

1. Company details

Name of entity:	Simble Solutions Limited
ABN:	17 608 419 656
Reporting period:	For the year ended 31 December 2020
Previous period:	For the year ended 31 December 2019

2. Results for announcement to the market

			\$
Revenues from ordinary activities	down	11.6% to	1,897,079
Loss from ordinary activities after tax attributable to the owners of Simble Solutions Limited	down	86.6% to	(1,089,733)
Loss for the year attributable to the owners of Simble Solutions Limited	down	86.6% to	(1,089,733)

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 **\$1,089,733** (31 December 2019: \$8,110,719).

Total revenues decreased by 11% to **\$1,897,079** (2019: \$2,147,011). Sales revenue declined 19% to \$1,447,922 whilst other income increased 23% to \$449,157.

Energy Division total revenues increased by 16% to **\$890,009** (2019: \$766,207). Energy Software as a Service (SaaS) sales revenue increased by 19% to \$823,816 whilst hardware sales revenue decreased by 7% to \$66,193.

Business Productivity (Mobility) Division sales revenues decreased by 41% to **\$548,587** (2019: \$922,529).

Other income increased by 23% to **\$449,157** (2019: \$364,326). Other income is primarily related to research and development grant income but was augmented during the year by Covid-19 stimulus package receipts in both Australia and the UK.

Underlying EBITDA for the 12 months ended 31 December 2020 was a loss of **\$792,597**. This represents a 69% improvement against the prior year underlying EBITDA loss of \$2,533,814. Underlying EBITDA is a key measurement used by management and the board to assess and review business performance. The table below provides a reconciliation between statutory net loss and underlying EBITDA:

	Group	
	Unaudited 2020 \$	2019 \$
Loss for the year	(1,089,733)	(8,110,719)
Add back:		
Interest	297,136	377,213
Tax	-	7,953
Depreciation	-	46,349
Amortisation	-	760,936
Statutory EBITDA	(792,597)	(6,918,268)
Add non-recurring items:		
Capital raising costs	-	178,495
Impairment of goodwill	-	851,578
Impairment of assets	-	3,354,381
Underlying EBITDA	<u>(792,597)</u>	<u>(2,533,814)</u>

Net cash used in operating activities decreased by 55% to **\$1,531,365** (2019: \$3,388,142). The cash balance at 31 December 2020 was **\$784,878** (31 December 2019: \$705,452).

The Company has made significant progress in FY2020 providing a solid base for ongoing operations. The Board and Management of the Company are focused on using this base as a foundation for sustainable growth in FY2021 and beyond as well as exploring all other avenues available to it to strategically grow the business.

3. Net tangible assets

	Reporting period Cents	Previous period Cents
Net tangible assets per ordinary security	<u>(0.55)</u>	<u>(0.84)</u>

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 are in the process of being audited.

11. Attachments

Details of attachments (if any):

The Preliminary Financial Report of Simple Solutions Limited for the year ended 31 December 2020 is attached.

12. Signed



Signed _____

Date: 26 February 2021

Ben Loiterton
Chairman
Sydney



Simble Solutions Limited and its controlled entities

ABN 17 608 419 656

Preliminary Financial Report - 31 December 2020

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Simble Solutions Limited and its controlled entities
Consolidated statement of profit or loss and other comprehensive income
For the year ended 31 December 2020



	Note	Group Unaudited 2020 \$	2019 \$
Revenue			
Revenue		1,447,922	1,782,685
Cost of sales		<u>(529,271)</u>	<u>(644,790)</u>
Gross margin		<u>918,651</u>	<u>1,137,895</u>
Other income		446,896	307,259
Interest revenue calculated using the effective interest method		2,261	57,067
Expenses			
Marketing		(17,144)	(62,163)
Administration	2	(2,188,339)	(4,759,876)
Impairment of goodwill		-	(851,578)
Impairment/(recovery of impairment) of receivables		42,026	(21,281)
Impairment of intangible assets		-	(3,354,381)
Capital raising costs		3,052	(178,495)
Finance costs	2	<u>(297,136)</u>	<u>(377,213)</u>
Loss before income tax expense		(1,089,733)	(8,102,766)
Income tax expense		<u>-</u>	<u>(7,953)</u>
Loss after income tax expense for the year attributable to the owners of Simble Solutions Limited		(1,089,733)	(8,110,719)
Other comprehensive income/(loss)			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Foreign currency translation		<u>128,648</u>	<u>(32,942)</u>
Other comprehensive income/(loss) for the year, net of tax		<u>128,648</u>	<u>(32,942)</u>
Total comprehensive loss for the year attributable to the owners of Simble Solutions Limited		<u>(961,085)</u>	<u>(8,143,661)</u>
		Cents	Cents
Basic loss per share	6	(0.54)	(6.72)
Diluted loss per share	6	(0.54)	(6.72)

