



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

ASX : ZMM
ABN : 25 113 326 524
www.zimi.life

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

ASX RELEASE

21 JULY 2022

Zimi achieves record device pairings with accelerated market adoption and commences its three-phase growth plan

Investment Highlights:

- Three of the last four months had record device pairings, representing 25% of the total 18,840 devices as at June 2022. These devices were installed from homes to high-rises demonstrating a non-linear accelerated market adoption.
- Zimi unveiled a range of new product offerings in the June 2022 quarter, which saw a broadening of the Company's Powermesh family of 'Smarter Switches' and an Accessibility range added to the Senoa product suite.
- Zimi announced it will soon be entering another adjacent market, with the release of its Zimi Smoke Connect, adding increased safety in the home with automated alerts.
- Multi-faceted distribution channels from electrical wholesalers to retail stores. Zimi has broad channels to market and our distribution partners are trusted and respected Australian brands.
- Zimi released a detailed investor presentation which outlined how the Company was expanding its capital light business model and implementation of a three-phase growth plan aimed at delivering multiple sustainable revenue streams.
- Phase One of the growth plan includes production of 70,000+ devices, with components scheduled to start from August 2022.
- Received net customer receipts of \$222,000 for the quarter. This brings the total receipts from customers, net of returns and credit notes for FY22 to \$2,793,000.
- Zimi successfully completed its share consolidation and unmarketable parcel sale facility initiatives in the June 2022 quarter, which created a more effective capital structure for the Company.

Zimi Limited (ASX:ZMM) ("Zimi", or the "Company"), an innovative Australian IoT company, enhancing connectivity of electrical devices from homes to high-rises, is pleased to provide its Appendix 4C Quarterly Cash Flow Report and Quarterly Activity Report for the period ended 30 June 2022 along with the following operational update.



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

ASX : ZMM
ABN : 25 113 326 524
www.zimi.life

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

A further expansion of Zimi's existing product range occurs

During the latest quarter, Zimi announced a further expansion of its product range (see ASX Announcement, dated 1 June 2022). These new offerings align with the Company's continued focus on delivering products that offer convenience, energy efficiency and safety.

A new range of Multi Dimmer Switches have been added to the Powermesh family of 'Smarter Switches'. These new devices have long been demanded by consumers to combine both switching and dimming capability in a single device. They also incorporate the new Ripple Smooth Technology™ which finally offers a solution to the long-time problem of flickering LED lights in the home during peak usage periods. The Multi Dimmer Switch product range is expected to start shipping later this year and is already getting market traction with GSM Electrical (Trader) placing an opening order of \$200,000.

The Senoa product suite will soon include an Accessibility range for living spaces occupied by people with disabilities covered by the National Disability Insurance Scheme (NDIS). In addition to a large switch size, these devices have all the benefits of a smart switch, including voice control for hands-free control of lights, fans, blinds and other appliances. The new devices are already being adopted by Saorsa Health, a provider of NDIS housing in Queensland that builds NDIS multi tenanted homes, using the Switches in their new under construction 'Saorsa Prestige Apartments Toowoomba'. This functionality delivers a core requirement of NDIS housing, namely improved quality of life for tenants by giving them increased control over their living spaces. It will also see Senoa sales base leveraged to the continued growth in NDIS housing.

Zimi is granted an innovation patent

Also announced in the quarter (see ASX Announcement, dated 1 June 2022), Zimi has been granted an Innovation Patent for the unique process adopted in the Zimi app that helps facilitate a quick handover of pre-configured smart homes from builders to homeowners. The Zimi app incorporating this patented technology allows for developers/builders to hand over control of smart devices in an already configured smart home to new owners via the inclusion of a simple scannable QR code. This expediated process creates a better experience for both sellers and buyers of property and will help foster an accelerated adoption of smart devices in dwellings and workspaces. In a clear sign that the app already has a ready market, it is being used in the large 275-unit block 'Liberty One' in Footscray, to deliver this ease of experience for developer, installer and buyer.

Zimi to soon add another dimension to the smoke detector market segment

As announced in the Investor Presentation (see ASX Announcement, dated 27 June 2022), Zimi will soon be launching its Smoke Connect product, a 'best of breed' smoke detector offering increased safety for connected spaces. It is expected to be released in the second half of calendar 2022, with product shipping subsequently expected to commence in 2023. This new product represents a move by Zimi into an adjacent market to its existing range of smarter switches, fan controllers, power points, light dimmers and door controllers. Zimi is partnering with a major smoke detector manufacturer to bring this product to market. This will see Zimi integrate its module with the latter manufacturer, delivering a supply pipeline and a number of more immediate global market opportunities.

