

1. Company details

Name of entity:	Simble Solutions Limited
ABN:	17 608 419 656
Reporting period:	For the half-year ended 30 June 2019
Previous period:	For the half-year ended 30 June 2018

2. Results for announcement to the market

The Group has adopted Accounting Standards AASB 16 'Leases' for the half-year ended 30 June 2019. The Accounting Standard has been applied using the modified retrospective method and comparatives have not been restated.

			\$
Revenues from all activities	up	8.4% to	1,498,498
Revenues from ordinary activities	down	7.9% to	1,056,272
Loss from ordinary activities after tax attributable to the owners of Simble Solutions Limited	down	65.5% to	(1,481,763)
Loss for the half-year attributable to the owners of Simble Solutions Limited	down	65.5% to	(1,481,763)

Dividends

There were no dividends paid, recommended or declared during the current financial period.

Comments

The loss for the Group after providing for income tax amounted to \$1,481,763 (30 June 2018: \$4,291,194).

Simble Solutions Limited earned revenue, interest and other income for the half-year ended 30 June 2019 of \$1,498,498 versus \$1,382,872 in the prior half year ended 30 June 2018, an increase of 8.4%.

Operating revenues from the Simble Energy division (excluding R&D) amounted to \$494,469, an increase of 72% compared to \$287,428 during the prior half. Operating revenues in the UK increased to \$257,853, a 601% increase over the prior half.

For further details on the half year results, refer to the Review of operations contained in the attached Interim report.

3. Net tangible assets

	Reporting period Cents	Previous period Cents
Net tangible assets per ordinary security	(2.32)	(0.54)

4. Control gained over entities

Not applicable.

5. Loss of control over entities

Not applicable.

6. Dividends

Current period

There were no dividends paid, recommended or declared during the current financial period.

Previous period

There were no dividends paid, recommended or declared during the previous financial period.

7. Dividend reinvestment plans

Not applicable.

8. Details of associates and joint venture entities

Not applicable.

9. Foreign entities

Details of origin of accounting standards used in compiling the report:

Not applicable.

10. Audit qualification or review

Details of audit/review dispute or qualification (if any):

The financial statements were subject to a review by the auditors and the review report is attached as part of the Interim Report.

11. Attachments

Details of attachments (if any):

The Interim Report of Simble Solutions Limited for the half-year ended 30 June 2019 is attached.

12. Signed



Signed _____

Date: 29 August 2019

Fadi Geha
Director
Sydney

Simble Solutions Limited and its controlled entities

ABN 17 608 419 656

Interim Report - 30 June 2019

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The directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'Group') consisting of Simble Solutions Limited (referred to hereafter as the 'Company' or 'parent entity') and the entities it controlled at the end of, or during, the half-year ended 30 June 2019.

Directors

The following persons were directors of Simble Solutions Limited during the whole of the financial half-year and up to the date of this report, unless otherwise stated:

Philip Tye (Chairman)
Fadi Geha
Ben Loiterton (appointed 24 July 2019)
David Lawrence Astill (resigned 24 July 2019)

Principal activities

During the financial half-year, the principal continuing activities of the Group consisted of providing and developing Software as a Service ('SaaS') for businesses and organisations seeking energy management and mobility solutions.

Dividends

There were no dividends paid, recommended or declared during the current or previous financial half-year.

Review of operations

Simble Solutions Limited earned revenue, interest and other income for the half-year ended 30 June 2019 of \$1,498,498 versus \$1,382,872 in the prior half year ended 30 June 2018, an increase of 8.4%. Revenues from ordinary activities amounted to \$1,056,272 (30 June 2018: \$1,146,977).

Operating revenues from the Simble Energy division (excluding R&D) totalled \$494,469, an increase of 72% compared to \$287,428 during the prior half. The key driver behind the increase in revenues is an increase in sales activity via Simble's partner network, especially in the UK, resulting in Software-as-a-Service ('SaaS'), Services and Hardware revenues.

