

# Zoono Group Limited

ABN: 73 006 645 754  
Level 12  
225 George Street  
Sydney NSW 2000  
T: +61 (2) 8042 8481  
www.zoono.com



**27 July 2018**

**ASX RELEASE**

## **QUARTERLY REPORT FOR THE PERIOD ENDED 30th JUNE 2018**

The June 2018 quarter produced a very solid result for Zoono.

### **Financial Highlights**

- Zoono recorded unaudited revenue and other income for the year of NZ\$3,428,633 compared to the previous year of NZ\$838,713. This is an increase of 309% over the prior year. The Group has also made an unaudited maiden profit for the year. The difference between revenue and cashflows in the following Appendix 4C is primarily due to the take-up of income in advance which has now been reduced from \$2,410k at the beginning of the year to \$449k (unaudited) as at 30 June 2018.
- Customer receipts for the June quarter were NZ\$487,000, up from NZ\$190,000 in the previous quarter. The net cash used (outflow) in operating activities fell from NZ\$625,000 in the previous quarter to NZ\$411,000 in the June quarter.
- Higher product manufacturing and operating costs for the quarter were primarily a result of a shipment to Korea and higher associated costs.
- Administration and corporate costs were lower for the quarter as a result of the previously written off loan of NZ\$112,000 to MCS Capital Partners PTY Limited.
- At the end of the quarter the Company had in excess of \$6m cash at bank plus \$672,000 in stock.

### **Operations**

Zoono is pleased to announce the opening of its UK office and warehouse in Bury St Edmunds, close to Cambridge, during the quarter. James Milnes has been appointed UK and EU regional manager. James has a highly organised and disciplined business approach supported by a strong network, emanating in part from his 20 years of distinguished service as an officer in the RAF and afterwards held a senior position in NATO. He is ably supported by Mark Phelps, who has vast experience as a microbiologist, providing the professional level of expertise so valuable in the promotion of Zoono's unique qualities. Two key sales staff with extensive experience in the European commercial markets have also been added to the team.

Zoono has shipped stock to the value of NZ\$250k to the UK Warehouse to support initial sales. Strong interest has been expressed by some major companies in the region. Several new licensing /supply agreements are also in negotiation in the region.

The Company also plans to replicate its online sales platform in the UK and European markets following its successful launch in Australia and New Zealand during the quarter. The planned UK and European launch will be in October 2018.

In Australia during the quarter, Country Manager, Shane Ryan, has secured two new contracts for the Company in both NSW and WA. Zoono is optimistic about the growth.

In China, sales have been slower than expected and, whilst Zoono products have been launched on radio, home shopping TV has yet to go live. The Company continues to progress with its current Chinese representative, RBCGO, but is also looking at other options, including selling direct cross border into China.

In the meantime, another large Asian based multinational retailer has now afforded Zoono status as an approved supplier following extensive due diligence over a period of eight months. An initial order of Zoono Odour Guard is currently being finalised which will be made available in three different countries.

In South Korea, Zoono was the key note speaker at a recent conference. The conference included representatives from the veterinary, medical, agricultural and government sectors. Zoono's presentation was well received and new business is expected.

Also during the quarter, the first full container order was shipped to Canada. Strong interest to date suggests that this will be a substantial and growing market for the Company.

For further Information please contact:

Paul Ravlich, Chief Financial Officer on +64 210 759 176

or visit [www.zoono.com](http://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 June 2018

<b>Consolidated statement of cash flows</b>	<b>Current quarter \$NZ'000</b>	<b>Year to date (12 months) \$NZ'000</b>
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	487	1,376
1.2 Payments for		
(a) research and development	(6)	(20)
(b) product manufacturing and operating costs	(370)	(1,224)
(c) advertising and marketing	(35)	(136)
(d) leased assets	(14)	(62)
(e) staff costs	(187)	(457)
(f) administration and corporate costs	(330)	(1,720)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	47	205
1.5 Interest and other costs of finance paid	(3)	(3)
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	-
1.8 Other (provide details if material)	-	-
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(411)</b>	<b>(2,041)</b>
<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire:		
(a) property, plant and equipment	(67)	(212)
(b) businesses (see item 10)	-	-
(c) investments	-	-
(d) intellectual property	-	-
(e) other non-current assets	-	-

<b>Consolidated statement of cash flows</b>		<b>Current quarter \$NZ'000</b>	<b>Year to date (12 months) \$NZ'000</b>
2.2	Proceeds from disposal of:		
	(a) property, plant and equipment	-	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	-	156
<b>2.6</b>	<b>Net cash from / (used in) investing activities</b>	<b>(67)</b>	<b>(21)</b>

<b>3.</b>	<b>Cash flows from financing activities</b>		
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	(2)	44
3.6	Repayment of borrowings	(5)	(12)
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
<b>3.10</b>	<b>Net cash from / (used in) financing activities</b>	<b>(7)</b>	<b>32</b>

<b>4.</b>	<b>Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1	Cash and cash equivalents at beginning of quarter/year to date	6,578	8,144
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(411)	(2,041)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(67)	(21)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(7)	32
4.5	Effect of movement in exchange rates on cash held	3	(18)
<b>4.6</b>	<b>Cash and cash equivalents at end of quarter</b>	<b>6,096</b>	<b>6,096</b>

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	485	162
5.2 Call deposits	-	-
5.3 Bank overdrafts	-	-
5.4 Other –		
Overseas Bank Balance	3	25
Overseas Call Deposit	5,608	6,391
<b>5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>6,096</b>	<b>6,578</b>

**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**

179

-

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**

-

-

8. <b>Financing facilities available</b> <i>Add notes as necessary for an understanding of the position</i>	Total facility amount at quarter end \$NZ'000	Amount drawn at quarter end \$NZ'000
8.1 Loan facilities	-	-
8.2 Credit standby arrangements	-	-
8.3 Other (please specify)	-	-
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. <b>Estimated cash outflows for next quarter</b>	\$NZ'000
9.1 Research and development	37
9.2 Product manufacturing and operating costs	170
9.3 Advertising and marketing	123
9.4 Leased assets	14
9.5 Staff costs	267
9.6 Administration and corporate costs	498
9.7 Other (provide details if material)	-
<b>9.8 Total estimated cash outflows</b>	<b>1,109</b>

10. <b>Acquisitions and disposals of business entities (items 2.1(b) and 2.2(b) above)</b>	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

- 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.



Sign here: .....  
(Director/Company secretary)

Date: 27 July 2018

Print name: Elisa Hansen

### Notes

1. 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.
2. 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.
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.