

Appendix 4D

Half-year Report

*Rule 4.2A.3
Introduced 1/1/2003*

Name of entity: Yowie Group Limited

ABN: 98 084 370 669

1. Reporting period ("current period"): Half-year ended 31 December 2022

Previous corresponding period: Half-year ended 31 December 2021

2. Results for announcement to the market

US\$'000

2.1 Revenue from ordinary activities down 14% to 7,002

2.2 Profit from ordinary activities after tax attributable to members down 129% to (288)

2.3 Net profit for the period attributable to members down 129% to (288)

2.4 The directors recommend that no amount be paid by way of dividend. No dividend has been paid or declared since the start of the financial period.

2.5 Record date for determining entitlements to dividends: N/A

2.6 A further explanation of the above figures is contained in the "Review of Operations" included within the attached directors' report.

3. Net tangible assets

	Current Period (cents)	Previous Corresponding Period (cents)
Net tangible asset backing per ordinary share	4.13	4.29

4. Details of entities over which control has been gained or lost during the period

N/A

5. Dividends

No dividends have been paid or declared during or since the beginning of the reporting period.

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6. Dividend reinvestment plans

No dividend reinvestment plans are in operation.

7. Details of associates and joint venture entities

N/A

8. Accounting standards for foreign entities

The Group applied Australian Accounting Standards to all entities in the Group including its overseas subsidiaries.

9. Auditor's review report

The accounts were subject to a review by the auditor and the review report is attached as part of the half-year report.

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YOWIE GROUP LIMITED

ABN 98 084 370 669

HALF-YEAR FINANCIAL REPORT

31 DECEMBER 2022



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COMPANY DIRECTORY

DIRECTORS:	Mr Sean Taylor (Executive Chairman) Mr Mark Schuessler (Managing Director) Mr Nicholas Bolton (Non-Executive Director) Mr John Patton (Non-Executive Director) Mr Scott Hobbs (Non-Executive Director)
KEY MANAGEMENT:	Mr Wayne Brekke (Group Chief Financial Officer) Ms Cynthia Thayer (Group Chief Marketing Officer)
COMPANY SECRETARY:	Mr Neville Bassett
REGISTERED AND PRINCIPAL OFFICE:	Level 4 216 St Georges Terrace Perth WA 6000 Telephone: +61 8 6268 2640
ABN:	98 084 370 669
COMPANY WEBSITE ADDRESS:	www.yowiegroup.com www.yowieworld.com
AUDITOR:	RSM Australia Partners Level 32 Exchange Tower 2 The Esplanade Perth WA 6000
SHARE REGISTRY:	Link Market Services Limited Level 12, QV1 Building 250 St Georges Terrace Perth WA 6000 Telephone: 1300 554 474 or +61 2 8280 7111
ASX CODE:	YOW

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DIRECTORS' REPORT

Your Directors submit their report for Yowie Group Limited ("Yowie or the Group") and the consolidated entity ("the Group") for the half-year ended 31 December 2022.

The half-year report is expressed in US Dollars (US\$), unless stated otherwise.

DIRECTORS

The names of the Group's Directors in office during the half-year and until the date of this report are as follows. Directors were in office for this entire period unless otherwise stated.

Mr Sean Taylor
Mr Mark Schuessler
Mr Nicholas Bolton
Mr John Patton
Mr Scott Hobbs

PRINCIPAL ACTIVITY

Yowie is a global brand licensing Company, specialising 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 and 'Save the Natural World' is at the heart of the Yowie proposition. Yowie employs its company-owned intellectual property rights to supply Yowie branded chocolate confectionery products, a digital platform and Yowie branded licensed consumer products. The Group's vision for the Yowie brand is to distribute on a widening basis the Yowie product in the US (United States of America) and AUS (Australia) with further international expansion.

OPERATING AND FINANCIAL REVIEW

During the half-year, despite the impact of rising interest rates and inflationary pressures on discretionary spending, the Group maintained its focus on sales, including new product initiatives, and strengthening its distribution network both in the US and AUS markets, whilst maintaining fiscal discipline and growing consumer awareness, with some updates below.

