

31 May 2022

Ms Vanessa Nevjestic
Adviser, Listings Compliance (Perth)
ASX Limited
Level 40, Central Park
152-158 St Georges Terrace
Perth WA 6000

Email: vanessa.nevjestic@asx.com.au

Dear Ms Nevjestic

Zimi Limited (ASX Code: ZMM) – Response to ASX Aware Query

We refer to your letter dated 30 May 2022 (**Letter**). Capitalised terms used in this letter have the meaning given in your Letter unless otherwise defined. Set out below is the response of Zimi Limited (**ZMM**) to each of the questions in the Letter.

1. Does ZMM consider the Information to be information that a reasonable person would expect to have a material effect on the price or value of its securities?

No.

2. If the answer to question 1 is “no”, please advise the basis for that view.

The working capital facility to which the Company’s ASX Announcements refers, relates to a supply chain accelerate facility facilitated by Octet Finance Pty Ltd (**Octet**). Two of ZMM’s customers each have a contractual agreement in place with Octet. ZMM has a seller agreement which stipulates the Rules for the use of the Octet Platform. Should ZMM elect to raise a sales invoice in respect of these customers via the Octet Platform which are approved by the customer, Octet pays the invoice amount in advance of due date (less a transaction fee). The transaction fee is calculated based on variable interest rate applicable for the period of time the funds are drawn down. There is no direct funding agreement in place between ZMM and Octet which provides ZMM access to funding outside of the sales invoicing process. ZMM has availability to utilise the Octet Platform to assist with its short-term funding on the basis that the customer on the Octet Platform approved the sales invoice.

ZMM is of the view that a reasonable person would not expect the Information to have a material effect on the price or value of its securities.

This view is formed on the basis that:

- ZMM is of the understanding that the two customers were each approved for a \$500,000 facility. The aggregate of \$1 million is only available to be drawn upon in respect of customer approved sales invoices that are directed through the Octet Platform. The availability of the facility (in the absence of sales invoices) is not

considered in itself to be Information that would have a material effect on the price or value of ZMM's securities.

- The facility has been available to ZMM since May 2021 and has rarely been utilised. Approximately \$151,000 was utilised in the September 2021 quarter in respect of two transactions. No further transactions have been processed through the Octet facility.
- The facility is short-term in nature and may only be used under certain circumstances (customer approved sales invoices).
- The facility is one of various working capital management tools that is available to the Company. Other examples of managing working capital include customer deposits requirements, credit terms with manufacturers, and pre-funding against research and development grants. The Company is of the view that a standalone announcement is not required in respect of the working capital management methods it chooses to employ as part of its day-to-day business operations.
- The facility is inextricably linked to sales invoices. Sales (and purchase orders from which sales revenue eventuate) are considered to be information that would have a material effect on the price or value of ZMM's securities; not the facility itself.

3. When did ZMM first become aware of the Information, or any part thereof?

The Information came into existence in May 2021.

4. If the Information, or any part thereof, were known to ZMM before the Relevant Date, why did ZMM not make any announcement prior to the Relevant Date which disclosed the Information? In answering this question, please explain why this Information was not released to the market at an earlier time, commenting specifically on when you believe ZMM was obliged to release the Information under Listing Rules 3.1 and 3.1A and what steps ZMM took to ensure that the Information was released promptly and without delay.

Reference to the working capital facility was first mentioned in limited detail in the ASX Announcement dated 25 May 2021. At this point in time, the Company had not raised any sales invoices for products so was not in a position to draw benefit from the facility. The facility was not considered material at this point in time. The limited detail disclosed in this announcement was considered appropriate on the basis that it was not considered material.

Further details regarding the working capital facility were included in the Company's Appendix 4C for the quarter ended 30 June 2021 (release dated 30 July 2021). Inclusion of this detail was triggered by the form requirement of the Appendix 4C, such that it is financing facility available to ZMM and provided against sales. The facility was not considered material at this point in time.

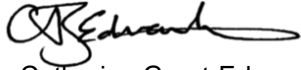
5. Please confirm that ZMM is complying with the Listing Rules and, in particular, Listing Rule 3.1.

ZMM confirms that it is complying with the Listing Rules and, in particular, Listing Rule 3.1.

6. Please confirm that ZMM's responses to the questions above have been authorised and approved in accordance with its published continuous disclosure policy or otherwise by its board or an officer of ZMM with delegated authority from the board to respond to ASX on disclosure matters.

ZMM confirms that this response has been authorised and approved by the Board.

Yours sincerely

A handwritten signature in black ink, appearing to read 'C Grant-Edwards', with a long horizontal flourish extending to the right.

Catherine Grant-Edwards
Company Secretary



30 May 2022

Reference: ODIN53073

Ms Catherine Grant-Edwards
Company Secretary
Zimi Limited
Level 1, 2A/300 Fitzgerald Street
North Perth, Western Australia 6006
By email: cath@bellatrixcorp.com.au

Dear Ms Grant-Edwards

Zimi Limited ('ZMM'): General – Aware Query

ASX refers to the following:

