

Zoono Group Limited (ASX: ZNO) ASX ANNOUNCEMENT

1 April 2022

Zoono appoints new CEO and Company Update

Highlights:

- **Barry Woolcott to become Group CEO**
- **New distribution agreements for Brazil and Saudi Arabia/Bahrain**
- **B2C online sales improving as continuing activities deliver growth**

ZOONO Group Limited (**Company**) (ASX: ZNO) is pleased to advise the appointment of Mr. Barry Woolcott as Group Chief Executive Officer (**CEO**).

Following an extensive executive search, Mr. Woolcott joined Zoono in September 2021, initially as Global General Manager, with the intention that, at a mutually agreed date, he would assume the role of Chief Executive Officer.

Commenting on the appointment, Managing Director and major shareholder, Mr. Paul Hyslop, said "The Board is delighted to confirm Barry's appointment as CEO."

"Since joining the Company, Barry has been focussed on strategy development and project delivery. He is uniquely positioned to understand the challenges and opportunities that face Zoono. Barry has proven leadership capabilities and I look forward to working with him to grow our Company."

"Our priorities in selecting a new CEO were to identify someone who could lead the Company through a transformational growth phase and guide the Company's targeted global activities. Equally critical was a demonstrated ability to develop the Company's capabilities and culture to suit the evolving business environment."

Mr. Woolcott said he was excited to have the opportunity to lead Zoono.

"Zoono is a great company with a fantastic product range and an exciting future. I look forward to working with the management team to transform the way we work as we look to continually improve and evolve."

Prior to joining Zoono, Mr. Woolcott developed his management capabilities through 7 years at Deloitte and, more recently, 13 years (the last 8 as Group CEO) at Jacobsen Holdings, a privately owned group of New Zealand based companies.

Mr. Woolcott holds a Bachelor of Commerce with Honours from Queens University, Kingston, Ontario and an MBA from Auckland University.

Key terms of Mr. Woolcott's appointment are set out in Annexure A.

Importantly for Zoono, Mr Hyslop will continue to be actively engaged in the business, both as an executive with an emphasis on major customers and new projects and as an on-going member of the Board.

New Distribution Agreements

Zoono has recently entered into two new exclusive distribution agreements, one for Brazil and the other for Saudi Arabia/Bahrain. Zoono is seeking to appoint distributors in markets in which it does not have a presence and which cannot be readily serviced from any of the Group's regional offices.

The exclusive distribution agreement for Brazil is with Star Pharma Distributora de Medicamentos e Correlatos LTDA (**Star Pharma**). Star Pharma is a pharmaceutical company which specialises in the distribution of perfume and related medicines in Brazil.

Star Pharma is currently seeking the required registrations (ANVISA and MAPA)¹ for the sale of Zoono's Z-71 Surface product in Brazil. Once these registrations are received, Star Pharma is committed to an initial order of NZ\$3.5M. Further orders totalling NZ\$3.5M are expected to be placed over the next year. Key terms of the agreement are detailed in Annexure B.

The particular focus of Star Pharma will be in the animal health and hygiene sectors where it has distribution agreements into all major Farming operations in Brazil.

The new exclusive distribution agreement for Saudi Arabia and Bahrain is with Lazem International Company (**Lazem**). Lazem specialises in providing occupational health and safety services to international standards in Saudi Arabia and Bahrain. Lazem have placed and paid for an initial order for NZ\$250K and a further order of NZ\$220K is expected within six months.

Key terms of the agreement are detailed in Annexure B.

B2C Online Sales

Along with a substantially increased marketing spend in its B2B business, Zoono is expanding its investment in its B2C sales platform, especially in the UK and South Africa.

While early days in the above two markets, the investment is producing results with Zoono achieving over NZ\$450k in online sales in the Australasian markets over the last two months.

¹ ANVISA (Agência Nacional de Vigilância Sanitária) is the Brazilian Health regulatory Agency responsible for the regulation and approval of pharmaceutical drugs, sanitary standards and regulation of the food industry in Brazil. MAPA is the Brazilian Ministry of Agriculture, Livestock and Food Supply. Star Pharma is seeking the necessary regulatory registrations which, once issued, will be transferred to Zoono Group Limited (or its subsidiary company).

Ongoing Activities

Qantas has increased its orders of individually packaged Zoono wipes². A second production line to package individual wet wipes has now been initiated as travel opens up to international routes.

