



# **Simble Solutions Limited and its controlled entities**

**ABN 17 608 419 656**

**Annual Report - 31 December 2022**

Chairman's letter	2
Directors' report	4
Auditor's independence declaration	15
Consolidated statement of profit or loss and other comprehensive income	16
Consolidated statement of financial position	17
Consolidated statement of changes in equity	18
Consolidated statement of cash flows	19
Notes to the consolidated financial statements	20
Directors' declaration	47
Independent auditor's report to the members of Simble Solutions Limited	48
Shareholder information	51
Corporate directory	53

Dear Fellow Shareholders,

On behalf of the Board of Simble Solutions Limited, I am pleased to present our 2022 Annual Report and I would like to thank you for your support as a shareholder, partner or customer over the past year.

The 2022 year was one characterised as setting the foundations for the long awaited progress of Simble's underlying businesses.

The previous 2021 year had been concerned with stabilising our SimbleSense business unit and developing and bringing the CarbonView product to market.

The highlights of 2022 included building on these efforts with various changes and developments:

- Originating and implementing landmark channel agreements for SimbleSense culminating in the new distribution partnerships with Intellihub (in December 2022) and Origin Energy (in February 2023);
- A concerted push into the UK market, where rising energy costs and carbon management awareness had been more pronounced than in our home market of Australia, resulting in revenue growth, and a substantial pipeline of potential business customers for both SimbleSense and CarbonView, which the Company is now pursuing;
- Gaining traction with our landmark UK channel agreement with Sylvania Lighting, after delays during the pandemic era;
- Substantial market and business development efforts in Australia to acquire customers for CarbonView, a process which is continuing, and adding new direct customers for SimbleSense in Australia;
- Additional team members added in sales and customer service, and expansion of the technology development and platform management team based in Vietnam;
- Ongoing efforts to tweak and improve the software platforms, including the development of CarbonView Version 5.0;
- The phasing out of non-core legacy lines of business, resulting in some revenue reduction, but clearing distractions from the core mission of the Company;
- Completing an equity placement of \$1.65 million in March 2022 (and raising a further \$1.56 million equity placement in February 2023);
- Management changes in May 2022, with CEO Ronen Ghosh resigning and taking up the role of CFO, Chairman Ben Loiterton taking on the role of Executive Chairman, and Executive Director Fadi Geha being appointed as Chief Revenue Officer;
- Additionally, substantial shareholder and Company supporter Dr Daniel Tillet joined the board of directors as a Non Executive Director in February 2022.

---

The World continues to be dominated by daily awareness of energy supply and cost issues, and the immense planetary carbon emissions challenge facing humanity.

Both these (related) predicaments provide long term momentum for Simble's business and products:

**SimbleSense** is software designed to assist industrial clients to visualise, monitor and manage their electricity usage and costs down to the individual circuits and equipment within their facilities and buildings.

**CarbonView** is one of the most comprehensive carbon accounting software platforms in the Global market, suitable for medium and large businesses to track, measure and monitor their carbon footprint and manage a pathway to net zero.

I would encourage shareholders to visit the Company's product websites for a further appreciation of the offerings we have:

[www.carbon-view.com](http://www.carbon-view.com)

[www.simpleenergy.com](http://www.simpleenergy.com)

The driver of demand for these products is a mix of rising energy costs, installation by business of new technologies such as LED lighting and rooftop solar and batteries requiring cost comparison metrics, emerging mandatory carbon reporting, and the increasing push for ESG policies and accountability.

We remain committed to doing our bit to contribute to the Global drive for a sustainable planet by creating and deploying software technology.

---

The Company's team members have again worked exceptionally hard during the year under pressure to generate sales, service customers, maintain complex technology, and the administration challenges of having a very small leadership team managing 24 personnel across Australia, The UK, Vietnam and Sri Lanka.

Constant efforts were applied towards keeping operating costs low, driving revenue traction, developing new product features, and raising equity capital to keep the company on a sound financial footing.

While the 2022 financial results do not yet adequately reflect these positive efforts, we have kept the investment in our core team in place during the year to provide the platform for growth and market penetration.

I would like to thank each and every team member for their constant hard work, and with the commonly understood goal of growing the business to the point of profitability and great success.

I also wish to sincerely thank the management team and my fellow directors for their hard work and focused determination during the 2022 year.

Finally, I thank all our shareholders for their ongoing support and interest in the Company. As always, I assure you of our commitment to building value in your Company in the year ahead.

