



ZOONO GROUP LIMITED

AND CONTROLLED ENTITIES

ABN 73 006 645 754

**CONDENSED CONSOLIDATED INTERIM
FINANCIAL REPORT and ASX APPENDIX 4D**

for the half-year period ended

31 December 2018

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This interim financial report does not include all the notes of the type normally included in an Annual Financial Report. Accordingly, this report is to be read in conjunction with the Annual Report for the year ended 30 June 2018 and any public announcements made by Zoono Group Limited during the interim reporting period in accordance with the continuous disclosure requirement of the Corporation Act 2001.

ASX APPENDIX 4D - RESULTS FOR ANNOUNCEMENT TO THE MARKET

For the half -year ended 31 December 2018

			6 months 31 Dec 2018 NZ\$	6 months 31 Dec 2017 NZ\$
Revenue from ordinary activities	Decrease	(64)%	702,572	1,962,039
Profit/(loss) from ordinary activities after tax attributable to members	Decrease	(285)%	(1,377,645)	746,566
Net profit/(loss) for the period attributable to members	Decrease	(285)%	(1,377,645)	746,566

Please refer to the interim financial statements for the half-year ended 31 December 2018 for further explanations of the figures presented above.

Dividends

No final dividend was paid or declared in relation to the year ended 30 June 2018.

No interim dividend will be paid or declared in relation to the half-year ended 31 December 2018.

Net Tangible Assets

	31 Dec 2018 NZ\$	31 Dec 2017 NZ\$
Net tangible asset backing per ordinary share - NZ\$ per share	\$0.03	\$0.04

Review of Results

Refer to Review of Operations and Results included in the Directors' Report.

Audit dispute or qualification

The interim financial statements for the half-year ended 31 December 2018 have been subject to review and are not subject to dispute or qualification.

Control gained or lost over entities during the period, for those having material effect

The incorporation of the UK subsidiary, Zoono Holdings Limited, occurred during the period.

Investments in associates and joint ventures

No investments in associate and joint ventures are held by the Group.

Dividend Reinvestment plan

Not applicable.

Foreign entities

Details of origin of accounting standards used in compiling the report:

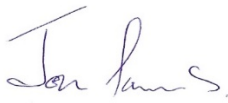
Not applicable.

Attachments

Details of attachments (if any)

The Condensed Consolidated Interim Financial Report for the half-year period ended 31 December 2018 is attached.

Signed



Jon Lamb
Executive Chairman

Date: 18 February 2019

DIRECTORS' REPORT

Your directors present their report on Zoono Group Limited ('Company') and its controlled entities (together called the 'Group' or the 'consolidated entity') for the half-year ended 31 December 2018.

All numbers stated in this report are in New Zealand dollars, unless otherwise stated or converted at the exchange rates provided.

Directors

The names of directors in office at any time during or since the end of the half-year are:

Mr. Jon Lamb	Executive Chairman
Mr. Paul Hyslop	Managing Director
Mr. Don Clarke	Non-Executive Director
Ms. Elissa Hansen	Non-Executive Director

Directors have been in office since the date of their appointment to the date of this report unless otherwise stated.

Company Secretary

Ms. Elissa Hansen.

Principal activities

The principal activities of the consolidated entity during the half-year were the development and sale of a range of antimicrobial products in multiple countries.

Operating result

The Group recorded an after-tax loss of NZ\$1,377,645 (2017: NZ\$746,566 profit) for the half-year.

Review of operations

Global online sales continue to increase as brand awareness grows and the monthly product subscription business continues to improve.

Two new products, Zoono Baby and All-Purpose wet wipes, will be available in 60 and 25 pack sizes for sale online in February, with more products under development. New distribution agreements are also under negotiation in several Asian, Central/South American and African countries. Both of these initiatives are expected to boost sales.

The following updates are provided for each region in which Zoono is currently active.

