

**ZOONO GROUP LIMITED
(ASX: ZNO)**

**ASX ANNOUNCEMENT - 22 January 2025
Quarterly Report and Company Update**

- **Further strong interest in shelf-life extension technology**
 - **Additional 8 supermarket groups and packaging companies going to trials**
 - **Over 40 supermarket and packaging companies currently in discussions**

Zoono Group Limited (Company) (ASX: ZNO) today releases its Appendix 4C for the quarter ending 31 December 2024. In conjunction with that release, Zoono provides the following quarterly activities report to update shareholders and the market on developments during the quarter and on the Company's outlook.

Zoono continues to prioritise the development of commercial opportunities in its selected niche markets. Importantly, progress is being made on several major sales opportunities.

Shelf-life extension project - UK, Europe, Asia, Africa, and Australia

Zoono and OSY Group Ltd (**OSY**) are currently conducting 29 shelf-life extension trials (compared to 21 at the end of the prior quarter) in twelve countries (across four continents). The trials involve a diverse range of customers, including supermarket chains, food producers, packaging companies and exporters.

Where the earlier trials were focused predominantly on soft fruits, that focus has now broadened substantially to include other fruits and vegetables, meat, fish, poultry, bread, ready-meals and fresh flowers. All tests and trials to date have been successful.

In addition to the above, many other companies are engaged with either Zoono or its project partner, OSY, in relation to the technology. Discussions range from early-stage engagement, detailed product discovery to in-store trials and contract negotiations.

The level of interest demonstrated across the different geographies and product categories continues to be extremely positive, validating Zoono's belief that its technology, coupled with OSY's application methodology, can assist with the reduction of food waste globally.

Two major UK supermarket chains have now confirmed plans to roll out the packaging technology to a number of their designated depots for in-store berry trials in March 2025. This is the next step in the process and, if successful, it is expected to lead into a full national roll-out to all stores in Q4 FY25 / Q1 FY26.

In large part, the conservative approach of the large UK supermarkets chains to the adoption of the new technology and the resultant extensive testing of the Zoono product and application technology have driven the delays.

While it is disappointing that commercial uptake of the packaging technology is taking longer than expected, the Board is very encouraged by the level of interest in its products and the potential for future long-term revenue streams available from this niche market. That confidence is founded on the fact that the trials have demonstrated an extremely compelling case for any supermarkets willing to invest in the new shelf-life extension technology - the return on investment is more than 5 times.

It is also the case that in the interim customer interest has increased and the number of companies moving forward with product trials far exceeds the initial forecasts. OSY is now considerably further ahead in the implementation of its commercialisation strategy than previously projected.

The Company has also been able to use the time to further refine and improve its product and the application process itself. The new product formulation has facilitated an increase in the speed of application to the packaging material which, for packaging companies, has materially reduced any negative impact of the use of the Zoono product on their productivity.

Zoono is also in discussions with several large packaging companies that supply UK and European supermarkets.

Other initiatives

Zoono is also making some progress in its target Asian markets of China, Korea, India and Japan. Further orders are expected in Q3 and Q4 FY25 from a large Japanese pharmaceutical company for product which will ultimately be used in the textile industry.

Working capital

With continuing lower operating overheads, improved sales revenues in Q1 and Q2 FY25 (over PCP FY24) and the potential for sales of its shelf-life extension products starting in Q3 or Q4 FY25, Zoono expects to have sufficient funds to meet its objectives. It also has access to further funding lines should they be required.

Summary of Q2 Expenditure

Related party payments of \$120,000 shown on the following Appendix 4C were directors' fees (including amounts paid to the executive director) for services rendered.

Expenditure incurred during the quarter on business activities was primarily on staff costs (NZ\$117K), product manufacturing (NZ\$121K) and administration and corporate overheads (NZ\$817K). Other material expenditure included advertising and marketing (NZ\$41K) and interest and research and development (NZ\$5K).

