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30 August 2024

Zenova Group PLC

("Zenova", the "Company" or the "Group")

Interim results for the six months ended 31 May 2024

Zenova Group PLC (AIM: ZED), a provider of innovative fire safety and heat management technology and products, today announces its interim results for the six months ended 31 May 2024.

Significant progress has been made in the period:

- Financial highlights for the period
 - Revenue generation from previously announced international sales contracts has commenced.
 - Sales for the six months to 31 May 2024 of £51k (2023 - £108k).
 - Operating loss for the period of £617k (2023 - loss of £709k).
 - Loss after tax for the period of £478k (2023 - loss of £709k).
 - Loss per share £0.40 (2023 - loss per share £0.76).
- Key contracts signed
 - Zenova expanded and deepened its partnership with Gracewood/Drips and Sparks/Zensafe with a £2.4 million order over two years for FP paint. (April 2024). Early returns from this order are beginning to be realised as the construction season gets underway.
 - Zenova expanded its efforts to bring its products closer to international customers through successful client demonstrations in Mallorca, Spain (March 2024) and Albania (May 2024).
 - Zenova global sales footprint expanded to Latin America (2024), India (2024) and Romania (2024).
- R&D, testing and certification:
 - The Zenova FX extinguisher range earned further major accreditations, notably;
 - UK Kitemark BS-EN3 certification
 - MED (Marine Equipment Directive) certificationsThis establishes the Zenova extinguishers as the premier certified choice for comprehensive fire protection across any fire type.
 - Independent testing of the Zenova FX fluid used in all Zenova extinguishers confirmed that the trace elements of forever chemicals are well below current and even planned EU PFAS regulations. This makes the Zenova range of extinguishers the most effective extinguisher with the smallest environmental / chemical impact.
- Investor updates
 - Fiona Rodford assumed the role of Non-Executive Chair of the Company, replacing Don Nicolson. (March 2024).
 - To fund its growth efforts, Zenova successfully raised gross proceeds of £677k through a subscription for new shares, for working capital purposes. (March 2024).
 - New broker appointed Peterhouse Capital, and a new auditor appointed, Gravita. (April 2024).
 - Zenova discontinued director working capital loan facility of £350k (May 2024) as no longer required.

Post period end highlights

- Trial order from the University of Sheffield

- First trial orders placed by Sheffield University through ESP Ltd and advanced negotiations between ESP Ltd and Sheffield University and to replace its entire installed base of 4,500 6L fire extinguishers across its campus as well as improving fire safety further by equipping its buildings with the Group's smaller FX500s.
- Zenova FX fluid is forever chemical compliant
- MER (Marine Equipment Regulations) certifications for Zenova FX extinguishers.
- First order valued at £83k from its newly appointed sub-distributor in Albania - AED Ltd. for 7,500 units of the Zenova FX500 and 100 units of the Zenova FX 9L extinguisher and 50 units of the Zenova FX 6L extinguisher. Zenova closed a large, inaugural order for 1,500 FX500 units from one of UK's largest fire safety-focused distributors, O. Heap and Sons, Ltd. This major customer's admission that Zenova's fluid fills a 'strategic gap' in their product offerings is highly encouraging for material, follow-on business with O. Heap.
- The Directors believe the Company has sufficient cash to fulfil its near-term working capital requirements.

Thomas Melchior, Chief Executive of Zenova Group PLC commented: *"Zenova has made significant progress over the first half of the financial year but realised sales have been lower than expected with the Group recording £51k to half year ended 31 May. This revenue undershoot was due largely to delays in advanced product certification awards required to enter key market segments and weather-related delays at a major customer.*

Closing recently on additional major sales and distribution agreements further enhances my confidence in the ability of Zenova to scale up and deliver on the increased international interest in Zenova products. We look forward to announcing further positive news in the near future."

Chair's Statement

Dear Shareholders,

As we conclude the first half of this financial year, I am pleased to report on our progress and the solid foundations we have laid for future growth. We have made good progress in both securing the required certifications and expanding our global routes to market. This is needed to give us the solid foundations for the next stage of development. We can now concentrate on achieving our sales and revenue goals in the year ahead.

Zenova was founded to develop innovative, sustainable solutions within the fire safety and heat management industry. Since our IPO in 2021, we have developed, tested, certified, and launched a suite of fire safety and temperature management products and solutions.

