



Simble Quarterly Activities Report

29 April 2022

Sydney, 29 April 2022: **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 2022 (**March Quarter** or **Q1 FY22**).

Financial Highlights

- CarbonView ARR increased by 4% from Q4 to Q1 across AU and UK markets with Simble Energy division ARR growing by 1% in total
- Net cash used in operating activities for the quarter of \$0.6m compares to \$0.2m for the prior corresponding period (PCP). The variance is attributed to the timing of several subscription renewals and increased expenditure on growth focused initiatives including sales and marketing, software development and R&D costs
- Cash receipts from customers for the March Quarter were \$0.2m compared to \$0.36m in the PCP due to the delayed receipt of a number of subscription renewals in the current year compared to 2021, including a substantial CarbonView renewal for David Brown Limited which was received in early April versus March in the previous year
- Receipts in the period include \$0.13m (GBP 0.07m) from the UK's Research and Development (R&D) tax relief claim program in respect of R&D investment in the Simble Energy products during the 2020 calendar year
- End of quarter cash balance of \$1.1m

Operational and Corporate Highlights

- Simble continued to invest in Product Development of CarbonView Platform
- Also increased investment in sales and marketing activities focused on the promotion of CarbonView to larger SME and enterprise customers resulting in a rise in CarbonView platform subscriptions across both SME and Enterprise sectors
- Successfully completed an oversubscribed \$1.65 million Placement to professional and sophisticated investors. The first tranche funds of \$0.905m were received in Q1 under current capacity. A second tranche of \$0.745m will be allocated following shareholder approval at the Company's Annual General Meeting in May 2022. Directors of Simble will also participate in the Placement subject to shareholder approval.

Financial Update

Receipts from customers for the March Quarter of \$0.2m represents a 43% decrease on the corresponding prior year period of \$0.36m. This is largely due to the timing of receipts year on year. In particular, the renewal of CarbonView for \$0.065m from David Brown Limited was delayed and was not received until April.

Simble Energy division annualised recurring revenue (ARR) has increased by 1% from \$756k in Q4 to \$762k in Q1, with most of this increase attributable to subscription revenue from CarbonView which increased by 4% from \$175k in Q4 to \$181k in Q1. The movement of energy SaaS ARR split between the CarbonView and SimbleSense platforms over the last twelve-month period is shown in the table below:

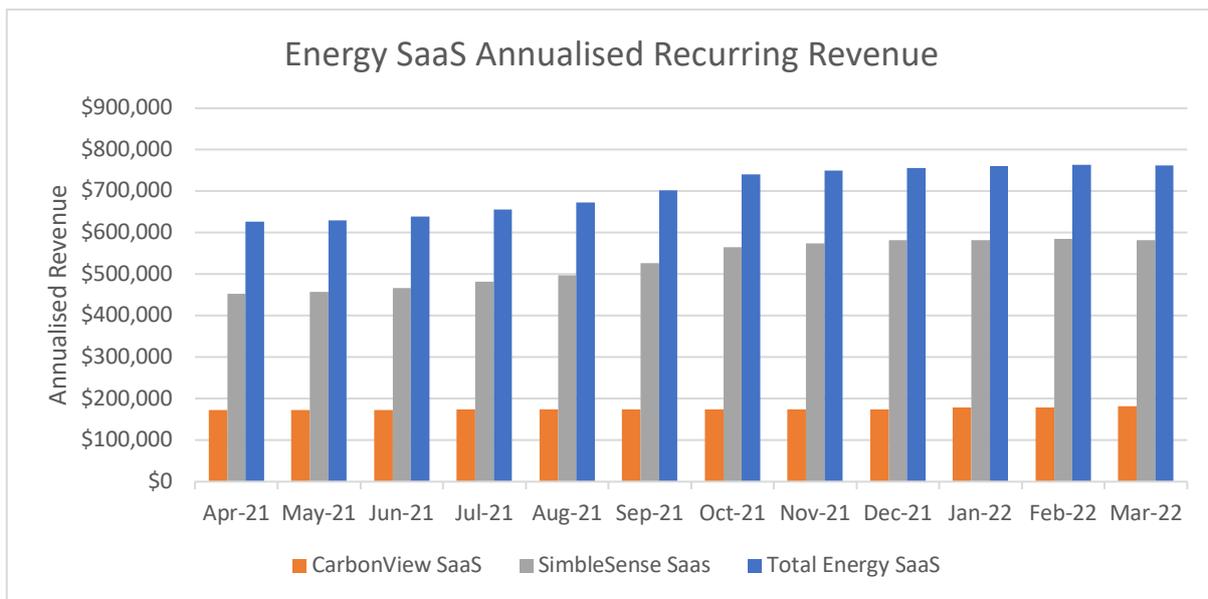


Table 1: Energy SaaS ARR

Overall ARR decreased marginally across Q4 to Q1, from \$1.16m to \$1.14m due to declining revenues from the business productivity stream.

