

Appendix 4E

Preliminary Final Report

1. Company details

Name of entity:	Zoono Group Limited
ABN:	73 006 645 754
Reporting period:	For the year ended 30 June 2024
Previous period:	For the year ended 30 June 2023

2. Results for announcement to the market

30 June 2024

Revenues from ordinary activities	Down	NZ\$2,287,265 (68.6%)	to	NZ\$1,049,321
Loss from ordinary activities after tax attributable to the owners of the Group	Down	(NZ\$8,834,795) (2,521.4%)	to	(NZ\$9,185,193)
Loss for the year attributable to the owners of the Group	Down	(NZ\$8,834,795) (2,521.4%)	to	(NZ\$9,185,193)

Dividend Information

Zoono Group has elected not to pay a dividend with respect to the 2024 year.

Comments

The loss for the Group after providing for income tax amounted to NZ\$9,088,364 (30 June 2023: Loss NZ\$406,020).

Refer to 'Financial Performance' in the attached annual report for further commentary on results.

3. Statement of Profit or Loss and Other Comprehensive Income with Notes to the Statement

Refer to page 19 of the 30 June 2024 financial report and accompanying notes for Zoono Group Limited.

4. Statement of Financial Position with Notes to the Statement

Refer to page 20 of the 30 June 2024 financial report and accompanying notes for Zoono Group Limited.

5. Statement of Changes in Equity with Notes to the Statement

Refer to pages 21 - 22 of the 30 June 2024 financial report and accompanying notes for Zoono Group Limited.

6. Statement of Cash Flows with Notes to the Statement

Refer to page 23 of the 30 June 2024 financial report and accompanying notes for Zoono Group Limited

7. Net tangible assets

	30 June 2024	30 June 2023
Net tangible assets per security	NZ\$0.04088	NZ\$0.06617

8. Control gained over entities

Refer to Note 26 of the 30 June 2024 financial report and the accompanying notes for Zoono Group Limited.

9. Loss of Control over entities

Not applicable.

10. Dividend**Current period**

There were no dividends paid, recommended or declared during the current financial period.

Previous period

Not applicable.

11. Dividend reinvestment plans

Not applicable.

12. Details of associates and joint venture entities

Not applicable.

13. Foreign entities**Details of origin of accounting standards used in compiling the report:**

Not applicable.

14. Status of Audit**Details of audit dispute or qualification (if any):**

The 30 June 2024 financial statements and accompanying notes for Zoono Group Limited have been audited and are not subject to any disputes or qualifications. Refer to pages 51 - 54 of the 30 June 2024 financial report for a copy of the auditor's report.

15. Attachments**Details of attachments (if any):**

The Annual Report of Zoono Group Limited for the year ended 30 June 2024 is attached.

16. Signed

Paul Hyslop
Managing Director

Date: 21 August 2024

ZOONO[®]

ZOONO GROUP LIMITED

ANNUAL REPORT 2024

ZOONO GROUP LIMITED AND CONTROLLED ENTITIES
ABN 73 006 645 754
ANNUAL REPORT FOR THE YEAR ENDED
30 JUNE 2024

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MANAGING DIRECTOR'S REVIEW

WE RECOGNISE THAT THESE LAST 12 MONTHS HAVE BEEN A CHALLENGING PERIOD FOR ZOOONO SHAREHOLDERS AND FIRSTLY, WANT TO THANK THOSE THAT CONTINUE TO SUPPORT US.

Firstly, I express my appreciation for the patience shown to date by shareholders. Sometimes it seems to take an extraordinary amount of time to get testing completed, deals signed and most importantly, orders secured. I know there's an element of frustration within the shareholder group, but I can assure you we're going as fast as we can, whilst keeping our overheads under firm control.

The shelf-life extension technology developed in conjunction with OSY Group Limited, is becoming increasingly important to the business, but we also remain committed to other market sectors such as Hygiene, Healthcare Janitorial and Agriculture.

Good news is that we've completed testing on five soft fruits with a major UK supermarket chain and, as a result, contracts have been signed and the first orders placed. For this chain alone, an extra 1-2 days shelf-life can save them £11m per annum, at a cost of approximately £1m to coat the food trays, so from a cost/benefit analysis, this has been an easy decision for them.

We have now moved into other food groups and testing has commenced. The results are very positive so far.

Negotiations and short form trials have commenced with other supermarket chains (along with some market leading packaging manufacturers), and we expect news to follow within the next 12 months.

Whilst the past two years have been challenging, the focus remains on what we can control and, as a result, we undertook a significant review of our structure, strategy and business operations this year in the face of slowing industry demand post-COVID. We are now executing this plan and, whilst results are slower than hoped for, the structure is in place for us to develop these new business opportunities.

INDIA AND CHINA

We have several new distribution agreements signed in these regions and sales are encouraging. We now have staff on the ground in both countries via 100% owned subsidiaries enabling us to participate and bid for Government business.

We fully expect these two regions to contribute significantly to the revenue line in the coming 12 months.

OSY PARTNERSHIP

UK based OSY Group Limited ('OSY') are our exclusive partner in the shelf-life extension project. OSY has followed on from the successful UK testing, with further trials in place in other countries. We expect these trials to be converted into significant supply agreements within the next 12 months.

OSY shareholders have collectively invested significantly into Zoono Group via a placement early this year.

Independently, OSY have also raised significant capital in the UK and have received Government Grants for their expansion.

CAPITAL RAISE AND PLACEMENTS

During the year Zoono undertook a rights issue and several placements. A\$2,884,657 was raised by the rights issue before issue costs. A further A\$1,461,835 was raised from sophisticated investors (including OSY parties taking a holding of 20MShares).

I personally extend my thanks all Zoono shareholders, staff, and stakeholders. We are all working hard to maximise the potential of our products and returns to shareholders and, whilst we recognise the volatility of our recent journey, we are well positioned to continue to capitalise on opportunities into the future.

We look forward to keeping you informed of positive progress during the coming year.



PAUL HYSLOP
MANAGING DIRECTOR

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 financial year ended 30 June 2024. 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 year are:

MR. PAUL HYSLOP
Managing Director

MR. DON CLARKE
Non-Executive Director

MS. ELISSA HANSEN
Non-Executive Director

Directors have been in office for all of the reporting period and 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 year were to develop and sell a range of antimicrobial products in multiple countries.

OPERATING RESULT

The Group recorded an after-tax loss of NZ\$9,088,364 (2023: NZ\$406,020 loss) for the financial year.

REVIEW OF OPERATIONS

Market conditions continue to remain challenging. The Company expects the present market conditions to continue for the foreseeable future while many customers use their existing stocks of Zoono products and/or adjust to the changing environment and public sentiment regarding the use of anti-microbial products of the type produced by the Company. However, we see an improvement occurring in our China and India markets and growth is set to occur in our shelf-life extension technology, where we have secured a major UK supermarket chain.

GROWTH OPPORTUNITIES

Despite the challenging conditions, driving revenue growth is (and will continue to be) the key focus across the Company. To that end, while the immediate sales outlook is difficult, the Company is encouraged by a number of its sales initiatives which are on track to make a positive contribution to revenues in FY25. Examples of those sales initiatives are below:

- Zoono has completed trials with one of UK's largest supermarket chains in an effort to eliminate mould, reduce product degradation and improve shelf-life extension. We have received the first order in Q1 FY25.
- Discussions and a lot of interest is being shown with other supermarket chains as well as packaging companies around the globe who are interested in the shelf-life extension technology.

To support the Company's strategy on creating long-term sustainable revenues (and, therefore, maintainable and growing returns to shareholders), the Company has over recent months:

- Further reviewed and refined the market sectors and products where the Company believes it has a material commercial advantage;
- allocated priority to those opportunities offering the greatest potential for long-term value creation; and
- increased its support of the commercialisation efforts of its strategic partners in shelf-life extension technology.

THE MARKETS

UK

- The Company announced that it had entered into an exclusive agency agreement with OSY Group Limited ('OSY') to promote the sale of Zoono products for the food supply chain sector. OSY has been working with the major UK supermarket chain over the last two years. 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 food waste by half. 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 trials with the major UK supermarket chain focused on increasing the shelf-life of fresh food and other products sold in its supermarkets have been completed with outstanding results. The Company expects product sales to that supermarket customer to commence in Q1 FY25. The Company is also confident of being able to successfully market its products (to extend the shelf-life of fresh food and other products) to other supermarket chains and fresh food producers in 2025.

China

- The Company has signed an agreement with an agricultural wholesale market company based in Shanghai with pork slaughtering and quarantine facilities, and market revenues of NZ\$4.5B. The two companies will jointly promote strategic co-operation in promoting the application of agricultural product market protection shield (forming a regular sterilization and disinfection

mechanism in the market to ensure a safe market environment) and agricultural product protection net (used horizontally in different categories and vertically in the harvesting, storage, transportation and sales stages of products) in China. Tests are underway in the wholesale market to verify the effectiveness in the actual application environment.

- The Company is also in discussions with a major Chinese pharmaceutical company with a market capitalisation of approximately RMB10B. The discussions are around this company launching OEM products under their own brand, and also adding Zoono technology to some of their existing products.

India

- Successful trials treating fungal diseases have been completed on mangoes in India. To date, the trials have been successful with no fungal or bacterial disease identified on any mangoes 30 days after being treated with Zoono Z71. The Company has now undertaken further tests on other fresh produce including apples, bananas, oranges, grapes, and pomegranates with great results. Small orders and sales have commenced and are steadily growing.

WORKING CAPITAL

Zoono announced a rights issue in December 2023 which raised NZ\$3.1M in new funding for the Company, before issue costs.

In addition, the Company raised A\$1,461,835 from sophisticated investors, including A\$367,000 from parties associated with OSY.

With the success of its cost reduction program, in conjunction with having the benefit of the above sources of funds, the Company is confident that it has sufficient funding to meet its business objectives. However, the Board is fully aware that the Company's working capital position remains dependent on the future success of its sales and marketing efforts, and cash receipts from customers, over the next several quarters.

LEGAL

The Company is currently being prosecuted by the Commerce Commission for allegedly unsubstantiated representations made about its hand sanitiser and microbe shield surface spray contrary to section 12A of the Fair Trading Act 1986. Zoono believes it has complied fully with its legal obligations and intends to strenuously defend the action. Zoono's public representations concerning the efficacy and durability of its products have been made in reliance of over 200 independent tests undertaken by laboratories worldwide in accordance with recognised standards.

THE FOCUS

The Company's strategy remains focused on creating long-term sustainable growth which produces consistent, maintainable and growing returns to the shareholders. The key initiatives to support these efforts include:

- prioritisation of opportunities offering the greatest potential for long-term value creation (which, by definition, must include better identifying those market sectors and products where the Company believes it has a material commercial advantage);
- determining how the Company can best leverage its opportunities and tailor its messages for the different market segments;
- growing existing key customers and revenue streams in each of the Company's core markets;

and

- supporting the commercialisation efforts of our strategic partners through its shelf-life extension technology.

