



# INTERIM FINANCIAL REPORT

FOR THE HALF-YEAR ENDED  
31 DECEMBER 2022



## **Zimi Limited**

ABN 25 113 326 524

Level 1, 2A / 300 Fitzgerald Street  
North Perth, Western Australia, 6006  
Australia

Website: [www.zimi.life](http://www.zimi.life)  
Email: [support@zimi.life](mailto:support@zimi.life)

## **Shareholder information and enquiries**

All enquiries and correspondence regarding shareholdings should be directed to Zimi Limited's share registry provider:

Automatic Share Registry Services  
Level 5, 191 St Georges Terrace  
Perth, Western Australia, 6000  
Australia

Telephone: +61 2 9698 5414  
Telephone: 1300 288 664 (within Australia)

Website: [www.automicgroup.com.au](http://www.automicgroup.com.au)  
Email: [hello@automicgroup.com.au](mailto:hello@automicgroup.com.au)

## **Stock Exchange Listing**

Zimi Limited shares are listed on the Australian Securities Exchange, code ZMM.

# INTERIM FINANCIAL REPORT

FOR THE HALF-YEAR ENDED 31 DECEMBER 2022

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# DIRECTORS' REPORT

## INTRODUCTION

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The Directors present their report on the consolidated entity (referred to hereafter as "the Group") consisting of Zimi Limited ("Zimi" or "the Company") and its controlled entities for the half-year ended 31 December 2022.

This Directors' Report has been prepared in accordance with the requirements of the *Corporations Act 2001*.

## BOARD OF DIRECTORS

The names of the Directors of Zimi Limited during the half-year period and up to the date of this report are:

Name	Position
Simon Gerard	Chair of the Board and Non-Executive Director
Jordan Tentori	Executive Director and Chief Executive Officer (CEO)
Peter Rossdeutscher	Non-Executive Director
Simon Beissel	Non-Executive Director

## PRINCIPAL ACTIVITIES

Zimi 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.

The principal activities of the Group during the period were research and development within the Internet of Things (IoT) market, the assessment of new investment opportunities, product commercialisation and sale of electrical devices including switches, power points, fan and garage door controllers. There has been no significant change in the nature of these activities during this period.

## REVIEW AND RESULTS OF OPERATIONS

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### KEY ACHIEVEMENTS

The Zimi team has continued to make headway over the last six months to progress our three phase growth plan, despite certain operational challenges in the overseas production environment. We have been working closely with our quality manufacturing partners to navigate labour and supply chain difficulties to bring our latest range of devices to market, which we expect to commence shipping in March 2023. Our team has also been focused on research and development activities to both expand and improve our product suite to integrate lifestyle & convenience, safety & security and energy management – the fundamental principles to our vision of a connected world. We continue to see significant market opportunities in Australia and globally for IoT devices and we are moving ever-closer to the next phase of larger scale commercialisation.

Important milestones achieved during the half-year period include:

- Significant growth in device pairings on the Zimi Cloud reflecting end user adoption, with total pairings jumping to 24,151 as at 31 December 2022 (an increase of 5,312 devices from 30 June 2022).
- Continued to invest engineering efforts into research and development activities in relation to new planned product offerings and technological advancements.
- Our team has worked hard to secure a production pipeline of over 46,000 devices. We have achieved pre-sales for approximately one-third of this stock and our customers have indicated we will receive further orders in the short-term.
- Focused our sales and marketing efforts by working with our customers who are looking to adopt the Zimi product suite into their design on a variety of property development projects. We continued to build strong relationships and advanced our engagement with our distribution partners to promote our brand awareness across the market.
- Completed a successful capital raise through share placement to continue to fund our operating activities and ongoing investment into research and development activities.

### OPERATING RESULTS

For the half-year period ended 31 December 2022, the Group recorded a loss of \$3,247,131 (31 December 2021: \$2,824,487). This loss is not unexpected and reflects our continued investment into research and development activities, including working towards new product commercialisation and entrance into new markets, laying a strong foundation for Zimi's future success.

During the half-year ended 31 December 2022, the Group recognised revenue of \$104,590 (31 December 2021: \$2,710,800), reflecting that our inventory production was still in progress over the six-month period. We are now preparing for incoming deliveries of our next production runs consisting of approximately 46,000 devices, positioning the Group to generate material revenue.

Employee benefits expense largely represents amounts incurred for engineering staff, support staff and executive management. Depreciation and amortisation of \$1,427,704 (31 December 2021: \$1,371,734) primarily relates to the amortisation of identifiable intangibles recognised on the acquisition of Zimi Innovations Pty Ltd i.e. capitalised development costs and sales channel assets.

The Group reported a loss before interest, tax, depreciation and amortisation (EBITDA) of \$1,795,215 (31 December 2021: \$1,434,200). EBITDA is a non-IFRS financial measure used by management and the Directors to assess the financial performance of the Group. The Directors believe that this non-IFRS measure assists in providing additional meaningful information for stakeholders and provide them with the ability to compare against prior periods in a consistent manner. EBITDA is unaudited but is extracted from the reviewed financial statements.

## CAPITAL MANAGEMENT AND CORPORATE UPDATE

During the six months, the Company conducted a capital raise via a placement to sophisticated and institutional investors at an issue price of \$0.08 per share to raise \$1,535,000 (before costs). \$1,185,000 was raised in cash funding and \$350,000 of shares were issued in exchange for services provided and to be provided to the Company by entities related to Director, Simon Gerard. In conjunction with the capital raise, the Company granted unlisted options to placement participants and unlisted options to the Company's lead manager for broker services.

There were a number of additional ordinary share, option and performance right issuances during the six month period which are outlined in detail further in the Financial Report.

## SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

There have been no significant changes in the state of affairs of the Group that occurred during the period not otherwise disclosed in this Interim Financial Report.

## DIVIDENDS

No dividends have been paid or declared since the start of the financial period and the Directors do not recommend the payment of an interim dividend for the half-year ended 31 December 2022.