We feel that the foundations that have been laid in 2022 will set the Company up for 2023 to be a year of consolidating gains and rolling out our products to a wider group of business clients, thereby driving revenue, positive cash flows, and shareholder value.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Ben Loiterton', written in a cursive style.

**Ben Loiterton**  
Executive Chairman

The directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'Group') consisting of Simble Solutions Limited (referred to hereafter as the 'Company', 'Simble' or 'parent entity') and the entities it controlled at the end of, or during, the year ended 31 December 2022.

### **Directors**

The following persons were directors of Simble Solutions Limited during the whole of the financial year and up to the date of this report, unless otherwise stated:

Ben Loiterton (Chairman)  
Fadi Geha  
Darryl Flukes  
Daniel Tillett (appointed 16 February 2022)

### **Principal activities**

During the financial year, the principal continuing activities of the Group consisted of providing and developing Software as a Service ('SaaS') for businesses and organisations seeking energy intelligence, carbon reporting and business productivity solutions.

### **Dividends**

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

### **Review of operations**

The loss for the Group after providing for income tax amounted to \$2,269,839 (31 December 2021: \$1,184,145).

Total revenues decreased by 12% to \$1,486,673 (2021: \$1,706,423). Sales revenue increased 2% to \$1,486,474 whilst other income decreased by 100% to effectively \$nil.

Carbon Reporting revenues increased by 26% to \$193,052 (2021: \$153,095).

Energy Intelligence total revenues increased by 16% to \$959,327 (2021: \$824,504). Energy Software as a Service ('SaaS') sales revenue decreased by 12% to \$458,081 whilst hardware sales revenue increased by 65% to \$501,247.

Sales revenues from the Business Productivity legacy business unit decreased by 30% to \$334,095 (2021: \$479,443).

Other income decreased by 100% to \$129 (2021: \$242,065). Other income in the prior year included research and development grant income, and the one-off result from the sale of the Wise-Owl business. A corresponding subsequent period grant claim for research and development is in progress, but has not been included in the current year.

Net cash used in operating activities increased by 39% to \$1,982,125 (2021: \$1,302,693). The cash balance at 31 December 2022 was \$731,702 (2021: \$609,118).

### **Significant changes in the state of affairs**

On 21 March 2022, the Company issued 45,214,564 fully paid ordinary shares under Tranche 1 of a \$1,650,000 placement of 82,500,000 ordinary shares at \$0.020 per share. Tranche 2 of the placement received shareholder approval at the Company's Annual General Meeting on 20 May 2022 following which the allotment of the remaining 37,285,436 shares and 82,500,000 options under the placement took place on 26 May 2022.

On 26 May 2022, the Company issued 2,000,000 options at an exercise price of \$0.04 expiring on 10 August 2024 to 180 Capital Pty Limited as payment for services associated with the placement.

On 24 May 2022, the Company issued 12,000,000 options at an exercise price of \$0.04 expiring on 16 February 2023 to Dr Daniel Tillett. The options were issued in lieu of Directors Fees and will vest gradually in four equal tranches subject to Dr Tillett continuing to hold office as a Director at the various vesting dates.

On 1 December 2022, the Company entered into an At-the-Market Facility ('ATM') with Alpha Investment Partners and issued 20,000,000 shares from its LR7.1 capacity, at no consideration to Alpha Investment Partners. Simble may, at any time, buy back the collateral shares for no consideration (subject to shareholder approval). The ATM provides Simble with up to AUD\$3,000,000 of standby equity capital over the following 48 months. Simble retains full control of all major aspects of the placement process, having sole discretion as to whether or not to utilise the ATM, the quantum of issued shares, and the minimum issue price of shares for any placement. If Simble decides to utilise the ATM, Simble is able to set a floor price (at its sole discretion) and the final issue price will be calculated as the greater of that floor price set by Simble and up to a 7% discount to a Volume Weighted Average Price ('VWAP') over a period of Simble's choosing (again at the sole discretion of Simble).

There were no other significant changes in the state of affairs of the Group during the financial year.

#### Matters subsequent to the end of the financial year

On 1 February 2023, the Company issued 85,617,914 fully paid ordinary shares under Tranche 1 of a \$1,556,179 placement of 155,617,914 ordinary shares at \$0.01 per share. Tranche 2 of the placement received shareholder approval at an Extraordinary General Meeting held on 23 March 2023 following which the allotment of the remaining 70,000,000 shares and 155,617,914 options under the placement took place.

