

September 23, 2022



ZIVO Bioscience CEO Issues Letter to Shareholders

BLOOMFIELD HILLS, Mich.--(BUSINESS WIRE)-- **Zivo Bioscience, Inc. (NASDAQ: ZIVO)**, a biotech/agtech R&D company engaged in the development of therapeutic, medicinal and nutritional product candidates derived from proprietary algal cultures, today issued the following letter to shareholders from its Chairman, President and Chief Executive Officer, John Payne.

To My Fellow Shareholders,

Having served as a member of the Board of Directors of ZIVO Bioscience since 2013 and as Chairman since 2019, I've been integrally involved in setting ZIVO's strategy and evaluating the potential of a range of valuable products derived from our proprietary algal culture. Now serving as President and CEO, I'm focusing our Company to deliver commercial results quickly and in areas of highest value. Through establishing partnerships and scaling our manufacturing capacity, ZIVO is undergoing a transformation aimed at maximizing the value of our product portfolio for our customers, partners, and shareholders.

Since I assumed day-to-day leadership at the start of this year, my colleagues and I have left no stone unturned in reviewing all avenues to best reshape ZIVO to maximize the value of our products and our intellectual property. We have worked diligently to build the necessary infrastructure, and I believe that 2023 will showcase the results of our efforts.

I'm proud to share that our redeveloped strategy is materializing nicely and that we are in a stronger position than ever before to achieve meaningful revenue and recognition for the value of our assets. Our strategy remains two-pronged and is focused on driving significant value inflection through targeted development of our biotech business and delivering near-term revenue through our agtech business. Regardless of the end market, we will maximize value through partnerships and by commercializing the unique capabilities of products derived from our proprietary algal culture.

Through this letter I'd like to provide an overview of why others find our product candidates to be so attractive. I will then share my vision for ZIVO to maximize commercial potential, our long-term strategy to achieve that vision, the steps we are taking now, and the near-term goals our shareholders can look forward to us achieving.

Corporate Direction

ZIVO's past efforts have clearly demonstrated that our proprietary algal culture and materials derived therefrom show promise in benefiting both animal and human health, primarily

through inflammation-modulating and immune-boosting properties. Prior to this calendar year, ZIVO's approach to extracting value from our proprietary algal culture was to simultaneously evaluate many potential applications in parallel. This strategy spread both our personnel and monetary resources across multiple opportunities, resulting in slow progress down various paths. Although we believe that each of the paths being evaluated may yield success in the future, we did not have the resources for this strategy to be successful in an acceptable timeframe.

Overall, our efforts were centered around two value-creating initiatives; the first being the identification of bioactive extracts or novel bioactive molecules from our proprietary algal culture that are effective in treating various diseases, and second, the utilization of our proprietary algal culture in its whole form as a food product to leverage its nutritional value. In the first quarter of this year, we reformulated our biotech and agtech businesses around these two concepts. We reviewed the market potential (scale and profit) and the technical and business risks associated with each of the opportunities we had been working on and developed a focused strategy for each business.

Biotech Business Strategy

ZIVO's go-to-market biotech strategy is to partner with established animal health companies and create value through licensing or other commercial arrangements, while accelerating final product development and mitigating market introduction risk.

Review of isolated active materials derived from our proprietary algal culture and their potential treatment applications led us to identify a product candidate for treating coccidiosis in broiler chickens as the best option for most rapidly generating significant revenue because coccidiosis is a global poultry industry issue costing chicken farmers between \$8-13 billion annually, and because the clinical testing cycle for chickens is shorter than for other species. Most of the global animal health companies have products for the coccidiosis market; however, they are mostly antibiotic- or ionophore-based with essentially no new technology having been introduced in the last 60 years.

The successful commercial launch of our coccidiosis product for broiler chickens has the potential to disrupt the broiler industry, attract multiple potential partners and enable expansion into other animal species and disease applications.

Coccidiosis Product Candidate

In numerous prior studies, ZIVO has demonstrated multiple benefits, including:

- Minimized or eliminated the negative effects of coccidiosis on the digestive health in broiler chickens by numerous measures of gut health and overall well-being
- Delivered efficacy at a cost per bird on par with conventional antibiotics and chemicals currently used in treating coccidiosis
- Reduced the incidence of *Campylobacter*, *Salmonella*, *E. coli*, and *Clostridium perfringens*, all significant sources of food-borne illness, in the digestive tract of broilers in the absence of antibiotics or other antimicrobial compounds
- Reduced mortality

The predominant treatment for coccidiosis in the poultry industry, in-feed anticoccidial drugs

target the *Eimeria* parasite directly and require constant use over the lifespan of the animal for efficacy and can over time result in the development of resistant *Eimeria* strains. Other treatment strategies, such as vaccines, require several weeks for immunity to manifest, which can significantly impact growth potential. Often, several treatment products are used in combination, increasing costs in an industry already facing heavy inflationary pressures. As a result, the poultry industry is actively searching for a novel solution.

ZIVO's treatment alternative represents an innovative new product class that primes and strengthens the immune system through multiple complementary immune pathways to afford a rapid and robust response to the effects of disease-causing pathogens without the adverse effects associated with traditional antimicrobial drugs and chemicals.

To execute on our refocused biotech strategy, we recently engaged with a leading global animal health company. Our in-depth discussions with this company have led to an interest in our product candidate as a complement to their existing poultry feed additive product portfolio. ZIVO has signed a material transfer and evaluation agreement to allow our potential partner to run validation testing on our lead product candidate. Discussions remain ongoing and there can be no assurance they will result in a definitive agreement, yet we expect to have more clarity in the first quarter of 2023 following the completion of their internal and third-party validation studies.