- A. ZMM's quarterly activities and cash flow reports for the quarter ended 31 March 2022 entitled "Quarterly Activities Report and Appendix 4C" released on the ASX Market Announcements Platform at 8.00 AM AEST on 29 April 2022 (the 'Relevant Date') (the 'Quarterly Report'), disclosing amongst other things, that ZMM had entered into an unsecured working capital facility with Octet for a total amount of A\$1,000,000 (the 'Working Capital Facility') (the 'Information'). The Working Capital Facility has also been disclosed in ZMM's quarterly activities and cash flow reports for the quarters ended 30 June 2021, 30 September 2021 and 31 December 2021, respectively.
- B. Listing Rule 3.1, which requires a listed entity to immediately give ASX any information concerning it that a reasonable person would expect to have a material effect on the price or value of the entity's securities.
- C. The definition of "aware" in Chapter 19 of the Listing Rules, which states that:
- "an entity becomes aware of information if, and as soon as, an officer of the entity (or, in the case of a trust, an officer of the responsible entity) has, or ought reasonably to have, come into possession of the information in the course of the performance of their duties as an officer of that entity" and section 4.4 in Guidance Note 8 Continuous Disclosure: Listing Rules 3.1 – 3.1B "When does an entity become aware of information."*
- D. Listing Rule 3.1A, which sets out exceptions from the requirement to make immediate disclosure, provided that each of the following are satisfied.
- "3.1A Listing rule 3.1 does not apply to particular information while each of the following is satisfied in relation to the information:**
- 3.1A.1 One or more of the following applies:**
- *It would be a breach of a law to disclose the information;*
 - *The information concerns an incomplete proposal or negotiation;*
 - *The information comprises matters of supposition or is insufficiently definite to warrant disclosure;*
 - *The information is generated for the internal management purposes of the entity; or*
 - *The information is a trade secret; and*

3.1A.2 *The information is confidential and ASX has not formed the view that the information has ceased to be confidential; and*

3.1A.3 *A reasonable person would not expect the information to be disclosed."*

- E. ASX's policy position on the concept of "confidentiality", which is detailed in section 5.8 of Guidance Note 8 *Continuous Disclosure*: Listing Rules 3.1 – 3.1B. In particular, the Guidance Note states that:

"Whether information has the quality of being confidential is a question of fact, not one of the intention or desire of the listed entity. Accordingly, even though an entity may consider information to be confidential and its disclosure to be a breach of confidence, if it is in fact disclosed by those who know it, then it ceases to be confidential information for the purposes of this rule."

Request for information

Having regard to the above, ASX asks ZMM to respond separately to each of the following questions and requests for information:

1. Does ZMM consider the Information to be information that a reasonable person would expect to have a material effect on the price or value of its securities?
2. If the answer to question 1 is "no", please advise the basis for that view.
3. When did ZMM first become aware of the Information, or any part thereof?
4. If the Information, or any part thereof, were known to ZMM before the Relevant Date, why did ZMM not make any announcement prior to the Relevant Date which disclosed the Information? In answering this question, please explain why this Information was not released to the market at an earlier time, commenting specifically on when you believe ZMM was obliged to release the Information under Listing Rules 3.1 and 3.1A and what steps ZMM took to ensure that the Information was released promptly and without delay.
5. Please confirm that ZMM is complying with the Listing Rules and, in particular, Listing Rule 3.1.
6. Please confirm that ZMM's responses to the questions above have been authorised and approved in accordance with its published continuous disclosure policy or otherwise by its board or an officer of ZMM with delegated authority from the board to respond to ASX on disclosure matters.

When and where to send your response

This request is made under Listing Rule 18.7. Your response is required as soon as reasonably possible and, in any event, by no later than **9:00 AM AWST Thursday, 2 June 2022**. You should note that if the information requested by this letter is information required to be given to ASX under Listing Rule 3.1 and it does not fall within the exceptions mentioned in Listing Rule 3.1A, ZMM's obligation is to disclose the information 'immediately'. This may require the information to be disclosed before the deadline set out in the previous paragraph and may require ZMM to request a trading halt immediately.

Your response should be sent to me by e-mail at **ListingsCompliancePerth@asx.com.au**. It should not be sent directly to the ASX Market Announcements Office. This is to allow me to review your response to confirm that it is in a form appropriate for release to the market, before it is published on the ASX Market Announcements Platform.

Trading halt

If you are unable to respond to this letter by the time specified above, you should discuss with us whether it is appropriate to request a trading halt in ZMM's securities under Listing Rule 17.1. If you wish a trading halt, you must tell us:

-
- the reasons for the trading halt;
 - how long you want the trading halt to last;
 - the event you expect to happen that will end the trading halt;
 - that you are not aware of any reason why the trading halt should not be granted; and
 - any other information necessary to inform the market about the trading halt, or that we ask for.

We require the request for a trading halt to be in writing. The trading halt cannot extend past the commencement of normal trading on the second day after the day on which it is granted. You can find further information about trading halts in Guidance Note 16 *Trading Halts & Voluntary Suspensions*.

Suspension

If you are unable to respond to this letter by the time specified above, ASX will likely suspend trading in ZMM's securities under Listing Rule 17.3.

Listing Rules 3.1 and 3.1A

In responding to this letter, you should have regard to ZMM's obligations under Listing Rules 3.1 and 3.1A and also to Guidance Note 8 *Continuous Disclosure*: Listing Rules 3.1 – 3.1B. It should be noted that ZMM's obligation to disclose information under Listing Rule 3.1 is not confined to, nor is it necessarily satisfied by, answering the questions set out in this letter.

Release of correspondence between ASX and entity

We reserve the right to release a copy of this letter, your reply and any other related correspondence between us to the market under listing rule 18.7A.

Questions

If you have any questions in relation to the above, please do not hesitate to contact me.

Yours sincerely

Vanessa Nevjestic
Senior Adviser, Listings Compliance (Perth)