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Zoono Group Limited
(ASX: ZNO)
ASX ANNOUNCEMENT

26 March 2024

Highlights:

- **Rights Issue to be partially underwritten by Evolution Capital; and**
- **OSY Group to sub-underwrite $0.54M**

Zoono Group Limited (**Company**) (ASX: ZNO) is pleased to update the market on its proposed rights issue. As previously advised, Zoono will undertake a non-renounceable rights issue to shareholders at $0.027 per share. The non-renounceable rights issue offers all Eligible Shareholders the opportunity to subscribe for further Shares in the Company at the same price as offered in the December Placement though a pro-rata, non-renounceable rights issue of one (1) new Share for every two (2) existing Shares held by Eligible Shareholder on the Record Date at an issue price of $0.027 per Share, to raise up to $2.9M (before costs) (**Offer**).

What this means is, if a shareholder holds 100 shares and they accept the Offer to take up their full entitlement, they will be entitled to subscribe for 50 new shares at $0.027m per share. Shareholders will also have the opportunity to apply for any unplaced shares (**Shortfall**) before the Offer is closed.

<u>Rights Issue partially underwritten by Evolution Capital</u>

Zoono is pleased to announce that Evolution Capital Pty Ltd, a full service corporate advisory firm based in Sydney Australia, has agreed to act as lead manager for the Offer and partially underwrite acceptances under the Offer up to approximately 53M shares. The terms of the underwriting agreement are as follows:

- Evolution will partially underwrite acceptances under the Offer up to the amount of $1,442,322 (up to 53,419,349 shares). Shareholders should note that the underwriting agreement is conditional upon Mr. Hyslop subscribing for at least 50% of his entitlement (being at least 18,611,875 shares).

  As such, in practical terms:

  - Evolution is effectively underwriting acceptances for a total of 34,807,474 shares only; and
  - for the avoidance of any doubt, should shareholders subscribe for in excess of 53,419,349 shares under the Offer (whether by accepting their entitlements or by subscribing for additional shares under the Shortfall offer), Evolution will not be

required to subscribe for any shares under the underwriting agreement despite the fact that there may still be a shortfall of acceptances under the Offer.

Given the above pre-condition to Evolution's partial underwriting of acceptances of the Offer, the Company confirms that it has been advised by Mr Hyslop that he fully intends to accept the Offer for at least 50% of his entitlement. Satisfaction of the condition does not preclude acceptance by Mr Hyslop of further new shares under the Offer (up to 100% of his entitlement).

- Under the Underwriting Agreement, Evolution will be paid the following:
  - a monthly retainer of $5,000 plus GST for a minimum period of 12 months until terminated on one month's notice for corporate advisory services;
  - an underwriting fee (cash) of 6.0% of the Offer Amount (i.e. $1,442,322 (53,419,349 shares) is underwritten by it (plus GST); and
- Evolution will also be issued the following options (subject to shareholder approval):
  - 5,000,000 unlisted options with an exercise price of $0.05 and an expiry date of two years from the date of issue; and
  - 5,000,000 unlisted options with an exercise price of $0.10 and an expiry date of three years from the date of issue.

  If shareholder approval is not obtained, the Company has agreed to pay Evolution the monetary equivalent of the options (with the value of the options calculated by reference to a Black Scholes Model).
- The underwriting agreement contains termination events which are considered to be market standard. A summary of the termination events is set out in Annexure 1 to this announcement.

<u>OSY Group will sub-underwrite $0.54M in the Rights Issue</u>

Zoono is also pleased to advise that OSY Group Limited has agreed with Evolution to sub-underwrite acceptances of 20M shares (or $0.54M) under the Offer.

Zoono welcomes this commitment from OSY Group as it further strengthens its partnership with Zoono.

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

For further information, please contact:

Zoono Group Limited

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About Evolution Capital

Evolution Capital is a full service corporate advisory firm with sophisticated sales and trading capabilities that partners with high quality companies looking to fund growth and strengthen their capital base.
They provide deep market insights, successful transactions, and a global perspective on investment opportunities.

To learn more, please visit www.eveq.com.

About OSY Group Limited

OSY Group is a visionary organisation at the forefront of the hygiene technology sector, driving transformative change for a more sustainable world. Their commitment to innovation has been recognised via the award of prestigious Innovate UK grant funding. OSY find tailored solutions to customers challenges by combining their four key pillars, innovative, sustainability, customer centric and trusted, and the knowledge of their extensive partners to deliver long-term results and build long-lasting partnerships. Their diverse portfolio of sub-brands, OSY Xtend, OSY Hygiene, OSY Technology and OSY Animal Health, specialise in unique sectors to provide targeted solutions tailored to their customers' needs and to help them meet their goals.

To learn more, please visit www.osy-group.com.

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 mould.

