1,686,706)
Loss before income tax		(104,149)	(2,925,067)
Income tax (expense) / benefit		(3)	(7,874)
Loss after income tax for the half-year		(104,152)	(2,932,941)
Other comprehensive income for the half-year			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Movement in foreign currency translation reserve		317,705	(111,234)
Total comprehensive income / (loss) for the half-year net of tax attributable to members of the Group		213,553	(3,044,175)
Loss per share attributable to members of the Group			
Basic loss per share (cents)	4	(0.05)	(1.35)
Diluted loss per share (cents)	4	(0.05)	(1.35)

This condensed consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

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**CONDENSED CONSOLIDATED STATEMENT OF
FINANCIAL POSITION
AS AT 31 DECEMBER 2020**



	Note	Consolidated	
		31 Dec 2020 US\$	30 Jun 2020 US\$
Current Assets			
Cash and cash equivalents		7,977,997	11,796,909
Trade and other receivables	5	892,756	813,571
Prepayments	6	382,183	337,135
Inventories	7	1,113,613	2,816,604
Current tax assets		52,167	249,573
Total Current Assets		10,418,716	16,013,793
Non-Current Assets			
Plant and equipment		58,337	93,712
Intangible assets		6,485	17,338
Total Non-Current Assets		64,822	111,050
Total Assets		10,483,538	16,124,843
Current Liabilities			
Trade and other payables	8	2,878,332	2,674,162
Provisions		28,203	22,007
Current tax liabilities		-	-
Unearned income		31,234	31,234
Total Current Liabilities		2,937,769	2,727,403
Total Liabilities		2,937,769	2,727,403
Net Assets		7,545,769	13,397,440
Equity			
Issued capital	9	46,687,677	52,747,811
Reserves		(150,633)	(463,248)
Accumulated losses		(38,991,275)	(38,887,123)
Total Equity		7,545,769	13,397,440

This condensed consolidated statement of financial position should be read in conjunction with the accompanying notes.

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**CONDENSED CONSOLIDATED STATEMENT OF
CHANGES IN EQUITY
FOR THE HALF-YEAR ENDED 31 DECEMBER 2020**



	Issued capital		Consolidated		Total
	Share-based payment reserve	Foreign currency translation reserve	Accumulated losses		
	US\$	US\$	US\$	US\$	
Balance at 1 July 2019	55,703,545	2,193,024	(2,947,511)	(30,899,574)	24,049,484
Loss for the half-year	-	-	-	(2,932,941)	(2,932,941)
Other comprehensive income					
Foreign currency translation	-	-	(111,234)	-	(111,234)
Total comprehensive income/(loss) for the half-year	-	-	(111,234)	(2,932,941)	(3,044,175)
Transactions with owners recorded directly in equity					
Shares issued under YOW					
Employee Incentive Plan	27,498	(27,498)	-	-	-
Return of capital	(2,981,926)	-	-	-	(2,981,926)
Shares issue transaction costs	(1,306)	-	-	-	(1,306)
Share-based payments	-	9,151	-	-	9,151
Balance as at 31 December 2019	52,747,811	2,174,677	(3,058,745)	(33,832,515)	18,031,228
Balance at 1 July 2020	52,747,811	2,034,984	(2,498,232)	(38,887,123)	13,397,440
Loss for the half-year	-	-	-	(104,152)	(104,152)
Other comprehensive income					
Foreign currency translation	-	-	317,705	-	317,705
Total comprehensive income/(loss) for the half-year	-	-	317,705	(104,152)	213,553
Transactions with owners recorded directly in equity					
Shares issued under YOW					
Employee Incentive Plan	7,567	(7,567)	-	-	-
Return of capital	(6,066,311)	-	-	-	(6,066,311)
Shares issue transaction costs	(1,390)	-	-	-	(1,390)
Share-based payments	-	2,477	-	-	2,477
Balance as at 31 December 2020	46,687,677	2,029,894	(2,180,527)	(38,991,275)	7,545,769

This condensed consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

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**CONDENSED CONSOLIDATED STATEMENT OF CASH
FLOWS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2020**



