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ASX ANNOUNCEMENT

15 October 2020

Simble achieves positive operating cashflow and accelerates growth of meters under management in September quarter

Investment Highlights

Financial

- Cash inflows from operating activities of $0.55m
- Net cash from operating activities of positive $74K, a 112% turnaround on previous corresponding period (pcp), which saw cash outflows of $0.59m
- Software research and development spend of $97K compared to $0.64m in pcp
- Gross cash outflows from operating and investing activities (excluding receipts) of $0.56m (compared to $1.59m in pcp) includes $0.11m retirement of liabilities relating to prior periods
- Gross cash outflows from operating and investing relating solely to the current quarter are therefore $0.45m, a 72% improvement on Q3 2019
- Operating and investing cash overhead (gross cash outflows excluding cost of sales and non-recurring costs) of $0.35m
- Current cash balance of $1.1m following successful completion of October placement

Operational

- Growth of meters under management in the SimbleEnergy business unit has continued with a quarterly growth rate of 15.6% delivering a total annual growth rate of 42.1%.
- Signed agreements with Accurassi, Reliable, Affordable, Clean Energy (RACE) for 2030 and Daizy Tech Ltd
- Selected as the App provider for Mirvac's Affordability Experiment in Perth
- Selected as the App provider to customers at Mirvac's Georges Cove master planned community in Sydney

Simble Solutions Limited (ASX:SIS) (**Simble** or **the Company**) a global software company focused on Energy Intelligence and Business Productivity Software-as-a-Service (**SaaS**) solutions, is pleased to present its consolidated quarterly cash flow report and business update for the quarter ended 30 September 2020 (**September Quarter** or **Q3 FY20**).

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Simble is pleased to report cash inflows from operating activities for the September Quarter of $0.55m**.** Net cash from operating activities is positive $74K for the September Quarter, a 112% turnaround on previous corresponding period (pcp) cash outflows of $0.59m.

The Simble Mobility business successfully renewed all expiring subscription contracts during Q3 resulting in cash inflows of $0.1m, which represents 18.3% of total inflows for the period (down from 51% in Q2).

The Company's cash burn profile has improved dramatically over the last four quarters and the reduced cost base is now being maintained. Gross cash outflows from operating and investing activities (excluding non-recurring costs) reduced year on year to $447k, a 72% improvement on Q3 2019. The Company has continued its program of repaying liabilities that were incurred in prior periods and this accounted for $113K or 25% of cash outflows in the September quarter. Retirement of prior period liabilities is expected to be completed in Q4.

The progression of quarterly cashflows is shown in the table below:

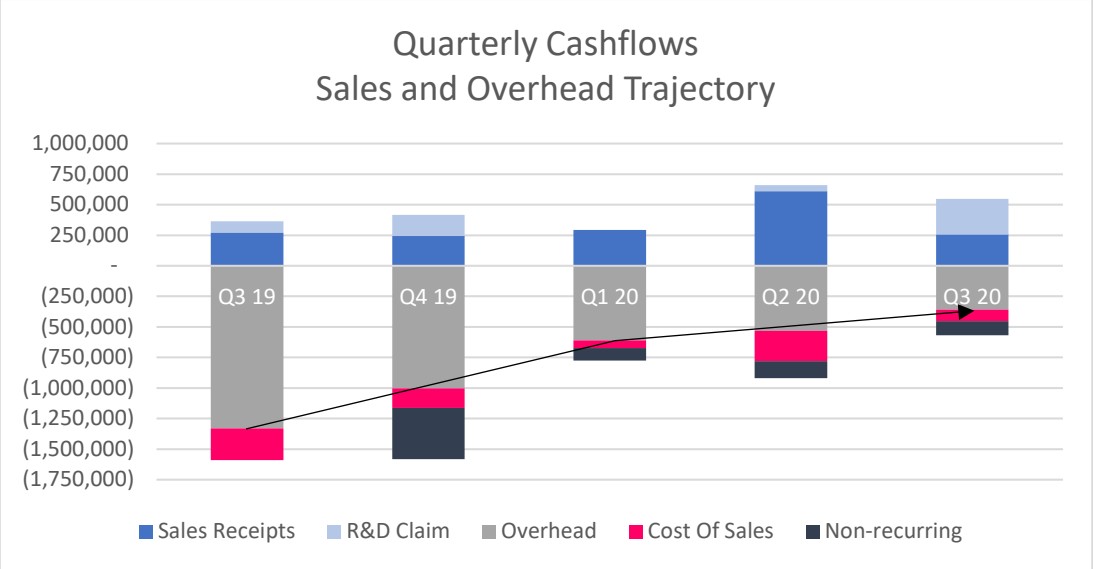


Table 1: Quarterly Cashflows

The growth of meters under management on the SimbleSense platform and of energy SaaS annualised recurring revenues (ARR) is shown in the table below. As a result of a revenue recognition adjustment in the June half-year results, the future revenues relating to a significant contract were recognised in full in the June period, and therefore do not form part of the ARR calculation from July onwards, an one-off annualised decrease of $86K.