Our potential partner has begun a four-month comprehensive validation study of our product candidate, including a 42-day coccidiosis trial in broiler chickens. Results from the validation study are expected in the first quarter of 2023. We remain confident this validation study will again confirm the desired efficacy profile given ZIVO's numerous prior successful studies. Pending positive results from the ongoing trial, our goal will be to secure a development and license agreement in the first half of next year.

USDA Regulatory Strategy

ZIVO's approach for developing our coccidiosis product candidates as feed additives enables us to generate products that boost the immune response and reduce the effects of disease, while maintaining a single regulatory relationship, which is with the U.S. Department of Agriculture (USDA).

We recently announced receipt of a letter from the USDA's Center for Veterinary Biologics (CVB) affirming that the agency has claimed jurisdiction for reviewing our immune-modulating biologic for treating coccidiosis in broiler chickens. This important jurisdictional announcement de-risks our regulatory path and opens the door to further discussions with the CVB on the final product development plan, regulatory strategy, and data requirements for licensure.

Agtech Business Strategy

For the agtech side of our business, we have thoughtfully developed our proprietary algal culture to be commercially viable as a nutritional product. The powdered form contains approximately 45% protein, is an excellent source of other essential nutrients, and is nearly completely odorless and tasteless unlike other algal products, characteristics that favor rapid adoption and consumer acceptance. As we reviewed our agtech business early this year, we were very satisfied with the nature of the product; however, we identified gaps in customer

acquisition and in scale-up technology allowing us to grow our proprietary algae in quantities to sufficiently meet the potential demand. We have therefore focused our agtech strategy on developing a cost effective, commercial-scale growing technology.

In 2021, we began funding a development agreement with Grupo Alimenta, a well-established Peruvian agriculture company. Through ZIVO's direction and technology, a site in Ica, Peru has been successful in consistently producing high-quality ZIVO proprietary algae. The achievement of a consistent commercial-grade product is attractive to potential customers and partners alike, but our focus is now on scaling up for commercial production. The Alimenta-ZIVO team has been working toward building commercial-scale algae ponds using a ZIVO proprietary design, and we are in the middle of a project to grow our algae in a penultimate scale pond. Once we are successful at this scale, we plan, in the first quarter of 2023, to invest in full commercial-scale ponds and product processing equipment.

As our scale up continues to commercial production, we will monitor weekly readouts from each pond providing us with concrete and measurable indications that ZIVO can deliver the quantities and quality at a cost necessary to be profitable for our intended commercial scale and for currently interested third parties. Given the Self Affirmed GRAS (Generally Recognized as Safe) status for our dried whole algal biomass product, we stand well-positioned to work with partners and wholesale buyers with the goal to generate revenue in 2023.

Today's algae industry is artisanal and fragmented. There is no major source that can deliver to national brands and co-packers consistent quality and quantity of dried algae, and we aim to fill that market need.

In Conclusion

We have implemented a biotech businesses strategy to focus on a product candidate for the treatment of coccidiosis in chickens and focused our agtech business on the achievement of producing our commercial-quality product at scale. We believe this will result in our best opportunity to create value through sustainable revenue in the shortest timeframe possible. We look forward to providing you with updates on potential partnerships, the results of our ongoing studies, and the achievement of commercial milestones as we execute our strategy and build a commercial presence.

In addition to the areas of current focus described above, ZIVO's extensive prior research indicates that there remain numerous additional health benefits or potential disease treatments to be mined from our proprietary algal culture for livestock (in addition to chickens), companion animals, and humans. We intend to pursue these opportunities upon successful completion of the work described in this letter.

On behalf of the ZIVO team, as well as our Board of Directors, I want to thank our shareholders for their continued support. I look forward to keeping you updated as we implement our strategy and emerge as a leader in human and animal health and nutrition.

Sincerely,

John B. Payne
Chairman, President and Chief Executive Officer

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About Zivo Bioscience, Inc.

ZIVO is a research and development company operating in both the biotech and agtech sectors, with an intellectual property portfolio comprised of proprietary algal and bacterial strains, biologically active molecules and complexes, production techniques, cultivation techniques and patented or patent-pending inventions for applications in human and animal health. Please visit www.zivobioscience.com for more information.

Forward-Looking Statements

Except for any historical information, the matters discussed in this press release contain forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. Although ZIVO believes that we have a reasonable basis for each forward-looking statement, we caution you that these statements are based on a combination of facts and factors currently known by us and our expectations of the future, about which we cannot be certain. Our actual future results may be materially different from what we expect due to factors largely outside our control, including risks that our strategic partnerships may not facilitate the commercialization or market acceptance of our products; risks that our products may not be ready for commercialization in a timely manner or at all; risks that our products will not perform as expected based on results of our pre-clinical and clinical trials; our ability to raise additional funds; uncertainties inherent in the development process of our products; changes in regulatory requirements or decisions of regulatory authorities; the size and growth potential of the markets for our products; the results of clinical trials, our ability to protect our intellectual property rights and other risks, uncertainties and assumptions, including those described under the heading "Risk Factors" in our filings with the Securities and Exchange Commission. These forward-looking statements speak only as of the date of this press release and ZIVO undertakes no obligation to revise or update any forward-looking statements for any reason, even if new information becomes available in the future.

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ZIVO Bioscience

Keith Marchiando, Chief Financial Officer

(248) 452-9866 x130

kmarchiando@zivobioscience.com

LHA Investor Relations

Tirth T. Patel

(212) 201-6614

tpatel@lhai.com

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