

YOWIE GROUP LIMITED

ABN 98 084 370 669

ANNUAL REPORT

FOR THE YEAR ENDED

30 JUNE 2024



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(Expressed in US Dollars (US\$), unless stated otherwise)

DIRECTORS: Mr Nicholas Bolton (Managing Director and Chief Executive Officer)
Mr John Patton (Executive Chairman)
Mr Andrew Ranger (Executive Director)
Mr Scott Hobbs (Non-Executive Director)

KEY MANAGEMENT: Mr Leo Valle (US Country Manager)
Mr Jarrod Milani (AUS Country Manager)

COMPANY SECRETARY: Mr John Patton

REGISTERED AND PRINCIPAL OFFICE: 113 Bakers Road
Coburg North VIC 3058

ABN: 98 084 370 669

COMPANY WEBSITE ADDRESS: www.yowie.com

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ASX CODE: YOW

Your Directors submit their report together with the financial report of Yowie Group Limited ("the Company") and the consolidated entity ("the Group") for the year ended 30 June 2024.

DIRECTORS

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

Mr Nicholas Bolton

Managing Director (*appointed on 17 May 2024*)

Chief Executive Officer (*appointed on 17 May 2024*)

Non-Executive Director (*retired on 17 May 2024*)

Mr Bolton has managed operational, investments and restructures assets in aviation, finance, property, energy, shipping, infrastructure and IT sectors. Mr Bolton is focused on delivering superior risk adjusted returns through active management and innovative solutions to challenging issues for investors and banking industries.

Mr John Patton

Executive Chairman (*appointed on 17 May 2024*)

Non-Executive Director (*retired on 17 May 2024*)

Qualifications: B.Ec, CA (CAA), F Fin

Mr Patton is a chartered accountant with over 35 years of professional services and industry experience. He was previously a Partner with Ernst & Young in the Transactions Advisory Services division. Mr Patton has senior executive and extensive corporate finance credentials, having been involved in over 150 corporate transactions.

Mr Andrew Ranger

Executive Director (*appointed on 17 May 2024*)

Mr Ranger is a technology entrepreneur and digital marketer with extensive experience in high-growth startups, FMCG, and advisory roles. He was a co-founder of Memories Group Ltd and a former Director of ACMI (Australian Centre for the Moving Image). Additionally, Andrew has served as a government media advisor and has five years of experience as a marketing account manager for the Chupa Chups brand across ANZ.

DIRECTORS (continued)**Mr Scott Hobbs**

Non-Executive Director

Scott Hobbs has over 20 years of experience in FMCG, within retailers such as BIG W and Metcash IGA, primarily in the management and development of various product categories including confectionery. In addition to category and brand management, a large period has been within the manufacturing sector of the confectionery industry and the subsequent sales management of candy products to major Australian and International retailers.

Mr Sean Taylor

Executive Chairman (*retired on 18 April 2024*)

Mr Taylor has had an extensive career in Advertising/Media working at DDB Needham/Bond Media/Southern Cross Media and Austereo prior to launching his own agency specialising in FMCG and Licensing.

Mr Mark Schuessler

Chief Executive Officer (*retired on 24 July 2023*)

Managing Director (*retired on 24 July 2023*)

Qualifications: BSBA, MBA Finance

Mr Schuessler has more than 30 years of U.S. and international markets experience, having previously worked with Doumak Inc., The Campbell Soup Company, Procter and Gamble.

As at the date of this report, the Company does not have an Audit, Remuneration or Nomination Committee of the Board of Directors. The full Board, therefore, assumes the responsibilities of these committees. As the Company develops, these committees may be established.

Directorships of other listed companies during the past three years

Name	Company	Ceased
Mr N Bolton	Keybridge Capital Limited	Current
Mr J Patton	Keybridge Capital Limited Aurora Funds Management Limited, as Responsible Entity of Aurora Global Income Trust ¹ Metgasco Limited	Current Resigned 22 November 2023
Mr A Ranger	No other directorships	-
Mr S Hobbs	No other directorships	-

¹ Aurora Global Income Trust was delisted from ASX on 29 August 2023

Interests in the shares and options of the Company

DIRECTORS (continued)

As at the date of this report, the Directors (including their personal related parties) held the following ordinary shares, options and rights over ordinary shares in the Company as set out below.

<i>Name</i>	<i>Number of Ordinary Shares</i>	<i>Number of Options</i>	<i>Number of Rights</i>
Mr N Bolton ¹	-	-	-
Mr J Patton ²	26,526,643	-	-
Mr A Ranger	-	-	-
Mr S Hobbs	-	-	-
Total	26,526,643	-	-

¹ Mr N Bolton disclosed in Appendix 3Y dated 12 May 2022 that he ceases to hold relevant interest in YOW securities held by Keybridge Capital Limited pursuant to section 608(1) of the Corporations Act.

² Indirectly held – Aurora Funds Management Limited in its capacity as responsible entity for HHY Fund.

COMPANY SECRETARY***Mr John Patton (appointed 31 August 2024)***

Qualifications: B.Ec, CA (CAA), F Fin

Mr Patton is a chartered accountant with over 35 years of professional services and industry experience. He was previously a Partner with Ernst & Young in the Transactions Advisory Services division. Mr Patton has senior executive and extensive corporate finance credentials, having been involved in over 150 corporate transactions.

Mr Neville Bassett AM (retired 31 August 2024)

Qualifications: BCom, FCA

Mr Bassett is a chartered accountant with more than 30 years of experience. He has been involved with a diverse range of Australian public listed companies in directorial, company secretarial and financial roles.

SENIOR EXECUTIVES

Mr Leo Valle

US Country Manager (*appointed on 1 September 2023*)

Mr Valle is a senior operations executive with extensive global experience in transforming programs from concept to inventory. Over the years, he has held various roles in companies such as Warner Lambert, Pfizer, Cadbury, Avon, Bombril and Mondelez. With a career spanning multiple countries and fluency in three languages, Mr Valle has a deep understanding of diverse cultures and business strategies.

Mr Jarrod Milani

AUS Country Manager (*appointed on 9 October 2023*)

Mr Milani has over 15 years of experience across FMCG and retail which gives him the ability to manage ongoing relationships with suppliers, customers, and manufacturers to help the Group meet its strategic objectives. He co-founded Forbidden Foods (ASX: FFF) and has previously worked at Coles in various marketing-related roles including trade planning, growth projects, eCommerce, and supplier engagement.

Mr Wayne Brekke

Chief Financial Officer (*retired on 29 September 2023*)

Qualifications: BBA, MBA Finance, CPA

Mr Brekke is a senior finance executive with over 30 years of broad US and international finance experience. Mr Brekke has held extensive finance leadership positions in food, consumer products and manufacturing with global companies such as, McDonald's, Kraft Foods and AC Nielsen.

Ms Cynthia Thayer

Chief Marketing Officer (*retired on 5 June 2024*)

Qualifications: BA

Ms Thayer has over 25 years of marketing expertise in key areas including brand architecture development, market research, consumer packaged goods (CPG) advertising across traditional and digital channels, retail and shopper marketing, licensing, toy design and new product development. Ms Thayer also has broad marketing expertise in food, consumer products, manufacturing and advertising agencies with the Chamberlain Group, TPN, Flair Communications, Creata and the Marketing Store.

PRINCIPAL ACTIVITY

Yowie Group Limited is a beloved Australian brand and the leader in the USA for fully enclosed surprise-inside chocolate treats. Our mission is to foster education about the natural world through engaging consumer products that inspire learning and curiosity. In addition to our core Yowie chocolate line, we have expanded into brand licensing with iconic names such as the NBA (National Basketball Association), Bluey, NRL, and AFL. We are proud to own the Ernest Hillier brand and factory, Australia's oldest chocolate maker, further strengthening our commitment to quality and heritage. Our vision is to continue growing our presence in the US, Australia, and New Zealand, with plans for further international expansion.

OPERATING AND FINANCIAL REVIEW

(expressed in US Dollars, unless stated otherwise)

During the financial year, the Group continued to focus on building a strong sales and distribution network both in the US and ANZ markets, with some updates below.

Sales and Distribution

- Group net sales for the year ended 30 June 2024 were \$14.69 million, 11% higher than the previous corresponding period. This was primarily due to Easter seasonal sales in Australia, with over 10 different SKUs across our own Yowie brand and licensed brands, including AFL, NRL and Bluey. Although the seasonal sales in Australia increased the Group's net sales, it increased the Group's net loss for the year as promotional claims and other selling costs exceeded initial estimates, including a poor Easter seasonal sales result across all segments of the Australian retail landscape
- The Group remains committed to driving profitable sales growth through increased distribution in both the US and Australia, expanding product offerings and developing effective marketing and merchandising programs across key trade channels.

US

- Our US team has been focused on renewing their go-to-market strategy. This includes finding new channels and markets, improving retail sales programs, and enhancing the sales tools with the national sales broker network.

OPERATING AND FINANCIAL REVIEW (continued)

Sales and Distribution (continued)

- Yowie continued expanding its product offerings by introducing 2 new SKUs in the US:
 - YowiePop - a naturally flavoured 3D lollipop which can be dipped in a sour powder and comes with a surprise-inside toy.
 - Giant Yowie – a half-pound version of our Yowie Surprise-Inside chocolate product, with 2 surprise toys inside each Giant Yowie.



- Innovation remains a huge opportunity for Yowie North America given its access to retailers nationally.

The Group secured non-exclusive licensing agreements to develop, manufacture and sell confectionery lines containing National Basketball Association (NBA) themed Yowie toys in the USA, Australia and New Zealand through to 30 September 2026.

OPERATING AND FINANCIAL REVIEW (continued)

Sales and Distribution (continued)

Australia

- In Australia, Yowie secured tier 1 brand merchandising agreements with Australian Football League (AFL), Australian Rugby League (NRL) and BBC Studios Australia Pty Ltd for the number 1 Australian Childrens TV show – Bluey.

Under these merchandising agreements, Yowie is permitted to design, manufacture, promote and distribute seasonal confectionary in the key trading periods of Easter and Christmas.



OPERATING AND FINANCIAL REVIEW (continued)**Acquisition of Ernest Hillier**

- In August 2023, Yowie announced the acquisition of the Ernest Hillier chocolate business for \$0.24 million (AUD 0.375 million). Ernest Hillier is Australia's first chocolate manufacturer and oldest privately owned chocolatier, established in 1914.
- During the year, Yowie invested capital in improving the Ernest Hillier facility to an industry acceptable operating standard, satisfying strict employee safety, food safety and customer requirements. Multiple production runs for a tier 1 client were completed and parts of our licensed Bluey range were produced in this facility.

Takeover Bid

- On 29 December 2023, Keybridge Capital Limited ("KBC") announced an off-market takeover bid for all the ordinary shares in Yowie Group Limited for cash consideration of AUD 3.4 cents per share, with the bid closing on 26 April 2024. Acceptances received under the bid resulted in KBC's relevant interest in the Group increasing to 78.359%.

Corporate

- On 17 May 2024, the following appointments were made to the leadership team:
 - Nicholas Bolton was appointed as Global Chief Executive Officer and Managing Director of the Group;
 - John Patton was appointed as Executive Chairman;
 - Andrew Ranger was appointed as Executive Director; and
 - Scott Hobbs remained as an independent Non-Executive Director.

The newly appointed senior management team have conducted a thorough cost review of the business at the end of the financial year. As previously announced, the result of this review has removed approximately \$2.5 million of annualised costs from the business. There are expected to be further cost savings achieved by eliminating negative margin seasonal products from the offering suite.

- During the year, Mark Schuessler (Global CEO) and Wayne Brekke (Global CFO) retired from the Yowie leadership.
- In North America, Leonidas Valle has been promoted from Vice President of Supply Chain Operations to US Country Manager. Prior to Yowie, Leonidas was the Business Development Director – Gums & Candy at Mondelēz International.
- In Australia, Jarrod Milani had been appointed as Country Manager. Jarrod was previously the Chief Operating Officer at Forbidden Foods (FFF.ASX) and prior to that had various marketing roles at Coles Group (ASX: COL). Jarrod is tasked with scaling the Yowie sales in Australia, integrating the newly acquired Ernest Hillier operation into Yowie Group and realising the full potential of the acquisition.

OPERATING AND FINANCIAL REVIEW (continued)**Financial Overview**

- The loss for the Group after providing for income tax was \$2.64 million, compared to a loss of \$0.1 million in the previous year. A key reason for this result was due to losses generated from the Australian seasonal sales as described above and operating losses experienced by the newly acquired Ernest Hillier facility, with significant upgrades having been implemented in critical areas including chocolate moulding, panning, enrobing, bagging and jarring. With these improvements in place, the facility is actively onboarding new clients in preparation for the upcoming peak production Christmas and Easter seasons.

