

1. Company details

| | |
|-------------------|-------------------------------------|
| Name of entity: | Simble Solutions Limited |
| ABN: | 17 608 419 656 |
| Reporting period: | For the year ended 31 December 2021 |
| Previous period: | For the year ended 31 December 2020 |

2. Results for announcement to the market

| | | | \$ |
|--|------|----------|-------------|
| Revenues from ordinary activities | down | 10.7% to | 1,765,034 |
| Loss from ordinary activities after tax attributable to the owners of Simble Solutions Limited | down | 7.3% to | (1,165,534) |
| Loss for the year attributable to the owners of Simble Solutions Limited | down | 7.3% to | (1,165,534) |

Dividends

There were no dividends paid, recommended or declared during the current financial period.

Comments

The loss for the Group after providing for income tax improved by 7% year on year and amounted to **\$1,165,534** (2020: \$1,257,039).

Total revenues decreased by 10% to **\$1,765,034** (2020: \$1,975,957). Sales revenue increased 5% to \$1,520,537 whilst other income decreased 50% to \$242,065.

Carbon Reporting revenues increased by 54% to **\$171,095** (2020: \$111,006).

Energy Intelligence total revenues increased by 12% to **\$869,998** (2020: \$779,003). Energy Software as a Service (SaaS) sales revenue decreased by 12% to \$566,524 whilst hardware sales revenue increased by 358% to \$303,475.

Business Productivity sales revenues decreased by 13% to **\$479,443** (2020: \$548,587).

Other income decreased by 50% to **\$242,065** (2020: \$483,748). Other income is primarily related to research and development grant income, but was inflated in the prior year due to Covid-19 stimulus package receipts.

Net cash used in operating activities increased by 16% to \$1,618,293 (2020: \$1,400,164). The cash balance at 31 December 2021 was \$609,118 (2020: \$791,541).

3. Net tangible assets

| | Reporting period Cents | Previous period Cents |
|---|------------------------------|-----------------------------|
| Net tangible assets per ordinary security | <u>0.01</u> | <u>(0.56)</u> |

Calculated as follows:

| | Group | |
|--------------------------|-------------------------|--------------------|
| | Unaudited 2021 \$ | 2020 \$ |
| Net assets/(liabilities) | 20,882 | (1,339,887) |
| Finance lease receivable | - | (228,367) |
| Lease liabilities | - | 223,695 |
| | <u>20,882</u> | <u>(1,344,559)</u> |
| Ordinary shares (No.) | <u>339,971,692</u> | <u>238,264,534</u> |

4. Control gained over entities

Not applicable.

5. Loss of control over entities

Not applicable.

6. Dividends

Current period

There were no dividends paid, recommended or declared during the current financial period.

Previous period

There were no dividends paid, recommended or declared during the previous financial period.

7. Dividend reinvestment plans

Not applicable.

8. Details of associates and joint venture entities

Not applicable.

9. Foreign entities

Details of origin of accounting standards used in compiling the report:

Not applicable.

10. Audit qualification or review

Details of audit/review dispute or qualification (if any):

The financial statements are in the process of being audited.

11. Attachments

Details of attachments (if any):

The Preliminary Financial Report of Simble Solutions Limited for the year ended 31 December 2021 is attached.

12. Signed



Signed _____

Ben Loiterton
Chairman
Sydney

Date: 25 February 2022

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Simble Solutions Limited and its controlled entities

ABN 17 608 419 656

Preliminary Financial Report - 31 December 2021

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| | |
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Simble Solutions Limited and its controlled entities
 Consolidated statement of profit or loss and other comprehensive income
 For the year ended 31 December 2021



| | Note | Group Unaudited 2021 \$ | 2020 \$ |
|--|------|----------------------------------|---------------------------|
| Revenue | | | |
| Revenue | | 1,520,537 | 1,447,922 |
| Cost of sales | | <u>(620,115)</u> | <u>(529,271)</u> |
| Gross margin | | <u>900,422</u> | <u>918,651</u> |
| Other income | | 242,065 | 483,748 |
| Interest revenue calculated using the effective interest method | | 297 | 2,261 |
| Recovery of impairment of receivables | | 2,135 | 42,026 |
| Expenses | | | |
| Marketing | | (102,944) | (17,144) |
| Administration | 2 | (1,376,120) | (1,607,473) |
| Research and development | | (734,378) | (804,100) |
| Capital raising costs | | - | 22,000 |
| Finance costs | 2 | <u>(97,011)</u> | <u>(297,996)</u> |
| Loss before income tax benefit | | (1,165,534) | (1,258,027) |
| Income tax benefit | | <u>-</u> | <u>988</u> |
| Loss after income tax benefit for the year attributable to the owners of Simble Solutions Limited | | (1,165,534) | (1,257,039) |
| Other comprehensive income/(loss) | | | |
| <i>Items that may be reclassified subsequently to profit or loss</i> | | | |
| Foreign currency translation | | <u>(315,600)</u> | <u>124,538</u> |
| Other comprehensive income/(loss) for the year, net of tax | | <u>(315,600)</u> | <u>124,538</u> |
| Total comprehensive loss for the year attributable to the owners of Simble Solutions Limited | | <u><u>(1,481,134)</u></u> | <u><u>(1,132,501)</u></u> |
| | | Cents | Cents |
| Basic loss per share | 7 | (0.40) | (0.62) |
| Diluted loss per share | 7 | (0.40) | (0.62) |

