



31 January 2025

December 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 Q2 FY25 Appendix 4C:

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

Highlights:

- Q2 Group net sales of \$3.0m, compared with prior corresponding period (pcp) Q2 FY24: \$3.2m.
- Q2 North America net revenue of \$2.1m, down 33% on pcp (Q2 FY24: \$3.1m), this represents 70% of global sales for Q2.
- Q2 Australia net revenue of \$0.9m (Q2 FY24: \$0.1m).
- Changes to the Board and Leadership team, Mr Scott Hobbs resigned as Non-Executive Director on 23rd December 2024.
- Operating cash inflows for the quarter were \$0.8m compared to pcp (Q2 FY24: -\$1.4m).
- Net cash movement of -\$0.3 compared to pcp (Q2 FY24: -\$1.4m).
- Cash on hand as of 31 December 2024 was \$0.3m pcp (Q2 FY24: \$4.53m).
- Yowie North America Inc. “YNA”) a wholly owned subsidiary of the Group, advises that an appeal brought against it by Whetstone Chocolate Factory, as outlined in the 2024 Annual Report, has recently been ruled in YNA’s favour. Management is still assessing the financial benefit to the Company and will make further disclosure in its half year results.

Operational Review:

North America

The North American segment generated net revenue of \$2.1m, down 33% on pcp. This segment continues to be the primary revenue driver, contributing 70% of the Group's total net sales.

Cost Optimisation: The Group has continued to implement significant cost reduction initiatives across all operational areas, including IT systems and raw material procurement, achieving a leaner organisational structure and lower overheads. While these measures have delivered tangible savings, elevated chocolate prices have temporarily impacted short-term profitability. Management remains confident that stabilisation of chocolate prices in 2025 will allow the Group to fully realise the benefits of these initiatives.



Inventory Management: The Group has adopted a just-in-time inventory model, reducing stock levels to optimise cash flow and operational agility. This approach has enhanced the ability of Yowie North America to adapt swiftly to market changes. Inventory levels have been further refined to align with the Group's broader efficiency objectives.

Toy Manufacturing Enhancements: New manufacturing partnerships have been secured to reduce production costs and deliver innovative toy designs that enhance the appeal and collectability of Yowie products.

NBA Product Line Development: Development of the NBA-themed toy and product range has been completed, with an anticipated launch in June 2025 and a broader rollout planned to coincide with the start of the NBA season in October 2025. This product range represents a key strategic expansion for the Group in the North American market.

Freight and Transport Efficiencies: Ongoing collaboration with new distribution partners and the implementation of more efficient shipment fulfilment strategies have delivered further reductions in freight and transportation costs.

Strategic Supplier Alliances: The Group has established long-term partnerships with key suppliers, leveraging competitive pricing to drive operational excellence and achieve sustainable cost efficiencies.

New Product Development: The Group has commenced development of the 'Puzzle Pack,' a new SKU under the Yowie Global portfolio. This product aims to diversify the Group's offering while reinforcing its position in the collectible and educational product segments.

Australia

Yowie's Australia segment reported \$0.9m net sales. This region is growing and now contributes to 30% of the Group's total net sales.

Facility Consolidation: After consolidating the Ernest Hillier manufacturing operation from two sites to one site, we have started the process to exit the lease agreement for the site no longer in use, reducing our ongoing costs and outgoings.

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

Co-Manufacturing Growth: Ernest Hillier currently works with multiple clients. With recent operational upgrades now complete, the company is well-positioned to expand its capacity and is actively seeking to onboard additional clients by the end of the financial year.

Hillier Chocolate Range: Finalised Hillier Chocolate range relaunch which will be in market in Q4, starting with a Victorian targeted launch.

Cocoa Prices: Cocoa prices surged due to supply shortages and rising demand, increasing our production costs. We are implementing cost-mitigation strategies through strategic price adjustments, product reformulation and product innovation across the portfolio. We continue to monitor and adapt to this evolving challenge.



Financial and Corporate Overview:

- Group net sales for Q2 FY25 was \$3.0m in line with prior year.
- 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 December 2024, Yowie has \$2.8m 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 \$0.5m, 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



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 December 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	4,350	7,374
1.2 Payments for		
(a) research and development	-	-
(b) product manufacturing and operating costs ²	(2,756)	(4,775)
(c) advertising and marketing	(27)	(52)
(d) leased assets	-	-
(e) staff costs	(537)	(1,053)
(f) administration and corporate costs	(291)	(609)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	97	97
1.5 Interest and other costs of finance paid	(4)	(8)
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	-
1.8 Other income	49	88
1.9 Net cash from / (used in) operating activities	881	1,062

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

Appendix 4C
Quarterly cash flow report for entities subject to Listing Rule 4.7B

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	(32)	(44)
	(d) investments	-	-
	(e) intellectual property ³	(16)	(46)
	(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	(803)	(1,931)
2.4	Dividends received (see note 3)	-	-
2.5	Other (security deposit)	-	-
2.6	Net cash from / (used in) investing activities	(851)	(2,021)

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)	(63)	(112)
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	(63)	(112)

³ New series development

Appendix 4C
Quarterly cash flow report for entities subject to Listing Rule 4.7B

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	539	1,578
4.2	Net cash from / (used in) operating activities (item 1.9 above)	881	1,062
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(851)	(2,021)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(63)	(112)
4.5	Effect of movement in exchange rates on cash held	(237)	(238)
4.6	Cash and cash equivalents at end of period	269	269

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	269	539
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)	269	539

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	-
<i>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.</i>		

Appendix 4C
Quarterly cash flow report for entities subject to Listing Rule 4.7B

7.	Financing facilities <i>Note: the term "facility" includes all forms of financing arrangements available to the entity.</i> <i>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	3,108	-
7.2	Credit standby arrangements	-	-
7.3	Other (please specify)	-	-
7.4	Total financing facilities	3,108	-
7.5	Unused financing facilities available at quarter end		3,108
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)	881
8.2	Cash and cash equivalents at quarter end (item 4.6)	269
8.3	Unused finance facilities available at quarter end (item 7.5)	3,108
8.4	Total available funding (item 8.2 + item 8.3)	4,258
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 January 2025

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.