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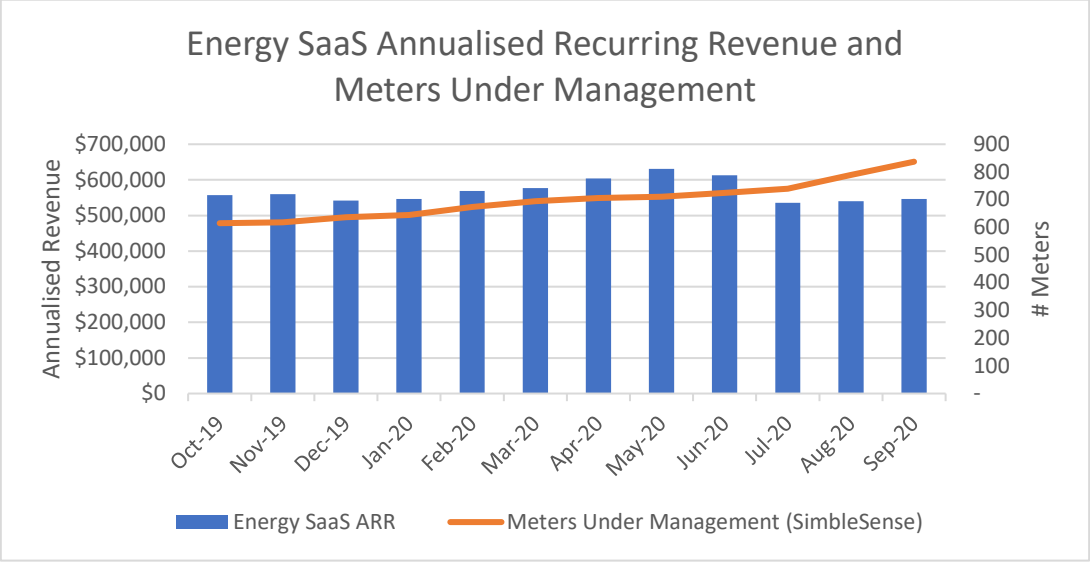


Table 2: Energy SaaS ARR and Meters Under Management

During the quarter, Simble continued to on-board customer sites and meters under management to its energy data analytics platform, with each installation delivering recurring Software-as-a Service (SaaS) revenue which is recognised on a pro-rata basis over the life of the contract.

Orders of the Simble Energy platform also include hardware components, which are recognised on an upfront basis. Renewal of contracts in the Business Productivity (Mobility) business continues to be a focus, with each renewal generally resulting in an upfront collection of subscription fees which are then recognised as revenue over the life of the contract. Mobility collections tend to be concentrated in Q2 following the Australian financial year, with consistent but smaller collections in the remaining quarters, including Q3.

Net cash outflows from investing activities are $77K for the September Quarter and includes $97K in respect of payments for software development expected to generate future income and cashflows and which are therefore expected to be capitalised.

Operational highlights

Simble achieved several key milestones during the quarter spanning new agreements as well as sales and marketing initiatives.

Accurassi

In August, Simble signed a marketplace agreement with Australian energy marketplace provider Accurassi and announced that it will launch an upgraded version of the SimbleHome App. The free-to-download SimbleHome App will enable Australia's more than 8 million households to compare the market across a panel of over 15 energy retailers and switch electricity providers at the push of a button.

In addition to allowing households to compare and switch energy retailers, the app will also provide them with the option of upgrading to a full-featured version by paying a monthly fee.

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The new retailer switching function and the SimbleHome full-featured version will generate additional revenues for Simble, as well as creating a network of cloud-connected energy IoT monitoring devices in the power meter boxes of Australian homes and businesses.