Operating revenues in the UK increased to \$257,853, up 601% from \$36,787 in the prior half, as the Company signed material deals and secured additional smaller contract wins. Management anticipates this business unit to become the cornerstone of Simble's growth strategy.

Global SaaS and Services revenues increased circa three-fold due to an increase in on-boarded customers and the addition of new product lines, including software-only solution SimbleConnect. Hardware revenues declined 26%, primarily due to the timing of a large stocking order that was placed in the prior half year period. While hardware revenues are recognised immediately, SaaS revenues are recognised on a pro-rata basis over the contract term and Simble anticipates this revenue stream to further strengthen the Company's recurring revenue base.

Operating revenues from the Mobility division declined 32% to \$506,304 during the period (30 June 2018: 747,700) as resources were focused on the core strategic energy business.

Other income increased to \$429,271 (30 June 2018: \$231,812), primarily consisting of Research and Development tax incentives.

The loss for the Group after providing for income tax amounted to \$1,481,763 (30 June 2018: \$4,291,194).

The Group has significantly reduced operating costs, with the introduction of its Lean Operating model, with operating expenses decreasing to \$2,107,157 for the six months to 30 June 2019 from \$3,825,581 for the six months to 30 June 2018. This decrease represents an improvement of \$1,718,424 or 45% for the six months. Total expenses including Amortisation and Depreciation were \$2,571,903 (30 June 2018: 5,153,696).

Net cash used in operating activities improved to \$838,529 compared to \$4,457,453 in June 2018. The cash balance at 30 June 2019 was \$376,710 (30 June 2018: \$1,429,356). Subsequent to June 30, Simble announced the successful completion of a \$1.89 million placement to professional and sophisticated investors.

Underlying earnings before interest, tax, depreciation and amortisation ('EBITDA') is a key measurement used by management and the Board to assess and review business performance and accordingly the table below provides a reconciliation between statutory net loss and underlying EBITDA.

**Consolidated
 2019
 \$**

Loss after income tax benefit	(1,481,763)
Add-back:	
Interest	132,388
Depreciation	84,278
Amortisation	380,468
	<hr/>
Statutory EBITDA	(884,629)
Add-back:	
Non-recurring IPO and capital raising costs	57,691
	<hr/>
Underlying EBITDA	<u>(826,938)</u>

The Board and Management continue to monitor costs and cash management, and this includes an assessment of all options and opportunities to improve shareholder value.

Significant changes in the state of affairs

In February 2019, March 2019 and May 2019, the Company raised \$650,000, \$285,000 and \$100,000 respectively by way of unsecured convertible notes. The notes are convertible on or before 31 December 2021 at a conversion price of 15 cents and bear interest at 10% per annum.

On 2 April 2019, the 13,500,000 Class A and 1,500,000 Class C performance shares, issued as part of the Group's initial public offering in 2019, lapsed as the performance criteria was not met.

There were no other significant changes in the state of affairs of the Group during the financial half-year.

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out immediately after this directors' report.

This report is made in accordance with a resolution of directors.

On behalf of the directors



Fadi Geha
 Director

29 August 2019
 Sydney

Simble Solutions Limited

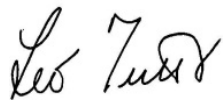
Auditor's independence declaration under section 307c of the Corporations Act 2001

I declare that, to the best of my knowledge and belief during the half-year ended 30 June 2019 there have been:

- No contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the review; and
- No contraventions of any applicable code of professional conduct in relation to the review.



