



30 April 2021

ASX Market Announcements

ASX Limited

20 Bridge Street

Sydney, NSW 2000

Q3 FY21 March 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 Q3 ended March 2021:

Q3 Summary

- Net cash for the quarter increased by US\$106k, comprised of the following: gains in operations of US\$158k, spending on investing/financing activities of -US\$24k and FX loss of -US\$28k. YTD FY21 yielded +US\$2,078k from operations and a FX gain of US\$299k, prior to the US\$6,068k shareholder approved return of capital in Q1.
- Q3 FY21 net sales of US\$3,048k (+29% versus pcp) improved as consumer consumption gained momentum and backlogged orders were filled with manufacturing capability back on line. YTD21 sales reached US\$8,618k, -2% versus pcp.
- Q3 FY21 EBITDA was +US\$151k, much improved versus pcp (loss of -US\$683k), due to reversal of provision on inventory write-off and reductions in administration and marketing expenditures. YTD FY21 EBITDA broke even compared to last year’s loss of (US\$1,817k) due to better fiscal management.
- US Nielsen consumption data reflected a 22.0% increase for the 13 weeks ended 27 March 2021, and +42.5% the past 4-week period, despite the difficult retail environment.
- Yowie Board of directors have agreed to substantially reduce their future fees

Q3 FY21 March Quarter Cash Review

- Net cash gain for the quarter was US\$0.106m.
- For the March quarter, Yowie reported US\$2.55m of cash receipts from customers.
- US\$2.39m was spent on administration, manufacturing and operating costs, net of interest received.

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ABN 98 084 370 669



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- A minimal \$0.024m was spent on investing and financing activities.

- Foreign exchange loss of US\$0.028m.
- The aggregate amount of payments to related parties and their associates in the current quarter Cash flows from operating activities were US\$109k, comprising directors fees, salaries and superannuation.

For YTD FY2021, net cash increased by US\$2,353k, before the US\$6,066k return of capital, compared to the pcp of a -US\$2,829k burn (before the US\$2,982k return of capital). This is a net improvement of US\$4,261k.

Q3 Financials – Update

Q3 net sales were US\$3,048k, +29% versus the pcp. The improvement reflects catching up on backlogged orders, increased consumer take away and an improved retail environment. We are producing to meet plan and April is showing continued strong momentum in orders and retail consumption.

YTD FY21 net sales reached \$8,618k, -2% versus last year, impacted by the manufacturing issues and the difficult retail environment in the first half.

Group EBITDA (unaudited) gain for the quarter was US\$151k compared to a loss of -US\$683k in the pcp. YTD FY21 EBITDA broke even compared to -US\$1,871k last year. Improved EBITDA was the result of reduced logistics, marketing and admin (legal, executive salaries) expenses, while maintaining shelf presence and gaining sales momentum in Q3.

Nielsen Market Data (US)

Continued upward Nielsen® retail \$ consumption trends show the past 13 weeks +22.0%, due to +25.4% in Convenience, +68.2% in Grocery and +27.3% in our largest customer. As we have navigated this past year, shelves have remained filled and consumer pull through has steadily increased. 4-week trends show a +42.5% increase in consumption continuing the momentum.

New Product Updates

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

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Board Fee Reduction:

As part of the Company's continuing efforts to reduce operating costs and reach sustainable profitability, the non-executive board of directors have each agreed to reduce their forward remuneration as follows:

Chair Fees: Reduced from \$110,000 pa to \$75,000 pa

Non-Executive Director Fees: Reduced from \$60,000 pa plus super to \$45,000 pa plus super.

Outlook

We have come through a very difficult year on solid footing. Our team has done an excellent job maintaining retailer relationships, engaging consumers on social media, managing logistics, keeping product on shelves, and containing costs.

Going forward, our focus remains on the following:

1. Distribution and trade programs will continue to be critical until we reach large competitor levels across all channels, giving consumers Yowie availability, especially in US Grocery and Convenience. This is critical to maintain our consumer take-away momentum.
2. Fiscal discipline and cash management is part of our culture and drives healthy margins and allows us to invest in the trade where appropriate.
3. Finding new ways to increase consumer awareness of our brand mission to educate consumers about conservation and endangered species, through new confectionary items and digital engagement opportunities.

This announcement is authorised by the Board.

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")

31 March 2021

Consolidated statement of cash flows	Current quarter \$US'000	Year to date (9 months) \$US'000
1. Cash flows from operating activities		
1.1 Receipts from customers ¹	2,550	7,658
1.2 Payments for		
(a) research and development	-	-
(b) product manufacturing and operating costs ²	(1,408)	(2,967)
(c) advertising and marketing	(144)	(497)
(d) leased assets	-	-
(e) staff costs	(438)	(1,376)
(f) administration and corporate costs	(397)	(989)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	1	7
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	(6)	191
1.7 Government grants and tax incentives	-	48
1.8 Other (royalty income)	-	3
1.9 Net cash from / (used in) operating activities	158	2,078

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 (9 months) \$US'000
2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) businesses	-	-
(c) property, plant and equipment	(22)	(22)
(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	(22)	(22)

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	(2)	(2)
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)	-	(6,066)
3.10 Net cash from / (used in) financing activities	(2)	(6,068)

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Consolidated statement of cash flows		Current quarter \$US'000	Year to date (9 months) \$US'000
4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	7,978	11,797
4.2	Net cash from / (used in) operating activities (item 1.9 above)	158	2,078
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(22)	(22)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(2)	(6,068)
4.5	Effect of movement in exchange rates on cash held	(28)	299
4.6	Cash and cash equivalents at end of period	8,084	8,084

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	6,563	6,436
5.2	Call deposits	1,521	1,542
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)	8,084	7,978

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	109
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.</i>		
<i>Add notes as necessary for an understanding of the sources of finance available to the entity.</i>		
7.1	-	-
7.2	-	-
7.3	-	-
7.4	-	-
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	158
8.2	8,084
8.3	-
8.4	8,242
8.5	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: 30 April 2021

Authorised by: By the Board
(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.