

ASX ANNOUNCEMENT

29 January 2021

Simble achieves 83% improvement in annual operating cashflow and 33% annual growth of meters under management

Investment Highlights

Financial

- Net cash outflows from operating activities for the quarter of \$0.23m. Net cash outflows from operating activities for the year of \$0.34m compared to \$2.04m for the prior year, a year-on-year improvement of \$1.7m or 83%.
- Cash inflows from operating activities for the quarter of \$0.25m
- Software research and development spend of \$0.15m compared to \$0.47m in previous corresponding period (pcp)
- Gross cash outflows from operating and investing activities (excluding receipts) of \$0.64m (compared to \$1.58m in pcp) includes \$0.04m retirement of liabilities relating to prior periods
- Gross cash outflows from operating and investing relating solely to the current quarter are therefore \$0.60m, a 48% improvement on Q4 2019
- Operating and investing cash overhead (gross cash outflows excluding cost of sales and non-recurring costs) of \$0.44m
- End of quarter cash balance of \$0.8m

Operational

- Growth of meters under management in the Simble Energy business unit flattened in the quarter with a growth rate of 1.3% delivering a total annual growth rate of 33%.
- Signed agreements with Harvey Norman Commercial Division (HNCD), Splitit Ltd (ASX:SPT) and Cognian Technologies Ltd
- Launched SimbleHome App in Australia bundled with a fully installed energy IoT device and a buy now, pay later instalment plan provided by Splitit
- Signed an agreement with Midas Group UK, a construction company that specialises in servicing the Social Housing Sector to offer a white-labelled version of the SimbleHome App to its customers.
- SimbleHome selected as the App for Mirvac's new Georges Cove Residences in southwest Sydney

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Simble Solutions Limited (ASX:SIS) (**Simble** or **the Company**) a global software company focused on Energy Intelligence and Business Productivity Software-as-a-Service (**SaaS**) solutions, is pleased to present its consolidated quarterly cash flow report and business update for the quarter ended 31 December 2020 (**December Quarter** or **Q4 FY20**).

Simble is pleased to report cash inflows from operating activities for the December Quarter of \$0.26m. Net cash outflow from operating activities is \$0.23m for the quarter and \$0.34m for the full year, a \$1.7m turnaround on the previous year's net cash outflows of \$2.04m.

The Simble Business Productivity division successfully renewed all expiring subscription contracts during Q4 resulting in cash inflows of \$0.14m, which represents 54% of total inflows for the period (up from 18% in Q3).

The Company's cash burn profile has improved dramatically year on year and has stabilised over the last four quarters at a sustainable level. Gross cash outflows from operating and investing activities (excluding non-recurring costs) reduced year on year to \$0.60m, a 48% improvement on \$1.16m in Q4 2019. Net cash outflows from investing activities are \$147K for the December Quarter in respect of payments for software development expected to generate future income and cashflows and which are therefore expected to be capitalised.

The progression of quarterly cashflows is shown in the table below:

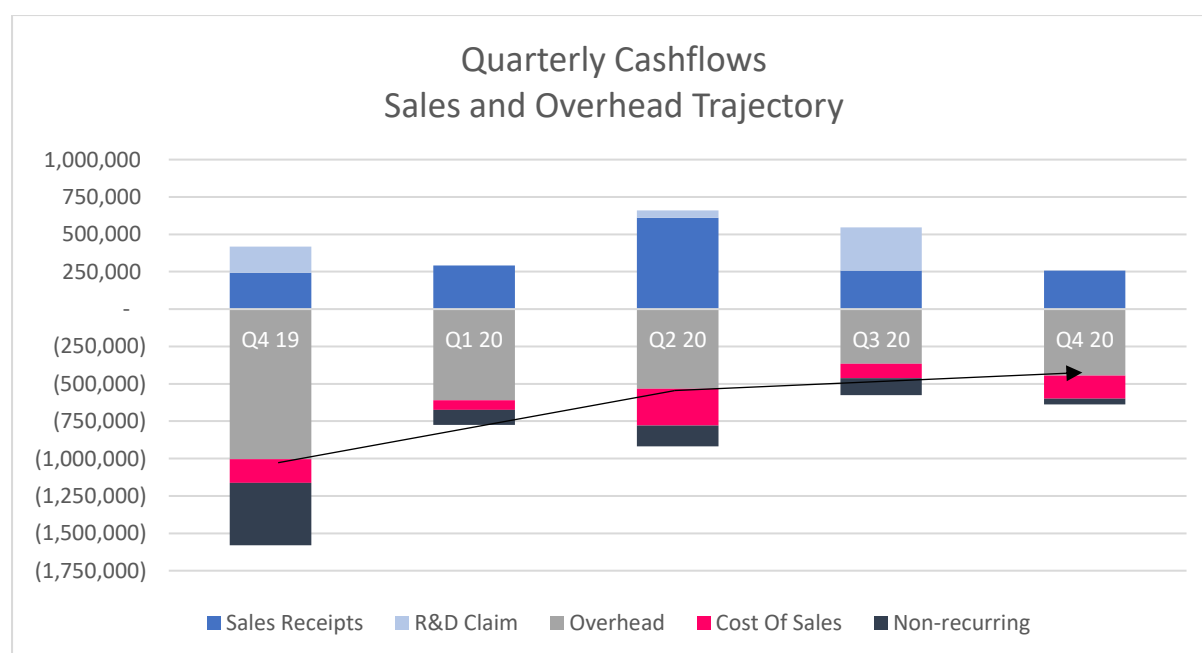


Table 1: Quarterly Cashflows

The Company has continued its program of repaying liabilities that were incurred in prior periods and this accounted for \$40K or 7% of cash outflows in the December quarter. As previously foreshadowed, the retirement of prior period liabilities is now largely completed.

The number of meters under management on the SimbleSense platform and of energy SaaS annualised recurring revenues (ARR) is shown in the table below.