## EVENTS OCCURRING AFTER THE REPORTING PERIOD

On 5 January 2023, the Company entered into an agreement with an external party to provide design and development services. The project is expected to span approximately a 12 month period and has a total fee of \$220,000 USD, which is payable in a combination of share and cash consideration. There are four key payment milestones included in the agreement, the first of which occurred on 19 January 2023 where Zimi issued 592,958 fully-paid ordinary shares in consideration.

Other than the events stated above, there have not been any additional matters or circumstances that have arisen after balance date that have significantly affected or may significantly affect, the operations of the Group, the results of those operations or the state of affairs of the Group in future financial periods.

## AUDITOR'S INDEPENDENCE DECLARATION

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 7.

## ROUNDING OFF OF AMOUNTS

The Company is of a kind referred to in *ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191*, dated 24 March 2016, and in accordance with the Corporations Instruments amounts in this Director's Report are rounded off to the nearest dollar, unless otherwise indicated.

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This Directors' Report is signed in accordance with the resolution of the Board of Directors.

On behalf of the Directors



**Jordan Tentori**  
*Executive Director and CEO*

24 February 2023



## AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the review of the consolidated financial report of Zimi Limited for the half-year ended 31 December 2022, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- a) the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- b) any applicable code of professional conduct in relation to the review.

Perth, Western Australia  
24 February 2023



L Di Giallonardo  
Partner

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# INTERIM FINANCIAL REPORT

FOR THE HALF-YEAR ENDED 31 DECEMBER 2022

## FINANCIAL REPORT

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This Interim Financial Report does not include all the notes of the type normally included in an Annual Financial Report. Accordingly, this report should be read in conjunction with the Annual Report for the year ended 30 June 2022 and any public announcements made by Zimi Limited during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

Zimi Limited is a Company limited by shares, incorporated and domiciled in Australia. Its registered office is Level 1, 2A / 300 Fitzgerald Street, North Perth WA 6006.

All press releases, financial reports and other information are available at our Investor Centre on our website:  
<https://zimi.life/investor>



## CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the half-year ended 31 December 2022

	Notes	31 Dec 2022 \$	31 Dec 2021 \$
Revenue	B2	104,590	2,710,800
Cost of sales		(146,648)	(2,731,855)
<b>Gross loss</b>		<b>(42,058)</b>	<b>(21,055)</b>
Other income	B3	78,805	-
Other net gains	B5	29,585	242,900
<b>Expenses</b>			
Administrative and corporate		(401,158)	(380,718)
Employee benefits		(1,293,948)	(1,173,303)
Occupancy		(34,234)	(39,718)
Advertising and marketing		(97,002)	(9,208)
Travel		(35,205)	(19,975)
Depreciation and amortisation	B6	(1,427,704)	(1,371,734)
Impairment charge		-	(33,123)
<b>Total expenses</b>		<b>(3,289,251)</b>	<b>(3,027,779)</b>
<b>Operating loss before interest and income tax</b>		<b>(3,222,919)</b>	<b>(2,805,934)</b>
Net finance costs		(24,212)	(18,553)
<b>Loss before income tax</b>		<b>(3,247,131)</b>	<b>(2,824,487)</b>
Income tax benefit		-	-
<b>Loss after income tax</b>		<b>(3,247,131)</b>	<b>(2,824,487)</b>
<b>Other comprehensive income / (loss)</b>			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Changes in fair value cash flow hedges		(22,176)	-
<b>Other comprehensive loss for the year, net of tax</b>		<b>(22,176)</b>	<b>-</b>
<b>Total comprehensive loss for the period</b>		<b>(3,269,307)</b>	<b>(2,824,487)</b>

	Notes	31 Dec 2022 cents	31 Dec 2021 cents <sup>1</sup>
<b>Loss per share</b>			
Basic loss per share	B4	(4.1)	(5.8)
Diluted loss per share	B4	(4.1)	(5.8)

<sup>1</sup> Comparative information has been re-presented in accordance with AASB 133 *Earnings per Share* - refer note B4.

The above Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the accompanying notes.

## CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2022

	Notes	31 Dec 2022 \$	30 Jun 2022 \$
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents		1,152,101	1,664,307
Trade and other receivables	C1	186,177	1,061,072
Inventories	C2	235,746	291,920
Other assets	C3	789,384	258,080
Other financial assets		-	22,176
<b>Total current assets</b>		<b>2,363,408</b>	<b>3,297,555</b>
<b>Non-current assets</b>			
Property, plant and equipment	C4	351,599	433,274
Intangible assets	C5	3,371,123	4,584,792
Right-of-use assets	C6	96,185	136,998
<b>Total non-current assets</b>		<b>3,818,907</b>	<b>5,155,064</b>
<b>Total assets</b>		<b>6,182,315</b>	<b>8,452,619</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Trade and other payables	C7	(340,819)	(538,270)
Provisions		(100,043)	(113,125)
Lease liabilities		(99,399)	(89,267)
Unearned revenue and customer deposits		(153,033)	(205,626)
Borrowings		-	(490,000)
<b>Total current liabilities</b>		<b>(693,294)</b>	<b>(1,436,288)</b>
<b>Non-current liabilities</b>			
Lease liabilities		(13,544)	(64,441)
<b>Total non-current liabilities</b>		<b>(13,544)</b>	<b>(64,441)</b>
<b>Total liabilities</b>		<b>(706,838)</b>	<b>(1,500,729)</b>
<b>Net assets</b>		<b>5,475,477</b>	<b>6,951,890</b>
<b>EQUITY</b>			
Contributed equity	D1	50,522,050	48,712,769
Other reserves	D2	807,785	846,348
Accumulated losses		(45,854,358)	(42,607,227)
<b>Total equity</b>		<b>5,475,477</b>	<b>6,951,890</b>

The above Condensed Consolidated Statement of Financial Position should be read in conjunction with the accompanying notes.

## CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the half-year ended 31 December 2022

	Contributed equity		Other reserves	Accumulated losses	Total equity
	Issued capital	Unissued capital			
	\$	\$	\$	\$	\$
Balance at 1 July 2021	42,802,900	60,000	4,431,882	(39,041,040)	8,253,742
Loss for the period	-	-	-	(2,824,487)	(2,824,487)
Other comprehensive loss	-	-	-	-	-
Total comprehensive loss for the period	-	-	-	(2,824,487)	(2,824,487)
<b>Other equity transactions</b>					
Shares issued as part of capital raising	3,850,000	-	-	-	3,850,000
Transaction costs related to shares issued	(416,142)	-	261,542	-	(154,600)
Options exercised	11	-	(11)	-	-
Vendor performance rights vested	2,200,000	-	(2,200,000)	-	-
Director performance rights converted to ordinary shares	160,000	-	(160,000)	-	-
Employee equity plan	116,000	(60,000)	(79,814)	-	(23,814)
Transfer from reserves to accumulated losses	-	-	(1,353,231)	1,353,231	-
Total other equity transactions	5,909,869	(60,000)	(3,531,514)	1,353,231	3,671,586
Balance at 31 December 2021	48,712,769	-	900,368	(40,512,296)	9,100,841

	Contributed equity		Other reserves	Accumulated losses	Total equity
	Issued capital	Unissued capital			
	\$	\$	\$	\$	\$
Balance at 1 July 2022	48,712,769	-	846,348	(42,607,227)	6,951,890
Loss for the period	-	-	-	(3,247,131)	(3,247,131)
Other comprehensive loss	-	-	(22,176)	-	(22,176)
Total comprehensive loss for the period	-	-	(22,176)	(3,247,131)	(3,269,307)
<b>Other equity transactions</b>					
Shares issued as part of capital raising	1,535,000	-	-	-	1,535,000
Transaction costs related to shares issued	(64,100)	-	-	-	(64,100)
Options issued as part of capital raising	(60,231)	-	60,231	-	-
Share issuance for vendor services	60,000	-	-	-	60,000
Director and employee ordinary shares	203,600	-	-	-	203,600
Options converted to ordinary shares	135,012	-	(134,337)	-	675
Director and employee performance rights	-	-	57,719	-	57,719
Total other equity transactions	1,809,281	-	(16,387)	-	1,792,894
Balance at 31 December 2022	50,522,050	-	807,785	(45,854,358)	5,475,477

The above Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes.

## CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the half-year ended 31 December 2022

	Notes	31 Dec 2022 \$	31 Dec 2021 \$
<b>Cash flows from operating activities</b>			
Receipts from customers (inclusive of GST)		308,385	1,270,357
Payments to suppliers and employees (inclusive of GST)		(2,180,169)	(2,818,540)
Receipts from government grants		869,405	697,626
Receipts from interest income		3,817	126
Payments for interest and other finance costs		(35,865)	(18,679)
<b>Net cash outflows used in operating activities</b>		<b>(1,034,427)</b>	<b>(869,110)</b>
<b>Cash flows from investing activities</b>			
Payments for property, plant and equipment		(20,825)	(165,284)
Payments for intangible assets		(37,661)	(144,952)
<b>Net cash outflows used in investing activities</b>		<b>(58,486)</b>	<b>(310,236)</b>
<b>Cash flows from financing activities</b>			
Principal elements of lease payments		(43,271)	(35,163)
Repayment of borrowings		(490,000)	-
Proceeds from issuance of shares	D1	1,185,675	3,500,011
Payments for transaction costs related to issuance of securities		(64,100)	(154,600)
<b>Net cash inflows provided by financing activities</b>		<b>588,304</b>	<b>3,310,248</b>
<b>Net increase / (decrease) in cash and cash equivalents</b>		<b>(504,609)</b>	<b>2,130,902</b>
<b>Cash and cash equivalents, at the beginning of the period</b>		<b>1,664,307</b>	<b>1,220,098</b>
Effects of exchange changes on the balances held in foreign currencies		(7,597)	-
<b>Cash and cash equivalents, at the end of the period</b>		<b>1,152,101</b>	<b>3,351,000</b>

The above Condensed Consolidated Statement of Cash Flows should be read in conjunction with the accompanying notes.

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## A BASIS OF PREPARATION

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### A1 BASIS OF PREPARATION

Zimi Limited is a listed for-profit public Company incorporated and domiciled in Australia. This Condensed Consolidated Interim Financial Report for the half-year ended 31 December 2022 was authorised for issue in accordance with a resolution of the Board of Directors on 24 February 2023.

This Condensed Consolidated Interim Financial Report is a general-purpose financial report which has been prepared in accordance with the *Corporations Act 2001* and with Accounting Standard AASB 134 *Interim Financial Reporting*.

This report should be read in conjunction with the Group's last Annual Report as at and for the year ended 30 June 2022. This report does not include all of the information required for a complete set of financial statements prepared in accordance with accounting standards. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance since the last annual financial report.

The accounting policies and methods of computation adopted are consistent with those of the previous financial year and corresponding half-year.

The Condensed Consolidated Interim Financial Report has been prepared on the historical cost basis except for derivative financial instruments which have been measured at fair value.

This Condensed Consolidated Interim Financial Report is presented in Australian currency and amounts have been rounded to the nearest dollar unless otherwise stated, in accordance with *ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191*.

### A2 GOING CONCERN

The Condensed Consolidated Interim Financial Report has been prepared on a going concern basis, which assumes that the Group will be able to meet its debts as and when they become due and payable.

Notwithstanding the fact that the Group incurred an operating loss of \$3,247,131 for the half-year ended 31 December 2022, and a net cash outflow from operating activities of \$1,034,427, the Directors are of the opinion that the Group is a going concern for the following reasons:

- The Company completed a capital raise through the issuance of 19,187,500 shares to raise \$1,535,000 during the half-year period;
- The Research and Development (R&D) tax incentive of \$869,405 was received in September 2022;
- As at 31 December 2022, the Group has current assets exceeding current liabilities by \$1,670,114;
- The Group is forecasting significant revenue from upcoming production runs; and
- The Group can raise capital to secure additional sources of funds where required and has a history of successfully raising capital when required.

As at the date of approving this report, the cash flow forecast supports the Group's ability to continue as a going concern. The Directors have formed a judgement that there is a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future, and at least for 12 months from the date of approving this report.