The Company remains optimistic about the future of long-lasting antimicrobial coating technology. We believe our technology fundamentally offers a more sustainable and more cost-effective solution than incumbent offerings. We will continue to change habits, perceptions and grow market share across our core geographies (Oceania, Americas, UK, Europe, China) and markets (facilities management, transportation, education, hospitality and healthcare). We continue to be focused on the following areas:

Packaging: We have run successful trials with companies in both the UK and South Africa to extend the shelf-life of produce and continue to progress these commercialisation efforts to markets around the globe.

Mould Remediation and Protection: We have relaunched our Mould Remediation and Protection products. Feedback from customers to date has been incredibly supportive.

Despite the recent difficulties, we are focussed on what we can control. To that end, we undertook a significant review of our strategy and business operations in the face of slowing demand. Key outcomes included improved clarity and renewed focus on our core markets and segments, refining our route to market, reducing overheads, and strengthening both the communication of our value proposition and key strategic partnerships.

FINANCIAL PERFORMANCE

In the 12 months to 30 June 2024, the Group experienced a decrease in revenue of NZ\$2,287,265 (68.6% decrease) to NZ\$1,049,321 compared to the previous year, largely caused by COVID, disruptions around the world and an overordering of product in April 2020.

Gross profit achieved was NZ\$274,345 (26.1% of revenue) in the current year compared to NZ\$1,710,256 (51.3% of revenue) in the previous year.

The decrease in Gross Profit was directly due to decreased revenues, and more volume sales at lower gross margins compared to the previous year, especially with our online promotions.

Operating costs increased by NZ\$1,904,371 (25.3% increase) compared to FY23 primarily as a result of fully provisioning and writing-off some of our plastic stock of NZ\$5,053,503 (FY23: NZ\$350,000).

Without these charges our operating costs would have decreased by NZ\$2,542,054 or 35.4% over the prior year.

The consolidated Group net loss after tax for the year was NZ\$9,088,364 compared to a loss of NZ\$406,020 in the previous year (impacted by the plastic stock obsolescence provision of NZ\$5,053,503).

CAPITAL MANAGEMENT

Operating cash flow was a net cash outflow of NZ \$3,162,925 in the current year, a decrease of NZ\$722,256 on the previous year.

This was predominately due to a combination of lower cash receipts for the year and lower operating costs due to the restructuring undertaken and in particular a reduction in employee costs of NZ\$943,517 and professional fees of NZ\$881,461.

The Group ended the year with NZ\$1,961,284 in cash reserves compared to NZ\$826,495 in the previous year, an increase of NZ\$1,134,789 primarily as a result of additional capital raised during the year.

DIVIDENDS

No dividends were paid, recommended or declared during the financial year.

FINANCIAL REVIEW

Zoono Group Limited continued to make strategic, operational and financial progress during the year, despite a difficult international climate.

On a consolidated basis, the Group delivered:

- Revenue: NZ\$1.0m (FY23: NZ\$3.3m)
- EBITDA loss: NZ\$8.778m (FY23: NZ\$0.372m EBITDA loss)

BALANCE SHEET

The Group continues to maintain a good balance sheet position with net assets of NZ\$6.8m compared to the prior period of NZ\$11.0m and no bank debt.

EMPLOYEE OPTIONS

During the year no employee options were issued to directors or non-director employees.

Option holders do not have any rights to participate in any issue of shares or other interests of the Company or any other entity.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

There were no significant changes in the state of affairs of the Group during the financial year.

MATTERS SUBSEQUENT TO THE END OF THE FINANCIAL YEAR

No other matters or circumstances have arisen since the end of the financial 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.

LIKELY DEVELOPMENTS, PROSPECTS AND BUSINESS STRATEGIES

The consolidated entity will continue its strategy to focus on the progressive expansion of the sale and marketing of its product line.

ENVIRONMENTAL REGULATIONS

The Group's operations are minimally affected by environmental regulations.

NEW ACCOUNTING STANDARDS FOR APPLICATION IN FUTURE PERIODS

The AASB has issued a number of new and amended Accounting Standards and Interpretations that have mandatory application dates for future reporting periods, some of which are relevant to the Group.

The Group has decided not to early adopt any of the new and amended pronouncement as the Group assessed that the new and amended pronouncements have no material impact on the Group.

INFORMATION ON DIRECTORS

MR. PAUL HYSLOP

MANAGING DIRECTOR

Paul founded Zoono Group in 2007 to address the need for a highly effective, alternative method of combating bacteria and microbes and quickly realised the business opportunity surrounding this technology. Prior to establishing Zoono, Paul was involved in several successful entrepreneurial ventures ranging from the establishment of a successful private car sales business in Auckland in 1990, to real estate development and business brokerage. He also set up a franchise business in the USA 2002 – 2005.

Extremely adept at dealing with businesses and consumers alike, he co-established the Business Brokerage Division at Bayley’s Real Estate – one of the largest real estate and business brokerages in New Zealand, where he was twice awarded the “Salesman of the Year” award.

Paul’s experience in business development dates back to the 1970s, when he started a personal-care services business after high school, grew it into eight locations and later sold it to his employees. He has also been a commercial flying instructor and Airline pilot, having flown commuter planes for Eagle Air, owned by Air New Zealand.

SPECIAL RESPONSIBILITIES:

Managing Director

INTERESTS IN SHARES AND OPTIONS:

104,447,500 Ordinary shares; 4,963,168 Options

DIRECTORSHIPS OF OTHER LISTED COMPANIES IN THE PAST THREE YEARS:

None

MR. DON CLARKE, LLB (HONS)

INDEPENDENT NON-EXECUTIVE DIRECTOR

Don was a Partner of Minter Ellison’s Melbourne Corporate Group, from 1988- 2015. He currently acts as a consultant to them. Don has advised leading corporate clients on broad corporation law issues focused on equity capital markets, private equity, mergers and acquisitions and corporate restructures.

He is able to draw on his first-hand experience as a corporate lawyer and a Director, of Directors’ duties and responsibilities and best practice corporate governance, when advising on the legal and practical issues faced at head office and board level.

SPECIAL RESPONSIBILITIES:

Chairman of the Audit and Risk Committee.

INTERESTS IN SHARES AND OPTIONS:

506,250 Ordinary shares; 22,500 Options

DIRECTORSHIPS OF OTHER LISTED COMPANIES IN THE PAST THREE YEARS:

Non-Executive Director, Webjet Limited (appointed January 2008)

Ms. ELISSA HANSEN, B.COM, GRAD DIP APPLIED CORPORATE GOVERNANCE, GAICD AND FGAI**INDEPENDENT NON-EXECUTIVE DIRECTOR**

Elissa has over 20 years of experience advising boards and management on corporate governance, compliance, investor relations and other corporate related issues. She is a Chartered Secretary who brings best practice governance advice, ensuring compliance with the Listing Rules, Corporations Act and other relevant legislation.

SPECIAL RESPONSIBILITIES:

Company Secretary; member of the Audit and Risk Committee

INTERESTS IN SHARES AND OPTIONS:

500,625 Ordinary shares; 22,250 Options

DIRECTORSHIPS OF OTHER LISTED COMPANIES IN THE PAST THREE YEARS:

Non-Executive Director, QMines Limited (appointed August 2020)

Non-executive Director, Aeeris Limited (appointed May 2022)

MEETING OF DIRECTORS

The number of board meetings of Zoono Group Limited directors held during the financial year ended 30 June 2024, and the number of meetings attended by each director were:

	DIRECTORS MEETINGS		AUDIT & RISK COMMITTEE MEETINGS	
	ATTENDED	ELIGIBLE TO ATTEND	ATTENDED	ELIGIBLE TO ATTEND
Paul Hyslop	4	4	-	-
Don Clarke	4	4	2	2
Elissa Hansen	4	4	2	2

INDEMNIFICATION AND INSURANCE OF DIRECTORS, OFFICERS AND AUDITOR

The Group has entered into an agreement to indemnify directors and officers during the financial year and has taken out an insurance policy to insure each of the directors and officers and former directors and officers against liabilities for costs and expenses incurred by them in defending any legal proceedings arising out of their conduct while acting in the capacity of director or officer of the Group, other than conduct involving a wilful breach of duty in relation to the Group. Indemnity has not been provided for auditors. Insurance premiums of NZ\$99,081 have been paid or accrued by the Group.

REGULATION

Zoono and its proposed products are subject to various laws and regulations including but not limited to accounting standards, tax laws, environmental laws, product content requirement, labelling/packaging, regulations and customs regulations.

Changes in these laws and regulations (including interpretation and enforcement) could adversely affect the Group financial performance. Laws and regulations are specific to each geographic location. In this regard, there is a risk that a certain product may not be able to be supplied in

another jurisdiction because it fails to meet that jurisdiction's regulatory requirements (e.g. product registration requirements).

Failure of the Group to remain up to date with these various regulatory requirements could adversely affect the Group financial performance.

PROCEEDINGS ON BEHALF OF THE GROUP

The Company is currently being prosecuted by the Commerce Commission for allegedly unsubstantiated representations made about its hand sanitiser and microbe shield surface spray contrary to section 12A of the Fair Trading Act 1986. Zoono believes it has complied fully with its legal obligations and intends to strenuously defend the action. Zoono's public representations concerning the efficacy and durability of its products have been made in reliance of over 200 independent tests undertaken by laboratories worldwide in accordance with recognised standards.

CORPORATE GOVERNANCE

The directors are responsible for the corporate governance practices of the Group.

The main corporate governance practices that were in operation during the financial year are set out in the Corporate Governance section of the Company's website at <http://zoono.com/corporate-governance>.

NON-AUDIT SERVICES

The directors are satisfied that the provision of non-audit services during the year is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001. The directors are satisfied that the services disclosed below did not compromise the external auditor's independence for the following reasons:

- All non-audit services are reviewed and approved by the full board prior to commencement to ensure they do not adversely affect the integrity and objectivity of the auditor, and
- The nature of the services provided do not compromise the general principles relating to auditor independence in accordance with APES 110: Code of Ethics for Professional Accountants set by the Accounting Professional and Ethical Standards Board.

There were no non-audit services rendered during the year ended 30 June 2024.

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 year ended 30 June 2024.

Signed in accordance with a resolution of the directors.



Paul Hyslop
Managing Director

REMUNERATION REPORT (AUDITED)

THE REMUNERATION REPORT IS SET OUT UNDER THE FOLLOWING MAIN HEADINGS:

1. PRINCIPLES USED TO DETERMINE THE NATURE AND AMOUNT OF REMUNERATION
2. DETAILS OF REMUNERATION
3. SERVICES AGREEMENTS
4. SHARE-BASED COMPENSATION

The information provided under headings 1 to 4 includes remuneration disclosures that are required under Accounting Standard AASB 124 Related Party Disclosures. These disclosures have been transferred from the financial report and have been audited.

1. PRINCIPLES USED TO DETERMINE THE NATURE AND AMOUNT OF REMUNERATION

The performance of the consolidated group depends upon the quality and commitment of the directors and executives. The philosophy of the directors in determining remuneration levels is to:

- ❖ Set competitive remuneration packages to attract and retain high calibre employees;
- ❖ Link executive rewards to shareholder value creation; and
- ❖ Establish appropriate demanding performance hurdles for variable executive remuneration.

