

ASX ANNOUNCEMENT

29 July 2019

June 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 30 June 2019 (**June Quarter** or **Q2 FY19**).

Highlights for the June Quarter

- Net cash used in operating activities shrinks to \$0.15 million, a \$0.9 million or 86% improvement over Q2 FY18
- Customer receipts of \$0.7 million (up 46% vs pcip) and \$1.2 million for H1 FY19 (up 54% vs H1 FY18)
- Deals of up to \$7m of contracted revenue (over a 3 year term), subject to customer rollout program, signed in the last 6 months – including with UCR, BidEnergy and Powercor
- Further operational efficiencies realised - gross costs of the business 21% lower compared to Q1 FY19
- Successful completion of \$1.89 million placement to professional and sophisticated investors providing working capital to further accelerate the Company's growth and expansion strategy, in particular in the UK

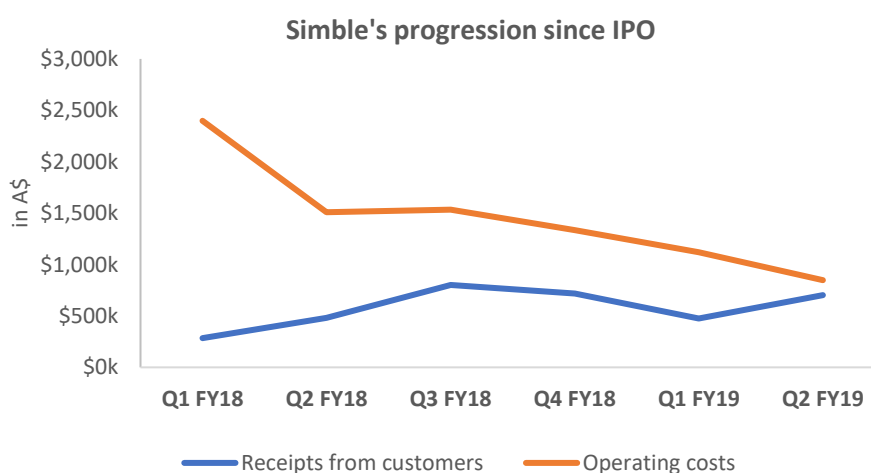
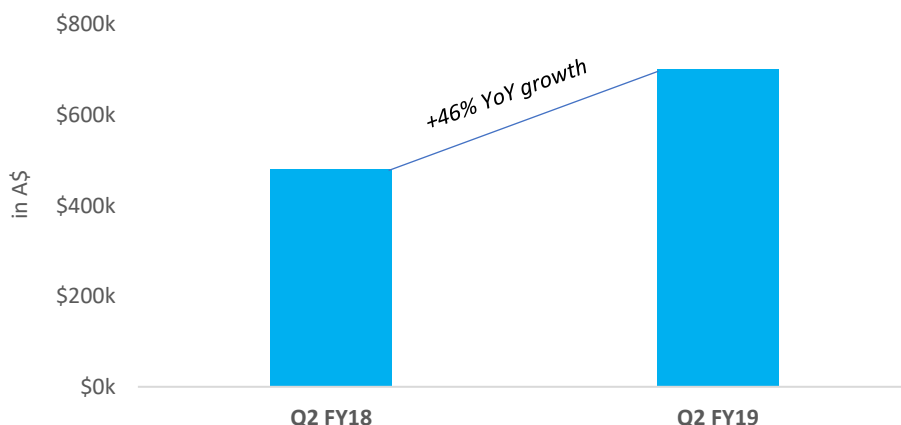


Chart: Simble's operating performance. Excludes the impact of R&D investments, R&D tax offsets and financing.