The loss last year also included the reversal of a prior period impairment of \$1.05 million, mostly related to manufacturing equipment which was previously impaired in FY2020.

- The net assets of the Group was \$6.8 million at 30 June 2024, compared to \$9.4 million in the prior year. The reduction in net assets was attributable to the cash burn associated with the operational losses described above.
- As at 30 June 2024 the Group's consolidated cash position was \$1.6 million (30 June 2023: \$7.4 million).
- The Group's operating cash outflow for the year ended 30 June 2024 was \$2.87 million, compared to an outflow of \$1.33 million in the prior year. The reason for this was attributable to the same reasons described in the 'Loss after income tax' section above.
- The Group's investing cash outflow included the upfront asset acquisition cost of the Ernest Hillier chocolate business for \$0.24 million (AUD 0.375 million).
- During the year, the Group provided a loan to the liquidator of PR Finance Group Limited ("PRFG") of AUD 1.5 million with interest rate of 12% p.a. to be utilised as cash security for its recovery actions. Keybridge Capital Limited ("KBC") has agreed to indemnify Yowie Group Limited against any loss for the provision of this loan to PRFG. The initial term of the loan is for a period of up to 4 months, subject to further agreement between the parties.

The Group also entered into a reciprocal loan agreement with KBC where Yowie may borrow a maximum principal up to AUD 5,000,000 from KBC, with interest rate of 10% p.a., for its working capital purposes, or to earn a greater return on cash assets from time to time, where funds are deposited with KBC at the 10% pa rate and limit. The loan is unsecured and payable at call with no set maturity date. At the end of June 2024, Yowie has USD 1.1m on deposit with KBC earning 10% p.a.

OPERATING AND FINANCIAL REVIEW (continued)

Financial Overview (continued)

- Capital, funding and liquidity are managed at the corporate level. A summary of the cash flows for the Group is as follows:

Cash outflows used in:	US\$
- Operating activities	(2.87 million)
- Investing activities	(2.84 million)
- Financing activities	(0.11 million)
Net cash outflows for the year	(5.82 million)
Opening cash	7.4 million
Effect of foreign exchange movements	(0.002 million)
Closing cash and cash equivalents balance	1.58 million

Material Business Risks

The material business risks faced by the Group which are likely to impact the financial prospects of the Group include:

- Economic uncertainty* – the uncertain macroeconomic conditions negatively impacted consumer purchasing decisions on non-essential food items, including Yowie's products, resulting in the Group experiencing negative operating cash flows during the current financial year. Should this trend continue, the Group is likely to further deplete its cash reserves. The Group remains committed to driving profitable sales growth through increased retail distribution in both the US and AUS; expanding product offerings; and being competitive across all trade channels. Recent efforts to drive sales growth includes obtaining non-exclusive licensing agreements to develop, manufacture and sell seasonal confectionery products for Australian Football League (AFL), National Rugby League (NRL), Bluey Seasonal Confectionery and NBA in the US.
- Supply chain disruption* – the Group sources products and materials from some key suppliers. The Group also has a contract manufacturing arrangement to produce Yowie products in the United States. Any disruption to this supply chain dynamic could have a material impact on the Group's financial results. The Group continues to identify and establish relationships with multiple suppliers to minimise any potential disruptions.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

In the opinion of the Directors, there were no matters that significantly affected the state of affairs of the Group during the financial year, other than those referred to in the review of operations.

DIVIDENDS

The Directors recommend that no amount be paid by way of dividend. No dividend has been paid or declared since the end of the financial year.

DIRECTORS' MEETINGS

The number of meetings attended by each Director during the year was as follows:

<i>Director</i>	<i>Eligible to Attend</i>	<i>Attended</i>
Mr N Bolton	9	9
Mr J Patton	9	9
Mr A Ranger	1	1
Mr S Hobbs	9	9
Mr S Taylor	8	8
Mr M Schuessler	1	0

SHARES UNDER OPTION

There were no unissued ordinary shares under options or rights outstanding at 30 June 2024.

Shares issued as a result of the exercise of options or rights

No shares were issued as a result of the exercise of options during the year ended 30 June 2024, including the period up to the date of this report.

10,800,000 shares were issued to Sean Taylor as a result of the vesting of service rights during the year ended 30 June 2024.

EVENTS SUBSEQUENT TO BALANCE DATE

In July and November 2024, the Group provided additional loans of A\$1,350,000 and A\$750,000 respectively to Keybridge Capital Limited under the reciprocal loan agreement signed during the year ended 30 June 2024. Refer to Note 11 for further details on the loan agreement.

Apart from the matters discussed above, no other matter or circumstance has arisen since 30 June 2024 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

LIKELY DEVELOPMENTS

Information on likely developments in the operations of the Group is contained within the operating and financial review.

ENVIRONMENTAL REGULATION

The Group is not subject to any significant environmental regulation under the United States and Australian Commonwealth Federal or State law.

REMUNERATION REPORT (audited)

This Remuneration Report outlines the Director and Executive remuneration arrangements of the Company and the Group in accordance with the requirements of the Corporations Act 2001 and its Regulations. For the purposes of this report, Key Management Personnel (KMP) of the Group are defined as those persons having authority and responsibility for planning, directing and controlling the major activities of the Company and the Group, directly or indirectly, including any Director (whether Executive or otherwise) of the parent company.

The Directors present the Yowie Group Limited FY2024 remuneration report, outlining key aspects of our remuneration policy and framework, and remuneration awarded this year.

The report is structured as follows:

- (a) Key management personnel (KMP) covered in this report
- (b) Remuneration policy and link to performance
- (c) Elements of remuneration
- (d) Remuneration expenses for KMP
- (e) Contractual arrangements for KMP
- (f) Equity instrument disclosures relating to Key Management Personnel

(a) Key Management Personnel (KMP) covered in this report

Name	Position
Mr Nick Bolton	Managing Director and Chief Executive Officer (<i>appointed on 17 May 2024</i>) Non-Executive Director (<i>retired on 17 May 2024</i>)
Mr John Patton	Executive Chairman (<i>appointed on 17 May 2024</i>) Non-Executive Director (<i>retired on 17 May 2024</i>)
Mr Andrew Ranger	Executive Director (<i>appointed on 17 May 2024</i>)
Mr Scott Hobbs	Non-Executive Director
Mr Sean Taylor	Executive Chairman (<i>retired on 18 April 2024</i>)
Mr Mark Schuessler	Chief Executive Officer (<i>retired on 24 July 2023</i>) Managing Director (<i>retired on 24 July 2023</i>)
Mr Leo Valle	US Country Manager (<i>appointed on 1 September 2023</i>)
Mr Jarrod Milani	AUS Country Manager (<i>appointed on 9 October 2023</i>)
Mr Wayne Brekke	Chief Financial Officer (<i>retired on 29 September 2023</i>)
Ms Cynthia Thayer	Chief Marketing Officer (<i>retired on 5 June 2024</i>)

(b) Remuneration policy and link to performance

The Board of Directors is responsible for determining and reviewing compensation arrangements for the Directors and Executive officers. The Board will assess the appropriateness of the nature and amount of emoluments of such officers on a periodic basis by reference to relevant employment market conditions with the overall objective of ensuring maximum stakeholder benefit from the retention of a high-quality Board and Executive team.

From time to time, the Board engages an external remuneration consultant to assist with reviewing the Group's remuneration policy.

REMUNERATION REPORT (audited) (continued)
(b) Remuneration policy and link to performance (continued)

In particular, the Board aims to ensure that remuneration practices are:

- competitive and reasonable, enabling the Company to attract and retain key talent;
- aligned to the Company's strategic and business objectives and the creation of shareholder value;
- transparent and easily understood; and
- acceptable to shareholders.

To assist in achieving these objectives, the Board has linked the nature and amount of executive KMP remuneration to the Company's financial and operational performance.

Executive KMP are those directly accountable for the operational management and strategic direction of the Company.

Having regard to the number of members currently comprising the Company's Board and the stage of the Company's development, the Company does not have a separately established remuneration committee. The functions that would be performed by a remuneration committee are currently performed by the full Board.

Remuneration framework

Element	Purpose
Fixed annual remuneration (FR)	Provide competitive market salary including superannuation and non-monetary benefits.
Short-term incentives (STI)	<p>Reward available for meeting pre-determined performance hurdles within a 12-month time period.</p> <p>Performance pay is 'at risk' such that if performance hurdles are not met, the payment is not made, other than at the discretion of Directors to cover unforeseen circumstances.</p> <p>Performance pay may be paid in cash or in the form of share-based compensation at the Board's absolute discretion through participation in the annual grants of service rights or performance rights where vesting is subject to performance hurdles.</p>
Long-term incentives (LTI)	<p>Performance hurdles are aligned to long-term shareholder value.</p> <p>Performance rights are 'at risk' such that if performance hurdles are not met, the performance rights do not vest.</p> <p>The long-term incentive once determined will be paid in cash or awarded as fully vested service rights.</p> <p>Performance rights are paid in the form of share-based compensation.</p>
Service Rights	One-off issuance subject to Board's discretion to attract and retain high calibre employee. Vesting of rights subject to Employee remaining employed by the Company on the vesting date.

REMUNERATION REPORT (audited) (continued)

(b) Remuneration policy and link to performance (continued)

Balancing short-term and long-term performance

Annual incentives are set at a maximum of 100% of fixed remuneration, to drive performance without encouraging undue risk-taking. Long-term incentives are assessed over a two or three year period and are designed for the achievement of long-term growth in shareholder returns.

Assessing performance

The Board is responsible for assessing performance against KPIs and determining the STI and LTI to be paid. To assist in this assessment, the Board receives detailed reports on performance from management, which are based on independently verifiable data such as financial measures, market share and data from independently run surveys.

Minimum shareholding and holding conditions

All Directors and employees are encouraged to own shares in the Company. The Company does not have a formal minimum shareholding policy or mandatory holding condition on awarded shares. However, it is important to note that the nominal value of share rights is determined at the commencement of the performance period motivating executives to hold shares and grow shareholder value.

Use of remuneration consultants

On an as-needed basis, the Company may engage a remuneration consultant to provide various services in relation to executive KMP remuneration. During the year ended 30 June 2024, the Company has not engaged any remuneration consultants, however, has continued to adopt the historical remuneration framework.

REMUNERATION REPORT (audited) (continued)

(c) Elements of remuneration

(i) Fixed annual remuneration (FR)

Fixed remuneration consists of a base remuneration package, which includes Directors' fees (in the case of Directors), salaries, consulting fees, employer contributions to superannuation funds and non-monetary benefits such as health insurance and tax advisory services.

Fixed remuneration levels for Directors and Executive officers will be reviewed annually, or on promotion by the Board through a process that considers the individual's personal development, achievement of key performance objectives for the year, industry benchmarks wherever possible and CPI data.

Total remuneration for Non-Executive Directors is determined by resolution of shareholders. The Board determines actual payments to Directors and reviews their remuneration annually, based on market relativities and the duties and accountabilities of the Directors. The maximum available aggregate remuneration approved for Non-Executive Directors is A\$200,000. Non-Executive Directors do not receive any other retirement benefits other than a superannuation guarantee contribution required by government regulation, which was 11% of their fees for the year ended 30 June 2024.

Non-Executive Directors may provide specific consulting advice to the Company upon direction from the Board. Remuneration for this work is made at market rates. No such advice was provided in the year ended 30 June 2024.

(ii) Short-term incentives (STI)

Feature	Description of STI
Max opportunity	100% of fixed remuneration or as stipulated in the respective employment contract.
Performance metrics	The STI metrics align with our strategic priorities of market competitiveness, achieving financial budget, operational excellence, shareholder value and fostering talented and engaged people.
Achievement of award and Board's discretion	The Board has discretion to adjust remuneration outcomes up or down to prevent any inappropriate reward outcomes, including reducing (down to zero, if appropriate) any deferred STI award.
Delivery of STI	100% of the STI award is paid in cash or equity, subject to meeting vesting conditions of performance hurdles. The mode of delivery is at the discretion of the Board and, where applicable, subject to shareholders' approval.
Exercise price	Exercise price of options is determined based on premium to share price at which the company's shares are traded on the Australian Securities Exchange on date of the grant. Exercise price of performance rights are generally nil.
Forfeiture and termination	Options and performance rights will lapse if performance conditions are not met. Options and performance rights will be forfeited on cessation of employment unless the Board determines otherwise in its sole and absolute discretion, e.g. in the case of retirement due to injury, disability, death or redundancy.

