



Simble Business Update and Appendix 4C

30 April 2021

Sydney, 30 April 2021: **Smart energy Software-as-a-Service (SaaS) company Simble Solutions Limited (ASX:SIS)** ('Simble' or 'the Company') is pleased to present its consolidated quarterly cash flow report and business update for the quarter ended 31 March 2021 (**March Quarter or Q1 FY21**).

Financial Highlights

- Cash receipts from customers for the March Quarter were \$0.36m representing a 23% increase on the prior corresponding quarter
- Net cash outflows from operating activities for the quarter of \$0.19m, includes outflows in respect of software development of \$0.12m which were previously classified as an investing activity
- Net cash outflows for the quarter have improved by 59% compared to \$0.48m for the prior year, on a like-for-like basis
- Software research and development spend of \$0.12m compared to \$0.32m in previous corresponding period
- End of quarter cash balance of \$0.66m

Operational and Corporate Highlights

- Signed a 3-year contract with David Brown Limited for a multi-country rollout of the CarbonView carbon reporting platform
- Signed an agreement with the Australian Alliance for Energy Productivity (A2EP) to provide both energy metering & analytics and carbon reporting for 10 sites as part of an energy efficiency and productivity project
- Signed a 3-year agreement with leading solar energy provider Juice Capital to provide solar and energy metering platform and apps coupled with third party energy IoT devices marking the company's first major contract with a solar and renewable energy provider
- Global solar energy provider United Solar Group also signed a 3-year agreement with a minimum commitment to rollout the SimbleHome App and IoT devices to 500 residential homes resulting in revenues in excess of \$0.26m
- Secured agreement to convert \$1.18m of debt to equity at a premium to the prevailing share price, subject to shareholder approval at the 2021 AGM

Financial Update

Simble is pleased to report cash inflows from operating activities for the March Quarter of \$0.36m. Net cash outflows from operating activities were \$0.19m for the quarter, a \$0.28m improvement on the previous year's net cash outflows of \$0.48m (after restatement of \$0.32m software research and development outflows, previously disclosed as investing activity). This represents a 59% year on year improvement in net cash outflows, on a like-for-like basis.

The Company's dramatically improved cash burn profile, as a result of its vigilant cash management efforts since late 2019, has stabilised and is approaching a sustainable level. Payments for software research and development are shown as operating activity cash flows for the first time, consistent with the accounting treatment of software expenditure, notwithstanding that the Company continues to believe that such expenditure will generate future income and cashflows and which will therefore return to being capitalised in the future.

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

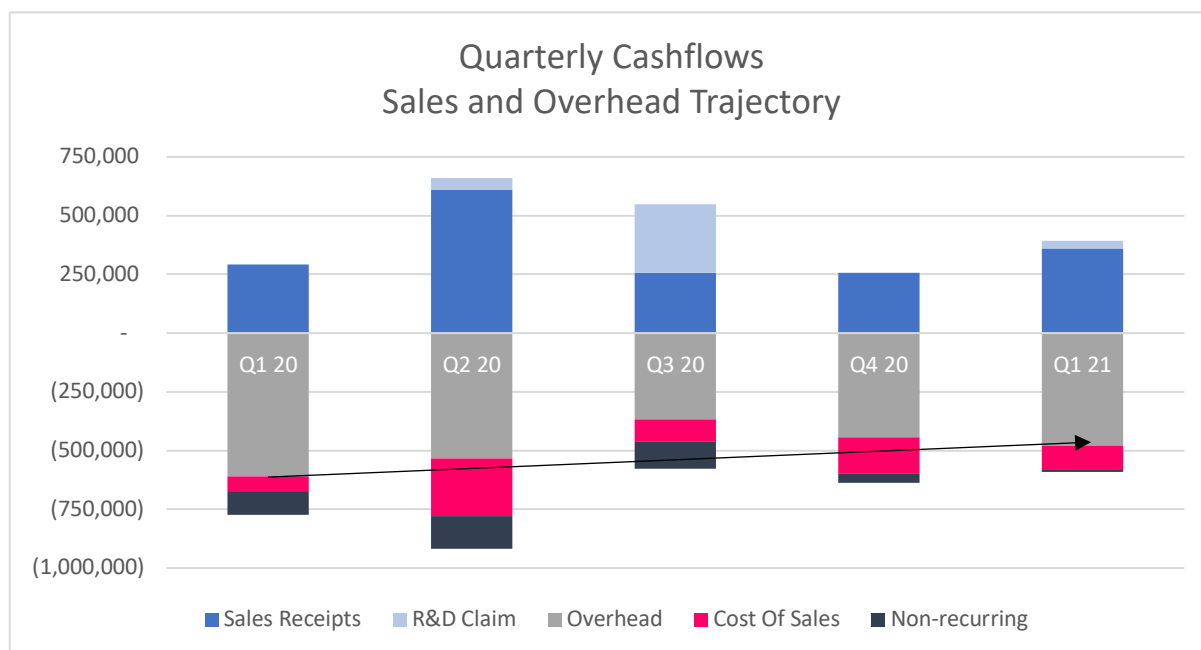


Table 1: Quarterly Cashflows

The Company has now largely completed its program of repaying liabilities that were incurred in prior periods and this accounted for \$8K only in the March quarter.

