



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 –31 OCTOBER 2024

Capital raise to complete and R&D funding received, placing Zimi in strong financial position to fund growth.

Quarterly Highlights:

- Ongoing market adoption with Zimi device pairings reaching 50,000 milestone.
- Production of SENOA completed for customer backorders.
- New product progress to certification and production.

Subsequent to Quarter-end:

- Total of \$2.495m committed by investors under recent capital raising activities.
- MoU entered with Zencontrol, an industry leader in the lighting control systems.
- FY24 R&D tax incentive of \$702K received and Radium Capital pre-funding \$374K loan repaid.
- Joshua Newell and Richard Brown to join the Board effective 1 December 2024.

Zimi Limited (ASX:ZMM) ("Zimi", or the "Company"), an innovative Australian IoT technology 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 September 2024 along with the following operational update.

Completion of Entitlement Offer and Shortfall Placement Update:

On 21 August 2024, the Company launched a 2 for 1 Renounceable Entitlement Offer ("Offer") at an issue price of \$0.01 per ordinary share. The Offer closed on 4 October 2024 with \$120,294 raised (and 12,029,391 ordinary shares issued).

Any shares that were not taken up in accordance with the institutional and retail components of the offer were able to be placed to new investors under a Shortfall Placement facility ("Shortfall Placement"). On 24 October 2024, the Company received and accepted binding bids totalling \$2,375,000 pursuant to the Shortfall Placement with 237,500,000 new ordinary shares subscribed for. This investment introduces a new pool of investors to our register, including Zencontrol Pty Ltd ("Zencontrol") who will become a substantial shareholder. See below comment in relation to MOU entered with Zencontrol and announcement dated 25 October 2024 for further details. Ordinary shares associated with these funds are expected to be allotted on 4 November 2024.

Raised funds (net of associated raising costs) will be used towards working capital purposes and to facilitate future growth, including a rollout of marketing initiatives and to fund R&D projects. Importantly, these funds will allow the Company to boost its production pipeline and drive manufacturing efficiencies. We have commenced establishing additional production timetables with our manufacturers to deliver product over the forthcoming year to meet customer orders and expected demand.

Memorandum of Understanding with Zencontrol:

As previously announced, Zimi has entered a Memorandum of Understanding (MOU) with Zencontrol to explore potential opportunities in respect of an exclusive range of 'Senoa Professional' products, aimed at the global commercial lighting



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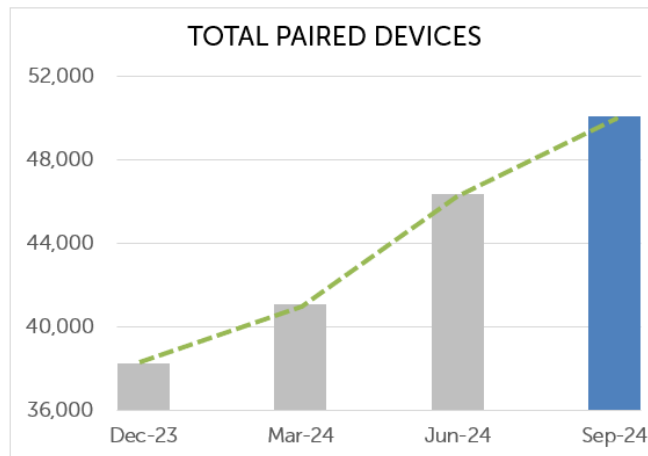
market. This partnership presents a valuable opportunity for Zimi to access potential synergies from Zencontrol's manufacturing capabilities, streamlining production processes and reducing costs for the Company ¹.

Board Changes:

Simon Beissel, formerly Non-Executive Director, was appointed to the position of Independent, Non-Executive Chair of the Company effective 25 October 2024. This role was previously held by Simon Gerard who has transitioned to the role of Non-Executive Director. Joshua Newell (Managing Director of Zencontrol) and Richard Brown will join the Board as Non-Executive Directors, with their appointments taking effect from 1 December 2024.

Device Pairings Reach 50,000 Milestone:

Device pairings to the Zimi Cloud (a measure of end-user adoption) continues to grow. A total of 3,719 devices were paired during the September quarter, resulting in a total of 50,089 devices paired to the Zimi Cloud as at 30 September 2024. This continued adoption reflects the growth of market adoption and distributor sell through of stock.