USA

Trials

- CVS Pharmacy commenced stocking two new products, Zoono ULTRA and Zoono Wound Cleanser.
- Harmon Cosmetics, a division of Bed Bath and Beyond, commenced an in-store test (15 stores) with both Zoono ULTRA and Regular Hand sanitiser products. Zoono has a dispenser providing free trials at the storefront and, if successful, Zoono products will be sold in 1,100 Bed Bath and Beyond and 57 Harmon stores nationwide.

- Trials have been conducted at a major US Airport to assist with an odour/bacteria problem. The four week comprehensive trial resulted in the elimination of odour and a 72% reduction in bacteria count after a four week period.

Orders

- Visiting Nurses Association New Jersey have placed an initial order for Zoono's surface product to maintain the hygiene of their tablets and cell phones.
- A leading automotive insurance and car-related technology platform provider with connections into major automotive channels purchased 1,500 mini foggers to sell into the auto rental and RV markets.
- Zoono USA Internet sales have improved, reaching \$135,000, a 404% increase year on year (Amazon and Zoono web sales combined).

Canada

- Zoono featured on morning television in Canada, coinciding with the launch of the Canadian online shop. Very strong sales were reported. The television appearance is viewable at <https://www.chch.com/24-hour-protection/>
- Zoono Canada is negotiating several countrywide distribution agreements.

UK/EU

- Zoono is launching a franchise services business in the UK specialising in applying and selling Zoono services in the domestic and commercial markets.
- Zoono has been tested in a renowned UK laboratory. All testing was to EU Standards and had a high threshold of success. Zoono surface, hand and foot products met all standards.
- Zoono made its first product sales to a UK NHS Hospital.
- Several distribution agreements in the UK and EU are currently being negotiated. These agreements are expected to be executed by the end of Q3.
- The launch of online sales platform in the UK and EU using a strong affiliate program is being finalised. Zoono will engage affiliates to promote the products and expects this initiative to drive future online sales.
- Zoono products and technology will be on show at the Infection Prevention Conference in London in late February 2019 (which conference is a major forum for the industry).

India/Middle East

- The Middle East and India continue to show real promise as new markets for Zoono products.
- Zoono is well advanced with regulatory approvals for its skin contact products in India.
- Work is proceeding well on the Indian online sales platform.
- Zoono will also be participating in the Clean India Trade Show in Bangalore in mid-February.

Asia Pacific

- A local Zoono distributor is launching a services business in China specialising in applying and selling Zoono services in the domestic and commercial markets. Several state franchises have already been sold.
- Korea continues to show promise and new pet products are under development at the request of a large retail chain of pet stores.

- The Company is working closely with NZTE (New Zealand Trade and Enterprise) and has been approved as a 'focus 700 company'. Through its network of offices, NZTE are assisting Zoono in global expansion and providing business development support.

Evolution of Zoono business model

The major focus of the Company in the current financial year is the evolution of its business model to include direct sales to end user customers. Through the Company's sales channel, which is in addition to its network of distributors in key countries and/or regions, the Company is targeting increased and repeat sales at better margins from longer term direct contracts with its larger and multinational customers. Several new contracts are currently under negotiation.

Financial Performance

In the 6 months to 31 December 2018, the Group experienced a decrease in operating revenue of NZ\$1,259,467. This was primarily due to lack of orders received from our distributors.

Gross Profit achieved was NZ\$287,233 (40.9% of operating revenue) in the half-year compared to NZ\$1,452,261 (74.0% of revenue) in the previous half-year. The decrease in Gross Profit was due to lower operating revenues, increase in freight costs transferring stock to the United Kingdom and transferring stock back from China, as well as increased external storage costs with the increased levels of stock held and the mix of products sold which decreased the margins.

Operating costs increased by NZ\$683,885 with an increase in Employee costs with the hire of new staff for the United Kingdom, Australia and New Zealand of NZ\$384,594; an increase in Professional and consulting fees of NZ\$126,791; along with an increase in Selling and Marketing expenses of NZ\$91,047 as a result of increased brand awareness campaigns.