## A3 SIGNIFICANT ACCOUNTING POLICIES

### (A) Significant accounting estimates and judgements

In preparing the Condensed Consolidated Interim Financial Report, the Directors have made judgements, estimates and assumptions that affect the application of accounting policies and the reporting amounts of assets and liabilities, revenue and expenses.

The significant judgements made by the Directors in applying the Group's accounting policies and key sources of estimation uncertainty are the same as those described in the Group's Consolidated Financial Report for the year ended 30 June 2022. The estimates, judgements and assumptions are based on historical experience, adjusted for current market conditions, and other factors that are believed to be reasonable under the circumstances, and are reviewed on a regular basis. Actual results may differ from these estimates.

### (B) New and amended standards adopted by the Group

The accounting policies applied in these Condensed Consolidated Interim Financial Statements are the same as those applied in the Group's Consolidated Financial Statements for the year ended 30 June 2022. A number of new standards are effective from 1 July 2022 but these do not have a material effect on the Group's Financial Statements.

Certain new accounting standards and amendments to standards have been published that are not mandatory for reporting periods commencing 1 July 2022 and have not been early adopted by the Group. These standards are not expected to have a material impact on the Group in the current or future reporting periods.

## B PERFORMANCE FOR THE PERIOD

### B1 SEGMENT INFORMATION

AASB 8 *Operating Segments* requires operating segments to be identified on the basis of internal reports that are reviewed and used by the Chief Operating Decision Maker (CODM). The Board and executive management, identified as the CODM, assess the performance of the Group and determine the allocation of resources.

The Group's operating segments have been determined with reference to the monthly management accounts used by the CODM to make decisions regarding the Group's operations and allocation of working capital.

Based on the quantitative thresholds included in AASB 8 *Operating Segments*, there is only one reportable segment, being development and manufacturing and one geographical segment, namely Australia.

The revenues and results of this segment are those of the Group as a whole and are set out in the Condensed Consolidated Interim Statement of Comprehensive Income. The assets and liabilities of the Group as a whole are set out in the Condensed Consolidated Interim Statement of Financial Position.

### B2 REVENUE

For the half-year ended 31 December 2022, the Group recognised revenue through the sale and delivery of finished goods. The disaggregation of the Group's revenue from contracts with customers is set out below.

	31 Dec 2022 \$	31 Dec 2021 \$
<b>At a point in time</b>		
Revenue from sale of finished goods	104,590	2,633,302
Revenue from sale of components	-	77,498
<b>Total revenue</b>	<b>104,590</b>	<b>2,710,800</b>

### B3 OTHER INCOME

Other income consists of income unrelated to the Group's ordinary activities.

	31 Dec 2022 \$	31 Dec 2021 \$
Other income from project and tooling contributions	78,805	-
<b>Total other income</b>	<b>78,805</b>	<b>-</b>

## B4 LOSS PER SHARE

Loss per share presents the amount of loss generated for the reporting period attributable to shareholders divided by the weighted average number of shares on issue. The potential for any share rights issued by the Group to dilute existing shareholders' ownership when the share rights are exercised are also presented.

	31 Dec 2022 \$	31 Dec 2021 \$
Loss for the period	(3,247,131)	(2,824,487)

  

	31 Dec 2022 shares	31 Dec 2021 shares
Weighted average number of shares used as denominator in calculating both basic and diluted loss per share	79,166,591	48,737,952

On 2 June 2022, all securities were consolidated at a ratio of 15:1. The shares disclosed above is the weighted average number of shares on a post-consolidation basis. Comparative information has been re-presented on an adjusted basis to include the 15:1 share consolidation.

	31 Dec 2022 cents	31 Dec 2021 cents
Basic and diluted loss per share	(4.1)	(5.8)

Diluted loss per share adjusts the basic loss per share for the effects of any instruments that could potentially be converted into ordinary shares. Potential ordinary shares shall be treated as dilutive when, and only when, their conversion to ordinary shares would decrease earnings per share or increase loss per share. As the Group is loss making, there is no dilutive effect of the potential ordinary shares. Comparative information has been re-presented on an adjusted basis to include the 15:1 share consolidation which occurred on 2 June 2022.

## B5 OTHER NET GAINS

	31 Dec 2022 \$	31 Dec 2021 \$
Loss on disposal of assets	-	(52,772)
Gain / (loss) on unrealised and realised foreign exchange	30,042	(41,303)
Gain / (loss) on AASB 16 <i>Leases</i> event	(457)	1,379
Gain on extinguishment of liability	-	335,596
<b>Total other net gains</b>	<b>29,585</b>	<b>242,900</b>

## B6 DEPRECIATION AND AMORTISATION

	31 Dec 2022 \$	31 Dec 2021 \$
Depreciation on property, plant and equipment	(100,326)	(112,567)
Depreciation on right-of-use assets	(42,779)	(42,124)
Amortisation on intangible assets	(1,284,599)	(1,217,043)
<b>Total depreciation and amortisation</b>	<b>(1,427,704)</b>	<b>(1,371,734)</b>

## C ASSETS AND LIABILITIES

### C1 TRADE AND OTHER RECEIVABLES

	31 Dec 2022 \$	30 Jun 2022 \$
Trade receivables	186,177	191,667
Research and development tax incentive receivable	-	869,405
<b>Total trade and other receivables</b>	<b>186,177</b>	<b>1,061,072</b>

#### (A) Allowance for expected credit losses

As at 31 December 2022, there were no trade receivables which were past due. As a result, there was no allowance for expected credit loss recognised (30 June 2022: nil).

### C2 INVENTORIES

	31 Dec 2022 \$	30 Jun 2022 \$
Finished goods	103,642	83,446
Components	132,104	134,015
Stock in transit	-	66,802
Work in progress	-	7,657
<b>Total inventories</b>	<b>235,746</b>	<b>291,920</b>

#### (A) Provision for inventory obsolescence

As at 31 December 2022, there were no inventory items which required a provision for inventory obsolescence (30 June 2022: nil).