Given the small size of the Board, and the current stage of the Company, a separate Remuneration Committee has not been established to review and make recommendations to the full Board on the Group's remuneration policies, procedures and practices. As the Company develops, the Company may establish a Remuneration Committee to undertake this role.

The full Board oversees the Group's remuneration policies, procedures and practices and defines the individual packages offered to executive directors and key management personal.

The Board may consider engaging an independent remuneration consultant, to advise it on appropriate levels of remuneration relative to its industry peer group.

In accordance with Corporate Governance best practice (Recommendation 8.2), the structure of non-executive director and executive remuneration is separate and distinct as follows.

Non-executive Directors' Remuneration Fixed Remuneration

The Board seeks to set non-executive directors' remuneration at a level that provides the Group with the ability to attract and retain directors of a high calibre, whilst incurring a cost that is acceptable to shareholders.

The ASX Listing Rules specify that the aggregate remuneration of non-executive directors shall be determined from time to time by a general meeting. The amount of aggregate remuneration and the manner in which it is apportioned amongst directors is reviewed annually. The Board considers advice from shareholders (if any) and takes into account the fees paid to non-executive directors of comparable companies, when undertaking the annual review process.

Directors' remuneration is inclusive of committee fees. The following net annual fees paid to non-executive directors are:

FIXED FEES (NZ\$)	1 JULY 2023 - 30 JUNE 2024 \$	1 JULY 2022 - 30 JUNE 2023 \$
Base Fee		
Non-executive directors	\$85,719 ¹	\$83,732 ¹

NOTES:

1. The net annual fee paid was AU\$80,000 and has been converted at an average exchange rate of 1.07149 (2023:1.06893).

Company executive and executive director remuneration

Remuneration for executives and executive directors consists of fixed remuneration, short-term incentive payments and options issued.

Fixed Remuneration:

Fixed remuneration is reviewed annually by the directors. The process consists of a review of relevant comparative remuneration in the employment market and within the Group. The Group may engage an independent remuneration consultant, to advise the board on appropriate levels of remuneration for the Group's Executive Directors relative to its industry peer group.

2. DETAILS OF REMUNERATION

Details of the remuneration of the Key Management Personnel (as defined in AASB 124 Related Party Disclosures) are set out in Table 1 which follows.

The Key Management Personnel of Zoono Group Limited, including the directors and the following consolidated group executives, have authority and responsibility for planning, directing and controlling the activities of the consolidated group.

Paul Hyslop - Managing Director

Lew MacKinnon - Group Chief Operating Officer

Paul Ravlich - Group Chief Financial Officer

These executives together with the directors comprise the named relevant consolidated group executives who make or participate in making decisions that affect the whole, or a substantial part, of the business or who have the capacity to affect significantly the Group's financial standing.

Table 1: Details of Remuneration 2024 – Directors and Key Management Personnel

	SHORT-TERM BENEFITS		OTHER BENEFITS		SHARE-BASED PAYMENTS	TOTAL	PERCENTAGE PERFORMANCE BASED BONUS PAYMENTS	PERCENTAGE SHARE-BASED PAYMENTS
	Cash Salary & Fees	STI Payments	Termination Benefits	Prescribed Benefits	Shares			
	\$NZD	\$NZD	\$NZD	\$NZD	\$NZD	\$NZD		
Year ended 30 June 2024								
Executive directors								
Paul Hyslop	300,000	-	-	-	-	300,000	.	.
Non-Executive directors								
Don Clarke	85,719	-	-	-	-	85,719	.	.
Elissa Hansen	85,719	-	-	-	-	85,719	.	.
Other key management personnel								
Lew Mackinnon	172,250	26,500	-	-	16,164	214,914	12.33%	7.52%
Paul Ravlich	300,000	55,000	-	1,800	27,430	384,230	14.31%	7.14%
Total	943,688	81,500	-	1,800	43,594	1,070,582	7.61%	4.08%

Table 2: Details of Remuneration 2023 – Directors and Key Management Personnel

	SHORT-TERM BENEFITS		OTHER BENEFITS		SHARE-BASED PAYMENTS	TOTAL	PERCENTAGE PERFORMANCE BASED BONUS PAYMENTS	PERCENTAGE SHARE-BASED PAYMENTS
	Cash Salary & Fees	STI Payments	Termination Benefits	Prescribed Benefits	Shares			
	\$NZD	\$NZD	\$NZD	\$NZD	\$NZD	\$NZD		
Year ended 30 June 2023								
Executive directors								
Paul Hyslop ¹	300,000	-	-	-	-	300,000	.	.
Non-Executive directors								
Don Clarke	83,732	-	-	-	-	83,732	.	.
Elissa Hansen	83,732	-	-	-	-	83,732	.	.
Other key management personnel								
Barry Woolcott	210,261				218,152	428,413		50.92%
Lew Mackinnon	165,870	12,000			5,199	183,069	6.55%	2.84%
Paul Ravlich	236,900	24,700		1,800	10,398	273,798	9.02%	3.80%
Total	1,080,495	36,700		1,800	233,749	1,352,744	2.71%	17.28%

¹ Managing Director's fee was reduced to a fee of NZ\$300,000 per annum, effective 1 June 2022

3. SERVICE AGREEMENTS

To ensure the Group complied with industry best practice in relation to the remuneration of its executive directors, the non-executive directors of the Group may consider engaging the services of a remuneration consultant to conduct an independent assessment of the remuneration packages negotiated with its executive director.

The following is a summary of the current major provisions of the agreements relating to remuneration of Executive Directors in NZ Dollars:

PAUL HYSLOP

MANAGING DIRECTOR

Paul Hyslop is the Managing Director of the Group and is considered a key member of the Group's management team. Paul is founder of Zoono.

Employment Conditions

Commencement Date: 26 April 2017

Fee: \$300,000

Term: Two years

Review: Annually

Paul also holds 4,963.167 Share options exercisable at A\$0.10 issued as free attaching options under the 2023 Rights Issue.

LEW MACKINNON

CHIEF OPERATIONS OFFICER

Employment Conditions

Commencement Date: 1 June 2017

Base Remuneration: \$120,000

Other Benefits: Car allowance

Term: One year

Review: Annually

1,175,000 Employee Share options of were issued on 30 September 2022, exercisable at A\$0.35 and expiring 30 September 2025 and 2026. Lew also holds 193,632 Share options exercisable at \$A0.10 issued as free attaching options under the 2023 Rights Issue.

PAUL RAVLICH

CHIEF FINANCIAL OFFICER

Employment Conditions

Commencement Date: 1 May 2017

Fee: \$300,000

Other Benefits: Bonus of A\$50,000 (paid in shares or cash).

Term: One year

Review: Annually

2,175,000 Employee Share options were issued on 30 September 2022, exercisable at A\$0.35 and expiring 30 September 2025 and 2026. Paul also holds 100,000 Share options exercisable at A\$0.10 issued as free attaching options under the 2023 Rights Issue.

4. VOTING AND COMMENTS MADE AT THE COMPANY LAST ANNUAL GENERAL MEETING


The resolution to adopt Zoono Group Limited's Remuneration Report for the financial year ended 30 June 2023 was passed by way of a poll with a 90.27% 'yes' vote. The Company received no specific feedback on Remuneration Report either at the Annual General Meeting or at other times.

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

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

In accordance with section 307C of the *Corporations Act 2001*, I am pleased to provide the following declaration of independence to the directors of Zoono Group Limited. As the lead audit partner for the audit of the financial report of Zoono Group Limited for the year ended 30 June 2024, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

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


HALL CHADWICK (NSW)
Level 40, 2 Park Street
Sydney NSW 2000


STEWART THOMPSON
Partner
Dated: 21 August 2024

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Liability limited by a scheme approved under Professional Standards Legislation. Hall Chadwick (NSW) Pty Ltd ABN: 32 103 221 352 www.hallchadwick.com.au

CONSOLIDATED STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

	Note	2024 NZ\$	2023 NZ\$
Revenue	5	1,049,321	3,336,586
Cost of sales		(774,976)	(1,626,330)
Gross profit		274,345	1,710,256
Other revenue	5	62,255	5,119,463
Administration expenses		(1,047,185)	(1,291,888)
Depreciation/Amortisation expenses		(232,148)	(255,365)
Directors' fee		(172,248)	(167,464)
Employee costs		(603,430)	(1,546,947)
Finance costs		(78,152)	(63,669)
Management fee		(300,000)	(300,000)
Stock obsolescence provision and write-offs		(5,053,503)	(350,000)
Professional fees		(895,618)	(1,777,079)
Share based payments		(452,880)	(591,983)
Selling and distribution expenses		(108,458)	(339,006)
Marketing expenses		(73,294)	(317,738)
Listing expenses and other acquisition costs		(115,525)	(63,026)
Compliance costs		(20,560)	(11,774)
Other expenses		(271,963)	(444,654)
Loss before Income tax		(9,088,364)	(690,874)
Income tax benefit	7	-	284,854
Loss after income tax	6	(9,088,364)	(406,020)
Other comprehensive income/(loss)			
Exchange differences on translation of foreign operations		(96,829)	(515,318)
Total other comprehensive income/(loss)		(96,829)	(515,318)
Total comprehensive income/(loss)		(9,185,193)	(921,338)
Profit/(loss) attributable to:			
Owners of the parent entity		(9,185,193)	(350,398)
Non-controlling interest		-	(55,622)
		(9,185,193)	(406,020)
Total comprehensive income/(loss) attributable to:			
Owners of the parent entity		(9,185,193)	(892,511)
Non-controlling interest		-	(28,827)
		(9,185,193)	(921,338)
Earnings per share attributable to the ordinary equity holders of the company			
Basic earnings per share (cents)	23	(4.14)	(0.21)
Diluted earnings per share (cents)	23	(4.14)	(0.21)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

	Note	2024 NZ\$	2023 NZ\$
CURRENT ASSETS			
Cash and cash equivalents	22(a)	1,961,284	826,495
Trade and other receivables	8	368,702	431,688
Inventories	9	6,198,989	11,692,177
Other assets	13	78,521	155,178
TOTAL CURRENT ASSETS		8,607,496	13,105,538
NON-CURRENT ASSETS			
Plant and equipment	10	519,658	591,334
Intangible assets	11	234	3,042
Right of use assets	12	713,151	871,887
TOTAL NON-CURRENT ASSETS		1,233,043	1,466,263
TOTAL ASSETS		9,840,539	14,571,801
CURRENT LIABILITIES			
Trade and other payables	14	800,201	1,080,102
Lease liabilities	12	161,988	153,586
Current tax liabilities		11,704	11,700
Provisions	15	37,528	45,970
TOTAL CURRENT LIABILITIES		1,011,421	1,291,358
NON-CURRENT LIABILITIES			
Lease liabilities	12	632,006	791,454
Provisions	15	1,373,540	1,439,708
TOTAL NON-CURRENT LIABILITIES		2,005,546	2,231,162
TOTAL LIABILITIES		3,016,967	3,522,520
NET ASSETS		6,823,572	11,049,281
EQUITY			
Issued capital	16	19,546,754	14,933,001
Reserves	17	275,849	128,202
Accumulated losses		(12,999,031)	(4,011,922)
Equity attributable to owners of the parent entity		6,823,572	11,049,281
TOTAL EQUITY		6,823,572	11,049,281