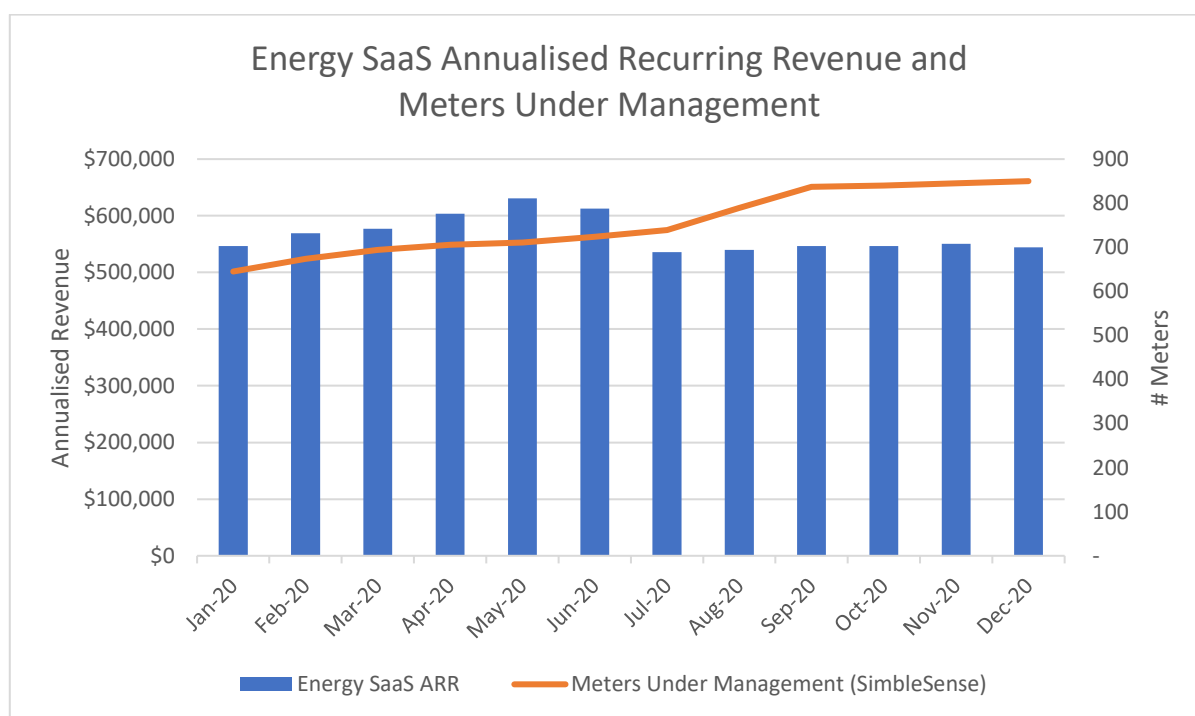


Table 2: Energy SaaS ARR and Meters Under Management

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. Renewal of contracts in the Business Productivity (Mobility) business continues to be a focus, with each renewal generally resulting in an upfront collection of subscription fees which are then recognised as revenue over the life of the contract. Mobility collections tend to be concentrated in Q2 following the Australian financial year, with consistent but smaller collections in the remaining quarters, including Q4.

Operational highlights

Simble achieved several key milestones during the quarter spanning new agreements as well as sales and marketing initiatives.

Harvey Norman Commercial Division (HNCD)

Simble signed an agreement with Harvey Norman's largest franchisee, Harvey Norman Commercial Division (HNCD) to promote and sell SimbleHome App and associated third party energy IoT devices into commercial and residential development projects throughout ACT and NSW. Simble also established a demonstration facility at HNCD's Showroom in NSW.

Agreement with Splitit to incorporate 'buy now, pay later' functionality into SimbleHome App

Simble launched an upgraded version of its state-of-the-art SimbleHome App which potentially enables Australia's 8m+ households to easily analyse and track their energy consumption, identifying opportunities for cost and energy savings. The upgraded SimbleHome App can be bundled with a fully installed energy IoT device which consumers may fund with a buy now, pay later instalment plan provided by Splitit (ASX: SPT)

Cognian Technologies

Simble signed a teaming agreement with Cognian Technologies Ltd (Cognian), the provider of the Syncromesh wireless data connectivity platform that turns every building – old or new - into a smart building.

Simble will be able to expand its penetration into the smart lighting sector by partnering with Cognian, Australia's fast-growing smart building IoT connectivity provider. Cognian will offer the SimbleSense platform as the default "measure and verify" platform for energy savings from connected lighting projects rolling out with the Syncromesh wireless connectivity platform.

Midas Group UK

Simble launched a white-labelled SimbleHome App with Midas Group UK (under the Mi-Space brand) connected to energy IoT meters, solar PV, battery storage, water, heat pumps and temperature sensors as a pilot project for 16 homes which have undergone significant retrofits with the aim of demonstrating carbon neutrality. The opportunity exists to roll this out across their portfolio of social housing homes in the UK.

Mirvac

Simble was selected as the App provider to customers of Mirvac's new Georges Cove Residences, a master planned community comprised of approximately 180 Mirvac turnkey homes in southwest Sydney. The SimbleHome App and its associated hardware and installation fee were offered as a "sustainability upgrade" option for Mirvac's customers.

Sylvania

Sales and marketing initiatives with Sylvania Lighting in Europe were further delayed due to the impact of COVID-19 and the companies have continued to communicate and work together to plan for the initial launch and deployment of SimbleSense to measure and verify energy consumption savings for Sylvania clients. Sales training has been completed, with further progress expected this quarter.

Corporate

The Company completed an oversubscribed \$1 million Placement to professional and sophisticated investors in October with \$0.885m received in the first tranche during the quarter. The second tranche issue of remaining shares to the directors received shareholder approval in January 2021.