Sales and Distribution

- Global net sales were US\$7 million for the half-year ended 31 December 2022, 14% lower than the previous corresponding period. Consumer consumption was negatively impacted by the prevailing economic uncertainty and continued inflationary pressures which have influenced consumer's purchasing decision on non-essential food items, including the chocolate novelty category. Retailers also reduced their inventory levels to manage the uncertain economic environment.

Recognising the need to continually challenge ourselves to deliver more value to our customer, the Group has increased efforts to offer more aggressive retail trade programs and roll out new and exciting Yowie and licensed products.

- The Group remains committed to grow top line sales while achieving sustainable operating profitability.

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OPERATING AND FINANCIAL REVIEW (continued)
Sales and Distribution (continued)

- ANZ retail sales remained steady and the Group looks forward to further rolling out its new Easter seasonal offerings.

Corporate

- The Group received a verdict on its longstanding litigation with Henry Whestone, Jr. and his companies, Whetstone Industries, Inc. and Atlantic Candy Company. Refer to Note 13 in the Notes to the Consolidated Financial Statements for details.

Financial Overview

- The Group produced a Gross Margin of 50% of net sales enabling the Group to invest with retailers and marketing where appropriate.
- EBITDA* loss for the half-year ended 31 December 2022 was US\$0.28 million, compared to EBITDA of +US\$0.62 million for the previous corresponding period. The decrease in EBITDA was mainly attributable to lower sales, higher freight and legal-related costs.
- Net loss after tax attributable to members was US\$0.29 million, compared to a profit of US\$0.98 million in the previous corresponding period. The decrease in profitability was largely due to reasons mentioned in the previous point and the reversal in prior period of non-current assets that had been previously been impaired to nil.

Please refer to note 3(b) for details on the reversal of impairment in prior period.

- At 31 December 2022, the Group's consolidated cash position was US\$8.01 million (30 June 2022: US\$8.18 million).

*EBITDA = *Earnings before interest, taxes, depreciation and amortisation*

- A summary of the cash flows for the Group during the period is as follows:

	US\$
Cash flows used in:	
- Operating activities	(0.19 million)
- Investing activities	(0.06 million)
- Financing activities	-
Net cash flows for the year	(0.25 million)
Opening cash and cash equivalents balance	8.18 million
Effect of foreign exchange movements	0.08 million
Closing cash and cash equivalents balance	8.01 million

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DIRECTORS' REPORT

OPERATING AND FINANCIAL REVIEW (continued)

Financial Overview (continued)

The negative operating cash flow of US\$0.19 million was a slight improvement compared to outflow of US\$0.36 million from the prior period. This was due to the timing of inventory build in the prior period considering global supply chain disruptions, offset by lower sales in the current period.

- The net assets of the Group as at 31 December 2022 was US\$9.21 million, down slightly from US\$9.33 million as at 30 June 2022.

The Group remains committed to responsibly manage financial resources and prepare for investing opportunities at retail, with new products, improving product supply and being competitive across all trade channels.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

There were no significant changes in the state of affairs of the Group during the half-year ended 31 December 2022.

EVENTS SUBSEQUENT TO BALANCE DATE

Refer to Note 13 in the Notes to the Consolidated Financial Statements.

AUDITOR'S INDEPENDENCE DECLARATION

The auditor's independence declaration is included on page 6 of the financial report.

This report is made in accordance with a resolution of directors, pursuant to section 306(3)(a) of the Corporations Act 2001.

On behalf of the Board



Sean Taylor
Executive Chairman

23 February 2023

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RSM Australia Partners

Level 32 Exchange Tower, 2 The Esplanade Perth WA 6000
GPO Box R1253 Perth WA 6844

T +61 (0) 8 92619100

F +61 (0) 8 92619111

www.rsm.com.au

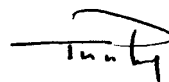
AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the review of the financial report of Yowie Group Limited for the half-year ended 31 December 2022, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- (ii) any applicable code of professional conduct in relation to the review.