REMUNERATION REPORT (audited) (continued)**(c) Elements of remuneration (continued)****(iii) Long-term incentives (LTI)**

Feature	Description of LTI
Max opportunity	100% of fixed remuneration or as stipulated in the respective employment contract.
Performance metrics	The LTI metrics align with our strategic priorities of market competitiveness, achieving financial budget, operational excellence and long-term shareholder value.
Delivery of LTI	100% of the LTI award is paid in cash or equity, subject to meeting vesting conditions of performance hurdles. The mode of delivery is at the discretion of the Board and subject to shareholders' approval.
Exercise price	Exercise price of options is determined based on premium to share price at which the company's shares are traded on the Australian Securities Exchange on date of the grant. Exercise price of service rights and performance rights are generally nil.
Forfeiture and termination	Options and performance rights will lapse if performance conditions are not met. Options and performance rights will be forfeited on cessation of employment unless the Board determines otherwise in its sole and absolute discretion, e.g. in the case of retirement due to injury, disability, death or redundancy.

(vi) Service rights (SR)

Feature	Description of SR
Max opportunity	One off issuance subject to Board's discretion to attract and retain high calibre employee.
Performance metrics	Subject to employee remains employed by the Company on the vesting date.
Delivery of SR	100% of the SR award is paid in cash or equity, subject to meeting vesting conditions of performance hurdles. The mode of delivery is at the discretion of the Board and subject to shareholders' approval.
Exercise price	Exercise price of options is determined based on premium to share price at which the company's shares are traded on the Australian Securities Exchange on date of the grant. Exercise price of service rights and performance rights are generally nil.
Forfeiture and termination	Options and service rights will lapse if performance conditions are not met. Options and performance rights will be forfeited on cessation of employment unless the Board determines otherwise in its sole and absolute discretion, e.g. in the case of retirement due to injury, disability, death or redundancy.

REMUNERATION REPORT (audited) (continued)**(c) Elements of remuneration (continued)***Company performance*

The table below shows the performance of the Company for the past five financial years.

	FY2024	FY2023	FY2022	FY2021	FY2020
Total Income (US\$)	14,687,885	13,285,268	15,605,658	12,578,381	11,026,691
Net Income / (Loss) (US\$)	(2,640,430)	(102,947)	839,506	894,956	(8,132,605)
Return of Capital (US\$)	-	-	-	6,066,311	2,981,926
Closing Share Price (A\$)	0.027	0.026	0.046	0.041	0.035
Number of Shares	229,367,901	218,567,901	218,567,901	218,567,901	218,296,162
Market Capitalisation (A\$)	6,192,933	5,682,765	10,054,123	8,961,284	7,640,366

(d) Remuneration expenses for KMP

Remuneration packages may contain the following key elements:

- Short-term benefits, including salary and fees, bonus and other benefits;
- Post-employment benefits, including superannuation; and
- Share-based payments, including options and rights granted as remuneration.

REMUNERATION REPORT (audited) (continued)

(d) Remuneration expenses for KMP (continued)

The following table discloses the remuneration of the key management personnel during the financial year:

FY2024

	Short-Term Benefits		Post-Employment Superannuation (US\$)	Share-based Payments ¹		Other Services ² (US\$)	Termination Payments (US\$)	Total (US\$)	Performance based (%)
	Salary and Fees (US\$)	Bonus (US\$)		Performance-based (US\$)	Service-based (US\$)				
Directors									
Mr N Bolton ³	94,520	-	6,944	-	-	-	-	101,464	-
Mr J Patton ³	59,327	-	6,526	-	-	16,598	-	82,451	-
Mr A Ranger	18,258	-	2,008	-	-	-	-	20,266	-
Mr S Hobbs ³	30,731	-	3,380	-	-	-	-	34,111	-
Mr S Taylor	-	-	-	-	71,797	-	-	71,797	-
Mr M Schuessler	18,612	-	-	-	-	-	107,533	126,145	-
Senior Executives									
Mr L Valle ⁴	215,500	-	-	-	-	-	-	215,500	-
Mr J Milani	67,201	-	7,392	-	-	-	-	74,593	-
Mr W Brekke	57,028	-	-	-	-	-	-	57,028	-
Ms C Thayer	214,895	-	-	-	-	-	37,100	251,995	-
Total	776,072	-	26,250	-	71,797	16,598	144,633	1,035,350	-

¹ Calculated in accordance with AASB 2 Share-based Payments. Refer to Note 17.

² This refers to remuneration for additional services performed by KMP.

³ The remuneration for N Bolton, J Patton and S Hobbs were revised on 17 May 2024 following additional responsibilities they have assumed. Refer to section (e) below for the details of their new remuneration package.

⁴ Mr L Valle's remuneration reflected his salary when he became KMP starting from 1 September 2023.

REMUNERATION REPORT (audited) (continued)

(d) Remuneration expenses for KMP (continued)

FY2023

	Short-Term Benefits		Post-Employment Superannuation (US\$)	Share-based Payments ¹		Other Services (US\$)	Termination Payments (US\$)	Total (US\$)	Performance based (%)
	Salary and Fees (US\$)	Bonus (US\$)		Performance-based (US\$)	Service-based (US\$)				
Directors									
Mr S Taylor	-	-	-	-	134,955	-	-	134,955	-
Mr M Schuessler	322,600	-	-	-	-	-	-	322,600	-
Mr N Bolton	30,297	-	3,181	-	-	-	-	33,478	-
Mr J Patton	30,297	-	3,181	-	-	-	-	33,478	-
Mr S Hobbs	30,297	-	3,181	-	-	-	-	33,478	-
Senior Executives									
Mr W Brekke	207,600	-	-	-	-	-	-	207,600	-
Ms C Thayer	222,600	-	-	-	-	-	-	222,600	-
Total	843,691	-	9,543	-	134,955	-	-	988,189	-

¹ Calculated in accordance with AASB 2 Share-based Payments. Refer to Note 17.

REMUNERATION REPORT (audited) (continued)**(d) Remuneration expenses for KMP (continued)***Share-based compensation to key management personnel*

The Yowie Employee Incentive Plan (EIP) which had an approval period of three years, expired on 23 November 2018. In the event that the Company wishes to issue equity securities under an EIP, a new EIP will need to be approved by shareholders.

No options or rights granted to key management personnel as remuneration during the year.

No options vested, exercised or lapsed during the year.

10,800,000 shares were issued to Sean Taylor as a result of the vesting of service rights during the year ended 30 June 2024.

(e) Contractual arrangements for KMP

Remuneration and other terms of employment for Executives are formalised in a service agreement. The KMP are remunerated on a total fixed remuneration (TFR) basis inclusive of superannuation and allowances.

Position	Executive	Total Annual Fixed Remuneration	Contract Duration	Termination Clause
Managing Director and Chief Executive Officer	Nick Bolton	US\$566,150 + maximum superannuation contribution in a financial year	3 years	3 months' notice
Executive Chairman	John Patton	US\$270,833 + maximum superannuation contribution in a financial year	3 years	3 months' notice
Executive Director	Andrew Ranger	A\$200,000	Ongoing	1 months notice
Non-Executive Director	Scott Hobbs	A\$60,000 + superannuation	Ongoing	Duration of the contract is ongoing
US Country Manager	Leo Valle	US\$258,600	Ongoing	14 days' notice
AUS Country Manager	Jarrold Milani	A\$140,000 + superannuation	Ongoing	4 weeks' notice

REMUNERATION REPORT (audited) (continued)**(f) Equity Instrument Disclosures relating to Key Management Personnel***(i) Option Holdings*

No options over ordinary shares in the Company were held during the financial year by any of the KMP and their personally related parties.

(ii) Rights Holdings

The number of performance rights and service rights in the Company held during the financial year by each KMP, including their personally related parties, is set out in the following table.

Name	Balance at Start of Year (No)	Granted as Remuneration (No)	Exercised (No)	Lapsed/ Forfeited (No)	Balance at End of Year (No)
Directors					
Mr N Bolton	-	-	-	-	-
Mr J Patton	-	-	-	-	-
Mr A Ranger	-	-	-	-	-
Mr S Hobbs	-	-	-	-	-
Mr S Taylor	10,800,000	-	(10,800,000)	-	-
Mr M Schuessler	-	-	-	-	-
Senior Executives					
Mr L Valle	-	-	-	-	-
Mr J Milani	-	-	-	-	-
Mr W Brekke	-	-	-	-	-
Ms C Thayer	-	-	-	-	-
Total	10,800,000	-	(10,800,000)	-	-

REMUNERATION REPORT (audited) (continued)**(f) Equity Instrument Disclosures relating to Key Management Personnel (continued)***(iii) Share Holdings (Ordinary Shares)*

The number of shares in the Company held during the financial year by each KMP, including their personally related parties, is set out in the following table. No shares were granted during the reporting year as compensation.

Name	Balance at Start of Year (No)	Acquisition (No)	Disposal (No)	Exercise of Options/ Rights (No)	Other Changes ¹ (No)	Balance at End of Year (No)
Directors						
Mr N Bolton ²	-	-	-	-	-	-
Mr J Patton ³	26,526,643	-	-	-	-	26,526,643
Mr A Ranger	-	-	-	-	-	-
Mr S Hobbs	-	-	-	-	-	-
Mr S Taylor	1,375,212	499,013	-	10,800,000	(12,674,225)	-
Mr M Schuessler	1,208,248	-	-	-	(1,208,248)	-
Senior Executives						
Mr L Valle ⁴	-	142,511	(142,511)	-	-	-
Mr J Milani	-	130,000	-	-	-	130,000
Mr W Brekke	-	-	-	-	-	-
Ms C Thayer	-	-	-	-	-	-
Total	29,110,103	771,524	(142,511)	10,800,000	(13,882,473)	26,656,643

¹ This movement refers to the shareholding of KMP at the commencement or resignation during the year. Disclosure of a KMP's equity holding is not required subsequent to his resignation.

² Mr N Bolton disclosed in Appendix 3Y dated 12 May 2022 that he ceases to hold relevant interest in YOW securities held by Keybridge Capital Limited pursuant to section 608(1) of the Corporations Act.

³ Mr Patton indirectly held 26,526,643 shares through Aurora Funds Management Limited in its capacity as responsible entity for HHY Fund.

⁴ Mr L Valle's shareholding pertains to his holdings prior to being designated as a KMP in the current financial year.

Loans to and other transactions with key management personnel

There was a loan receivable from Keybridge Capital Limited, the related party of N Bolton and J Patton, of US\$1,100,715 (A\$1,650,000) as of 30 June 2024 (2023: Nil). Refer to Note 11 of the financial statements for details.

There was a loan receivable from the liquidator of PR Finance Group Limited ("PRFG") of US\$1 million (A\$1.5 million) as of 30 June 2024 with interest rate of 12% p.a. to be utilised as cash security for its recovery actions (2023: Nil). Keybridge Capital Limited ("KBC"), the related party of N Bolton and J Patton has agreed to indemnify the Group against any loss for the provision of this loan to PRFG. Refer to Note 11 of the financial statements for details.

REMUNERATION REPORT (audited) (continued)

There was a reimbursement of US\$11,567 paid to Keybridge Capital Limited relating to past legal costs incurred by Keybridge in relation to the appointment of N Bolton and J Patton to Yowie's Board in 2020 and 2021.

END OF AUDITED REMUNERATION REPORT

INDEMNITY AND INSURANCE OF DIRECTORS AND OFFICERS

During the financial year, the Company maintained an insurance policy which indemnifies the Directors and Officers of Yowie Group Limited in respect of any liability incurred in connection with the performance of their duties as Directors or Officers of the Company to the extent permitted by the Corporations Act 2001. The Company's insurers have prohibited disclosure of the amount of the premium payable and the level of indemnification under the insurance contract.

INDEMNITY AND INSURANCE OF AUDITOR

The Company has not, during or since the end of the financial year, indemnified or agreed to indemnify the auditor of the Company or any related entity against a liability incurred by the auditor.

NON-AUDIT SERVICES

Details of amounts paid or payable to the auditor for non-audit services provided during the year are outlined in Note 21 to the financial statements. The Directors are satisfied that the provision of non-audit services is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001.

The Directors are of the opinion that the services do not compromise the auditor's independence as all non-audit services have been reviewed to ensure that they do not impact the integrity and objectivity of the auditor and none of the services undermine the general principles relating to auditor independence as set out in APES 110 Code of Ethics for Professional Accountants issued by the Accounting Professional & Ethical Standards Board.

AUDITOR'S INDEPENDENCE DECLARATION

The auditor's independence declaration is included on page 26 of the financial report.

Signed in accordance with a resolution of the Directors.


John Patton
Executive Chairman
12 December 2024



RSM Australia Partners

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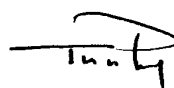
AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the audit of the financial report of Yowie Group Limited for the year ended 30 June 2024, 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 audit; and
- (ii) Any applicable code of professional conduct in relation to the audit.

