



13 May 2019

Belinda Chiu
Senior Adviser
Listings Compliance (Sydney)
20 Bridge St Sydney

BY EMAIL

Dear Ms. Chiu,

APPENDIX 4C QUERY

We refer to your letter dated 9 May 2019 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, however as advised in the Company's March 2019 Quarterly Report and Business Update dated 30 April 2019, accelerating sales activity in the Simble Energy division, stable revenues from the Mobility division and a reduction in gross costs of the business overall has resulted in a significant reduction in the net burn rate which is forecasted to continue to decline gradually over time.

Despite the seasonal weakness of the March Quarter net operating cash burn has improved 69% versus the previous corresponding period and this positive trend is expected to continue for the foreseeable future. The gross costs of the business have more than halved over the past 12 months as a result of the Company's ongoing cost improvement program and based on sales traction to date and contract visibility SIS expects to deliver significant improvements in cash flow for the June and September Quarter.

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Simble Solutions Limited
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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 does not propose to take any immediate steps to raise further cash. SIS has raised in excess of A\$1 million by way of unsecured convertible note year-to-date, strongly supported by partners and existing shareholders. SIS has also raised equity capital through a Placement in August 2018. SIS is confident it will continue deliver further improvements in cash flow over time which will gradually reduce the Company's reliance on external capital. Should SIS require further cash, SIS may raise further funds from the existing convertible note or alternative sources at its discretion and believes it will be successful as demonstrated by previous successful fund raisings.

SIS will continue to monitor costs and cash management and this includes an assessment of all options and opportunities to improve shareholder value

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

SIS expects to be able to continue its operations and is confident to meet its business objectives as the business continues to grow and has a significant customer pipeline of opportunities. Funds to support the Company's operations will be sourced via a combination of cash inflows from ordinary activities, R&D rebates and as and if required the existing convertible note or external funding.

- 4. Please confirm that SIS is complying with Listing Rule 3.1 and that there is no information that should be given to ASX about its financial condition under 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 the 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 it's 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,

A handwritten signature in black ink, appearing to read 'Fadi Geha'.

Fadi Geha
Director and Chief Executive Officer



9 May 2019

Reference: ODIN01427

Hasaka Martin
Stephen Strubel
Simble Solutions Limited

By email: stephen.strubel@boardroomlimited.com.au; hasaka.martin@boardroomlimited.com.au

Dear Messrs Martin and Strubel

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

ASX refers to SIS's Appendix 4C quarterly report for the period ended 31 March 2019 lodged with the ASX Market Announcements Platform and released on 30 April 2019 (the 'Appendix 4C').

ASX notes that SIS has reported:

- negative net operating cash flows for the quarter of \$614,000;
- cash at the end of the quarter of \$751,000; and
- estimated cash outflows for the next quarter of \$1,459,000.

It is possible to conclude that 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.

Request for Information

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 under 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 complying with Listing Rule 3.1 and that there is no information that should be given to ASX about its financial condition under 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 complying with Listing Rule 12.2 that 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 Listing Rule 18.7. Your response is required as soon as reasonably possible and, in any event, by no later than **9:30 AM AEST Monday, 13 May 2019**.

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 at ListingsComplianceSydney@asx.com.au. 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 and 3.1A

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 to request 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*.

Enquiries

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

Kind regards

Belinda Chiu
Senior Adviser, Listings Compliance (Sydney)