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

		ISSUED CAPITAL		RESERVES	ACCUMULATED LOSSES	NON-CONTROLLING INTERESTS	TOTAL
	NOTE	ORDINARY SHARES	FOREIGN CURRENCY TRANSLATION	SHARED BASED PAYMENT RESERVE			
		NZ\$	NZ\$	NZ\$	NZ\$	NZ\$	NZ\$
Balance at 1 July 2022		13,723,690	(57,506)	559,842	(3,157,428)	(806,923)	10,261,675
Profit/(loss) for the year		-	-	-	(350,398)	(55,622)	(406,020)
Other comprehensive income for the year		-	(542,113)	-	-	26,795	(515,318)
Total comprehensive income for the year		-	(542,113)	-	(350,398)	(28,827)	(921,338)
Transactions with owners in their capacity as owners:							
Acquisition of non-controlling interest		-	(85,276)		(750,474)	835,750	-
Shares issued net of issue costs	16	1,006,004					1,006,004
Transfer to retained earnings		-	-	(246,378)	246,378	-	-
Share based payments	17	203,307	-	499,633	-	-	702,940
Total transactions with owners		1,209,311	(85,276)	253,255	(504,096)	835,750	1,708,944
Balance at 30 June 2023		14,933,001	(684,895)	813,097	(4,011,922)	-	11,049,281

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

		ISSUED CAPITAL	RESERVES	ACCUMULATED LOSSES	NON- CONTROLLING INTERESTS	TOTAL	
	NOTE	ORDINARY SHARES	FOREIGN CURRENCY TRANSLATION	SHARED BASED PAYMENT RESERVE			
		NZ\$	NZ\$	NZ\$	NZ\$	NZ\$	
Balance at 1 July 2023		14,933,001	(684,895)	813,097	(4,011,922)	-	11,049,281
Profit/(loss) for the year		-	-	-	(9,088,364)	-	(9,088,364)
Other comprehensive income for the year		-	(96,829)	-	-	-	(96,829)
Total comprehensive income for the year		-	(96,829)	-	(9,088,364)	-	(9,185,193)
Transactions with owners in their capacity as owners:							
Shares issued net of issue costs	16	4,613,753	-	-	-	-	4,613,753
Transfer to retained earnings		-	-	(101,255)	101,255	-	-
Share based payments	17	-	-	345,731	-	-	345,731
Total transactions with owners		4,613,753	-	244,476	101,255	-	4,959,484
Balance at 30 June 2024		19,546,754	(781,724)	1,057,573	(12,999,031)	-	6,823,572

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

	Note	2024 NZ\$	2023 NZ\$
CASH FLOWS FROM OPERATING ACTIVITIES:			
Receipts from customers		1,170,202	4,226,975
Payments to suppliers and employees		(4,259,335)	(8,238,535)
Interest received		4,360	-
Finance cost		(78,152)	(63,669)
Income tax paid		-	190,048
Net cash used in operating activities	22(b)	(3,162,925)	(3,885,181)
CASH FLOWS FROM INVESTING ACTIVITIES:			
Proceeds from disposal of plant and equipment		703	-
Payments for acquisition of business	15	(64,876)	(58,511)
Net cash used in investing activities		(64,173)	(58,511)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Proceeds from loans		1,028,500	-
Proceeds from issuance of shares		4,506,604	1,116,961
Repayment of loans		(1,028,500)	-
Repayment of borrowings and lease liabilities		(151,046)	(166,202)
Net cash used in financing activities		4,355,558	950,759
Net increase in cash held		1,128,460	(2,992,933)
Effects of foreign exchange on cash balance		6,329	160,063
Cash and cash equivalents at beginning of year		826,495	3,659,365
Cash and cash equivalents at end of year	22(a)	1,961,284	826,495

NOTES TO THE FINANCIAL STATEMENTS

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

The consolidated financial statements are a general-purpose financial report that has been prepared in accordance with Australian Accounting Standards, Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the Corporations Act 2001. Compliance with Australia Accounting Standards results in full compliance with the International Financial Reporting Standards ('IFRS') as issued by the International Accounting Standards Board (IASB). For the purposes of preparing the Consolidated Financial Statement, the Company is a for-profit entity.

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 registered address is Level 8, 210 George Street Sydney NSW 2000 Australia.

The Consolidated financial statements of the Group as at and for the year ended 30 June 2024 comprise the Company and its subsidiaries (together referred to as the 'Group' or 'Consolidated entity'). The consolidated financial statements for the year ended 30 June 2024 were approved and authorised for issue by the board of Directors on 21 August 2024.

Except for cash flow information, the consolidated financial statements have been prepared on an accrual basis and are based on historical costs modified, where applicable, by the measurements at fair value of selected non-current assets, financial assets and financial liabilities.

Going Concern

Notwithstanding the group incurred a loss after tax of \$9,088,364 and net cash outflows from operating activities of \$3,162,925 for the year ended 30 June 2024, the financial report has been prepared on the going concern basis, which assumes the continuity of normal business activities and the realisation of assets and settlement of liabilities in the ordinary course of business.

In making this assessment, the directors have considered:

- The group held cash and cash equivalents of \$1,961,284 as at 30 June 2024;
- The plans and forecasts reviewed by the directors for the next twelve months anticipate the business will continue to produce improved results;
- Effective working capital management including the ability to control and scale back any expenditures and commitments to conserve cash resources if required.

The directors therefore are of the opinion that the group will be able to pay its debts as and when they become due and payable, and no asset is likely to be realised for an amount less than the amount at which it is recorded in the financial report.

Accordingly, no adjustments have been made to the financial report relating to the recoverability and classification of recorded asset amounts or to the amounts and classification of liabilities that might be necessary should the group not continue as a going concern.

Statement of Cash Flows

The statement of cash flows comprises the cash balance of Zoono Limited, Zoono Group Limited and Zoono Holdings Limited at the beginning of the financial year, and the cash transactions of the consolidated Group for the 12 month period.

3. CHANGES IN ACCOUNTING POLICIES

New Accounting Standards for application in future periods

The AASB has issued a number of new and amended Accounting Standards and Interpretations that have mandatory application dates for future reporting periods, some of which are relevant to the Group. The Group has decided not to early adopt any of the new and amended pronouncements as the Group assessed that the new and amended pronouncements have no material impact on the Group.

4. MATERIAL ACCOUNTING POLICIES

The following significant accounting policies have been adopted in the preparation and presentation of the financial report.

(a) General

Material accounting policies adopted in the preparation of this financial report are presented below and have been consistently applied unless otherwise stated.

Reporting basis and conventions

These financial statements have been prepared on an accruals basis under the historical cost convention, as modified by the revaluation of available-for-sale financial assets, financial assets and liabilities at fair value.

Critical accounting estimates and judgements

The preparation of a financial report in conformity with Australian Accounting Standards requires management to make estimates, judgements and assumptions based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data obtained both externally and within the Group. Actual results may differ from the estimates.

IMPAIRMENT

In assessing impairment, management estimates the recoverable amount of each asset or cash generating unit based on expected future cash flows and, where required, uses an interest rate to discount them.

Estimation uncertainty relates to assumptions about future operating results and the determination of a suitable discount rate.

INVENTORIES

Management estimates the net realisable values of inventories, taking into account the most reliable evidence available at each reporting date. The future realisation of these inventories may be affected by future technology or other market-driven changes that may reduce future selling prices.

(b) Basis of Consolidation

The consolidated financial statements incorporate all of the assets, liabilities and results of Zoono Group Limited and all subsidiaries as of 30 June 2024.

Subsidiaries are all entities over which the Group has control. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity.

The assets, liabilities and results of all subsidiaries are fully consolidated into the financial statements of the Group from the date on which control is obtained by the Group.

The consolidation of a subsidiary is discontinued from the date that control ceases.

Intercompany transactions, balances and unrealised gains or losses on transactions between group entities are fully eliminated on consolidation.

Accounting policies of subsidiaries have been changed and adjustments made where necessary to ensure uniformity of the accounting policies adopted by the Group.

Equity interests in a subsidiary not attributable, directly or indirectly, to the Group are presented as “non-controlling interests”. The Group initially recognises non-controlling interests that are present ownership interests in subsidiaries and are entitled to a proportionate share of the subsidiary’s net assets on liquidation at either fair value or at the non-controlling interests’ proportionate share of the subsidiary’s net assets. Subsequent to initial recognition, non-controlling interests are attributed their share of profit or loss and each component of other comprehensive income. Non-controlling interests are shown separately within the equity section of the statement of financial position and statement of comprehensive income.

(c) Business Combinations

The Group applies the acquisition method in accounting for business combinations. The consideration transferred by the Group to obtain control of a subsidiary is calculated as the sum of the acquisition-date of fair values of assets transferred, liabilities incurred and the equity interests issued by the Group, which includes the fair value of any asset or liability arising from a contingent consideration arrangement. Acquisition costs are expensed as incurred.

The Group recognises identifiable assets acquired and liabilities assumed in a business combination regardless of whether they have been previously recognised in the acquiree’s financial statements prior to the acquisition. Assets acquired and liabilities assumed are generally measured at their acquisition-date fair values.

Goodwill is stated after separate recognition of identifiable intangible assets. It is calculated as the excess of the sum of: (a) fair value of consideration transferred, (b) the recognised amount of any non-controlling interest in the acquiree, and (c) acquisition-date fair value of any existing equity interest in the acquiree, over the acquisition-date fair values of identifiable net assets. If the fair values of identifiable net assets exceed the sum calculated above, the excess amount (i.e. gain on a bargain purchase) is recognised in profit or loss immediately.

(d) Foreign Currency Transactions and Balances Functional and presentation currency

The functional currency of each of the Group entities is measured using the currency of the primary economic environment in which that entity operates.

The consolidated financial statements are presented in New Zealand dollars, which is the parent entity’s functional and presentation currency.

Transactions and balances

Foreign currency transactions are translated into functional currency using the exchange rates prevailing at the date of the transaction. Foreign currency monetary items are translated at the year-end exchange rate. Non-monetary items measured at historical cost continue to be carried at the exchange rate at the date of the transaction. Non-monetary items measured at fair value are reported at the exchange rate at the date when fair values were determined.

Exchange differences arising on the translation of monetary items are recognised in profit or loss, except where deferred in equity as a qualifying cash flow or net investment hedge.

Exchange differences arising on the translation of non-monetary items are recognised directly in other comprehensive income to the extent that the underlying gain or loss is recognised in other comprehensive income; otherwise the exchange difference is recognised in profit or loss.

Group companies

The financial results and position of foreign operations whose functional currency is different from the Group's presentation currency is translated as follows:

- Assets and liabilities are translated at year end exchange rates prevailing at that reporting date.
- Income and expenses are translated at average exchange rates for the year.
- Retained earnings/Accumulated losses are translated at the exchange rates prevailing at the date of the transaction.

Exchange differences arising on translation of foreign operations with functional currencies other than the Australian dollar are recognised in other comprehensive income and included in the foreign currency translation reserve in the statement of financial position. The cumulative amount of these differences is reclassified into profit or loss in the period in which the operation is disposed of.

