

## ASX ANNOUNCEMENT

30 April 2019

### March 2019 Quarterly Report and Business Update

Simble Solutions Limited (ASX:SIS) (**Simble** or the **Company**) an Australian software company focused on energy SaaS solutions, is pleased to present its consolidated quarterly cash flow report and business update for the quarter ended 31 March 2019 (**March Quarter** or **Q1 FY19**).

#### Financial Highlights

- Simble delivers 67% increase in customer receipts compared to the previous corresponding period (Q1 FY18) to \$480k due to a rise in sales from the Simble Energy division
- Net operating cash burn (excl. R&D tax offsets) improved 69% or \$1.47 million over pcp to \$0.65 million, representing the second lowest quarterly burn rate since IPO despite the seasonal weakness of the March Quarter
- Over 75% of inflows are now recurring in nature
- Gross costs shrink for fourth consecutive quarter to \$1.63m - slightly ahead of guidance provided to the market – representing an 18% improvement over the December 2018 Quarter
- Gross costs of the business have more than halved compared to Q1 FY18 (excl. IPO costs) as a result of the Company's ongoing cost improvement program
- Financing commitments of \$935k received by way of unsecured convertible note at a conversion price of \$0.15 – strongly supported by partners and existing shareholders
- Growth trend expected to continue into Q2 FY19

#### Operational Highlights - UK

- Simble announced a strategic long-term partnership with its first energy broker in the UK – UCR Consultants, which subsequently committed to invest A\$500k by way of unsecured convertible note at a conversion price of \$0.15 per share (announced in February 2019).
  - As per the agreement UCR Consultants has become a licenced reseller of Simble's energy & IoT energy analytics product suites and will target up to 60,000 meters for deployment
  - Pricing is based on a minimum commitment of 10,000 meters to be deployed at UCR's sole discretion

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- UCR intends to target 'smart meter ready' customers with software-only platform SimbleSenseLite as well as large multi-site customers with the Simble Energy Platform, a bundled premium solution comprising of software & IoT hardware
- The deal is the first breakthrough in the smart metering market where the UK Government has mandated deployment of 53 million smart meters across all residential households and small businesses. Simble targets this growth opportunity in partnership with Accel-KKR backed Utiligroup – which will service an estimated 80% of this market
- Early in the March Quarter, Simble was awarded a A\$680k UK government grant in partnership with Cambridge Architectural Research as part of a government energy efficiency scheme. The funds will be used to advance the Company's Virtual Analytics App to help consumers reduce energy consumption, with the first instalment expected in the second half of the year

### Operational Highlights - Australia

- Simble entered into a collaboration with the South East Melbourne Manufacturing Alliance (SEMMA) to help large multi-site manufacturers reduce their energy footprint with Simble's energy efficiency solutions
  - SEMMA is an independent peak industry group representing more than 200 leading manufacturers located in Melbourne's South East region
  - SEMMA member Corex Plastics, one of Australia's leading suppliers of Corflute sheets, is the first success story. Corex is expanding Simble's energy efficiency solution suite to additional sites following a successful trial at its manufacturing facility in Dandenong South
  - Simon Whiteley, CEO of Corex Plastics, commented: "So far we have reduced the average energy cost for 1kg of plastic by 15% and we are now rolling out SimbleSense and associated hardware to additional sites to implement energy monitoring and control capabilities."
  - Adrian Boden, CEO of SEMMA commented: "Our membership has had energy costs increase by between 200 and 300 per cent in the last 3 to 4 years, and Simble's energy efficiency solution suite brings sustainability and reduction in cost of the power bill to our members."
- First client win in partnership with BidEnergy - Banyule City Council
  - During the quarter Simble entered into marketing partnership agreement with BidEnergy Limited (ASX:BID) to commercialise a bundled technology solution comprising of combined IP. Early win validates the combined merit of the partnership
- The number of customer sites connected to Simbles IoT Platform increased 15% since January 1 – momentum picking up after a seasonally quiet January
- The above mentioned contracts are not considered to be material on their own