The Consolidated net loss after tax for the half-year was NZ\$1,377,645 compared to a profit of NZ\$746,566 in the previous half-year.

Cash generation and capital management

Operating cash flow was an outflow of NZ\$1,510,449 in the current half-year. The outflow was predominately due to the set-up and running costs of the new United Kingdom operation. The Income in Advance balance in the balance sheet increased from NZ\$448,104 to NZ\$562,598 during the current half-year. The net movement of NZ\$114,494 has arisen primarily as a result the new distribution agreement with Dubai-based Sky Scrapers General Trading LLC in which USD\$250,000 was received (for advance stock orders) offset by the release of stock and sale to Zoono China (our distributor and in which funds were received in prior periods).

Trade receivables shows a balance of NZ\$100,926 (which the Company full expects to collect in the third quarter).

The Group ended the half-year with NZ\$4,516,230 in cash reserves. This represents a decrease of NZ\$1,580,083 from the year-end balance.

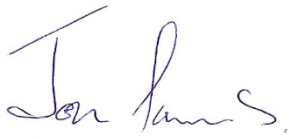
Dividends

No dividends have been paid or declared since the start of the financial year. No recommendation for payment of dividends has been made.

Auditor's independence declaration

An independence declaration has been provided by the Group's auditor, Hall Chadwick. A copy of this declaration is attached to, and forms part of, the financial report for the financial half-year ended 31 December 2018.

Signed in accordance with a resolution of the directors.

A handwritten signature in blue ink, appearing to read 'Jon Lamb'.

Jon Lamb
Executive Chairman
18 February 2019

ZOONO GROUP LIMITED
ABN 73 006 645 754

**AUDITOR'S INDEPENDENCE DECLARATION
UNDER SECTION 307C OF THE CORPORATIONS ACT 2001
TO THE DIRECTORS OF ZOONO GROUP LIMITED**

SYDNEY

Level 40
2 Park Street
Sydney NSW 2000
Australia

Ph: (612) 9263 2600
Fx: (612) 9263 2800

I declare that, to the best of my knowledge and belief, during the half-year ended 31 December 2018 there have been no contraventions of:

- (i) the auditor independence requirements as set out in the Corporations Act 2001 in relation to the review; and
- (ii) any applicable code of professional conduct in relation to the review.



Hall Chadwick
Level 40, 2 Park Street
Sydney NSW 2000



DREW TOWNSEND
Partner

Date: 18 February 2019

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**CONSOLIDATED STATEMENT OF PROFIT OR LOSS
AND OTHER COMPREHENSIVE INCOME
FOR THE HALF-YEAR ENDED 31 DECEMBER 2018**

	Note	Half-year ended 31 December 2018 NZ\$	Half-year ended 31 December 2017 NZ\$
Revenue	4	702,572	1,962,039
Cost of sales		(415,339)	(509,778)
Gross profit		287,233	1,452,261
Other revenue	4	77,701	353,272
Administration expenses		(30,743)	(8,676)
Depreciation/Amortisation expenses		(43,667)	(23,482)
Directors' fee		(145,915)	(144,934)
Employee cost		(574,932)	(190,338)
Finance costs		(4,984)	-
Management fee		(188,969)	(188,969)
Professional and consulting fees		(342,587)	(215,796)
Occupancy expenses		(51,717)	(32,705)
Selling and distribution expenses		(101,594)	(73,878)
Marketing expenses		(118,533)	(55,202)
Listing expenses and other compliance costs		(49,166)	(84,673)
Other expenses		(89,772)	(40,314)
Profit/(Loss) before Income Tax	5	(1,377,645)	746,566
Income tax expense		-	-
Net Profit/(Loss) attributable to members		(1,377,645)	746,566
Other comprehensive income:			
Items that may be reclassified to profit or loss			
Exchange differences on translation of foreign operations		(16,475)	(15,760)
Total other comprehensive income		(16,475)	(15,760)
Total comprehensive profit/(loss) attributable to members		(1,394,120)	730,806
Profit/(Loss) per share attributable to the ordinary equity holders of the company			
Basic profit/(loss) – cents per share	13	(0.84)	0.46
Diluted profit/(loss) – cents per share	13	(0.84)	0.46

