



Zimi Limited  
1/14 Millennium Circuit,  
Helensvale QLD 4212 Australia.

ASX : ZMM  
ABN : 25 113 326 524  
[www.zimi.life](http://www.zimi.life)

Registered Office Address  
Level 1, 2A/300 Fitzgerald Street  
North Perth WA 6006 Australia.

ASX RELEASE 29 April 2022

## Zimi achieves 20.3% increase in customer receipts during March quarter

### Investment Highlights:

- Received net customer receipts of \$1,290,000, up 20.3% on the December quarter
- Finalised leadership transition with Zimi co-founder Jordan Tentori appointed as CEO and Simon Beissel appointed to the Board as a Non-Executive Director
- Achieved a record month for device pairing in March
- Secured supply pipeline of key electronic components to mitigate supply chain disruptions
- Announced initiatives to reduce total issued capital for more appropriate capital structure

Zimi Limited (ASX:ZMM) ("Zimi", the "Company"), an innovative Australian IoT Company, enhancing connectivity of electrical devices from homes to highrises, is pleased to provide its Appendix 4C Quarterly Cash Flow Report and Quarterly Activity Report for the period ended 31 March 2022 along with the following operational update.

### Net customer receipts increase and supply chain secured

During the quarter, the Company received net customer receipts of \$1,290,000 relating to the delivery of devices to Zimi's distribution partners, representing a 20.3% increase on the \$1,072,000 reported for the December quarter.

March was a record month for device pairing on the Zimi cloud with over 16,000 devices now paired, due to the continued acceleration of product installations.

Zimi's four major distribution partners, GSM Electrical ("Trader"), Beacon Lighting Group (ASX:BLX), Steel-Line Garage Doors ("Steel-Line") and Polyaire, received the majority of their 2021 stock orders prior to Christmas 2021. With stock to service the demand, the partner network is focusing on training and marketing Zimi's products.

Zimi has also secured the supply pipeline of its key electronic components to help mitigate the global supply challenges. The Company continues to focus on supply chain management and securing components for future product manufacturing.

The Powermesh and Senoa hardware ranges are being expanded and the Company is progressing the development of complementary products to the existing ranges. These new products are driven by customer demand and the expansion of the product portfolio will expedite market adoption.

The Company has finalised the new showroom and training facility at its headquarters in Helensvale, Gold Coast. Zimi will use the space to hold upcoming launch events with developers, builders, electricians, architects, installers and sales networks.



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## Leadership transition finalised

On 7 February 2022, the Company announced an executive leadership transition and expansion of the Board.

Jordan Tentori, the Company's Chief Technology Officer (**CTO**) and Executive Director transitioned to the role of Chief Executive Officer (**CEO**). Jordan is the co-founder of Zimi and has a demonstrated track record within the electrical and lighting industries both nationally and internationally. With an intimate understanding of the Company's technology, operations and growth opportunities, he is ideally positioned to lead Zimi as it enters its next phase of growth.

In addition, the Company announced the appointment of Simon Beissel as Non-Executive Director. Simon has board experience with a number of industrial and financial services companies including ATF Services Pty Ltd, Lighting Investments Australia Holdings Pty Ltd, Investec Credit Funds Management Pty Ltd and SMEBL. He is an experienced senior banker who was previously Head of Corporate Lending at Investec Australia. Prior to that, Simon held roles at St.George Bank including Transformation Director, Head of Structured & Acquisition Finance.

## Movement in securities and capital structure update

There were no securities issued during the quarter 1 January 2022 to 31 March 2022.

On 26 February 2022, 36,041,001 listed options expired.

Subsequent to quarter-end, on 11 April 2022, the Company announced its intention to undertake two capital management initiatives, comprising:

- an Unmarketable Parcel Sale Facility for shareholders who hold less than \$500 worth of shares (**Unmarketable Parcel**); and
- a consolidation of the capital of the Company at a ratio of 15:1, subject to receipt of shareholder approval (**Share Consolidation**),

(together, the **Capital Management Initiatives**).

The sale of Unmarketable Parcels will benefit the Company, as it is expected to significantly reduce the administrative costs associated with maintaining a large number of small shareholdings on the Company's share register.