RSM AUSTRALIA PARTNERS



TUTU PHONG
Partner

Perth, WA
Dated: 23 February 2023

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**CONDENSED CONSOLIDATED STATEMENT OF
PROFIT OR LOSS
AND OTHER COMPREHENSIVE INCOME
FOR THE HALF-YEAR ENDED 31 DECEMBER 2022**



	Note	Consolidated	
		Half-Year Ended 31 Dec 2022 US\$	Half-Year Ended 31 Dec 2021 US\$
Sale of goods		7,002,286	8,123,218
Cost of sales		(3,533,358)	(4,287,186)
Gross profit		3,468,928	3,836,032
Selling and distribution		(1,963,969)	(1,895,255)
Marketing		(390,339)	(346,105)
Administration	3(a)	(1,333,984)	(1,044,318)
Other income		34,557	1,507
Foreign exchange losses		(15,610)	(2,562)
Write-down of inventory		(65,295)	3,635
Loss on disposal of non-current assets		(22,404)	-
Reversal of impairment of non-current assets	3(b)	-	424,898
(Loss) / Profit before income tax		(288,116)	977,832
Income tax expense		(250)	(567)
(Loss) / Profit after income tax for the half-year		(288,366)	977,265
Other comprehensive income for the half-year			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Movement in foreign currency translation reserve		83,394	(59,055)
Total comprehensive (loss) / income for the half-year net of tax attributable to members of the Group		(204,972)	918,210
Loss per share attributable to members of the Group			
Basic (loss) / earnings per share (cents)	4	(0.13)	0.45
Diluted (loss) / earnings per share (cents)	4	(0.13)	0.45

This condensed consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

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**CONDENSED CONSOLIDATED STATEMENT OF
FINANCIAL POSITION
AS AT 31 DECEMBER 2022**



	Note	Consolidated	
		31 Dec 2022 US\$	30 Jun 2022 US\$
Current Assets			
Cash and cash equivalents		8,009,183	8,177,210
Trade and other receivables	5	1,306,521	1,515,675
Prepayments	6	606,975	701,601
Inventories	7	2,670,716	2,624,665
Total Current Assets		12,593,395	13,019,151
Non-Current Assets			
Plant and equipment		54,061	221,104
Intangible assets		183,570	141,841
Total Non-Current Assets		237,631	362,945
Total Assets		12,831,026	13,382,096
Current Liabilities			
Trade and other payables	8	3,579,399	3,924,848
Provisions		39,872	37,582
Unearned income		-	93,272
Total Current Liabilities		3,619,271	4,055,702
Total Liabilities		3,619,271	4,055,702
Net Assets		9,211,755	9,326,394
Equity			
Issued capital	9	46,687,677	46,687,677
Reserves		(62,309)	(236,036)
Accumulated losses		(37,413,613)	(37,125,247)
Total Equity		9,211,755	9,326,394

This condensed consolidated statement of financial position should be read in conjunction with the accompanying notes.

**CONDENSED CONSOLIDATED STATEMENT OF
CHANGES IN EQUITY
FOR THE HALF-YEAR ENDED 31 DECEMBER 2022**



	Consolidated				
	Issued capital	Share-based payment reserve	Foreign currency translation reserve	Accumulated losses	Total
	US\$	US\$	US\$	US\$	US\$
Balance at 1 July 2021	46,687,677	2,002,480	(2,230,879)	(37,964,753)	8,494,525
Loss for the half-year	-	-	-	977,265	977,265
Other comprehensive income					
Foreign currency translation	-	-	(59,055)	-	(59,055)
Total comprehensive income/(loss) for the half-year	-	-	(59,055)	977,265	918,210
Transactions with owners recorded directly in equity					
Share-based payments	-	13,629	-	-	13,629
Balance as at 31 December 2021	46,687,677	2,016,109	(2,289,934)	(36,987,488)	9,426,364
Balance at 1 July 2022	46,687,677	2,120,570	(2,356,606)	(37,125,247)	9,326,394
Loss for the half-year	-	-	-	(288,366)	(288,366)
Other comprehensive income					
Foreign currency translation	-	-	83,394	-	83,394
Total comprehensive income/(loss) for the half-year	-	-	83,394	(288,366)	(204,972)
Transactions with owners recorded directly in equity					
Share-based payments	-	90,333	-	-	90,333
Balance as at 31 December 2022	46,687,677	2,210,903	(2,273,212)	(37,413,613)	9,211,755