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Customers receipts growth vs pcg



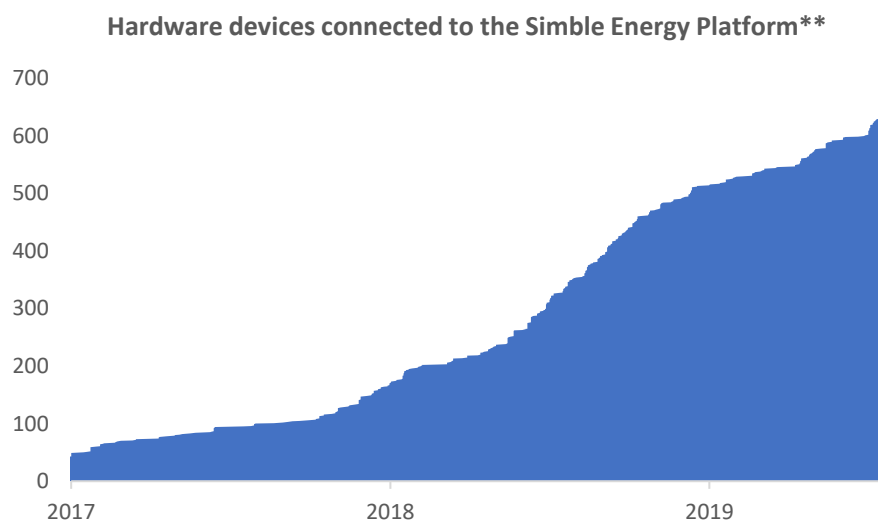
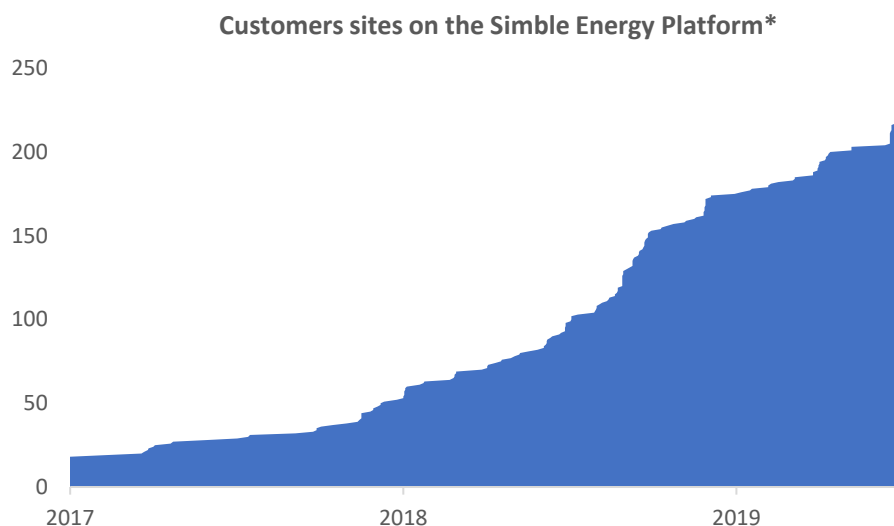
Operational Highlights

- Simble executed updated agreement with UK energy broker UCR Consultants in partnership with BidEnergy during quarter worth up to A\$6.4 million (over a 3 year term) – to deliver recurring cashflow in coming quarters.
 - Initial contract priced for up to 10,000 meters to be connected to the Simble Energy Platform, with potential to move to 60,000 meters in the short to medium-term.
 - UCR appointed as non-exclusive distributor of the combined solution targeting the broader UK energy market. UCR's imminent distribution network includes 250,000 meters, a market opportunity estimated to be worth approximately £15 million (~A\$27 million).
- Award of five-year SaaS contract to Powercor and Simble to provide energy efficiency services to a leading UK Confectionery Manufacturer. Simble contracted to provide the energy analytics and management component.
 - The Simble Energy Platform – an integrated software and hardware solution bundle to enable businesses to reduce their energy consumption – will be installed across manufacturing sites to provide detailed measurement, reporting and verification of energy efficiency initiatives.
 - Roll-out to commence with 30 hardware and software bundles in initial stage 1 deployment, which is expected to expand to 450 bundles within the next 12 months providing a total contract value of \$750K
 - Deployment has commenced with contribution to revenue from Q3
- Award of five-year SaaS contract to Powercor and Simble to provide energy efficiency services to RATP Dev London, the leading operator of bus services in London.
 - Simble Energy Platform will be deployed across all 13 operational garages and maintenance depots to help Transport of London reduce energy consumption and associated carbon emissions.
 - Deployment has commenced with contribution to revenue in Q3

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- Simble Energy Platform deployed and displayed at corporate head office of FM Conway UK ahead of broader roll-out to prospects and potential customers



Total number of SimbleSense subscriptions also excludes a further 150 bundles of hardware devices and SimbleSense subscriptions which have been contracted in the quarter and will be connected in the next quarter.

