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ASX ANNOUNCEMENT

Comprehensive governance reset positions Company for sustainable growth under new leadership.

Yowie Group Limited ("**Yowie**" or the "**Company**"), the owner of the Yowie brand and Ernest Hillier manufacturing facility, is pleased to update the market regarding its results for the Full Year ended 30 June 2025 ("**FY25**"). The following results and comparative periods have been prepared to highlight the underlying operational performance of the business, excluding the impact of legacy governance matters, related-party loan impairments, and abnormal executive and legal costs incurred under prior management.

The Board also wishes to note significant leadership transitions that have taken place to support the Company's ongoing strategic direction. On 27 June 2025, just prior to the end of the financial year, the Company implemented a change in the composition of its Board of Directors. After the reporting period, Yowie further strengthened its executive leadership team with the appointment of Jarrod Milani as the new Chief Executive Officer, effective 1 November 2025.

FY25 Financial Recap

- **Sales Revenue** of US$12.0m, down 18.2% on the prior comparative period (pcp), driven largely by a major US customer ranging decision. Pleasingly, Australian sales grew 1.6% to US$3.3m.
- **Gross Profit Margin** held resilient at 41.2% (pcp: 42.3%), a minimal slide of just 1.1 percentage points despite navigating significantly elevated global cocoa input prices.
- **Statutory net loss after tax** of US$7.87m, heavily impacted by US$5.1m of non-cash loan impairments relating to legacy related-party funding arrangements under prior management.
- **Approximate normalised underlying loss**[1] of US$1.32m on US$12.0m revenue, once excessive legacy overheads (remuneration, legal fees) and one-off transition costs are removed, the core business is trending toward breakeven.
- **Inventory reduced by 50%** (down US$1.85m), including a 61% reduction in finished goods. This disciplined approach to working capital improved stock turn cycles and was a key driver of the positive operating cash flow.
- **Operating Cash Flow** generated a positive inflow of US$1.46m, reflecting disciplined working capital management. However, this operational improvement was more than offset by US$3.0m in cash transferred out of the business to related parties under prior management, principally to Keybridge Capital Limited, leaving the Company with a critically constrained cash balance of just US$0.2m at year end and limited capacity to fund working capital needs or pursue new growth opportunities.
- **Cash balance** of US$0.2m as at 30 June 2025. Subsequent to year-end, the Company secured a working capital facility of A$2.5m from Keybridge Capital Limited to support ongoing operations.

FY25 Operational Recap

- **Australian Growth and Innovation:** The Ernest Hillier factory is now set up for sustained success, supported by the successful launch of new Australian-made Puzzle Packs and seasonal licensing ranges. The facility also

[1] Normalised underlying loss excludes: (i) non-cash impairment of loans (US$5.13m); (ii) excessive executive remuneration estimated at US$0.92m above a normalised cost base; (iii) abnormal legal fees estimated at US$0.30m above the prior year baseline; and (iv) one-off factory repairs, upgrades and Hocking lease exit costs of US$0.20m. Total one-off adjustments: US$6.55m.

successfully implemented FSSC 22000 food safety management system and the Sedex SMETA 4-Pillar audit framework.

- **Targeted Cost Reductions:** Selling and distribution expenses were reduced by 22% to US$4.2m (pcp: US$5.4m), and marketing investment was carefully managed at US$0.1m (pcp: US$0.9m), reflecting a more focused approach during the period. As a result, return on investment improved year-on-year, with each dollar of selling, distribution and marketing spend generating US$2.79 of revenue (pcp: US$2.35).
- **New Licensing Agreements:** Subsequent to the reporting period, the Company secured a three-year seasonal licence to manufacture and sell Violet Crumble, Polly Waffle, and FruChocs products in Australia, commencing February 2026.
- **Litigation Resolution:** Subsequent to the reporting period, the long-standing legal dispute with Whetstone was successfully resolved with prejudice in March 2026, resulting in a nominal payment to Yowie and removing a significant historical distraction.

Board Changes

FY25 saw a significant transition for the Company following a shareholder-requisitioned meeting held on 27 June 2025, which resulted in a comprehensive Board renewal. The meeting was called in response to serious governance and related-party concerns that had emerged under prior management, including a series of actions taken by the former Board to entrench their positions and obstruct the meeting from proceeding. The incoming Board moved swiftly to stabilise the Company's finances, address these matters and restore appropriate governance standards

- **Resignations and Removals:** Nicholas Bolton (Managing Director and CEO) and John Patton (Executive Chairman) resigned on 18 June 2025. Andrew Ranger (Executive Director) resigned on 23 June 2025. Daniel Agocs and Diesel Schwarze were removed as Non-Executive Directors on 27 June 2025.
- **Appointments:** Effective 27 June 2025, the Board was reconstituted with the appointment of Sulieman Ravell, Geoff Wilson AO, Jesse Hamilton, Antony Catalano, and Martyn McCathie as Non-Executive Directors. Mr Ravell was subsequently appointed Chairman on 1 November 2025, and Gary Miller was appointed as a Non-Executive Director on 30 March 2026.
- **Executive Leadership:** Jarrod Milani, previously Australian Country Manager, was appointed Global Chief Executive Officer effective 1 November 2025, bringing deep FMCG expertise and a renewed focus on operational discipline and new sales growth initiatives.

