



6 May 2020

ASX Market Announcements
ASX Limited
20 Bridge Street
Sydney NSW 2000

COVID-19 Operations Update

Yowie Group Ltd (ASX: YOW) (the “Group” or “Yowie”) wishes to advise the following update on the impact of COVID-19.

Yowie continues to monitor the effect of the COVID-19 pandemic on its staff and global operations, with the health and safety of its employees being paramount.

The Group has implemented plans to reduce exposure to its employees and address operational changes required to maintain business continuity. These plans have been implemented across Yowie’s operations and will continue to be amended as the situation evolves.

The full ongoing effect of COVID-19 on the Group’s business remains uncertain. However, current indications suggest global sales will continue to be materially impacted. At this stage, it is difficult to quantify the full impact on sales.

As reported on 24 April 2020, the March quarter trend and the uncertainty of the current market environment resulting from COVID-19 confirms the overall outlook from the December quarter update that the Group will fall short of FY19 revenue affecting EBITDA.

This trend has continued into the fourth quarter with month-on-month net sales in April falling by 52% from US\$857k in March to US\$408k in April. As previously reported, the back half of March showed a huge drop in retailer foot traffic. Also, shoppers were not bringing children shopping, further affecting impulse sales. This trend has continued as the shutdown in the US and Australia continues with no clear indication of timing on the relaxation of restrictions.

Due to measures implemented by the Group, cash reserves have increased from US\$10.55 million at 31 March 2020 to US\$11.06 million at 30 April 2020. This improved cash position is due to a combination of current high inventory levels as a result of preparing for temporary manufacturing shutdown and further salary and cost reductions.

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As Yowie navigates the dual challenges of increased competition from the major confectionery companies and COVID-19, Yowie is actively seeking strategic partnerships that can help the company compete more effectively in the US and Australian confection markets.

This announcement is authorised by the Board.

Mark Schuessler
Global CEO & Managing Director - Yowie Group Ltd

About Yowie

Yowie Group Ltd is a global brand licensing company specializing in the development of consumer products designed to promote learning, understanding and engagement with the natural world through the adventures and exploits of six endearing Yowie characters. Educating children and adults about the environment and ecology is at the heart of the Yowie proposition.

Yowie Group employs its company-owned intellectual property rights in the outsourcing of the manufacturing and distribution of the Yowie chocolate confectionery product and in the development of a Yowie digital platform and Yowie branded licensed consumer products. The Company's vision for the Yowie brand is to distribute on a widening basis the Yowie product in North America and ANZ, with further international expansion.

For more information on the company go to www.yowiegroup.com
The Yowie consumer website can be found at www.yovieworld.com

DISCLAIMER

This Announcement contains interpretations and forward-looking statements that are subject to risk factors associated with the confectionery and retail industries. You are cautioned not to place reliance on these forward-looking statements, which are based on the current views of the Company on future events. The Company believes that the expectations reflected in the announcement are reasonable but may be affected by a variety of variables and changes in underlying assumptions which could cause actual results to differ substantially from the statements made.

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