William Buck
Accountants & Advisors
ABN 16 021 300 521



L E. Tutt
Partner
Sydney, 29 August 2019

ACCOUNTANTS & ADVISORS

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Simble Solutions Limited and its controlled entities
Consolidated statement of profit or loss and other comprehensive income
For the half-year ended 30 June 2019



	Note	Consolidated 2019 \$	2018 \$
Revenue			
Revenue	4	1,056,272	1,146,977
Cost of sales		(401,393)	(520,370)
Gross margin		654,879	626,607
Other income	5	429,271	231,812
Interest revenue calculated using the effective interest method		12,955	4,083
Expenses			
Marketing		(29,414)	(90,350)
Administration	6	(2,407,076)	(4,132,835)
Impairment of assets		(1,173)	-
Initial Public Offering expenses		-	(742,780)
Finance costs		(134,240)	(187,731)
Loss before income tax expense		(1,474,798)	(4,291,194)
Income tax expense		(6,965)	-
Loss after income tax expense for the half-year attributable to the owners of Simble Solutions Limited		(1,481,763)	(4,291,194)
Other comprehensive income/(loss)			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Foreign currency translation		15,192	(37,888)
Other comprehensive income/(loss) for the half-year, net of tax		15,192	(37,888)
Total comprehensive loss for the half-year attributable to the owners of Simble Solutions Limited		<u>(1,466,571)</u>	<u>(4,329,082)</u>
		Cents	Cents
Basic loss per share	11	(1.44)	(6.06)
Diluted loss per share	11	(1.42)	(6.06)

The above consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes

	Note	Consolidated 2019 \$	Consolidated 2018 \$
Assets			
Current assets			
Cash and cash equivalents		376,710	849,438
Trade and other receivables	7	1,006,220	589,164
Inventories		120,633	30,335
Financial assets at fair value through profit or loss		34,365	76,773
Other		335,750	325,675
Total current assets		<u>1,873,678</u>	<u>1,871,385</u>
Non-current assets			
Property, plant and equipment		-	46,349
Finance lease receivable		573,763	-
Intangibles		4,202,930	3,906,538
Other deposits		143,162	143,162
Total non-current assets		<u>4,919,855</u>	<u>4,096,049</u>
Total assets		<u>6,793,533</u>	<u>5,967,434</u>
Liabilities			
Current liabilities			
Trade and other payables		1,994,197	1,235,649
Contract liabilities		820,427	831,273
Borrowings	8	1,032,789	-
Lease liabilities		264,445	-
Income tax		17,030	8,565
Employee benefits		116,849	123,569
Deferred grant liabilities		94,591	94,591
Total current liabilities		<u>4,340,328</u>	<u>2,293,647</u>
Non-current liabilities			
Contract liabilities		194,798	179,322
Lease liabilities		362,367	-
Employee benefits		39,197	55,752
Deferred grant liabilities		47,296	94,591
Total non-current liabilities		<u>643,658</u>	<u>329,665</u>
Total liabilities		<u>4,983,986</u>	<u>2,623,312</u>
Net assets		<u>1,809,547</u>	<u>3,344,122</u>
Equity			
Issued capital		18,553,963	18,553,963
Reserves		2,898,709	2,883,517
Accumulated losses		(19,643,125)	(18,093,358)
Total equity		<u>1,809,547</u>	<u>3,344,122</u>

The above consolidated statement of financial position should be read in conjunction with the accompanying notes

Simble Solutions Limited and its controlled entities
Consolidated statement of changes in equity
For the half-year ended 30 June 2019



			Reserves			
			Foreign	Share-based	Accumulated	Total equity
	Issued	Common	currency	payments	losses	
Consolidated	capital	control	translation	reserve		
	\$	\$	\$	\$	\$	\$
Balance at 1 January 2018	4,200,100	250,836	(36,529)	3,125,050	(10,373,660)	(2,834,203)
Loss after income tax expense for the half-year	-	-	-	-	(4,291,194)	(4,291,194)
Other comprehensive loss for the half-year, net of tax	-	-	(37,888)	-	-	(37,888)
Total comprehensive loss for the half-year	-	-	(37,888)	-	(4,291,194)	(4,329,082)
<i>Transactions with owners in their capacity as owners:</i>						
Contributions of equity, net of transaction costs	12,491,536	-	-	-	-	12,491,536
Share-based payments	-	-	-	(374,050)	-	(374,050)
Common control transaction	-	17,647	-	-	-	17,647
Balance at 30 June 2018	<u>16,691,636</u>	<u>268,483</u>	<u>(74,417)</u>	<u>2,751,000</u>	<u>(14,664,854)</u>	<u>4,971,848</u>