RSM

RSM AUSTRALIA

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

TUTU PHONG
Partner

Perth, WA
Dated: 12 December 2024

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CONSOLIDATED STATEMENT OF PROFIT OR LOSS
AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2024



	Note	Consolidated	
		2024	2023
		US\$	US\$
Sale of goods		14,687,885	13,285,268
Cost of sales		(8,472,625)	(6,867,906)
Gross profit		6,215,260	6,417,362
Other income	4	207,878	153,869
Selling and distribution		(5,380,186)	(4,090,618)
Marketing		(877,102)	(965,402)
Administration	5	(2,594,313)	(2,523,163)
Finance costs		(17,838)	-
Foreign exchange losses		(17,639)	(76,539)
Write-down of inventory	10	(301,358)	(66,383)
Reversal of plant and equipment impaired in prior years	12	130,474	1,052,115
Loss before income tax		(2,634,824)	(98,759)
Income tax expense	6	(5,606)	(4,188)
Loss after income tax for the year		(2,640,430)	(102,947)
Other comprehensive income for the year			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Movement in foreign currency translation reserve		19,041	11,021
Total comprehensive loss for the year			
net of tax attributable to members of the Company		(2,621,389)	(91,926)
Profit per share attributable to members of the Company			
Basic loss per share (cents)	7	(1.20)	(0.05)
Diluted loss per share (cents)	7	(1.20)	(0.05)

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

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2024



	Note	Consolidated 2024 US\$	2023 US\$
Current Assets			
Cash and cash equivalents	18(a)	1,577,918	7,401,682
Trade and other receivables	8	2,201,931	1,237,618
Prepayments	9	1,126,372	798,659
Inventories	10	3,708,782	3,531,557
Total Current Assets		8,615,003	12,969,516
Non-Current Assets			
Loan receivables	11	2,131,588	-
Plant and equipment	12	402,872	192,953
Intangible assets	13	235,203	123,378
Right-of-use assets	14	208,966	-
Other non-current assets		91,679	-
Total Non-Current Assets		3,070,308	316,331
Total Assets		11,685,311	13,285,847
Current Liabilities			
Trade and other payables	15	4,552,114	3,859,307
Provisions		62,698	57,117
Lease liabilities		211,183	-
Unearned income		352	-
Total Current Liabilities		4,826,347	3,916,424
Non-Current Liabilities			
Lease liabilities		39,133	-
Total Non-Current Liabilities		39,133	-
Total Liabilities		4,865,480	3,916,424
Net Assets		6,819,831	9,369,423
Equity			
Issued capital	16(a)	46,950,875	46,687,677
Reserves	16(d)	(324,065)	(90,060)
Accumulated losses		(39,806,979)	(37,228,194)
Total Equity		6,819,831	9,369,423

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2024

	Note	Issued capital	Share-based payment reserve	Consolidated Foreign currency translation reserve	Accumulated losses	Total
		US\$	US\$	US\$	US\$	US\$
Balance as at 1 July 2022		46,687,677	2,120,570	(2,356,606)	(37,125,247)	9,326,394
Loss for the year		-	-	-	(102,947)	(102,947)
Other comprehensive income						
Foreign currency translation		-	-	11,021	-	11,021
Total comprehensive income for the year		-	-	11,021	(102,947)	(91,926)
Transactions with owners recorded directly in equity						
Share-based payments	17(d)	-	134,955	-	-	134,955
Balance as at 30 June 2023		46,687,677	2,255,525	(2,345,585)	(37,228,194)	9,369,423
Balance as at 1 July 2023		46,687,677	2,255,525	(2,345,585)	(37,228,194)	9,369,423
Loss for the year		-	-	-	(2,640,430)	(2,640,430)
Other comprehensive income						
Foreign currency translation		-	-	19,041	-	19,041
Total comprehensive income for the year		-	-	19,041	(2,640,430)	(2,621,389)
Transactions with owners recorded directly in equity						
Conversion of service rights	16(b)	263,198	(263,198)	-	-	-
Share-based payments	17(d)	-	71,797	-	-	71,797
Expired service rights		-	(61,645)	-	61,645	-
Balance as at 30 June 2024		46,950,875	2,002,479	(2,326,544)	(39,806,979)	6,819,831

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

CONSOLIDATED STATEMENT OF CASH FLOW
FOR THE YEAR ENDED 30 JUNE 2024



	Note	Consolidated 2024 US\$	2023 US\$
Cash flow from operating activities			
Receipts from customers		13,032,485	12,865,986
Other receipts		11,173	6
Payments to suppliers and employees		(16,012,370)	(14,343,326)
Interest received		116,106	153,863
Interest paid		(12,270)	-
Income taxes paid		(5,606)	(4,188)
Net cash flows used in operating activities	18(b)	(2,870,482)	(1,327,659)
Cash flow from investing activities			
Loan to other entity		(2,101,837)	-
Payments for plant and equipment		(368,516)	(28,990)
Payments for intangible assets		(282,098)	(73,091)
Payments for security deposit		(91,679)	-
Refund of deposit for plant and equipment		-	719,794
Net cash outflows used in investing activities		(2,844,130)	617,713
Cash flow from financing activities			
Payment of finance lease liabilities		(111,819)	-
Net cash outflows used in financing activities		(111,819)	-
Net decrease in cash and cash equivalents		(5,826,431)	(709,946)
Cash and cash equivalents at beginning of the year		7,401,682	8,177,210
Effect of foreign exchange movements		2,667	(65,582)
Cash and cash equivalents at end of the year	18(a)	1,577,918	7,401,682

*This consolidated statement of cash flows should be read in conjunction
with the accompanying notes to the financial statements.*

1. CORPORATE INFORMATION

Yowie Group Limited ("the Company") is a public company limited by shares incorporated and domiciled in Australia, whose shares are publicly traded on the Australian Securities Exchange.

These financial statements are presented in United States Dollars. The financial report was authorised for issue by the Directors on 12 December 2024 in accordance with a resolution of the Directors.

The nature of the operations and principal activities of the Company are described in the Directors' Report on page 6.

2. BASIS OF PREPARATION

The financial statements are a general-purpose financial report which has been prepared in accordance with the requirements of the Corporations Act 2001 and Australian Accounting Standards and Accounting Interpretations. The financial statements have been prepared on a historical cost basis. Yowie Group Limited is a for-profit entity for the purpose of preparing these financial statements.

The financial statements of the Group also comply with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

Going Concern

The financial statements have been prepared on the going concern basis that contemplates the continuity of normal business activities and the realisation of assets and extinguishment of liabilities in the ordinary course of business.

As disclosed in the financial statements, the Group incurred a net loss after tax of \$2,640,430 and had net cash outflows from operating and investing activities of \$2,870,482 and \$2,844,130 respectively, for the year ended 30 June 2024.

The Directors believe that there are reasonable grounds to believe that the Group will be able to continue as a going concern and that it is appropriate to adopt the going concern basis in the preparation of the financial report, after consideration of the following factors:

- a. The Group has entered into a reciprocal loan agreement with Keybridge Capital Limited ("KBC"), where Yowie may borrow a maximum principal up to AUD 5,000,000 from KBC, at an interest rate of 10% p.a., for working capital purposes, or to earn a greater return on cash assets from time to time, where funds are deposited with KBC at the 10% p.a. rate and limit. The loan is unsecured and payable at call with no set maturity date. At 30 June 2024, Yowie has US\$1.1 million on deposit with KBC earning 10% p.a.;
- b. The Group has received a letter of financial support from its largest shareholder, Keybridge Capital Limited to provide the necessary financial support for the Group to continue as a going concern;

2. BASIS OF PREPARATION (continued)

- c. The Group may also consider raising additional capital if required; and
- d. As previously announced, following the closure of the takeover bid for the Company, the new management team has conducted a review of the business operations and has removed approximately US\$2.5 million of annualised costs from the business. There are expected to be further cost savings achieved by eliminating negative margin seasonal products from the offering suite.

3. 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.

Geographic segment

	2024 US\$	2023 US\$
Net sales		
United States	11,415,618	11,695,658
Australia	3,272,267	1,589,610
	14,687,885	13,285,268
Non-current assets		
United States	369,456	316,331
Australia	569,264	-
	938,720	316,331

3. SEGMENT REPORTING (continued)

Major customer information

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

	Consolidated	
	2024	2023
	US\$	US\$
Major customer 1	3,741,415	3,929,769
% of Total Net Sales	25%	30%
Major customer 2	3,220,540	-
% of Total Net Sales	22%	-

4. OTHER INCOME

	Consolidated	
	2024	2023
	US\$	US\$
Interest income	145,857	153,863
Other income	62,021	6
	207,878	153,869

5. ADMINISTRATION

	Consolidated	
	2024	2023
	US\$	US\$
<i>Administration expenses include:</i>		
Employee benefits	1,016,489	1,111,326
Business development and travel	48,005	42,291
Legal, tax, listing, compliance and insurance	767,746	743,777
Share-based payments	71,797	134,955
Depreciation and amortisation	318,639	96,088
Rent and outgoings	163,485	49,401
Lawsuit settlement	10,000	190,000
Other administrative expenses	198,152	155,325
	2,594,313	2,523,163

6. TAXATION

(a) The major components of income tax expense are:

	Consolidated	
	2024 US\$	2023 US\$
Current income tax expense	5,606	4,188
Adjustments for current tax of prior periods	-	-
Total current tax expense	5,606	4,188
Deferred income tax		
Decrease in deferred tax assets	-	-
	-	-
Income tax expense reported in the statement of profit and loss and other comprehensive income	5,606	4,188

(b) The prima facie tax on operating loss differs from the income tax provided in the accounts as follows:

	Consolidated	
	2024 US\$	2023 US\$
(Loss)/profit from ordinary activities before tax	(2,634,824)	(98,759)
Prima facie tax (benefit)/expense on (loss)/profit at 25%	658,706	24,690
Effect of different tax rates on overseas losses	259,180	(201,930)
DTA on overseas tax losses no longer available	-	(162,394)
Income tax benefit not recognised	(923,492)	335,446
Income tax expense	(5,606)	(4,188)

6. TAXATION (continued)

(c) Deferred income tax at 30 June relates to the following:

	Consolidated	
	2024	2023
	US\$	US\$
Deferred tax assets		
Share issue and acquisition costs	12,755	5,532
Inventory	6,398	(18,984)
Intercompany loans – unrealised foreign exchange losses	969,294	994,181
Provisions and accruals	508,116	543,582
Right-of-use assets	62,579	-
Other	1,171	-
Revenue tax losses	8,973,261	8,012,902
Deferred tax assets used to offset deferred tax liabilities	(949,149)	(875,588)
Deferred tax assets not brought to account ¹	(9,584,425)	(8,661,625)
	-	-
Deferred tax liabilities		
Plant and equipment	52,241	39,772
Other assets	63,161	38,987
Intercompany loans – unrealised foreign exchange gains	833,747	796,829
Deferred tax assets used to offset deferred tax liabilities	(949,149)	(875,588)
	-	-

¹ Deferred tax assets have not been brought to account to the extent that it is not probable within the immediate future that taxable profits will be available against which deductible temporary differences can be utilised. This also applies to deferred tax assets for unused tax losses carried forward.

The Group's unrecognised tax losses in Australia of US\$3,108,870 (tax effect of US\$12,435,478) and Hong Kong of US\$3,410,432 (tax effect of US\$20,669,283) are available for offset against future profits subject to continuing to meet the relevant statutory tests. The Parent Company and its Australian subsidiary have formed a tax consolidated group. Unrecognised tax losses in the US of US\$2,453,960 (tax effect of US\$10,473,897) can be used for up to 20 years.

7. PROFIT OR LOSS PER SHARE

Classification of securities as ordinary shares

The Company has only one category of ordinary shares included in basic earnings per share.

Classification of securities as potential ordinary shares

There are currently no securities to be classified as dilutive potential ordinary shares on issue.

	Consolidated	
	2024 Number	2023 Number
Weighted average number of ordinary shares used in the calculation of basic and diluted earnings per share	220,810,524	218,567,901
	US\$	US\$
Basic and diluted loss attributable to ordinary equity holders of the parent	(2,640,430)	(102,947)
Basic and diluted loss per share (cents)	(1.20)	(0.05)

8. TRADE AND OTHER RECEIVABLES

	Consolidated	
	2024 US\$	2023 US\$
Current		
Trade debtors	2,165,540	1,232,267
GST receivable	36,391	5,351
	2,201,931	1,237,618

Trade debtors generally have 30-day terms. GST receivables have repayment terms applicable under the relevant government authority. No amounts are past due or impaired. The maximum exposure to credit risk at the reporting date is the carrying amount of each class of receivables mentioned above. The Group's exposure to risks is summarised in Note 24.