(e) Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with banks and other short-term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

(f) Income tax

The charge for current income tax expense is calculated by reference to the amount of income taxes payable or recoverable in respect of the taxable profit or loss for the period. It is calculated using the tax rates that have been enacted or are substantially enacted by the reporting date.

Deferred tax is accounted for using the liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or liability is settled. Deferred tax is charged to the statement of profit or loss and other comprehensive income except where it relates to items that may be credited directly to equity, in which case the deferred tax is adjusted directly against equity.

Deferred income tax assets are recognised to the extent that it is probable that future tax profits will be available against which deductible temporary differences can be utilised.

Current tax assets and liabilities are offset where a legally enforceable right of set-off exists and it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur. Deferred tax assets and liabilities are offset where a legally enforceable right of set-off exists, the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur in future periods in which significant amounts of deferred tax assets or liabilities are expected to be recovered or settled.

The amount of benefits brought to account or which may be realised in the future is based on the assumption that no adverse change will occur in income taxation legislation and the anticipation that the consolidated entity will derive sufficient future assessable income to enable the benefit to be realised and comply with the conditions of deductibility imposed by the law.

(g) Inventories

Inventories are measured at the lower of cost and net realisable value. The cost of manufactured products includes direct materials, direct labour and an appropriate proportion of variable and fixed overheads. Overheads are applied on the basis of normal operating capacity. Costs are assigned on a first-in, first-out basis. Net realisable value is the estimated selling price in the ordinary course of business less any applicable selling expenses.

(h) Property, plant and equipment - Plant and equipment

Plant and equipment are measured on the cost basis less accumulated depreciation and impairment losses.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably.

All other repairs and maintenance are charged to the profit or loss during the financial period in which they are incurred. All fixed assets are depreciated over their estimated useful lives to the Group.

The depreciation rates used for each class of depreciable assets are:

Class of fixed asset	Depreciation rate
Plant and equipment	10 – 33%
Motor vehicles	30%
Furniture and equipment	13 – 33%
Computer equipment	48 – 67 %

Depreciation

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting date. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the profit or loss within profit or loss within other income or expenses.

(i) Intangible Assets

Patents, trademarks and website development are recognised at cost of acquisition. They have a finite life and are carried at cost less any accumulated amortisation and any impairment losses. Patents, trademarks and website development are amortised over their useful lives of up to 10 years. Amortisation has been included within depreciation, amortisation and impairment of non-financial assets.

(j) Impairment of Assets

At the end of each reporting period, the Group assesses whether there is any indication that an asset may be impaired. The assessment will include considering external sources of information and internal sources of information including dividends received from subsidiaries, associates or joint ventures deemed to be out of pre-acquisition profits. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs of disposal and value in use, to the asset's carrying amount. Any excess of the asset's carrying amount over its recoverable amount is recognised immediately in profit or loss, unless the asset is carried at a re-valued amount.

Any impairment loss of a re-valued asset is treated as a revaluation decrease. Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. Impairment testing is performed annually for goodwill and intangible.

(k) Fair Value of Assets and Liabilities

The Group measures some of its assets and liabilities at fair value on either a recurring or non-recurring basis, depending on the requirements of the applicable Accounting Standard.

Fair value is the price the Group would receive to sell an asset or would have to pay to transfer a liability in an orderly (i.e. unforced) transaction between independent, knowledgeable and willing market participants at the measurement date.

As fair value is a market-based measure, the closest equivalent observable market pricing information is used to determine fair value. Adjustments to market values may be made having regard to the characteristics of the specific asset or liability. The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques.

These valuation techniques maximise, to the extent possible, the use of observable market data.

To the extent possible, market information is extracted from either the principal market for the asset or liability (i.e. the market with the greatest volume and level of activity for the asset or liability) or, in the absence of such a market, the most advantageous market available to the entity at the end of the reporting period (i.e. the market that maximises the receipts from the sale of the asset or minimises the payments made to transfer the liability, after taking into account transaction costs and transport costs).

For non-financial assets, the fair value measurement also takes into account a market participant's ability to use the asset in its highest and best use or to sell it to another market participant that would use the asset in its highest and best use.

The fair value of liabilities and the entity's own equity instruments (excluding those related to share-based payment arrangements) may be valued, where there is no observable market price in relation to the transfer of such financial instruments, by reference to observable market information where such instruments are held as assets.

Where this information is not available, other valuation techniques are adopted and, where significant, are detailed in the respective note to the financial statements.

(l) Accounts payable

Trade payables and other accounts payable are recognised when the Group becomes obliged to make future payments resulting from the purchase of goods and services. Due to their short-term nature they are measured at amortised cost and not discounted. These amounts are unsecured and are usually paid within 30 days of recognition.

(m) Provisions

Provisions are recognised when the Group has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result, and that outflow can be reliably measured.

Provisions are measured using the best estimate of the amounts required to settle the obligation at the end of the reporting period.

(n) Financial Instruments

Financial assets and financial liabilities are recognised when the Group become a party to the contractual provisions of the financial instrument.

Financial assets are de-recognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and substantially all the risk and rewards are transferred. A financial liability is de-recognised when it is extinguished, discharged, cancelled or expires.

Classification and initial measurement of financial assets

The Group's financial liabilities include borrowings, trade and other payables and contract liabilities.

Financial liabilities are initially measured at fair value, and, where applicable, adjusted for transaction costs unless the Group designated a financial liability at fair value through profit and loss.

Subsequently, financial liabilities are measured at amortised cost using the effective interest method except for derivatives and financial liabilities designated at FVTPL, which are carried subsequently at fair value with gain or losses recognised in profit or loss (other than derivative financial instruments that are designated and effective as hedging instruments).

All interest-related charges and, if applicable, changes in an instrument's fair value that are reported in profit or loss are included within finance costs or finance income.

Financial assets are classified into one of the following categories:

- Fair value through profit or loss (FVTPL), or
- Fair value through other comprehensive income (FVOCI)

The classification is determined by both:

- The entity's business model for managing the financial asset, and
- The contractual cash flow characteristics of the financial asset.

All revenue and expenses relating to financial assets that are recognised in profit or loss are presented within finance costs, finance income or other financial items, except for impairment of trade receivables which is presented within administration expenses.

In the periods presented the Group does not have any financial assets categorised as FVTPL and FVOCI.

Financial assets at amortised cost

Financial assets are measured at amortised cost if the asset meet the following condition (and are not designated as FVTPL):

They are held within a business model whose objective is to hold the financial assets and collect its contractual cash flows, and

The contractual terms of the financial assets give rise to cash flows that are solely payment of principal and interest on the principal amount outstanding.

After initial recognition, these are measured at amortised cost using the effective interest method.

Discounting is omitted where the effect of discounting is immaterial.

Impairment of financial assets

The Group makes use of a simplified approach in accounting for trade and other receivables as well as contract assets and records the loss allowance as lifetime expected credit losses. These are the expected shortfalls in contractual cash flows, considering the potential for default at any point during the life of the financial instrument. In calculating, the Group uses its historical experience, external indicators and forward-looking information to calculate the expected credit losses using a provision matrix.

The Group assess impairment of trade receivables on a collective basis as they possess shared credit risk characteristics they have been grouped based on the days past due.

Classification and measurement of financial liabilities

The Group's financial liabilities include borrowings, trade and other payables and contract liabilities.

Financial liabilities are initially measured at fair value, and, where applicable, adjusted for transaction costs unless the Group designated a financial liability at fair value through profit or loss.

Subsequently, financial liabilities are measured at amortised cost using the effective interest method except for derivatives and financial liabilities designated at FVTPL, which are carried subsequently at fair value with gain or losses recognised in profit or loss (other than derivative financial instruments that are designated and effective as hedging instruments).

All interest-related charges and, if applicable, changes in an instrument's fair value that are reported in profit or loss are included within finance costs or finance income.

(o) Receivables

Trade receivable are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for impairment.

(p) Employee Benefits

Short-term employee benefits

Provision is made for the Group's obligation for short-term employee benefits. Short-term employee benefits are benefits (other than termination benefits) that are expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related service, including wages, salaries and sick leave. Short-term employee benefits are measured at the (undiscounted) amounts expected to be paid when the obligation is settled.

The Group's obligations for short-term employee benefits such as wages, salaries and sick leave are recognised as part of current trade and other payables in the statement of financial position.

(q) Share-based payments

The cost to the Company of share options granted to directors and executive officers is included at fair value as part of the directors' and executive officers' aggregate remuneration in the financial year the options are granted.

The fair value of the share option are calculated using the Black Scholes option pricing model, which takes into account the exercise price, the term of the option, the vesting and performance criteria, the impact of dilution, the non-tradable nature of the option, the current price and expected price volatility of the underlying share, the expected dividend yield and the risk-free interest rate for the term of the option.

The fair value determined at the grant date of the equity settled share-based payment is expensed on a straight-line basis over the vesting period.

(r) Revenue

Revenue is measured at the fair value of the consideration received or receivable after taking into account any trade discounts and volume rebates allowed. Any consideration deferred is treated as the provision of finance and is discounted at a rate of interest that is generally accepted in the market for similar arrangements. The difference between the amount initially recognised and the amount ultimately received is interest revenue.

Revenue from the sale of goods is recognised when the removal from the warehouse occurs as this corresponds to the transfer of significant risks and rewards of ownership of the goods and the cessation of all involvement by the Group in those goods.

All revenue is stated net of the amount of goods and services tax.

Other income

Interest revenue is recognised using the effective interest method, which for floating rate financial assets is the rate inherent in the instrument.

Dividend revenue is recognised when the right to receive a dividend has been established.

Realised gains and losses on sale are recognised as income or expense respectively in the statement of profit or loss and other comprehensive income and are calculated as the difference between consideration on sale and the original cost.

(s) Goods and services tax (GST)

The Statement of Profit or Loss and Other Comprehensive Income has been prepared so that all components are stated exclusive of GST, except where the amount of GST incurred is not recoverable from the tax office. All items in the Statement of Financial Position are stated exclusive of GST, with the exception of receivables and payables, which include GST.

(t) Earnings per share**i) Basic earnings per share:**

Basic earnings per share is determined by dividing the operating profit/(loss) after income tax excluding any cost of servicing equity other than ordinary shares by the weighted average number of ordinary shares outstanding during the financial year.

ii) Diluted earnings per share

Diluted earnings per share adjusts the figures used in determining earnings per share by taking into account amounts unpaid on ordinary shares and any reduction in earnings per share that will probably arise from the exercise of options outstanding during the financial year.

(u) Segment reporting

Segment revenues and expenses are those directly attributable to the segments and include any joint revenue and expenses where a reasonable basis of allocation exists. Segment assets include all assets used by a segment and consist principally of cash, receivables, inventories, intangibles and property, plant and equipment, net of allowances and accumulated depreciation and amortisation. Segment liabilities consist principally of payables, employee benefits, accrued expenses, provisions and borrowings. The Group do not allocate revenues, assets or liabilities to individual segments.