Net cash used in operating activities for the quarter of \$0.60m increased by 28% on the previous quarter due mainly to a 65% seasonal decrease in receipts in Q1. Expenditure on growth focused initiatives continued with payments for research and development 20% higher than the previous quarter, and payments for marketplace and channel expansion 38% higher than the previous quarter.

Cash from operating activities also includes the receipt of \$127K (GBP 69K) from the United Kingdom's Research and Development (R&D) tax relief claim program. The funds are associated with R&D investment in the Simble Energy products during the 2020 calendar year.



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As required under ASX listing rule 4.7C.3 payments to related parties in the quarter of \$37K are comprised of directors' fees paid pursuant to letters of appointment. 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 29 March 2022.

Operational Update

CarbonView

During the quarter Simble launched a digital marketing campaign to promote the availability of the CarbonView self-service Software as a Service (SaaS) platform aimed at assisting SME businesses meet their Net Zero goals. Early adopter customers signed up to the platform via the website and commenced their net zero reporting journey.

In addition, and following on from the partnership agreement that was executed between Choice Energy and Simble in Q4, 2021, Choice Energy has commenced promoting the CarbonView platform to their 4,500+ SME clients via a dedicated and jointly branded e-commerce enabled landing page.

This version of the software joined the existing CarbonView "Premium" product, which is an enterprise grade carbon reporting platform. The increasing demand from companies seeking to measure, disclose and report on performance against Net Zero targets presents an attractive and scalable opportunity for the company.

Simble also entered into several new partnership agreements in respect of CarbonView during the quarter across Australia and the UK. Partners such as Open Energy Market in UK and Eco Synergy Systems in Australia have commenced promoting CarbonView to their respective clients.

SimbleSense

During the quarter, Simble announced the extension of channel collaboration and reseller agreement with Sylvania Lighting to offer a white label version of the SimbleSense platform energy & IoT analytics platform to its customers for 5 years ending 31 December 2026, with the option of a further term of 5 years.

The agreement extension included an expanded geographical coverage to include an additional 22 countries and territories with annual white label fees of approximately \$32,000.

The revenue generated for Simble will be on a per meter basis, invoiced upfront. Software subscription terms are either 3, 5 or 7 year terms depending on the contract between Sylvania Lighting and the end customer. Typical revenue per meter ranges from \$1,000 to \$1,400 and is a combination of software revenue recognised on a pro rata basis across the 3, 5 or 7 year terms, and hardware revenue recognised upfront.



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Corporate Update

Placement

In March, the Company completed an oversubscribed \$1.65 million Placement to professional and sophisticated investors. The Placement was strongly supported by existing shareholders, directors, and new investors. The Placement funds will be received in two tranches; the first tranche of \$0.905m was received and allocated in March, with the second tranche of \$0.745m to be received following shareholder approval at the company's Annual General Meeting in May. Funds received are being deployed to continue to accelerate the Company's growth and expansion strategy in Australia and the UK particularly in respect of CarbonView.

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



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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.

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

Simble operates across all segments from Commercial & Industrial, through Small to Medium Sized Enterprises (SME) and the residential market and targets the distribution of its platform directly and 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

Simble Solutions Limited

ABN

17 608 419 656

Quarter ended ("current quarter")

31 March 2022

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	207	207
1.2 Payments for		
(a) research and development	(248)	(248)
(b) product manufacturing and operating costs	(106)	(106)
(c) marketplace and channel expansion	(71)	(71)
(d) leased assets	-	-
(e) staff costs	(323)	(323)
(f) administration and corporate costs	(165)	(165)
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	127	127
1.8 Other (provide details if material) Retirement of prior liabilities	(23)	(23)
1.9 Net cash from / (used in) operating activities	(602)	(602)
2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) businesses	-	-
(c) property, plant and equipment	-	-
(d) investments	-	-
(e) intellectual property	-	-

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (3 months) \$A'000
(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)	947	947
3.2 Proceeds from issue of convertible debt securities	-	-
3.3 Proceeds from exercise of options	13	13
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	958	958

4. Net increase / (decrease) in cash and cash equivalents for the period		
4.1 Cash and cash equivalents at beginning of period	753	753
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(602)	(602)
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 (3 months) \$A'000
4.4	Net cash from / (used in) financing activities (item 3.10 above)	958	958
4.5	Effect of movement in exchange rates on cash held		
4.6	Cash and cash equivalents at end of period	1,109	1,109

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	1,059	560
5.2	Call deposits	50	193
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	1,109	753

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	37
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>		

7. Financing facilities	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
<i>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.</i>		
7.1 Loan facilities	-	-
7.2 Credit standby arrangements	-	-
7.3 Other (Trade Finance)	200	-
7.4 Total financing facilities	200	-
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)	(602)
8.2 Cash and cash equivalents at quarter end (item 4.6)	1,109
8.3 Unused finance facilities available at quarter end (item 7.5)	200
8.4 Total available funding (item 8.2 + item 8.3)	1,309
8.5 Estimated quarters of funding available (item 8.4 divided by item 8.1)	2.17
<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: 29 April 2022

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.