	Consolidated	
	Half-Year Ended 31 Dec 2020 US\$	Half-Year Ended 31 Dec 2019 US\$
Cash flow from operating activities		
Receipts from customers	5,108,124	6,896,330
Other receipts	50,964	2,238
Payments to suppliers and employees	(3,440,074)	(7,652,528)
Interest received	5,940	114,039
Income taxes received / (paid)	197,403	474
Net cash flows (used in) / provided by operating activities	1,922,357	(639,447)
Cash flow from investing activities		
Payments for plant and equipment	-	(73,003)
Payments for intangible assets	-	(157,017)
Net cash flows used in investing activities	-	(230,020)
Cash flow from financing activities		
Return of capital	(6,066,311)	(2,981,926)
Payment of share issue transaction costs	(1,508)	(1,437)
Net cash flows used in financing activities	(6,067,819)	(2,983,363)
Net change in cash and cash equivalents	(4,145,462)	(3,852,830)
Cash and cash equivalents at beginning of period	11,796,909	16,360,661
Effect of foreign exchange movements	326,550	(22,999)
Cash and cash equivalents at end of period	7,977,997	12,484,832

This condensed consolidated statement of cash flows should be read in conjunction with the accompanying notes.

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1. BASIS OF PREPARATION

These condensed consolidated financial statements for the half-year reporting period ended 31 December 2020 have been prepared in accordance with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Act 2001.

These half-year financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with the annual financial statements for the year ended 30 June 2020 and any public announcements made by Yowie Group Ltd during the half-year reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period.

New and amended standards adopted by the Group

The Group has adopted all of the new, revised or amending Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period. The adoption of these amendments has not resulted in any significant effect on the measurement or disclosure of the amounts reported for the current or prior periods.

Any new, revised or amending Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

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**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2020**



2. SEGMENT REPORTING

The Group has only one reportable segment, which relates to the operations of its confectionery business, with production carried out under a contract manufacturing arrangement. The net result is presented on a consolidated basis. All non-current assets are located in one geographical location, the United States of America.

Major customer information

The revenue from major customers set out below arises from the sale of Yowie chocolate confectionery product.

	Consolidated	
	Half-Year Ended 31 Dec 2020 US\$	Half-Year Ended 31 Dec 2019 US\$
Major customer 1	1,766,034	2,630,514
% of Total Net Sales	32%	41%
Major customer 2	366,515	689,588
% of Total Net Sales	7%	11%

3. EXPENSES

(a) Administration

	Consolidated	
	Half-Year Ended 31 Dec 2020 US\$	Half-Year Ended 31 Dec 2019 US\$
Employee benefits	574,148	627,797
Consultancy, business development and travel	52,140	214,871
Legal, tax, listing, compliance and insurance	285,159	499,509
Share-based payment expense	2,477	9,151
Depreciation and amortisation	12,168	231,899
Other administrative expenses	126,181	240,824
	1,052,273	1,824,051

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3. EXPENSES (continued)

(b) Impairment of non-current assets

	Consolidated	
	Half-Year Ended 31 Dec 2020 US\$	Half-Year Ended 31 Dec 2019 US\$
Impairment of non-current assets	-	1,686,706

31 December 2020

There was no impairment of non-current assets for the period ended 31 December 2020.

31 December 2019

An impairment expense of US\$152,706 was recorded to write off the carrying value of intangible assets associated with the old Yowie series.

In addition to this, the Group also completed impairment testing, as required under the Australian Accounting Standard, following the identification of impairment indicators. The result of this impairment testing indicated an additional impairment charge of US\$1,534,000 to be recorded against the Group's non-current assets. Please refer to the details below.

Impairment testing

As at 31 December 2019, impairment indicators had been identified, including the fact that the Group's market capitalisation was less than the net assets of the Group, and the Group's financial performance for the half-year ended 31 December 2019 was below budget.

An impairment loss is recognised for the amount by which the Group's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's Value in Use (ViU) and Fair Value Less Costs of Disposal (FVLCD).

For the purpose of impairment testing as at 30 June 2019, the Group first performed an assessment of the recoverable value using a ViU model which indicated that the carrying value of the cash generating unit (CGU) exceeded its recoverable value. As a result of this the Group assessed the recoverable value of the CGU using a FVLCD approach, which resulted in a higher recoverable value. The recoverable value as calculated using the FVLCD approach was consequently used as part of the impairment testing completed as at 30 June 2019.

The Group has only one operating segment and CGU which relates to the operations of its confectionery business. The result of the FVLCD assessment indicated an impairment loss of US\$1,534,000 as at 31 December 2019, of which further information is provided below.

Given the impairment triggers identified as at 31 December 2019 as noted above, the Group has updated the FVLCD model as at 31 December 2019, taking into account year to date actual performance.