The Share Consolidation is proposed by the Company in order to reduce the number of Shares on issue as this will provide the best path forward for continued growth from a capital structure perspective. The Company is seeking shareholder approval to undertake the Share Consolidation at an Extraordinary General Meeting, to be held on Friday, 27 May 2022.

The Capital Management Initiatives will allow Zimi to reduce its total issued capital to a more appropriate and effective capital structure. The sale of Unmarketable Parcels will aid in facilitating a reduction in share registry costs and assist eligible shareholders who may otherwise face difficulties in selling or disposing of their shares. The Share Consolidation will reduce the number of Zimi shares on issue from approximately 1 billion to approximately 65 million.



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## Appendix 4C – Quarterly cash flow report

During the quarter, the Group recognised the following:

- Receipts from customers of \$1,290,000, representing cash received for delivery of products, net of any sales returns;
- Payments for research and development of \$343,000, representing further development work on new products and enhancements, and salary allocations of Zimi team members who are focused on research and development activities;
- Payments for product manufacturing and operating costs of \$1,547,000 which includes payments to manufacturers to supply products to customers and to secure electronic components;
- Payments for staff costs representing salaries for administration and general management activities;
- Payments for administration and corporate costs representing general costs associated with running the Company, including ASX fees, share registry, insurance and taxation offset by GST recovered from the ATO; and
- The aggregate amount of payments to related parties and their associates included in the current quarter cash flows from operating activities were \$1,397,000. This is comprised of \$222,000 in Director fees, salaries and superannuation, and \$1,175,000 in payments to related parties for product manufacturing and operating costs. A breakdown of the \$1,175,000 in a consistent format to the 31 December 2021 Interim Financial Report is provided below.

During the period	Cash settled
1 Jan 2022 to 31 Mar 2022	\$'000
<b>Payments to GSM Electrical for product manufacturing and operating costs</b>	
Purchases of finished goods including delivery (inclusive of GST)	53
<b>Payments to GSM International for product manufacturing and operating costs</b>	
Purchases of finished goods which are remitted to third-party manufacturers (no GST)	1,100
<b>Payments to Bell Total Logistics for product manufacturing and operating costs</b>	
Freight and import duties (inclusive of GST)	12
GST on importation which is recoverable from the ATO	10
<b>Total payments to related parties for product manufacturing and operating costs</b>	<b>1,175</b>

Cash and cash equivalents as at 31 March 2022 were \$1,931,000 and there is no drawn debt. Refer to the attached Appendix 4C for further details on cash flows for the quarter.



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**Zimi CEO Jordan Tentori commented:** "Following a successful 2021, Zimi has started the 2022 calendar year strongly, with a key focus on our next phase of accelerated growth. I transitioned to CEO during the quarter and the Board welcomed Simon Beissel as a new independent Non-Executive Director. At the same time, we have continued to strengthen the relationships with both our distribution and supply partners. Zimi is uniquely positioned in this fast-growing market of connected devices and is positive about the opportunities ahead."

- Ends -

This release has been approved by the Board.

Investor and Media enquiries:

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## About Zimi

Zimi Limited (ASX: ZMM) is an innovative Australian technology company that creates 'the Zimi experience' by connecting everyday electrical products to the Internet and each other to create smarter living and working spaces.

Through its long-standing working relationship with the Gerard Family, which founded Clipsal under Gerard Industries, Zimi has a strong heritage in the electrical industry.

Zimi's current product range is comprised of the Powermesh and Senoa lines, which include multi-purpose switches, light dimmers, power points, fan controllers and garage door controllers. These products can be installed by any electrician and are easily controllable by end-users via Zimi's home automation app.

Zimi is targeting a 25 million device opportunity in the Australian market through multiple leading wholesale, commercial and retail/trade sales channels such as Trader, Harvey Norman, Steel-Line, Beacon Lighting and Polyaire.

In the future, Zimi plans to expand its product line to adjacent sectors while also continuing to optimise its existing product suite. The company is also pursuing opportunities for offshore expansion via partnerships with leading global manufacturers of electrical home and commercial building appliances.

