



Simble Quarterly Activities Report

28 October 2021

Sydney, 28 October 2021: **Smart energy Software-as-a-Service (SaaS) company Simble Solutions Limited (ASX:SIS)** ('Simble' or 'the Company') is pleased to present its consolidated quarterly cash flow report and business update for the quarter ended 30 September 2021 (**September Quarter** or **Q3 FY21**).

Financial Highlights

- Simble Energy division ARR increased by 10% and energy revenues by 27% from Q2 to Q3 across AU and UK markets
- Net cash used in operating activities for the quarter of \$0.49m compares to \$0.02m for the prior corresponding period, on a like-for-like basis. The variance is attributed to lower cash inflows due to timing differences, and expenditure on growth focused initiatives.
- Cash receipts from customers for the September Quarter were \$0.25m
- Receipts in the prior corresponding period included \$0.29m (GBP 0.16m) from the UK's Research and Development (R&D) tax relief claim program in respect of R&D investment in the Simble Energy products during the 2019 calendar year. The claim in respect of the 2020 year has not been received yet.
- Net cash from operating activities includes outflows in respect of software research and development of \$0.11m (2020: \$0.10m) which were previously classified as an investing activity
- End of quarter cash balance of \$1.29m

Operational and Corporate Highlights

- Signed 3-year partnership agreements with two leading solar energy providers Polygon Energy and ElectriSave to provide solar and energy monitoring platform and apps coupled with third party energy IoT devices
- Signed a 3-year partnership agreement with a leading mesh lighting provider, ChessWise UK to provide energy monitoring platform and apps coupled with third party energy IoT devices
- Signed a partnership agreement with energy supplier Simply Energy NZ to offer the SimbleSense platform to many of New Zealand's largest businesses and enterprises
- Launched the new CarbonView website to further position CarbonView as the leading carbon-reporting platform for SMEs and Enterprises
- Appointed Duncan Hickman as Head of Growth and Partnerships and George Diez as Business Development Manager to drive CarbonView direct and indirect sales in Australia and the UK respectively

- Successfully completed an oversubscribed \$1.63 million Placement to professional and sophisticated investors corner-stoned by Strategic Investor, L39 Capital. Directors of Simble subscribed for \$0.075 million in the Placement.

Financial Update

Simble is pleased to report receipts from customers for the September Quarter of \$0.25m, in line with the corresponding prior year period. Receipts from customers for the year to date of \$1.13m are within 3% of the prior year figure of \$1.16m. Cash receipts, however, lag the growth in underlying activity, as represented by energy division revenues, which have increased by a substantial 27% from \$0.25m in Q2 to \$0.31m in Q3 (unaudited).

Simble Energy division annualised recurring revenue (ARR) has increased by 10% from \$642k in Q2 to \$707k in Q3, driven by increased sales activity across both AU and UK markets. The movement of energy SaaS ARR split between the CarbonView and SimbleSense platforms over the last twelve-month period is shown in the table below:

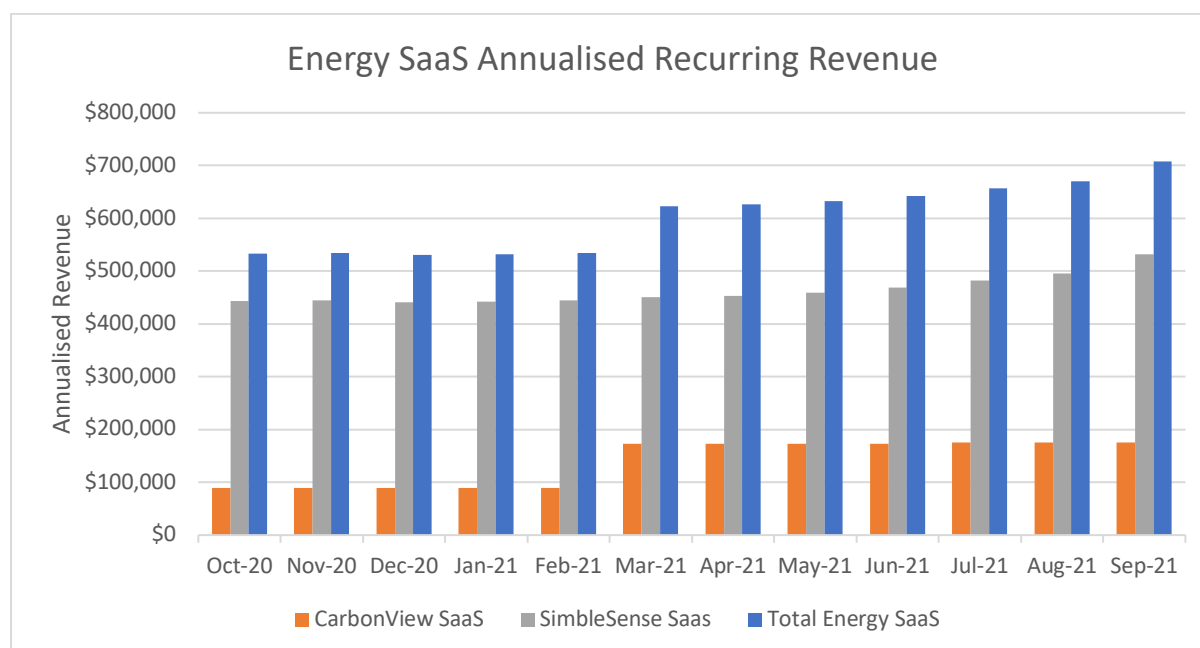


Table 1: Energy SaaS ARR

Overall ARR has also increased across Q2 to Q3, having risen by 3.7% from \$1.13m to \$1.17m.

Simble has reported net cash used in operating activities of \$0.49m for the quarter and \$0.85m for the nine months to 30 September. This compares with net outflows of \$0.31m and \$1.1m for the corresponding respective prior year periods (after restatement of software research and development cashflows noted below).

When comparing current period reported cash flows with prior corresponding periods, there are several salient points of difference to note including:

- In the current year, payments for software research and development of \$0.11m for the quarter and \$0.35m year to date are reported as operating activity cash flows. This compares to \$0.10m for the quarter and \$0.66m year to date reported as investing activity cash flows in the prior year. This change in disclosure is consistent with the accounting treatment of software expenditure in the Company's financial report.
- The prior corresponding period included the cash receipt of \$0.29m (GBP 0.16m) from the United Kingdom's Research and Development (R&D) tax relief claim program in respect of R&D investment in the Simble Energy products during the 2019 calendar year. The corresponding claim is not expected to be received until Q4 2021 which has created a deficit in the current year due to timing.
- The current quarter product manufacturing and operating costs cash outflow includes Business Productivity division cost of sales of \$0.06m with no corresponding receipts from customers, again due to a difference in timing.

The Company has commenced several growth focused activities during the quarter including CarbonView product development, digital marketing campaigns, and the recruitment of Business Development related staff. This has seen a general increase in the levels of reported cash outflows in the research and development, marketplace and channel expansion, and staff costs categories when compared to the prior corresponding period.

In addition, the Company took the opportunity to repay liabilities that were incurred in prior periods in the September quarter, and this accounted for \$92K under operating cashflows and \$45K under financing cashflows in respect of convertible notes. Payments during the quarter of \$111K in respect of the finalisation of a commercial property lease are reported under investing cashflows.

Despite the above, the Company has continued to carefully manage its cash resources and outflows from operating activities and remains committed to moving towards its stated aim of becoming cash flow positive in the medium term.

The progression of quarterly cashflows is shown in the table below:

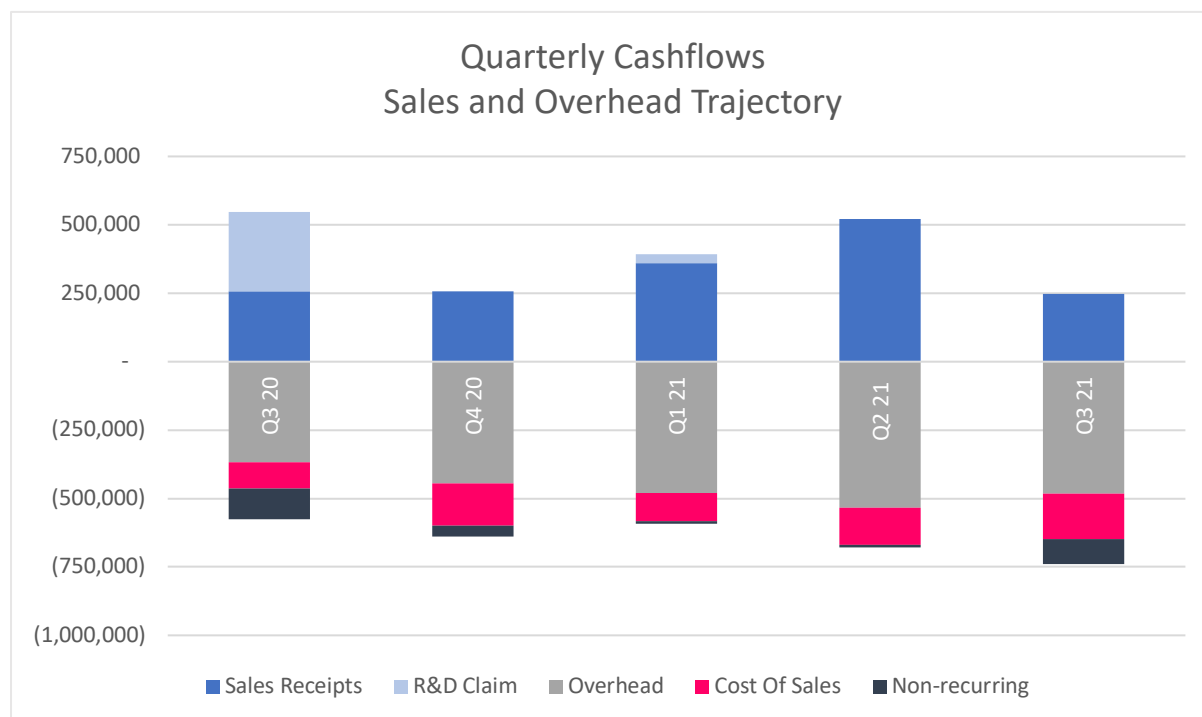


Table 2: Quarterly Cashflows

As required under ASX listing rule 4.7C.3 payments to related parties in the quarter of \$46K are comprised of directors' fees of \$30K and consulting fees of \$16K, paid pursuant to letters of appointment and a discreet project consulting agreement respectively, with the Company's directors. The basis and principles of director remuneration are consistent with the remuneration report included in the Company's Annual Report which was released to the ASX on 31 March 2021.

Operational Update

SimbleSense New Partnerships

Simble concluded a number of significant new agreements during the September quarter.

In Australia, the company signed partnership agreements with solar energy providers, Polygon Energy and ElectriSave, who will deploy the SimbleSense and SimbleHome capability to their residential and commercial clients across the Australian Eastern states. Whilst not material individually, these agreements are significant as they further validate Simble's strategic foray into the solar and renewable energy market.

In the UK, the company signed a partnership agreement with mesh lighting provider, ChessWise UK. The partnership will expand the sales opportunities for SimbleSense in the Smart Lighting sector by partnering with the UK's leading mesh lighting provider to offer the platform.



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Subsequent to the end of the quarter, the company signed a partnership agreement with Simply Energy NZ, a subsidiary of Contact Energy, a leading generator of renewable power and provider of retail energy services throughout New Zealand.

Simble continues to work on several other partnership opportunities which will be announced when finalised and if material. These partnerships will support Simble in increasing penetration within the Australian, New Zealand and U.K markets in the areas of cleantech and energy and carbon reduction.

CarbonView Product Roll-Out

As previously announced the Company has been working to re-launch the CarbonView product range, and substantial progress has been made since the Equity Placement in July towards rolling out these products.

The increased need for companies to disclose and report on performance against their Net Zero targets presents an attractive and very scalable opportunity for the company. To boost market awareness of CarbonView and facilitate greater inbound enquiries, the company has launched a new website for the CarbonView product: **www.carbon-view.com**

The website promotes the broad capability of Simble's offering across businesses of all sizes. An SME focused self-service platform will be launched in early December and registration is open now for companies that want to take advantage of early adopter discounts.

The Enterprise version is being further promoted to those larger companies with more complex emissions reporting needs. Investment in both platforms will continue throughout next year as Simble positions CarbonView for global adoption amongst both small and large consumers.

Further digital marketing activities are planned this quarter onwards as part of the new CarbonView website.

Appointment of Sales Executives

To accelerate the penetration and uptake of CarbonView in the Australian and UK markets, Simble is excited to announce the appointments of Duncan Hickman as the new Head of Growth and Partnerships in Australia and George Diez as Business Development Manager in the UK.

Duncan has a wealth of experience in growth management and business development, having worked as the Head of Growth and Partnerships at Accurassi and as the Regional Manager for ANZ, Japan and Korea for Palisade Corporation prior to joining Simble.

George joins Simble from the 3T Energy Group in the UK where he was Senior Account Manager. He brings a decade of software-as-a-service sales experience to the Group across the energy, construction, and oil & gas sectors.

These roles are intended to help drive revenue growth from CarbonView via direct sales as well as indirect sales through the formation of new partnerships with companies that will take the CarbonView SME self-service platform as a value-added offering to their SME customers. Simble is



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also increasing the size of the support team for CarbonView new customer implementations in both Australia and the UK.

Corporate Update

In July, the Company completed an oversubscribed \$1.63 million Placement to professional and sophisticated investors. The placement was corner stoned by L39 Capital corner with strong support from existing shareholders, directors, and new investors. The placement funds are being deployed to accelerate the Company's growth and expansion strategy in Australia and the UK particularly in respect of CarbonView and the SimbleSense platform.