(v) Leases

At inception of a contract, the Group assesses if the contract contains or is a lease. If there is a lease present, a right-of-use asset and a corresponding lease liability is recognised by the Group where the Group is a lessee. However, all contracts that are classified as short-term leases (i.e. a lease with a remaining lease term of 12 months or less) and leases of low-value assets are recognised as an operating expense on a straight-line basis over the term of the lease.

Initially, the lease liability is measured at the present value of the lease payments still to be paid at commencement date. The lease payments are discounted at the interest rate implicit in the lease. If this rate cannot be readily determined, the Group uses the incremental borrowing rate.

The right-of-use assets comprise the initial measurement of the corresponding lease liability as mentioned above, any lease payments made at or before the commencement date, as well as any initial direct costs. The subsequent measurement of the right-of-use assets is at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated over the lease term or useful life of the underlying asset, whichever is the shortest. Where a lease transfers ownership of the underlying asset, or the cost of the right-of-use asset reflects that the Group anticipates to exercise a purchase option, the specific asset is depreciated over the useful life of the underlying asset.

(w) Comparative information

Comparative figures are, where appropriate, reclassified to be comparable with the figures presented for the financial year.

5. REVENUE AND OTHER INCOME

	CONSOLIDATED	
	2023 NZ\$	2023 NZ\$
Revenue from operating activities		
Operating activities		
- Revenue from sale of goods/contracts with customers	1,049,321	3,336,586
Total revenue from operating activities	1,049,321	3,336,586
Other income		
- Dividends received	364	303
- Contingent consideration gain	-	4,795,781
- Interest received	4,360	4,944
- Expenses recovery	57,531	318,435
Total other income	62,255	5,119,463

Revenue from Contracts

Revenue is recognised at a point in time when the service has been fulfilled and the Group has the right to invoice.

6. LOSS FOR THE YEAR

	CONSOLIDATED	
	2024 NZ\$	2023 NZ\$
Loss before income tax has been determined after:		
Depreciation	229,340	252,789
Amortisation	2,808	2,576
Expected credit loss allowance	(5,926)	138,891
Salary costs (including directors' fees and management fees)	1,075,678	2,014,441
Interest on borrowings	34,602	14,669
Net foreign exchange (gain) and losses	(93,034)	(12,893)
AASB 16 related amounts recognised in the statement of profit or loss:		
Depreciation charge related to right of use assets	158,736	174,181
Interest expense on lease liabilities	43,550	49,000

7. INCOME TAX

The prima facie tax payable on loss is reconciled to the income tax expense as follows:

	CONSOLIDATED	
	2024 NZ\$	2023 NZ\$
Prime facie tax payable on loss before income tax at 25% (2023: 26%)	(2,272,091)	(179,627)
Add: tax effect of:		
- Other assessable and non-allowable items	458,362	579,748
- Reduction in US purchase price	-	(1,007,114)
- Net of current year tax losses not recognised and deductible items	(856,282)	(540,838)
- Deferred tax losses not recognised in accounts	2,704,674	1,233,452
- Utilisation of carry-forward losses	-	(186,480)
- Effect of foreign exchange rates and different tax rates	(34,663)	(183,995)
Income tax expense/(benefit)	-	(284,854)

Subject to the provisions of the Income Tax Assessment Act, if the Group derives assessable income it will be able to utilise carry-forward losses. The Group has losses available to be carried forward of NZ\$20,084,832 to 30 June 2024.

The net deferred tax asset will only be obtained if:

- the Company derives future assessable income of a nature and of an amount sufficient to enable the benefit from the deductions for the loss to be realised;
- the Company continues to comply with the conditions for deductibility imposed by law; and
- no changes in tax legislation adversely affect the Company in realising the benefit from the deduction of the loss.

Consequently, no deferred tax asset has been recognised.

8. TRADE AND OTHER RECEIVABLES

	CONSOLIDATED	
	2024 NZ\$	2023 NZ\$
Trade receivables	227,396	400,674
Provision for expected credit loss	(132,965)	(138,891)
	94,431	261,783
Net GST/VAT receivable	258,448	118,358
Other receivables	15,823	51,547
	368,702	431,688

The Group applies the AASB 9 simplified approach to measuring expected credit losses, which permits the use of the lifetime expected loss provision for all trade receivables.

The following table details the loss allowance as at 30 June 2024 and 30 June 2023.

As the Group's historical credit loss experience does not show significantly different loss patterns for different customer segments, the provision for loss allowance based on past due status is not further distinguished between the Group's different customer bases.

	PAST DUE BUT NOT IMPAIRED (DAYS OVERDUE)				TOTAL
	< 30 NZ\$	31-60 NZ\$	61-90 NZ\$	> 90 NZ\$	NZ\$
2024					
Expected Loss Rate	0.0%	0.40%	0.40%	94.9%	
Trade and term receivables	11,184	49,694	26,705	139,813	227,396
Other receivables	-	(198)	(107)	(132,660)	(132,965)
Total	11,184	49,496	26,598	7,153	94,431
2023					
Expected Loss Rate	0.0%	0.40%	0.40%	99.2%	
Trade and term receivables	217,625	3,676	125,242	54,131	400,674
Other receivables	-	(15)	(501)	(138,375)	(138,891)
Total	217,625	3,661	124,741	(84,244)	261,783

9. INVENTORIES

	CONSOLIDATED	
	2024 NZ\$	2023 NZ\$
Finished goods at cost	6,198,989	11,692,177
	6,198,989	11,692,177

10. PLANT AND EQUIPMENT

	CONSOLIDATED	
	2024 NZ\$	2023 NZ\$
Plant and equipment:		
Plant and equipment at cost	740,558	740,587
Accumulated depreciation	(253,914)	(198,046)
	486,644	542,541
Furniture and equipment:		
Furniture and equipment at cost	84,605	84,489
Accumulated depreciation	(57,333)	(52,045)
	27,272	32,444
Computer equipment:		
Computer equipment at cost	79,620	81,399
Accumulated depreciation	(73,878)	(65,050)
	5,742	16,349
Total plant and equipment	519,658	591,334

(a) Movements in carrying amounts

Movement in the carrying amounts for each class of plant and equipment between the beginning and the end of the current financial year:

	Plant and equipment NZ\$	Furniture and equipment NZ\$	Computer equipment NZ\$	Total NZ\$
Balance at 1 July 2023	542,541	32,444	16,349	591,334
Disposals – written down value	-	-	(703)	(703)
Depreciation expense	(55,488)	(5,220)	(9,896)	(70,604)
Foreign exchange	(409)	48	(8)	(369)
Carrying amount at 30 June 2024	486,644	27,272	5,742	519,658

	Plant and equipment NZ\$	Furniture and Equipment NZ\$	Computer equipment NZ\$	Total NZ\$
Balance at 1 July 2023	598,640	38,434	29,688	666,762
Additions	1,035	2,981	977	4,993
Depreciation expense	(57,134)	(8,971)	(14,316)	(80,421)
Carrying amount at 30 June 2023	542,541	32,444	16,349	591,334

11. INTANGIBLE ASSETS

	CONSOLIDATED	
	2024 NZ\$	2023 NZ\$
Website Development:		
Website development at cost	78,450	78,450
Accumulated amortization	(78,216)	(75,408)
	234	3,042

(a) Movements in carrying amounts

Movement in the carrying amounts for each class of intangible assets between the beginning and the end of the current financial year:

	WEBSITE DEVELOPMENT NZ\$	TOTAL NZ\$
Balance as at 1 July 2023	3,042	3,042
Amortisation expense	(2,808)	(2,808)
Foreign exchange	-	-
Impairment expense	-	-
Carrying amount at 30 June 2024	234	234

12. LEASES

	CONSOLIDATED	
	2024 NZ\$	2023 NZ\$
a. Right of use assets		
Buildings	713,151	871,887
	<u>713,151</u>	<u>871,887</u>
b. Lease liabilities		
Current	161,988	153,586
Non-current	632,006	791,454
	<u>793,994</u>	<u>945,040</u>

13. OTHER ASSETS

Current

Prepayments	78,521	155,178
	<u>78,521</u>	<u>155,178</u>

14. TRADE AND OTHE PAYABLES

	CONSOLIDATED	
	2024 NZ\$	2023 NZ\$
Trade payables	375,823	527,638
Sundry creditors and accruals	151,229	284,976
Other payables	8,780	2,636
Income in advance	264,369	264,852
	<u>800,201</u>	<u>1,080,102</u>

15. PROVISIONS

	CONSOLIDATED	
	2024 NZ\$	2023 NZ\$
CURRENT		
Employee benefit	37,528	45,970
	<u>37,528</u>	<u>45,970</u>
NON-CURRENT		
Contingent consideration	1,373,540	1,439,708
	<u>1,373,540</u>	<u>1,439,708</u>

Provision for employee benefits

Provision for employee benefits represents amounts accrued for annual leave.

The current portion for this provision includes the total amount accrued for annual leave entitlements that have vested due to employees having completed the required period of service. Based on past experience, the Group does not expect the full amount of annual leave balances classified as current liabilities to be settled within the next 12 months. However, these amounts must be classified as current liabilities since the Group does not have an unconditional right to defer the settlement of these amounts in the event employees wish to use their leave entitlement.

Provision for contingent consideration

With the major downturn in the Company's business in the US, the Company has successfully re-negotiated its agreement back in June 2020 pursuant to which it bought back the US business from its US distributor, Zoono USA LLC.

The revised terms are:

- the consideration payable is US\$910,000
- the consideration is payable in the form of US\$60,000 over the next two quarters plus a 10% royalty charge (previously 15%) on future sales by the US business (up to a cumulative sales cap of US\$8,500,000) and
- all legacy issues (other than in respect of stock bought back by the Company) which occurred prior to 1 November 2020 shall remain the responsibility of Zoono USA LLC and, if the Company incurs any future liabilities relating to such matters, the Company may deduct any such payments from the purchase amount then owing.
- The Company owns 100% of Zoono Holdings USA LLC.

A payment of NZ\$64,876 has been made to Zoono USA LLC this financial year (2023: NZ\$58,511).

16. ISSUED CAPITAL

	2024 No. Shares	2023 No. Shares	2024 NZ\$	2023 NZ\$
(a) Issued shares:				
Beginning of the year	189,927,675	166,411,705	14,933,001	13,723,690
Issued during the year:				
Shares issued net of issue costs	160,681,697	23,515,970	4,501,604	1,209,311
Exercise of options	46,666	-	5,000	-
Share based payments	2,555,555	-	107,149	-
End of the year	<u>353,211,593</u>	<u>189,927,675</u>	<u>19,546,754</u>	<u>14,933,001</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 winding up of the Company, ordinary shareholders are ranked after all other creditors and are entitled to any 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) Issued shares:

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

(c) 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 requirements. The Group's capital includes ordinary share capital share options and reserves.

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 prior year.

17. RESERVES

	CONSOLIDATED	
	2024 NZ\$	2023 NZ\$
(a) Foreign currency translation reserve		
Balance at beginning of year	(684,895)	(57,506)
Exchange differences on translation of foreign operations	(96,829)	(542,113)
Acquisition of non-controlling interest	-	(85,276)
Balance at end of year	<u>(781,724)</u>	<u>(684,895)</u>

Exchange differences arising on translation of the foreign controlled entity are recognised in other comprehensive income and accumulated as a separate reserve within equity. The cumulative amount is reclassified to profit or loss when the net investment is disposed of.