			Reserves			
			Foreign	Share-based	Accumulated	Total equity
	Issued	Common	currency	payments	losses	
Consolidated	capital	control	translation	reserve		
	\$	\$	\$	\$	\$	\$
Balance at 1 January 2019	18,553,963	250,836	(118,319)	2,751,000	(18,093,358)	3,344,122
Adjustment to retained earnings on adoption of AASB 16	-	-	-	-	(68,004)	(68,004)
Balance at 1 January 2019 - restated	18,553,963	250,836	(118,319)	2,751,000	(18,161,362)	3,276,118
Loss after income tax expense for the half-year	-	-	-	-	(1,481,763)	(1,481,763)
Other comprehensive income for the half-year, net of tax	-	-	15,192	-	-	15,192
Total comprehensive income/(loss) for the half-year	-	-	15,192	-	(1,481,763)	(1,466,571)
Balance at 30 June 2019	<u>18,553,963</u>	<u>250,836</u>	<u>(103,127)</u>	<u>2,751,000</u>	<u>(19,643,125)</u>	<u>1,809,547</u>

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes

	Note	Consolidated 2019 \$	2018 \$
Cash flows from operating activities			
Receipts from customers (inclusive of GST)		1,175,446	784,163
Payments to suppliers and employees (inclusive of GST)		(1,911,237)	(4,552,162)
		(735,791)	(3,767,999)
Interest received		12,955	4,083
Research and development incentive received		30,800	41,000
Interest and other finance costs paid		(91,801)	(645,984)
Income taxes refunded		1,500	-
Income taxes paid		-	(88,553)
Net cash used in operating activities		(782,337)	(4,457,453)
Cash flows from investing activities			
Payments for property, plant and equipment		-	(11,489)
Payments for intangibles		(886,669)	(480,501)
Payments for security deposits		-	(9,285)
Proceeds from disposal of investments		55,190	29,865
Proceeds from disposal of property, plant and equipment		3,585	-
Proceeds from release of security deposits		13,604	-
Net cash used in investing activities		(814,290)	(471,410)
Cash flows from financing activities			
Proceeds from issue of shares		-	7,500,000
Share issue transaction costs		-	(1,069,296)
Proceeds from issue of convertible notes		1,032,789	-
Proceeds from borrowings		74,107	-
Repayment of borrowings		-	(80,000)
Net cash from financing activities		1,106,896	6,350,704
Net increase/(decrease) in cash and cash equivalents		(489,731)	1,421,841
Cash and cash equivalents at the beginning of the financial half-year		849,438	45,303
Effects of exchange rate changes on cash and cash equivalents		17,003	(37,788)
Cash and cash equivalents at the end of the financial half-year		<u>376,710</u>	<u>1,429,356</u>

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes

Note 1. General information

The financial statements cover Simble Solutions Limited as a Group consisting of Simble Solutions Limited and the entities it controlled at the end of, or during, the half-year. The financial statements are presented in Australian dollars, which is Simble Solutions Limited's functional and presentation currency.

Simble Solutions Limited is a listed public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business are:

Registered office

C/O Boardroom Pty Limited
Level 12
225 George Street
Sydney NSW 2000

Principal place of business

Level 2
383 George Street
Sydney NSW 2000

A description of the nature of the Group's operations and its principal activities are included in the directors' report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of directors, on 29 August 2019.

