



Quarterly Activities Report – March 2023

Sydney, 28 April 2023. **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 31 March 2023 (**March Quarter** or **Q1 FY23**).

Highlights

- Cash receipts from Customers of \$223k, an 8% increase on the previous corresponding period (pcp) and a 65% decrease on the prior quarter, which is in line with recurring trends related to the timing of ongoing software renewals for the First Quarter of the year.
- Total net invoices raised during the quarter of \$325k, with some collections received during the Q1, and the remainder expected in Q2.
- Strong sales and distribution momentum continuing:
 - Signing of a contract with major Australian energy group **Origin Energy** to deploy the SimbleSense platform across their commercial and industrial (**C&I**) client network.
 - Commencement of roll-out of the SimbleSense platform to the commercial, industrial and embedded network clients of **Intellihub**, with over 700 meters on-boarded during the Quarter.
 - Executing on the substantial new customer sales pipeline for CarbonView and SimbleSense with new customers in the UK.
 - Ongoing sales to existing customers including solar operators in Australia and direct customers in the UK.
- The Simble team remains highly focused on revenue generation and new customer acquisition for both CarbonView and SimbleSense products in both Australia and the UK.



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Sales & Marketing Update - Australia

- **Origin Zero** – Initial phase of implementation of the Origin relationship, with Origin business sales team training complete, and presentations of the energy-saving benefits of the platform to their 15,000+ C&I customers underway currently, with sales momentum expected later in Q2 and future periods.
- **Intellihub** - Implemented the initial roll-out to Intellihub's third-party direct commercial & industrial customers who are offering a white labelled version of the SimbleSense energy management platform to their customers. During the Quarter over 700 power meters for major industrial customers were migrated to the Simble platform, with significant numbers of additional meters expected to be on-boarded to the platform in Q2 and Q3.
- Extension of the roll-out to Intellihub's substantial embedded network customer base, which is commencing currently, and will be implemented in late Q2 and then future periods. Embedded networks are private electricity networks which supply multiple homes or businesses that are co-located, such as modern apartment buildings.
- Proposed further extension of the roll-out program to Intellihub's SME and Local Government customer base to be pursued from Q3 onwards.
- Continued expansion of existing customers onto the SimbleSense platform including Juice Capital and Solar Energy Enterprises.
- Ongoing efforts to grow the direct sales pipeline across both the CarbonView and SimbleSense platforms.

Sales & Marketing Update – United Kingdom

- Further implementations for Sylvania Lighting across their UK third-party customers.
- Ongoing direct sales and marketing into manufacturing and industrial clients in the UK manufacturing sector, where rapidly rising energy costs and carbon emissions continue to be front of mind.
- Two new hires in the UK in sales and customer support, already showing good initial progress.

Financial Highlights

- Quarterly cash receipts from Customers of \$223k across the Group, an 8% increase on the pcp. This represents a 65% decrease on the December quarter which is in line with recurring trends related to the timing of ongoing software renewals for the First Quarter of the year.
- Total revenue generated (unaudited) from invoices raised was \$325k, with collections on part of this revenue expected in Q2.
- The Company continues to invest in ongoing operations, marketing and technology development to underwrite prospective revenue growth.
- Net cash used in operating activities of \$762k was substantially higher than the prior quarter, which is mainly due to seasonally lower cash receipts, and the timing of a payment of a significant mobility Cost of Sales invoice in respect of a prior quarter cash receipt.
- Total operating cash outgoings for admin & corporate, staff, marketing and R&D (software development) of \$806k increased 17% on the prior quarter (\$689k), higher due to the timing of annual corporate expenses including audit.
- Net cash used in operating activities is also 26% higher than the pcp (Q1FY22) due mainly to the timing of the receipt of the FY20 UK research & development incentive claim (cash income) in that pcp of \$127k.
- Processing of UK R&D Claims (refunds) for FY21 and FY22 are currently underway simultaneously.
- Completion of an equity Placement in February resulting in a gross capital injection of \$856k in February and a second tranche of \$700k in March following Shareholder Approval at a General Meeting held on 23 March 2023.
- Total headcount (excluding Non Executive Directors) was 5 FTEs plus 2 PT contractors in Australia, 4 FTEs in the UK, 7 FTEs in Vietnam, and 3 part-time executives.
- As required under ASX listing rule 4.7C.3 payments to related parties in the quarter of \$64k are comprised of directors' fees of \$38K and consulting fees of \$26K 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 2023.

- End of quarter cash balance was \$1.322m.

Strategic Update

The Company's focus for 2023 continues to remain the generation of higher levels of customer acquisition and revenue traction, while maintaining cost efficiencies.

The Company now has several substantial channel partnerships to market, specifically Origin, Intellihub and Sylvania Lighting, plus ongoing constant activity in direct sales.

The current sales pipeline and channels gives the Company confidence in the outlook in during 2023 for improved cash flow and a pathway to break-even and growth into profitability.

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 Group, 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")

31 March 2023

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	223	223
1.2 Payments for		
(a) research and development	(214)	(214)
(b) product manufacturing and operating costs	(170)	(170)
(c) marketplace and channel expansion	(75)	(75)
(d) leased assets	-	-
(e) staff costs	(314)	(314)
(f) administration and corporate costs	(203)	(203)
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	(8)	(8)
1.9 Net cash from / (used in) operating activities	(762)	(762)
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)	1,456	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	(108)	(108)
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	1,348	1,348

4. Net increase / (decrease) in cash and cash equivalents for the period		
4.1 Cash and cash equivalents at beginning of period	736	736
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(762)	(762)
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)	1,348	1,348
4.5	Effect of movement in exchange rates on cash held		
4.6	Cash and cash equivalents at end of period	1,322	1,322

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	1,272	686
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)	1,322	736

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>		

Quarterly cash flow report for entities subject to Listing Rule 4.7B

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	91	91
7.2 Credit standby arrangements	-	-
7.3 Other (Trade Finance)	200	-
7.4 Total financing facilities	291	91
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.	
	<p>Shareholder loan facility provided by UCR Consultants Ltd: GBP50K, 12-month term, 10% p.a. interest payable monthly, unsecured.</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>	

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (item 1.9)	(762)
8.2 Cash and cash equivalents at quarter end (item 4.6)	1,322
8.3 Unused finance facilities available at quarter end (item 7.5)	200
8.4 Total available funding (item 8.2 + item 8.3)	1,522
8.5 Estimated quarters of funding available (item 8.4 divided by item 8.1)	2.00
<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 April 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.