(b) Equity settled share-based payment**Employee share option scheme**

Zoono's Employee Securities Plan was adopted by the Company on 7 November 2019 as a long-term incentive scheme to recognise talent, retain and motivate employees to strive for Group performance. All employees are entitled to participate in the Share Securities Plan. In 2022, employees and consultants who have been with the Group for more than one year were invited to receive options which vest in 1-3 years, provided the recipient is still employed by the Company. The options were issued for no consideration with an exercise price of A\$0.35. They carry no entitlements to voting rights or dividends of the Group. The number available to be granted is determined by the Board, based on retention, performance measures including growth in shareholder return, return on equity, cash earnings and Group earnings per share growth.

Option granted to employees of the Company

On 30 September 2022, Zoono granted senior management and staff 4,200,000 options, vesting on 30 September 2023 through to 30 September 2025, exercisable at A\$0.35 and expiring on 30 September 2025 and 30 September 2026. The total fair value of the options granted were NZ\$91,082.

As part of the rights issue in June 2023, free attaching options of 7,248,264 were issued to shareholders, and shareholder employees of the Group. These are unlisted options exercisable at A\$0.10 expiring on 2 June 2026. The total value is NZ\$103,802.

During the year, 46,666 options were exercised. The Group has 17,301,598 share options on issue at year end (2023: 17,648,264).

The share-based payment reserve at 30 June 2024 amounted to NZ\$1,057,573 (2023: NZ\$813,097).

18. REMUNERATION OF AUDITORS

	CONSOLIDATED	
	2024 NZ\$	2023 NZ\$
Amounts received or due and receivable by the auditors for:		
- the review and the audit of the financial reports for the consolidated group	77,148	134,123
	<u>77,148</u>	<u>134,123</u>

19. ECONOMIC DEPENDENCY

Zoono and its products are subject to various laws and regulations including but not limited to accounting standards, tax laws, environmental laws, product content requirement, labelling/ packaging, regulations and customs regulations. Changes in these laws and regulations (including interpretation and enforcement) could adversely affect the Group's financial performance. Laws and regulations are specific to each geographic location. In this regard, there is a risk that a certain product may not be able to be supplied in another jurisdiction because it fails to meet that jurisdiction's regulatory requirements (e.g. product registration requirements). Failure of the Group to remain up to date with these various regulatory requirements, could adversely affect the Group financial performance.

20. CONTINGENT LIABILITIES

The directors are aware of a claim against the Company as at the date these financial statements are signed, are made up as follows:

- The Company is currently being prosecuted by the Commerce Commission for allegedly unsubstantiated representations made about its hand sanitiser and microbe shield surface spray contrary to section 12A of the Fair Trading Act 1986. Zoono believes it has complied fully with its legal obligations and intends to strenuously defend the action. Zoono's public representations concerning the efficacy and durability of its products have been made in reliance of over 200 independent tests undertaken by laboratories worldwide in accordance with recognised standards.

21. RELATED PARTY TRANSACTIONS

Transactions between related parties are on normal commercial terms and conditions unless otherwise stated. Complete details of the remuneration of directors and key management personnel are set out in the Remuneration Report which forms part of the accompanying Directors' Report.

The totals of remuneration paid to directors and key management personnel of the Company during the year are as follows:

	CONSOLIDATED	
	2024 NZ\$	2023 NZ\$
Short-term employee benefits	1,025,188	1,117,195
Other Benefits	1,800	1,800
Share based payments	43,594	233,749
	<u>1,070,582</u>	<u>1,352,744</u>

Details of shares and options held by key management personnel are included in the Remuneration Report set out in the accompanying directors' report.

Key management personnel related entity transactions

Mr Paul Hyslop is the Managing Director of Zoono Group and provides consulting services to the Group. Charges for services provided during the year amounted to NZ\$300,000 (2023: NZ\$300,000).

22. STATEMENT OF CASH FLOWS

(a) Reconciliation of cash:

	CONSOLIDATED	
	2024 NZ\$	2023 NZ\$
Cash at bank	461,280	826,495
Cash on short term deposit	1,500,004	-
	<u>1,961,284</u>	<u>826,495</u>

For the year the effective interest rate on short term bank deposits was 6.07% per annum (0.17% per annum) and these deposits have an average maturity of 180 days.

(b) Reconciliation statement:

A reconciliation of “net cash used in operating activities” to “operating cash flows” is as follows:

	CONSOLIDATED	
	2024 NZ\$	2023 NZ\$
(Loss)/Profit after income tax	(9,088,364)	(406,020)
<u>Add/(less)</u>		
Amortisation	2,808	2,576
Depreciation	229,340	252,789
Foreign exchange differences	(104,077)	(515,318)
Gain on revaluation of provision for contingent consideration	-	(4,795,583)
Share based payments	452,880	591,983
Changes in assets and liabilities:		
Trade and other receivables	62,986	566,509
Inventories	5,493,188	1,178,243
Prepayments	76,657	174,192
Current tax liabilities	-	(94,806)
Trade and other payables	(279,901)	(827,708)
Provisions	(8,442)	(12,038)
Net cash used in operating activities	<u>(3,162,925)</u>	<u>(3,885,181)</u>

The Company does not have any formal loan facilities in place at the date of these financial statements.

23. EARNINGS PER SHARE

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

Basic (loss)/profit per share	(4.14) cents	(0.21) cents
Diluted (loss)/profit per share	(4.14) cents	(0.21) cents
Weighted average number of ordinary shares outstanding during the year used to calculated basic EPS	219,370,141	168,892,706
Weighted average number of ordinary shares outstanding during the year used to calculated diluted EPS	219,370,141	168,892,706
(Loss)/Profit from continuing operations used to calculated basic EPS and diluted EPS	(9,088,364)	(406,020)

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.

24. SEGMENT INFORMATION

Operating segments are 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 based on the geographical location of distributors/customers. Segment assets and liabilities are located in New Zealand and are allocated to individual geographical segments by locations of distributors/customers on a reasonable basis. The Group's segment revenue is assigned to geographical locations as follows;

	Product
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.

	CONSOLIDATED	
	2024	2023
	NZ\$	NZ\$
Geographical Revenue		
Global revenues	1,049,321	3,336,586
Total Group Revenue	1,049,321	3,336,586

i) Revenue by geographical region

Revenue attributable to external customers is disclosed below, based on the location of the external customer.

	CONSOLIDATED	
	2024	2023
	NZ\$	NZ\$
Australasia, Asia, US, India	958,832	2,843,374
UK and Europe	90,489	493,212
Total Revenue	1,049,321	3,336,586

i) Assets by geographical region

The location of segment assets by geographical location of the assets is disclosed below.

	CONSOLIDATED	
	2024	2023
	NZ\$	NZ\$
Australasia, Asia, US, India	240,997	4,430,315
UK and Europe	9,599,542	10,141,486
Total Group Assets	9,840,539	14,571,801

25. FRANKING CREDITS

	CONSOLIDATED	
	2024 NZ\$	2023 NZ\$
The amount of the franking credits available for subsequent reporting periods	88,384	88,384

26. CONTROLLED ENTITIES

	Country of Incorporation	Percentage owned 2024	Percentage owned 2023
Subsidiaries of Zoono Group Limited			
Zoono Group Limited (NZ)	New Zealand	100%	100%
Zoono Limited	New Zealand	100%	100%
Zoono Holdings Limited (UK)	United Kingdom	100%	100%
Zoono EU Limited	United Kingdom	100%	100%
Zoono (Shanghai) Biotech Co. Limited	China	100%	100%
Zoono Holdings USA LLC	USA	100%	90%
Zoono South Africa (Pty) Ltd	South Africa	100%	100%
Zoono Global Private Limited	India	100%*	-

* incorporated during the year

27. FINANCIAL RISK MANAGEMENT

Financial risk management policies

The Group's financial instruments consist mainly of current accounts with banks, accounts receivable and payable.

i) Treasury risk management

Management considers on a regular basis the financial risk exposure and evaluates treasury management strategies in the context of the most recent economic conditions and forecasts.

The overall risk management strategy seeks to meet the Group's financial targets, whilst minimising potential adverse effects on financial performance.

Management operates under policies approved by the board of directors which approves and reviews risk management policies on a regular basis. These include future cash flow requirements.

ii) Financial risk exposures and management

The main risks the Group is exposed to through its financial instruments are interest rate risk, foreign currency risk, liquidity risk, credit risk and price risk.

(a) Foreign currency risk exposure

Most of the Group's transactions are carried out in US Dollars (\$USD), New Zealand Dollars (\$NZD), Australian Dollars (\$AUD) and British Pound (GBP). Exposures to currency exchange rates arise from the Group's overseas sales and purchases, which are primarily denominated in US Dollars (\$USD), Australian Dollars (\$AUD) and British Pound (GBP). The Group also holds a bank account in \$USD, \$AUD, \$Rand, GBP and RMB.

(b) Interest rate risk exposure

The Group is exposed to interest rate risk through cash and deposits held. The Group continually monitors interest rates and financial markets for the Group’s cash on deposit and regularly reviews future cash flow requirements. The following table summarises the interest rate risk for the Group, together with the effective weighted average interest rate for each class of financial assets and liabilities.

2024	FLOATING INTEREST RATE	FIXED INTEREST MATURING IN		NON-INTEREST BEARING		TOTAL \$
		1 YEAR OR LESS \$	OVER 1 TO 5 YEARS \$	OVER 5 YEARS \$	OVER 1 TO 5 YEARS \$	
Financial assets						
Cash	-	1,500,000	-	-	481,264	1,981,264
Financial liabilities						
Lease liabilities	-	(161,988)	(632,006)	-	-	(793,994)
Net exposure to cashflow interest rate risk		1,338,012	(632,006)	-	481,264	1,187,270

2023	FLOATING INTEREST RATE	FIXED INTEREST MATURING IN		NON-INTEREST BEARING		TOTAL \$
		1 YEAR OR LESS \$	OVER 1 TO 5 YEARS \$	OVER 5 YEARS \$	OVER 1 TO 5 YEARS \$	
Financial assets						
Cash	-	-	-	-	826,495	826,495
Financial liabilities						
Lease liabilities		(153,586)	(791,454)	-	-	(945,040)
Net exposure to cashflow interest rate risk		(153,586)	(791,454)	-	826,495	(118,545)

(c) Credit risk exposure

The maximum exposure to credit risk, excluding the value of any collateral or other security, at reporting date to recognised financial assets is the carrying amount, net of any provision for impaired receivables, as disclosed in the statement of financial position and notes to the financial statements.

The Group does not have any material credit risk exposure to any single debtor or group of debtors under financial instruments entered into by the Group.

Receivables due from major debtors are not normally secured by collateral, however the credit worthiness of debtors is monitored.

(d) Liquidity risk

The Group manages liquidity risk by monitoring forecast cash flows to ensure that adequate funding is maintained. The Group’s financial liabilities consist of trade and other payables in the normal course of business and as such are normally due for payment within 30 days of receipt of a valid tax invoice. The Group does not have any liquidity risk associated with any borrowing.

