



Zimi Limited
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 – 29 JANUARY 2024

Zimi achieves customer receipts of \$1,875,000 and appoints new Distribution Partners in December Quarter.

Investment Highlights:

- Receipts from customers of \$1,875,000 and net operating cash inflows of \$95,000 for the quarter.
- Major Distribution Partners appointed whom are well-established leaders in the industry.
- Supply chain established to meet customer demands for products over Q3/Q4 of FY24.
- Ongoing R&D progress of Zimi Smoke Connect, E-door Connect and Hybrid 'Matter' module.

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 31 December 2023 along with the following operational update.

Ongoing Sales Performance:

Zimi has continued to fulfill ongoing demand for our products over the quarter. The company has maintained another quarter of positive net cash flow from operating activities (\$95,000). This includes \$1,875,000 in cash receipts from customers which is our strongest result in the last year (and an increase of +206% on the Jul-Sep 2023 quarter).

Sales for 1HY24 totalled \$2,410,000 (unaudited) compared to \$105,000 generated in 1HY23.

Our production pipeline is positioned to meet ongoing demand for Powermesh and Senoa product ranges over Q3 and Q4 of FY24, particularly as we have received additional customer orders during the quarter (as noted below).

Appointment of New Distributions Partners:

Smoke Alarms Australia

In December, Zimi entered into a memorandum of understanding with Smart Smoke Alarms Australia ("SAA"), who have become a distributor and installer of our products. SAA has a national footprint and is owned by Johns Lyng Group, an ASX200 company (ASX:JLG). This partnership signifies a major milestone for Zimi which will bring substantial opportunities for both parties. SAA has committed to an initial order of \$312,000 (inc GST) of Senoa and Powermesh devices. This collaboration is aimed to provide a full design, install and hassle-free setup for homes nationally. For further details, refer to ASX announcement dated 21 December 2023 ('Zimi Appoints National Distributor and Installer SAA').

Lighting Illusions

Zimi also announced the appointment of Lighting Illusions as a distribution partner. Lighting Illusions, a lighting and cooling company with a significant presence in South East QLD, are in the process of stocking and outfitting their stores with Zimi's Senoa and Powermesh products. This strategic partnership aims to provide end users with a hands-on experience of our products' features designed to enhance convenience, comfort, efficiency and safety. Zimi has already supplied the first order of products to Lighting Illusions, and we are poised for further sales in the upcoming quarter with the showroom fit out of their retail stores. For further details, refer to ASX announcement dated 14 November 2023 ('Zimi Appoints Lighting Illusions as Distribution Partner').

Zimi is well positioned for growth over the upcoming quarters. We look forward to continued collaboration and success with our new and existing distribution partners as demand for smart homes and offices continues to grow.



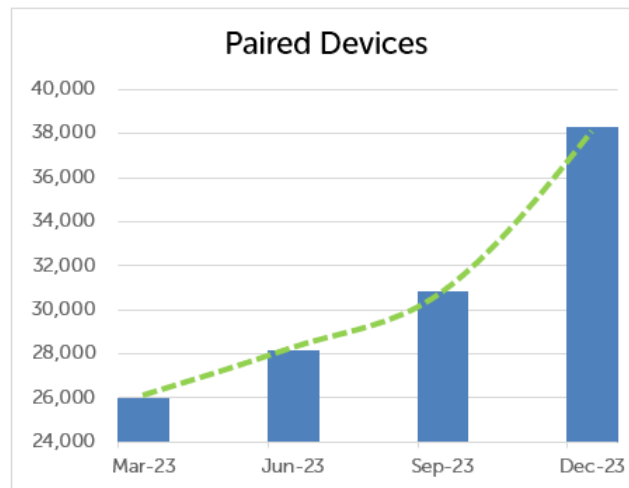
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Device Pairings Update and Customer Usage:

Reflecting our sales performance over the last two quarters, device pairings to the Zimi Cloud (a measure of end-user adoption) continues to grow. As at 31 December 2023, approximately 38,250 devices were paired to the Zimi Cloud. We expect this pairings figure to accelerate as we expand our distribution channels and customer reach.