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3. EXPENSES (continued)

(b) Impairment of non-current assets

31 December 2019 (continued)

The impairment loss of US\$1,534,000 reduced the carrying value of the Group's plant and equipment and intangible assets to US\$2,259,006. The impairment has been proportionately applied across the following classes of assets:

	US\$
Manufacturing plant and equipment	1,324,288
Intangible assets:	
Rights and licences	81,059
Software	28,152
Product development	100,501
Total impairment loss	<u>1,534,000</u>

The carrying amount of intangible assets with indefinite useful lives allocated to the CGU is US\$119,370.

Assumptions – FVLCD

The key assumptions made were as follows:

- FY2020 management approved budget adjusted to reflect current year to date sales performance up to end of January 2020;
- Revenue growth rate estimates ranging between 3.6% - 10.9% per annum for FY2021 to FY2027 driven by:
 - i) Increased market penetration within the US based on external performance data as at December 2019. This data outlines that the Group's current ACV*, a statistic representative of the Group's market penetration across different distribution channels in the US, had experienced an improvement compared to December 2018, therefore underpinning future growth assumptions; and
 - ii) Assumed sales volumes per store across the expanded distribution network is based on historic actual volumes for comparable stores.
- EBITDA margin assumes a straight-line improvement from -5.0% in H2FY2020 to 10.0% in FY2024, where EBITDA margins remain constant thereafter. This assumption is based on benchmarking against various industry participants;
- Terminal year growth rate of 2.1% based on long term CPI;
- Discount rate of 13.0% post-tax;
- Costs of disposal of 5.0% of the estimated recoverable amount; and
- Projected cash flows covering H2FY2020 to FY2027.

Fair value was measured using Level 3 inputs under AASB 13.

* Percentage relates to the Nielsen measurement of the numbers of stores that carry the Yowie brand, indicating product availability to the consumer based on ACV (All Commodity Volume).

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3. EXPENSES (continued)

(b) Impairment of non-current assets

31 December 2019 (continued)

The key assumptions used are based on the judgement and experience of the Group, taking into account current market and economic conditions, risks, uncertainties and opportunities for improvement.

Sensitivity Analysis

As the Group has recorded an impairment based on the FVLCD assessment, a number of reasonably possible changes to key assumptions would have a significant impact on the recoverable amount which the Group has considered and summarised below:

Sensitivity	Impact of sensitivity on recoverable value ¹ US\$
10% adverse performance against projected net cash flows ²	(976,595)
1 year delay in achieving expected growth in number of units sold based on targeted increase in distribution in ACV% ³	(939,765)
Discount rate + / - 1%	(697,884) / 849,758
Spoilage of goods +1% ⁴	(320,727)

¹ The sensitivity analysis above illustrates the impact of each individual sensitivity on the recoverable value as calculated using the FVLCD impairment modelling.

² This sensitivity reflects the revenue underperformance of 10%.

³ This sensitivity reflects a one year delay in achieving the growth targets and EBITDA margin target assumed within the budgets underpinning the FVLCD impairment assessment.

⁴ This sensitivity reflects the increase in the percentage of spoilage of goods in relation to gross sales by 1%.

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**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2020**



4. EARNINGS / (LOSS) PER SHARE

	Consolidated	
	Half-Year Ended 31 Dec 2020 Number	Half-Year Ended 31 Dec 2019 Number
Weighted average number of ordinary shares used in the calculation of basic and diluted earnings per share	217,253,024	217,994,169
	US\$	US\$
Basic loss attributable to ordinary equity holders of the parent	(104,152)	(2,932,941)

This calculation does not include instruments that could potentially dilute basic earnings per share in the future as these instruments are anti-dilutive, since their inclusion would reduce the loss per share.

5. TRADE AND OTHER RECEIVABLES

	Consolidated	
	31 Dec 2020 US\$	30 Jun 2020 US\$
Current		
Trade debtors	884,242	805,279
Other debtors	60	1,732
GST receivable	8,454	6,560
	892,756	813,571

6. PREPAYMENTS

	Consolidated	
	31 Dec 2020 US\$	30 Jun 2020 US\$
Current		
Prepayments – raw materials	328,844	183,254
Prepayments – other	53,339	153,881
	382,183	337,135

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**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2020**



7. INVENTORIES

	Consolidated	
	31 Dec 2020 US\$	30 Jun 2020 US\$
Current		
Raw materials	2,158,679	2,212,771
Work in progress	39,054	39,054
Finished goods	244,273	2,034,991
Allowance for disposal	(1,328,393)	(1,470,212)
	<u>1,113,613</u>	<u>2,816,604</u>

Inventories are valued at the lower of cost or net realisable value.