## June Quarter Update and Outlook

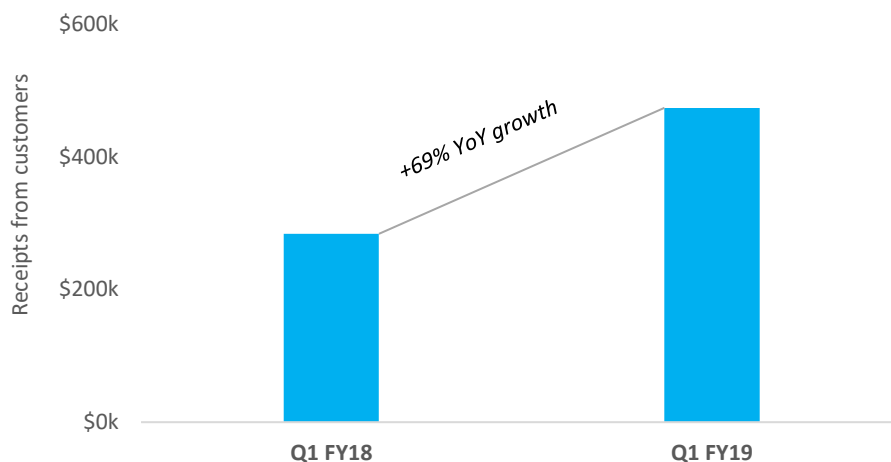
- Based on traction to date and contract visibility Simble expects to deliver a similar growth rate in cash inflows for the June Quarter as seen in the March Quarter – this excludes potential revenues from new contract wins
- As a result of diligent fiscal policies and ongoing cost improvements, gross costs are forecasted to decline further for the June Quarter as per guidance provided in *Section 9. Estimated cash outflows for next quarter* in the attached Appendix 4C
- Due to continued strong interest, Simble has received additional funding totalling £50k (~A\$92k) from partner UCR Consultants via the existing convertible note today. The monies are expected to be received in early May (for summary of terms refer to announcement dated 5 February 2019)
- Revenues from the Mobility division are forecasted to remain stable
- Simble has a strong and growing pipeline in the UK and Australia for the Simble Energy division
- Management is confident to fund the Company's operations via a combination of cash inflows from ordinary activities, the existing convertible note and R&D rebates and may also raise funds from alternative sources at its discretion in order to pursue growth opportunities. Simble will continue to monitor costs and cash management and this includes an assessment of all options and opportunities to improve shareholder value

### Simble CEO Fadi Geha commented:

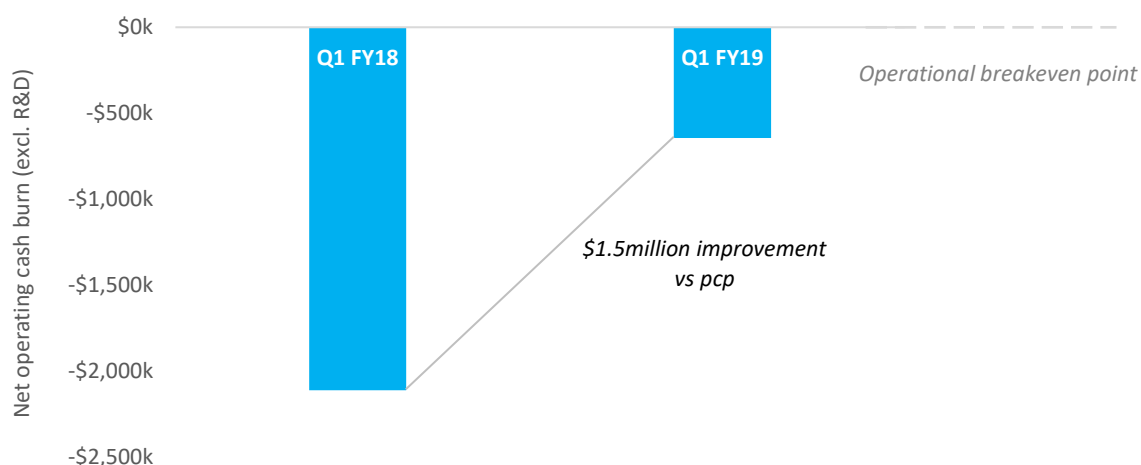
“The March Quarter has historically been the weakest quarter in terms of cash collections, however we have delivered a 67% increase in cash inflows due to accelerating sales activity in our Simble Energy division – which was effectively zero around this time last year. Based on the traction we have witnessed to date and contract visibility we expect this growth trend to continue for the June Quarter as we capture opportunities with key partners in Australia and the UK. We have invested heavily in R&D and sales infrastructure over the past year, driving innovation and expanding our solution suites to scale and diversify the Company's revenue streams.

