



# Simble Quarterly Activities Report

28 July 2021

Sydney, 28 July 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 30 June 2021 (**June Quarter** or **Q2 FY21**).

## Operational and Corporate Highlights

- 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
- Signed a 3-year agreement with leading South Australian solar energy provider Steadfast Solar to provide solar and energy metering platform and apps coupled with third party energy IoT devices to their growing customer base
- Shareholder approval received to convert \$1.18m of debt to equity at a conversion price of \$0.04, thereby significantly improving the Company's balance sheet

## Financial Highlights

- Net cash from operating activities for the quarter of (\$0.16m) representing an improvement of 40% compared to (\$0.26m) for the prior corresponding period, on a like-for-like basis
- Cash receipts from customers for the June Quarter were \$0.52m including a 10% increase in receipts from Energy SaaS products
- Net cash from operating activities includes outflows in respect of software research and development of \$0.12m (2020: \$0.24m) which were previously classified as an investing activity
- End of quarter cash balance of \$0.49m
- Cash balance to be significantly bolstered by completion of oversubscribed July placement of \$1.63m to sophisticated and institutional investors and directors. These additional funds will allow Simble to accelerate growth activities including additional spend on sales, marketing and delivery capability for CarbonView

## Operational Update

Simble concluded a number of significant new agreements during the June quarter.

### 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, Southeast 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.

### Steadfast Solar

Simble signed a three-year agreement with leading South Australian solar energy provider Steadfast Solar to provide our solar and energy metering software platform and apps coupled with third party energy IoT devices. Under the agreement Steadfast will on-board all future customers to the SimbleSense platform, and the SimbleHome App where applicable, to provide data analytics and insights across all market segments.

These three agreements signal Simble's foray into the fast growing and environmentally sustainable solar energy sector and validates the previously signalled strategic intention to expand distribution channel partnerships in this sector.

## Corporate Update

During the quarter, the Company's shareholders approved the conversion of 942,000 of the 2019 series notes plus capitalised interest to equity. The note conversion price was \$0.04 and has resulted in the extinguishment of \$1.18m of current liabilities, thereby significantly improving the Company's balance sheet and providing a stable platform for future growth. 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.

Subsequent to the end of the quarter, the Company completed an oversubscribed \$1.63 million Placement to professional and sophisticated investors. L39 Capital corner stoned the placement with strong support from existing shareholders, directors and new investors. The placement funds are being deployed to accelerate the Company's growth and expansion strategy in Australia and the UK particularly in respect of CarbonView and the SimbleSense platform.

## Financial Update

Simble is pleased to report cash inflows from operating activities for the June Quarter of \$0.52m. Net cash outflows from operating activities were \$0.16m for the quarter, a \$0.1m improvement on the previous year's net cash outflows of \$0.26m (after restatement of \$0.24m software research and development outflows, previously disclosed as investing activity). This represents a 40% year on year improvement in net cash outflows, on a like-for-like basis.

The Company has continued to reduce its quarterly net cash outflows from operating activities, as it moves towards its stated aim of becoming cash flow positive. In the current year payments for software research and development are reported as operating activity cash flows as opposed to being reported as investing activity cash flows in prior years. This is consistent with the accounting treatment of software expenditure in the Company's financial report, 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:

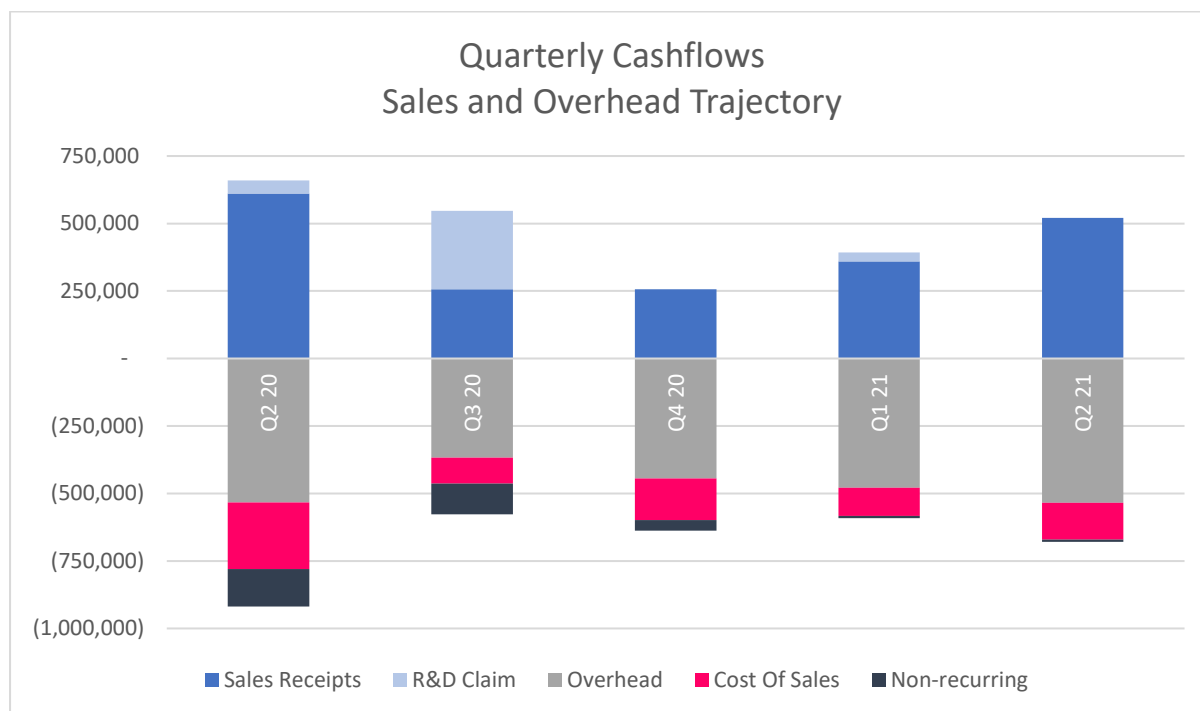


Table 1: Quarterly Cashflows

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 June quarter.

The movement of energy SaaS annualised recurring revenues (ARR) split between the CarbonView and SimbleSense platforms over the last twelve-month period is shown in the table below:

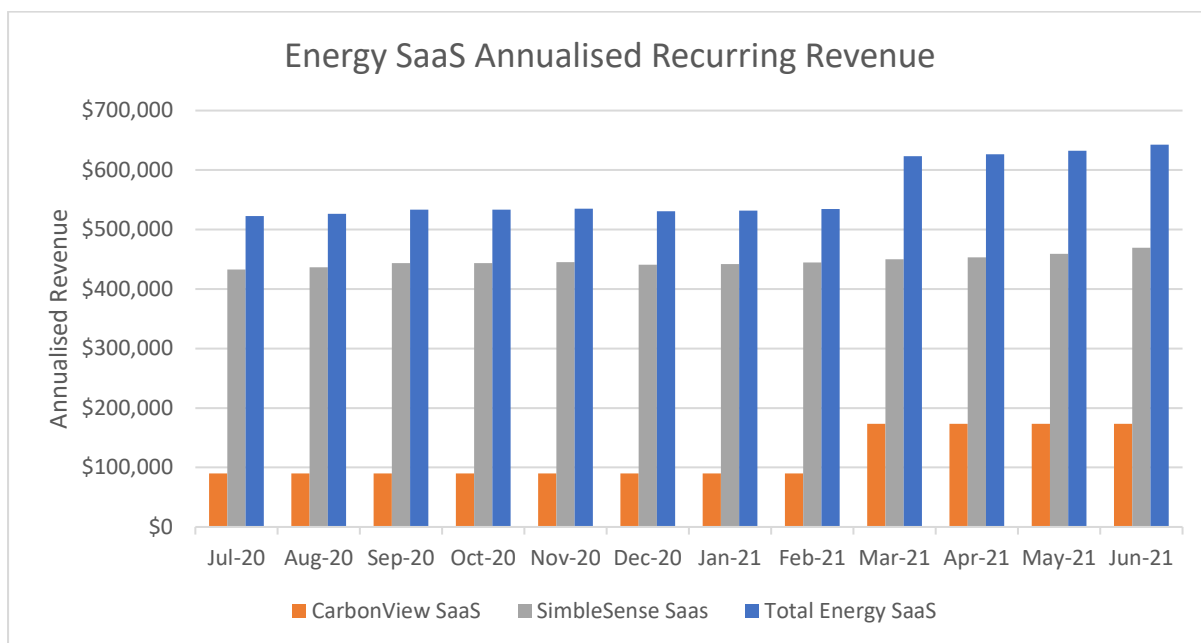


Table 2: Energy SaaS ARR

**Simble CEO, Ronen Ghosh, said:** “This has been a very pleasing Quarter for the Company on many fronts. We have continued to see a growth trend in Energy Division revenues and cash receipts, and our operating cashflows continue to trend towards cashflow breakeven. Additionally, we won and onboarded a number of new partners, particularly in the Australian renewable energy sector, and this bodes well as we seek to further our penetration into this market segment.