This condensed consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

**CONDENSED CONSOLIDATED STATEMENT OF CASH
FLOWS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2022**



	Consolidated	
	Half-Year Ended 31 Dec 2022 US\$	Half-Year Ended 31 Dec 2021 US\$
Cash flow from operating activities		
Receipts from customers	6,799,408	7,651,398
Other receipts	-	65
Payments to suppliers and employees	(7,023,641)	(8,018,065)
Interest received	34,555	1,497
Net cash flows (used in) / provided by operating activities	(189,678)	(365,105)
Cash flow from investing activities		
Payments for plant and equipment	(28,148)	-
Payments for intangible assets	(31,013)	(13,500)
Net cash flows used in investing activities	(59,161)	(13,500)
Cash flow from financing activities		
Payment of share issue transaction costs	-	-
Net cash flows used in financing activities	-	-
Net change in cash and cash equivalents	(248,839)	(378,605)
Cash and cash equivalents at beginning of period	8,177,210	8,408,157
Effect of foreign exchange movements	80,812	(61,432)
Cash and cash equivalents at end of period	8,009,183	7,968,120

This condensed consolidated statement of cash flows should be read in conjunction with the accompanying notes.

1. BASIS OF PREPARATION

These condensed consolidated financial statements for the half-year reporting period ended 31 December 2022 have been prepared in accordance with Australian Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Act 2001, as appropriate for for-profit entities. Compliance with AASB 134 ensures compliance with International Accounting Standard 34 *Interim Financial Reporting*.

These half-year financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with the annual financial statements for the year ended 30 June 2022 and any public announcements made by Yowie Group Limited during the half-year reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period.

New and amended standards adopted by the Group

The Group has adopted all new, revised or amending Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period. The adoption of these amendments has not resulted in any significant effect on the measurement or disclosure of the amounts reported for the current or prior periods.

Any new, revised or amending Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

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**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2022**



2. SEGMENT REPORTING

The Group has only one reportable segment, which relates to the operations of its confectionery business, with production carried out under a contract manufacturing arrangement. The net result is presented on a consolidated basis. All non-current assets are located in one geographical location, the United States of America.

Major customer information

The revenue from major customers set out below arises from the sale of Yowie chocolate confectionery product.

	Consolidated	
	Half-Year Ended 31 Dec 2022 US\$	Half-Year Ended 31 Dec 2021 US\$
Major customer	2,183,563	2,527,329
% of Total Net Sales	31%	31%

3. EXPENSES

(a) Administration

	Consolidated	
	Half-Year Ended 31 Dec 2022 US\$	Half-Year Ended 31 Dec 2021 US\$
Employee benefits	545,477	578,311
Consultancy, business development and travel	20,052	11,040
Legal, tax, listing, compliance and insurance	373,282	261,500
Share-based payment expense	90,333	13,629
Depreciation and amortisation	8,104	66,688
Lawsuit settlement	190,000	-
Other administrative expenses	106,736	113,150
	1,333,984	1,044,318

(b) Reversal of Impairment of Non-Current Assets

Reversal of impairment of non-current assets for the half-year ended 31 December 2021 of US\$424,898 relates to the reversal of a prior period impairment on manufacturing equipment and product development. The Group was able to utilise those assets, resulting in the recognition of depreciation and the reversal of a portion of a prior period impairment.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2022**



4. EARNINGS / (LOSS) PER SHARE

	Consolidated	
	Half-Year Ended 31 Dec 2022 Number	Half-Year Ended 31 Dec 2021 Number
Weighted average number of ordinary shares used in the calculation of basic and diluted earnings per share	218,567,901	218,567,901
	US\$	US\$
Basic and diluted (loss) / earnings attributable to ordinary equity holders of the parent	<u>(288,366)</u>	<u>977,265</u>