9. PREPAYMENTS

	Consolidated	
	2024 US\$	2023 US\$
Current		
Prepayments – raw materials	784,649	598,429
Prepayments – other	341,723	200,230
	1,126,372	798,659

10. INVENTORIES

	Consolidated	
	2024 US\$	2023 US\$
Current		
Raw materials	1,744,228	1,823,380
Work in progress	72,039	81,260
Finished goods	2,143,868	1,943,322
Allowance for disposal	(251,353)	(316,405)
	3,708,782	3,531,557

- (i) Inventories are valued at the lower of cost or net realisable value.
- (ii) Inventories recognised as an expense to cost of sales during the year ended 30 June 2024 amounted to US\$8,472,625 (2023: US\$6,867,906).
- (iii) Net write-downs (reversal of write-downs) of inventories to net realisable value during the year ended 30 June 2024 amounted to US\$301,358 (2023: US\$66,383).

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

Balance at the beginning of the year	(316,405)	(257,029)
Disposal	114,573	-
Reversal	-	55,197
Additional allowance	(49,521)	(114,573)
Balance at the end of the year	(251,353)	(316,405)

11. LOAN RECEIVABLES

	Consolidated	
	2024 US\$	2023 US\$
Non-Current		
Loan to Keybridge Capital Limited ¹	1,100,715	-
Loan to other entity ²	1,001,122	-
Interest accrued on loans	29,751	-
	2,131,588	-

¹ The Group entered into a reciprocal loan agreement with Keybridge Capital Limited ("KBC") where Yowie may borrow a maximum principal of up to AUD 5,000,000 from KBC, with an interest rate of 10% p.a., for working capital purposes, or to earn a greater return on cash assets from time to time. The loan is unsecured and payable at call with no set maturity date. As at 30 June 2024, the Group has US\$1.1 million (A\$1.65 million) on deposit with KBC.

² The Group provided a loan to the liquidator of PR Finance Group Limited ("PRFG") of US\$1 million (A\$1.5 million) with interest rate of 12% p.a. to be utilised as cash security for its recovery actions. Keybridge Capital Limited ("KBC") has agreed to indemnify the Group against any loss for the provision of this loan to PRFG. The initial term of the loan is for a period of up to 4 months, subject to further agreement between the parties.

12. PLANT AND EQUIPMENT

	Consolidated	
	2024 US\$	2023 US\$
Manufacturing plant and equipment		
Cost	4,394,244	4,080,756
Accumulated depreciation	(1,845,345)	(1,555,827)
Accumulated impairment losses	(2,154,455)	(2,334,929)
	394,444	190,000
Manufacturing plant and equipment under construction		
Cost	-	-
Accumulated impairment losses	-	-
	-	-
Office equipment		
Cost	9,985	18,447
Accumulated depreciation	(1,557)	(15,494)
	8,428	2,953
Total plant and equipment	402,872	192,953

12. PLANT AND EQUIPMENT (continued)

Movements in the carrying amount of each class are set out below.

	Consolidated	
	2024 US\$	2023 US\$
Manufacturing plant and equipment		
Balance at the beginning of the year	190,000	217,387
Additions ¹	313,488	27,512
Disposal	-	(22,405)
Depreciation	(289,135)	(387,220)
Net reversal of impairment	180,474	354,726
Foreign exchange adjustment	(383)	-
Carrying amount at the end of the year	394,444	190,000
Manufacturing plant and equipment under construction		
Balance at the beginning of the year	-	-
Deposit refund	-	(719,794)
Additions	50,000	-
Disposal	-	-
(Impairment) / reversal of impairment	(50,000)	719,794
Carrying amount at the end of the year	-	-
Office equipment		
Balance at the beginning of the year	2,953	3,717
Additions	11,519	1,478
Depreciation	(3,976)	(2,242)
Disposals	(2,046)	-
Foreign exchange adjustment	(22)	-
Carrying amount at the end of the year	8,428	2,953
Total impairment and amounts written off		
Reversal of impairment ²	130,474	1,052,115
Amounts written off	50,000	-
	180,474	1,052,115

¹ US\$0.24 million of the additions during the year ended 30 June 2024 relates to acquisition of assets of Ernest Hillier chocolate business.

² Reversal of impairment during the year ended 30 June 2024 of \$0.13 million (2023: \$0.33 million) relates to the reversal of impairment on manufacturing equipment which was recorded in FY2020 following the identification of impairment indicators during that period. The Group was able to utilise the asset, resulting in the recognition of depreciation and reversal of a portion of the impairment.

The remaining \$0.72 million of reversal of impairment during the year ended 30 June 2023 related to the refund for deposit on manufacturing equipment which was previously impaired in FY2020.

13. INTANGIBLE ASSETS

	Consolidated	
	2024 US\$	2023 US\$
Rights and licenses ¹		
Cost	225,398	225,398
Accumulated impairment losses	(225,398)	(225,398)
	-	-
Software		
Cost	193,675	370,424
Accumulated amortisation	(125,561)	(302,310)
Accumulated impairment losses	(68,114)	(68,114)
	-	-
Product development ²		
Cost	1,484,830	1,205,023
Accumulated amortisation	(1,249,627)	(1,081,645)
	235,203	123,378
Total intangible assets	235,203	123,378

¹ Rights and licenses relate to the Yowie trademark which management has assessed as having an indefinite useful life.

² Product development relates to capitalised costs associated with the development of Yowie collectables.

Movements in the carrying amount of each class are set out below.

	Consolidated	
	2024 US\$	2023 US\$
Product development		
Balance at the beginning of the year	123,378	141,841
Additions	279,807	75,383
Amortisation	(167,982)	(93,846)
Carrying amount at the end of the year	235,203	123,378

14. RIGHT-OF-USE ASSETS

	Consolidated	
	2024 US\$	2023 US\$
Non-Current		
Buildings – right-of-use	356,567	-
Accumulated amortisation	(147,601)	-
	208,966	-

The Group leases buildings for its Ernest Hillier manufacturing facility in Australia until April 2026, with options to extend. The corresponding finance lease liabilities are recognised as liability on the consolidated statement of financial position.

Movements in the carrying amount of right-in-use assets are set out below.

	Consolidated	
	2024	2023
	US\$	US\$
Right-of-use assets		
Balance at the beginning of the year	-	-
Additions	350,473	-
Amortisation	(145,078)	-
Foreign exchange adjustment	3,571	-
Carrying amount at the end of the year	208,966	-

15. TRADE AND OTHER PAYABLES

	Consolidated	
	2024	2023
	US\$	US\$
Current		
Trade payables and accruals	2,680,376	1,369,096
Rebate allowances ¹	1,882,079	2,491,092
Other	(10,341)	(881)
	4,552,114	3,859,307

¹ Rebate allowances include estimated accrual for promotional discounts, prompt payment discounts and spoilage of goods. Refer to Note 25(y) for key accounting estimate on rebate allowances.

Trade creditor amounts represent liabilities for goods and services provided to the Group prior to the end of the financial year and which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition. The Group's exposure to risks is summarised in Note 24.

16. ISSUED CAPITAL AND RESERVES

(a) Issued capital

	Consolidated	
	2024	2023
	US\$	US\$
Ordinary shares, fully paid	46,950,875	46,687,677

(b) Movements in share capital

	US\$	Number
As at 1 July 2022	46,687,677	218,567,901
Conversion of rights	-	-
Share issue costs	-	-
As at 30 June 2023	46,687,677	218,567,901
Conversion of rights	263,198	10,800,000
Share issue costs	-	-
As at 30 June 2024	46,950,875	229,367,901

(c) Terms and conditions of issued capital

Holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at shareholders' meetings.

In the event of winding up of the Company, ordinary shareholders rank after all other shareholders and creditors and are fully entitled to any proceeds of liquidation.

16. ISSUED CAPITAL AND RESERVES (continued)

(d) Nature and purpose of reserves

Share-based payment reserve

The share-based premium reserve is used to recognise the value of options, service rights and performance rights issued as share-based payments.

Foreign currency translation reserve

The foreign currency translation reserve is used to record exchange differences arising from the translation balances of entities which have functional currency other than USD.

	Consolidated	
	2024 US\$	2023 US\$
Share-based payment reserve	2,002,479	2,255,525
Foreign currency translation reserve	(2,326,544)	(2,345,585)
	<u>(324,065)</u>	<u>(90,060)</u>

(e) Capital management

When managing capital, management's objective is to ensure the Group continues as a going concern as well as to generate optimal returns to shareholders and benefits for other stakeholders. Management also aims to maintain a capital structure that ensures the lowest cost of capital available to the entity. The Company under the direction of management may issue new shares to provide for future development activity. The Group currently has no debt other than trade payables.

17. SHARE-BASED PAYMENTS

(a) Weighted average exercise prices

There were neither movement in outstanding share-based payment options during the year nor were there any outstanding share-based payment options at balance date.

(b) Remaining contractual life

There were no share-based payment options outstanding as at 30 June 2024 (2023: nil).

The weighted average remaining contractual life for the share-based payment rights outstanding as at 30 June 2024 was nil (2023: 3.44 years).

17. SHARE-BASED PAYMENTS (continued)

(c) Outstanding share options and rights under share-based payments

There were no share-based payment options outstanding as at 30 June 2024 (2023: nil).

Service rights outstanding at the end of the year have the following expiry date:

Type	Grant Date	Vesting Date	Expiry Date	Rights 30 June 2024	Rights 30 June 2023
Service rights	8 Dec 2021	8 Dec 2022	8 Dec 2026	-	3,600,000
Service rights	8 Dec 2021	8 Dec 2023	8 Dec 2026	-	3,600,000
Service rights	8 Dec 2021	8 Dec 2024	8 Dec 2026	-	3,600,000

(d) Expenses arising from share-based payment transactions

The share-based payments expense for the year is US\$71,797 (2023: \$134,955). The Group recognises the share-based payments expense over the vesting period for any options and rights granted.

	Consolidated	
	2024 US\$	2023 US\$
Rights issued to KMPs	71,797	134,955

Options and rights issued to KMPs, other employees and consultants were issued as remuneration for future services. The Group fair valued the instruments granted.

(e) Fair values

No new rights or options were issued during the year ended 30 June 2024 (2023: nil).

18. CASH FLOW RECONCILIATION

(a) Cash and cash equivalents

For the purposes of the statement of cash flows, cash and cash equivalents include cash at bank and deposits at call.

Cash and cash equivalents at the end of the year as shown in the statement of cash flow are reconciled to the related item in the statement of financial position as follows:

	Consolidated	
	2024 US\$	2023 US\$
Cash at bank	1,577,918	1,335,030
Short-term deposits	-	6,066,652
	1,577,918	7,401,682

(b) Reconciliation of operating profit after income tax to net cash used in operating activities

	Consolidated	
	2024 US\$	2023 US\$
Operating (loss)/profit after income tax	(2,640,430)	(102,947)
Adjusted for:		
Depreciation and amortisation as per profit or loss	318,639	96,088
Depreciation and amortisation in cost of sales and closing inventories	289,135	387,220
Share-based payments	71,797	134,955
Foreign exchange loss	5,726	76,539
Write-down of inventory	301,358	66,383
Loss on disposal of asset	2,041	22,404
Reversal of impairment of non-current asset	(130,474)	(1,074,519)
Changes in operating assets and liabilities:		
Trade and other receivables	(964,313)	278,057
Prepayments	(327,713)	(97,058)
Inventories	(478,583)	(973,274)
Trade and other payables	688,672	(67,770)
Finance lease liabilities	(12,270)	-
Provisions	5,581	19,535
Unearned revenue	352	(93,272)
Net cash used in operating activities	(2,870,482)	(1,327,659)

(c) Non-cash investing and financing activities

Additions to the right-of-use assets	356,567	-
Shares issued to employee	263,198	-
	619,765	-

19. RELATED PARTY DISCLOSURES

(a) Compensation of key management personnel

	Consolidated	
	2024	2023
	US\$	US\$
Short-term benefits	776,072	843,691
Post-employment benefits	26,250	9,543
Share-based payments expensed	71,797	134,955
Other services	16,598	-
Termination payments	144,633	-
	1,035,350	988,189

(b) Other transactions with key management personnel and its related parties

There was a loan receivable from Keybridge Capital Limited, the related party of N Bolton and J Patton, of US\$1,100,715 (A\$1,650,000) as of 30 June 2024 (2023: Nil). Refer to Note 11 of the financial statements for details.