Note 2. Significant accounting policies

These general purpose financial statements for the interim half-year reporting period ended 30 June 2019 have been prepared in accordance with Australian Accounting Standard AASB 134 'Interim Financial Reporting' and the Corporations Act 2001, as appropriate for for-profit oriented entities. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'.

These general purpose financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with the annual report for the year ended 31 December 2018 and any public announcements made by the Company during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

The same accounting policies and methods of computation have been followed in this interim financial report and were applied in the most recent annual financial statements.

New or amended Accounting Standards and Interpretations adopted

The Group has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

The following Accounting Standards and Interpretations are most relevant to the Group:

AASB 16 Leases

This standard is applicable to annual reporting periods beginning on or after 1 January 2019. AASB 16 replaces AASB 117 'Leases' and sets out a comprehensive model for identifying lease arrangement and the subsequent measurement. A contract contains a lease if it conveys the right to control the use of an identified asset for a period of time. The majority of leases from the lessee perspective within the scope of AASB 16 will require the recognition of 'right-of-use' asset and a related lease liability, being present value of future lease payments. This will result in an increase in the recognised assets and liabilities in the statement of financial position as well as a change in expense recognition, with interest and depreciation replacing lease expense, with the exception of leases of low value assets and leases with a term of 12 months or less.

The primary impact from adoption of AASB 16 by the Group was the treatment of office premises and leased office equipment with terms of 12 months or more across the Group. The adoption of AASB 16 increased both assets and liabilities due to the recognition of right-of-use assets and lease liabilities respectively and expense relating to minimum lease payments reduced with an increase in interest expense.

Note 2. Significant accounting policies (continued)

Impact of adoption

AASB 16 was adopted using the modified retrospective approach and as such the comparatives have not been restated. The impact of adoption on opening retained profits as at 1 January 2019 was as follows:

	1 January 2019 \$
Operating lease commitments as at 1 January 2019 (AASB 117)	811,226
Discount based on the weighted average incremental borrowing rate	753,002
Lease liabilities - recognised as at 1 January 2019	753,002
Right-of-use assets (AASB 16)	684,998
Lease liabilities - current (AASB 16)	(252,739)
Lease liabilities - non-current (AASB 16)	(500,263)
Increase in opening accumulated losses as at 1 January 2019	(68,004)

On 1 January 2019, the right-of-use asset was recorded under AASB 16. On 1 March 2019 the Group entered into a sub-lease with an independent third party. The sub-lease is classified as a finance lease receivable in accordance with AASB 16 'Leases'. Accordingly, on 1 March 2019 the right-of-use asset was derecognised and a finance lease receivable recorded in the statement of financial position to reflect the transaction.

Changes to accounting policies

Changes to accounting policies detailed in the 31 December 2018 Annual report as a result of the adoption of the new accounting standard are detailed as follows:

Right-of-use assets (from 1 January 2019)

A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the Group expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of use assets are subject to impairment or adjusted for any re-measurement of lease liabilities.

The Group has elected not to recognise a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are expensed to profit or loss as incurred.

Lease liabilities (from 1 January 2019)

A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down.

Note 2. Significant accounting policies (continued)

Working capital deficiency

The statement of profit or loss and other comprehensive income for the half-year ended 30 June 2019 reflects a consolidated Group loss of \$1,481,763 (30 June 2018: \$4,291,194) and the statement of financial position reflects net current liabilities of \$2,466,650 (31 December 2018: \$422,262). Net assets for the half-year ended 30 June 2019 are \$1,809,547 (31 December 2018: \$3,344,122). The statement of cash flows reflects net cash outflows from operations of \$782,337 (30 June 2018: \$4,457,453).