Through innovative development, and a refined formulation and development process, Zenova provides industry-leading solutions across a range of fire protection and temperature management problems, comprising fire retardant paints, insulating paints and render, fire extinguishing fluid, and a range of fire extinguishers.

Over the past half year, Zenova's FX products have been tested and certified by independent, industry experts and testing houses:

- UK Kitemark ES-ENC certifications
- MED certification
- MER certification
- PFAS compliant even with proposed new EU legislation

Zenova has strengthened its supply chain and now has scalable, outsourced manufacturing in the UK, Europe and in North America with reliable manufacturing partners ready to scale production.

Our global sales and delivery capabilities have been further enhanced through the appointment of sales and sub-distribution partners. Our global sales footprint now covers all major markets, including the USA, Latin America and the UK with expanded distribution partners such as Rawlins, Dulux. Our international expansion into promising markets like Germany, India, Romania and Albania further extends our sales and distribution network.

Zenova products have been specified for use in construction projects, renovations, film productions and production site safety by local government bodies, commercial entities, and social housing projects.

Our sales and marketing strategy, including effective product demonstrations in the USA, UK, Poland and Albania is further supporting our sales efforts.

The Zenova Group has achieved much in the first half of 2024, but sales growth has been lower than expected with Zenova recording £51k in the half year ended 31 May 2024. Sales were impacted by delays in key product certifications required to enter key market segments. These issues have now all been resolved, and the Board expects significant revenues growth in the second half of 2024. I am confident about our future.

The Board believes that Zenova is well positioned for significant revenue growth in this fiscal year, benefiting from our hard work and achievements in securing the highest levels of certification and closing major sales agreements over the past years.

Alongside this we are committed to a programme of rigorous cost management, with monthly budget reviews at the Board level to ensure sufficient working capital during this growth period. We also expect Research and Development costs to decrease significantly as we move into the next phase of our strategy.

Zenova raised £678k gross in March 2024 through a subscription of new shares to be used for working capital purposes, We believe that taking into account our current cash position, receivables, inventories and orders in house the Company has sufficient working capital for its current working capital requirements.

I was appointed as Executive Vice Chair in June 2023. In March 2024, I assumed the role of Non-Executive Chair of the Company.

I wish to thank Don Nicolson, the previous Chairman of Zenova since the IPO, for his active guidance and wisdom of steering the company successfully.

Our goal is to establish Zenova as the trusted provider of fire safety and thermal management solutions and products across multiple sectors and geographies. We are very confident in the effectiveness of our products, which have now been established through rigorous testing, certification, trials, and backed by customer trials and experience.

As always, a business depends on the goodwill of its people, and I wish to express my gratitude to our team, loyal customers, and supportive shareholders, who like us believe in our products. Together, we are well-positioned for continued success and profitable growth. We believe that Zenova and its products have a bright future and look forward to updating the market with further developments.

Fiona Rodford

Chair

Zenova Group PLC

30th of August 2024

Operating Update

1. About Zenova Group PLC

Zenova Group, through Zenova Ltd, is the holder of intellectual property that underpins a suite of fire safety and temperature management products and technology. The product range is applicable to industrial, commercial, and residential markets. The Group's products include fire retardant paints, insulating paints and render, fire extinguishing fluid and fire extinguishers. Through innovative development, and a refined formulation and development process, Zenova provides industry leading solutions across a range of fire protection and temperature management problems.

2. Research and Development, Testing and Certification

Zenova Group is committed to continuously developing and improving its products in order to maintain its competitive advantage.

- Zenova's FX extinguisher range passes EN3-7 testing and certification for the Zenova FX 6L & Zenova FX 9L extinguishers by MPA Dresden Fire in Germany, confirming Class A, B, F and Electrical classification to the latest EN3 standard.
- The Zenova FX extinguisher range further passed UK Kitemark, and MED (Marine Equipment Directive) certifications, both in 2024, establishing the Zenova extinguishers as premier certified choice for comprehensive fire protection across any fire type.

3. Products & Solutions

Zenova has developed a range of products providing fire safety and heat management solutions for a wide range of sectors and environments.

