



30 July 2021

ASX Market Announcements

ASX Limited

20 Bridge Street

Sydney, NSW 2000

Q4 FY21 June Quarter Update and Cash Commentary

Yowie Group Ltd (ASX: YOW) (the “Group” or “Yowie”) provides the following quarterly update based on unaudited results for the year ended 30 June 2021:

Highlights

- Q4 FY21 Group net sales of US\$3,960k (+102% versus pcp) as consumer consumption momentum accelerated with the US fully re-opened from COVID. FY21 sales reached US\$12,578k, +17% versus pcp.
- Q4 FY21 EBITDA* was +US\$707k (after the reversal of a prior +US\$358k inventory write-off) versus pcp (loss of -US\$1,946k, including a -US\$1,200k inventory write off), due to an increase in sales and reductions in administration and marketing expenditures.
- FY21 EBITDA* was a US\$715k (after the reversal of a prior +US\$731k inventory write-off) compared to last year’s loss of -US\$3,818k (including a -US\$1,283k inventory write-off). The improved EBITDA* is due to an increase in sales and US\$1,532k in reduced expenses.
- Net cash for the quarter increased by US\$324k, comprised of the following: gains in operations of US\$348k and FX loss of -US\$24k. FY21 yielded +US\$2,426k from operations and a FX gain of US\$275k, prior to the US\$6,066k shareholder approved return of capital in Q1.
- US Nielsen consumption data reflected a 70.5% increase for the 13 weeks ended 19 June 2021, and +41.4% the past 4-week period, extending our streak to 8 months of continued consumption improvements.

**EBITDA (Earnings before interest, taxes, depreciation, amortization and share-based payments expense)*

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Q4 FY21 June Quarter Cash Review

- Net cash gain for the quarter was US\$324k.
- For the June quarter, Yowie reported US\$3,673k of cash receipts from customers.
- US\$3,368k was spent on administration, manufacturing and operating costs, net of interest received.
- A tax refund of US\$42k was received.
- Foreign exchange loss of US\$24k.
- The aggregate amount of payments to related parties and their associates in the current quarter Cash flows from operating activities were US\$123k, comprising directors fees, salaries and superannuation.

For the fiscal year FY2021, net cash increased by US\$2,679k, before the US\$6,066k return of capital, compared to the pcp of a -US\$1,579k burn (before the US\$2,982k return of capital). This is a net improvement of US\$4,258k.

Q4 Financials – Update

Q4 net sales were US\$3,960k, +102% versus the pcp. The improvement reflects increasing consumer take away resulting from the US market fully opening up, excitement for “Blast from the Past”, and consumers with more disposable income. We also have increased distribution in all channels of trade. We see continued strong momentum in orders and retail consumption moving into Q1 FY22.

FY21 net sales reached US\$12,578k, +17% versus last year, despite the COVID related manufacturing issues in the first half of the year.

Group EBITDA* (unaudited) gain for the quarter was +US\$707k (after the reversal of a prior +US\$358k inventory write-off) compared to a loss of -US\$1,946k (including a -US\$1,200k inventory write off) in the pcp. FY21 EBITDA* was US\$715k (after the reversal of a prior +US\$731k inventory write-off) compared to a loss of -US\$3,818k last year (including a -US\$1,283k inventory write-off). Improved EBITDA* was also attributable to an increase in sales, improved gross margins and reduced logistics, marketing and admin (legal, executive salaries) expenses of US\$1,532k.

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Nielsen Market Data (US)

Continued upward US Nielsen® retail \$ consumption trends show the past 13 weeks +70.5%, due to +53.6% in Convenience, +93.9% in Grocery and +104.1% in our largest customer. Not only has distribution increased in all channels, but units per store per week are up in each channel as well. We see the trend continuing into the first quarter of FY22.

New Product Updates

Our “Blast from the Past” promotion, utilizing toys from previous series, launched successfully and was well received and added to our sales increase in Q4. Series 7 is hitting store shelves now in the US and will be arriving in AUS during the fourth quarter of this calendar year.

Outlook

Notwithstanding an uncertain environment, with COVID affecting both the US and AUS markets, manufacturing uncertainties and the volatile global supply chain, the team at Yowie were able to meet consumer and retailer expectations, putting the Company on a solid footing as it entered FY22. Our team is focused on achieving sustainable operating profitability and effective cash management. In order to do so, our main focus areas are:

1. Continue driving top line sales with increased distribution in both the US and AUS and offering effective trade programs across all trade channels. This is critical to maintain our consumer take-away momentum and giving consumers options to find our product.
2. Fiscal discipline and cash management enables us to invest in the trade where appropriate, and will also help us manage supply chain costs in this challenging environment.
3. Finding new ways to increase consumer awareness of our brand, whilst educating consumers about conservation and endangered species, through new series and 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")

30 June 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	3,673	11,331
1.2 Payments for		
(a) research and development	-	-
(b) product manufacturing and operating costs ²	(2,283)	(5,250)
(c) advertising and marketing	(191)	(688)
(d) leased assets	-	-
(e) staff costs	(516)	(1,892)
(f) administration and corporate costs	(378)	(1,367)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	1	8
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	42	233
1.7 Government grants and tax incentives	-	48
1.8 Other (royalty income)	-	3
1.9 Net cash from / (used in) operating activities	348	2,426

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	(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)
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	-	(6,068)

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	8,084	11,797
4.2	Net cash from / (used in) operating activities (item 1.9 above)	348	2,426
4.3	Net cash from / (used in) investing activities (item 2.6 above)	-	(22)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	(6,068)
4.5	Effect of movement in exchange rates on cash held	(24)	275
4.6	Cash and cash equivalents at end of period	8,408	8,408

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	6,907	6,563
5.2	Call deposits	1,501	1,521
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)	8,408	8,084

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	123
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	348
8.2	8,408
8.3	-
8.4	8,756
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 July 2021

Authorised 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.