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ASX Market Announcements  
ASX Limited  
20 Bridge Street  
Sydney NSW 2000

### **Yowie/Whetstone Litigation Update**

Yowie Group Ltd (ASX: YOW) ("Yowie") is pleased to provide an update on the longstanding litigation between its US subsidiary, Yowie North America, Inc. and Henry Whetstone, Jr. and his companies, Whetstone Industries, Inc. and Atlantic Candy Company. For ease of reference, the remainder of this update will refer to the two sides of this litigation as simply "Yowie" and "Whetstone."

By way of background, in or about 2013 Yowie began its North American operations by engaging with Whetstone on two agreements: a Manufacturing Agreement and Patent and Technology License Agreement (hereafter "Patent Agreement"). In or about 2015, Yowie made the decision to move its manufacturing to Madelaine Chocolate Company and pursue its own patent and technology for the production of the Yowie product. Yowie discontinued all use of the Whetstone patent, and ceased all manufacturing with Whetstone, on or about December 31, 2015. On January 21, 2016, Yowie instituted legal action against Whetstone in St. Johns County, Florida for the return of a foil wrapping machine, the Court granting Yowie to take possession of the wrapper.

Subsequently, Whetstone initiated litigation against Yowie in this same Court under various legal theories. The cases were eventually consolidated into one action, extensive discovery in the cases was taken, and the case was set for a bench trial in November and December 2022. At trial, Whetstone sought in excess of US\$8 million in damages. The Court has now issued its Verdict Following Non-Jury Trial rejecting all claims under the Patent Agreement and entered a verdict in Yowie's favor. The Court further rejected the bulk of Whetstone's claims under the Manufacturing Agreement, but did find two invoices were not fully paid by Yowie in 2015, and therefore awarded Whetstone US\$114,579.97, plus interest. Yowie disagrees with the Court's finding on this relatively minor issue, and is reserving its right to appeal, if necessary. All other claims for damages by Whetstone were rejected by the Court.

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The Yowie Board considers the outcome of this trial to be a decisive victory and vindication of its consistent position that Yowie owed no money to Whetstone under the Patent Agreement and that Yowie was entitled to produce its product with another copacker. The Parties' agreements provide that the prevailing party to any litigation is entitled to seek its attorneys' fees and costs related to the litigation, and the Judge expressly reserved that issue for a future determination. Yowie fully intends to seek reimbursement of its reasonable fees and costs related to this matter. Both parties have the right to appeal this decision, but the Yowie Board is confident that the Judge's determinations in favor of Yowie are sound and should be affirmed on any appeal. Yowie will continue to aggressively protect its legal rights through the conclusion of this matter.

This announcement is authorised for release by the Board.

**Mark Schuessler**  
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