We continue to adapt our offerings to meet and exceed the needs of customers with regards to energy intelligence and as the groundswell builds behind the movement to net zero emissions, we are seeing the results in further ARR growth, particularly in respect of the CarbonView platform.

The closing of a heavily oversubscribed \$1.63m placement in July has meant that the Company is now well placed for its next stage of growth and is an endorsement of the company’s growth strategy for CarbonView and SimbleSense both in Australia and the UK. We are delighted by the strong support for our strategy from new shareholders and for the continued support of our existing and loyal shareholder base.”



## Simble Solutions Limited (ASX:SIS) | ASX Announcement

As required under ASX listing rule 4.7C.3 payments to related parties in the quarter of \$40K are comprised of directors' fees of \$27K and consulting fees of \$13K, 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.

*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](https://simblegroup.com)

### **Investor & Corporate enquiries:**

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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")**

30 June 2021

<b>Consolidated statement of cash flows</b>	<b>Current quarter \$A'000</b>	<b>Year to date (.....months) \$A'000</b>
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	521	881
1.2 Payments for		
(a) research and development	(122)	(241)
(b) product manufacturing and operating costs	(136)	(240)
(c) advertising and marketing	(37)	(63)
(d) leased assets	-	-
(e) staff costs	(200)	(406)
(f) administration and corporate costs	(172)	(300)
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	-	33
1.8 Other (provide details if material)	(8)	(16)
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(155)</b>	<b>(353)</b>
<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) businesses	-	-
(c) property, plant and equipment	-	-
(d) investments	-	-
(e) intellectual property	-	-
(f) other non-current assets	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (.....months) \$A'000
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)	-	-
<b>2.6</b>	<b>Net cash from / (used in) investing activities</b>	<b>-</b>	<b>-</b>

<b>3.</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	(7)	53
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	(3)	(4)
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
<b>3.10</b>	<b>Net cash from / (used in) financing activities</b>	<b>(10)</b>	<b>49</b>

<b>4.</b>	<b>Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1	Cash and cash equivalents at beginning of period	655	794
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(155)	(353)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (.....months) \$A'000
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(10)	49
4.5	Effect of movement in exchange rates on cash held		
4.6	<b>Cash and cash equivalents at end of period</b>	<b>490</b>	<b>490</b>

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	440	605
5.2	Call deposits	50	50
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>490</b>	<b>655</b>

6.	Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	40
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-
<i>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.</i>		

<b>7.</b>	<b>Financing facilities</b> <i>Note: the term "facility" includes all forms of financing arrangements available to the entity.</i> <i>Add notes as necessary for an understanding of the sources of finance available to the entity.</i>	<b>Total facility amount at quarter end \$A'000</b>	<b>Amount drawn at quarter end \$A'000</b>
7.1	Loan facilities	-	-
7.2	Credit standby arrangements	-	-
7.3	Other (Trade Finance)	200	-
7.4	<b>Total financing facilities</b>	200	-
7.5	<b>Unused financing facilities available at quarter end</b>		200
7.6	<p>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.</p> <p>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.</p>		

<b>8.</b>	<b>Estimated cash available for future operating activities</b>	<b>\$A'000</b>
8.1	Net cash from / (used in) operating activities (item 1.9)	(155)
8.2	Cash and cash equivalents at quarter end (item 4.6)	490
8.3	Unused finance facilities available at quarter end (item 7.5)	200
8.4	Total available funding (item 8.2 + item 8.3)	690
8.5	<b>Estimated quarters of funding available (item 8.4 divided by item 8.1)</b>	4.5
	<i>Note: if the entity has reported positive net operating cash flows in item 1.9, answer item 8.5 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.5.</i>	
8.6	If item 8.5 is less than 2 quarters, please provide answers to the following questions:	
8.6.1	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:	
8.6.2	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:	
8.6.3	Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?	
	Answer:	
	<i>Note: where item 8.5 is less than 2 quarters, all of questions 8.6.1, 8.6.2 and 8.6.3 above must be answered.</i>	

## 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: 28 July 2021 .....

Authorised by: By the Board.....  
(Name of body or officer authorising release – see note 4)

## Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.