(e) Interest rate risk

Interest rate risk on cash and short-term deposits is not considered to be a material risk due to the short-term nature of these financial instruments.

28. PARENT INFORMATION

The following information has been extracted from the books and records of the parent and has been prepared in accordance with Australian Accounting Standards.

	PARENT ENTITY	
	2024	2023
	NZ\$	NZ\$
Statement of Financial Position		
ASSETS		
Current assets	394,524	73,391
Non-current assets	31,703,542	27,993,938
TOTAL ASSETS	32,098,066	28,067,329
LIABILITIES		
Current liabilities	86,910	166,566
TOTAL LIABILITIES	86,910	166,566
EQUITY		
Issued capital	19,546,754	14,933,001
Reserves	1,057,573	813,097
Retained earnings	11,406,829	12,154,665
TOTAL EQUITY	32,011,156	27,900,763
Statement of Profit or Loss and Other Comprehensive Income		
Total loss for the year	(747,836)	(807,086)
Total comprehensive loss	(747,836)	(807,086)

29. EVENTS SUBSEQUENT TO REPORTING DATE

No other matters or circumstances have arisen since the end of the financial 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.

30. COMPANY DETAILS.

The registered office of the parent Company is:
Level 8, 210 George Street
Sydney NSW 2000 Australia

The principal place of business of the Group is:
Unit 3 24 Bishop Dunn Place
Flatbush, Auckland 2013
New Zealand

CONSOLIDATED ENTITY DISCLOSURE STATEMENT

Entity name	Entity type	Place formed/ Country of incorporation	Ownership interest %	Tax residency
Subsidiaries of Zoono Group Limited				
Zoono Group Limited (NZ)	Body corporate	New Zealand	100%	New Zealand
Zoono Limited	Body corporate	New Zealand	100%	New Zealand
Zoono Holdings Limited (UK)	Body corporate	United Kingdom	100%	United Kingdom
Zoono EU Limited	Body corporate	United Kingdom	100%	United Kingdom
Zoono (Shanghai) Biotech Co. Limited	Body corporate	China	100%	China
Zoono Holdings USA LLC	Body corporate	USA	100%	USA
Zoono South Africa (Pty) Ltd	Body corporate	South Africa	100%	South Africa
Zoono Global Private Limited	Body corporate	India	100%	India

DIRECTORS' DECLARATION

The directors of Zoono Group Limited declare that:

The consolidated financial statements and associated notes for the financial year ended 30 June 2024 are in accordance with the Corporations Act 2001 and:

- comply with Accounting Standards and the Corporations Regulations 2001 and
- International Financial Reporting Standards issued by the International Accounting Standards Board (IASB) as disclosed in Note 2; and
- give a true and fair view of the financial position of the Company as at 30 June 2024 and the performance of the Group for the financial year then ended.

The information disclosed in the attached consolidated entity disclosure statement is true and correct.

The directors have received the declarations required by section 295A of the Corporations Act 2001 from the chief executive officer and chief financial officer.

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.



PAUL HYSLOP
MANAGING DIRECTOR

21 August 2024

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

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

Opinion

We have audited the financial report of Zoono Group Limited (the company) and its controlled entities (the group), which comprises the consolidated statement of financial position as at 30 June 2024, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended and notes to the financial statements, including a summary of material accounting policy information, consolidated entity disclosure statement and the directors' declaration.

In our opinion the accompanying financial report of the group is in accordance with the *Corporations Act 2001*, including:

- (a) giving a true and fair view of the group's financial position as at 30 June 2024 and of its financial performance for the year then ended; and
- (b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis of Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110: *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the company, would be in the same terms if given to the directors as at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 2 to the financial report, which indicates the group incurred a loss after tax of \$9,088,364 and net operating cash outflows of \$3,162,925 during the year ended 30 June 2024. As stated in Note 2, these conditions, along with other matters as set forth in Note 2, indicate that a material uncertainty exists that may cast significant doubt on the group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

ADELAIDE	BRISBANE	DARWIN	MELBOURNE	PERTH	SYDNEY
Level 9	Level 4	Level 1	Level 14	Level 11	Level 40
50 Pirie Street	240 Queen Street	48-50 Smith Street	440 Collins Street	77 St Georges Tce	2 Park Street
Adelaide SA 5000	Brisbane QLD 4000	Darwin NT 0800	Melbourne VIC 3000	Perth WA 6000	Sydney NSW 2000
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ZOONO GROUP LIMITED
 ABN 73 006 645 754
 AND CONTROLLED ENTITIES

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report for the year ended 30 June 2024. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

KEY AUDIT MATTER	HOW OUR AUDIT ADDRESSED THE KEY AUDIT MATTER
<p>Inventories valuation and existence</p>	
<p><i>Refer to Note 4(a) "Critical accounting estimates and judgements" and Note 9 "Inventories"</i></p>	
<p>As at 30 June 2024, the group held inventories of \$6,198,989. As described in Note 4(a) and Note 4(g) of the group's accounting policies, the carrying value represents the lower of cost and net realisable value.</p>	<p>Our procedures included, amongst others:</p> <ul style="list-style-type: none"> • Obtaining an understanding of the key controls in the inventory cycle. • Attending physical stock counts at major locations and observing controls over existence and valuation of inventory. • Verifying a sample of transactions of inventory items and performing cost test by investigating supplier purchase invoices. • Verifying a sample of transactions of inventory items and performing net realisable value test by investigating sales invoices, price lists and contracts after period end and compared with cost. • Performing cut-off procedures by agreeing cut-off information recorded during physical count to the accounting records and selecting a sample of purchases and sales from either side of the period end and ensured they are recorded in the correct period. • Reviewing the aged inventory list, discussing material slow moving items with the management and ensuring items are written down where appropriate.
<p>We focused on this matter as a key audit matter due to the significance of inventories to the financial statements and judgement involved in determining the net realisable value of inventories, which is based on certain assumptions made by management.</p>	

Information Other than the Financial Report and Auditor's Report Thereon

The directors are responsible for the other information. The other information comprises the information included in the group's annual report for the year ended 30 June 2024, but does not include the financial report and our auditor's report thereon. Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon. In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

ZOONO GROUP LIMITED
ABN 73 006 645 754
AND CONTROLLED ENTITIES

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

Responsibilities of the Directors for the Financial Report

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

ZOONO GROUP LIMITED
ABN 73 006 645 754
AND CONTROLLED ENTITIES

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

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on the Remuneration Report

We have audited the Remuneration Report included in pages 13 to 17 of the directors' report for the year ended 30 June 2024.

In our opinion, the Remuneration Report for the year ended 30 June 2024 complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.



HALL CHADWICK (NSW)
Level 40, 2 Park Street
Sydney NSW 2000



STEWART THOMPSON
Partner

Dated: 21 August 2024

ADDITIONAL INFORMATION FOR LISTED PUBLIC COMPANIES

The following information is current as at 1 August 2024.

The Company has the following securities on issue:

Security Description	No. of Securities	No. of Security Holders
Fully Paid Ordinary Shares	353,211,593	4,137
Unlisted Options exercisable at \$0.10 and expiring 2 June 2026*	7,201,598	198
Employee Options exercisable at \$0.35 and expiring 30 September 2025	3,500,000	3
Employee Options exercisable at \$0.35 and expiring 30 September 2026	4,700,000	8
Employee Options exercisable at \$0.65 and expiring 1 November 2025	1,900,000	13

* Paul Russell Hyslop & Margaret Jane Morgan & NPT Meg Trustee Limited <Meg A/C> hold 4,963,167 (68.92%) of these unlisted options.

20 LARGEST SHAREHOLDERS

No.	Name	Number of Ordinary Shares Held	% of Issued Capital
1	PAUL RUSSELL HYSLOP & MARGARET JANE MORGAN & NPT MEG TRUSTEE LIMITED <MEG A/C>	104,447,500	29.571%
2	BNP PARIBAS NOMS PTY LTD	36,335,278	10.287%
3	CITICORP NOMINEES PTY LIMITED	23,217,468	6.573%
4	MR EELCO WIERSMA	17,493,204	4.953%
5	UBS NOMINEES PTY LTD	10,141,649	2.871%
6	YASIN SHARIFF	6,214,286	1.759%
7	STEPHEN HENESY	6,214,286	1.759%
8	MARISSA TACY MUIRHEAD	4,118,889	1.166%
9	MR THEOPHILOS PAPANTONIOU	4,100,000	1.161%
10	LEWIS ANDREW CRAIG MACKINNON	3,867,131	1.095%
11	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED-GSCO ECA	3,600,000	1.019%
12	LORDMAX PTY LTD <AL FUND A/C>	3,000,000	0.849%
13	MS MARIE TANIA GENN	2,873,585	0.814%
14	PW AND VJ COOPER PTY LIMITED <P W & V J COOPER S/F A/C>	2,592,592	0.734%
15	MR ANDREW MOFFA & MRS SONIA MOFFA <THE MOFFA SUPERFUND A/C>	2,592,592	0.734%
16	MRS CATHERINE ANNE MARSON & MR JOSEPH MARSON <THE MARSON FAMILY S/F A/C>	2,222,222	0.629%
17	LOOSEMORE INVESTMENTS PTY LTD <LOOSEMORE INVEST FAMILY A/C>	2,222,222	0.629%
18	MR RONALD DUJE VELA	1,951,852	0.553%
19	WOOLCOTT INVESTMENTS LIMITED <THE WOOLCOTT INVESTMENT A/C>	1,886,792	0.534%
20	SARGRAM INVESTMENTS PTY LTD <SARGRAM SUPER A/C>	1,851,852	0.524%
		240,943,400	68.215%

Distribution of Shareholders Fully Paid Ordinary Shares Holdings Ranges	Holders	Number Units	%
1-1,000	1,504	719,005	0.200
1,001-5,000	1,186	3,149,829	0.890
5,001-10,000	427	3,306,400	0.940
10,001-100,000	787	25,024,780	7.080
100,001- and over	233	321,011,579	90.880
TOTALS	4,137	353,211,593	100.000

SUBSTANTIAL HOLDERS

The following shareholders are substantial holders:

Holder Name	Number of Shares	% Voting Power
Paul Russell Hyslop & Margaret Jane Morgan & NPT Meg Trustees Limited	104,447,500	29.57%

VOTING RIGHTS

Each ordinary share is entitled to one vote when a poll is called, otherwise each member present at a meeting or by proxy has one vote on a show of hands. There are no other classes of equity securities.

UNMARKETABLE HOLDERS

There are 3,381 shareholders holding less than a marketable parcel of shares based on the closing price of AUD 0.028 on 1 August 2024 representing a total of 10,778,711 shares.

RESTRICTED SECURITIES

The Company does not have any restricted securities on issue.

ON-MARKET BUY BACK

The Company is not undertaking an on-market buy-back.

CORPORATE DIRECTORY

DIRECTORS

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 8
210 George Street
Sydney, NSW, 2000
Ph: +61 2 8042 8481

PRINCIPAL PLACE OF BUSINESS

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AUDITORS

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Level 40,
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Sydney, NSW, 2000

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ZNO

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