



29 October 2021

ASX Market Announcements

ASX Limited

20 Bridge Street

Sydney, NSW 2000

Q1 FY22 September Quarter Update and Cash Commentary

Yowie Group Ltd (ASX: YOW) (the “Group” or “Yowie”) wishes to provide the following quarterly update based on unaudited results for the quarter ended 30 September 2021:

Highlights

- Q1 FY22 Group net sales of US\$3,974k (+22% versus pcp) as consumer consumption continues momentum with US retail fully opened from COVID and solid AUS performance.
- Q1 FY22 EBITDA* was +US\$271k, improved versus pcp (positive EBITDA of US\$226k), due to sales increase, effective trade spending and expense management.
- Net cash for the quarter increased by US\$49k, comprised of the following: gains in operations of US\$136k, outflows of US\$14k from investing and FX loss of US\$73k. This is the 6th quarter of positive cash flow in a row.
- US Nielsen retail \$ sales consumption data reflected a 50.7% increase (+49.3% unit increase) for the 13 weeks ended 11 September 2021, a +49.0% (+46.5% unit increase) the past 4-week period, extending our streak to 11 months of increased consumption compared to the previous year. The past 52 weeks showed an impressive +35.2% in \$ sales and 32.5% in unit sales.

**EBITDA (Earnings before interest, taxes, depreciation, amortisation, share-based payments expense and inventory write-down/reversal)*

Head Office

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ABN 98 084 370 669



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Q1 FY22 September Quarter Cash Review

- Net cash gain for the quarter was US\$49k.
- US\$3,877k was spent on administration, manufacturing and operating costs, net of interest received.
- US\$14k was spent on investing activities.
- Foreign exchange loss of US\$73k.
- The aggregate amount of payments to related parties and their associates in the current quarter cash flows from operating activities were US\$126k, comprising directors fees, salaries and superannuation.

Q1 Financials – Update

Q4 net sales were US\$3,947k, +22% versus the pcp. We are experiencing continued improvements in consumer consumption resulting from the US market fully re-opened and solid AUS performance. Distribution in all channels of trade is also increasing. We see continued strong momentum in orders and retail consumption moving into Q2 FY22. These results despite a strained supply chain challenging us to meet retailer demand.

Group EBITDA* (unaudited) gain for the quarter was US\$271k compared to +US\$226k in the pcp. Improved EBITDA was the result of the increase in sales, strong gross margins and focused expense management with raw material and transportation cost pressures.

Along with the rest of the consumer packaged goods industry, our increased demand comes with tight markets for raw materials, our co manufacturer dealing with COVID-related labor shortages/higher wages and transportation delays and significant freight cost increases.

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Nielsen Market Data (US)

Continued upward US Nielsen® retail \$ consumption trends show the past 13 weeks +50.7%, due to +51.9% in Convenience, +34.5% in Grocery and +84.9% in our largest customer. Not only has distribution increased in all channels, but unit per store per week are up in each channel as well.

Outlook

Q1 continued last year's positive financial performance. This despite the very difficult supply chain environment. We have made efforts to secure supplies in a timely manner and offset price increases from suppliers. We continue to focus on achieving sustainable operating profitability and effective cash management. Critical areas of focus are:

1. Keeping the sales momentum with increased distribution in both the US and AUS and offering effective trade programs across all trade channels and keeping retailers' shelves full.
2. Fiscal discipline and cash management is part of our culture and drives above industry margins allows us to invest in the trade where appropriate, and will help us manage supply chain costs in this inflationary environment. Every aspect of our business is being evaluated for efficiencies and opportunities.
3. Finding new ways to increase consumer awareness of our brand mission to educate consumers about conservation and endangered species, through new series, confectionary items, digital engagement opportunities and partnerships.

This announcement has been authorised for release by Yowie Managing Director, Mark Schuessler.

Mark Schuessler
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.yowieworld.com

DISCLAIMER

This Announcement contains interpretations and forward-looking statements that are subject to risk factors associated with the confectionery 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.

The Company and its Directors, agents, officers or employees do not make any representation or warranty, express or implied, as to endorsement of, the fairness, accuracy or completeness of any information, statement, representation or forecast contained in this announcement and they do not accept any liability for any statement made in, or omitted from, this Announcement.

