



Simble Quarterly Activities Report

20 January 2022

Sydney, 20 January 2022: **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 31 December 2021 (**December Quarter** or **Q4 FY21**).

Financial Highlights

- Simble Energy division ARR increased by 8% from Q3 to Q4 across AU and UK markets
- Net cash used in operating activities for the quarter of \$0.47m compares to \$0.38m for the prior corresponding period, on a like-for-like basis. The variance is attributed to expenditure on growth focused initiatives including an increase in sales staff, marketing and R&D costs
- Cash receipts from customers for the December Quarter were \$0.59m, an increase of 127% on the PCP due to energy division growth and an increase of 135% on the prior quarter due to energy division growth and the timing of business productivity receipts
- Net cash from operating activities includes outflows in respect of software research and development of \$0.21m (2020: \$0.15m) which were previously classified as an investing activity
- End of quarter cash balance of \$0.75m

Operational and Corporate Highlights

- Launched the new CarbonView self-service Software as a Service (SaaS) platform aimed at assisting SME businesses meet their carbon reporting obligations. This specialised version of CarbonView joins the existing CarbonView product, an enterprise grade carbon reporting platform
- Signed a 5-year partnership agreement with a leading Australian Energy consultancy, Choice Energy ("Choice") to provide the CarbonView platform to their 4,500+ SME clients
- Launched SimbleSME, a bundled solution of Wattwatchers energy IoT devices with Simble's Energy Monitoring platform available to SMEs via a dedicated website www.simblesme.com
- Simble continues to invest in sales and marketing activities, with a particular focus in this quarter on the promotion of CarbonView to SME and enterprise customers

Financial Update

Simble is pleased to report receipts from customers for the December Quarter of \$0.59m, a 127% increase on the corresponding prior year period of \$0.26m. Receipts from customers for the year to date of \$1.72m represent a 21% increase of the prior year figure of \$1.42m.

Simble Energy division annualised recurring revenue (ARR) has increased by 8% from \$702k in Q3 to \$758k in Q4, with most of this increase attributable to subscription revenue from UK partners including Sylvania, GA Harper and Powercor. 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:

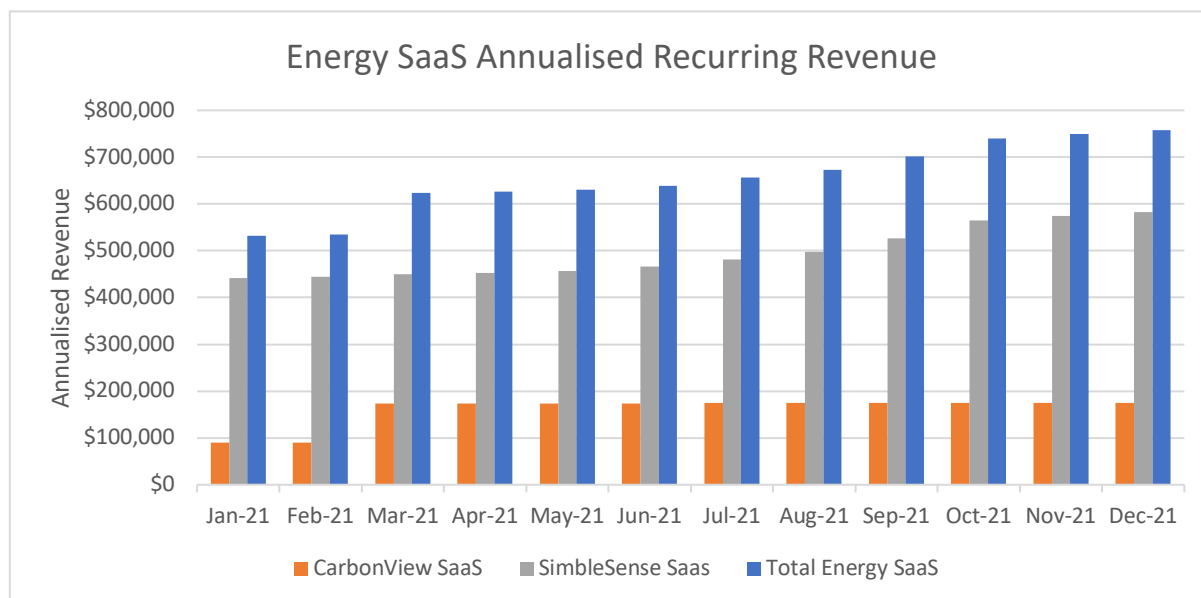


Table 1: Energy SaaS ARR

Overall ARR has also increased across Q3 to Q4, having risen by 5.1% from \$1.11m to \$1.17m.

Net cash used in operating activities for the quarter of \$0.47m increased by 5% on the previous quarter reflecting increased expenditure on growth focused initiatives. Payments for research and development were 89% higher, and payments for staff costs were 34% higher than the previous quarter.