For updates on what is happening globally on a day-to-day basis, follow Zoono

Global on:LinkedIn at: www.linkedin.com/company/zoono/

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

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

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

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

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

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

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About Zoono

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

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

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

To learn more, please visit: www.zoono.com

Appendix 4C

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

Name of entity

Zoono Group Limited (ZNO)

ABN

73 006 645 754

Quarter ended ("current quarter")

31 December 2024

Consolidated statement of cash flows	Current quarter \$NZ'000	Year to date (6 months) \$NZ'000
1. Cash flows from operating activities		
1.1 Receipts from customers	368	969
1.2 Payments for		
(a) research and development	(2)	(15)
(b) product manufacturing and operating costs	(121)	(226)
(c) advertising and marketing	(41)	(61)
(d) leased assets	-	-
(e) staff costs	(117)	(248)
(f) administration and corporate costs	(817)	(1,495)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	35	37
1.5 Interest and other costs of finance paid	(3)	(5)
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	-
1.8 Other (provide details if material)	-	-
1.9 Net cash from / (used in) operating activities	(698)	(1,044)
2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) businesses	-	-
(c) property, plant and equipment	-	-
(d) investments	-	-
(e) intellectual property	-	-
(f) other non-current assets	-	-

Consolidated statement of cash flows		Current quarter \$NZ'000	Year to date (6 months) \$NZ'000
2.2	Proceeds from disposal of:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) intellectual property	-	-
	(f) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	Net cash from / (used in) investing activities	-	-

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	38
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	-
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings and leases	(85)	(170)
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	Net cash from / (used in) financing activities	(85)	(132)

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	1,560	1,961
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(698)	(1,044)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	-	-

Consolidated statement of cash flows		Current quarter \$NZ'000	Year to date (6 months) \$NZ'000
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(85)	(132)
4.5	Effect of movement in exchange rates on cash held	10	2
4.6	Cash and cash equivalents at end of period	787	787

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$NZ'000	Previous quarter \$NZ'000
5.1	Bank balances	88	410
5.2	Call deposits	699	1,150
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	787	1,560

6.	Payments to related parties of the entity and their associates	Current quarter \$NZ'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	120
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-
<i>Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.</i>		

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

8. Estimated cash available for future operating activities	\$NZ'000
8.1 Net cash from / (used in) operating activities (item 1.9)	(698)
8.2 Cash and cash equivalents at quarter end (item 4.6)	787
8.3 Unused finance facilities available at quarter end (item 7.5)	-
8.4 Total available funding (item 8.2 + item 8.3)	787
8.5 Estimated quarters of funding available (item 8.4 divided by item 8.1)	1.13
<i>Note: if the entity has reported positive net operating cash flows in item 1.9, answer item 8.5 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.5.</i>	
8.6 If item 8.5 is less than 2 quarters, please provide answers to the following questions:	
8.6.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
<p>Answer:</p> <p>No, the Company is working on several deals that it is looking to supply over the next two quarters and the Company has stock inventories of NZ\$6.3M, it expects in most instances to be able to materially reduce its cost of goods sold given we do not have to order and pay for additional stock to generate sales.</p>	
8.6.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
<p>Answer:</p> <p>Yes, the Company will look at undertaking two initiatives to ensure it has sufficient cash to fund its operations:</p> <ul style="list-style-type: none"> • first, it has already undertaken a significant restructure of its business which involves a material reduction in the Company's monthly overhead structure, including further material savings in the current quarter to reduce future overheads • and second, the Company has further funding lines if required. 	

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

8.6.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer:

Yes, with the Company's reduced overheads and the expected receipts from customers over the next two quarter, the Company fully expects to be able to continue its operations and to meet its business objectives.

Note: where item 8.5 is less than 2 quarters, all of questions 8.6.1, 8.6.2 and 8.6.3 above must be answered.

Compliance statement

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

Date: 22 January 2025

The Board of Zoono Group Limited

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

Notes

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