To learn more, please visit: [www.zimi.life](http://www.zimi.life)

## Appendix 4C

### Quarterly cash flow report for entities subject to Listing Rule 4.7B

**Name of entity**

ZIMI LIMITED

**ABN**

25 113 326 524

**Quarter ended ("current quarter")**

31 MARCH 2022

<b>Consolidated statement of cash flows</b>	<b>Current quarter \$A'000</b>	<b>Year to date (9 months) \$A'000</b>
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	1,290	2,893
1.2 Payments for		
(a) research and development	(343)	(1,081)
(b) product manufacturing and operating costs	(1,547)	(2,791)
(c) advertising and marketing	(31)	(109)
(d) leased assets	(12)	(86)
(e) staff costs	(232)	(665)
(f) administration and corporate costs	(439)	(689)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	-	-
1.5 Interest and other costs of finance paid	(7)	(26)
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	698
1.8 Other (provide details if material) <sup>A</sup>	-	(334)
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(1,321)</b>	<b>(2,190)</b>

*Footnotes:*

<sup>A</sup> Cash outflows of \$334,000 disclosed in 1.8 Other (year to date) relates to the settlement of credit notes to a customer relating to a prior financial year.

<b>2.</b>	<b>Cash flows from investing activities</b>		
2.1	Payments to acquire or for:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	(41)	(206)
	(d) investments	-	-
	(e) intellectual property and development	(39)	(184)
	(f) other non-current assets	-	-
2.2	Proceeds from disposal of:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) intellectual property	-	-
	(f) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
<b>2.6</b>	<b>Net cash from / (used in) investing activities</b>	<b>(80)</b>	<b>(390)</b>

<b>3.</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	3,500
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	(155)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other: Principal elements of lease payments	(19)	(54)
<b>3.10</b>	<b>Net cash from / (used in) financing activities</b>	<b>(19)</b>	<b>3,291</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 period	3,351	1,220
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(1,321)	(2,190)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(80)	(390)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(19)	3,291
4.5	Effect of movement in exchange rates on cash held	-	-
<b>4.6</b>	<b>Cash and cash equivalents at end of period</b>	<b>1,931</b>	<b>1,931</b>

<b>5.</b>	<b>Reconciliation of cash and cash equivalents</b> at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	<b>Current quarter \$A'000</b>	<b>Previous quarter \$A'000</b>
5.1	Bank balances	1,931	3,351
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
<b>5.5</b>	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>1,931</b>	<b>3,351</b>

<b>6.</b>	<b>Payments to related parties of the entity and their associates</b>	<b>Current quarter \$A'000</b>
6.1	Aggregate amount of payments to related parties and their associates included in item 1	1,397
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-

*Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.*

<b>7.</b>	<b>Financing facilities</b> <i>Note: the term "facility" includes all forms of financing arrangements available to the entity.</i> <i>Add notes as necessary for an understanding of the sources of finance available to the entity.</i>	<b>Total facility amount at quarter end \$A'000</b>	<b>Amount drawn at quarter end \$A'000</b>
7.1	Loan facilities	1,000	-
7.2	Credit standby arrangements	-	-
7.3	Other (please specify)	-	-
7.4	<b>Total financing facilities</b>	1,000	-
7.5	<b>Unused financing facilities available at quarter end</b>		1,000
7.6	Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		
	Currently undrawn: Unsecured working capital facility with Octet providing funding against sales. The interest rate is variable depending on how long the funds are drawn down for, and is circa. 2.2% monthly on drawn funds only. Funds are repaid by the customer at final due date.		

<b>8.</b>	<b>Estimated cash available for future operating activities</b>	<b>\$A'000</b>
8.1	Net cash from / (used in) operating activities (item 1.9)	(1,321)
8.2	Cash and cash equivalents at quarter end (item 4.6)	1,931
8.3	Unused finance facilities available at quarter end (item 7.5)	1,000
8.4	Total available funding (item 8.2 + item 8.3)	2,931
8.5	<b>Estimated quarters of funding available (item 8.4 divided by item 8.1)</b>	2.2
	<i>Note: if the entity has reported positive net operating cash flows in item 1.9, answer item 8.5 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.5.</i>	
8.6	If item 8.5 is less than 2 quarters, please provide answers to the following questions:	
8.6.1	Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
	Answer: N / A	
8.6.2	Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
	Answer: N / A	
8.6.3	Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?	
	Answer: N / A	
	<i>Note: where item 8.5 is less than 2 quarters, all of questions 8.6.1, 8.6.2 and 8.6.3 above must be answered.</i>	



## 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.

Date: 29 April 2022

Authorised by: By the Board

## Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow 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 cash flow 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.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.