The Smoke Connect product will additionally give the Company the opportunity to grow its Zimi+ subscription revenue stream. In addition to the initial hardware sales revenue, there is a pathway to subscription revenue generated from end-users or business dashboards with added value benefits.



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

ASX : ZMM
ABN : 25 113 326 524
www.zimi.life

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

Investor Presentation outlines Zimi's three-phase growth plan

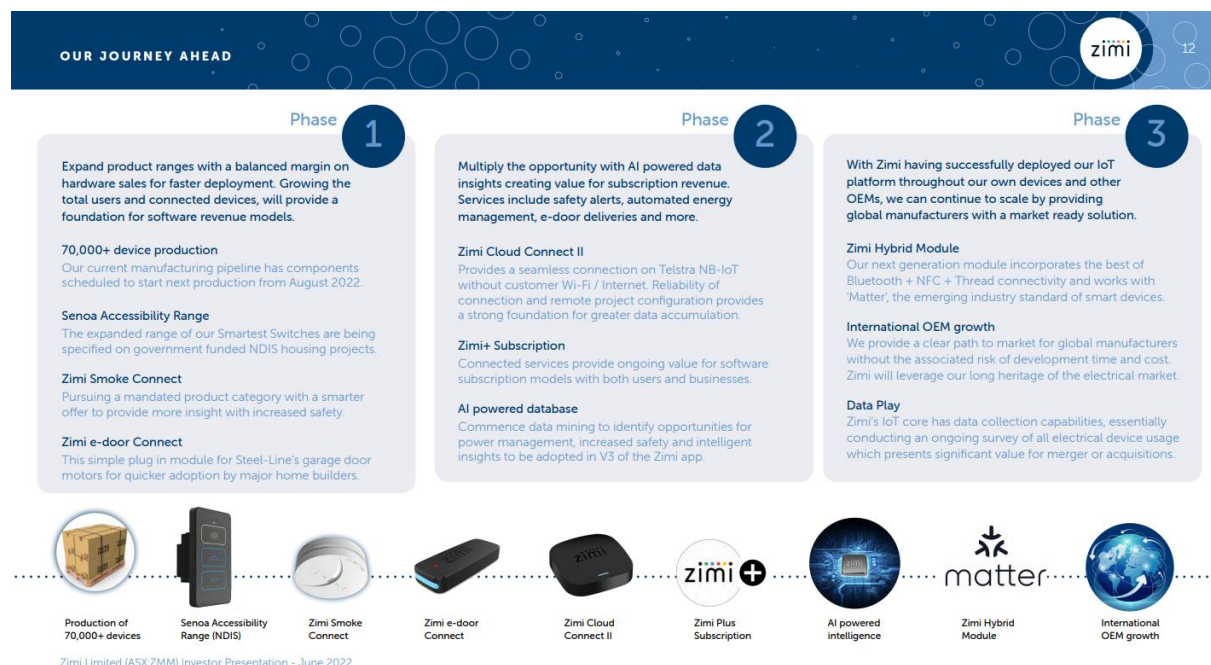
Zimi released an updated Investor Presentation to the ASX late in the quarter (see ASX Announcement, dated 27 June 2022), which clearly outlined the progress made in delivering on the Company's three-phase growth plan.

The key highlights of the Investor Presentation from a growth strategy perspective follow:

- **The market opportunity is rapidly expanding:** Zimi's addressable market continues to grow, as IT giants headed by Google, Apple and Amazon continue to drive demand for smart devices. The total number of IoT devices is expected to triple to 29 billion by 2030.¹
- **Zimi's journey to commercialisation now well underway:** The Company already has in place a complete IoT solution with the harmony of Zimi modules in electrical hardware devices, Zimi core services on Google Cloud and the Zimi App. Despite global supply shortages, Zimi successfully delivered 38,000 devices (\$3M revenue) to distribution partners throughout its FY22. As of June 2022, there are a total of 18,840 devices paired on Zimi Cloud with accelerating adoption now clearly evident.
- **Current hardware ranges offer a key competitive advantage:** Zimi's Powermesh and Senoa ranges can be installed by any electrician to make existing lighting and appliances smarter. The benefits flowing from this key competitive advantage include the convenience of control with app or voice, energy monitoring and management, plus increased safety.
- **Zimi connects with popular platforms:** Cross platform support enables the Zimi experience to be enjoyed with other popular platforms including Google Assistant and Amazon Alexa, plus control systems including Control4 and RTI for complete scalability and faster market adoption.
- **Broad channels to market for Zimi products large and growing:** Zimi has established broad channels to market. Each of our distribution partners are trusted and respected Australian brands, and offer a unique proposal for their market adoption.
- **Three-phase growth plan:** Zimi detailed its three-phase growth plan, which has already started to capitalise on the market adoption of connected devices. Phase One, which is underway, expands on product ranges for faster deployment and provides a foundation for software revenue models. Phase Two multiplies the opportunity with AI-powered data insights and services such as safety alerts, automated energy management and e-door deliveries. Phase Three is about scalability and provides a clear path to take Zimi global, with the next generation Hybrid module catering for OEM manufacturers to deliver their own products to market built on a proven platform.

