



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 JULY 2024

Accelerated growth quarter for device pairings & significant FY24 revenue growth.

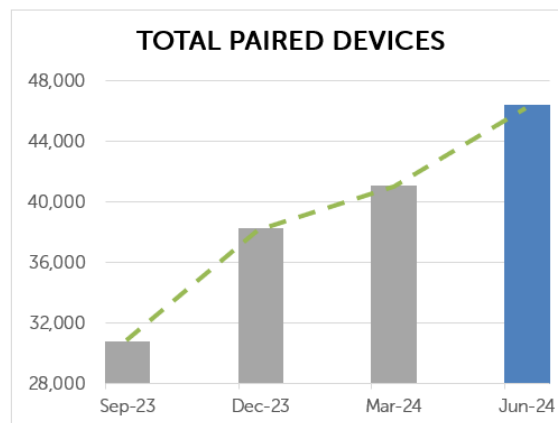
Investment Highlights:

- Accelerated market adoption with device pairings, up +87% from previous quarter.
- FY24 total sales revenue of \$3,232,000 (unaudited) up +1,369% from FY23.
- Zimi Matter Connect to support Apple Home and Samsung SmartThings.
- Steel-Line & Dynamic Doors rollout the E-Door Connect.

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 June 2024 along with the following operational update.

Accelerated Market Adoption with Device Pairings +87%:

Device pairings to the Zimi Cloud (a measure of end-user adoption) has continued to accelerate. A total of 5,284 devices were paired during the quarter, resulting in a total of 46,370 devices paired to the Zimi Cloud as of 30 June 2024. This represents an 87% increase in pairings from the previous March quarter.



Zimi has also delivered a further 1,000+ devices and accessories to our customers during the June quarter. This resulted in a total of \$231,000 in customer receipts for the quarter. With device pairings greater than sales, it demonstrates sales growth through to consumers by our distributors, as they continue to sell stock and creating demand for further orders.

There has been significant progress building our specification pipeline for with builders, architects and property developers adopting smarter home technologies in their projects.



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FY24 Sales Update:

As we close out the FY24 financial year, we are pleased with the Group's sales achievements noting that over 32,000 devices and accessories were sold during the year. This resulted in total sales revenue of \$3,232,000 (unaudited) for FY24 (up 1,369% from FY23's revenue of \$220,000). This is a positive turn around from our FY23 results, stemming from Zimi's recovery from the global chip shortage and supply chain issues in the prior year, which were exacerbated by the impacts of COVID-19.

As outlined in the Appendix 4C, the Group held \$521,000 in cash and cash equivalents as at 30 June 2024. This is expected to be bolstered with the receipt of R&D tax incentives from the ATO in the following quarter.

We continue to identify significant growth opportunities in the Smart Space market, with consumers demanding a higher standard of living supported by comfort, convenience, security and sustainability. With Zimi's proven suite of products now launched in the market, the company is well positioned to capitalise on this growth. The Directors are in the process of evaluating funding options for the next phase of growth.



Steel-Line and Dynamic Doors roll out E-Door Connect:

The **E-Door Connect** was officially launched by Steel-Line and Dynamic Doors this month. This product works with their new range of garage door motors and has a range of features including control with a smart watch or phone, door activity history and notifications when the door is operated or left open. The two companies combined represent a major portion of the new build market, providing another avenue for adoption of Zimi smart products beyond the garage door. The response from builders of all sizes has been very positive with rapid adoption in homes.

Product Development Update:

The development of the new Zimi **Matter Connect** was completed in the quarter and can now progress to the certification phase. Matter is the new connectivity standard for smart products that allow them to work together and with the main eco-systems including Amazon Alexa, Apple Home, Google Home and Samsung SmartThings.

The **Matter Connect** allows Zimi's existing products to work with Matter, effectively future proofing existing installations and providing compatibility with the smart home market. This represents a critical milestone for Zimi to work seamlessly with Apple Home, a key target user market who quickly adopt technology which broadens our market significantly.

The Zimi **Smoke Connect**, our smarter smoke alarm, has also had excellent progress this quarter. After obtaining CSIRO certification in the previous quarter, the product range is now undergoing live site testing of the software and user experience. This is the last step to proceed into production for the product's impending release to market. As previously announced, Zimi currently has \$481,250 (inc. GST) in customer pre-orders for this new product.



