

Quarterly Activities Report Q3 September 2023

31 October 2023

Sydney, 31 October 2023: **Energy and Sustainability software company Simble Solutions Limited (ASX:SIS)** ('Simble' or 'the Company') is pleased to present its Quarterly Cash Flow Report (Appendix 4C) and Quarterly Activities Report for the quarter ended 30 September 2023 (**September Quarter** or **Q3 FY23**).

Sales and Operational Update

- New channel partner contract with Australian energy retailer **BlueNRG** to distribute *SimbleSense* to a wide network of business customers being implemented, and sales engagement with first end-user business customers.
- Intellihub channel partnership continues to migrate industrial customer power meters to the *SimbleSense* platform, with 650 meters integrated during Q3.
- Origin Zero channel partnership progressing with additional customer integrations and sales engagement with Origin end-user industrial customers.
- Juice Energy solar channel partnership incrementally onboarded new customer meters to the platform each month during Q3 and this is expected to continue in forward periods.
- Existing contracted customer SaaS fees continued to be renewed on the anniversary of these contracts, in particular customers in the United Kingdom.
- Various new UK customers expected to commence contracts and make payments in the current Q4.

Financial Update

- Growth in sales activity and orders from direct customers and via channel partners was reflected in a 70% increase in sales invoices issued in Q3 totalling \$543k, compared to \$320k for the previous Q2.
- Cash Receipts for Q3 from customers was \$361k compared with \$633k for the previous Q2, and was down 12% on the previous corresponding period (Q3 2022), reflecting timing of contracts, payments and cyclical SaaS renewals.

- Net Cash Used in Operating Activities was (\$477k) compared with (\$182k) for the previous Q2 and (\$762k) for Q1. This was significantly higher in Q3 due to the lower receipts explained above, and one-off costs, legacy creditors, and restructuring expenses in the months of July and August (\$100k) including one-off outgoings for personnel exits, as part of reducing the operating overhead cost base of the business.
- The reshaped lower cost base is in place from the September month onwards. In the month of September 2023 the business was operationally cash flow positive at \$69k.
- Simble's fixed operating overheads (cost-base) has been substantially reduced during 2023 following cuts in June and July. Cost of Goods Sold (energy metering devices) are not included:

Simble Fixed Operating Overhead by Quarter (unaudited):

Q1 2023 (March)	\$815k
Q2 2023 (June)	\$676k
Q3 2023 (September)	\$674k
Q4 2023 (December - Forecast)	< \$590k (F)

- Total headcount (excluding Non Executive Directors) at the date of this release is 16, with 6 FTEs in Sydney and the UK, 8 FTEs in the tech team in Vietnam, and 2 part-time executives.
- Cash balance as at 30 September was \$505k. This is expected to improve in Q4 due to:
 - Expected positive cash flow months in the periods ahead;
 - Activation of the Alpha Investment Partners facility during October; and
 - Receipt of the UK R&D rebate lodged on 26 October which is expected to result in a refund of approximately A\$320k during December 2023;
- As required under ASX listing rule 4.7C.3 payments to related parties in the quarter of \$131k are comprised of current and outgoing directors' fees of \$103k and consulting fees of \$28k paid pursuant to letters of appointment and a consulting agreement respectively, with the Company's directors. This amount includes salary paid to



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executive directors, and also includes payment of one quarter of director's fees (in arrears) to each of the two directors that resigned on 3 July 2023. 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 2023.

Strategic Update

The Company's focus for the periods ahead remains the persistent generation of additional customer acquisition and revenue traction via our channel partners in Australia and the UK, plus ongoing efforts in direct sales to customers in both markets, while keeping operating costs contained.

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 Energy and Sustainability software solutions business, with industry-leading software products enabling Net Zero carbon reporting, and energy efficiency monitoring & intelligence Software-as-a-Service (SaaS) solutions, together with associated 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 corporates to visualise & control their energy systems and reduce electricity consumption costs.

Simble operates across the Commercial & Industrial and Medium Sized Enterprises segments across both Australia and the United Kingdom. We distribute our solutions both directly via B2B sales, as well as through multiple channel partners. Simble has an international presence with teams 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 2023

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	361	1,217
1.2 Payments for		
(a) research and development	(137)	(512)
(b) product manufacturing and operating costs	(146)	(475)
(c) marketplace and channel expansion	(74)	(203)
(d) leased assets	-	-
(e) staff costs	(274)	(875)
(f) administration and corporate costs	(207)	(558)
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	-	(14)
1.9 Net cash from / (used in) operating activities	(477)	(1,420)
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)	-	1,456
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	-	(266)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	(1)
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	Net cash from / (used in) financing activities	-	1,189

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	982	736
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(477)	(1,420)
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)		1,189
4.5	Effect of movement in exchange rates on cash held		
4.6	Cash and cash equivalents at end of period	505	505

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	455	932
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)	505	982

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	131
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	94	91
7.2	Credit standby arrangements	-	-
7.3	Other (Trade Finance)	-	-
7.4	Total financing facilities	94	91
7.5	Unused financing facilities available at quarter end		
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.		
	Shareholder loan facility provided by UCR Consultants Ltd: GBP50K, 12-month term, 10% p.a. interest payable monthly, unsecured.		

8.	Estimated cash available for future operating activities	\$A'000
8.1	Net cash from / (used in) operating activities (item 1.9)	(477)
8.2	Cash and cash equivalents at quarter end (item 4.6)	505
8.3	Unused finance facilities available at quarter end (item 7.5)	
8.4	Total available funding (item 8.2 + item 8.3)	505
8.5	Estimated quarters of funding available (item 8.4 divided by item 8.1)	1.06
	<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: No, net operating cash flows are expected to improve with increased sales activity, new contracts already in the pipeline for which invoices have been raised in some cases, reduced operating costs and the forecast receipt of research and development credits of approximately \$320k in the UK in Q4.	
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: Yes, the company is assessing capital raising and additional convertible note funding alternatives to increase the level of available funding. The company has also activated the At-The-Market Facility Agreement with Alpha Investment Partners during October 2023. Also refer 8.6.1 commentary. The company is expecting that these steps will be successful.	

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: Yes, the company has experienced improved core business performance and is expected to receive approximately \$320k in research and development credits in the UK in Q4 (refer 8.6.1). The company is also assessing additional funding options required to support the ongoing funding requirements of the business (refer 8.6.2).

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.

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: 31 October 2023

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.