¹ <https://www.statista.com/statistics/1183457/iot-connected-devices-worldwide/>

The following diagram highlights the key components of Zimi's three-stage growth plan:



Movement in securities and corporate update

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**),

The sale of Unmarketable Parcels was completed by 30 June 2022, and each participating shareholder will receive their proportionate share of the total sale proceeds for all Shares sold through the Facility without any brokerage or handling costs.

As announced on 2 June 2022, the Company completed the Share Consolidation as approved at the Company's General Meeting on 27 May 2022. This has reduced the number of Shares on issue as this will provide the best path forward for continued growth from a capital structure perspective.

During the quarter, movement in securities were:

- 8 April 2022: Cessation of 9,600,031 Pre-consolidation Performance Shares.
- 30 April 2022: Release of 2,500,000 Pre-consolidation Ordinary Shares from escrow.
- 9 May 2022: Issuance of 25,000,000 Pre-consolidation Performance Rights were issued to employees in accordance with the Employee Securities Incentive Plan.
- 2 June 2022: All securities were consolidated at a ratio of 15:1 (rounded up to the next whole number).
- 17 June 2022: Cessation of 96,000 Post-consolidation Performance Rights.

In addition, and further to the Company's announcement on 7 February 2022, Brett Savill resigned as Non-Executive Director effective 30 June 2022.



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

ASX : ZMM
ABN : 25 113 326 524
www.zimi.life

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

Appendix 4C – Quarterly cash flow report

During the quarter, the Group recognised the following:

- Receipts from customers of \$222,000, representing cash received for delivery of products, net of any sales returns.
- Payments for research and development of \$341,000, 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 \$126,000 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.
- Proceeds from borrowings of \$490,000, representing pre-funding on the Research and Development Grant for the period 1 July 2021 to 31 March 2022.
- The aggregate amount of payments to related parties and their associates included in the current quarter cash flows from operating activities were \$280,000. This is comprised of \$251,000 for remuneration (e.g., Director fees, salaries and superannuation), and \$29,000 in other related party transactions for product manufacturing and operating costs, and administrative and corporate costs. A breakdown of the \$29,000 in a consistent format to the 31 December 2021 Interim Financial Report is provided below.

During the period 1 Apr 2022 to 30 Jun 2022	Cash settled \$'000
Payments to GSM Electrical for product manufacturing and operating costs	
Purchases of finished goods including delivery (inclusive of GST)	7
Payments to Bell Total Logistics for product manufacturing and operating costs	
Freight and import duties (inclusive of GST)	11
GST on importation which is recoverable from the ATO	3
Payments to Shirley Road Custodians for administration and corporate costs	
Consulting services (inclusive of GST)	8
Total related party transactions excluding remuneration	29

Refer to 31 December 2021 Interim Financial Report for further information relating to GSM Electrical and Bell Total Logistics. During the quarter ended 30 June 2022, the Company engaged Shirley Road Custodians Pty Ltd to provide consulting services. Shirley Road Custodians Pty Ltd is a related entity of Non-Executive Director, Simon Beissel.

Cash and cash equivalents as at 30 June 2022 were \$1,664,000. There is \$490,000 in drawn debt which will be repaid on receipt of the ATO Research and Development Grant. Refer to the attached Appendix 4C for further details on cash flows for the quarter.



