

ASX ANNOUNCEMENT

13 July 2020

June 2020 Quarterly Report and Business Update

Simble Solutions Limited (ASX:SIS) (**Simble** or the **Company**) an Australian software company focused on energy Software-as-a-Service (**SaaS**) solutions, is pleased to present its consolidated quarterly cash flow report and business update for the quarter ended 30 June 2020 (**June Quarter** or **Q2 FY20**).

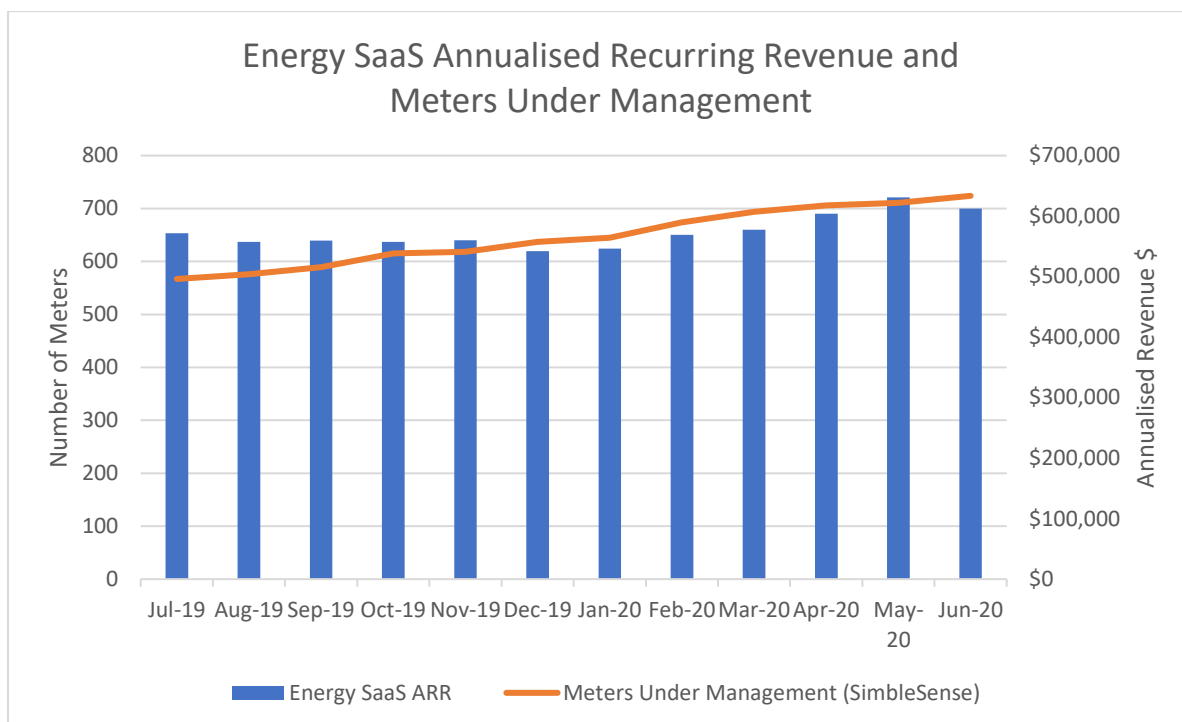
Financial Highlights for the June Quarter

- Cash inflows from operating activities (customer receipts) for the June Quarter of \$0.61m.
- Net cash used in operating activities approaches break even at \$15K for the June Quarter, an improvement of 90% on previous corresponding period (pcp).
- Software research and development spend of \$0.24m for the quarter compared to \$0.43m in pcp.
- Gross cash outflows from operating and investing activities (excluding receipts) for the June Quarter of \$0.91m (compared to \$1.27m in pcp) including \$0.13m retirement of liabilities relating to prior periods. Resulting gross cash outflows from operating and investing relating to the current quarter are \$0.78m, a 39% improvement on Q2 2019.
- Operating and investing cash overhead for the quarter (gross cash outflows excluding cost of sales and non-recurring costs) of \$0.53m.
- Growth of meters under management in the SimbleEnergy business unit has continued with a quarterly growth rate of 4.2% delivering a total annual growth rate of 37%.