“As we are a SaaS business it is important to understand that the revenue streams which we are creating will gradually add to our top-line, helping us to grow the business sustainably. Most contracts are typically paid in pro-rata instalments over the duration of long-term contracts, and therefore fuel our cash generating engine over time – but not always immediately.

### Customers receipts growth vs pcp

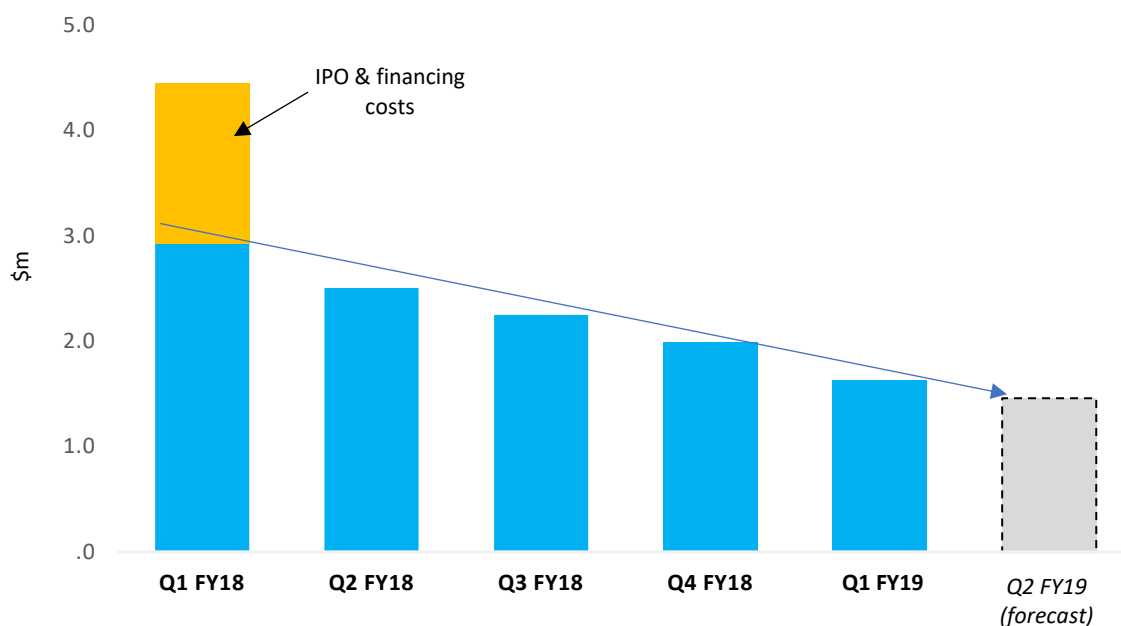


### Net cash used in operating activites (excl R&D tax offset)



“I am particularly pleased with a further 18% reduction in our total cost base, which has more than halved since our IPO in February 2018. Meanwhile our focus on operational excellence has improved as we allocate more resources towards crucial sales and marketing initiatives that will support commercially viable opportunities and maximise business value. As we finalise the implementation of our lean operating model and organisational structure allowing us to execute on our growth strategy more effectively, we are confident to deliver further improvements in cash flow over time which will gradually reduce our reliance on external funding.

## Gross costs of the business since IPO



"Diligent implementation of fiscal policies has dramatically improved the economics of the Company and is expected to ease balance sheet pressure whilst stimulating our operational leverage going forward. Simble's Board and Management are fully committed to all stakeholders and confirm that strong practices are in place to ensure that we optimally manage the need for funding whilst pursuing growth opportunities in the business. This includes an assessment of all options and opportunities to improve shareholder value.

"I am very optimistic that we will sustain the strong growth trajectory, as we continue to gain market share in Australia and the UK, leveraging our core values of technology and excellence. We thank all shareholders for their continued support."

**ENDS**

**For more information please contact:**

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## About Simble

Simble Solutions (ASX:SIS) is an Australian software company focused on energy management and Internet of Things solutions. The Simble Energy Platform or 'SimbleSense' is an integrated hardware and real-time software solution that enables businesses to visualise, control and monetise their energy systems. The Company's Software as a Service (SaaS) platform has Internet of Things (IoT) capabilities and empowers enterprises and consumers to remotely automate energy savings opportunities to reduce their energy bill. Simble operates in the SME and residential market and targets the distribution of its platform through channel partners. Simble has an international presence with offices in Sydney and Melbourne (Australia), London (UK) and Da Nang (Vietnam).