The above consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes

| | Note | Group Unaudited 2021 \$ | 2020 \$ |
|--------------------------------------|------|----------------------------------|---------------------|
| Assets | | | |
| Current assets | | | |
| Cash and cash equivalents | 3 | 609,118 | 791,541 |
| Trade and other receivables | | 327,043 | 310,705 |
| Inventories | | 34,646 | 47,688 |
| Finance lease receivable | | - | 228,367 |
| Other assets | | 191,716 | 205,769 |
| Total current assets | | <u>1,162,523</u> | <u>1,584,070</u> |
| Non-current assets | | | |
| Property, plant and equipment | | 4,908 | 403 |
| Other assets | | 143,162 | 143,162 |
| Total non-current assets | | <u>148,070</u> | <u>143,565</u> |
| Total assets | | <u>1,310,593</u> | <u>1,727,635</u> |
| Liabilities | | | |
| Current liabilities | | | |
| Trade and other payables | 4 | 716,937 | 1,075,420 |
| Contract liabilities | | 447,672 | 406,642 |
| Borrowings | 5 | - | 1,236,113 |
| Lease liabilities | | - | 223,695 |
| Income tax | | 17,030 | 17,126 |
| Employee benefits | | 61,151 | 66,687 |
| Total current liabilities | | <u>1,242,790</u> | <u>3,025,683</u> |
| Non-current liabilities | | | |
| Contract liabilities | | 27,206 | 26,241 |
| Employee benefits | | 19,715 | 15,598 |
| Total non-current liabilities | | <u>46,921</u> | <u>41,839</u> |
| Total liabilities | | <u>1,289,711</u> | <u>3,067,522</u> |
| Net (liabilities)/assets | | <u>20,882</u> | <u>(1,339,887)</u> |
| Equity | | | |
| Issued capital | 6 | 25,912,023 | 23,079,120 |
| Reserves | | 2,803,513 | 3,110,113 |
| Accumulated losses | | <u>(28,694,654)</u> | <u>(27,529,120)</u> |
| Total (deficiency)/equity | | <u>20,882</u> | <u>(1,339,887)</u> |

Simble Solutions Limited and its controlled entities
 Consolidated statement of changes in equity
 For the year ended 31 December 2021



| Group | Issued capital \$ | Shareholder capital \$ | Reserves \$ | Accumulated losses \$ | Total deficiency in equity \$ |
|--|----------------------|---------------------------|------------------|--------------------------|----------------------------------|
| Balance at 1 January 2020 | 21,543,678 | 137,100 | 2,850,575 | (26,272,081) | (1,740,728) |
| Loss after income tax benefit for the year | - | - | - | (1,257,039) | (1,257,039) |
| Other comprehensive income for the year, net of tax | - | - | 124,538 | - | 124,538 |
| Total comprehensive income/(loss) for the year | - | - | 124,538 | (1,257,039) | (1,132,501) |
| <i>Transactions with owners in their capacity as owners:</i> | | | | | |
| Contributions of equity, net of transaction costs (note 6) | 1,535,442 | (137,100) | - | - | 1,398,342 |
| Share-based payments | - | - | 135,000 | - | 135,000 |
| Balance at 31 December 2020 | <u>23,079,120</u> | <u>-</u> | <u>3,110,113</u> | <u>(27,529,120)</u> | <u>(1,339,887)</u> |

| Group | Issued capital \$ | Shareholder capital \$ | Reserves \$ | Accumulated losses \$ | Total equity \$ |
|--|----------------------|---------------------------|------------------|--------------------------|--------------------|
| Balance at 1 January 2021 | 23,079,120 | - | 3,110,113 | (27,529,120) | (1,339,887) |
| Loss after income tax expense for the year | - | - | - | (1,165,534) | (1,165,534) |
| Other comprehensive loss for the year, net of tax | - | - | (315,600) | - | (315,600) |
| Total comprehensive loss for the year | - | - | (315,600) | (1,165,534) | (1,481,134) |
| <i>Transactions with owners in their capacity as owners:</i> | | | | | |
| Contributions of equity, net of transaction costs (note 6) | 2,832,903 | - | - | - | 2,832,903 |
| Share-based payments | - | - | 9,000 | - | 9,000 |
| Balance at 31 December 2021 | <u>25,912,023</u> | <u>-</u> | <u>2,803,513</u> | <u>(28,694,654)</u> | <u>20,882</u> |