Product Manufacturing and Development Update:

Another production of Senoa product is completed and is now shipping for fulfilment of customer backorders. The Company has also received new repeat product orders totalling \$229,000 (inc. GST) for the Zimi Cloud Connect and Powermesh Garage Door Controller, which have been ordered from our contract manufacturer.

The new **Zimi Matter Connect** product has now progressed to the Matter certification process. The company has placed orders on our contract manufacturer for production to commence upon certification. This upcoming product release allows Zimi's existing products to work with Matter, effectively future proofing existing installations and providing compatibility with the smart home market

Matter is the new connectivity standard for smart products that allow them to work together and with the main eco-smart home systems including Amazon Alexa, Apple Home, Google Home and Samsung SmartThings.

Pilot production for **Zimi Smoke Connect** is now in progress with the impending market release of this Smarter Smoke Alarm. As previously announced, Zimi currently has \$481,250 (inc. GST) in customer pre-orders for this new product.

¹ Following issuance of shares under the Shortfall Placement, Zencontrol will be a substantial (+10%) holder in the Company. ASX Listing Rule 10.1.3 applies in respect of substantial (+10%) holders where the holder is a counterparty to an acquisition or disposal of substantial assets. The Company will have regard to compliance with ASX Listing Rule 10.1.3 in any future transactions that may be undertaken between Zimi and Zencontrol.



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Annual General Meeting

Zimi has scheduled its Annual General Meeting (AGM) to be held at 1:00pm (WST) on 28 November 2024. Please refer to the Notice of AGM released to the ASX for further details.

Movement in Securities and Corporate Update:

For the quarter ended 30 September 2024, the following movement in securities occurred:

- 31 July 2024: 2,687,500 ordinary shares were released from voluntary escrow.

Ordinary shares subscribed to in relation to the completion of the entitlement offer were issued on 8 October 2024.

Ordinary shares subscribed to in relation to the shortfall placement are expected to be issued on 4 November 2024.

Appendix 4C – Quarterly Cash Flow Report:

During the quarter, the Group recorded the following:

- Receipts from customers of \$308,000 from the sale of product and related services.
- Payments for product manufacturing and operating costs of \$12,000 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 of existing products.
- Payments for staff costs of \$538,000 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.
- The aggregate amount of payments to related parties and their associates included in the current quarter cash flows from operating activities were \$143,000. This is comprised of \$131,000 for remuneration (e.g. Director fees, salaries and superannuation), and \$12,000 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 2024 Annual Report is provided below.

During the period	Cash settled
1 July 2024 to 30 September 2024	\$'000
Payments to Bell Total Logistics for product manufacturing and operating costs & administration and corporate costs	
Freight, import duties & GST on importation recoverable from the ATO (inclusive of GST)	12
Total related party transactions excluding remuneration	12

Refer to 30 June 2024 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.



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Zimi CEO, Jordan Tentori commented: "We are immensely grateful for the support from both our new and existing shareholders, in our recent capital raising activities. This funding will contribute toward continued growth, as we continue to innovate in ways to drive long term value to our shareholders. I'm proud of the milestone reached of 50K device pairings, which continually demonstrates our consistent growth and the sell through of distributor stock. This will only increase with our expanded product range, which we had significant progress this quarter."

- Ends -

This release has been approved by the Board.

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 Australian technology company focused on creating smarter living and working environments by connecting everyday electrical products to the Internet and to each other. The company's product lines, including Powermesh and Senoa, feature smarter switches, light dimmers, power points, fan controllers, and garage door controllers, all of which can be installed by electricians and are effortlessly managed through Zimi's intuitive home automation app, designed to provide a seamless and highly positive user experience.

Zimi is capitalising on a multi-billion-dollar opportunity within the Australian market alone, reaching customers through leading wholesale, commercial, retail, and trade channels, with partners such as Trader, Steel-Line, Beacon Lighting, Lighting Illusions, Zencontrol and Polyaire.