The placement funds are being deployed to accelerate the Company's growth and expansion strategy in Australia and the UK. Additionally, the repayment of prior period liabilities was largely completed during the December quarter.

As required under ASX listing rule 4.7C.3 payments to related parties in the quarter of \$31K 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.

Simble CEO Ronen Ghosh said: "I'm delighted that we've been able to improve our operational cashflows so significantly in the year to December 2020. Whilst we continue to see challenges in the market, at the same time we are heartened by the momentum building in our channel partner ecosystem.

Over the December quarter we saw a rationalisation of the number of meters under management on the SimbleSense platform which increased by 1.3%, resulting in annual growth of 33% since December 2019. We expect meter growth to return in Q1 building on the platform of recent partnership announcements with Harvey Norman Commercial Division, Cognian, Midas UK, Mirvac and Daizy.

We have launched the SimbleHome App including bill comparison and switching capability powered by our partner, Accurassi. This currently allows our residential customers to explore alternative offerings across a panel of four energy retailers, and we expect this to expand further to include many more retailers during the first quarter of 2021.

Simble has made significant progress over the past 12 months addressing its cost structure and is now poised for growth on the back of solid growth of meters under management during calendar 2020. Despite the uncertainty caused by the COVID-19 pandemic, the Company continues to pursue new revenue generating opportunities and maximise value from the existing channel partner network as well as explore all other avenues available to it to strategically grow the business."

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About Simble

Simble Solutions Limited (ASX:SIS) is a global software company focused on Energy Intelligence and Business Productivity Software as a Service (SaaS) solutions in Australia, New Zealand and the UK.

The Energy Intelligence solution suite empowers homes and businesses to understand their energy usage and reduce consumption and cost using Internet of Things (IoT) technology. The Business Productivity suite enables organisations to develop productivity apps for their mobile workforce using a common application development infrastructure.

Simble is focused on growing revenue through strategic and targeted software sales opportunities as well as the establishment of key partnerships in Australia, New Zealand, the UK and other markets.

To learn more please visit: simblegroup.com

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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")

31 December 2020

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (12 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	257	1,417
1.2 Payments for		
(a) research and development	0	0
(b) product manufacturing and operating costs	(153)	(559)
(c) marketplace and channel expansion	(94)	(277)
(d) leased assets	-	-
(e) staff costs	(63)	(225)
(f) administration and corporate costs	(141)	(640)
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	-	339
1.8 Other (provide details if material)		
Retirement of prior liabilities		
(a) marketplace and channel expansion	-	-
(b) staff costs	-	-
(c) administration and corporate costs	(40)	(394)
1.9 Net cash from / (used in) operating activities	(234)	(339)
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 (12 months) \$A'000
	(d) investments	-	-
	(e) Payments for software development, net of research and development tax offsets	(147)	(804)
	(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	(147)	(804)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	885	1,525
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)	(312)
3.7	Transaction costs related to loans and borrowings	(1)	(9)
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	Net cash from / (used in) financing activities	806	1,204

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 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	369	734
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(234)	(339)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(147)	(804)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	806	1,204
4.5	Effect of movement in exchange rates on cash held		
4.6	Cash and cash equivalents at end of period	794	794

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	744	320
5.2	Call deposits	50	50
5.3	Bank overdrafts		
5.4	Securities on deposit	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	794	370

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**

31

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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	0	0
7.2 Credit standby arrangements		
7.3 Trade Finance	200	0
7.4 Total financing facilities	200	0

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)	(234)
8.2 Cash and cash equivalents at quarter end (Item 4.6)	794
8.3 Unused finance facilities available at quarter end (Item 7.5)	200
8.4 Total available funding (Item 8.2 + Item 8.3)	994
8.5 Estimated quarters of funding available (Item 8.4 divided by Item 8.1)	4.2

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: 29 January 2021

Authorised by: By the Board