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes

| | Group | |
|--|-------------------------|-----------------------|
| Note | Unaudited 2021 \$ | 2020 \$ |
| Cash flows from operating activities | | |
| Receipts from customers (inclusive of GST) | 1,759,135 | 1,463,854 |
| Payments to suppliers and employees (inclusive of GST) | <u>(3,287,807)</u> | <u>(3,052,031)</u> |
| Interest received | (1,528,672) | (1,588,177) |
| Research and development tax offset recovered | 297 | 2,261 |
| Interest and other finance costs paid | <u>(89,918)</u> | <u>(297,996)</u> |
| Net cash used in operating activities | <u>(1,618,293)</u> | <u>(1,400,164)</u> |
| Cash flows from investing activities | | |
| Payments for property, plant and equipment | (4,799) | (403) |
| Payments for security deposits | (6,192) | - |
| Proceeds from release of security deposits | - | 20,170 |
| Loans from related parties | - | (34,652) |
| Repayment of loans from related parties | <u>34,652</u> | <u>-</u> |
| Net cash from/(used in) investing activities | <u>23,661</u> | <u>(14,885)</u> |
| Cash flows from financing activities | | |
| Proceeds from issue of shares | 6 1,791,687 | 1,459,133 |
| Share issue transaction costs | 6 (137,891) | (60,791) |
| Repayment of trade finance | - | (140,000) |
| Proceeds from borrowings | - | 283,814 |
| Proceeds from lease receivable | 169,868 | 235,910 |
| Repayment of lease liabilities | (223,695) | (276,928) |
| Repayment of borrowings | (123,661) | - |
| Repayment of convertible notes | <u>(64,099)</u> | <u>-</u> |
| Net cash from financing activities | <u>1,412,209</u> | <u>1,501,138</u> |
| Net (decrease)/increase in cash and cash equivalents | (182,423) | 86,089 |
| Cash and cash equivalents at the beginning of the financial year | <u>791,541</u> | <u>705,452</u> |
| Cash and cash equivalents at the end of the financial year | 3 <u><u>609,118</u></u> | <u><u>791,541</u></u> |

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes

Note 1. General information

The financial statements cover Simble Solutions Limited as a Group consisting of Simble Solutions Limited ('Company' or 'parent entity') and the entities it controlled at the end of, or during, the year (referred to in these financial statements as the 'Group'). The financial statements are presented in Australian dollars, which is Simble Solutions Limited's functional and presentation currency.

Simble Solutions Limited is a listed public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business are:

Registered office

C/O Boardroom Pty Limited
 Level 12
 225 George Street
 Sydney NSW 2000

Principal place of business

Level 2
 383 George Street
 Sydney NSW 2000

Note 2. Expenses

Loss before income tax includes the following specific expenses:

| | Group Unaudited 2021 \$ | 2020 \$ |
|--|----------------------------------|------------------|
| <i>Administration</i> | | |
| Employee benefits expense | 844,727 | 656,350 |
| Superannuation | 86,355 | 83,429 |
| Share-based payments expense | 9,000 | 135,000 |
| Rental expense for short-term leases | 28,492 | 34,503 |
| Depreciation | 89,331 | 1,759 |
| Loss on disposal of investments | 58,499 | - |
| General administration and other | 259,716 | 696,432 |
| Total administration | <u>1,376,120</u> | <u>1,607,473</u> |
| <i>Finance costs</i> | | |
| Interest and finance charges paid/payable on borrowings | - | 279,200 |
| Interest and finance charges paid/payable on lease liabilities | 97,011 | 18,796 |
| Finance costs expensed | <u>97,011</u> | <u>297,996</u> |

Note 3. Cash and cash equivalents

| | Group | |
|-----------------------|-------------------|----------------|
| | Unaudited 2021 | 2020 |
| | \$ | \$ |
| <i>Current assets</i> | | |
| Cash at bank | 559,118 | 740,155 |
| Cash on deposit | 50,000 | 51,386 |
| | <u>609,118</u> | <u>791,541</u> |

The above figures are reconciled to cash and cash equivalents at the end of the financial period in the statement of cash flows as shown above.