As required under ASX listing rule 4.7C.3 payments to related parties in the quarter of \$40K are comprised of directors' fees of \$30K paid pursuant to letters of appointment and consulting fees of \$10K paid under a discreet project consulting agreement. 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

CarbonView

During the quarter Simble launched the CarbonView self-service Software as a Service (SaaS) platform aimed at assisting SME businesses meet their Net Zero goals. This version of the software joins the existing CarbonView product, which is an enterprise grade carbon reporting platform. The increasing demand from companies seeking to measure, disclose and report on performance against Net Zero targets presents an attractive and scalable opportunity for the company.

The self-service platform can be accessed via the new CarbonView website:

www.carbon-view.com

The CarbonView software platform has been developed to service both SME and enterprise customers. Importantly, as these sectors have different requirements, the growth strategy for each has been customised to provide maximum value for each market segment.

The CarbonView partner model is aimed at maximising penetration of the fast-growing market for Net Zero reporting. It allows Simble to amplify its reach and accelerate sales effort by signing agreements with channel partners to offer the CarbonView platform to their clients. Importantly, Simble uses different channel partners to access SME and enterprise customers.



Simble entered into a number of new partnership agreements in respect of CarbonView during the quarter.



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CarbonView SME Partnerships

Choice Energy

Simble announced a significant contract and strategic partnership with Australian energy consultancy, Choice Energy.

Choice specialises in utility cost reduction for businesses and private customers and manages over 4,500 customer accounts across Australia and New Zealand. Under the terms of the five-year agreement, Choice will offer “CarbonView-SME” to its customers as a service. SaaS revenues will be recognised on a monthly basis over the underlying end user’s subscription term.

CarbonView Enterprise Partnerships

Energy and Carbon Solutions

Energy and Carbon Solutions is an energy efficiency and solar energy provider and has been offering the SimbleSense platform to their growing customer base for a number of years.

During the quarter it extended the partnership with Simble and committed to taking the CarbonView platform to its 400+ large commercial and industrial customers from the beginning of 2022.

Open Energy Market

Open Energy Market are a UK based energy procurement and consulting business with over 400 large industrial customers. Simble signed a referral agreement with Open Energy Market for the promotion of the CarbonView Enterprise platform to their customers and will commence promoting it from 1 February 2022.

SimbleSME Launch

Simble and Wattwatchers have partnered to launch the SimbleSME offer, including an upcoming digital campaign to promote the benefits of energy metering for SMEs.

The current subscription model combines installation of Wattwatchers energy IoT devices and a SimbleSense subscription over 36 months. The SimbleSME website has also been launched:

www.simblesme.com

This initiative supports Simble’s strategy to further penetrate the SME market through partnership and self-service models that will allow for SimbleSME to reach a much wider audience.



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Simble CEO, Ronen Ghosh, said: “The December quarter was an important period as the Company set itself up for the 2022 year ahead. Pleasingly the end of 2021 saw us increase our cash collections from customers year on year and quarter on quarter based on steadily increasing recurring revenues.

The Company acted decisively during the quarter to build a platform for rapid growth in 2022. We focused on the development of the CarbonView platform as a key pillar of our strategy, as well as building our business development capability with additional sales staff and various marketing initiatives to increase awareness and penetration of our SaaS solutions. Expenditure in these areas has been a necessary investment in order to capitalise on the current market tailwinds in the ESG and Net Zero sectors.

We are already receiving very positive feedback in respect of our product suite including CarbonView and SimbleSense and this is translating into exciting opportunities with existing and new partners, and potential new customers. The entire Simble team is looking forward to engaging and supporting our rapidly expanding network of partners and customers as we help them reduce emissions and meet their Net Zero goals. It’s going to be a busy 2022, and we can’t wait.”

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

Simble Solutions Limited

ABN

17 608 419 656

Quarter ended ("current quarter")

31 December 2021

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	585	1,715
1.2 Payments for		
(a) research and development	(206)	(556)
(b) product manufacturing and operating costs	(229)	(633)
(c) marketplace and channel expansion	(51)	(169)
(d) leased assets	-	-
(e) staff costs	(360)	(1,035)
(f) administration and corporate costs	(137)	(491)
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	(3)	29
1.8 Other (provide details if material)		
Retirement of prior liabilities	(68)	(177)
1.9 Net cash from / (used in) operating activities	(469)	(1,317)
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 (12 months) \$A'000
	(f) other non-current assets	-	-
2.2	Proceeds from disposal of:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	-	(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)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	(2)	1,681
3.2	Proceeds from issue of convertible debt securities	(64)	(109)
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	1	(185)
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	Net cash from / (used in) financing activities	(65)	1,387

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	1,287	794
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(469)	(1,317)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	-	(111)

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(65)	1,387
4.5	Effect of movement in exchange rates on cash held		
4.6	Cash and cash equivalents at end of period	753	753

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	560	1,094
5.2	Call deposits	193	193
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)	753	1,287

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	40
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)	(469)
8.2	Cash and cash equivalents at quarter end (item 4.6)	753
8.3	Unused finance facilities available at quarter end (item 7.5)	200
8.4	Total available funding (item 8.2 + item 8.3)	953
8.5	Estimated quarters of funding available (item 8.4 divided by item 8.1)	2.03
	<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: 20 January 2022

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.