The accompanying notes form part of these financial statements

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2018

	Note	31 December 2018 NZ\$	30 June 2018 NZ\$
CURRENT ASSETS			
Cash and cash equivalents		4,516,230	6,096,313
Trade and other receivables	7	291,323	237,807
Inventories		672,917	671,500
Other assets		-	84,393
TOTAL CURRENT ASSETS		5,480,470	7,090,013
NON-CURRENT ASSETS			
Plant and equipment		132,451	118,406
Intangible assets	8	94,783	119,961
TOTAL NON-CURRENT ASSETS		227,234	238,367
TOTAL ASSETS		5,707,704	7,328,380
CURRENT LIABILITIES			
Trade and other payables	9	739,757	950,341
Borrowings	10	9,130	30,798
TOTAL CURRENT LIABILITIES		748,887	981,139
NON-CURRENT LIABILITIES			
Borrowings	10	91,864	86,358
TOTAL NON-CURRENT LIABILITIES		91,864	86,358
TOTAL LIABILITIES		840,751	1,067,497
NET ASSETS		4,866,953	6,260,883
EQUITY			
Issued capital	11	11,781,906	11,781,716
Reserves		75,847	103,816
Accumulated losses	6	(6,990,800)	(5,624,649)
TOTAL EQUITY		4,866,953	6,260,883

The accompanying notes form part of these financial statements

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE HALF-YEAR ENDED 31 DECEMBER 2017

	Issued capital	Reserves	Accumulated losses	Total
	Ordinary shares	Foreign currency translation reserve		
Note	NZ\$	NZ\$	NZ\$	NZ\$
Balance at 1 July 2017	11,781,716	113,502	(5,704,355)	6,190,863
Loss for the year	-	-	746,566	746,566
Other comprehensive income for the year	-	(32,104)	16,344	(15,760)
Total comprehensive loss for the year	-	(32,104)	762,910	730,806
Transactions with owners in their capacity as owners				
Shares issued during the year, net of issue costs	-	-	-	-
Options lapsed in period	-	-	-	-
Dividends paid or provided for	-	-	-	-
Total transactions with owners	-	-	-	-
Balance at 31 December 2017	11,781,716	81,398	(4,941,445)	6,921,669

The accompanying notes form part of these financial statements

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE HALF-YEAR ENDED 31 DECEMBER 2018

		Issued capital	Reserves	Accumulated losses	Total
		Ordinary shares	Foreign currency translation reserve		
	Note	NZ\$	NZ\$	NZ\$	NZ\$
Balance at 1 July 2018		11,781,716	103,816	(5,624,649)	6,260,883
Loss for the half-year	5	-	-	(1,377,645)	(1,377,645)
Other comprehensive income for the half-year		-	(27,969)	11,494	(16,475)
Total comprehensive income/(loss) for the half-year		-	(27,969)	(1,366,151)	(1,394,120)
Transactions with owners in their capacity as owners					
Shares issued during the half-year, net of issue costs		190	-	-	190
Dividends paid or provided for		-	-	-	-
Total transactions with owners		190	-	-	190
Balance at 31 December 2018		11,781,906	75,847	(6,990,800)	4,866,953