There was a loan receivable from the liquidator of PR Finance Group Limited ("PRFG") of US\$1 million (A\$1.5 million) as of 30 June 2024 with interest rate of 12% p.a. to be utilised as cash security for its recovery actions (2023: Nil). Keybridge Capital Limited ("KBC"), the related party of N Bolton and J Patton has agreed to indemnify the Group against any loss for the provision of this loan to PRFG. Refer to Note 11 of the financial statements for details.

There was a reimbursement of US\$11,567 paid to Keybridge Capital Limited relating to past legal costs incurred by Keybridge in relation to the appointment of N Bolton and J Patton to Yowie's Board in 2020 and 2021.

20. COMMITMENTS AND CONTINGENCIES

(a) Commitments

The Group entered into merchandising agreements with BBC Studios, AFL, NRL and NBA.

Future minimum guaranteed royalty fees are as follows:

	Consolidated	
	2024	2023
	US\$	US\$
Within one year	100,000	114,208
After one year but not more than five years	1,072,428	488,040
More than five years	-	-
	1,172,428	602,248

20. COMMITMENTS AND CONTINGENCIES (continued)

(b) Contingencies

Yowie North America Inc. ("YNA"), a wholly owned subsidiary of the Group, has previously brought claims against Whetstone Chocolate Factory ("WCF") and Atlantic Candy Company ("ACC") for the release and return of the RASCH "Type FI" wrapping machine ("Wrapper") owned by the Group and located at ACC's facility, as well as for monetary damages. YNA negotiated a settlement agreement with ACC for the release and return of the wrapper and the wrapper has been returned.

In this same case (which has, since the last report, been consolidated with the other pending Florida state court action), ACC, Whetstone Industries ("WI"), and Henry M. Whetstone, Jr. ("Whetstone") have filed counterclaims against YNA alleging that YNA breached the Manufacturing Agreement, the Patent Agreement, violated the Florida Uniform Trade Secrets Act ("FUTSA"), breached fiduciary duties owed to WI and ACC, and fraudulently induced ACC, WI, and Whetstone to enter into amendments to the Manufacturing and Patent Agreements.

For its claim of the breach of the Manufacturing Agreement, ACC and WI (as the purported successor-in-interest to the Manufacturing Agreement) allege that the Manufacturing Agreement was a requirements contract that required YNA to manufacture with ACC and WI until the agreement expired in 2027; however, YNA believes this is inconsistent with the plain language in the Manufacturing Agreement which only requires YNA to manufacture with ACC and WI when YNA is using Whetstone's patents to produce its chocolate and toy combination products.

For its claim for breach of the Patent Agreement, Whetstone alleges that YNA owes him royalty fees from that time until 2027 under the Patent Technology and License Agreement regardless of whether the Company uses Whetstone's patent. Because the Company is no longer using Mr. Whetstone's (now expired) patent in its manufacturing process (and hasn't for several years), it believes that there is no legal basis under YNA's contract with Mr. Whetstone to pay him any royalty. For its FUTSA claim, WI and ACC claim that YNA impermissibly appropriated the technology from its manufacturing line to start its line with Madelaine. YNA rejects this as false and notes that the manufacturing line used at Madelaine is much newer and modern than WI's and ACC's manufacturing lines. For its breach of fiduciary duty claim, WI and ACC claim that YNA owed fiduciary duties to them, but this is inconsistent with Florida law which does not apply fiduciary duties in situation like these. Finally, for its fraudulent inducement claim, there is no support for any claim that YNA (or any of its agents) acted to coerce WI and ACC to enter into any amendment agreements.

Both parties filed and argued cross-motions for summary judgment on issues related to the Patent Agreement in October 2017. On 13 September 2018, the Court entered an order denying both parties motions for summary judgment. On 8 July 2022, the parties agreed to dismiss WI's and Whetstone's FUTSA, fiduciary duty, and fraudulent inducement claims. YNA filed a second motion for summary judgment on the remaining claims on 14 June 2022. This motion was denied on 3 August 2022. A trial was set for August 2022 but was continued by the Court to 29 November 2022 and 1 December 2022.

20. COMMITMENTS AND CONTINGENCIES (continued)

(b) Contingencies (continued)

The trial proceeded on those dates and the Court ordered post-trial briefing which was completed in January 2023.

On 7 February 2023, the Court entered its Verdict Following Non-Jury Trial. The Verdict found in YNA's favour on all claims brought by Whetstone pursuant to the Patent Agreement and awarded Whetstone no damages. On WI's Manufacturing Agreement claims, the Court rejected all of WI's claims that YNA was required to manufacture with WI for the duration of the Manufacturing Agreement and pay fixed costs and lost profits to WI. The Court did find that YNA owed WI payment on two invoices that were left unpaid for the period in which YNA was still manufacturing with WI. These invoices total \$114,579.97 with prejudgment interest at 9% per annum. Pursuant to the Court's direction, a Final Judgment was executed by the parties 22 March 2023. WI and Whetstone subsequently filed a notice of appeal of this Final Judgment on 21 April 2023, and YNA filed a cross-appeal of the Final Judgment on 8 May 2023.

Each of the parties also filed their own motions for attorney's fees and costs after the Final Judgment was entered on 21 April 2023. This issue was fully briefed and came before the Court for a hearing on 6 July 2023. After the parties submitted proposed orders, the Court entered an order on 4 August 2023 which granted YNA's motion for attorney's fees and costs against Whetstone related to the Patent Agreement but denied YNA's motion for attorney's fees and costs against WI and granted WI's motion for attorney's fees and costs against YNA related to the Manufacturing Agreement. YNA believes that the Court failed to appropriately evaluate YNA's attorney's fee and cost request in light of YNA defeating WI's claims for millions of dollars in fixed costs and lost profits after YNA moved its manufacturing to Madelaine and Florida law. On 5 September 2023, Yowie filed its Notice of Appeal of the Court's order on attorney's fees and costs denying YNA's motion for attorney's fees and costs against WI related to the Manufacturing Agreement.

The Court has indicated it will defer ruling on the amount of attorney's fees and costs until the conclusion of the appeals. On appeal, the briefing for both appeals concluded in May 2024. An oral argument is set on the "main appeal" for 19 September 2024. No oral argument has been set yet on the attorney fee appeal. YNA expects the Court of Appeals to rule on both pending appeals in calendar year Q4 2024 or Q1 2025. For all the above causes of action, YNA has disclaimed liability and is defending the action. YNA considers no additional provision is warranted in relation to this counterclaim.

Management is not able to reliably estimate the ultimate settlement amounts at this time nor does management believe any material payments would be made as a result of these cases, and therefore no provision in relation to the claim has been recognised in the financial statements. The Company will incur ongoing legal costs due to these cases. However, due to inherent uncertainties, no accurate quantification of any cost, or timing of such cost, which may arise from the legal proceedings, no provision has been made for legal costs.

21. AUDITOR'S REMUNERATION

The auditor of the Group is RSM Australia (2023: RSM Australia).

	Consolidated	
	2024 US\$	2023 US\$
Amounts received or due and receivable:		
RSM Australia		
Audit and review of financial reports	59,976	59,286

22. PARENT ENTITY 39429372 INFORMATION

(a) Parent Entity Financial Information (Yowie Group Limited)

	2024 US\$	2023 US\$
Current assets	1,078,030	3,571,893
Non-current assets	3,209,350	500,824
Total assets	4,287,380	4,072,717
Current liabilities	985,708	149,610
Non-current liabilities	-	-
Total liabilities	985,708	149,610
Net assets	3,301,672	3,923,107
Issued capital	48,521,185	48,257,987
Reserves	(5,790,141)	(5,663,138)
Accumulated losses	(39,429,372)	(38,671,742)
Total equity	3,301,672	3,923,107
Loss of the parent entity	(819,277)	(427,186)
Total comprehensive loss of the parent entity	(693,234)	(1,546,714)

(b) Commitment and Contingencies of the Parent Entity

The parent entity had no contingent liabilities as at 30 June 2024 (30 June 2023: Nil).
Refer to Note 20 for a discussion of commitments of the parent entity and the contingencies of the Group.

22. PARENT ENTITY AND SUBSIDIARY INFORMATION (continued)

(c) Subsidiaries

Entity Name	Country of Incorporation	Percentage Interest	
		2024 %	2023 %
Yowie Enterprises Pty Ltd	Australia	100	100
EH Operations Pty Ltd	Australia	100	-
Yowie North America, Inc.	USA	100	100
Yowie Natural World, Inc.	USA	100	100
Yowie Hong Kong Holdings Limited	Hong Kong (China)	100	100

23. SUBSEQUENT EVENTS

In July and November 2024, the Group provided additional loans of A\$1,350,000 and A\$750,000 respectively to Keybridge Capital Limited under the reciprocal loan agreement signed during the year ended 30 June 2024. Refer to Note 11 for further details on the loan agreement.

Apart from the matters discussed above, no other matter or circumstance has arisen since 30 June 2024 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

24. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's principal financial instruments comprise cash and cash equivalents, receivables and payables.

The net fair values of the financial assets and liabilities at reporting date of the Group approximate the carrying amounts in the financial statements, except where specifically stated.

The Group manages its exposure to key financial risks, including interest rate, foreign currency risk, credit risk and liquidity risk in accordance with the Group's financial risk management policy. The objective of the policy is to support the delivery of the Group's financial targets whilst protecting future financial security.

The main risks arising from the Group's financial instruments are interest rate risk, foreign currency risk, credit risk and liquidity risk. The Group uses different methods to measure and manage different types of risks to which it is exposed. These include monitoring levels of exposure to interest rate and foreign exchange risk and assessments of market forecasts for interest rate and foreign exchange rates. Liquidity risk is monitored through the development of future rolling cash flow forecasts.

The Board reviews and agrees policies for managing each of these risks as summarised below.

Primary responsibility for identification and control of financial risks rests with the Board. The Board reviews and agrees policies for managing each of the risks identified below.

Risk exposures and responses

Interest rate risk

The Group's exposure to market interest rates relates primarily to the Group's cash and short-term deposits.

At reporting date, the Group had the following financial assets exposed to Australian variable interest rate risk that are not designated in cash flow hedges:

Consolidated	2024 US\$	2023 US\$
Cash at bank	-	6,252,272

24. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Risk exposures and responses (continued)

The following sensitivity analysis is based on the interest rate risk exposures in existence at the reporting date.

At reporting date, if interest rates had moved as illustrated in the table below, with all other variables held constant, post-tax profit and equity would have been affected as follows:

	Post tax profit Higher / (lower)		Equity Higher / (lower)	
	2024 US\$	2023 US\$	2024 US\$	2023 US\$
+1.35% (2023: +2.5%)	9,011	156,307	9,011	156,307
-1.35% (2023: -2.5%)	(9,011)-	(156,307)	(9,011)	(156,307)

The movements are due to higher or lower interest revenue from cash balances. A sensitivity of 1.35% (2023: 2.50%) is considered reasonable given the current level of both short-term and long-term Australian Dollar interest rates.

Foreign currency risk

As a result of the Australian entities having a functional currency in Australian Dollar which is different to the Group's presentation currency of US Dollar, the Group's statement of financial position can be affected significantly by movements in the Australian Dollar/US Dollar exchange rate.

The Group also has transactional currency exposures. Such exposure arises from sales or purchases by an operating entity in currencies other than the functional currency.

24. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Risk exposures and responses (continued)

Operational transactions are denominated in US Dollar. The Group's approach is to target specific levels at which to convert Australian Dollar to United States Dollar by entering into either spot or short-term forward exchange contracts. The Group does not enter into transactions that qualify as hedging for hedge accounting purposes, with the exception of a number of spot and short-term forward exchange contracts in relation to working capital management.

The assets and liabilities of the US and Hong Kong subsidiaries are held in the functional currency of these subsidiaries, which is US Dollar.

At 30 June, the US Dollar equivalence of assets and liabilities held in Australian Dollar and subject to foreign exchange risk are as follows:

Consolidated	2024 US\$	2023 US\$
<i>Assets and liabilities of entities with AUD functional currencies</i>		
Assets		
Cash and cash equivalents	1,154,993	3,551,031
Trade and other receivables	147,333	5,352
Prepayments	94,227	45,445
Inventories	213,398	-
Loan receivables	2,131,588	-
Right-of-use assets	208,966	-
Plant and equipment	268,619	-
Other non-current assets	91,679	-
Total Assets	4,310,803	3,601,828
Liabilities		
Trade and other payables	1,334,638	92,492
Provisions	62,698	57,117
Finance lease liabilities	250,315	-
Unearned income	352	-
Total Liabilities	1,648,003	149,609

Intercompany loans are denominated in Australian Dollar and US Dollar. These loans are eliminated upon consolidation.