### C3 OTHER ASSETS

	31 Dec 2022 \$	30 Jun 2022 \$
Prepayments	431,131	101,067
Deposits paid on products in production	338,823	62,960
Other deposits	19,430	94,053
<b>Total other assets</b>	<b>789,384</b>	<b>258,080</b>

## C4 PROPERTY, PLANT AND EQUIPMENT

The net book amounts and movements in property, plant and equipment are set out below.

	Plant and equipment \$	Computer equipment \$	Furniture and fittings \$	Leasehold improvements \$	Total \$
<b>At 1 July 2022</b>					
Cost	585,482	62,775	73,087	73,014	794,358
Accumulated depreciation	(328,696)	(21,699)	(9,284)	(1,405)	(361,084)
<b>Net book amount</b>	<b>256,786</b>	<b>41,076</b>	<b>63,803</b>	<b>71,609</b>	<b>433,274</b>
<b>Movement:</b>					
Additions	15,137	2,697	741	2,400	20,975
Disposals	-	(2,324)	-	-	(2,324)
Depreciation	(82,280)	(10,815)	(6,298)	(933)	(100,326)
<b>Closing net book amount</b>	<b>189,643</b>	<b>30,634</b>	<b>58,246</b>	<b>73,076</b>	<b>351,599</b>
<b>At 31 December 2022</b>					
Cost	600,620	61,013	73,828	75,414	810,875
Accumulated depreciation	(410,977)	(30,379)	(15,582)	(2,338)	(459,276)
<b>Net book amount</b>	<b>189,643</b>	<b>30,634</b>	<b>58,246</b>	<b>73,076</b>	<b>351,599</b>

## C5 INTANGIBLE ASSETS

The net book amounts and movements in intangible assets are set out below.

	Capitalised development \$	Sales channels \$	Patents and trademarks \$	Other intangibles \$	Total \$
<b>At 1 July 2022</b>					
Cost	6,305,171	2,908,770	33,485	7,995	9,255,421
Accumulated amortisation and impairment	(3,165,446)	(1,503,529)	(1,654)	-	(4,670,629)
<b>Net book amount</b>	<b>3,139,725</b>	<b>1,405,241</b>	<b>31,831</b>	<b>7,995</b>	<b>4,584,792</b>
<b>Movement:</b>					
Additions	68,803	-	2,127	-	70,930
Amortisation	(794,889)	(488,779)	(931)	-	(1,284,599)
<b>Closing net book amount</b>	<b>2,413,639</b>	<b>916,462</b>	<b>33,027</b>	<b>7,995</b>	<b>3,371,123</b>
<b>At 31 December 2022</b>					
Cost	6,373,974	2,908,770	35,612	7,995	9,326,351
Accumulated amortisation and impairment	(3,960,335)	(1,992,308)	(2,585)	-	(5,955,228)
<b>Net book amount</b>	<b>2,413,639</b>	<b>916,462</b>	<b>33,027</b>	<b>7,995</b>	<b>3,371,123</b>

## C6 RIGHT-OF-USE ASSETS

The net book amounts and movements in right-of-use assets are set out below.

	Leased properties \$
<b>At 1 July 2022</b>	
Cost	252,742
Accumulated depreciation	(115,744)
<b>Net book amount</b>	<b>136,998</b>
<b>Movement:</b>	
Depreciation	(42,779)
Modification to lease terms	1,966
<b>Closing net book amount</b>	<b>96,185</b>
<b>At 31 December 2022</b>	
Cost	254,707
Accumulated depreciation	(158,522)
<b>Net book amount</b>	<b>96,185</b>

## C7 TRADE AND OTHER PAYABLES

	31 Dec 2022 \$	30 Jun 2022 \$
Trade and other payables	(173,497)	(317,239)
Payroll and statutory liabilities	(145,513)	(129,073)
Accrued expenses	(21,809)	(91,958)
<b>Total trade and other payables</b>	<b>(340,819)</b>	<b>(538,270)</b>



## D CAPITAL STRUCTURE, FINANCING AND FINANCIAL RISK MANAGEMENT

### D1 CONTRIBUTED EQUITY

	31 Dec 2022		30 Jun 2022	
	Shares	\$	Shares	\$
Issued ordinary shares	88,469,571	50,522,050	65,328,341	48,712,769
<b>Total contributed equity</b>	<b>88,469,571</b>	<b>50,522,050</b>	<b>65,328,341</b>	<b>48,712,769</b>

A reconciliation of the movement in ordinary shares is set out below.

	2022		2021	
	Shares	\$	Shares	\$
<b>Issued ordinary shares at 1 July</b>	<b>65,328,341</b>	<b>48,712,769</b>	<b>603,185,535</b>	<b>42,802,911</b>
<b>Movement:</b>				
Shares issued as part of capital raising	14,812,500	1,185,000	256,666,654	3,850,000
Shares issued to related parties for services	4,375,000	350,000	-	-
Transaction costs related to shares issued	-	(124,331)	-	(416,142)
Vendor performance rights converted to ordinary shares	-	-	110,000,000	2,200,000
Director performance shares converted to ordinary shares	-	-	1,600,000	160,000
Listed options converted to shares	-	-	84	-
Shares issued to suppliers for payment of goods and/or services	828,729	60,000	-	-
Employee share-based payments	800,000	53,600	1,897,812	26,000
Director shares held in escrow for Director fees	1,875,000	150,000	-	-
Director share-based payments	-	-	2,189,781	30,000
Director share-based payments converted from unissued shares	-	-	4,379,562	60,000
Unlisted options converted to shares	450,001	675	-	-
Transfer value of options exercised from reserves	-	134,337	-	-
<b>Issued ordinary shares at 31 December</b>	<b>88,469,571</b>	<b>50,522,050</b>	<b>979,919,428</b>	<b>48,712,769</b>
<b>Unissued ordinary shares at 1 July</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>60,000</b>
<b>Movement:</b>				
Director share-based payments converted to issued shares	-	-	-	(60,000)
<b>Unissued ordinary shares at 31 December</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total contributed equity</b>	<b>88,469,571</b>	<b>50,522,050</b>	<b>979,919,428</b>	<b>48,712,769</b>