Zoono's products have received numerous regulatory approvals and the company'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 1 – TERMINATION EVENTS

Evolution may terminate its obligations under the underwriting agreement if any of the following events occur:

a) (**Entitlement Offer Certificate**): Entitlement offer certificate is not furnished by the time specified or statement in offer is untrue, inaccurate, incomplete or misleading or deceptive in any material respect;

b) (**Unable to issue Offer shares**): Zoono is unable to allot the Offer shares;

c) (**ASX Announcement**): Zoono fails to lodge announcement or cleansing notice;

d) (**Offer documents to comply**): Offer document fails to comply with Corporations Act or Listing Rules including statement in the offer document which is or becoming misleading or deceptive or omit any information required.

e) (**Withdrawal**): Zoono withdraws the Offer;

f) (**Corrective notice**): Zoono gives a correcting notice in accordance with subsection 708AA(10) of the Corporations Act;

g) (**Market fall**): the S&P/ASX 200 Index closes on any two consecutive Business Days in the period from the announcement date to the Offer settlement date at a level that is 10% or more below the level of that index as at the close of trading on the business day before the date of the underwriting agreement and is at or below that level at the close of trading: (i) for at least 2 consecutive business days during any time after the date of the underwriting agreement and prior to the Offer settlement date; or (ii) on the business day immediately prior to the Offer settlement date or Offer allotment date;

h) (**ASIC action**): application is made by Australia Securities Investments Commission (**ASIC**) in relation to the Offer or ASIC commences investigations;

i) (**Regulatory action**) there is an application to or investigations commenced by a government agency (including, without limitation, the takeovers panel) for an order, declaration or other remedy in connection with the Offer;

j) (**Listing and quotation**) approval is refused or not granted, or approval is granted subject to conditions other than customary conditions, to the quotation of any shares by ASX;

k) (**Offences by directors**) any of the following occurs: (i) a Director of Zoono is charged with an indictable offence; (ii) any government agency commences any public action against a Director of Zoono or announces that it intends to take any such action; or (iii) any Director of Zoono is disqualified from managing a corporation under the Corporations Act;

l) (**Insolvency**) Zoono or a Zoono group member is insolvent or there is an act or omission which may result in Zoono becoming insolvent;

m) (**Takeovers panel**) a shareholder makes an application to the takeovers panel in connection with the Offer and the takeovers panel elects to hear the application, and the application is not withdrawn or rejected;

n) (**ASX approval**): unconditional approval (or conditional approval, provided such condition would not, in the reasonable opinion of the underwriter, have a material adverse effect on the success or settlement of the Offer) by the ASX for official quotation of the Offer shares is refused;

o) (**Timetable**): timetable is delayed for more than 2 business days without prior written consent of the Underwriter;

p) (**Notifications**): ASIC issues an order, holds a hearing or an application is made in relation to the Offer;

q) (**Disclosure in public information**): public information includes statement which is or become misleading or deceptive or is likely to mislead or deceive;

r) (**Disclosures**): any information supplied by or on behalf of Zoono to the Underwriter is or becomes misleading or deceptive in a material respect, including by way of omission;

s) (**New circumstances**): a new circumstance arises that would have been required to be disclosed in the Offer documents;

t) (**Hostilities**): hostilities not presently existing commence or major escalation in existing hostilities occurs;

u) (**Change of law**): Change in law or proposal which prohibits or regulate the Offer;

v) (**Compliance with agreements and regulatory requirements**): a contravention by Zoono of the Corporations Act, Zoono's constitution, any of the Listing Rules or the underwriting agreement, or Zoono commits a fraudulent act;

w) (**Breach**): Zoono fails to perform or observe any of its obligations under the underwriting agreement;

x) (**Misrepresentation**): a representation or warranty made or given by Zoono proves to be, or has been, or becomes, untrue or incorrect;

y) (**Market or trading disruption**): suspension or material limitation in trading in securities generally or any adverse change or disruption to existing financial markets political or economic conditions of Australia, Japan, Hong Kong, the Republic of China, the United Kingdom, the United States of America, a member state of the European Union;

z) (**Change in management**): a change in the senior management of Zoono or in the board of directors of Zoono is announced or occurs without the Underwriter's consent;

aa) (**Adverse change**) there is an adverse change, or an event occurs which is likely to give rise to an adverse change, in the financial position, results, operations or prospects of Zoono;

bb) (**Constitution**) Zoono varies any term of its constitution without the prior written consent of the Underwriter to the terms of the variation, such consent not to be unreasonably withheld;

cc) (**Change to company**): Zoono alters issued capital or disposes of a substantial part of the business or property; or

dd) (**Charges**): Zoono or related bodies corporate charges or agrees to charge whole or substantial part of the business or property of Zoono.

The termination events in paragraphs (q) – (dd) are subject to the event having a material adverse effect on the Offer or the value of the Company's shares; or otherwise the event leading to Evolution contravening an applicable law or Evolution having any liability under any applicable law.