

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

6th March 2024

### Zoono Signs Significant Exclusive Agency Agreement with OSY Group

Zoono Group Limited (**Company**) (ASX: ZNO) is pleased to announce that it has entered into an Exclusive Agency Agreement with OSY Group Limited (**OSY**) to promote the sale of Zoono products for the food supply chain sector.

Based in Manchester, England, OSY is a leading-edge provider of game-changing, sustainable technologies in the hygiene technology sector. They were recently awarded an Innovate UK Award granting funding to support their food shelf-life extension work, with funded tours to Canada and Australia in February 2024 to meet leading supermarket and food packaging companies.

OSY has been working with a premium UK supermarket chain over the last 2 years and a leading UK soft fruits supplier to deliver shelf-life extension technology to reduce global food waste. The food shelf-life extension trials have now concluded, and the results have shown that there is up to a 40% increase in shelf-life of soft fruits where the packaging has been treated with Zoono products. For certain food categories, a one-day shelf-life extension can reduce waste by half.

Every year:

- 1.3B tonnes of food is lost due to inadequate harvesting, storage and transport. This is a third of all food produced;
- The cost to the global economy is US\$ 1 trillion;
- 6-8% of annual global greenhouse gas emissions are produced by wasted food; and
- 1.26B people that could be fed by the resulting annual food loss.

(Source: Food Manufacturing June 2023: World Wildlife Fund: Food and Agriculture Organisation of the United Nations)

In simple terms, Zoono products work by forming a long-lasting protective layer on the surface of materials, which layer inhibits the growth of moulds, bacteria and other unwanted microorganisms on the treated surface.

In conjunction with Zoono, OSY has developed a unique application technology coat which permits Zoono products to be applied efficiently and efficaciously during the production process to the surface of the packaging materials used for soft fruits. Importantly, the process does not result in any degradation in the effectiveness of the Zoono products and, as such, the shelf-life of the packaged

product is enhanced without in any way compromising compliance with all relevant food contact, quality and safety regulations and standards.

The agreement with OSY grants it exclusivity in the food supply chain sector for the purpose of extending food shelf-life, including but not limited to supermarkets and grocers, food retailers, food producers, food processors, food manufacturers and food packaging companies.

Key terms of the agreement are:

1. An initial 5-year term with a right of renewal for a further 5 years and every 5 years thereafter.
2. Exclusivity in the United Kingdom, EU member states, and Rest of World (**ROW**) excluding China and India, but with a first right of refusal for these two countries;
3. Zoono will pay OSY a 25% commission on all net sales (exclusive of freight and local taxes) and 50% commission on the differential price per litre rate above the base rate;
4. Minimum annual customer purchases for the UK only are:
  - NZD\$ 2.6m in the first 12 months from execution of the Agreement;
  - NZD\$ 4.6m in year two; and
  - NZD\$ 7.2m in year three;and thereafter increasing by 5% per annum capped at NZ\$10M.
5. Minimum annual customer purchases for the EU only are:
  - NZD\$ 2.7m in the first 12 months from commencement of EU sales;
  - NZD\$ 4.5m in year two; and
  - NZD\$ 7.0m in year three;and thereafter increasing by 5% per annum capped at NZ\$10M.  
Commencement of EU sales is defined from when the first quarter of sales to EU customers exceeds NZ\$ 400k.
6. Minimum annual customer purchases for the ROW (excluding China and India) only are:
  - NZD\$ 2.7m in the first 12 months from commencement of Rest of World sales;
  - NZD\$ 4.5m in year two; and
  - NZD\$ 7.0m in year three;and thereafter increasing by 5% per annum capped at NZ\$10M.  
Commencement of ROW sales is defined from when the first quarter of sales to EU customers exceeds NZ\$ 1m.
7. Zoono will also provide OSY with the following incentives:
  - Zoono will issue 1,000,000 shares in Zoono Group Limited after the first customer payment of NZ\$ 1.25m is received; and
  - Zoono will pay an annual 10% incentive in net customer sales received on the anniversary date of the agreement, in shares in Zoono Group Limited at an issue price calculated at the future volume weighted average price over the previous 30 days

trading immediately prior to issue. The maximum number of shares to be issued to OSY in any year will be capped at 1,500,000 shares.

8. Zoono may terminate the agreement by giving written notice to OSY if:

- A change takes place in ownership, control or shareholding of OSY;
- In relation to a specific region if OSY fails to meet any of the minimum annual customer purchase requirements for that region as outlined in the agreement and
- Any other event occurs which prevents OSY from performing its obligations under the agreement.

Zoono and OSY are currently working together to secure the first customer for the Zoono product and application technology. That customer is expected to be the premium UK supermarket chain which was directly involved in the development program. Zoono's initial expectations are for product sales of circa NZ\$1.25m in the current financial year.

Zoono and OSY will be concentrating on niche markets where it can create significant cost savings opportunities for its customers. This is especially the case for food producers, supermarkets and grocers where the estimated savings to these organisations are likely to be significant.

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

For further information, please contact:

**Zoono Group Limited**

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**About OSY Group Limited**

OSY Group is a visionary organisation at the forefront of the hygiene technology sector, driving transformative change for a more sustainable world. Their commitment to innovation has been recognised via the award of prestigious Innovate UK grant funding. OSY find tailored solutions to customers challenges by combining their four key pillars, innovative, sustainability, customer centric and trusted, and the knowledge of their extensive partners to deliver long-term results and build long-lasting partnerships. Their diverse portfolio of sub-brands, OSY Xtend, OSY Hygiene, OSY Technology and OSY Animal Health, specialise in unique sectors to provide targeted solutions tailored to their customers' needs and to help them meet their goals.

To learn more, please visit [osy-group.com](http://osy-group.com).

**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)