

**Zoono Group Limited (ASX: ZNO)  
ASX ANNOUNCEMENT**

14 October 2021

**Zoono Company Update**

**Quarter Financial Highlights:**

- **NZ\$7.5m of invoiced sales<sup>1</sup> for the quarter including NZ\$4.7m of delivered sales (unaudited) with a further NZ\$2.8m of invoiced sales (unshipped orders unable to be delivered at quarter end)**
- **NZ\$10.1m cash equivalent, including NZ\$7.0m cash at bank and NZ\$3.1m net trade payables and receivables as at 30 September, up NZ\$2.3m over year end**
- **Cash receipts from customers was NZ\$4.87m for the quarter, up NZ\$1.8m from Q4 FY21**
- **Net operating cash flow NZ\$2.1m, up NZ\$5.1m over Q4 FY21**
- **Unshipped orders (orders yet to be delivered and converted to sales) up NZ\$2.4m from prior quarter (Q421)**
- **Gross profit percentage (unaudited) rises to 71% from 59% FY21**
- **Operating overheads down NZ\$300k for the quarter compared to Q4 FY21**

Zoono Group Limited (**Company**) (ASX: ZNO) today releases its Appendix 4C for the quarter ended 30 September 2021. In conjunction with that release, the Company is pleased to update shareholders and the market on developments during the quarter.

**Strategy:**

The Company continues on the path of controlling all major markets directly and only operating via distributors in countries where it's uneconomic or a difficult operating environment for foreign companies. This strategy is showing improved margins already.

In the next 6-9 months Zoono is aiming to have its own direct presence in all major EU markets, including France, Italy, Germany and Spain. France has been set up as the model Zoono intends to duplicate, where it has Zoono's own staff on the ground to support its major customers, through constant training, business seminars and assisting with high level presentations.

Driving volumes is not just about making the initial sale, it is about repeat orders so Zoono

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<sup>1</sup> Zoono refers to "invoiced sales" when an order is received from a customer. A sale is only recorded as revenue once the product is despatched to the customer.

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personnel will manage the large accounts very closely, training the sales and operations teams on the use and applications of the Zoono technology.

Zoono continues to focus on new customer acquisition, growing topline sales while protecting a healthy margin.

The Company is in a strong cash position, has overheads well under control, and it is unlikely any capital raises will be required in the foreseeable future.

Please follow Zoono on social media and subscribe to our newsletters where we are able to provide more detailed information in relation to new customers and developments within the Company. Any significant developments will continue to be announced to the market via an ASX release.

## **SIGNIFICANT DEVELOPMENTS (BY REGION)**

### **UK & Europe**

Following a successful French trial with Keolis Group, one of the world's leading public transport operators servicing over three billion passengers annually, Zoono has now been rolled out into 27 districts in France with an expectation of its use in other Keolis operated transportation systems in Europe and globally.

France is continuing to perform well and several major new customers are expected to be signed this quarter.

In Germany, new resellers have been appointed.

Zoono continues to expand its use in UK schools. Following an exhibit at the Independent Association of Prep Schools Heads Conference, Zoono received its first order from the UK Independent Schools Examining Board (ISED); it intends to provide 50mL Z71 and GF24 Hand Sanitiser to all attendees to their workshops and training courses over the coming year.

Uk Public Transport continues to use Zoono products and new three-year contracts are expected to be entered into in the coming weeks.

The rollout of the new air conditioning system, known as Zoonex, has commenced and Zoono expects to be able to update the market more fully on these developments shortly.

Sales have been robust in Russia, primarily in the public sector (including transport where Zoono's Z-71 is now being rolled out in the train network). The Russian distributors have advised they will be placing regular orders in the coming 12 months.

### **South Africa**

Following the success of a product trial undertaken in conjunction with a leading South African

corrugated cardboard packaging manufacturer (to ascertain if Zoono Z71 will prevent black mold from growing on cardboard used in packaging), Zoono has sold a total of 54,000 litres to South African customers, including the initial packaging manufacturer which is currently installing a second system due to increased demand.

### **Australia/NZ**

Morecroft Contractors Limited, an Auckland based specialist in occupational hygiene and wellbeing services, specifically in education, hospitals, warehouses and offices, became a Zoono preferred service provider during the quarter. Morecroft has purpose-built equipment designed to deliver Zoono Z-71 as efficiently as possible through both ultra-low volume fogging (for large open spaces) and electrostatic spraying (for spaces with objects/equipment in them).

Zoono has now successfully implemented its Authorised Reseller and Authorised Service Provider programs in Australia and New Zealand. The programs assist resellers to be readily able to supply Zoono products to their customers as demand continues. Zoono's Authorised Service providers service clients such as: Spotless Facilities, IKON Services, Delta FM, Woolworths, Cirka and JetStar and Qantas.

### **China/ASEAN**

Following the incorporation of a wholly owned subsidiary in China, Chinese Government business has opened up to the Company and Zoono is now working with several State Owned Enterprises. The Company expects to be in a position to update the market by the end of this quarter on some new developments with Chinese State Owned Enterprises.

In addition to this, Zoono's Chinese subsidiary has signed many new customers in childcare, airlines, public transport and hotel chains.

Hong Kong and Singapore continue to order on a regular basis, mainly through our reseller partners, Rentokil Initial.

Zoono have also started selling product directly to Cathay Pacific and the HK Jockey Club.

### **Appendix 4C**

Related party payments of \$163,000 shown on the following Appendix 4C are payments to directors for fees and services.

The NZ\$500k (shown at Item 1.6 in the following Appendix 4C) is a net tax refund for income taxes paid last year on early submission of our income tax return.