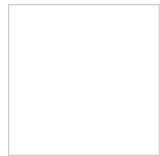


Zenova FP, fire protection paint

A water based, fire protection paint (also known as a 'thermofoaming' or 'intumescent' paint), which can be used on any surface and colour matched to any colour. When exposed to heat or flames, the paint expands and creates a solid foam-like crust which will not burn and insulates the surface to which it is applied. This prevents surfaces from catching fire and stops fire spreading.

**Zenova IP, thermal insulation paint**

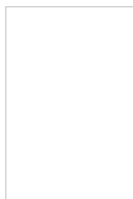
A thermal insulation paint embeds the most modern insulating technology in a thermos-like ultra-thin layer. It saves energy by increasing the thermal insulation level in commercial and residential buildings. Zenova IP has been independently tested and validated to deflect, absorb and dissipate up to 75% of this heat, thereby reducing the inside temperature by up to 45%. Suitable for both exterior and interior surfaces, on any type of surface.

**Zenova IR, thermal insulation render**

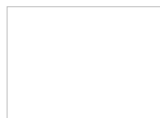
Zenova IR is a ready mixed insulation render that can be applied to internal and external walls in commercial and residential buildings to provide immediate insulation benefits and can be colour matched to any colour.

**Zenova FX, fire extinguishers**

A fire extinguisher like no other. Zenova FX extinguishers are PFAS compliant, effective and safe to use on all types of fires. Fully tested to European EN3-7 as well as British standards, the Zenova FX extinguishers are certified for class A, B and F as well as being safe for use on electrical fires. Available in 6 and 9 litre sizes.

**Zenova FX500, aerosol fire extinguisher**

The Zenova FX500 is a high-performance handheld fire extinguisher that is tested by independent experts and adheres to the highest industry standards. Safe for use on any type of fire, the Zenova FX500 reduces the risk of reignition. The Zenova FX 500 is quick, easy and safe to operate and has been fire tested to BS6165 standard.

**Zenova WB, wildfire barrier**

A wildfire barrier fluid (applied via spray wands or aerial drops), which provides a virtual barrier where fire simply will not burn. Repeated tests by the Wildfire Laboratory at Exeter University on a variety of extremely dry wildfire fuels (grasses, hays, brush) confirms the incredible fire resistance Zenova WB provides, while remaining viable after application for 30+ days in dry conditions.

4. Sales

Zenova sales strategy is currently concentrated on large business-to-business accounts in sectors such as construction, manufacturing, industrial and public sector bodies. Zenova targets sales to the end user, by appointing sub-distributors and sales agents on a national and international level.

Zenova focuses on product demonstrations and trials with key clients to leverage the networks and accredited industry specific consultants to penetrate large businesses, and public sector bodies.

Sales routes:

- Key account sales
- Direct sales
- Sales agents
- Sub distributors for paint sales and distribution
- Fire management experts and advisors
- International sub distributors

Product demonstrations

A key sales tool for the Company is in-person demonstration of the Zenova product range capabilities for potential clients, fire risk management experts and key purchasing decision makers.

- Palma, Mallorca (March 2024)
- Albania, (May 2024)

Customer trials

Zenova is following a strategy of customer trials with key customers. As a result of these the company currently has invoiced and supplied multiple trial orders to key segments which are expected to lead to large follow up orders.

Major order

Customer trials of Zenova FP coatings on steel with Gracewood Construction Ltd through their sprayers Drips and Sparks Ltd and our sub-distributor Zensafe Ltd led to a two-year order for 200,000 litres for Zenova FP coating. The order is worth £2.4million to the Company over 2 years, which will be payable against monthly deliveries to sites specified in the previous month in instalments. Execution on this order has been delayed due to weather related issues.

5. Sales and distribution network

Zenova expands global sales and delivery capabilities through appointment of sales and sub-distributors for major market access. Zenova has secured some cornerstone agreements within key sectors which are expected to develop into large, longer-term sales from these partnerships.

Zenova has entered into several international sub-distributor agreements in various territories globally. These contracts include an annual commitment to purchase a minimum quantity by value of Zenova products.