The Zimi app usage has also reached new milestones, being accessed by users in excess of >40,000 sessions per month.

Research and Development Progress:

Substantial progress has been made towards the impending release of our **Zimi Smoke Connect** product, a smarter smoke detector that will elevate safety in homes and businesses. We expect to receive CSIRO certification in Q3 and supporting software development is progressing in parallel.

We are also in the manufacturing process of the **Zimi E-Door Connect** which is anticipated to be completed in Q3. This product has been developed for Steel-Line, Australia's leading garage door supplier, who supply the major home builders. The upcoming product launch will see even more Australian homes connected on Zimi's platform.

Zimi's next generation **Hybrid IoT module** which adopts multiple technologies including Bluetooth, NFC, Thread and 'MATTER' – the new connectivity platform for smart spaces, representing a ground-breaking advancement in the world of IoT (Internet of Things). Matter promises to usher in a new era of connectivity with alliance of industry behemoths including Apple, Google and Amazon. Designed to create seamless interoperability among various smart devices, Matter aims to simplify the lives of consumers and enhance the efficiency of connected ecosystems. With Matter, devices can effortlessly communicate and work together, providing a unified and user-friendly experience. This ensures security, reliability, and scalability, making it a game-changer for the future of smart homes, offices, and cities.

Zimi plans to expand to global market opportunities in the future, offering a complete platform to major global companies with the advantage of a faster path to market, as MATTER will fast become the standard for smarter spaces.

Movement in Securities and Corporate Update:

For the quarter ended 31 December 2023, the following movement in securities occurred:

- 31 October 2023: 11,333,359 options expired in accordance with the terms of their issue.
- 14 November 2023: 910,002 ordinary shares were issued upon exercise of options by holders, with \$1,365 received in cash proceeds.
- 28 November 2023: 2,687,500 ordinary shares were issued to Non-Executive Directors upon receiving approval at the Annual General Meeting. These shares will be held in escrow until 31 July 2024.
- 10 December 2023: 266,668 options expired in accordance with the terms of their issue.
- 19 December 2023: 240,002 performance shares expired in accordance with the terms of their issue.



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Appendix 4C – Quarterly Cash Flow Report:

During the quarter, the Group recorded the following:

- Receipts from customers of \$1,875,000 from the sale of product and related services.
- Payments for product manufacturing and operating costs of \$967,000 which included payments to manufacturers for electronic components and continuing production.
- Payments for research and development represent further development work on new products and enhancements.
- Payments for staff costs of \$454,000 representing salaries for all employees, contractors and directors. This includes all staff irrespective of the nature of activity.
- Payments for administration and corporate costs represent general costs associated with running the Company, including ASX fees, share registry, insurance and taxation offset by GST recovered from the ATO.
- Proceeds of \$1,365 from the exercise of options.
- The aggregate amount of payments to related parties and their associates included in the current quarter cash flows from operating activities were \$1,160,000. This is comprised of \$123,000 for remuneration (e.g., Director fees, salaries and superannuation), and \$1,037,000 in other related party transactions for product manufacturing and operating costs. A breakdown of the other related party transactions in a similar format to the 30 June 2023 Annual Report is provided below.

During the period	Cash settled
1 October 2023 to 31 December 2023	\$'000
Payments to GSM Retail for product manufacturing and operating costs	
Purchases of finished goods which are to be remitted to 3 rd -party manufacturers (no GST)	882
Payments to Bell Total Logistics for product manufacturing and operating costs & administration and corporate costs	
Freight, import duties and GST on importation recoverable from the ATO (inclusive of GST)	155
Total related party transactions excluding remuneration	1,037

Refer to 30 June 2023 Annual Report for further information relating the nature of related party transactions.

