



ASX Market Announcements
ASX Limited
20 Bridge Street
Sydney NSW, 2000

27 September 2019

Impairment Update

Yowie Group Limited (“Yowie” or “the Group”) provides the following update in relation to the impairment testing that the Group was undertaking as announced in the preliminary final report (Appendix 4E) on 30 August 2019.

The Group is required, under Australian Accounting Standards, to perform impairment testing when impairment indicators are identified. As at 30 June 2019, impairment indicators have been identified, including the fact that the Group’s market capitalization is less than the net assets of the Group.

The Board has completed the impairment testing of which outcome indicated the requirement for an additional impairment of US\$0.5 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.

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

Yours faithfully,

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Non-Executive Chairman

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Consolidated Statement of Profit or Loss and Other Comprehensive Income
For the year ended 30 June 2019

	Preliminary Final Report US\$	Consolidated Impairment US\$	After Impairment US\$
Sale of goods	14,425,071	-	14,425,071
Cost of sales	(7,437,662)	-	(7,437,662)
Gross profit	6,987,409	-	6,987,409
Selling and distribution	(4,477,735)	-	(4,477,735)
Marketing	(1,439,933)	-	(1,439,933)
Administration	(3,595,710)	-	(3,595,710)
Other income	276,601	-	276,601
Foreign exchange gains / (losses)	227,431	-	227,431
Write-down of inventory	(633,463)	-	(633,463)
(Impairment) / reversal of impairment of plant and equipment	(1,292,837)	(405,533)	(1,698,370)
Impairment of intangible assets	-	(93,695)	(93,695)
Loss before income tax	(3,948,237)	(499,228)	(4,447,465)
Income tax expense	(652,046)	-	(652,046)
Loss after income tax for the year	(4,600,283)	(499,228)	(5,099,511)
Other comprehensive income for the year			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Movement in foreign currency translation reserve	(415,932)	-	(415,932)
Total comprehensive loss for the year net of tax attributable to members of the Company	(5,016,215)	(499,228)	(5,515,443)



Consolidated Statement of Financial Position
As at 30 June 2019

	Preliminary Final Report US\$	Consolidated Impairment US\$	After Impairment US\$
Current Assets			
Cash and cash equivalents	16,360,661	-	16,360,661
Trade and other receivables	1,219,425	-	1,219,425
Prepayments	1,384,994	-	1,384,994
Inventories	4,193,416	-	4,193,416
Total Current Assets	23,158,496	-	23,158,496
Non-Current Assets			
Plant and equipment	3,900,368	(405,533)	3,494,835
Intangible assets	845,792	(93,695)	752,097
Deferred tax assets	-	-	-
Total Non-Current Assets	4,746,160	(499,228)	4,246,932
Total Assets	27,904,656	(499,228)	27,405,428
Current Liabilities			
Trade and other payables	3,316,682	-	3,316,682
Provisions	16,023	-	16,023
Current tax liabilities	23,239	-	23,239
Unearned income	-	-	-
Total Current Liabilities	3,355,944	-	3,355,944
Total Liabilities	3,355,944	-	3,355,944
Net Assets	24,548,712	(499,228)	24,049,484
Equity			
Issued capital	55,703,545	-	55,703,545
Reserves	(754,487)	-	(754,487)
Accumulated losses	(30,400,346)	(499,228)	(30,899,574)
Total Equity	24,548,712	(499,228)	24,049,484