*total number of building locations where the Simble Energy Platform has been installed. The average number of device bundles required to service the site may differ (average ~3 hardware devices and SimbleSense Subscriptions)

**total number of SimbleSense subscriptions; excludes the 10,000 meters from UCR Consultants, which is a software-only product subscription (SimbleConnect) at a different price point

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Changes to Board of Directors

- Mr Ben Loiterton appointed as independent non-executive director, effective immediately.
- Mr Loiterton's career spans over 28 years in investment banking, executive management and entrepreneurial activity. He is an experienced public company director having served on three ASX-listed company boards, most recently Aeeris Limited (ASX: AER), and various private company boards and advisory boards. He has extensive experience with driving commercial strategy and providing advice to fast-growth businesses.
- Ben to succeed David Astill who has retired from the Board to pursue other business ventures.

Corporate Highlights

- Simble announced on 24 July 2019 the successful completion of a \$1.89 million placement to professional and sophisticated investors.
- The funds raised will strengthen the Company's balance sheet and provide working capital to further accelerate the Company's growth and expansion strategy, in particular in the UK.
- Managing Director Fadi Geha and Chairman Phillip Tye have agreed to subscribe for \$100,000 each in the Placement, subject to shareholder approval.
- The Company welcomes new shareholders to the register and also thanks existing shareholders for their continued support.

Simble CEO Fadi Geha commented:

"Simble's operating cash flow improved by almost \$1 million compared to the same quarter last year, as we continue to grow the business while simultaneously realising operational efficiencies across all business units. Net cash used from operating activities shrunk to \$0.15 million, the lowest level since our IPO and an 86% improvement compared to twelve months ago.

"We have signed deals of up to \$7m of contracted revenue in the last six months as demand for our energy analytics software solutions continues to grow. We will now strategically deploy capital to grow that number significantly through diligent execution of our partner-led growth strategy.

"These contract wins highlight the universal application of our powerful IoT energy platform, which helps end-users automate and streamline their energy consumption – regardless of size and industry – and allows our partners to create a more fruitful customer experience, increase revenues and reduce churn.

"Moving forward, we will further strengthen our UK presence as our solutions continue to resonate with the utility and energy brokers in those markets. We have a high-quality pipeline and have put in the work to validate and de-risk these opportunities so that investors can be confident that our growth trajectory will continue to accelerate.

"We have invested in our people and technology to capitalise on the enormous opportunity in the global energy market as technology's role is only set to expand in coming years. Our IP sits at the core of this opportunity and we are at an inflection point of our growth strategy."

ENDS

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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

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")

30 June 2019

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (6 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	701	1,175
1.2 Payments for		
(a) research and development	-	-
(b) product manufacturing and operating costs	(259)	(605)
(c) marketplace and channel expansion	(211)	(445)
(d) leased assets	-	-
(e) staff costs	(157)	(340)
(f) administration and corporate costs	(221)	(575)
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
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	-	-
1.9 Net cash from / (used in) operating activities	(147)	(761)

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
2.	Cash flows from investing activities		
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	(431)	(887)
	(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)	-	-
2.6	Net cash from / (used in) investing activities	(431)	(887)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of shares	-	-
3.2	Proceeds from issue of convertible notes	238	1,162
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	(1)	(55)
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	Net cash from / (used in) financing activities	237	1,107

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of quarter/year to date	751	951
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(147)	(761)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(431)	(887)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	237	1,107
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of quarter	410	410

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	316	606
5.2	Call deposits	51	51
5.3	Bank overdrafts	-	-
5.4	Securities on deposit	43	94
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	410	751

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	-
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 Trade Finance	200	86
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.		


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.

9. Estimated cash outflows for next quarter	\$A'000
9.1 Software development, net of research and development tax offsets	308
9.2 Product manufacturing and operating costs	200
9.3 Channel Enablement & Marketing	244
9.4 Interest on Convertible Notes	-
9.5 Staff costs	225
9.6 Administration and corporate costs	325
9.7 Expenses of the Offer	90
9.8 Total estimated cash outflows	1,392

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:  Date: 29 July 2019
(Director/~~Company secretary~~)

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.