5. TRADE AND OTHER RECEIVABLES

	Consolidated	
	31 Dec 2022 US\$	30 Jun 2022 US\$
Current		
Trade debtors	1,300,041	1,507,816
GST receivable	6,480	7,859
	<u>1,306,521</u>	<u>1,515,675</u>

6. PREPAYMENTS

	Consolidated	
	31 Dec 2022 US\$	30 Jun 2022 US\$
Current		
Prepayments – raw materials	538,272	532,806
Prepayments – other	68,703	168,795
	<u>606,975</u>	<u>701,601</u>

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**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2022**



7. INVENTORIES

	Consolidated	
	31 Dec 2022 US\$	30 Jun 2022 US\$
Current		
Raw materials	2,261,599	2,239,550
Work in progress	21,295	2,393
Finished goods	713,320	639,751
Allowance for disposal	(325,498)	(257,029)
	<u>2,670,716</u>	<u>2,624,665</u>

Inventories are valued at the lower of cost or net realisable value.

Movement in the allowance for disposal of inventories is set out below.

Balance at the beginning of the year	(257,029)	(568,175)
Reversal ¹	19,531	311,146
Additional allowance	(88,000)	-
Balance at the end of the year	<u>(325,498)</u>	<u>(257,029)</u>

¹ Reversal relates to disposal of the inventory or the use of inventory as the inventory was able to be utilised in production process.

8. TRADE AND OTHER PAYABLES

	Consolidated	
	31 Dec 2022 US\$	30 Jun 2022 US\$
Current		
Trade payables and accruals	1,087,083	1,284,898
Rebate allowances ¹	2,481,569	2,638,197
Other	10,747	1,753
	<u>3,579,399</u>	<u>3,924,848</u>

¹ Rebate allowances include estimated accrual for promotional discounts, prompt payment discounts and spoilage of goods.

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**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2022**



9. ISSUED CAPITAL

	Consolidated	
	31 Dec 2022 US\$	30 Jun 2022 US\$
Ordinary shares – fully paid	46,687,677	46,687,677
<i>Movements in ordinary share capital</i>	US\$	Number
As at 1 July 2022	46,687,677	218,567,901
Conversion of rights	-	-
As at 31 December 2022	46,687,677	218,567,901

10. SHARE-BASED PAYMENTS

Share-based payment expense for the half-year ended 31 December 2022 is US\$90,333 (31 December 2021: US\$13,629).

No new rights or options were issued during the half-year ended 31 December 2022.

The following tables list the inputs to the models used for the valuation of rights issued during the half-year ended 31 December 2021.

	Service Rights
Number of securities	10,800,000
Exercise price (A\$)	-
Grant date	8 Dec 2021
Vesting date	8 Dec 2022 to 8 Dec 2024
Expiry date	8 Dec 2026
Share price at grant date (A\$)	0.044
Expected volatility	88%
Risk-free rate	0.55%
Fair value per security (A\$)	0.044
Valuation method	Binomial

11. FAIR VALUES OF FINANCIAL INSTRUMENTS

Recurring fair value measurements

The Group does not have any financial instruments that are subject to recurring or non-recurring fair value measurements.

Fair values of financial instruments not measured at fair value

Due to their short-term nature, the carrying amounts of current receivables and current trade and other payables is assumed to equal their fair value.

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12. COMMITMENTS AND CONTINGENCIES

(a) Commitments

The Group has no material commitments as at 31 December 2022.

(b) Contingencies

The Group received a verdict on its longstanding litigation with Henry Whetstone, Jr. and his companies, Whetstone Industries, Inc. and Atlantic Candy Company. Refer to Note 13 in the Notes to the Consolidated Financial Statements for details.

13. EVENTS SUBSEQUENT TO BALANCE DATE

Subsequent to 31 December 2022, the Group received a verdict on its longstanding litigation with Henry Whetstone, Jr. and his companies, Whetstone Industries, Inc. and Atlantic Candy Company.

For ease of reference, the remainder of this update will refer to the two sides of this litigation as simply “Yowie” and “Whetstone”.