At 30 June, the effects on post tax profit or loss and equity from a change in the Australian Dollar/US Dollar exchange rate would be as follows:

	Profit or loss Higher / (lower)		Equity Higher / (lower)	
	2024 US\$	2023 US\$	2024 US\$	2023 US\$
Exchange Rate +10% (2022: +10%)	-	-	(242,072)	(313,837)
Exchange Rate -10% (2022: -10%)	-	-	242,072	313,837

24. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Risk exposures and responses (continued)

Credit risk

Credit risk arises from the financial assets of the Group, which comprise cash and cash equivalents and trade and other receivables. The Group's exposure to credit risk arises from potential default of the counter party, with a maximum exposure equal to the carrying amount of these instruments.

The Group does not hold any credit derivatives to offset its credit exposure. It holds its cash deposits with major banks with high credit ratings.

Cash at bank and short-term bank deposits

	Consolidated	
	2024 US\$	2023 US\$
AAA rated banks	-	-
AA rated banks	1,154,993	6,378,035
A rated banks	422,925	1,023,647
	1,577,918	7,401,682

Liquidity risk

Liquidity risk is the risk that the Group may encounter difficulty in meeting its financial obligations. The Group's objective is to maintain adequate funding to meet its needs, currently represented by cash and short-term deposits sufficient to meet the Group's current cash requirements.

Maturity analysis for financial liabilities

	Consolidated	
	2024 US\$	2023 US\$
Within one year	4,826,347	3,859,307
Between one and five years	39,133	-
	4,865,480	3,859,307

Contractual cash flows for financial liabilities are the same as carrying value.

25. SUMMARY OF MATERIAL ACCOUNTING POLICIES

(a) New and amended accounting standards adopted by the Group

The Group has adopted all of the new and revised Standards and Interpretations, including amendments to the existing standards issued by the Australian Accounting Standards Board (the AASB) that are relevant to their operations and effective for the current reporting period.

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

(b) New accounting standards and interpretations issued but not yet effective

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the Group for the annual reporting period ended 30 June 2024. The Group has not yet assessed the impact of these new or amended Accounting Standards and Interpretations.

(c) Basis of consolidation

The consolidated financial statements comprise the financial statements of Yowie Group Limited and its subsidiaries ("the Group") as at 30 June 2024.

Subsidiaries are entities over which the Group has the power to govern the financial and operating policies so as to obtain benefits from their activities. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the group controls another entity.

The financial statements of the subsidiaries are prepared for the same reporting period as the parent company, using consistent accounting policies.

In preparing the consolidated financial statements, all intercompany balances and transactions, income and expenses and profits and losses resulting from intra-group transactions have been eliminated in full.

Subsidiaries are fully consolidated from the date on which control is obtained by the Group and cease to be consolidated from the date on which control is transferred out of the Group.

The acquisition of subsidiaries is accounted for using the acquisition method of accounting. The acquisition method of accounting involves recognising at acquisition date, separately from goodwill, the identifiable assets acquired, the liabilities assumed and any non-controlling interest in the acquiree. The identifiable assets acquired and the liabilities assumed are measured at their acquisition date fair values.

The difference between the above items and the fair value of consideration (including the fair value of any pre-existing investment in the acquiree) is goodwill or discount on acquisition.

25. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

Non-controlling interests not held by the Group are allocated their share of net profit after tax in the statement of profit or loss and other comprehensive income and are presented within equity in the consolidated statement of financial position, separately from parent shareholders' equity.

(d) Foreign currency translation

Functional and presentation currency

The functional currency of Yowie Group Limited and Yowie Enterprises Pty Ltd is Australian Dollar (AUD). The functional currency of the other entities is United States Dollar (USD).

The presentation currency of Yowie Group Limited is United States Dollar (USD).

Transactions and balances

Transactions in foreign currencies are initially recorded in the functional currency by applying the exchange rates ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the reporting date.

All exchange differences in the consolidated financial report are taken to the statement of profit or loss and other comprehensive income.

Group companies

The results and financial position of foreign operations (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that statement of financial position;
- income and expenses for each statement of profit or loss and other comprehensive income are translated at average exchange rates, unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions; and
- all resulting exchange differences are recognised in the statement of profit or loss and other comprehensive income.

25. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

(e) Cash and cash equivalents

Cash and cash equivalents in the statement of financial position comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

For the purposes of the statement of cash flows, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts. Bank overdrafts are included within interest-bearing loans and borrowings in current liabilities on the statement of financial position.

(f) Trade and other receivables

Trade receivables, which generally have 30-60 day terms, are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less an allowance for any uncollectible amounts. Refer to Note 25(u) for details on assessment of uncollectible amounts.

(g) Inventories

Inventories are measured at the lower of cost or net realisable value. Raw material inventories are accounted for at purchase cost on a weighted average cost basis. Finished goods and work in progress are accounted for at the purchase cost of direct materials plus manufacturing costs, including depreciation of manufacturing equipment. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

(h) Property, plant and equipment

Plant and equipment is stated at cost, less accumulated depreciation and accumulated impairment losses.

25. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

(h) Property, plant and equipment (continued)

The carrying amount of plant and equipment is reviewed annually to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the assets employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.

Depreciation is calculated over the useful lives to the Group of the assets, commencing from the time the asset is held ready for use, as follows:

Class	Depreciation method
Manufacturing plant and equipment	Units of production basis
Office equipment	Straight line basis over 2.5 years

(i) Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Internally generated intangible assets, excluding capitalised development costs, are expensed to profit and loss as incurred.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired.

Rights and licenses

The Group made cash payments to purchase rights and licenses and they are valued at cost. They are assessed as having an indefinite useful life.

Product development

Expenditure on product development is recognised as an intangible asset when the Group can demonstrate:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale
- its intention to complete and its ability to use or sell the asset
- how the asset will generate future economic benefits
- the availability of resources to complete the asset
- the ability to reliably measure expenditure during development.

Product development costs are recorded as intangible assets and amortised using the units of production method from the point at which the asset is available for use.

25. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

(i) Intangible assets (continued)

Software

Costs associated with maintaining software programmes are recognised as an expense as incurred.

Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the group are recognised as intangible assets when the following criteria are met:

- it is technically feasible to complete the software so that it will be available for use
- management intends to complete the software and use or sell it
- there is an ability to use or sell the software
- it can be demonstrated how the software will generate probable future economic benefits
- adequate technical, financial and other resources to complete the development and to use or sell the software are available, and
- the expenditure attributable to the software during its development can be reliably measured.

Other directly attributable costs that are capitalised as part of the software include employee costs and an appropriate portion of other directly attributable costs.

Software costs are recorded as intangible assets and amortised from the point at which the asset is available for use over 3 years.

(j) Right-of-use assets

A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the Group expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of use assets are subject to impairment or adjusted for any remeasurement of lease liabilities.

(k) Trade and other payables

Trade payables and other payables are carried at amortised cost. They represent liabilities for goods and services provided to the Group prior to the end of the financial year that are unpaid and arise when the Group becomes obliged to make future payments in respect of the purchase of these goods and services. The amounts are unsecured and are usually paid within 30 days of recognition.

25. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

(l) Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the reporting date. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects the time value of money and the risks specific to the liability.

(m) Issued capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

(n) Lease liabilities

A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the consolidated entity's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of-use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down.

(o) Revenue recognition

The Group recognises revenue predominately from the sale of goods.

Sale of goods

Revenue is recognised when control of the product is transferred, being either when the product is delivered to the customer or, in some instance, when the customer picks up the product, and there is no unfulfilled obligation that could affect the customer's acceptance of the products.

25. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

(o) Revenue recognition (continued)

Revenue from sales is recognised based on the arrangement between the customer and the Group. The arrangements in place do not commit customers to purchasing a specified quantity nor commit Yowie to deliver the same but set out the terms and conditions that apply between the parties at the time an order is placed by a customer and accepted by the Group. The terms and conditions cover, as appropriate to the customer, pricing, settlement of liabilities, rebate allowances and any other negotiated performance obligations.

The rebate allowances relate to the customers right to claim promotional discounts and spoilage of goods. At the point of sale, promotional discounts, spoilage allowance and corresponding adjustment to revenue is recognised for those allowances expected to be claimed by customers. The Group uses its accumulated historical experience and, whenever available, mutually agreed terms to estimate the rebate allowances on a per customer basis.

No element of financing is present in the pricing arrangement. Settlement terms are generally credit terms of 30 to 60 days. Terms reflect negotiations with customers, policies, procedures and controls held by each business unit as it relates to customer credit risk. For customers who purchase on credit, a receivable is recognised when the products are delivered or picked up as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

Revenue from sale of goods is recognised at a point in time.

Interest revenue

Revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest revenue over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

(p) Income tax and other taxes

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities based on the current period's taxable income. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the reporting date.

Deferred income tax is provided on all temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

25. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

(p) Income tax and other taxes (continued)

Deferred income tax liabilities are recognised for all taxable temporary differences except:

- when the deferred income tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; or
- when the taxable temporary difference is associated with investments in subsidiaries, associates or interests in joint ventures, and the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax assets are recognised for all deductible temporary differences, carry-forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry-forward of unused tax credits and unused tax losses can be utilised, except:

- when the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; or
- when the deductible temporary difference is associated with investments in subsidiaries, associates or interests in joint ventures, in which case a deferred tax asset is only recognised to the extent that it is probable that the temporary difference will reverse in the foreseeable future and taxable profit will be available against which the temporary difference can be utilised.

The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Unrecognised deferred income tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Current and deferred income tax is recognised in the statement of financial position, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity respectively.

25. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

(p) Income tax and other taxes (continued)

Deferred tax assets and deferred tax liabilities are offset only if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and liabilities relate to the same taxable entity and the same taxation authority.

Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the taxation authority. In this case, it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST recoverable or payable. The net amount of GST recoverable from, or payable to, the taxation authority is included with other receivables or payables in the statement of financial position.

Cash flows are included in the consolidated statement of cash flows on a gross basis. The GST components of cash flows arising from investing and financing activities which are recoverable from or payable to taxation authorities are classified as operating cash flows.

(q) Share-based payment transactions

The Group provides benefits to directors, employees and consultants in the form of share-based payment transactions, whereby services are rendered in exchange for shares or rights over shares ('equity-settled transactions').

The cost of these equity-settled transactions with directors, employees and consultants is measured by reference to the fair value at the date at which they are granted. The fair value is determined using an appropriate valuation model.

No expense is recognised for awards that do not ultimately vest, except for equity-settled transactions for which vesting is conditional upon a market or non-vesting condition. These are treated as vesting irrespective of whether or not the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

The cost of equity-settled transactions is recognised, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled.

If the terms of an equity-settled award are modified, as a minimum an expense is recognised as if the terms had not been modified. An additional expense is recognised for any modification that increases the total fair value of the share-based arrangement, or is otherwise beneficial to the recipient, as measured at the date of modification.

25. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

(q) Share-based payment transactions (continued)

If an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. However, if a new award is substituted for the cancelled award and designated as a replacement award on the date that it is granted, the cancelled and new award are treated as if they were a modification of the original award, as described in the previous paragraph.

The dilutive effect, if any, of outstanding options is reflected as additional share dilution in the computation of diluted loss per share.

(r) Earnings / loss per share

Basic earnings / loss per share is calculated as net profit or loss attributable to members of the parent entity, adjusted to exclude any costs of servicing equity (other than dividends), divided by the weighted average number of ordinary shares of the Company, adjusted for any bonus element.

Diluted loss per share is calculated as net profit or loss attributable to members of the parent, adjusted for:

- costs of servicing equity (other than dividends);
- the after tax effect of dividends and interest associated with dilutive potential ordinary shares that have been recognised as expenses; and
- other non-discretionary changes in revenues or expenses during the period that would result from the dilution of potential ordinary shares.

divided by the weighted average number of ordinary shares and dilutive potential ordinary shares, adjusted for any bonus element.

(s) Financial instruments

Financial assets

AASB 9 has three classification categories for financial assets; amortised cost, fair value through other comprehensive income (FVOCI) and fair value through profit or loss.

The classification is based on the business model under which the financial asset is managed and its contractual cash flows. Compared to AASB 139, the FVOCI and amortised cost categories have been added and the held-to-maturity, loans and receivables and available for sale classification categories have been removed. The Group only have financial assets measured at amortised cost.

25. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

(s) Financial instruments (continued)

Amortised cost

A financial asset is measured at amortised cost if both of the following conditions are met:

- (i) the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- (ii) the contractual terms of the financial asset give rise on specified dates to cash flows that meet the sole payment of principal and interest (SPPI) requirements.