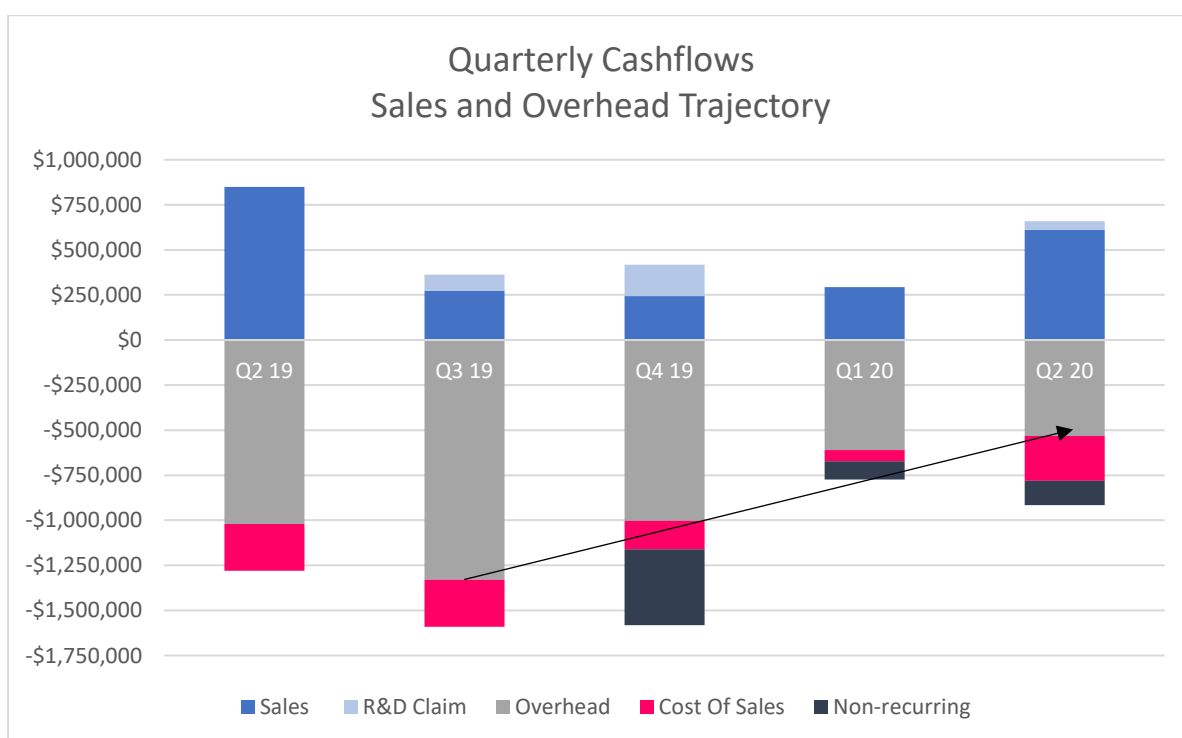
CEO Commentary

During the quarter Simble continued to on-board customer sites and meters under management to its energy data analytics platform, with each installation delivering recurring Software-as-a Service (SaaS) revenue which is recognised on a pro-rata basis over the life of the contract. Orders of the Simble Energy platform also include hardware components, which are recognised on an upfront basis.

Over the three-month period to June 2020, the number of meters under management on the SimbleSense platform increased by 4.2%, resulting in annual growth of 37% since June 2019. The growth rate of meters under management is expected to accelerate through Q3 as a result of recently signed contracts with Sylvania Lighting and Bluewater Shopping Centre in the UK as well as recent wins in Australia driven by the NSW and Federal Government energy efficiency grants.



The Company's cash burn profile has improved dramatically over the last 12 months and we expect to now consolidate and maintain the reduced cost base. Gross cash outflows from operating and investing activities (excluding non-recurring costs) declined year on year to \$780k, a 39% improvement on Q2 2019. Whilst this measure was slightly higher than Q1 due to variable cost of sales on June quarter mobility revenues, operating and investing overheads (gross cash outflows excluding cost of sales and non-recurring costs) have continued to reduce for the third quarter in succession.



The Company has continued its program of repaying liabilities that were incurred in prior periods and this accounted for \$0.135m or 17% of cash outflows in the June quarter. Retirement of prior period liabilities is expected to account for \$0.138M in the September quarter and the repayment program is expected to be completed in Q4.

Following a substantial reduction in overall gross costs and as new business is added, further improvements in cash flows are expected over time. Management is confident of delivering a combination of cash inflows from the Simble Energy Platform, the Mobility business, and R&D rebates to fund the Company's operations.

However, due to the nature of the business of some partners, payment cycles and the timing of R&D rebates, cash collections may be lumpy at times.

Operational Highlights for the June Quarter

Mobility SaaS Division

The Simble Mobility business successfully renewed all expiring subscription contracts during Q2 resulting in cash inflows of \$0.34m, which represents 56% of total inflows for the period. This reinforces the benefit of having two related, but diversified revenue streams and further activity is being undertaken into Q3 to develop mobility opportunities across existing customers in both the mobility and energy divisions.

Renewing mobility customers included Ballina, Burwood, Central Coast and Northern Beaches Councils in NSW and Barwon Health in Victoria all of whom are long term customers.

