



24 April 2024

March 2024 Quarterly Activities Report

Yowie Group Limited (ASX: YOW) (the “Group” or “Yowie”) Yowie, a leading novelty confectionary brand is pleased to provide this Quarterly Activities Report based on unaudited results and Q3 FY24 Appendix 4C:

(all numbers are stated in United States Dollar, unless otherwise stated)

Highlights:

- Q3 Group net sales of \$5.13m, up 42% on prior corresponding period (pcp) (Q3 FY23: \$3.6m) due to the Australia’s Easter season sales.
- Q3 Australia net revenue of \$2.57m, up 258% on pcp due to Easter seasonal sales.
- Q3 North America net revenue of \$2.56m, down 11% on pcp.
- EBITDA loss for the quarter was -\$707k, due to costs associated with improving our Ernest Hillier facility and targeted promotional activities for our Easter seasonal range.
- Yowie Australia sold in its first Easter 2024 seasonal range with over 10 SKUs across Yowie, Bluey, AFL and NRL. The Easter range which was made at various manufacturers in Australia including our own Ernest Hillier site was available at leading retailers, such as Woolworths, Coles, Metcash and 7/11.
- Announced licensing partnership with NBA post quarter end, which will provide Yowie the rights to develop, manufacture and sell confectionery lines containing NBA themed Yowie toys in the USA, Australia and New Zealand through to 30 September 2026.
- Operating cash flows for the quarter were -\$495k, compared to -\$217k in pcp, due to combination of ramping up inventory for the new Yowie series and continued spending to improve our Ernest Hillier facility, offset by sales receipts from the Easter program.
- Cash on hand as at 31 March 2024 was \$3.87m.

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Operational Review:

North America

North America net revenue of \$2.56m, down 11% on pcp. This represents 50% of the Group's net sales. EBITDA loss for the region was -\$24k (Q3 FY23: -\$24k). Work continues to be focused on renewing the go-to market strategy which includes finding new channels and markets, improving retail sales programs and enhancing the sales tools with its national sales broker network. Further work is also being done to assess ways to improve the reliability and cost efficiency of production.

Post quarter end, Yowie Group announced the licensing partnership with NBA, which will provide Yowie the rights to develop, manufacture and sell confectionery lines containing NBA themed Yowie toys in North America, Australia and New Zealand through to 30 September 2026. This expands Yowies sales opportunities significantly in the region, while growing the presence of the Yowie brand. Yowie Group is now focused on its resourcing and supply chain to capitalize on the substantial opportunity presented by the new product launch.

Australia

Yowie Australia net revenue was \$2.57m, up 258% on pcp. The significant increase on last year is due to our flagship launch of our Seasonal Easter range. Across our own brand Yowie and licenced brands in Bluey, AFL and NRL, we sold in over 10 different SKUs to leading retailers and distributors nationally.

During the quarter Ernest Hillier manufactured and/or packed products for our Bluey licenced range. The ownership of Ernest Hillier facility allowed us to respond quickly to customers' needs and prioritise our own brands during the Easter period.

Post Easter production the Ernest Hillier facility went into a planned 60-day shutdown to allow for a number of upgrades to improve our food safety, employee safety and operating standards. There will also be significant improvements to the sites capabilities in the areas of chocolate moulding, panning, enrobing, bagging and jar filling line.

The Ernest Hillier brand and range is currently under review with a focus on rejuvenating the brand proposition and offering to market.

EBITDA loss in the region was -\$463k (Q3 FY23: -\$29k), due to costs associated with improving our Ernest Hillier facility and targeted promotional activities for our Easter seasonal range. While freight and promotional claim costs exceeded initial estimates, with corrected planning these initiatives position us for long-term growth.

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Financial and Corporate Overview

Group net sales for Q3 FY24 was \$5.13m up 42% versus prior year.

Group EBITDA for the quarter showed a stronger investment in our Australian operations, resulting in a higher loss of -\$707k compared to -\$206k in the pcp. This strategic investment included essential upgrades at Ernest Hillier and targeted promotional activities for our Easter seasonal range.

ASX additional Information

The aggregate amount of payments to related parties and their associates in the current quarter cash flows from operating activities were \$25k, comprising directors fees, salaries and superannuation.

This ASX announcement has been approved for the release by the board of Yowie Group Ltd.

ENDS

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.

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.

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")

31 March 2024

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	4,288	9,495
1.2 Payments for		
(a) research and development	-	-
(b) product manufacturing and operating costs ²	(3,537)	(8,936)
(c) advertising and marketing	(187)	(565)
(d) leased assets	-	-
(e) staff costs	(505)	(1,569)
(f) administration and corporate costs	(581)	(1,407)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	24	105
1.5 Interest and other costs of finance paid	(6)	(8)
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	-
1.8 Other income	9	12
1.9 Net cash from / (used in) operating activities	(495)	(2,873)

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, merchandising, repairs & maintenance and quality control

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	-	(241)
	(c) property, plant and equipment	(17)	(93)
	(d) investments	-	-
	(e) intellectual property ³	(7)	(122)
	(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 (security deposit)	-	(83)
2.6	Net cash from / (used in) investing activities	(24)	(539)
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 (finance lease)	(50)	(61)
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	(50)	(61)

³ New series development

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	4,526	7,402
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(495)	(2,873)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(24)	(539)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(50)	(61)
4.5	Effect of movement in exchange rates on cash held	(86)	(58)
4.6	Cash and cash equivalents at end of period	3,871	3,871

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	2,242	1,481
5.2	Call deposits	1,629	3,045
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)	3,871	4,526

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	25
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 <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>	Total facility amount at quarter end \$US'000	Amount drawn at quarter end \$US'000
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)	(495)
8.2	Cash and cash equivalents at quarter end (item 4.6)	3,871
8.3	Unused finance facilities available at quarter end (item 7.5)	-
8.4	Total available funding (item 8.2 + item 8.3)	3,871
8.5	Estimated quarters of funding available (item 8.4 divided by item 8.1)	7.82
	<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>	

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: 24 April 2024

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.