RACE for 2030

In September, Simble signed a supporting partner agreement with the Reliable, Affordable, Clean Energy (RACE) for 2030 Cooperative Research Centre (CRC). The partnership will allow Simble to progress its strategic goals and access funding for collaborative research via the CRC program by participating with a network of partners and collaborating with world-leading research partners.

Mirvac

Simble was also selected as the App provider for Mirvac's Affordability Experiment during the quarter. The Experiment is an industry-leading collaboration between Mirvac property group, West Australian energy provider Synergy, government lender Keystart and builder Terrace aiming to understand the cost savings that can be achieved by living in an efficient home.

The 'first-of-its-kind' experiment will commence in West Australia in October this year. Simble's state-of-the-art SimbleHome App will be utilised to monitor a West Australian family's energy, water use and lifestyle in order to understand the cost savings that can be achieved by living in an efficient home and its impact on the family's lifestyle.

Subsequent to end of quarter, Simble was selected as the App provider to customers of Mirvac's new Georges Cove Residences, a master planned community comprised of approximately 180 Mirvac turnkey homes in southwest Sydney. The SimbleHome App and its associated hardware and installation fee will be offered as a "sustainability upgrade" option for Mirvac's customers.

Daizy

Simble signed a master services agreement with UK-based Internet of Things (IoT) company Daizy Tech Ltd (Daizy) in September. The partnership will allow Simble to expand its connectivity to a much larger range of IoT devices via the Daizy Aware program with integration into the SimbleSense platform.

Under the agreement, Daizy will also recommend the SimbleSense platform to its clients who require a comprehensive energy and IoT platform for their IoT deployments. Simble and Daizy will launch the partnership in the UK market initially with plans to expand into the European and Australian markets.

Sylvania

Sales and marketing initiatives with Sylvania Lighting in Europe were delayed due to the impact of COVID-19 and the companies have continued to communicate and work together to plan for the initial launch, sales training and deployment of SimbleSense to measure and verify energy consumption savings for Sylvania clients. Launch is now planned for late October with sales training being conducted across 5 European countries and expectations of initial orders soon after.

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Corporate

Subsequent to the end of the quarter, the Company completed an oversubscribed $1 million Placement to professional and sophisticated investors. Dr Daniel Tillett and Hongmen Capital Holdings corner stoned the Placement, with directors and the CEO subscribing to $0.21 million. The Placement was strongly supported by new and existing investors as well as by Fresh Equities acting as supporting manager.

Simble has made significant progress over the past 12 months addressing its cost structure and is now poised for growth on the back of two successive quarters of positive operating cashflows and a further 15% quarterly growth of meters under management in Q3. The Company continues to pursue new revenue generating contracts and maximise value from the existing channel partner ecosystem.

The primary use of funds will be to accelerate the Company's growth and expansion strategy in Australia and the UK. Additional funds will be used to strengthen the Company's balance sheet and finalise the repayment of prior period liabilities.

As required under ASX listing rule 4.7C.3 payments to related parties in the quarter of $37K are directors fees paid pursuant to letters of appointment 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 2020.

Simble CEO Ronen Ghosh said: "I'm delighted that we've achieved positive operational cashflows in the September quarter. There is momentum building in all areas of the business and this, coupled with our modest cost base means that we are within striking distance of our aim of being cashflow positive on an ongoing basis.

Over the three-month period to September 2020, the number of meters under management on the SimbleSense platform increased by 15.6%, resulting in annual growth of 42% since September 2019. Recent partnership announcements with Accurassi and Daizy, the formal launch of our partnership with Sylvania Lighting planned for the end of October, and the upcoming SimbleHome App launch will drive further growth through Q4.

We have been able to announce project wins with Mirvac such as the Affordability Experiment and the Georges Cove master planned community. We are also excited to see increased support from various government grants in the energy efficiency sector which has been expanded on by the recently announced Federal Budget. We expect that these measures will further drive further project wins and increased activity with our customers and partners."

ENDS

This announcement is authorised by the Board of Directors.

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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 in Australia, New Zealand and the UK.

The Energy Intelligence solution suite empowers homes and businesses to understand their energy usage and reduce consumption and cost using Internet of Things (IoT) technology. The Business Productivity suite enables organisations to develop productivity apps for their mobile workforce using a common application development infrastructure.

Simble is focused on growing revenue through strategic and targeted software sales opportunities as well as the establishment of key partnerships in Australia, New Zealand, the UK and other markets.

To learn more please visit: simblegroup.com