## D1 CONTRIBUTED EQUITY (continued)

During the half-year period, there were a number of movements in ordinary shares as outlined below:

- The Company conducted a capital raise via a placement to sophisticated and institutional investors at an issue price of \$0.08 per share to raise \$1,535,000 (before costs). \$1,185,000 was raised in cash funding and \$350,000 of shares were issued in exchange for services provided and to be provided to the Company by entities related to Director, Simon Gerard. In conjunction with the capital raise, the Company granted unlisted options to placement participants and unlisted options to the Company's lead manager for broker services. Refer to note F1 for further details.
- 800,000 shares were issued to employees under the Company's Employee Securities Incentive Plan. These shares had a deemed issue price of \$0.067 being the share price upon the date at which the offer was made to employees.
- 450,001 shares were converted through the exercise of options, raising \$675 in cash.
- The shareholders of the Company provided approval to grant all Non-Executive Directors 625,000 shares each (total of 1,875,000 shares) in lieu of cash payments for Directors' fees for the 12 month period to 31 July 2023. These shares will be held in escrow until 31 July 2023.
- 828,729 shares were issued to a third-party supplier for the provision of services.

## D2 OTHER RESERVES

	31 Dec 2022 \$	30 Jun 2022 \$
Share-based payments reserve	807,785	824,172
Hedging reserve	-	22,176
<b>Total other reserves</b>	<b>807,785</b>	<b>846,348</b>

The share-based payments reserve is used to recognise the fair value of equity-settled share-based payments issued to eligible participants as part of their remuneration, or to advisors in respect of transaction costs. Further detail on the share-based payments reserve is in note F1.

## D3 FINANCIAL INSTRUMENTS

The methods and valuation techniques used for the purpose of measuring fair values are unchanged compared to the previous reporting period.

The carrying amounts of financial assets and liabilities are considered to be a reasonable approximation of their fair value.

## E GROUP STRUCTURE

### E1 INVESTMENTS IN CONTROLLED ENTITIES

The Condensed Consolidated Interim Financial Statements incorporate the assets, liabilities and results of the parent entity, Zimi Limited and the following subsidiaries.

	Country of incorporation	Class of shares	Equity holding	
			31 Dec 2022 %	30 Jun 2022 %
Zimi Technology Pty Ltd <sup>1</sup>	Australia	Ordinary	100	100
Zimi Innovations Pty Ltd <sup>2</sup>	Australia	Ordinary	100	100
Quantify Technology Aus Pty Ltd <sup>3</sup>	Australia	Ordinary	-	100

<sup>1</sup> Formerly Quantify Technology Pty Ltd. Name changed 4 November 2021.

<sup>2</sup> Formerly GSM Innovations Pty Ltd. Name changed 14 July 2021.

<sup>3</sup> Quantify Technology Aus Pty Ltd was dormant and deregistered on 13 July 2022

## F OTHER INFORMATION

### F1 SHARE-BASED PAYMENTS

#### (A) Share-based payments reserve in the Consolidated Statement of Financial Position

	31 Dec 2022 \$	30 Jun 2022 \$
Options reserve	684,981	759,087
Director performance shares reserve	57,197	50,143
Director performance rights reserve	9,530	-
Employee performance rights reserve	56,077	14,942
<b>Total share-based payments reserve</b>	<b>807,785</b>	<b>824,172</b>

	Options reserve \$	Director performance shares/rights reserve \$	Employee performance rights reserve \$	Total share-based payments reserve \$
<b>Balance at 1 July 2022</b>	<b>759,087</b>	<b>50,143</b>	<b>14,942</b>	<b>824,172</b>
<b>Movement:</b>				
Lead manager unlisted options issued	60,231	-	-	60,231
Options exercised and converted to ordinary shares	(134,337)	-	-	(134,337)
Share-based payments expense through the P&L	-	16,584	41,135	57,719
<b>Balance at 31 December 2022</b>	<b>684,981</b>	<b>66,727</b>	<b>56,077</b>	<b>807,785</b>

#### (B) Convertible securities movement reconciliation

	31 Dec 2022 number	30 Jun 2022 number
Options	33,218,779	13,000,030
Director performance shares	320,003	320,003
Director performance rights	2,500,000	-
Employee performance rights	1,933,338	1,666,672
<b>Total convertible securities</b>	<b>37,972,120</b>	<b>14,986,705</b>

	Number of convertible securities				
	Options	Director performance shares	Director performance rights	Employee performance rights	Total convertible securities
<b>Balance at 1 July 2022</b>	<b>13,000,030</b>	<b>320,003</b>	<b>-</b>	<b>1,666,672</b>	<b>14,986,705</b>
<b>Movement:</b>					
Employee options forfeited	-	-	-	(333,334)	(333,334)
Options exercised and converted to ordinary shares	(450,001)	-	-	-	(450,001)
Performance rights issued	-	-	2,500,000	600,000	3,100,000
Lead manager unlisted options issued	1,481,250	-	-	-	1,481,250
Free attaching options issued in relation to capital raise	19,187,500	-	-	-	19,187,500
<b>Balance at 31 December 2022</b>	<b>33,218,779</b>	<b>320,003</b>	<b>2,500,000</b>	<b>1,933,338</b>	<b>37,972,120</b>

## F1 SHARE-BASED PAYMENTS (continued)

### (C) Options

#### (i) Lead manager unlisted options

During the interim period, the Company conducted a capital raise. Zimi granted lead manager unlisted options to PAC Partners in respect of brokerage services relating to the capital raise. Options granted to advisors for capital raising services are valued and recognised as an associated cost to issued capital.

The fair value of the lead manager unlisted options issued for brokerage services has been determined based on a Black-Scholes option pricing model. The lead manager unlisted options have no vesting conditions. The variables in the table below were used as inputs into the model to determine the fair value of the lead manager unlisted options.

Grant Date	Expiry date	Number of options	Exercise price	Share price volatility	Risk-free rate	Value per option	Value of options
14 Oct 2022	18 Oct 2025	1,481,250	\$0.12	126%	3.45%	\$0.0407	\$60,231
Total value of lead manager unlisted options							\$60,231

Set out in the table below is a reconciliation of lead manager unlisted options.