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Appendix 4C

**Quarterly cash flow report for entities
subject to Listing Rule 4.7B**

Name of entity

Yowie Group Limited

ABN

98 084 370 669

Quarter ended ("current quarter")

30 September 2021

Consolidated statement of cash flows	Current quarter \$US'000	Year to date \$US'000
1. Cash flows from operating activities		
1.1 Receipts from customers ¹	4,013	4,013
1.2 Payments for		
(a) research and development	-	-
(b) product manufacturing and operating costs ²	(2,849)	(2,849)
(c) advertising and marketing	(134)	(134)
(d) leased assets	-	-
(e) staff costs	(527)	(527)
(f) administration and corporate costs	(368)	(368)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	1	1
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	-
1.8 Other (royalty income)	-	-
1.9 Net cash from / (used in) operating activities	136	136

¹ Receipts from customers are net of trade discounts, volume rebates and various bill-backs

² Operating costs also include freight, storage, brokerage commission, royalties and merchandising

Consolidated statement of cash flows	Current quarter \$US'000	Year to date \$US'000
2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) businesses	-	-
(c) property, plant and equipment	(14)	(14)
(d) investments	-	-
(e) intellectual property	-	-
(f) other non-current assets	-	-
2.2 Proceeds from disposal of:		
(a) entities	-	-
(b) businesses	-	-
(c) property, plant and equipment	-	-
(d) investments	-	-
(e) intellectual property	-	-
(f) other non-current assets	-	-
2.3 Cash flows from loans to other entities	-	-
2.4 Dividends received (see note 3)	-	-
2.5 Other (provide details if material)	-	-
2.6 Net cash from / (used in) investing activities	(14)	(14)

3. Cash flows from financing activities		
3.1 Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
3.2 Proceeds from issue of convertible debt securities	-	-
3.3 Proceeds from exercise of options	-	-
3.4 Transaction costs related to issues of equity securities or convertible debt securities	-	-
3.5 Proceeds from borrowings	-	-
3.6 Repayment of borrowings	-	-
3.7 Transaction costs related to loans and borrowings	-	-
3.8 Dividends paid	-	-
3.9 Other (return of capital)	-	-
3.10 Net cash from / (used in) financing activities	-	-

Consolidated statement of cash flows		Current quarter \$US'000	Year to date \$US'000
4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	8,408	8,408
4.2	Net cash from / (used in) operating activities (item 1.9 above)	136	136
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(14)	(14)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	-
4.5	Effect of movement in exchange rates on cash held	(73)	(73)
4.6	Cash and cash equivalents at end of period	8,457	8,457

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$US'000	Previous quarter \$US'000
5.1	Bank balances	7,375	6,907
5.2	Call deposits	1,082	1,501
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	8,457	8,408

6.	Payments to related parties of the entity and their associates	Current quarter \$US'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	126
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.

7.	Financing facilities	Total facility amount at quarter end \$US'000	Amount drawn at quarter end \$US'000
	<i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>		
7.1	Loan facilities	-	-
7.2	Credit standby arrangements	-	-
7.3	Other (please specify)	-	-
7.4	Total financing facilities	-	-
7.5	Unused financing facilities available at quarter end		-
7.6	Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		
	N/A		

8.	Estimated cash available for future operating activities	\$US'000
8.1	Net cash from / (used in) operating activities (item 1.9)	136
8.2	Cash and cash equivalents at quarter end (item 4.6)	8,457
8.3	Unused finance facilities available at quarter end (item 7.5)	-
8.4	Total available funding (item 8.2 + item 8.3)	8,457
8.5	Estimated quarters of funding available (item 8.4 divided by item 8.1)	N/A
	<i>Note: if the entity has reported positive net operating cash flows in item 1.9, answer item 8.5 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.5.</i>	
8.6	If item 8.5 is less than 2 quarters, please provide answers to the following questions:	
8.6.1	Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
	Answer: N/A	
8.6.2	Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
	Answer: N/A	
8.6.3	Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?	
	Answer: N/A	
	<i>Note: where item 8.5 is less than 2 quarters, all of questions 8.6.1, 8.6.2 and 8.6.3 above must be answered.</i>	

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Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: 29 October 2021

Authorised by: Neville Bassett
(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.