The Directors have reviewed the cash flow forecast for the Group through to 31 August 2020. The forecast indicates that the Group will be able to pay its debts as and when they fall due after considering the following factors:

- As at 30 June 2019, the Group had available cash resources of \$376,710;
- On 24 July 2019, the company announced completion of a \$1,890,000 placement;
- The Group is at various stages of negotiations with a number of potential customers and it is expected that these negotiations will result in additional revenue to be earned by the Group within the next 12 months; and
- The Group has significantly reduced operating costs, with the introduction of its Lean Operating model, with operating expenses decreasing to \$2,107,157 for the six months to 30 June 2019 from \$3,825,581 for the six months to 30 June 2018. This decrease represents an improvement of \$1,718,424 or 45% for the six months.

The Directors are confident that the Group will achieve successful outcomes in relation to the above matters, and that it is therefore appropriate to prepare the financial statements on the going concern basis and that the Group will be able to pay its debts as and when they become due and payable from available cash resources, operating cash flows and the additional capital raised.

The consolidated financial report does not include any adjustments relating to the recoverability and classifications of recorded asset amounts or to the amount and classification of liabilities that might be necessary should the Group not continue as a going concern.

Note 3. Operating segments

Identification of reportable operating segments

The Group operates in one segment, based on the internal reports that are reviewed and used by the Board of Directors (who are identified as the Chief Operating Decision Makers ('CODM')) in assessing performance and in determining the allocation of resources.

As a result, the operating segment information is disclosed in the statement and notes to the financial statements.

Note 4. Revenue

	Consolidated	
	2019	2018
	\$	\$
Rendering of services and sale of goods	<u>1,056,272</u>	<u>1,146,977</u>

Note 4. Revenue (continued)

Disaggregation of revenue

The disaggregation of revenue from contracts with customers is as follows:

	Consolidated	
	2019	2018
	\$	\$
<i>Geographical regions</i>		
Australia	785,934	1,085,693
United Kingdom	257,853	36,787
New Zealand	12,485	24,497
	<u>1,056,272</u>	<u>1,146,977</u>
<i>Timing of revenue recognition</i>		
Goods transferred over time	777,053	877,253
Goods transferred at a point in time	279,219	269,724
	<u>1,056,272</u>	<u>1,146,977</u>

Note 5. Other income

	Consolidated	
	2019	2018
	\$	\$
Research and development tax incentive	<u>429,271</u>	<u>231,812</u>

Note 6. Expenses

	Consolidated	
	2019	2018
	\$	\$
Administration		
Minimum lease payments	-	184,417
Employee benefits expense	506,242	1,066,422
Superannuation	43,264	99,770
Depreciation	84,278	14,368
Amortisation	380,468	1,313,747
Research and development expenses	-	255,684
Loss on sale of investments	14,947	-
General administration and other	<u>1,377,877</u>	<u>1,198,427</u>
	<u>2,407,076</u>	<u>4,132,835</u>

Note 7. Current assets - trade and other receivables

	Consolidated 2019 \$	2018 \$
Trade receivables	450,414	453,075
Less: Allowance for expected credit losses	(42,288)	(41,179)
	<u>408,126</u>	<u>411,896</u>
Other receivables	26,217	-
Goods and services tax recoverable	91,824	44,876
Research and development tax incentive recoverable	480,053	132,392
	<u>1,006,220</u>	<u>589,164</u>

Note 8. Current liabilities - borrowings

	Consolidated 2019 \$	2018 \$
Convertible notes - at fair value	<u>1,032,789</u>	<u>-</u>

Convertible notes - at fair value

During the period, the Company issued convertible notes.

The notes can be converted to ordinary shares by the noteholder delivering a conversion notice to the Company and may convert all or part of the notes between the date of issue and 31 December 2021. A noteholder has no right to convert the notes unless and until the issuer obtains shareholder approval. If approved, the number of shares to be issued on conversion of the notes will be calculated by dividing the number of notes to be converted by \$0.15. Interest is payable on the notes at a rate of 10% per annum with interest accruing daily.

Note 9. Equity - dividends

There were no dividends paid, recommended or declared during the current or previous financial half-year.

Note 10. Contingent liabilities

The Group has no contingent liabilities at 30 June 2019 and 31 December 2018.