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Movement in Securities and Corporate Update:

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

- 15 May 2024: 160,000 ordinary shares were issued to a supplier for the provision of app design services.
- 28 June 2024: 3,316,663 ordinary shares were issued to Zimi employees and a Director upon the conversion of performance rights as the required service condition was satisfied.
- 28 June 2024: 1,658,337 performance rights were cancelled as the performance criteria was not satisfied by their expiration date.

Appendix 4C – Quarterly Cash Flow Report:

During the quarter, the Group recorded the following:

- Receipts from customers of \$231,000 from the sale of product and related services.
- Payments for product manufacturing and operating costs of \$93,000 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 \$472,000 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 from borrowings of \$356,000 from the Company's R&D pre-funding loan facility.
- The aggregate amount of payments to related parties and their associates included in the current quarter cash flows from operating activities were \$136,000. This is comprised of \$122,000 for remuneration (e.g. Director fees, salaries and superannuation), and \$14,000 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 April 2024 to 30 June 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)	14
Total related party transactions excluding remuneration	14

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.



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

"It was an honour to present at the 2024 Steel-Line conference and experience the exciting response first-hand of the E-Door Connect launch. This is a key part of our strategy to reach more builders in Australia to adopt our home-grown technology. Our engineering team have had excellent progress with the Smoke Connect and Matter Connect, which provides our pathway for integration with Apple Home. Our test sites have demonstrated one of the best smart spaces experiences in my career.

Finally, I'm proud of our successful FY24 results with the company evolving from the lab, with proof of life of this rapidly emerging smart market. We remain dedicated on this important growth phase of the company and are focussed on the opportunity ahead."

- 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 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")

30 JUNE 2024

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (12 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	231	3,410
1.2 Payments for		
(a) research and development	(14)	(77)
(b) product manufacturing and operating costs	(93)	(1,523)
(c) advertising and marketing	-	(29)
(d) leased assets	(22)	(58)
(e) staff costs	(472)	(1,880)
(f) administration and corporate costs	(121)	(834)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	1	5
1.5 Interest and other costs of finance paid	(7)	(56)
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	(497)	(295)

2.	Cash flows from investing activities		
2.1	Payments to acquire or for:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	(5)	(90)
	(d) investments	-	-
	(e) intellectual property and development	(18)	(64)
	(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	(23)	(154)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	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	356	356
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)	(81)
3.10	Net cash from / (used in) financing activities	336	16

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	703	980
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(497)	(295)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(23)	(154)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	336	16
4.5	Effect of movement in exchange rates on cash held	2	(26)
4.6	Cash and cash equivalents at end of period	521	521

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	521	703
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)	521	703

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	136
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.

7.	Financing facilities <i>Note: the term "facility" includes all forms of financing arrangements available to the entity.</i> <i>Add notes as necessary for an understanding of the sources of finance available to the entity.</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
7.1	Loan facilities	-	-
7.2	Credit standby arrangements	-	-
7.3	Other: R&D Pre-funding	356	356
7.4	Total financing facilities	356	356
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. <i>R&D Pre-Funding - \$356,000:</i> Financing facility relates to the pre-funding of the Research and Development (R&D) Grant from Radium Capital. The loan is secured against the R&D refund from the Australian Tax Office (ATO), following lodgement of the Company's tax return. The receipt of the R&D grant from the ATO is anticipated to be in September 2024. Interest accrues on the pre-funding facility at a rate of 15% per annum.		

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (item 1.9)	(497)
8.2 Cash and cash equivalents at quarter end (item 4.6)	521
8.3 Unused finance facilities available at quarter end (item 7.5)	-
8.4 Total available funding (item 8.2 + item 8.3)	521
8.5 Estimated quarters of funding available (item 8.4 divided by item 8.1)	1.05
<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: 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 may also be adjusted based on the quantum of available funds (i.e. existing funds and from new funding options) as well as the expected receipt of its R&D tax incentive (net of required R&D pre-funding loan repayments).	
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: Yes. The Board are in the process of evaluating a number of funding options. These include the potential of raising further cash funding through an equity raise. The Group also expects to receive its R&D refund from the ATO in the next quarter.	
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: Yes. Due to the factors outlined in 8.6.1 and 8.6.2 above, the Company expects to continue its operations and meet its business objectives. The Company will continue to manage its cashflow requirements.	
<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 July 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.