Energy SaaS Division

Milestones achieved in the quarter include:

- Simble and MTA Energy announced that Best & Less has awarded MTA an Integrated Energy Supply contract utilising SimbleSense as the Energy Management and Control system. The initial rollout will include Best & Less's Distribution Centre at Eastern Creek, Service Centre at Leichhardt and 55 retail stores, all within NSW. MTA will manage the overall energy solution implementation and its ongoing management via the SimbleSense platform which has been "white labelled" and configured to MTA's specification.
- Canterbury Bankstown Council in NSW placed further orders to expand their deployment of the SimbleSense energy management solution.
- Burwood Council in NSW selected SimbleSense as their energy management platform as part of an energy efficiency program to better understand its energy footprint and which will be deployed in Q3.
- Australian channel partner Energy & Carbon Solutions continued its rollout of the SimbleSense energy management platform and is fast approaching 100 meters under management.
- Sales and marketing initiatives with Sylvania Lighting in Europe have been delayed due to the impact of COVID-19 and were initially expected to re-commence May 2020. Whilst the situation has remained fluid, the companies have continued to communicate and work together to plan for the initial deployment of SimbleSense to measure and verify energy consumption savings. Sales and marketing activities have re-commenced in late June 2020 with expectations of initial orders in Q3.

Related Party Payments

As required under ASX listing rule 4.7C.3 payments to related parties in the quarter of \$28K are directors fees paid pursuant to letters of appointment with the Company's directors. The basis and principles of director remuneration are consistent with the remuneration report included in the Company's Annual Report which was released to the ASX on 31 March 2020.

ENDS

For more information please contact:

Ronen Ghosh

Chief Executive Officer

M: +61 408 505 483

E: ronen@simble.io

About Simble

Simble Solutions (ASX:SIS) is an Australian software company focused on energy management, mobility and Internet of Things (IoT) 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 IoT capabilities and empowers enterprises and consumers to remotely automate energy savings opportunities to reduce their energy bill. Simble operates in the Commercial & Industrial (C&I), Small Medium Enterprise (SME) and residential markets and targets the distribution of its platform through channel partners. Simble has an international presence with offices in Australia, the United Kingdom and Vietnam. More information: www.simblegroup.com

Appendix 4C

Quarterly cash flow report for entities subject to Listing Rule 4.7B

Name of entity

Simble Solutions Limited

ABN

17 608 419 656

Quarter ended ("current quarter")

30 June 2020

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (3 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	611	904
1.2 Payments for		
(a) research and development	0	0
(b) product manufacturing and operating costs	(247)	(309)
(c) marketplace and channel expansion	(47)	(135)
(d) leased assets	-	-
(e) staff costs	(46)	(125)
(f) administration and corporate costs	(199)	(323)
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 Government grants and tax incentives	48	48
1.8 Other (provide details if material)		
Retirement of prior liabilities		
(a) marketplace and channel expansion	-	-
(b) staff costs	-	-
(c) administration and corporate costs	(135)	(236)
1.9 Net cash from / (used in) operating activities	(15)	(176)
2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) entities	-	-
(b) businesses	-	-
(c) property, plant and equipment	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
	(d) investments	-	-
	(e) Payments for software development, net of research and development tax offsets	(240)	(560)
	(f) other non-current assets	-	-
2.2	Proceeds from disposal of:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) intellectual property	-	-
	(f) 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	(240)	(560)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	179	597
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	-
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	(78)	(156)
3.7	Transaction costs related to loans and borrowings	(1)	(1)
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	Net cash from / (used in) financing activities	100	440

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	592	734
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(15)	(176)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(240)	(560)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	100	440
4.5	Effect of movement in exchange rates on cash held		
4.6	Cash and cash equivalents at end of period	437	437

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	386	541
5.2	Call deposits	51	51
5.3	Bank overdrafts		
5.4	Securities on deposit	-	0
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	437	592

6. Payments to related parties of the entity and their associates

- 6.1 Aggregate amount of payments to related parties and their associates included in item 1
- 6.2 Aggregate amount of payments to related parties and their associates included in item 2

**Current quarter
\$A'000**

28

-

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments

7. Financing facilities

Note: the term "facility" includes all forms of financing arrangements available to the entity.

Add notes as necessary for an understanding of the sources of finance available to the entity.

	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
7.1 Loan facilities	137	137
7.2 Credit standby arrangements		
7.3 Trade Finance	200	0
7.4 Total financing facilities	337	137

7.5 **Unused financing facilities available at quarter end** 200

7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing 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.

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (Item 1.9)	(15)
8.2 Cash and cash equivalents at quarter end (Item 4.6)	437
8.3 Unused finance facilities available at quarter end (Item 7.5)	200
8.4 Total available funding (Item 8.2 + Item 8.3)	637
8.5 Estimated quarters of funding available (Item 8.4 divided by Item 8.1)	43.4

8.6 If Item 8.5 is less than 2 quarters, please provide answers to the following questions:

1. Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?

Answer:

2. Has the entity 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?

Answer:

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

Answer:

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.

Date: 10 July 2020

Authorised by: By the Board