



31 October 2024

September 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 Q1 FY25 Appendix 4C:

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

Highlights:

- Q1 Group net sales of \$3.2m, in line with prior corresponding period (pcp) (Q1 FY24: \$3.2m).
- Q1 North America net revenue of \$2.7m, down 10% on pcp, this represents 84% of global sales for Q1.
- Q1 Australia net revenue of \$0.5m.
- Group EBITDA for the quarter was a loss of -\$0.5m, compared with a loss of -\$0.4m in the pcp and a material improvement on the -\$1.3m loss in the previous quarter (Q4 FY24).
- Changes to the Board and Leadership team, John Patton appointed as Company Secretary of Yowie and its controlled entities, following the resignation of Mr Neville Bassett.
- Yowie has changed its registered office to 113 Bakers Road Coburg North VIC 3058.
- Operating cash outflows for the quarter were +\$0.2m compared to -\$1.0m in the pcp.
- Cash on hand as of 30 September 2024 was \$0.5m.

Operational Review:

North America

The North American segment generated net revenue of \$2.7m, down 10% on pcp, contributing 84% of the Group's total net sales. EBITDA for the segment \$0.3m which was improved from -\$0.1m in the prior year's period.

Cost optimisation: Yowie management has moved to aggressively reduced costs in all areas from IT to raw material procurement, resulting in a leaner team structure and reduced overheads. The early stages of these costs reductions have had the positive impact of improving group EBITDA by \$0.8m relative to the previous quarter.

Toy Manufacturing Improvements: Secured new manufacturing partners for Yowie toys to lower costs and enhance collectible appeal with innovative designs.



NBA Product Line: Continued development on the upcoming NBA-themed toy and product lineup, set to expand our North American portfolio significantly.

Freight and Transport Savings: Reduced freight and transportation costs by collaborating with new distribution partners.

Strategic Supplier Partnerships: Partnered with key suppliers to establish long-term plans for operational excellence and expenditure reduction.

New Product Development: Commenced development of the 'Puzzle Pack', a new SKU for Yowie Global, adding variety to our collectible and educational offerings.

Australia

Yowie's Australia segment reported \$0.5m net sales. This region is growing and now contributes to 16% of the Group's total net sales. EBITDA for the segment -\$0.4m.

Facility Consolidation: Consolidated all plant and equipment from two locations into one, enhancing quality, cost control, and revenue per square metre. EH Operations also entered an agreement to offset rental and utilities costs associated with the unused property.

High Quality Standards Achieved: EH Operations achieved the FSSC 22000 food safety certification, one of the highest standards in the industry, enabling Ernest Hillier to manufacture for tier 1 clients who require this certification.

New Co-Manufacturing Partnerships: Onboarded two new co-manufacturing clients, further diversifying production.

Hillier Chocolate Range: Progressed development on the Hillier chocolate range, aiming to expand our product offerings.

Seasonal Production Milestones: Finalised Christmas product development and production, with Easter production now in progress.

For personal use only



Financial and Corporate Overview:

- Group net sales for Q1 FY25 was \$3.2m in line with prior year.
- Group EBITDA loss for the quarter was -\$0.5m compared to -\$0.4m in the prior year and a material improvement on the -\$1.3m loss in the previous quarter (Q4 FY24).
- The Group has a reciprocal loan agreement with KBC, allowing Yowie to borrow up to \$3.5m or earn interest on deposited funds. The loan is unsecured, callable, and has no set maturity date. As of September 2024, Yowie has \$2.0m on deposit with KBC earning 10% p.a.

The Board and management continue to thoroughly review costs across all aspects of the business, including raw materials costs, staffing structure, and sales and distribution models.

ASX additional Information

The aggregate amount of payments to related parties and their associates in the current quarter cash flows from operating activities were \$0.3m, comprising directors fees, salaries and legal costs reimbursement.

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

ENDS

For personal use only



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.

For personal use only

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 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	3,024	3,024
1.2 Payments for		
(a) research and development	-	-
(b) product manufacturing and operating costs ²	(2,019)	(2,019)
(c) advertising and marketing	(25)	(25)
(d) leased assets	-	-
(e) staff costs	(516)	(516)
(f) administration and corporate costs	(318)	(318)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	-	-
1.5 Interest and other costs of finance paid	(4)	(4)
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	-
1.8 Other income	39	39
1.9 Net cash from / (used in) operating activities	181	181

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	(12)	(12)
(d) investments	-	-
(e) intellectual property ³	(4)	(4)
(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	(1,128)	(1,128)
2.4 Dividends received (see note 3)	-	-
2.5 Other (security deposit)	(26)	(26)
2.6 Net cash from / (used in) investing activities	(1,170)	(1,170)

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)	(49)	(49)
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	(49)	(49)

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	1,578	1,578
4.2	Net cash from / (used in) operating activities (item 1.9 above)	181	181
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(1,170)	(1,170)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(49)	(49)
4.5	Effect of movement in exchange rates on cash held	(1)	(1)
4.6	Cash and cash equivalents at end of period	539	539

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	539	1,578
5.2	Call deposits	-	-
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)	539	1,578

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	-
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	3,466	-
7.2	Credit standby arrangements	-	-
7.3	Other (please specify)	-	-
7.4	Total financing facilities	3,466	-
7.5	Unused financing facilities available at quarter end		3,466
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.		
	Lender: Keybridge Capital Limited Interest rate: 10% p.a. Maturity date: At call facility Unsecured/secured: Unsecured		

8.	Estimated cash available for future operating activities	\$US'000
8.1	Net cash from / (used in) operating activities (item 1.9)	181
8.2	Cash and cash equivalents at quarter end (item 4.6)	539
8.3	Unused finance facilities available at quarter end (item 7.5)	3,466
8.4	Total available funding (item 8.2 + item 8.3)	4,005
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>	

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: 31 October 2024

Authorised by: The Board of Directors
(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.