The movement of energy SaaS annualised recurring revenues (ARR) over the last twelve month period is shown in the table below:

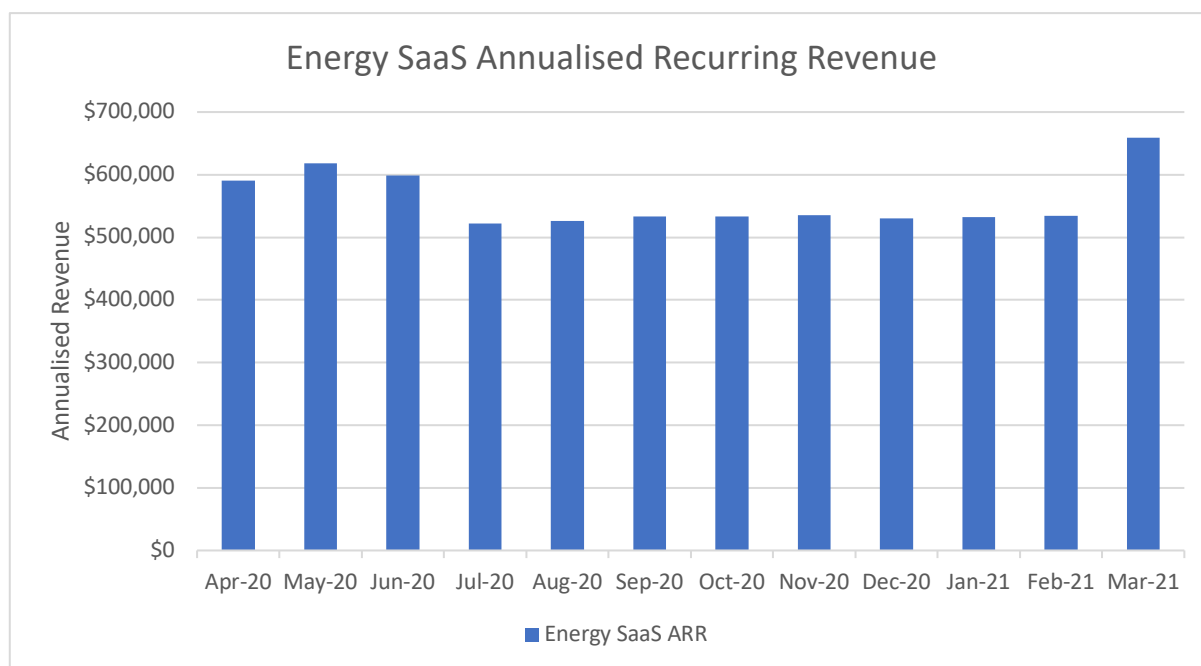


Table 2: Energy SaaS ARR

The company is in the process of updating the reporting of meters under management to reflect the residential versus Commercial & Industrial segments.

Operational Update

Simble concluded a number of significant new agreements during and after the March quarter.

David Brown Group Limited (DB Santasalo)

Simble announced a three-year agreement with DB Santasalo in the UK to roll out the CarbonView Platform across a number of its global locations. The contract, which has a total value of \$200k, commenced on 1 March 2021 and will increase current energy division annualised recurring revenue (ARR) by 12%. Under the agreement CarbonView will be implemented as DB Santasalo's standardised carbon reporting platform globally with multi country rollout including the UK, US, China, Russia, Germany and Australia.

The Australian Alliance for Energy Productivity (A2EP)

Simble signed an agreement with A2EP to provide energy metering and analytics reporting and carbon emissions reporting for 10 farm sites as part of an energy efficiency and productivity project funded by the state government of New South Wales. Made up of two parts, the energy metering and analytics project will run through to June 2023, whilst the Carbon emissions reporting project will run through to June 2022 with an option to renew following the initial term.



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Juice Capital

Simble signed a three-year agreement with leading solar energy provider Juice Capital to provide our solar and energy metering software platform and apps coupled with third party energy IoT devices. Under the agreement Juice will on-board all future customers across its two business units, Juice Capital Energy and subsidiary Horan & Bird, to the SimbleSense platform, and the SimbleHome App where applicable, to provide data analytics and insights across all market segments.