More information: [www.simblegroup.com](http://www.simblegroup.com)

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## Appendix 4C

### Quarterly report for entities subject to Listing Rule 4.7B

Introduced 31/03/00 Amended 30/09/01, 24/10/05, 17/12/10, 01/09/16

**Name of entity**

Simble Solutions Limited

**ABN**

17 608 419 656

**Quarter ended ("current quarter")**

31 March 2019

<b>Consolidated statement of cash flows</b>	<b>Current quarter \$A'000</b>	<b>Year to date (3 months) \$A'000</b>
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	474	474
1.2 Payments for		
(a) research and development	-	-
(b) product manufacturing and operating costs	(346)	(346)
(c) marketplace and channel expansion	(234)	(234)
(d) leased assets	-	-
(e) staff costs	(187)	(187)
(f) administration and corporate costs	(352)	(352)
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 Research and development tax offset recovered	31	31
1.8 Other (provide details if material)	-	-
Payments for prior year operating costs		
(i) marketplace and channel expansion	-	-
(ii) staff costs	-	-
(iii) administration and corporate costs	-	-
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(614)</b>	<b>(614)</b>

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
<b>2.</b>	<b>Cash flows from investing activities</b>		
2.1	Payments to acquire:	-	-
	(a) property, plant and equipment	-	-
	(b) businesses (see item 10)	-	-
	(c) investments	-	-
	(d) Payments for software development, net of research and development tax offsets	(456)	(456)
	(e) other non-current assets	-	-
2.2	Proceeds from disposal of:	-	-
	(a) property, plant and equipment	-	-
	(b) businesses (see item 10)	-	-
	(c) investments	-	-
	(d) intellectual property	-	-
	(e) 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)	-	-
<b>2.6</b>	<b>Net cash from / (used in) investing activities</b>	<b>(456)</b>	<b>(456)</b>

<b>3.</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of shares	-	-
3.2	Proceeds from issue of convertible notes	923	923
3.3	Proceeds from exercise of share options	-	-
3.4	Transaction costs related to issues of shares, convertible notes or options	-	-
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	(54)	(54)
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
<b>3.10</b>	<b>Net cash from / (used in) financing activities</b>	<b>869</b>	<b>869</b>



Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
<b>4.</b>	<b>Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1	Cash and cash equivalents at beginning of quarter/year to date	951	951
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(614)	(614)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(456)	(456)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	869	869
4.5	Effect of movement in exchange rates on cash held	-	-
<b>4.6</b>	<b>Cash and cash equivalents at end of quarter</b>	<b>751</b>	<b>751</b>

<b>5.</b>	<b>Reconciliation of cash and cash equivalents</b> 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	606	823
5.2	Call deposits	51	50
5.3	Bank overdrafts	-	-
5.4	Securities on deposit	95	77
<b>5.5</b>	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>751</b>	<b>950</b>

6.	Payments to directors of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to these parties included in item 1.2	56
6.2	Aggregate amount of cash flow from loans to these parties included in item 2.3	-
6.3	Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2	

7. Payments to related entities of the entity and their associates	Current quarter \$A'000
7.1 Aggregate amount of payments to these parties included in item 1.2	
7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3	
7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2	

8. Financing facilities available <i>Add notes as necessary for an understanding of the position</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
8.1 Loan facilities		
8.2 Credit standby arrangements		
8.3 Other (please specify)		
8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.		

9. Estimated cash outflows for next quarter	\$A'000
9.1 Software development, net of research and development tax offsets	440
9.2 Product manufacturing and operating costs	278
9.3 Channel Enablement & Marketing	252
9.4 Interest on Convertible Notes	-
9.5 Staff costs	197
9.6 Administration and corporate costs	291
9.7 Expenses of the Offer	
<b>9.8 Total estimated cash outflows</b>	<b>1,459</b>

10.	Acquisitions and disposals of business entities (items 2.1(b) and 2.2(b) above)	Acquisitions	Disposals
10.1	Name of entity		
10.2	Place of incorporation or registration		
10.3	Consideration for acquisition or disposal		
10.4	Total net assets		
10.5	Nature of business		

### 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.

Sign here:   
(Director/Company secretary)

Date: April 30, 2019

Print name: FADI GEHA

### Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly 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 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.