Looking ahead, Zimi plans to expand its product offerings into new sectors while continuing to expand its product range. The company is also pursuing global expansion opportunities through partnerships with top manufacturers of electrical appliances for residential and commercial applications. As the Internet of Things (IoT) continues to grow, Zimi is well-positioned to tap into the vast opportunities this rapidly evolving market presents.

To learn more, please visit: www.zimi.life

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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 SEPTEMBER 2024

Consolidated statement of cash flows	Current quarter	Year to date (3 months)
	\$A'000	\$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	308	308
1.2 Payments for		
(a) research and development	(5)	(5)
(b) product manufacturing and operating costs	(12)	(12)
(c) advertising and marketing	(1)	(1)
(d) leased assets	(7)	(7)
(e) staff costs	(538)	(538)
(f) administration and corporate costs	(151)	(151)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	1	1
1.5 Interest and other costs of finance paid	(14)	(14)
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	-
1.8 Other (provide details if material)	-	-
1.9 Net cash from / (used in) operating activities	(419)	(419)

2.	Cash flows from investing activities		
2.1	Payments to acquire or for:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	(1)	(1)
	(d) investments	-	-
	(e) intellectual property and development	(45)	(45)
	(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	(46)	(46)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
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	(10)	(10)
3.5	Proceeds from borrowings	50	50
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	(21)	(21)
3.10	Net cash from / (used in) financing activities	19	19

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	521	521
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(419)	(419)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(46)	(46)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	19	19
4.5	Effect of movement in exchange rates on cash held	3	3
4.6	Cash and cash equivalents at end of period	78	78

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	78	78
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)	78	78

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	143
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	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	150	50
7.2	Credit standby arrangements	-	-
7.3	Other: R&D Pre-funding	356	356
7.4	Total financing facilities	506	406
7.5	Unused financing facilities available at quarter end		100
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>R&D Pre-Funding - \$356,000:</i></p> <p>Financing facility related to the pre-funding of the Research and Development (R&D) Grant from Radium Capital. The loan incurred an interest rate of 15% p.a and was secured against the R&D refund from the Australian Tax Office (ATO), following lodgement of the Company's tax return. The R&D grant was received from the ATO on 3 October 2024 and the facility was fully repaid.</p> <p><i>Director Loan Facility - \$150,000:</i></p> <p>As announced on 16 September 2024, Simon Gerard (Director) provided the Company with a short-term, unsecured loan facility of up to \$150,000 for working capital purposes. The loan is interest free, is repayable in cash only and has a maturity date of 31 October 2024. A total of \$50,000 was drawn down as at 30 September 2024.</p>		

8.	Estimated cash available for future operating activities	\$A'000
8.1	Net cash from / (used in) operating activities (item 1.9)	(419)
8.2	Cash and cash equivalents at quarter end (item 4.6)	78
8.3	Unused finance facilities available at quarter end (item 7.5)	100
8.4	Total available funding (item 8.2 + item 8.3)	178
8.5	Estimated quarters of funding available (item 8.4 divided by item 8.1)	0.4
	<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?	
	<p>Answer: Net operating cashflows in the next quarter will be impacted by the level of sales revenue achieved by the Company (and required payments to suppliers for stock). The Company's planned operations for the next quarter will also be impacted by the quantum of available funds from recent capital raising activities (i.e. accelerated renounceable entitlement offer and Shortfall Placement facility with total subscriptions of \$2.495m). Zimi also received its R&D tax incentive on 3 October (net of full repayment of its R&D pre-funding facility as noted at 7.6 above).</p>	
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?	
	<p>Answer: Yes. As outlined previously in this report, the Company launched a 2 for 1 pro rata accelerated renounceable entitlement offer to raise up to \$2.53m (before costs). The offer closed on 4 October 2024 with \$120k in funds raised. Binding investment commitments for an additional \$2.375m has been received in October in relation to the Company's Shortfall Placement facility. Zimi also received its R&D tax incentive on 3 October (net of full repayment of its R&D pre-funding facility as noted at 7.6 above).</p>	
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?	
	<p>Answer: Yes. Due to the factors outlined in 8.6.1 and 8.6.2 above, the Company expects to continue its operations to meet its business objectives. The Company will continue to manage its cashflow requirements.</p>	
	<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: 31 October 2024

Authorised by: By the Board

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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.

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