The accompanying notes form part of these financial statements

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2018

	Note	Half- year ended 31 December 2018 NZ\$	Half- year ended 31 December 2017 NZ\$
CASH FLOWS FROM OPERATING ACTIVITIES:			
Receipts from customers		742,724	702,873
Payments to suppliers and employees		(2,349,656)	(1,787,352)
Interest received		101,468	80,470
Finance cost		(4,985)	-
Net cash provided/(used in) operating activities		(1,510,449)	(1,004,009)
CASH FLOWS FROM INVESTING ACTIVITIES:			
Payments for property, plant and equipment		(32,210)	(132,977)
Proceeds from sale of property, plant and equipment		-	35,000
Proceeds from borrowings		-	52,124
Net cash provided/(used in) investing activities		(32,210)	(45,853)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Proceeds from loans		-	49,600
Repayment of loans		(16,163)	(4,386)
Net cash provided by/(used in) financing activities		(16,163)	45,214
Net (decrease) in cash and cash equivalents held		(1,558,822)	(1,004,648)
Effects of foreign exchange on cash balance		(21,262)	(25,010)
Cash and cash equivalents at beginning of the period		6,096,314	8,144,690
Cash and cash equivalents at end of the period		4,516,230	7,115,032

The accompanying notes form part of these financial statements

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2018

1. NATURE OF OPERATIONS

Zoono Group Limited and Subsidiaries (the Group) principal activities included the research, development and sale of a range of antimicrobial products in multiple countries.

2. GENERAL INFORMATION AND STATEMENT OF COMPLIANCE

These general purpose interim financial statements for the half-year reporting period ended 31 December 2018 have been prepared in accordance with requirements of the *Corporations Act 2001* and Australian Accounting Standard AASB 134: *Interim Financial Reporting*. The Group is a for-profit entity for financial reporting purposes under Australian Accounting Standards.

Zoono Group Limited (the Company) is the Ultimate Parent Company. Zoono Group Limited is a Public Company incorporated in Australia and domiciled in New Zealand. The Company's registered address is Level 12, 225 George Street Sydney NSW 2000 Australia.

This interim financial report is intended to provide users with an update on the latest half-year financial statements of Zoono Group Limited and its controlled entities (referred to as the "consolidated group" or "group"). As such, it does not contain information that represents relatively insignificant changes occurring during the half-year within the Group. It is therefore recommended that this financial report be read in conjunction with the annual financial statements of the Group for the year ended 30 June 2018, together with any public announcements made during the following half-year.

These interim financial statements were authorised to be issued on 18th February 2019.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. Accounting Policies

The same accounting policies and methods of computation have been followed in this interim financial report as were applied in the most recent annual financial statements.

b. New and Amended Standards Adopted by the Group

The Group has considered the implications of new or amended Accounting Standards which have become applicable for the current reporting period and the Group has changed its accounting policies and made retrospective adjustments as a result of adopting the following Standards:

- AASB 9: Financial Instruments; and
- AASB 15: Revenue from Contracts with Customers

The impact of the adoption of these Standards and the respective accounting policies is immaterial.

c. Impact of Standards Issued but Not yet Applied by the Group

- AASB 16: *Leases*

AASB 16: *Leases* (issued February 2016) will supersede the existing lease accounting requirements in AASB 117: *Leases* and the related Interpretations. It introduces a single lessee accounting model by eliminating the current requirement to distinguish leases as either operating leases or finance leases depending on the transfer of risks and rewards of ownership. The key requirements of AASB 16 are summarised as follows:

- recognition of a right-of-use asset and liability for all leases (excluding short-term leases with less than 12 months of tenure and leases relating to low-value assets);
- depreciation of right-of-use assets in line with AASB 116: *Property Plant and Equipment* in profit or loss and unwinding of the liability in principal and interest components;
- inclusion of variable lease payments that depend on an index or a rate in the initial measurement of the lease liability using the index or rate at the commencement date;
- application of a practical expedient to permit a lessee to elect not to separate non-lease components, instead accounting for all components as a lease;
- inclusion of additional disclosure requirements; and
- accounting for lessors will not significantly change.

AASB 16 will affect primarily the accounting for the Group's operating leases. As at the reporting date, the Group has non-cancellable operating lease commitments of \$51,717. The Group is currently assessing to what extent these commitments will result in the recognition of an asset and a liability for future payments and how this will affect the Group's profit, financial position and classification of cash flows.