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

	Note	Group Unaudited 2020 \$	2019 \$
Assets			
Current assets			
Cash and cash equivalents	3	784,878	705,452
Trade and other receivables		306,805	480,775
Inventories		47,688	122,975
Financial assets at fair value through profit or loss		24,651	24,651
Finance lease receivable		228,367	-
Other assets		249,589	222,671
Total current assets		<u>1,641,978</u>	<u>1,556,524</u>
Non-current assets			
Property, plant and equipment		403	-
Finance lease receivable		-	464,277
Deferred tax		19,413	19,413
Other assets		143,162	143,162
Total non-current assets		<u>162,978</u>	<u>626,852</u>
Total assets		<u>1,804,956</u>	<u>2,183,376</u>
Liabilities			
Current liabilities			
Trade and other payables		1,111,412	1,366,967
Contract liabilities		406,642	466,861
Borrowings	4	1,236,113	140,000
Lease liabilities		223,695	276,928
Income tax		17,126	17,126
Employee benefits		70,907	96,648
Total current liabilities		<u>3,065,895</u>	<u>2,364,530</u>
Non-current liabilities			
Contract liabilities		26,241	196,838
Borrowings	4	-	1,118,640
Lease liabilities		-	223,695
Deferred tax		20,401	20,401
Total non-current liabilities		<u>46,642</u>	<u>1,559,574</u>
Total liabilities		<u>3,112,537</u>	<u>3,924,104</u>
Net liabilities		<u>(1,307,581)</u>	<u>(1,740,728)</u>
Equity			
Issued capital	5	23,075,010	21,543,678
Shareholder capital		-	137,100
Reserves		2,979,223	2,850,575
Accumulated losses		(27,361,814)	(26,272,081)
Total deficiency in equity		<u>(1,307,581)</u>	<u>(1,740,728)</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 year ended 31 December 2020



Group	Issued capital \$	Shareholder capital \$	Reserves \$	Accumulated losses \$	Total deficiency in equity \$
Balance at 1 January 2019	18,553,963	-	2,883,517	(18,161,362)	3,276,118
Loss after income tax expense for the year	-	-	-	(8,110,719)	(8,110,719)
Other comprehensive loss for the year, net of tax	-	-	(32,942)	-	(32,942)
Total comprehensive loss for the year	-	-	(32,942)	(8,110,719)	(8,143,661)
<i>Transactions with owners in their capacity as owners:</i>					
Contributions of equity, net of transaction costs (note 5)	2,989,715	-	-	-	2,989,715
Shares to be issued	-	137,100	-	-	137,100
Balance at 31 December 2019	<u>21,543,678</u>	<u>137,100</u>	<u>2,850,575</u>	<u>(26,272,081)</u>	<u>(1,740,728)</u>
Group	Issued capital \$	Shareholder capital \$	Reserves \$	Accumulated losses \$	Total deficiency in equity \$
Balance at 1 January 2020	21,543,678	137,100	2,850,575	(26,272,081)	(1,740,728)
Loss after income tax expense for the year	-	-	-	(1,089,733)	(1,089,733)
Other comprehensive income for the year, net of tax	-	-	128,648	-	128,648
Total comprehensive income/(loss) for the year	-	-	128,648	(1,089,733)	(961,085)
<i>Transactions with owners in their capacity as owners:</i>					
Contributions of equity, net of transaction costs (note 5)	1,531,332	(137,100)	-	-	1,394,232
Balance at 31 December 2020	<u>23,075,010</u>	<u>-</u>	<u>2,979,223</u>	<u>(27,361,814)</u>	<u>(1,307,581)</u>

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

	Group	
Note	Unaudited 2020 \$	2019 \$
Cash flows from operating activities		
Receipts from customers (inclusive of GST)	1,467,754	1,622,443
Payments to suppliers and employees (inclusive of GST)	<u>(3,151,140)</u>	<u>(5,231,949)</u>
	(1,683,386)	(3,609,506)
Interest received	2,261	57,067
Research and development tax offset recovered	446,896	439,651
Interest and other finance costs paid	(297,136)	(276,950)
Income taxes refunded	-	1,596
	<u>(1,531,365)</u>	<u>(3,388,142)</u>
Net cash used in operating activities		
Cash flows from investing activities		
Payments for property, plant and equipment	(403)	-
Payments for software development capitalised	-	(1,060,357)
Proceeds from disposal of investments	-	52,122
Proceeds from release of security deposits	20,170	33,620
Loans from related parties	<u>(34,652)</u>	<u>-</u>
Net cash used in investing activities	<u>(14,885)</u>	<u>(974,615)</u>
Cash flows from financing activities		
Proceeds from issue of shares, net of transaction costs	5 1,394,232	2,989,715
Proceeds from shareholder capital	-	137,100
Proceeds from trade finance	-	240,000
Repayment of trade finance	(140,000)	(100,000)
Proceeds from borrowings	283,814	1,032,777
Proceeds from sub-lease	235,910	204,500
Repayment of lease liabilities	<u>(276,928)</u>	<u>(252,379)</u>
Net cash from financing activities	<u>1,497,028</u>	<u>4,251,713</u>
Net decrease in cash and cash equivalents	(49,222)	(111,044)
Cash and cash equivalents at the beginning of the financial year	705,452	849,438
Effects of exchange rate changes on cash and cash equivalents	<u>128,648</u>	<u>(32,942)</u>
Cash and cash equivalents at the end of the financial year	3 <u><u>784,878</u></u>	<u><u>705,452</u></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 ('Company' or 'parent entity') and the entities it controlled at the end of, or during, the year (referred to in these financial statements as the 'Group'). 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