Zoono has also been working with Woollahra Group in Western Australia. Woollahra Group is a 100% indigenous owned manufacturer and distributor of cleaning, paper and other products and services into the mining sector. Woollahra Group expect to be purchasing Zoono's Z-71 Microbe Shield in pallets of 5 litre containers on a monthly basis.

Zoono continues to perform trials in the transport industry in France and is currently presenting to a large bus network, which includes 12,000 buses. In South Africa, Zoono has now gained full regulatory approvals to sell to Hospitals in South Africa.

To keep up to date with 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> Monthly

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

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

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About ZOONO

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

² <https://www.asx.com.au/asxpdf/20200716/pdf/44kktys6hn9vld.pdf>

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

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

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

Annexure A
Barry Woolcott Employment Contract – Material Terms Summary, effective 1 March 2022.

The key terms of employment arrangements are summarised below. The remuneration package is designed to ensure alignment of reward with shareholder returns.

Name & Position	Barry Woolcott, Chief Executive Officer
Term	No fixed term. Employment is ongoing until terminated by either party in accordance with the terms of engagement.
Fixed Annual Remuneration	Fixed annual remuneration (FAR) of \$360,000 (inclusive of base salary, statutory superannuation contributions and any directorship or office held in the Company or Group).
Short term Incentive	<p>Mr. Woolcott will receive a short term incentive (STI) of up to \$22,500, with the payment (if any) to be made to be determined at the absolute discretion of the Board for FY22.</p> <p>Mr. Woolcott will receive a payment of up to 25% of FAR, payable in cash or equity (at the CEO's option) for FY2023, subject to vesting conditions.</p>
Long Term Incentive	<p>For the period to and ending on 30 June 2025, Mr. Woolcott will receive a long-term incentive (LTI) of a one-off grant of 4,000,000 options (LTI Options) which will vest, subject to satisfaction of the vesting conditions, in two tranches of 2,000,000 options each in June 2024 and June 2025 respectively.</p> <p>All LTI Options are exercisable at \$0.35 (which is reflective of the VWAP of ZNO traded on ASX in the 30 trading days to and including 31 March 2022 plus a premium of 50%). LTI Options vest conditional on Mr. Woolcott continuing to be engaged by Zoono and the achievement of the following price benchmarks:</p> <ul style="list-style-type: none"> ○ for Tranche 1, the VWAP of ZNO's shares traded on ASX in any 30-day period prior to 30 June 2024 being greater than or equal to \$0.40; and ○ for Tranche 2, the VWAP of ZNO's shares traded on ASX in any 30-day period prior to 30 June 2025 being greater than or equal to \$0.45

<p>Termination Provisions</p>	<p>Mr. Woolcott’s employment may be terminated without cause by Zoono upon giving 6 months’ notice. Mr. Woolcott may resign from the Company by giving 6 months’ notice.</p> <p>Zoono may provide payment in lieu of notice.</p> <p>Mr. Woolcott may be terminated immediately without notice for cause.</p>
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Annexure B**Key Terms of the Star Pharma Distributora de Medicamentos e Correlatos LTDA Agreement are:**

- An initial exclusive four-year term.
- Minimum annual performance target volumes for the:
 - First 12 months from commencement of NZ\$7.0M;
 - Second 12-month period NZ\$7.7M;
 - Third 12-month period NZ\$8.5M;
 - Year four is annual increases of 10% from year three total numbers;
- Either party may terminate the agreement with immediate effect for breach or insolvency;
- Payment terms are 50% on placement of the order and 50% cleared funds prior to shipment of any goods.

Zoono has the right to terminate if the initial order of \$NZD3.5M is not paid for and placed within 6 months from signing. This six-month timeframe is required in order for the distributor to gain the required approvals.

In addition, Zoono has rights to terminate if there is a material change of control or it fails to achieve its minimum annual performance requirements following a 10-day resolution process.

Key Terms of the Lazem International Company Agreement for Saudi and Bahrain are:

- An initial exclusive four-year term;
- Minimum annual performance target volumes for the:
 - First 12 months from commencement of NZ\$440,000;
 - Second 12-month period NZ\$520,000;
 - Third 12-month period NZ\$580,000; and
 - Increasing by NZ\$60,000 per annum thereafter;
- Either party may terminate the agreement with immediate effect for breach or insolvency.

In addition, Zoono has rights to terminate if there is a material change of control of Lazem International or it fails to achieve its minimum annual performance requirements following a 10-day resolution process.