Impairment of financial assets

The Group assesses on a forward-looking basis the expected credit losses associated with its debt instruments carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. For trade receivables, contract debtors and lease receivables, the Group applies the simplified approach permitted by AASB 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

Financial liabilities

AASB 9 largely retains the existing requirements of AASB 139 for the classification and measurement of financial liabilities. Financial liabilities are measured at amortised cost, except for those financial liabilities that are designated to be measured at fair value through profit or loss.

Trade and other payables

Liabilities are recognised for amounts to be paid for goods or services received. Trade payables are settled on terms aligned with the normal commercial terms in operations.

(t) Impairment of assets

At each reporting date, the Group reviews the carrying values of tangible assets and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to profit or loss.

Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

(u) Segment disclosures

Operating segments are presented in a manner consistent with the management reports provided to the chief operating decision makers, which are currently represented by the full Board.

25. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

The Group has only one reportable segment, which relates to the operations of its confectionery business. All production and sales to date have taken place in the United States, with production carried out under a contract manufacturing arrangement. The net result is presented on a consolidated basis.

(v) Government grants

Government grants are not recognised until there is reasonable assurance that the Group will comply with the conditions attaching to them and that the grants will be received.

A forgivable loan from government is treated as a government grant when there is reasonable assurance that the Group will meet the terms for forgiveness of the loan.

Government grants are recognised in profit or loss on a systematic basis over the periods in which the Group recognises as expenses the related costs for which the grants are intended to compensate.

(w) Material accounting judgements, estimates and assumptions

The preparation of the Group's consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management bases its judgements and estimates on historical experience and on other factors it believes to be reasonable under the circumstances. Actual results may differ from these estimates under different assumptions and conditions and may materially affect financial results or the financial position reported in future periods.

Management has identified the following critical accounting policies for which significant judgements, estimates and assumptions are made.

Share-based payments

The Group measures the cost of equity-settled transactions by reference to the fair value of the equity instruments at the date at which they are granted. Estimating fair value for share-based payment transactions requires determining the most appropriate valuation model, which is dependent on the terms and conditions of the grant. The estimate also requires making assumptions about the most appropriate inputs to the valuation model, including the expected life of the share option, volatility and dividend yield. The assumptions and models used for estimating fair value for share-based payment transactions are disclosed in Note 15.

Income taxes

Judgement is required in assessing whether deferred tax assets are recognised in the statement of financial position. Deferred tax assets are recognised only when it is considered more likely than not that they will be recovered, which is dependent on the generation of sufficient future taxable profits. Assumptions about the generation of future taxable profits depend on management's estimates of future cash flows. Judgements are also required about the application of income tax legislation.

25. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

Allowance for disposal of inventories

The allowance for disposal of inventories assessment requires a degree of estimation and judgement. The level of the allowance is assessed by taking into account the recent sales experience, the ageing of inventories, future production plans and their alignment with the remaining term of any applicable contract manufacturing agreements, as well as any and other factors that affect inventory obsolescence. To the extent that these judgements and estimates prove incorrect, the Group may be exposed to potential additional inventory write-downs or reversals in future periods.

Rebate allowances

The rebate allowances relate to the customers right to claim promotional discounts and spoilage of goods. At the point of sale, promotional discounts, spoilage allowance and corresponding adjustment to revenue is recognised for those allowances expected to be claimed by customers. The Group uses its accumulated historical experience and, whenever available, mutually agreed terms to estimate the rebate allowances on a per customer basis.

CONSOLIDATED ENTITY DISCLOSURE STATEMENT
AS AT 30 JUNE 2024



Entity Name	Entity Type	Ownership Interest	Country of Incorporation	Tax Residency
Yowie Group Limited	Body corporate	100%	Australia	Australia
Yowie Enterprises Pty Ltd	Body corporate	100%	Australia	Australia
EH Operations Pty Ltd	Body corporate	100%	Australia	Australia
Yowie North America, Inc.	Body corporate	100%	USA	USA
Yowie Natural World, Inc.	Body corporate	100%	USA	USA
Yowie Hong Kong Holdings Limited	Body corporate	100%	Hong Kong (China)	Hong Kong (China)

DIRECTORS' DECLARATION



In accordance with a resolution of the directors of Yowie Group Limited, I state that:

1. In the opinion of the Directors:
 - (a) the financial statements and notes of the consolidated entity are in accordance with the *Corporations Act 2001*, including:
 - (i) giving a true and fair view of the consolidated entity's financial position as at 30 June 2024 and of its performance for the year ended on that date; and
 - (ii) complying with Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and
 - (b) there are reasonable grounds to believe that the consolidated entity will be able to pay its debts as and when they become due and payable.
 - (c) the information disclosed in the attached consolidated entity disclosure statement is true and correct.
2. This declaration has been made after receiving the declarations required to be made to the directors in accordance with section 295A of the *Corporations Act 2001*

Note 2 confirms that the financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board.

On behalf of the Board

A handwritten signature in black ink, appearing to read "John Patton", written over a horizontal line.

John Patton
Executive Chairman

12 December 2024

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

Opinion

We have audited the financial report of Yowie Group Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 2024, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information, the consolidated entity disclosure statement and the directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

- (i) Giving a true and fair view of the Group's financial position as at 30 June 2024 and of its financial performance for the year then ended; and
- (ii) Complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group 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 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 the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matter	How our audit addressed this matter
Going Concern Refer to Note 2 in the financial statements	
<p>The Group incurred a net loss after tax of \$2,640,430 and had net cash outflows from operating and investing activities of \$2,870,482 and \$2,844,130 respectively, for the year ended 30 June 2024.</p> <p>The directors have prepared the financial report on a going concern basis and believe that it is reasonably foreseeable that the Group will continue as a going concern.</p> <p>We determined going concern to be a key audit matter due to the significant judgements involved in preparing the cash flow forecast and the potential material impact of the results of management's assessment.</p>	<p>Our audit procedures included:</p> <ul style="list-style-type: none"> • Evaluating the current financial position of the Group; • Evaluating management's assessment and assumptions made in relation to the Group's ability to continue as a going concern; • Assessing the appropriateness and mathematical accuracy of the cash flow forecast prepared by management; • Challenging the reasonableness of the key assumptions used in the cash flow forecast; and • Assessing the disclosures in the financial report.
Revenue Statement of Profit or Loss and Other Comprehensive Income	
<p>Revenue was considered a key audit matter as it is the most significant account balance in the statement of profit or loss and other comprehensive income.</p> <p>For the year ended 30 June 2024, the Group recognised revenue from the sale of goods of \$14,687,885.</p> <p>Significant judgement is required in determining the timing of revenue recognition, given the shipping terms and the related timing of when control passes to the end customer.</p>	<p>Our audit procedures included:</p> <ul style="list-style-type: none"> • Assessing whether the revenue recognition policies are in compliance with Australian Accounting Standards; • Evaluating and testing the operating effectiveness of the Group's controls related to revenue recognition; • Performing substantive analytical review procedures which involved setting expectations of revenue and gross profit margins by using historical data and budgets; • On a sample basis, agreeing a selection of sales invoices and delivery documentation to address the risks of occurrence and accuracy of the revenue recognised; and • Testing a sample of sales transactions before and after the reporting date to ensure that revenue is recognised in the correct financial period.



Loan Receivables	
Refer to Note 11 in the financial statements	
<p>The Group has loan receivables with a carrying value of \$2,131,588 as at 30 June 2024.</p> <p>We considered this to be a key audit matter due to the significant management judgments involved to determine the carrying value of the loan receivables amount at the reporting date.</p>	<p>Our audit procedures included:</p> <ul style="list-style-type: none"> • Reviewing agreements to understand the terms and conditions; • Obtaining confirmation from borrowers to verify the loan balance at the reporting date; • Evaluating management's assumptions in assessing the recoverability of the loan receivables as at reporting date; and • Assessing the disclosures in the financial report..

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2024 but does not include the financial report and the auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of:

- the financial report (other than the consolidated entity disclosure statement) that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001*; and
- the consolidated entity disclosure statement that is true and correct in accordance with *the Corporations Act 2001*, and

for such internal control as the directors determine is necessary to enable the preparation of:

- the financial report (other than the consolidated entity disclosure statement) that gives a true and fair view and is free from material misstatement, whether due to fraud or error; and
- the consolidated entity disclosure statement that is true and correct and is free of misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: https://www.auasb.gov.au/admin/file/content102/c3/ar2_2020.pdf. This description forms part of our auditor's report.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included within the directors' report for the year ended 30 June 2024.

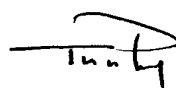
In our opinion, the Remuneration Report of Yowie Group Limited, for the year ended 30 June 2024, complies with section 300A of the Corporations Act 2001.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.



RSM AUSTRALIA



TUTU PHONG
Partner

Perth, WA
Dated: 12 December 2024

Additional information as required by the Australian Securities Exchange Listing Rules and not disclosed elsewhere in this report is set out below. This information is current as at 15 August 2024.

Distribution of Quoted Securities

Ranges	No. of Holders of Ordinary Shares	No. of Ordinary Shares
1 - 1,000	967	233,388
1,001 - 5,000	435	1,217,331
5,001 - 10,000	190	1,511,294
10,001 – 100,000	423	14,319,947
100,000 and over	91	212,085,941
Total	2,106	229,367,901

There were 1,757 shareholders holding less than a marketable parcel of ordinary shares.

Quoted and Unquoted Equity Securities

Equity Security	Quoted	Unquoted
Ordinary shares	229,367,901	-

Unlisted Employee/Consultant Options/Rights

Nil

Twenty Largest Holders of Ordinary Shares

	Name	Shares Held	Percentage %
1	KEYBRIDGE CAPITAL LIMITED	143,137,854	62.41
2	BNP PARIBAS NOMINEES PTY LTD	28,814,630	12.56
3	CITICORP NOMINEES PTY LIMITED	10,163,633	4.43
4	4F INVESTMENTS PTY LTD	2,709,604	1.18
5	DR GREGORY BRYAN MAKIN	1,657,027	0.72
6	AGRI EXPORT AUSTRALIA PTY LTD	1,448,689	0.63
7	CARISTO INVESTMENT MANAGEMENT PTY LTD	1,063,514	0.46
8	SISTARO PTY LTD	837,500	0.37
9	MR GREGORY COLIN SMART & MRS CHERIE LYNN SMART	779,842	0.34
10	MR KEVIN DANIEL LEARY & MRS HELEN PATRICIA LEARY	750,000	0.33
10	MR JOHN CHARLES WALTERS & MS BERNADETTE MARIE PARKER	750,000	0.33
11	MR RICHARD FRANCIS COUGHLAN	737,009	0.32
12	LAVA LIMITED	735,947	0.32
13	MR BRETT JOHN BARTON	690,000	0.30
14	MR THOMAS ZACHARY COLLINS	600,000	0.26
15	MR BRETT JOHN BARTON	580,317	0.25
16	CATALYST KP PTY LTD	575,630	0.25
17	MORGAN STANLEY AUSTRALIA SECURITIES (NOMINEE) PTY LIMITED	552,639	0.24
18	MR THOMAS TSCHUI & MRS ROSEMARY TSCHUI	533,500	0.23
19	MR JOSHUA SEAN DAVID BELL	503,000	0.22
20	DR MICHAEL KIM	500,000	0.22
20	MR DARRELL JOHN CROUCH & MRS JOSEPHINE ROSINA CROUCH	500,000	0.22
	TOTAL	198,620,335	86.59

Substantial Shareholders

Substantial shareholders who have notified the Company in accordance with section 671B of the Corporations Act 2001 are as follows:

Shareholder	No. of Shares	Percentage %
Aurora Funds Management Limited in its capacity as responsible entity of HHY Fund	26,526,643	12.14
Keybridge Capital Limited	179,689,829	78.34
Wilson Asset Management Group	179,689,829	78.34

Voting Rights

Ordinary shares carry one vote per share. There are no voting rights attached to the options in the Company.

Stock Exchange

The Company is listed on the Australian Securities Exchange and has been allocated the code "YOW". The "Home Exchange" is Perth.

On-market Buy-back

There is no current on-market buy-back.

Other Information

Yowie Group Limited is incorporated and domiciled in Australia and is a publicly listed company limited by shares.

Corporate Governance Statement

The Board of Directors of the Company is responsible for the Corporate Governance of the Company. The Board is committed to achieving and demonstrating the highest standard of corporate governance applied in a manner that is appropriate to the Company's circumstances.

The Company has taken note of the Corporate Governance Principles and Recommendations 4th edition, which became effective for the first full financial year commencing on or after 1 January 2020.

The Company's Corporate Governance Statement is current as of the date of this report and it has been approved by the Board. The Corporate Governance Statement is available on the Company's website at: www.yowieworld.com