Business Unit Performance

Australia

The Australian operations delivered a consistent performance, achieving slight revenue growth of 1.6% to US$3.3m. The Ernest Hillier chocolate manufacturing facility in Coburg North, Victoria, played a central role in this and is better set up for sustained success following targeted investments in production facilities and operational processes. The introduction of a local production line has allowed the Company to innovate rapidly, evidenced by the successful launch of the new Australian-made Yowie Puzzle Packs. Furthermore, disciplined sell-in volumes and product enhancements across the seasonal portfolio, including licensed ranges which resulted in a significant improvement in seasonal profitability compared with prior years.

United States

The US market remained challenging, with sales declining 23.9% to US$8.7m. This was primarily driven by a major customer implementing changes to store layouts within Yowie's product category during the second half of the year, resulting in a material reduction in store facings and an estimated annualised revenue impact of approximately US$1.9m. Broader economic conditions also impacted discretionary consumer spending, while elevated cocoa prices and conservative trade spend affected the wider confectionery category. Despite these headwinds, the business successfully navigated input cost pressures, implementing selective pricing adjustments to protect margins, evidenced by the gross margin holding at 41.2%, a minimal decline of just 1.1 percentage points on pcp. The Company is actively pursuing initiatives to mitigate the US revenue impact through new product introductions, including the highly anticipated NBA-themed Yowie product range slated for launch in FY26.

Cost Management and Normalisation

With the transition to the new Board on 27 June 2025, a thorough review of the Company's cost base and legacy governance arrangements was undertaken. The Board identified that the Company had developed a cost base that was excessive for a business of its scale, particularly in respect of executive remuneration and legal expenditure. Of significant concern, a material portion of the legal costs incurred under prior management were determined by the Board to be not in relation to the affairs of the Company, with further costs having been incurred by the former directors in efforts to entrench their positions, rather than in the legitimate interests of the Company and its shareholders. The Board considers these expenditures to represent a serious misuse of shareholder funds and is actively pursuing recovery of amounts it believes were improperly applied.

1) Executive Remuneration Normalisation

During FY25, the former Managing Director/CEO (Nicholas Bolton) and Executive Chairman (John Patton) received combined remuneration of approximately US$1.07m, including bonuses currently under review by the Board as to their validity. Under the new leadership structure, the Global CEO role is remunerated at a fraction of this historical cost, and the new Non-Executive Directors elected to receive zero remuneration for FY25. Normalising for these excessive historical wages reveals a business with a significantly leaner and more sustainable overhead structure, representing an estimated annualised saving of over US$0.9m.

2) Legal Fee Normalisation

The Company incurred US$0.54m in legal fees during FY25, an increase of nearly US$0.3m compared to the prior year. A significant portion of these fees, along with subsequent payments exceeding A$0.65m made post-period to a single law firm, pertained to matters that the current Board deems were not in relation to the affairs of the Company. The Board has reserved all rights to recover these amounts. Stripping out these excessive and unnecessary legal costs further highlights the underlying profitability of the core operations.

3) Factory Repairs, Upgrades and Hocking Lease Exit

During FY25, the Company incurred approximately US$0.2m in one-off costs associated with capital repairs, upgrades to the Ernest Hillier manufacturing facility and the exit of the Hocking Street lease location. These costs were non-recurring in nature and directly related to the consolidation and improvement of the Company's manufacturing footprint. Excluding these one-off transition costs further reduces the normalised underlying loss.

4) Legacy Loan Impairments

The statutory net loss of US$7.87m includes US$5.1m in non-cash impairments relating to legacy related-party funding arrangements and loans advanced under the prior management team. These impairments — which include funds transferred to Keybridge Capital Limited are non-operational in nature and are currently the subject of ongoing investigation and recovery efforts by the Board.

Path Forward

While the Board acknowledges the frustration caused by the extended suspension from trading on the ASX and the legacy governance issues, the underlying resilience of the Yowie brand and the Ernest Hillier manufacturing capability provides a strong foundation for the future. With the unnecessary chaos of the old management now removed, a significantly reduced cost base, the Company is well-positioned to rebuild shareholder value. The Board remains focused on finalising reporting obligations to restore ASX trading, while driving product innovation, expanding distribution, and leveraging new licensing opportunities in FY26.

This announcement has been approved for release to the ASX by the Board of Yowie Group Limited

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About Yowie
Yowie Group Limited is an Australian-based chocolate and confectionery company operating across branded consumer products, licensing and manufacturing. The Group designs, manufactures and distributes chocolate and confectionery products across Australia, New Zealand and the United States, led by its flagship Yowie brand. In addition to its core chocolate range, the Group develops licensed and proprietary products across multiple consumer categories. Since late 2023, the Group has also owned and operated Ernest Hillier, Australia's oldest chocolate manufacturer, providing in-house production capability and supporting the expansion of its branded and licensed confectionery portfolio. The Group's strategy focuses on growing its brands, scaling manufacturing capability, and expanding distribution across core markets with selective international growth.

Disclaimer
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