

Zoono Group Limited

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10 October 2017

ASX RELEASE

ZOONO QUARTERLY FINANCIAL UPDATE TO 30 SEPTEMBER 2017

HIGHLIGHTS

- Quarterly Unaudited Revenues of \$1,069,000
- Quarterly Unaudited Gross Margin of \$756,000 (71% of revenue)
- Quarterly Unaudited Operating Profit of \$304,000 (28% of revenue)
- Unaudited Income in Advance (Deferred Revenue balance sheet account) balance falling \$639,000 for the quarter
- Cash at the end of the quarter was \$7,637,000

Zoono Group Limited (ASX:ZNO) is pleased to present the Company's Appendix 4C for the July 1 2017 to 30 September 2017 quarter.

The Company achieved unaudited revenues of \$1,069,000 for the quarter which was ahead of our earlier guidance of revenues being above \$900,000 for the quarter.

The Company currently operates on a high gross margin basis with lowered operating expenses due to its present low level of staff numbers. This has enabled the Company to achieve a very good operating profit for the quarter.

Our Receipts from customers of \$462,000 as shown on Appendix 4C is lower than the revenues achieved of \$1,069,000 for the quarter primarily due to shipments being delivered to our Distributors in the quarter for \$639,000 (our Income in Advance balance as a result has fallen by this amount). The cash received for these shipments was received in prior quarters.

Zoono is very pleased with the recent sales activity, which has been triggered by regulatory approvals that, in some instances, have taken two years or more to gain. Several more regulatory approvals are in the process that will open up additional markets.

For further Information please contact:

Paul Ravlich, Chief Financial Officer on +64 21 0759 176
or visit www.zoono.com

About Zoono:

Zoono specialises in the development, manufacture and global distribution of a suite of proven, long lasting and environmentally friendly antimicrobial solutions. It has developed



products, including aerosol-based sprays, suited for skin care, surface sanitisers, treatment of acne and mould remediation. The products are based around the “Zoono Molecule”; a unique, antimicrobial molecule that bonds to any surface and kills pathogens including bacteria, viruses, algae, fungi and mould. It has proven efficacy, longevity and, importantly, it does not leach. Zoono products are currently sold in many countries.

Appendix 4C

Quarterly report for entities subject to Listing Rule 4.7B

Introduced 31/03/00 Amended 30/09/01, 24/10/05, 17/12/10, 01/09/16

Name of entity

Zoono Group Limited (ZNO)

ABN

73 006 645 754

Quarter ended ("current quarter")

30 September 2017

Consolidated statement of cash flows	Current quarter \$NZ'000	Year to date (3 months) \$NZ'000
1. Cash flows from operating activities		
1.1 Receipts from customers	462	462
1.2 Payments for		
(a) research and development	(1)	(1)
(b) product manufacturing and operating costs	(428)	(428)
(c) advertising and marketing	-	-
(d) leased assets	(14)	(14)
(e) staff costs	(80)	(80)
(f) administration and corporate costs	(468)	(468)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	24	24
1.5 Interest and other costs of finance paid	-	-
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	(505)	(505)
2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment	(90)	(90)
(b) businesses (see item 10)	-	-
(c) investments	-	-
(d) intellectual property	-	-
(e) other non-current assets	-	-

Consolidated statement of cash flows		Current quarter \$NZ'000	Year to date (3 months) \$NZ'000
2.2	Proceeds from disposal of:		
	(a) property, plant and equipment	35	35
	(b) businesses (see item 10)	-	-
	(c) investments	-	-
	(d) intellectual property	-	-
	(e) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other	55	55
2.6	Net cash from / (used in) investing activities	-	-
3. Cash flows from financing activities			
3.1	Proceeds from issues of shares	-	-
3.2	Proceeds from issue of convertible notes	-	-
3.3	Proceeds from exercise of share options	-	-
3.4	Transaction costs related to issues of shares, convertible notes or options	-	-
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	(2)	(2)
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	(2)	(2)
4. Net increase / (decrease) in cash and cash equivalents for the period			
4.1	Cash and cash equivalents at beginning of quarter/year to date	8,144	8,144
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(505)	(505)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	-	-
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(2)	(2)
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of quarter	7,637	7,637

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	3	29
5.2 Call deposits	-	-
5.3 Bank overdrafts	-	-
5.4 Other –		
Overseas Bank Balance	1,332	114
Overseas Call Deposit	6,302	8,001
5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above)	7,637	8,144

6. Payments to directors of the entity and their associates

- 6.1 Aggregate amount of payments to these parties included in item 1.2
- 6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2

Current quarter \$NZ'000

170

-

Payment of accrued director fees, consulting and other services provided to the consolidated group at normal commercial rates.

7. Payments to related entities of the entity and their associates

- 7.1 Aggregate amount of payments to these parties included in item 1.2
- 7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2

Current quarter \$NZ'000

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8. Financing facilities available

Add notes as necessary for an understanding of the position

- 8.1 Loan facilities
- 8.2 Credit standby arrangements
- 8.3 Other (please specify)

Total facility amount at quarter end \$NZ'000

Amount drawn at quarter end \$NZ'000
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- 8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.

9. Estimated cash outflows for next quarter	\$NZ'000
9.1 Research and development	5
9.2 Product manufacturing and operating costs	350
9.3 Advertising and marketing	19
9.4 Leased assets	20
9.5 Staff costs	106
9.6 Administration and corporate costs	432
9.7 Other (provide details if material)	-
9.8 Total estimated cash outflows	932

10. Acquisitions and disposals of business entities (items 2.1(b) and 2.2(b) above)	Acquisitions	Disposals
10.1 Name of entity		
10.2 Place of incorporation or registration		
10.3 Consideration for acquisition or disposal		
10.4 Total net assets		
10.5 Nature of business		

Compliance statement

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



Sign here:
(Director/Company secretary)

Date: 10 October 2017

Print name: Elisa Hansen

Notes

- The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
- If this quarterly 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 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.
- 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.