Note 4. Trade and other payables

| | Group | |
|--|-------------------|------------------|
| | Unaudited 2021 | 2020 |
| | \$ | \$ |
| <i>Current liabilities</i> | | |
| Trade payables | 529,102 | 413,212 |
| Amounts payable to other related party, Wise-Owl.com Pty Limited | 42,680 | 166,341 |
| Accrued expenses | 53,475 | 154,875 |
| Other payables | 91,680 | 340,992 |
| | <u>716,937</u> | <u>1,075,420</u> |

Note 5. Borrowings

| | Group | |
|----------------------------|-------------------|------------------|
| | Unaudited 2021 | 2020 |
| | \$ | \$ |
| <i>Current liabilities</i> | | |
| Convertible notes payable | - | 1,236,113 |
| | <u>-</u> | <u>1,236,113</u> |

Conversion of notes to equity

During the year, the holders of 942,000 notes entered into deeds of amendment to the original convertible note deeds, the effect of which was to agree to the conversion of the notes and capitalised interest into ordinary shares at a conversion price of \$0.04 and amending the conversion date to the date on which shareholders approved the conversion. Shareholder approval was received at the 2021 Annual General Meeting ('AGM') on 20 May 2021 resulting in the conversion of \$1,179,107 of notes payable and capitalised interest into 29,477,670 fully paid ordinary shares on 25 May 2021.

Convertible notes payable

The holders of the remaining 50,000 notes were able to convert all or part of the notes held to ordinary shares at a conversion price of \$0.15 up to 31 December 2021 subject to obtaining shareholder approval. Given the conversion price, the remaining notes payable and capitalised interest totalling \$64,099 were repaid in full before 31 December 2021.

Note 6. Issued capital

| | Unaudited 2021 Shares | 2020 Shares | Group Unaudited 2021 \$ | 2020 \$ |
|------------------------------|-----------------------------|--------------------|----------------------------------|-------------------|
| Ordinary shares - fully paid | <u>339,971,692</u> | <u>238,264,534</u> | <u>25,912,023</u> | <u>23,079,120</u> |

Movements in ordinary share capital

| Details | Date | Shares | Issue price | \$ |
|--|------------------|--------------------|-------------|-------------------|
| Balance | 1 January 2020 | 163,060,417 | | 21,543,678 |
| Issue of shares (December 2019 tranche 1) | 6 January 2020 | 6,284,000 | \$0.025 | 157,100 |
| Issue of shares (March placement) | 23 March 2020 | 20,833,335 | \$0.018 | 375,000 |
| Issue of shares (SPP) | 30 March 2020 | 7,237,500 | \$0.016 | 115,800 |
| Issue of shares (December 2019 tranche 2) | 8 May 2020 | 4,400,000 | \$0.025 | 110,000 |
| Issue of shares (October placement) | 8 October 2020 | 36,449,282 | \$0.023 | 838,333 |
| Share issue transaction costs | | - | \$0.000 | (60,791) |
| Balance | 31 December 2020 | 238,264,534 | | 23,079,120 |
| Issue of shares | 22 January 2021 | 7,028,988 | \$0.023 | 161,667 |
| Issue of shares on conversion of convertible notes | 25 May 2021 | 29,477,670 | \$0.040 | 1,179,107 |
| Issue of shares | 4 August 2021 | 62,200,000 | \$0.025 | 1,555,000 |
| Issue of shares | 1 October 2021 | 3,000,000 | \$0.025 | 75,000 |
| Issue of shares on exercise of options | 15 November 2021 | 500 | \$0.040 | 20 |
| Share issue transaction costs | | | | (137,891) |
| Balance | 31 December 2021 | <u>339,971,692</u> | | <u>25,912,023</u> |

Note 7. Loss per share

| | Group Unaudited 2021 \$ | 2020 \$ |
|---|----------------------------------|--------------------|
| Loss after income tax attributable to the owners of Simble Solutions Limited | <u>(1,165,534)</u> | <u>(1,257,039)</u> |
| | Number | Number |
| Weighted average number of ordinary shares used in calculating basic loss per share | <u>289,055,111</u> | <u>202,228,087</u> |
| Weighted average number of ordinary shares used in calculating diluted loss per share | <u>289,055,111</u> | <u>202,228,087</u> |
| | Cents | Cents |
| Basic loss per share | (0.40) | (0.62) |
| Diluted loss per share | (0.40) | (0.62) |

No dilution has been included as losses were incurred in the current and previous period.