## **Summary of Q4 Expenditure**

Expenditure incurred during the quarter on business activities was primarily on product manufacturing and operating costs (NZ\$0.97M), staff costs (NZ\$0.57M) and administration and corporate overheads (NZ\$1.5M). Other expenditure included advertising and marketing (NZ\$173k), research and development (NZ\$37k) and leased assets (NZ\$71K).

To keep up to date with what is happening globally on a day-to-day basis, follow Zoono Global on LinkedIn at [www.linkedin.com/company/zoono/](http://www.linkedin.com/company/zoono/).

Facebook: <https://www.facebook.com/Zoonoglobal>

Instagram: <https://www.instagram.com/zoonoglobal/>

Twitter: <https://twitter.com/ZoonoGlobal>

Youtube: <https://www.youtube.com/channel/UCva7oGloBRdAaFnwOzAHjLw>

Monthly Newsletters: <https://zoono.com/newsandmedia/>

This announcement has been authorized and approved for release to ASX by the Board of Zoono Group Limited.

### **For further information, please contact:**

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### **About Zoono**

Zoono Group Limited is a global biotech company that develops, manufactures and distributes a suite of scientifically validated, long-lasting and environmentally friendly antimicrobial solutions. Zoono's mission is to improve health and well-being through innovative, safe, non-toxic and durable germ protection.

Zoono produces sprays, wipes and foams suited for skin care, surface sanitisers, and mould remediation treatments. The products are based on the 'Zoono molecule', a unique antimicrobial molecule that bonds to any surface and kills pathogens including bacteria, viruses, algae, fungi and mould.

Zoono's products have received numerous regulatory approvals and the company's technology claims are supported by independent testing conducted in laboratories worldwide. Zoono is headquartered in New Zealand and its products are available globally.

To learn more, please visit: [www.zoono.com](http://www.zoono.com)

## Appendix 4C

### Quarterly cash flow report for entities subject to Listing Rule 4.7B

**Name of entity**

Zoono Group Limited (ZNO)

**ABN**

73 006 645 754

**Quarter ended ("current quarter")**

30 September 2021

<b>Consolidated statement of cash flows</b>	<b>Current quarter \$NZ'000</b>	<b>Year to date (3 months) \$NZ'000</b>
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	4,868	4,868
1.2 Payments for		
(a) research and development	(37)	(37)
(b) product manufacturing and operating costs	(970)	(970)
(c) advertising and marketing	(173)	(173)
(d) leased assets	(71)	(71)
(e) staff costs	(570)	(570)
(f) administration and corporate costs	(1,473)	(1,473)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	-	-
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	500	500
1.7 Government grants and tax incentives	-	-
1.8 Other (provide details if material)	-	-
<b>1.9 Net cash from / (used in) operating activities</b>	<b>2,074</b>	<b>2,074</b>
<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) businesses	-	-
(c) property, plant and equipment	(28)	(28)
(d) investments	-	-
(e) intellectual property	-	-
(f) other non-current assets	-	-

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Consolidated statement of cash flows		Current quarter \$NZ'000	Year to date (3 months) \$NZ'000
2.2	Proceeds from disposal of:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) intellectual property	-	-
	(f) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
<b>2.6</b>	<b>Net cash from / (used in) investing activities</b>	<b>(28)</b>	<b>(28)</b>

<b>3.</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	150	150
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	-
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
<b>3.10</b>	<b>Net cash from / (used in) financing activities</b>	<b>150</b>	<b>150</b>

<b>4.</b>	<b>Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1	Cash and cash equivalents at beginning of period	4,899	4,899
4.2	Net cash from / (used in) operating activities (item 1.9 above)	2,074	2,074
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(28)	(28)

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Consolidated statement of cash flows		Current quarter \$NZ'000	Year to date (3 months) \$NZ'000
4.4	Net cash from / (used in) financing activities (item 3.10 above)	150	150
4.5	Effect of movement in exchange rates on cash held	(93)	(93)
<b>4.6</b>	<b>Cash and cash equivalents at end of period</b>	<b>7,002</b>	<b>7,002</b>

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$NZ'000	Previous quarter \$NZ'000
5.1	Bank balances	5,540	4,544
5.2	Call deposits	1,462	355
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
<b>5.5</b>	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>7,002</b>	<b>4,899</b>

6.	Payments to related parties of the entity and their associates	Current quarter \$NZ'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	163
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-
<i>Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.</i>		

<b>7. Financing facilities</b>	<b>Total facility amount at quarter end \$NZ'000</b>	<b>Amount drawn at quarter end \$NZ'000</b>
<i>Note: the term "facility" includes all forms of financing arrangements available to the entity.</i>		
<i>Add notes as necessary for an understanding of the sources of finance available to the entity.</i>		
7.1	-	-
7.2	-	-
7.3	-	-
7.4	-	-
<b>7.5</b>	<b>Unused financing facilities available at quarter end</b>	
		-
7.6	Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.	

<b>8. Estimated cash available for future operating activities</b>	<b>\$NZ'000</b>
8.1	2,074
8.2	7,002
8.3	-
8.4	7,002
8.5	N/A
<i>Note: if the entity has reported positive net operating cash flows in item 1.9, answer item 8.5 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.5.</i>	
8.6	If item 8.5 is less than 2 quarters, please provide answers to the following questions:
8.6.1	Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?
Answer: N/A	
8.6.2	Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?
Answer: N/A	
8.6.3	Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?
Answer: N/A	
<i>Note: where item 8.5 is less than 2 quarters, all of questions 8.6.1, 8.6.2 and 8.6.3 above must be answered.</i>	



**Compliance statement**

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: 14 October 2021

The Board of Zoono Group Limited

Authorised by: .....  
(Name of body or officer authorising release – see note 4)

**Notes**

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.