Refer to the attached Appendix 4C for further details on cash flows for the quarter.

Forward-looking statements

This announcement contains forward-looking statements. Forward-looking statements are subject to a variety of risks and uncertainties that it is beyond the Company's ability to control or predict and which could cause actual events or results to differ materially from those anticipated in such forward-looking statements.

Commenting on Zimi's quarterly update, CEO Jordan Tentori said:

"I'm proud of what the Zimi team has delivered this quarter, with \$1,875,000 in customer receipts and \$95,000 net operating cash inflows, underscoring our continued success of the market adopting our connected products. New strategic partnerships with industry leaders like SAA of Johns Lyng Group (ASX200 company) will only multiply our success. Our supply chain has recovered and is meeting the fulfillment of rising product demand, which was reflected in 1HY24 sales of \$2,410,000 (unaudited). We have also had excellent progress toward our upcoming product releases, the Smoke Connect and E-Door Connect, I'm excited for these product launches which will increase safety and security in homes across Australia."

- Ends -

This release has been approved by the Board.



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Further information:

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

Investor and Media enquiries: investors@zimi.life

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-dollar opportunity in the Australian market through multiple leading wholesale, commercial and retail/trade sales channels such as Trader, 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")

31 DECEMBER 2023

Consolidated statement of cash flows	Current quarter	Year to date (6 months)
	\$A'000	\$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	1,875	2,487
1.2 Payments for		
(a) research and development	(29)	(55)
(b) product manufacturing and operating costs	(967)	(1,152)
(c) advertising and marketing	(15)	(27)
(d) leased assets	(12)	(24)
(e) staff costs	(454)	(935)
(f) administration and corporate costs	(298)	(534)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	2	3
1.5 Interest and other costs of finance paid	(7)	(41)
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	747
1.8 Other (provide details if material)	-	-
1.9 Net cash from / (used in) operating activities	95	469

2.	Cash flows from investing activities		
2.1	Payments to acquire or for:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	(39)	(65)
	(d) investments	-	-
	(e) intellectual property and development	(20)	(39)
	(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	(59)	(104)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	1	201
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	-	(29)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	(431)
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other: Principal elements of lease payments	(20)	(39)
3.10	Net cash from / (used in) financing activities	(19)	(298)

Appendix 4C
Quarterly cash flow report for entities subject to Listing Rule 4.7B

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	1,036	980
4.2	Net cash from / (used in) operating activities (item 1.9 above)	95	469
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(59)	(104)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(19)	(298)
4.5	Effect of movement in exchange rates on cash held	(19)	(13)
4.6	Cash and cash equivalents at end of period	1,034	1,034

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	1,034	1,036
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other: Restricted	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	1,034	1,036

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	1,160
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.

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

7.	Financing facilities	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
	<i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>		
7.1	Loan facilities	-	-
7.2	Credit standby arrangements	-	-
7.3	Other: R&D Pre-funding	-	-
7.4	Total financing facilities	-	-
7.5	Unused financing facilities available at quarter end		-
7.6	Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		
	N/A		

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (item 1.9)	95
8.2 Cash and cash equivalents at quarter end (item 4.6)	1,034
8.3 Unused finance facilities available at quarter end (item 7.5)	-
8.4 Total available funding (item 8.2 + item 8.3)	1,034
8.5 Estimated quarters of funding available (item 8.4 divided by item 8.1)	N/A
<i>Note: if the entity has reported positive net operating cash flows in item 1.9, answer item 8.5 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.5.</i>	
8.6 If item 8.5 is less than 2 quarters, please provide answers to the following questions:	
8.6.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
Answer: N/A	
8.6.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
Answer: N/A	
8.6.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?	
Answer: N/A	
<i>Note: where item 8.5 is less than 2 quarters, all of questions 8.6.1, 8.6.2 and 8.6.3 above must be answered.</i>	

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: 29 January 2024

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.