Note 11. Loss per share

	Consolidated	
	2019	2018
	\$	\$
Loss after income tax attributable to the owners of Simble Solutions Limited	<u>(1,481,763)</u>	<u>(4,291,194)</u>
	Number	Number
Weighted average number of ordinary shares used in calculating basic loss per share	103,248,334	70,838,267
Adjustments for calculation of diluted earnings per share:		
Convertible notes	<u>935,000</u>	<u>-</u>
Weighted average number of ordinary shares used in calculating diluted loss per share	<u>104,183,334</u>	<u>70,838,267</u>
	Cents	Cents
Basic loss per share	(1.44)	(6.06)
Diluted loss per share	(1.42)	(6.06)

No dilution has been included as losses were incurred in the current and previous period.

Note 12. Events after the reporting period

On 24 July 2019, the Company announced completion of a \$1,890,000 placement to investors via the issue of up to 37,800,000 fully paid ordinary shares at \$0.05 per share. Placement will settle in two tranches. Tranche 1 by the issue of 25,800,000 fully paid ordinary shares at \$0.05 per share to raise gross proceeds of \$1,290,000. Tranche 2 by issuing up to 12,000,000 fully paid ordinary shares at \$0.05 to raise up to \$600,000 subject to shareholder approval at a General Meeting. Further details can be found on the ASX announcements.

On 16 August 2019, William Buck was appointed auditor of the Group following the outcome of an audit tender process undertaken by the Directors.

No other matter or circumstance has arisen since 30 June 2019 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

In the directors' opinion:

- the attached financial statements and notes comply with Australian Accounting Standard AASB 134 'Interim Financial Reporting', the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes give a true and fair view of the Group's financial position as at 30 June 2019 and of its performance for the financial half-year ended on that date; and
- there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of directors.

On behalf of the directors

A handwritten signature in dark ink, appearing to read 'Fadi Geha', with a horizontal line drawn underneath it.

Fadi Geha
Director

29 August 2019
Sydney

Simble Solutions Limited

Independent auditor's review report to members

Report on the Review of the Half-Year Financial Report

Conclusion

We have reviewed the accompanying half-year financial report of Simble Solutions Limited (the company) and the entities it controlled at the half-year's end or from time to time during the half year (the consolidated entity) on pages 2 to 15, which comprises the consolidated statement of financial position as at 30 June 2019, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Simble Solutions Limited on pages 2 to 15 is not in accordance with the Corporations Act 2001 including:

- a) giving a true and fair view of the consolidated entity's financial position as at 30 June 2019 and of its performance for the half year ended on that date; and
- b) complying with Australian Accounting Standard 134 Interim Financial Reporting and the Corporations Regulations 2001.

Material Uncertainty Related to Going Concern

We draw attention to Note 2 in the half-year financial report, which indicates that the consolidated entity incurred a net loss of \$1,481,763 during the half year ended 30 June 2019 and, as of that date, the consolidated entity's current liabilities exceeded its current assets by \$2,466,650. As stated in Note 2, these events or conditions, along with other matters as set forth in Note 2 indicate that a material uncertainty exists that may cast significant doubt on the consolidated entity's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Responsibilities of the Directors for the Half-Year Financial Report

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001 and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's Responsibilities for the Review of the Half-Year Financial Report

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 Review of a Financial Report Performed by the Independent Auditor

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of the Entity, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the Corporations Act 2001 including:

- giving a true and fair view of the consolidated entity's financial position as at 30 June 2019 and its performance for the half-year ended on that date; and
- complying with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001.

As the auditor of Simble Solutions Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we have complied with the independence requirements of the Corporations Act 2001.

A handwritten signature in black ink that reads 'William Buck'.

William Buck

Accountants & Advisors

ABN: 16 021 300 521

A handwritten signature in black ink that reads 'L.E. Tutt'.

L.E. Tutt

Partner

Sydney, 29 August 2019