Some of the commitments may be covered by the exception for short-term and low-value leases and some commitments may relate to arrangements that will not qualify as leases under AASB 16.

The Standard is mandatory for first interim periods within annual reporting periods beginning on or after 1 January 2019. The Group does not intend to adopt the Standard before its effective date.

d. Functional and Presentation Currencies

The functional currency of each of the group's entities is measured using the currency of the primary economic environment in which that entity operates. The consolidated interim financial statements are presented in New Zealand dollars, which is the parent entity's functional currency.

4. REVENUE AND OTHER INCOME

	Half-Year	
	2018	2017
	NZ\$	NZ\$
Revenue from operating activities		
Operating activities		
- Revenue from sale of goods	702,572	1,962,039
Total revenue from operating activities	702,572	1,962,039
Other income		
- Income in advance write backs	-	221,286
- Dividend received	380	350
- Interest received	75,123	126,673
- Expenses recovery	2,198	4,963
Total other income	77,701	353,272

ZOONO GROUP LIMITED
formerly Goldsearch Limited
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5. PROFIT/(LOSS) FOR THE HALF-YEAR

Profit/(Loss) before income tax has been determined after:

Depreciation	24,482	16,298
Gain on disposal of property, plant and equipment	-	(13,954)
Rental expense on operating leases	51,717	32,705
Amortisation	19,185	7,184
Salary costs (including directors' fees and management fees)	909,816	524,241
Interest on borrowings	-	-
Net foreign exchange (gain) and losses	31,256	20,315

**31 December
2018** **30 June
2018**

6. ACCUMULATED PROFIT/(LOSSES)

Accumulated losses at beginning of period	(5,624,649)	(5,704,355)
Net profit/(loss) attributable to members of the company	(1,366,151)	79,706
Accumulated losses at end of period	<u>(6,990,800)</u>	<u>(5,624,649)</u>

7. TRADE AND OTHER RECEIVABLES

Trade receivables	100,926	25,518
Net GST/VAT receivable	43,280	98,652
Other receivables	147,117	113,637
	<u>291,323</u>	<u>237,807</u>

**31 December
2018** **30 June
2018**
NZ\$ **NZ\$**

8. INTANGIBLE ASSETS

Trademarks and patents and Website Development:

Trademarks, Website Development and patents at cost	226,270	226,270
Accumulated amortisation	(131,487)	(106,309)
	<u>94,783</u>	<u>119,961</u>

ZOONO GROUP LIMITED
formerly Goldsearch Limited
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9. TRADE AND OTHER PAYABLES

Trade creditors	59,224	338,834
Sundry creditors and accruals	117,935	157,185
Other payables	-	6,218
Income in advance	562,598	448,104
	<u>739,757</u>	<u>950,341</u>

10. BORROWINGS

CURRENT

Lease liability ¹	<u>9,130</u>	<u>30,798</u>
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NON-CURRENT

Lease liability ¹	<u>91,864</u>	<u>86,358</u>
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The leases are secured on company motor vehicles and incur an interest rate of 9.76% and 9.95% per annum for periods of 36 months and 44 months respectively and commenced in July 2017 and December 2017.

	31 December 2018 No. Shares	30 June 2018 No. Shares	31 December 2018 NZ\$	30 June 2018 NZ\$
11. ISSUED CAPITAL				
(a) Issued shares:				
Beginning of the year	163,011,827	163,011,827	11,781,716	11,781,716
Issued during the year:				
Recognition of shares in Zoono Holdings Ltd	880	-	190	-
	<u>163,012,707</u>	<u>163,011,827</u>	<u>11,781,906</u>	<u>11,781,716</u>

Holders of ordinary shares are entitled to participate in dividends when declared and are entitled to one vote per share, either in person or by proxy, at shareholder meetings. In the event of a winding up of the Company, ordinary shareholders are ranked after all other creditors and are entitled to any remaining proceeds of liquidation in proportion to the number of and amounts paid on the shares held.