Movement in the allowance for disposal of inventories is set out below.

Balance at the beginning of the year	(1,470,212)	(518,738)
Disposal	141,819	114,585
Additional allowance	-	(1,066,059)
Balance at the end of the year	<u>(1,328,393)</u>	<u>(1,470,212)</u>

8. TRADE AND OTHER PAYABLES

	Consolidated	
	31 Dec 2020 US\$	30 Jun 2020 US\$
Current		
Trade payables and accruals	682,832	565,512
Rebate allowances ¹	2,193,538	2,106,899
Other	1,962	1,751
	<u>2,878,332</u>	<u>2,674,162</u>

¹ Rebate allowances include estimated accrual for promotional discounts, prompt payment discounts and spoilage of goods.

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**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2020**



9. ISSUED CAPITAL

	Consolidated	
	31 Dec 2020 US\$	30 Jun 2020 US\$
Ordinary shares – fully paid	46,687,677	52,747,811
<i>Movements in ordinary share capital</i>	US\$	Number
As at 1 July 2020	52,747,811	218,296,162
Conversion of rights	7,567	271,739
Return of capital ¹	(6,066,311)	-
Share issue cost	(1,390)	-
As at 31 December 2020	46,687,677	218,567,901

¹ Return of capital of A\$0.04 per share over 218,296,162 shares was approved by shareholders on 24 June 2020 and funds totalling A\$8,731,846 (equivalent to US\$6,066,311) were disbursed to shareholders in July 2020.

10. SHARE-BASED PAYMENTS

No new rights or options were issued during the half-year ended 31 December 2020 and 31 December 2019.

Share-based payment expense for the half-year ended 31 December 2020 is US\$2,477 (31 December 2019: US\$9,151).

11. FAIR VALUES OF FINANCIAL INSTRUMENTS

Recurring fair value measurements

The Group does not have any financial instruments that are subject to recurring or non-recurring fair value measurements.

Fair values of financial instruments not measured at fair value

Due to their short-term nature, the carrying amounts of current receivables and current trade and other payables is assumed to equal their fair value.

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**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2020**



12. COMMITMENTS AND CONTINGENCIES

(a) Commitments

The Group has no material commitments as at 31 December 2020.

(b) Contingencies

There have been no material changes to the Group's contingent liabilities since 30 June 2020.

13. EVENTS SUBSEQUENT TO BALANCE DATE

No circumstances or events have arisen subsequent to the end of the period that have had, or are likely to have, a material impact on the financial statements.

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**DIRECTORS' DECLARATION
FOR THE HALF-YEAR ENDED 31 DECEMBER 2020**



The directors declare that, in the directors' opinion:

- (a) there are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable; and
- (b) the attached financial statements and notes comply with the *Corporations Act 2001*, Australian Accounting Standard AASB 134 *Interim Financial Reporting*, the Corporations Regulations 2001 and other mandatory professional reporting requirements; and
- (c) the attached financial statements and notes give a true and fair view of the Group's financial position as at 31 December 2020 and of its performance for the financial half-year ended on that date.

Signed in accordance with a resolution of the directors made pursuant to s.303(5) of the *Corporations Act 2001*.

On behalf of the Board

A handwritten signature in black ink, appearing to read "L. Carroll", is written over a light grey rectangular background.

Louis Carroll
Non-Executive Chairman

24 February 2021

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**INDEPENDENT AUDITOR'S REVIEW REPORT
TO THE MEMBERS OF
YOWIE GROUP LIMITED**

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Yowie Group Limited, which comprises the statement of financial position as at 31 December 2020, the statement of profit and loss and other comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the half-year end or from time to time during the half-year.

Directors' Responsibility for the Half-Year Financial Report

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2020 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Yowie Group Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

**THE POWER OF BEING UNDERSTOOD
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Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Yowie Group Limited, would be in the same terms if given to the directors as at the time of this auditor's review report.

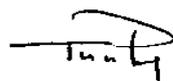
Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Yowie Group Limited is not in accordance with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2020 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and *Corporations Regulations 2001*.



RSM AUSTRALIA PARTNERS



TUTU PHONG
Partner

Perth, WA
Dated: 24 February 2021

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