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

ASX : ZMM
ABN : 25 113 326 524
www.zimi.life

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

Zimi CEO Jordan Tentori commented: "We are well-pleased with the efforts of the Zimi team over the final quarter of our 2022 financial year. By the end of this period, we are progressing well with the first phase of our stated three-phase growth plan. We have now deployed a family of Powermesh 'Smarter Switches' as well as a premium range of glass touch switches under the Senoa brand, while we will be further expanding our product range over the course of the coming 12 months. Importantly from a market broadening perspective, some of these new offerings will be into adjacent markets, including the soon-to-be-released Smoke Detectors.

While Zimi successfully delivered 38,000 devices (\$3 million revenue) to our distribution partners, we have to date only scratched the surface of our addressable market. Our product range services a large and growing IoT market fed by accelerated adoption metrics. One recent market research report concluded that the size of the IoT market is set to record strong double-digit compound annual growth through to 2027, taking its value to around US\$525 billion.²

Zimi's ongoing ability to leverage off this addressable market will require a practical and competitively priced product range that is continually growing and a well-developed distribution channel. We have put in place the appropriate resources to deliver on these requirements. From a human capital angle, Zimi has assembled a strong team to develop the business with extensive electrical industry experience and a shared vision to pursue the growth opportunities now presenting.

We look forward to faster hardware deployment over the months ahead and informing the market about further additions to our ever-expanding product ranges."

- Ends -

This release has been approved by the Board.

² <https://iot-analytics.com/iot-market-size/>.



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

ASX : ZMM
ABN : 25 113 326 524
www.zimi.life

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

Further information:

Jordan Tentori | CEO | email: jordan@zimi.life
phone: +61 412 589 952

Investor and Media enquiries:

Julia Maguire | The Capital Network | email: julia@thecapitalnetwork.com.au
phone: +61 2 8999 3699

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 multi-billion 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

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")

30 JUNE 2022

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (12 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	222	3,115
1.2 Payments for		
(a) research and development	(341)	(1,422)
(b) product manufacturing and operating costs	(126)	(2,917)
(c) advertising and marketing	(65)	(174)
(d) leased assets	(4)	(90)
(e) staff costs	(274)	(939)
(f) administration and corporate costs	(40)	(729)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	-	-
1.5 Interest and other costs of finance paid	(6)	(32)
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	698
1.8 Other (provide details if material) ^A	12	(322)
1.9 Net cash from / (used in) operating activities	(622)	(2,812)

Footnotes:

^A Cash outflows of \$322,000 disclosed in 1.8 Other (year to date) relates to the settlement of credit notes to a customer relating to a prior financial year.

2.	Cash flows from investing activities		
2.1	Payments to acquire or for:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	(35)	(241)
	(d) investments	-	-
	(e) intellectual property and development	(79)	(263)
	(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)	-	-
2.6	Net cash from / (used in) investing activities	(114)	(504)

3.	Cash flows from financing activities		
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	490	490
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	(20)	(74)
3.10	Net cash from / (used in) financing activities	470	3,761

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	1,931	1,220
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(622)	(2,812)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(114)	(504)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	470	3,761
4.5	Effect of movement in exchange rates on cash held	(1)	(1)
4.6	Cash and cash equivalents at end of period	1,664	1,664

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	1,664	1,931
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	1,664	1,931

6.	Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	280
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.

7.	Financing facilities <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>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
7.1	Loan facilities	1,000	-
7.2	Credit standby arrangements	-	-
7.3	Other: R&D Pre-funding	490	490
7.4	Total financing facilities	1,490	490
7.5	Unused financing facilities available at quarter end		1,000
7.6	<p>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.</p> <p><i>Loan Facilities - \$1,000,000:</i></p> <p>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. For further details of the nature of this financing arrangement, refer to Zimi's ASX Release on 31 May 2022 (https://wcsecure.weblink.com.au/pdf/ZMM/02527060.pdf).</p> <p><i>R&D Pre-funding - \$490,000:</i></p> <p>Financing facility relates solely to the pre-funding of the Research and Development (R&D) Grant from Radium Capital. The loan is secured against the R&D refund from the Australian Taxation Office, following lodgement of the tax return. The receipt of the R&D Grant is anticipated to be September 2022 and the interest on the pre-funding accrues at 15% per annum.</p>		

8.	Estimated cash available for future operating activities	\$A'000
8.1	Net cash from / (used in) operating activities (item 1.9)	(622)
8.2	Cash and cash equivalents at quarter end (item 4.6)	1,664
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)	2,664
8.5	Estimated quarters of funding available (item 8.4 divided by item 8.1)	4.3
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.		
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	
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.		

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: 21 July 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.