

Zoono Group Limited (ASX:ZNO) ASX ANNOUNCEMENT

17th October 2022

Key Points

- **ZOONO develops new nasal spray product**
- **Enters into Co-Development and Licence Agreement with Douglas Pharmaceuticals.**

Zoono Group Limited (**Zoono** or **Company**) (ASX: ZNO) is delighted to announce the development of the first of its specialty products for use in the clinical, medical and OTC sectors.

Over the past 18 months, Zoono has been working closely with the Faculty of Medical and Health Sciences at the University of Auckland, examining the effects of Zoono technology on staphylococcus and pseudomonas biofilms in the laboratory. These pathogens are often detected in patients experiencing sinusitis and can be very resistant to treatment with antibiotics. Chronic rhinosinusitis is a common condition that causes a marked reduction in quality of life for those who suffer from it.

This project has been partially funded by a grant from the New Zealand Government Science and Innovation Agency.

The University team has been led by Professor Richard Douglas - a specialist ORL surgeon with clinical and research interests in the medical and surgical management of chronic rhinosinusitis. He is a consultant surgeon at Auckland City and Gillies Hospitals and is a Professor of Surgery at the University of Auckland. His project team includes Dr Brett Wagner-MacKenzie, a research fellow in the Department of Surgery at the University of Auckland.

The test results from the product trials completed at the University have exceeded all expectations. The testing confirmed:

- a significant reduction in viable staphylococcus aureus biofilms at one hour and eradication at six hours; and
- a significant reduction in viable pseudomonas aeruginosa biofilms at 5 minutes and near eradication within one 1 hour.

The new formulation will be sold as a treatment of chronic rhinosinusitis (CRS) - a condition that is estimated to affect 12.3% of the population in the USA, 10.9% in Europe and 13% in China¹. Zoono is keen to expand its product range into this market as the global inhalation and nasal spray generic drugs market was estimated at USD\$17.50 billion in 2021. Further, it is expected to expand at a compound annual growth rate of circa 9% from 2022 to 2030.²

Another material advantage of the new Zoono product is that it has the potential to substantially reduce the use of antibiotics in the treatment of sinusitis, thereby reducing the potential for the development of antibiotic resistance. The Zoono technology does not promote mutation and pathogens are unable to develop immunity. The WHO recognises the increasing development of antibiotic resistance as one of the greatest healthcare threats we face.

The next steps for Zoono are to complete further laboratory testing and clinical trials to support

commercialisation of its new product. To that end, recognising that Zoono does not have the necessary resources to undertake that task, it has entered into a Co-Development and Licence Agreement (**Agreement**) with Douglas Pharmaceuticals Limited (**Douglas**).

Zoono and Douglas will work in close collaboration to develop and commercialise the use of Zoono based specialty products, with a nasal spray being the first such product that is being considered.

The key points arising from the Agreement are:

1. Each party has agreed to grant to the other party a licence to its 'Background IP' to enable the parties to jointly develop specialty products for sale. The initial products may include the nasal spray.
2. All development costs and profits are to be shared equally.

By way of background, Douglas was founded in 1967 and employs over 700 staff in New Zealand and overseas. It is New Zealand's largest family-owned healthcare company and exports to 40 countries with the US and Europe as the largest markets for in-house developed pharmaceutical products. It supplies automated dispensing machines to New Zealand pharmacies, as well as manufacturing and distributing a range of consumer healthcare products. Douglas has recently opened a state-of-the-art Innovation facility on its West Auckland campus for research and development of novel medical products for a range of serious unmet medical needs.

The Zoono / Douglas joint venture has also employed Dr Wagner-MacKenzie to drive the commercialisation of this unique technology, via Douglas channels.

Paul Hyslop (Managing Director, Zoono Group):

With the results of the robust testing and clinical review to hand, now is the time to put the right people in place to commercialise the new product. Zoono is confident the Co-Development Agreement will enable it to achieve that objective. Douglas is a significant business, and we see the agreement as part of a symbiotic relationship in which specialty products can be taken to markets which Zoono would struggle to achieve on its own. Douglas has global reach, existing contacts and considerable experience within the medical / clinical sectors. They're a perfect fit for Zoono".

- ¹ Hastan D., Fokkens W.J., Bachert C., Newson R.B., Bislimovska J., Bockelbrink A., Bousquet P.J., Brożek G.M., Bruno A., Dahlen S.E., et al. Chronic rhinosinusitis in Europe—An underestimated disease. A GA(2)LEN study. *Allergy*. 2011;66:1216–1223. doi: 10.1111/j.1398-9995.2011.02646.x.
Palmer J.N., Messina J.C., Bilech R., Grosel K., Mahmoud R.A. A cross-sectional, population-based survey of U.S. adults with symptoms of chronic rhinosinusitis. *Allergy Asthma Proc*. 2019;40:48–56. doi: 10.2500/aap.2019.40.4182.
Hirsch A.G., Stewart W.F., Sundaresan A.S., Young A.J., Kennedy T.L., Greene J.S., Feng W., Tan B.K., Schleimer R.P., Kern R.C., et al. Nasal and sinus symptoms and chronic rhinosinusitis in a population-based sample. *Allergy*. 2017;72:274–281. doi: 10.1111/all.13042.
- ² <https://www.grandviewresearch.com/industry-analysis/inhalation-nasal-spray-generic-drugs-market-report>

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

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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 ZOONO's technology claims are supported by independent testing conducted in laboratories worldwide. ZOONO is headquartered in New Zealand and its products are available globally.

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