Ordinary shares have no par value and the Company does not have a limited amount of authorised capital.

(b) Movement in issued share options during the year:

The Company had no quoted or unquoted options issued at the date of this report.

(c) Uncalled capital:

No calls are outstanding at half-year end. All issued shares are fully paid.

(d) Capital management:

Management controls the capital of the Group in order to maintain a reasonable debt to equity ratio, provide the shareholders with adequate returns and ensure that the Group can fund its operations and continue as a going concern.

The Group currently has no debt funding available or external capital requirement. The Group's capital includes ordinary share capital and reserves. The financial liabilities are supported by financial assets.

Management effectively manages the Group capital by assessing the Group's financial risks and adjusting its capital structure in response to changes in these risks and in the market. These responses include the management of share issues. The Group strategy remains unchanged from the prior year.

12. CONTINGENT LIABILITIES

As advised to the ASX on 3 December 2018, legal proceedings have commenced against MCS Capital Partners Pty and Stayzon Retail Ventures Pty Limited for breach of the Deed of Settlement. Further to this announcement, the Group announced to the ASX on 12 February 2019 that it had received a counterclaim against Zoono for AUD\$790,000 from MCS/Stayzon.

The directors believe the counterclaim is totally without merit and will continue to pursue its claim against MCS/Stayzon.

13. EARNINGS PER SHARE

The following reflects the income and share data used in the calculations of basic and diluted earnings per share (EPS):

	31 December 2018	31 December 2017
Basic profit/(loss) cents per share	(0.84)	0.46
Diluted profit/(loss) cents per share	(0.84)	0.46

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Weighted average number of ordinary shares outstanding during the year used to calculate basic EPS	163,011,827	163,011,827
Weighted average number of ordinary shares outstanding during the year used to calculate diluted EPS	163,011,827	163,011,827
Profit/(Loss) from continuing operations used to calculate basic EPS and diluted EPS	(1,377,645)	746,566

There have been no transactions involving ordinary shares or potential ordinary shares that would significantly change the number of ordinary shares or potential ordinary shares outstanding between the reporting date and the date of completion of these financial statements.

14. SEGMENT INFORMATION

Operating segments are not identified on the basis of internal reports about the components of the Group that are regularly reviewed by the Chief Operating Decision Makers in order to allocate resources to the segment and to assess its performance.

In presenting information on the basis of geographical segments, segment revenue is not based on the geographical location of distributors/customers. Segment assets and liabilities are located in New Zealand and are unable to be allocated to individual geographical segments by locations of distributors/customers on a reasonable basis. The Group's segment revenue is not assigned to any one geographical location as follows;

Global revenues Hand sanitiser, textile applicator, mould remediation, surface sanitiser

Geographical information

The Group's revenue from external distributors/customers by geographical location has been excluded for competitive reasons.

	2018	2017
Geographical Revenue	NZ\$	NZ\$
Global revenues	702,572	1,962,039
Total Group Revenue	702,572	1,962,039

15. EVENTS SUBSEQUENT TO REPORTING DATE

No other matters or circumstances have arisen since the end of the half-year which significantly affected or may significantly affect the operations of the consolidated group, the results of those operations, or the state of affairs of the consolidated group in future financial years.

16. COMPANY DETAILS

The registered office of the Company is:

Level 12, 225 George Street
Sydney NSW 2000
Australia.