United Solar Group

Simble executed a three-year agreement with global renewable energy provider United Solar to implement SimbleSense and the SimbleHome App as United's standardised energy management platform. Under the agreement United, which operates in Australia, South East Asia and Latin America, has committed to a minimum rollout to 500 residential homes resulting in minimum revenues to Simble of \$0.26m over the life of the agreement. United has an existing customer base of 12,000+ in the residential and Commercial & Industrial sectors.

The Juice and United agreements signal Simble's initial foray into the fast growing and environmentally sustainable solar energy sector and validates the previously signaled strategic intention to expand distribution channel partnerships in this sector.

Corporate Update

During the quarter, the Company received commitments from a number of current investors in the 2019 series notes to convert those notes to equity. The 2019 series notes were originally issued for a total of \$1.027m and were convertible by 31 December 2019 at a price of \$0.15 per share. Holders of 942,000 of the notes have agreed to early conversion of the notes plus capitalised interest to equity at a minimum conversion price of \$0.04. The conversion price may be higher depending on the 10-day VWAP immediately prior to the date of Simble's 2021 AGM at which shareholder approval will be sought.

As a result of the conversion, the Company will extinguish \$1.18m of current liabilities, thereby significantly improving its balance sheet and providing a stable platform for future growth.

As required under ASX listing rule 4.7C.3 payments to related parties in the quarter of \$42K are comprised of directors fees of \$20K and consulting fees of \$18K, paid pursuant to letters of appointment and a discreet project consulting agreement respectively, 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 2021.

Simble CEO, Ronen Ghosh, said: "The March Quarter was good for the Company with a number of significant new customer wins and continued solid financial performance setting up for ongoing growth through the remainder of 2021.



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We are living the core values of being Smart + Nimble as we adapt our offerings to respond to the demands of customers who are concerned with business improvement through energy intelligence and the groundswell building behind the movement to net zero emissions.

We're thrilled to have onboarded new CarbonView customers such as DB Santasalo and A2EP and we are especially happy to have signed our first solar and renewable energy providers, Juice Capital and United Solar Group. These customer wins provide early validation of our strategic decision to pursue these channels to market, and we will continue to do so in a committed but measured way.

Our focus in 2021 has shifted from foundation building to growth as we start to reinvigorate our presence in the UK and Australia through market opportunities, an improved commercial model and world-class energy management, carbon reporting and business productivity software products. We therefore expect our financial performance to continue improving in FY21. We'll also continue to explore all other avenues available to us, such as M&A, to strategically grow the business."

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

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.

The Simble Energy Business Unit includes the SimbleSense and CarbonView software platforms. SimbleSense is an integrated hardware and real-time software solution that enables businesses to visualise, control and monetise their energy systems. CarbonView is an enterprise grade Carbon and Sustainability Reporting platform that allows companies to measure and reduce their carbon emissions and also meet their carbon reporting obligations.

Simble operates across all segments from Commercial & Industrial, through to Small to Medium Sized Enterprises (SME) and the residential market and targets the distribution of its platform through channel partners. Simble has an international presence with offices in Australia, the United Kingdom and Vietnam.

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

Simple Solutions Limited

ABN

17 608 419 656

Quarter ended ("current quarter")

31 March 2021

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		360	360
1.2 Payments for			
(a) research and development		(119)	(119)
(b) product manufacturing and operating costs		(104)	(104)
(c) marketplace and channel expansion		(26)	(26)
(d) leased assets		-	-
(e) staff costs		(206)	(206)
(f) administration and corporate costs		(128)	(128)
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		-	-
1.8 Other (provide details if material)			
Retirement of prior liabilities			
(a) marketplace and channel expansion		-	-
(b) staff costs		-	-
(c) administration and corporate costs		(8)	(8)
1.9 Net cash from / (used in) operating activities		(198)	(198)
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	-	-
	(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	-	-

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	60	60
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	-	-
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	59	59

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	794	794
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(198)	(198)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	-	-
4.4	Net cash from / (used in) financing activities (item 3.10 above)	59	59
4.5	Effect of movement in exchange rates on cash held		
4.6	Cash and cash equivalents at end of period	655	655

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	605	605
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)	655	655

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
42
-

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.

- 7.1 Loan facilities
- 7.2 Credit standby arrangements
- 7.3 Trade Finance
- 7.4 **Total financing facilities**

Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
0	0
200	0
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)	(198)
8.2	Cash and cash equivalents at quarter end (Item 4.6)	655
8.3	Unused finance facilities available at quarter end (Item 7.5)	200
8.4	Total available funding (Item 8.2 + Item 8.3)	855
8.5	Estimated quarters of funding available (Item 8.4 divided by Item 8.1)	4.3

- 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: 30 April 2021

Authorised by: By the Board