	31 Dec 2022	
	Number	\$
Balance at 1 July 2022	4,444,451	759,087
Movement:		
Lead manager unlisted options issued	1,481,250	60,231
Options exercised and converted into ordinary shares	(450,001)	(134,337)
Balance at 31 December 2022	5,475,700	684,981

The balance of 5,475,700 lead manager unlisted options are all exercisable at period end.

#### (ii) Free attaching options

As part of the capital raise conducted in the interim period, for every one share, one free-attaching placement option was also issued (total of 19,187,500 free-attaching options). Free-attaching options are not valued and recognised in the share-based payments reserve unless the attaching options were issued in respect of services relating to the capital raise (refer to note F1(C)(i)). These placement options are exercisable at \$0.12 and expire 3 years from the date of issue.

### (D) Director performance rights

In the interim period ended 31 December 2022, the Company issued 2,500,000 performance rights to Jordan Tentori (Executive Director and CEO) upon approval from shareholders. The grant date of the performance rights was 28 November 2022. The performance rights do not have an exercise price. In addition to the service period being met for all three tranches, the performance rights had three separate vesting conditions, as set out below.

- Tranche one – 1,250,000: Will vest if the employee or contractor is continuously employed or contracted by the Company or a subsidiary until 30 June 2024.
- Tranche two – 625,000: Will vest if paired devices with the Zimi Cloud exceeds 37,500 by 30 June 2024.
- Tranche three – 625,000: Will vest if paired devices with the Zimi Cloud exceeds 75,000 by 30 June 2024.

These performance conditions are consistent with those associated with the existing performance rights previously issued to employees in May 2022 as disclosed in the 30 June 2022 Annual Report.

## F1 SHARE-BASED PAYMENTS (continued)

### (D) Director performance rights (continued)

The fair value of the performance rights has been determined based on the Company's share price at the date of grant, being \$0.067. The total value of these rights of \$167,500 is being brought to amount over the period from grant date to expiry date.

Set out in the table below is a reconciliation of Director performance rights.

	Number (rights)	\$
Balance at 1 July 2022	-	-
Movement:		
Director performance rights issued	2,500,000	-
Share-based payments expense through the P&L	-	9,530
Balance at 31 December 2022	2,500,000	9,530

### (E) Employee performance rights

In the interim period ended 31 December 2022, the Company issued 600,000 performance rights to employees under the Employee Securities Incentive Program. Of these 600,000 performance rights, 300,000 were issued to a member of key management personnel (Chief Financial Officer, Rachel Tuck).

The grant date of the performance rights was 5 December 2022. The performance rights do not have an exercise price. In addition to the service period being met for all three tranches, the performance rights had three separate vesting conditions, as set out below.

- Tranche one – 300,000: Will vest if the employee or contractor is continuously employed or contracted by the Company or a subsidiary until 30 June 2024.
- Tranche two – 150,000: Will vest if paired devices with the Zimi Cloud exceeds 37,500 by 30 June 2024.
- Tranche three – 150,000: Will vest if paired devices with the Zimi Cloud exceeds 75,000 by 30 June 2024.

These performance conditions are consistent with those associated with the existing performance rights previously issued to employees in May 2022 and to Jordan Tentori during the half-year period.

The fair value of the performance rights has been determined based on the Company's share price at the date of grant, being \$0.067. The total value of these rights of \$40,200 is being brought to amount over the period from grant date to expiry date.



## F1 SHARE-BASED PAYMENTS (continued)

### (E) Employee performance rights (continued)

Set out in the table below is a reconciliation of employee performance rights.

	Number	\$
Balance at 1 July 2022	1,666,672	14,942
Movement:		
Employee performance rights issued	600,000	-
Forfeiture of performance rights upon departure of employee	(333,334)	(2,988)
Share-based payments expense through the P&L	-	44,123
Balance at 31 December 2022	1,933,338	56,077

The balance of 1,933,338 employee performance rights are all unvested at the end of the year.

## F2 RELATED PARTY DISCLOSURES

### (A) Parent entity and subsidiaries

The ultimate holding entity is Zimi Limited. Information about the Group's structure, including details of the controlled entities and holding company are set out in note E.

### (B) Key management personnel remuneration

During the period, the following changes in Key Management Personnel have occurred:

- Departure of Stephanie Voulcaris as Chief Financial Officer on 7 October 2022. Stephanie remains with the Company in a consultant role.
- Rachel Tuck commenced as Chief Financial Officer from 10 October 2022.

During the half-year period, shareholder approval was obtained to grant 1,875,000 shares to the Company's three Non-Executive Directors (i.e. 625,000 shares each) in lieu of cash payment for Director's fees covering the twelve month period of service to 31 July 2023. These shares were issued at a deemed issue price of \$0.08 and are to be held in escrow until 31 July 2023.

Other than the above, there have been no significant changes in the nature of transactions relating to KMP remuneration since the end of the last annual period. Therefore, further disclosures are not necessary for an understanding in relation to the interim period.

### (C) Related party transactions

As noted in the Annual Report for the year ended 30 June 2022 (note F2), the Group disclosed transactions with GSM Electrical (Australia) Pty Ltd (**GSM Electrical**) (Australian entity) and GSM International Limited (**GSM International**) (Hong Kong entity). These entities are related parties of KMP Simon Gerard. The nature of the transactions are predominantly for sales of product, purchase of product, quality assurance services, logistics services, management of international manufacturing and engineering resources. The relationships remained and transactions continued throughout the half-year period.

The Group also transacts with Bell Total Logistics Pty Ltd (**Bell Total Logistics**), an entity related to KMP Simon Gerard. These transactions were for logistics services and importation of product. The majority of the transactions relate to Goods and Services Tax on importation of goods, which is recoverable from the Australian Tax Office (ATO). There is no separate formal agreement in place with Bell Total Logistics and the Group engages their logistic services on a case-by-case basis.

