



ASX ANNOUNCEMENT

1st June 2020

Chairman's Address to Shareholders 2020 Annual General Meeting

Ladies and gentlemen, my name is Ben Loiterton and I was appointed Non-Executive Chairman of Simble Solutions Limited on 31 May 2020, having first been appointed a Non-Executive Director of the Company in July 2019.

It is my pleasure to address you today at our 2020 Annual General Meeting.

The Financial Year 2019 (ending 31st December) was another challenging year for Simble. Many of the revenue growth opportunities that had been emerging earlier in the year failed to materialise over time. This was particularly the case in the UK market where a substantial investment had been made by the company, but long sales cycles, delays with customer negotiations and changes in regulatory conditions conspired to undermine business development efforts and delivered incomes well below original expectations.

By September it became clear to the board and executive that critical actions needed to be taken to protect the company as a result of these challenges. A comprehensive review of all operations, costs, staffing levels, financial management and business practices was undertaken over the last few months of 2019, resulting in raising additional capital and down-sizing the operations and headcount significantly.

The company is most grateful for the tireless and dedicated contributions of the many executives and staff who left the business during this difficult period.

Equally we are very thankful for the support of our shareholders (and some of our staff and directors) for contributing to equity placements to recapitalise the company over the past 7 months and put Simble on a firmer footing to face the opportunity to rebuild in the period ahead.

The company's founder Fadi Geha agreed to step aside as CEO in October 2019 to allow Ronen Ghosh to take the helm and to oversee the restructuring effort and the rebuilding plan moving forward.

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This has also freed up Fadi's time to devote energies to developing new customers and channels, and thereby generating revenues. Fadi continues on as Executive Director of the company and contributes his deep knowledge of the energy software market to the board.

Ronen Ghosh is a very experienced business executive with the financial management skillset to navigate the company through the recent restructuring and ongoing execution of the company's strategies in the period ahead.

At this juncture I should also mention the contribution of Philip Tye who has served as Chairman since the IPO in February 2018. The Board thanks him for his important role to date and the Board looks forward to his ongoing work as a Non-Executive Director.

Since July 2019 Simble has realised considerable annual cost savings. Annual Total Cash Operating Expenses for the 12 months to June 2019 was \$5.68 million, but for the 12 months to June 2020 are expected to be \$3.43 million, which represents a reduction in operating overheads of around 40%. This latter figure also includes payment plans to reduce various legacy liabilities that were incurred prior to June 2019, which we expect to be extinguished by the end of 2020.

A better reflection of the financial impact of the recent restructuring is that Average Monthly Net Operating Cash Burn has been reduced from \$340k per month in the June 2019 Quarter, to an estimated \$120k for the current month of June 2020 (excluding legacy creditor repayments), an improvement of 64%.

These initiatives have significantly improved the economic stability of the Company and will allow Simble to pursue current and new opportunities as demand for smart energy technology continues to rise. We are focused on the various opportunities in the pipeline in the UK market, and continuing to leverage our existing footprint in Australia.

Part of the strategy for 2020 and beyond will include looking selectively at merger and acquisition transactions, and strategic partnerships and ventures to add shareholder value.

As we approach the middle of 2020 we feel that Simble has been given the chance to reset and rebuild after a difficult year. Notwithstanding the global economic challenges and the impact of COVID-19 on the business landscape, the company has excellent products and has invested heavily in technology, partnerships and sales infrastructure which will allow Simble to pursue growth opportunities.

On behalf of the Board I would like to thank you again for your ongoing support.

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I will now hand over to Ronen Ghosh, Simble's Chief Executive Officer, who will present the Company's future strategy for 2020 and beyond.

Yours sincerely,

Ben Loiterton

Chairman

ENDS

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This ASX announcement has been authorised by the Board of Simble Solutions Limited

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 (Australia), London (UK) and Da Nang (Vietnam).

More information: www.simblegroup.com

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