



3 May 2018

Kimberley Brown
Principal Adviser
Listings Compliance (Sydney)
20 Bridge St Sydney

BY EMAIL

Dear Ms. Brown,

APPENDIX 4C QUERY

We refer to your letter dated 30 April 2018 and respond as follows.

Capitalised terms have the same meaning as in your letter unless otherwise defined in this letter.

1. Does SIS expect that it will continue to have negative operating cash flows for the time being and, if not, why not?

SIS does expect that it will continue to have negative operating cash flows for the time being.

SIS recorded customer receipts totalling \$284k during the March quarter. This is consistent with SIS's historical trend for the March quarter. This was principally driven by SIS's existing mobility software business, where cash receipts are historically weighted strongly to the second half of the calendar year due to the sales cycle of existing customers.

Cash outflows for the March quarter were inflated by "non-recurring" outgoings totalling \$2.78m. These outgoings related to costs associated with the IPO, as well as historical working capital liabilities. Expenses in relation to the IPO, including interest on Convertible Notes, totalled \$1.34m, while a one-off outflow relating to pre-quarter activities amounted to \$1.44m.

On a normalised basis, net outflows for the March quarter were \$1.25m, which includes a \$525k investment in software Research and Development (R&D) to drive further product innovation.

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- 2. Has SIS 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?**

SIS has not taken any steps, nor does it propose to take any steps to raise further cash to fund its operations.

- 3. Does SIS expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?**

SIS does expect to be able to continue its operations and to meet its business objectives.

SIS expects to fund operations via a combination of SaaS revenue and capital raised from the initial public offer in the short term. Funds raised from the IPO totalling \$7.5m continue to be applied to build the necessary sales and support infrastructure that will facilitate accelerated commercialisation of SIS's technology. From these investments, SIS expects further sales to be achieved with cash generated to be reinvested into SIS to fund its ongoing operations.

- 4. Please confirm that SIS is in compliance with Listing Rule 3.1 and that there is no information that should be given to ASX about its financial condition in accordance with that Rule that has not already been released to the market.**

SIS confirms that:

1. it is in compliance with the Listing Rules and, in particular, Listing Rule 3.1; and
2. there is no information that should be given to ASX about its financial condition in accordance with that Listing Rule 3.1 that has not already been released to the market.

- 5. Please confirm that SIS's responses to the questions above have been authorised and approved in accordance with its published continuous disclosure policy or otherwise by its board or an officer of SIS with delegated authority from the board to respond to ASX on disclosure matters.**

SIS confirms that its responses to the questions above have been authorised and approved by its Board.

Yours faithfully,

Fadi Geha

Director and Chief Executive Officer



30 April 2018

Mr Tharun Kuppanda
Company Secretary
Simble Solutions Limited
c/ Boardroom Pty Limited
Level 12, 225 George Street
Sydney NSW 2000

By email:

Dear Mr Kuppanda

Simble Solutions Limited ("SIS"): Appendix 4C Query

I refer to the SIS's Appendix 4C quarterly report for the period ended 31 March 2018 lodged with ASX Market Announcements Platform and released on 30 April 2018 (the "Appendix 4C").

ASX notes that SIS has reported:

- negative net operating cash flows for the quarter of \$2,072,759;
- cash at the end of the quarter of \$3,425,359; and
- estimated cash outflows for the next quarter of \$1,709,679.

It is possible to conclude, based on the information in the Appendix 4C, that if SIS were to continue to expend cash at the rate indicated by the Appendix 4C, SIS may not have sufficient cash to continue funding its operations. In view of that, ASX asks SIS to answer separately each of the following questions and provide the following confirmations in a format suitable for release to the market in accordance with Listing Rule 18.7A:

1. Does SIS expect that it will continue to have negative operating cash flows for the time being and, if not, why not?
2. Has SIS 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?
3. Does SIS expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?
4. Please confirm that SIS is in compliance with Listing Rule 3.1 and that there is no information that should be given to ASX about its financial condition in accordance with that Rule that has not already been released to the market.
5. Please confirm that SIS's responses to the questions above have been authorised and approved in accordance with its published continuous disclosure policy or otherwise by its board or an officer of SIS with delegated authority from the board to respond to ASX on disclosure matters.

Please also provide any other information that SIS considers may be relevant to ASX forming an opinion on whether SIS is in compliance with Listing Rule 12.2 (a listed entity's financial condition must, in ASX's opinion, be adequate to warrant the continued quotation of its securities and its continued listing).

When and where to send your response

This request is made under, and in accordance with Listing Rule 18.7. Your response is required as soon as reasonably possible and, in any event, by not later than 9:30 am AEST on 4 May 2018. If we do not have your response by then, ASX will have no choice but to consider suspending trading in SIS's securities under Listing Rule 17.3.

You should note that if the information requested by this letter is information required to be given to ASX under Listing Rule 3.1 and it does not fall within the exceptions mentioned in Listing Rule 3.1A, SIS's obligation is to disclose the information "immediately". This may require the information to be disclosed before the deadline set out in the previous paragraph.

ASX reserves the right to release a copy of this letter and your response on the ASX Market Announcements Platform under Listing Rule 18.7A. Accordingly, your response should be in a form suitable for release to the market.

Your response should be sent to me by e-mail or by facsimile to (02) 9241 7620. It should not be sent directly to the ASX Market Announcements Office. This is to allow me to review your response to confirm that it is in a form appropriate for release to the market, before it is published on the ASX Market Announcements Platform.

Listing Rule 3.1

Listing Rule 3.1 requires a listed entity to give ASX immediately any information concerning it that a reasonable person would expect to have a material effect on the price or value of the entity's securities. Exceptions to this requirement are set out in Listing Rule 3.1A.

In responding to this letter, you should have regard to SIS's obligations under Listing Rules 3.1 and 3.1A and also to Guidance Note 8 *Continuous Disclosure: Listing Rules 3.1 – 3.1B*.

It should be noted that SIS's obligation to disclose information under Listing Rule 3.1 is not confined to, nor is it necessarily satisfied by, answering the questions set out in this letter.

Trading halt

If you are unable to respond to this letter by the time specified above, you should discuss with us whether it is appropriate to request a trading halt in SIS's securities under Listing Rule 17.1.

If you wish a trading halt, you must tell us:

- the reasons for the trading halt;
- how long you want the trading halt to last;
- the event you expect to happen that will end the trading halt;
- that you are not aware of any reason why the trading halt should not be granted; and
- any other information necessary to inform the market about the trading halt, or that we ask for.

We may require the request for a trading halt to be in writing. The trading halt cannot extend past the commencement of normal trading on the second day after the day on which it is granted.

You can find further information about trading halts in Guidance Note 16 *Trading Halts & Voluntary Suspensions*.

If you have any queries or concerns about any of the above, please contact me immediately.

If you have any further enquiries in relation to this matter, please do not hesitate to contact me.

Kind regards



Kimberley Brown

Principal Adviser, Listings Compliance (Sydney)