



ASX Market Announcements

ASX Limited

20 Bridge Street

Sydney NSW, 2000

30 September 2020

Update to Preliminary Final Report (Appendix 4E)

Yowie Group Limited (“Yowie” or “the Group”) provides the following update to the Preliminary Final Report which was released on 31 August 2020.

As reported previously in the Preliminary Final Report, the Group is required, under Australian Accounting Standards, to perform impairment testing when impairment indicators are identified. As at 30 June 2020, impairment indicators have been identified, including the fact that the Group’s market capitalisation is less than its net assets, the Group’s financial performance for the year ended 30 June 2020 was below budget, and general uncertainties created by COVID-19.

The Board has completed the impairment testing of which outcome indicated the requirement for an additional impairment of US\$2.8 million to be booked against the Group’s non-current assets. The details on the impairment testing methodology and assumptions will be disclosed in the Annual Report as required under the Australian Accounting Standards.

Additionally, the Group has created an additional provision for write-down on inventories that are deemed to have zero realisable value totalling US\$0.8 million. The Group was also informed that its US entities were eligible to carryback tax losses generated in previous years and recoup US federal taxes paid in these carryback years under the 2020 CARES Act of US\$0.2 million.

The Group provides the impact of the abovementioned events on the Group’s statement of profit or loss and statement of financial position on the following pages.

Yours faithfully,

Louis Carroll
Non-Executive Chairman

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Affected Line Items in the Consolidated Statement of Profit or Loss

	Appendix 4E US\$	Consolidated Adjustment US\$	Annual Report US\$
Write-down of inventory	(445,579)	(837,163)	(1,282,742)
Impairment of plant and equipment	(1,324,288)	(2,594,936)	(3,919,224)
Impairment of intangible assets	(362,418)	(185,649)	(548,067)
Loss before income tax	(4,699,618)	(3,617,748)	(8,317,366)
Income tax (expense)/benefit	(12,645)	197,406	184,761
Loss after income tax for the year	(4,712,263)	(3,420,342)	(8,132,605)

Affected Line Items in the Consolidated Statement of Financial Position

	Appendix 4E US\$	Consolidated Adjustment US\$	Annual Report US\$
Inventories	3,653,767	(837,163)	2,816,604
Current tax assets	52,167	197,406	249,573
Plant and equipment	2,688,648	(2,594,936)	93,712
Intangible assets	202,987	(185,649)	17,338
Net assets	16,817,782	(3,420,342)	13,397,440

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