Zenova's growing global sales and distribution footprint now covers all major markets including:

- UK
- Germany
- Austria
- Switzerland
- Poland
- Spain
- Portugal
- Romania (2024)
- USA
- Latin America (2024)
- India (2024)
- Latin America (2024)
- India (2024)
- Romania (2024)

Post period sales and distribution network update

- Albania (2024)

6. Manufacturing

Zenova has strengthened its supply chain and now has reliable, scalable, outsourced manufacturing partners for all Zenova products in the UK, Europe and in North America which are ready to increase production to meet Zenova's growth projections.

Manufacturing is subcontracted to specialist manufacturers in each category of product. Zenova sources and approves the manufacturing components and processes used by the manufacturers in advance of first production. Zenova maintains responsibility for ongoing manufacturing oversight and implementation of manufacturing strategy based on forecasted product supply and demand levels. The manufacturing process for all products and the time scale to produce finished goods is optimized. Zenova has entered manufacturing contracts with manufacturers to produce the initial volumes of its paints, primers, render, firefighting fluid and fire extinguishers.

Zenova has partnered with manufacturers in the following locations:

- | | |
|----------------------|-----------------|
| • Zenova FP | UK & Canada |
| • Zenova IP | UK & Canada |
| • Zenova IR | UK & Canada |
| • Zenova FX500 | UK & USA |
| • Zenova FX6L & FX9L | Poland |
| • Zenova FX fluid | Poland & Canada |
| • Zenova WB | Poland & Canada |

All production facilities are designed to scale up rapidly to meet expected growth in demand for Zenova products worldwide.

7. Investor

- Fiona Rodford assumed the role of Non-Executive Chair of the Company, replacing Don Nicolson. (March 2024).
- To fund its growth efforts, Zenova successfully raised gross proceeds of £677k. through a subscription, earmarked to strengthening working capital. (March 2024).
- Zenova appointed a new broker, Peterhouse Capital, and a new auditor, Gravita. (April 2024).
- Zenova discontinued director working capital loan facility of £350k (May 2024).

8. Financial

Financial highlights for the period

- Revenue generation from previously announced international sales contracts has commenced.
- Sales for the six months to 31 May 2024 of £51k (2023 - £108k).
- Operating loss for the period of £617k (2023 - loss of £709k).

- Loss after tax for the period of £478k (2023 - loss of £709k).
- Loss per share £0.40 (2023 - loss per share £0.76).

Note

This announcement contains inside information of the purposes of Regulation 11 of the Market Abuse (amendment) (EU exit) Regulations 2019/310. The Directors of the Company are responsible for the release of this announcement.

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Unaudited Consolidated Statement of Comprehensive Income

Consolidated Statement of Financial Position

Consolidated Statement of Cash Flows

Consolidated Statement of Changes in Equity

Notes to consolidated and parent company financial statements for 6 months to 31 May 2024

1. General Information

The principal activity of Zenova Group plc and its subsidiary and associate companies (collectively "Zenova Group" or "Group") is development, manufacture and sale of fire-retardant and heat management solutions as well as fire extinguishing systems.

Zenova Group plc is the Group's ultimate Parent Company ("the parent company"). It is incorporated in England and Wales and domiciled in England. The address of its registered office is 172 Arlington Road London NW1 7HL. Zenova Group plc shares are admitted to trading on the London Stock Exchange's AIM market.

2. Basis of Preparation

The results for the six-month period ending 31 May 2024 are unaudited and have been prepared in accordance with International Accounting Standards (IFRS) as adopted for use in the United Kingdom (UK IFRS). The interim consolidated financial information set out in this report does not constitute statutory accounts as defined by S434 of the Companies Act 2006 and should be read in conjunction with the annual financial statements for the year ended 30 November 2023.

The results for the year ended 30 November 2023 have been extracted from the statutory financial statements for the year ended 30 November 2023. Statutory accounts for Zenova Group Plc for the year ended 30 November 2023 were approved by the Board on 7 June 2024 and have been filed with the Registrar of Companies. The report of the auditors on those accounts was unqualified and did not contain a statement under Section 498 (2) or (3) of the Companies Act 2006.

The accounting policies applied in these results are consistent with those applied in the Group's Annual Report for the year ending 30 November 2023 and those expected to be applicable to the financial statements for the year ending 30 November 2024.

The interim financial information for the six-month period from 1 December 2023 to 31 May 2024 was approved by the Board on 31 August 2024.