Note 2. Expenses

	Group	
	Unaudited 2020 \$	2019 \$
Loss before income tax includes the following specific expenses:		
<i>Administration</i>		
Minimum lease payments	38,403	30,861
Employee benefits expense	643,142	1,225,849
Superannuation	83,429	133,676
Depreciation	-	46,349
Amortisation	-	760,936
General administration and other	1,423,365	2,562,205
	<u>2,188,339</u>	<u>4,759,876</u>
<i>Finance costs</i>		
Interest and finance charges paid/payable on borrowings	297,136	362,813
Interest and finance charges paid/payable on lease liabilities	-	14,400
	<u>297,136</u>	<u>377,213</u>

Note 3. Cash and cash equivalents

	Group	
	Unaudited 2020 \$	2019 \$
<i>Current assets</i>		
Cash at bank	733,492	654,088
Cash on deposit	51,386	51,364
	<u>784,878</u>	<u>705,452</u>

The above figures are reconciled to cash and cash equivalents at the end of the financial period in the statement of cash flows as shown above.

Note 4. Borrowings

	Group	
	Unaudited 2020 \$	2019 \$
<i>Current liabilities</i>		
Trade finance	-	140,000
Convertible notes payable	1,236,113	-
	<u>1,236,113</u>	<u>140,000</u>
<i>Non-current liabilities</i>		
Convertible notes payable	-	1,118,640
	<u>1,236,113</u>	<u>1,258,640</u>

Convertible notes payable

During the prior year, 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 is not entitled to redeem the notes before 31 December 2021 and 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.

Total secured liabilities

The total secured liabilities are as follows:

	Group	
	Unaudited 2020 \$	2019 \$
Trade finance	-	140,000

Assets pledged as security

The trade finance is secured over the Group's related trade assets.

Note 5. Issued capital

	Unaudited 2020 Shares	2019 Shares	Group	
			Unaudited 2020 \$	2019 \$
Ordinary shares - fully paid	238,264,534	163,060,417	23,075,010	21,543,678

Note 5. Issued capital (continued)

Movements in ordinary share capital

Details	Date	Shares	Issue price	\$
Balance	1 January 2019	103,248,334		18,553,963
Issue of shares	1 August 2019	25,812,083	\$0.050	1,290,604
Issue of shares	24 September 2019	12,000,000	\$0.050	600,000
Issue of shares	5 November 2019	22,000,000	\$0.050	1,100,000
Share issue transaction costs		-	\$0.000	(889)
Balance	31 December 2019	163,060,417		21,543,678
Issue of shares (December 2019 tranche 1)	6 January 2020	6,284,000	\$0.025	157,100
Issue of shares (March placement)	23 March 2020	20,833,335	\$0.018	375,000
Issue of shares (SPP)	30 March 2020	7,237,500	\$0.016	115,800
Issue of shares (December 2019 tranche 2)	8 May 2020	4,400,000	\$0.025	110,000
Issue of shares (October placement)	8 October 2020	36,449,282	\$0.023	838,333
Share issue transaction costs		-	\$0.000	(64,901)
Balance	31 December 2020	<u>238,264,534</u>		<u>23,075,010</u>

Note 6. Loss per share

	Group	
	Unaudited 2020 \$	2019 \$
Loss after income tax attributable to the owners of Simble Solutions Limited	<u>(1,089,733)</u>	<u>(8,110,719)</u>
	Number	Number
Weighted average number of ordinary shares used in calculating basic loss per share	<u>202,228,087</u>	<u>120,710,762</u>
Weighted average number of ordinary shares used in calculating diluted loss per share	<u>202,228,087</u>	<u>120,710,762</u>
	Cents	Cents
Basic loss per share	(0.54)	(6.72)
Diluted loss per share	(0.54)	(6.72)

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