The principal place of business of the Company is:

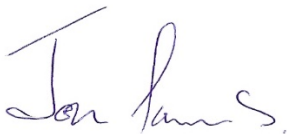
31 Hannigan Drive,
St Johns, Auckland 1072
New Zealand

DIRECTORS' DECLARATION

The directors of Zoono Group Limited declare that:

1. The consolidated financial statements and associated notes for the financial half-year ended 31 December 2018:
 - (a) are in accordance with the Corporations Act 2001;
 - (b) comply with Accounting Standards and the Corporations Regulations 2001; and
 - (c) the consolidated financial report also complies with International Financial Reporting Standards issued by the International Accounting Standards Board (IASB) as disclosed in Note 1; and
 - (d) give a true and fair view of the financial position of the Consolidated entity as at 31 December 2018 and the performance of the Group for the financial half-year then ended.
2. The chief executive officer/chief financial officer has declared that:
 - (a) the financial records of the Consolidated entity for the financial half-year have been properly maintained in accordance with section 295A of the Corporations Act 2001;
 - (b) the consolidated financial statements and notes for the financial half-year comply with Accounting Standards in particular Accounting Standard 134: Interim Financial Reporting; and
 - (c) the financial statements and notes for the financial half-year give a true and fair view.
3. In the opinion of the directors there are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the directors.



Jon Lamb
Executive Chairman
18 February 2019

**ZOONO GROUP LIMITED
ABN 73 006 645 754
AND CONTROLLED ENTITIES**

**INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF
ZOONO GROUP LIMITED**

SYDNEY

Level 40
2 Park Street
Sydney NSW 2000
Australia

Ph: (612) 9263 2600
Fx: (612) 9263 2800

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Zoono Group Limited, which comprises the consolidated statement of financial position as at 31 December 2018, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity, and consolidated statement of cash flows for the period ended on that date, notes comprising a summary of significant accounting policies and other explanatory information and the directors' declaration.

Directors' Responsibility for the Half-Year Financial Report

The directors of Zoono Group Limited are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards (including Australian Accounting Interpretations) and the Corporations Act 2001 and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410: Review of a Financial Report Performed by the Independent Auditor of the Entity, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the Corporations Act 2001 including: giving a true and fair view of Zoono Group Limited's financial position as at 31 December 2018 and its performance for the period ended on that date, and complying with Accounting Standard AASB 134: Half-year Financial Reporting and the Corporations Regulations 2001. As the auditor of Zoono Group Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we have complied with the independence requirements of the Corporations Act 2001.

A Member of PrimeGlobal
An Association of Independent
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 **PrimeGlobal**

**ZOONO GROUP LIMITED
ABN 73 006 645 754
AND CONTROLLED ENTITIES**

**INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF
ZOONO GROUP LIMITED**

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Zoono Group Limited is not in accordance with the Corporations Act 2001 including:

- (i) giving a true and fair view of Zoono Group Limited's financial position as at 31 December 2018 and of its performance for the period ended on that date; and
- (ii) complying with AASB 134: Half-year Financial Reporting and the Corporations Regulations 2001.



HALL CHADWICK
Level 40, 2 Park Street
Sydney NSW 2000



DREW TOWNSEND
Partner

Dated: 18 February 2019

CORPORATE DIRECTORY

Directors

Jon Lamb, Executive Chairman
Paul Hyslop, Managing Director
Don Clarke, Non-Executive Director
Elissa Hansen, Non-Executive Director

Company Secretary

Elissa Hansen

Management

Paul Ravlich, Chief Financial Officer
Lew MacKinnon, Chief Operating Officer

Registered Office

Level 12
225 George Street
Sydney, NSW, 2000
Ph: +61 2 8042 8481

Principle Place of Business

31E Hannigan Drive
St Johns
Auckland 1072
New Zealand
Ph: +64 21 659 977
E: info@zoono.com

Share Registry

Boardroom Pty Limited
Level 12
225 George Street
Sydney, NSW, 2000
Telephone +61 2 9290 9600
Facsimile +61 2 9279 0664

Australian Legal Advisers

Murdock Cheng Legal Practice
Level 10, 50 Clarence Street
Sydney, NSW, 2000

Auditors

Hall Chadwick Pty Limited
Level 40, 2 Park Street
Sydney, NSW, 2000

ASX Code

ZNO