3. Going Concern

The Group assesses at each reporting date whether it is a going concern for the foreseeable future. In making this assessment management considers:

- a) the current working capital position and operational requirements;
- b) the timing of expected sales receipts and completion of existing orders;
- c) the sensitivities of forecast sales figures over the next 18 months;
- d) the timing and magnitude of planned expenditure; and
- e) the level of indebtedness of the company and timing of when such liabilities may fall due, and accordingly the working capital position over the next 18 months.

Management considers in detail the going concern assessment, including the underlying assumptions, risks and mitigating actions to support the assessment. The assessment is subject to estimation uncertainty and there is judgement in determining underlying assumptions

There are several scenarios which management have considered that could impact the financial performance of the Group. These include:

- a) Disruption of the supply chain, and any delays in the supply of raw material that may impact the ability of the Group to produce its products.
- b) Delays in testing and certification required for geographical and sector specific expansion.
- c) Failure of the sales contracts to be realised and expected sales growth to fall below expectations.

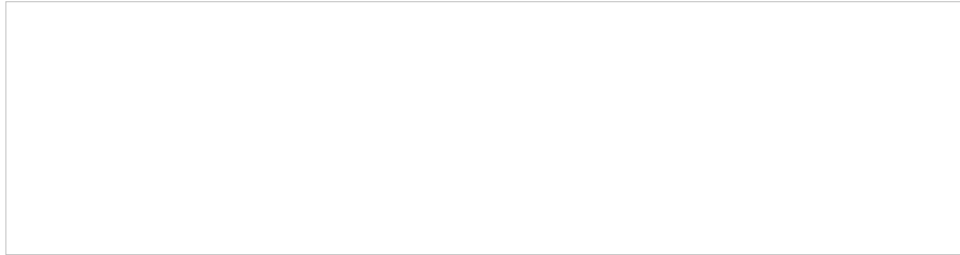
- d) Changes in legislation that may increase lead times in production or testing.
- e) Intellectual property on which the company may be reliant to keep its competitive advantage could be challenged.

Our expectations for fiscal year end cash position remains robust because as at 31 May 2024 the Group had £ 2.4 million on orders in house not yet executed, £267k in inventory and finished goods and £245k in cash and receivables.

If the cash receipts from sales are lower than anticipated the Group has identified that it has available to it a number of contingent actions, that it can take to mitigate the impact of potential downside scenarios. These include seeking additional financing, leveraging existing sale agreements, reviewing planned expenditure and reducing overheads.

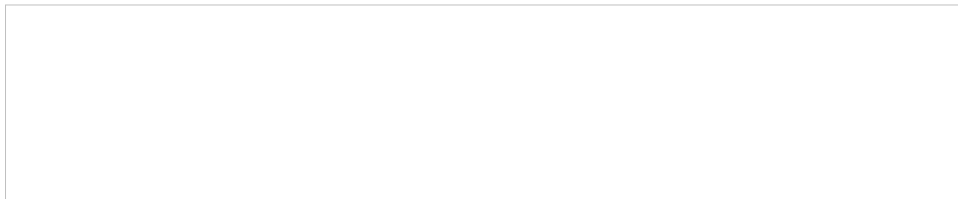
In conclusion having regard to the existing and future working capital position and projected sales the Directors are of the opinion that the application of the going concern basis is appropriate.

4. Earnings per share



Loss per share for the period of 0.40 dropped due to reduced expenditure on R&D activities.

5. Share capital



On 21 March 2024 the Company raised gross proceeds of £677,500 via a placing and subscription of 33,875,000 new ordinary shares. The Fundraise was undertaken with several supportive existing shareholders and new institutions and high net worth investors.

6. Caution regarding forward looking statements

Certain statements in this announcement, are, or may be deemed to be, forward looking statements. Forward looking statements are identified by their use of terms and phrases such as "believe", "could", "should" "envisage", "estimate", "intend", "may", "plan", "potentially", "expect", "will" or the negative of those, variations or comparable expressions, including references to assumptions. These forward looking statements are not based on historical facts but rather on the Directors' current expectations and assumptions regarding the Company's future growth, results of operations, performance, future capital and other expenditures (including the amount, nature and sources of funding thereof), competitive advantages, business prospects and opportunities. Such forward looking statements reflect the Directors' current beliefs and assumptions and are based on information currently available to the Directors.

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