By way of background, in or about 2013 Yowie began its North American operations by engaging with Whetstone on two agreements: (i) Manufacturing Agreement and (ii) Patent and Technology License Agreement (hereafter “Patent Agreement”). In or about 2015, Yowie made the decision to move its manufacturing to Madelaine Chocolate Company and pursue its own patent and technology for the production of the Yowie product. Yowie discontinued all use of the Whetstone patent, and ceased all manufacturing with Whetstone, on or about 31 December 2015. On 21 January 2016, Yowie instituted legal action against Whetstone in St. Johns County, Florida for the return of a foil wrapping machine, the Court granting Yowie to take possession of the wrapper.

Subsequently, Whetstone initiated litigation against Yowie in this same Court under various legal theories. The cases were eventually consolidated into one action, extensive discovery in the cases was taken, and the case was set for a bench trial in November and December 2022. At trial, Whetstone sought in excess of US\$8 million in damages. The Court has now issued its Verdict Following Non-Jury Trial rejecting all claims under the Patent Agreement and entered a verdict in Yowie’s favour. The Court further rejected the bulk of Whetstone’s claims under the Manufacturing Agreement, but did find two invoices were not fully paid by Yowie in 2015, and therefore awarded Whetstone US\$114,579.97 plus interest. Yowie disagrees with the Court’s finding on this relatively minor issue, and is reserving its right to appeal, if necessary. All other claims for damages by Whetstone were rejected by the Court.

The Yowie Board considers the outcome of this trial to be a decisive victory and vindication of its consistent position that Yowie owed no money to Whetstone under the Patent Agreement and that Yowie was entitled to produce its product with another copacker.

13. EVENTS SUBSEQUENT TO BALANCE DATE (continued)

The Parties' agreements provide that the prevailing party to any litigation is entitled to seek its attorneys' fees and costs related to the litigation, and the Judge expressly reserved that issue for a future determination. Yowie fully intends to seek reimbursement of its reasonable fees and costs related to this matter. Both parties have the right to appeal this decision, but the Yowie Board is confident that the Judge's determinations in favour of Yowie are sound and should be affirmed on any appeal. Yowie will continue aggressively protect its legal rights through the conclusion of this matter.

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**DIRECTORS' DECLARATION
FOR THE HALF-YEAR ENDED 31 DECEMBER 2022**



The directors declare that, in the directors' opinion:

- (a) there are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable; and
- (b) the attached financial statements and notes comply with the *Corporations Act 2001*, Australian Accounting Standard AASB 134 *Interim Financial Reporting*, the Corporations Regulations 2001 and other mandatory professional reporting requirements; and
- (c) the attached financial statements and notes give a true and fair view of the Group's financial position as at 31 December 2022 and of its performance for the half-year ended on that date.

Signed in accordance with a resolution of the directors made pursuant to s.303(5) of the *Corporations Act 2001*.

On behalf of the Board

A handwritten signature in blue ink, appearing to be "Sean Taylor", written over a faint grid background.

**Sean Taylor
Executive Chairman**

23 February 2023

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**INDEPENDENT AUDITOR'S REVIEW REPORT
TO THE MEMBERS OF
YOWIE GROUP LIMITED**

Report on the Half-Year Financial Report

Conclusion

We have reviewed the accompanying half-year financial report of Yowie Group Limited which comprises the consolidated statement of financial position as at 31 December 2022, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the half-year end or from time to time during the half-year.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Yowie Group Limited is not in accordance with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the consolidated entity's position as at 31 December 2022 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and *Corporations Regulations 2001*.

Basis for Conclusion

We conducted our review in accordance with ASRE 2410 Review of a Financial Report Performed by the Independent Auditor of the Entity. Our responsibilities are further described in the Auditor's Responsibilities for the Review of the Financial Report section of our report. We are independent of the consolidated entity in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (including Independence Standards) (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Yowie Group Limited, would be in the same terms if given to the directors as at the time of this auditor's review report.

Directors' Responsibility for the Half-Year Financial Report

The directors of Yowie Group Limited are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility for the Review of the Financial Report

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2022 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

RSM

RSM AUSTRALIA PARTNERS

A handwritten signature in black ink, appearing to read 'Tutu Phong'.

TUTU PHONG
Partner

Perth, WA
Dated: 23 February 2023

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