The Company held an Extraordinary General Meeting (EGM) on 30 September to obtain shareholder approval for the directors' participation in the placement, and to approve the issue of options under the terms of the placement. All resolutions put to the EGM were carried.

Simble CEO, Ronen Ghosh, said: "This has been a very busy Quarter for the Company as we have gone about executing the business plan following the July Placement. We have focused on building business development capability within the business to realise our significant growth ambitions. Additionally, we have been developing the CarbonView SME focussed platform and working on initiatives to increase awareness and penetration of our SaaS solutions in our target markets and geographies, many of which will come to life in the final quarter of the year.

This has all been made possible by the strong support for our growth strategy for CarbonView and SimbleSense, both in Australia and the UK, from the new and existing shareholders who participated in the heavily oversubscribed \$1.63m placement in July. We are grateful to have such supportive and engaged shareholders.

We have already started to see early results in the way of ARR growth from our renewed efforts and activities in respect of CarbonView and SimbleSense. We expect this to build further as we help our partners and customers achieve their goals with regards to energy intelligence and Net Zero emissions. With more and more companies and individuals seeking to reduce their carbon footprint, CarbonView and SimbleSense present the right tools at the right time to enable the shift to a sustainable world."

This announcement has been authorised by the Board of Simble Solutions Limited



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About Simble

Simble Solutions Limited (ASX:SIS) is a global software company focused on energy intelligence and business productivity Software-as-a-Service (SaaS) solutions.

The Simble Energy Business Unit includes the SimbleSense and CarbonView software platforms. SimbleSense is an integrated hardware and real-time software solution that enables businesses to visualise, control and monetise their energy systems. CarbonView is an enterprise grade Carbon and Sustainability Reporting platform that allows companies to measure and reduce their carbon emissions and meet their carbon reporting obligations.

Simble operates across all segments from Commercial & Industrial, through to Small to Medium Sized Enterprises (SME) and the residential market and targets the distribution of its platform through channel partners. Simble has an international presence with offices in Australia, the United Kingdom and Vietnam.

To learn more please visit: simblegroup.com

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Appendix 4C

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

Name of entity

Simple Solutions Limited

ABN

17 608 419 656

Quarter ended ("current quarter")

30 September 2021

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (9 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	248	1,129
1.2 Payments for		
(a) research and development	(109)	(350)
(b) product manufacturing and operating costs	(164)	(404)
(c) marketplace and channel expansion	(55)	(118)
(d) leased assets	-	-
(e) staff costs	(269)	(675)
(f) administration and corporate costs	(54)	(354)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	-	-
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	32
1.8 Other (provide details if material)		
Retirement of prior liabilities	(92)	(108)
1.9 Net cash from / (used in) operating activities	(495)	(848)
2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) businesses	-	-
(c) property, plant and equipment	-	-
(d) investments	-	-
(e) intellectual property	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
	(f) other non-current assets	-	-
2.2	Proceeds from disposal of:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	(111)	(111)
	(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	(111)	(111)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	1,630	1,683
3.2	Proceeds from issue of convertible debt securities	(45)	(45)
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	-
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	(183)	(186)
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	Net cash from / (used in) financing activities	1,402	1,452

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	491	794
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(495)	(848)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(111)	(111)

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
4.4	Net cash from / (used in) financing activities (item 3.10 above)	1,402	1,452
4.5	Effect of movement in exchange rates on cash held		
4.6	Cash and cash equivalents at end of period	1,287	1,287

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	1,094	441
5.2	Call deposits	193	50
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	1,287	491

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	46
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-
<i>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.</i>		

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 (Trade Finance)	200	-
7.4	Total financing facilities	200	-
7.5	Unused financing facilities available at quarter end		200
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.		
	Trade Finance facility to allow purchase of hardware for resale to meet increasing demand, and thereby managing payment cycle of creditors and then subsequent receipt of receivables. Lender: FIFO Capital. 2.65% per Month. Unsecured.		

8.	Estimated cash available for future operating activities	\$A'000
8.1	Net cash from / (used in) operating activities (item 1.9)	(495)
8.2	Cash and cash equivalents at quarter end (item 4.6)	1,287
8.3	Unused finance facilities available at quarter end (item 7.5)	200
8.4	Total available funding (item 8.2 + item 8.3)	1,487
8.5	Estimated quarters of funding available (item 8.4 divided by item 8.1)	3.0
	<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:	
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:	
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:	
	<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: 28 October 2021

Authorised by: By the Board
(Name of body or officer authorising release – see note 4)

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.