

Quarterly Activities Report – September 2022

Sydney, 28 October 2022: **Sustainability Solutions 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 September 2022 (**September Quarter** or **Q3 FY22**).

Highlights

- Sales activity across both Australia and UK gaining strong momentum.
- Receipts from Customers of \$463k, an 11% increase on the prior quarter.
- Team remains highly focused on revenue generation and new customer acquisition across both the CarbonView and SimbleSense product units, in Australia and the UK.
- Substantial increase in new sales activity and interest, particularly in the UK, for both products, from medium and large industrial companies.
- Strong pipeline of new customer and revenue opportunities being pursued by our business development teams.

Sales & Marketing Update

Energy and Carbon Net Zero remain front-page news across the World, in particular in our core markets of Australia and the UK.

Accordingly, the Company is experiencing strong interest in its carbon accounting and energy metering software products, as well as newly implemented carbon consulting services.

Sales and marketing highlights for the quarter include:

- This quarter was another strong sales quarter with further orders from current and new customers such as Brownhills Glass, FM Conway, MPK Garages, Powercor and Sylvania Lighting in the UK, and Juice Capital and Solar Energy Enterprises in Australia.

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- New partners have signed up to take the Simble sustainability solutions to market including Fidelity Energy and Glu-Group in the UK. Both those partners' sales teams have been trained and on-boarded with sales activities in progress.
- During the quarter there has been a continued ongoing investment into digital marketing social media and targeted online search advertising, leading to a broad funnel of sales leads for CarbonView in particular, with efforts going into ongoing pitches and proposals to various mid and large sized companies.
- Simble has continued participation at various major energy and carbon trade conferences and marketing events, including the All Energy Conference in Melbourne in late October, the London *Climate Tech Conference* in mid-October, and EMEX in London in November.

Financial Highlights

- Receipts from Customers of \$463k across the Group for the Quarter, an 11% increase on the prior quarter.
- The Company continues to invest in ongoing operations to underwrite prospective revenue growth.
- Net cash used in operating activities for the quarter of \$462K was an improvement on net operating cash burn of \$468k in the prior June quarter, and \$602K in the prior March quarter.
- Operating cash outgoings for staff, admin & corporate, marketing and R&D (software product development) was \$705k, a 6% decrease on the prior quarter (\$754k).
- Product costs increased to \$197k, a 116% increase on the prior quarter (\$91k). These outflows are for third-party hardware bundled with the SimbleSense software product, and for the business productivity division, which in turn are directly related to revenues. The increase in outflows reflects higher sales of SimbleSense hardware + software bundles during the Quarter.
- Total headcount of 17 has been stable, with 14 FTEs and 3 part-time executives.
- As required under ASX listing rule 4.7C.3 payments to related parties in the quarter of \$65k are comprised of directors' fees of \$38K and consulting fees of \$27K paid pursuant to letters of appointment and a discreet consulting

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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 29 March 2022.

- End of quarter cash balance was \$847k.

Strategic Update

The Company is firmly committed to two parallel strategies:

As previously advised the Company continues to undertake a strategic review and operating improvements, in particular focusing the whole organisation on customer acquisition and revenue traction, while seeking costs efficiencies. This process is ongoing and achieving results.

Also as previously indicated, the Company is engaged in ongoing corporate, partnership, and merger and acquisition discussions. These efforts are being led by the Company's investment banking advisers Tiger & Bear Partners in Sydney.

ENDS

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 Sustainability Solutions Business, with industry-leading software products enabling Net Zero carbon reporting, and energy monitoring & intelligence Software-as-a-Service (SaaS) solutions, together with energy efficiency and carbon reduction consulting services.

The company operates two product platform divisions - *CarbonView* and *SimbleSense*:

> **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 as they head towards zero carbon emissions.

> **SimbleSense** is an integrated hardware and real-time software solution that enables businesses to visualise & control their energy systems and reduce energy costs.

Simble operates across the Commercial & Industrial and Small to Medium Sized Enterprises (SME) segments, and distributes both directly via B2B sales, as well as through multiple channel partners. Simble has an international presence with offices in Australia, the United Kingdom and Vietnam.

To learn more please visit us at:

simblegroup.com

carbon-view.com

simbleenergy.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")

30 September 2022

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (9 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	463	1,087
1.2 Payments for		
(a) research and development	(127)	(488)
(b) product manufacturing and operating costs	(197)	(394)
(c) marketplace and channel expansion	(97)	(267)
(d) leased assets	-	-
(e) staff costs	(279)	(904)
(f) administration and corporate costs	(202)	(608)
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
1.8 Other (provide details if material)		
Retirement of prior liabilities	(23)	(87)
1.9 Net cash from / (used in) operating activities	(462)	(1,534)
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 (9 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)	-	1,650
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	88
3.4	Transaction costs related to issues of equity securities or convertible debt securities	(2)	(104)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	(5)	(6)
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	Net cash from / (used in) financing activities	(7)	1,628

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	1,316	753
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(462)	(1,534)
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 (9 months) \$A'000
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(7)	1,628
4.5	Effect of movement in exchange rates on cash held		
4.6	Cash and cash equivalents at end of period	847	847

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	797	1,266
5.2	Call deposits	50	50
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)	847	1,316

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	65
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 <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>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
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)	(462)
8.2	Cash and cash equivalents at quarter end (item 4.6)	847
8.3	Unused finance facilities available at quarter end (item 7.5)	200
8.4	Total available funding (item 8.2 + item 8.3)	1,047
8.5	Estimated quarters of funding available (item 8.4 divided by item 8.1)	2.27
	<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 October 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.