## F2 RELATED PARTY DISCLOSURES (continued)

### (C) Related party transactions (continued)

The Group has continued to engage Shirley Road Custodians Pty Ltd (**Shirley Road**), an entity related to KMP Simon Beissel, for consulting services. There is a separate formal agreement in place with Shirley Road under which the Group engages their consulting services.

The goods and services received or provided were on commercial arms-length terms.

Excluding KMP remuneration, the following table provides details of all remaining related party transactions during the half-year ended 31 December 2022, and balances as at 31 December 2022.

	Settled during 1 Jul 2022 to 31 Dec 2022		Outstanding as at 31 Dec 2022		Total transactions during the period 1 Jul 2022 to 31 Dec 2022 \$
	Cash settled <sup>3</sup> \$	Equity settled <sup>1</sup> \$	Accounts receivable \$	Accounts payable or accrued \$	
Transactions with GSM Electrical					
Sales of finished goods (inclusive of GST) <sup>2</sup>	53,869	-	-	-	53,869
Tooling contribution (inclusive of GST)	10,892	-	3,640	-	14,532
Project contribution (inclusive of GST)	31,308	-	31,308	-	62,616
Personnel, engineering project costs and warehousing services (inclusive of GST) <sup>2</sup>	(1,617)	(129,064)	-	(374)	(131,055)
Net total with GSM Electrical	94,452	(129,064)	34,948	(374)	(38)
Transactions with GSM International					
Purchases of finished goods which are to be remitted to 3rd-party manufacturers (no GST)	(29,825)	-	-	-	(29,825)
Prepayment of unfinished goods (no GST)	(39,800)	-	-	-	(39,800)
Net total with GSM International	(69,625)	-	-	-	(69,625)
Transactions with Bell Total Logistics					
Freight and import duties (inclusive of GST)	(5,373)	-	-	-	(5,373)
GST on importation which is recoverable from the ATO	(16,639)	-	-	-	(16,639)
Net total with Bell Total Logistics	(22,012)	-	-	-	(22,012)
Transactions with Shirley Road					
Consulting services (inclusive of GST)	(33,000)	-	-	-	(33,000)
Net total with Shirley Road	(33,000)	-	-	-	(33,000)
Total related party transactions	(30,185)	(129,064)	34,948	(374)	(124,675)

<sup>1</sup> As set out in note D1, shareholders approved the issuance of \$350,000 shares in exchange for services. The amount settled throughout the period was \$129,064. The amount remaining to be utilised is \$261,569.

<sup>2</sup> Sales of finished goods, sales returns and warehousing services pursuant under the Distribution Agreement.

<sup>3</sup> Includes settlement of amounts payable or accrued as at 30 June 2022. Refer to the 30 June 2022 Annual Report for further information.

## F2 RELATED PARTY DISCLOSURES (continued)

### (D) Related party commitments

The following table provides the total amount of commitments with related parties.

The amounts disclosed include commitments to do something if a particular event occurs (or does not occur) in the future. The amounts disclosed relate to transactions in which neither party has performed any of their obligations, and as such, there are no associated amounts owed by or to either party.

	31 Dec 2022 \$	31 Dec 2021 \$
<b>Commitments with GSM Electrical</b>		
Sales of finished goods (inclusive of GST)	1,029,006	1,393,936
<b>Net total with GSM Electrical</b>	<b>1,029,006</b>	<b>1,393,936</b>
<b>Commitments with GSM International</b>		
Purchases of finished goods to be remitted to 3rd party manufacturer (no GST)	(2,975,011)	(1,515,649)
Quality assurance services (no GST)	(163,626)	(83,365)
<b>Net total with GSM International</b>	<b>(3,138,637)</b>	<b>(1,599,014)</b>
<b>Total related party commitments</b>	<b>(2,109,631)</b>	<b>(205,078)</b>

### (E) Related party loans

As at 31 December 2022, there were no loans outstanding to related parties (30 June 2022: nil).

## F3 EVENTS OCCURRING AFTER THE REPORTING PERIOD

On 5 January 2023, the Company entered into an agreement with an external party to provide design and development services. The project is expected to span for approximately a 12 month period and has a total fee of \$220,000 USD, which is payable in a combination of share and cash consideration. There are four key payment milestones included in the agreement, the first of which occurred on 19 January 2023 where Zimi issued 592,958 shares in consideration.

Other than the events stated above, there have not been any additional matters or circumstances that have arisen after balance date that have significantly affected or may significantly affect, the operations of the Group, the results of those operations or the state of affairs of the Group in future financial periods.

## DIRECTORS' DECLARATION

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In the opinion of the Directors of Zimi Limited (the Company):

- (a) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable; and
- (b) the Condensed Consolidated Interim Financial Statements and notes thereto are in accordance with the *Corporations Act 2001*, including compliance with accounting standards and giving a true and fair view of the financial position and performance of the Group.

Signed in accordance with a resolution of the Board of Directors made pursuant to section 303(5) of the *Corporations Act 2001*.

On behalf of the Directors



Jordan Tentori  
Executive Director and CEO

24 February 2023

**INDEPENDENT AUDITOR'S REVIEW REPORT**

To the members of Zimi Limited

**Report on the Condensed Half-Year Financial Report***Conclusion*

We have reviewed the accompanying half-year financial report of Zimi Limited ("the company") which comprises the condensed consolidated statement of financial position as at 31 December 2022, the condensed consolidated statement of comprehensive income, the condensed consolidated statement of changes in equity and the condensed consolidated statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration, for the Group comprising the company and the entities it controlled at the half-year end or from time to time during the half-year.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Zimi Limited does not comply with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the Group's financial position as at 31 December 2022 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

*Basis for conclusion*

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's responsibilities for the review of the financial report* section of our report. We are independent of the company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

*Responsibility of the directors for the financial report*

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

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*Auditor's responsibility for the review of the financial report*

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2022 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

*Independence*

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.

*HLB Mann Judd*

**HLB Mann Judd**  
**Chartered Accountants**

**Perth, Western Australia**  
**24 February 2023**



**L Di Giallonardo**  
**Partner**





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