No other matter or circumstance has arisen since 31 December 2022 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

#### Likely developments and expected results of operations

The Company will continue with the development of the CarbonView and SimbleSense Software Platforms and associated intellectual property. The allocation of resources will continue to be focused on high growth opportunities in Australia and the UK through a channel partner-led strategy with a strong focus on diligent fiscal management.

#### Environmental regulation

The Group is not subject to any significant environmental regulation under Australian Commonwealth or State law.

#### Information on directors

Name:	<b>Ben Loiterton</b>
Title:	Executive Chairman (from 10 May 2022) Non-Executive Director and Chairman (to 10 May 2022)
Qualifications:	Bachelor of Commerce (Finance) / Bachelor of Laws from the University of NSW
Experience and expertise:	Ben's career spans over 30 years in investment banking, executive management and entrepreneurial activity. He is an experienced public company director having served on six ASX-listed company boards and various private company boards and advisory boards. Ben has extensive experience with driving commercial strategy, corporate finance, equity capital raising, IPOs and mergers and acquisitions, financial structuring, and providing legal and business strategy advice for fast-growth businesses. He has direct experience in a wide array of sectors including technology, software, financial services, telecoms, media, property and resources. He has co-founded several start-up businesses, and arranged equity funding across the full spectrum from seed capital to private equity transactions. Ben is currently Principal at Sydney-based investment banking firm Andover Partners.
Other current directorships:	Equity Story Group Limited (ASX: EQS)
Former directorships (last 3 years):	None
Special responsibilities:	Chairman, Audit Committee
Interests in shares:	1,469,566 ordinary shares (indirectly)
Interests in options:	4,981,740 options over ordinary shares

**Name:** **Fadi Geha**  
**Title:** Executive Director and Founder  
**Qualifications:** Bachelor of Civil Engineering from the University of Sydney  
**Experience and expertise:** Fadi is an engineer with over 25 years' experience in enterprise software sales, consulting, and information technology M&A. He is an Executive Director, having previously served as CEO of Simble for the past seven years. Fadi has held senior management positions with SAP Australia and Accenture. From 2003-2006 he served as Vice President Asia Pacific and Director at Viewlocity Technologies and led Viewlocity's expansion into the Asian region including the acquisition of key clients in Japan, Korea, and South East Asia which resulted in Viewlocity being named top IBM partner in Australia for SaaS offerings in 2005. In 2006, Fadi facilitated the M&A activity that resulted in the acquisition of Viewlocity Inc by Supply Chain Consulting. Fadi joined the executive team at Supply Chain Consulting and in 2009 Fujitsu Australia acquired Supply Chain Consulting for \$48 million. Fadi is a Member of the Australian Institute of Company Directors.

**Other current directorships:** None  
**Former directorships (last 3 years):** None  
**Special responsibilities:** Audit Committee (until 21 January 2021)  
**Interests in shares:** 2,033,737 ordinary shares (directly), 20,402,227 ordinary shares (indirectly)  
**Interests in options:** 10,328,154 options over ordinary shares

**Name:** **Darryl Flukes**  
**Title:** Non-Executive Director  
**Qualifications:** BSc (Hons) Chemical Engineering from Loughborough University (UK) and Master of Environment and Sustainability from Monash University  
**Experience and expertise:** Darryl is a recognised leader and expert across the Australian energy sector focus on renewables. He has deep experience in energy commodity markets and risk management backed by a breadth of knowledge and skills across a number of corporate disciplines. He is currently Chair of ESCO Pacific Pty Ltd, an Australia-focused utility-scale solar developer and asset manager, and SEAGas, a gas pipeline transmission system linking Victoria and South Australia. He also holds a number of advisory roles in the low carbon/energy transition space. Prior to this, he was a board member of renewable generator/retailer Powershop (Meridian Energy), Chairman of SME retailer/gas generator Perth Energy, and a past board member of the Clean Energy Council, the peak body for the clean energy industry in Australia. From 2005 to 2013, Darryl was CEO of Infratil Energy Australia as it grew its retail business, Lumo Energy, from a start up to becoming a leading Australian energy supply business, realising a sale to Snowy Hydro. Darryl has also served as General Manager at hydro generator Southern Hydro and earlier roles in the United Kingdom with Vitol and BP.

**Other current directorships:** None  
**Former directorships (last 3 years):** None  
**Special responsibilities:** Audit Committee (Chair)  
**Interests in shares:** 2,595,149 ordinary shares  
**Interests in options:** 1,595,147 options over ordinary shares

**Name:** Daniel Tillett  
**Title:** Non-Executive Director (appointed 16 February 2022)  
**Qualifications:** PhD in Molecular Genetics and Biochemistry from the University of New South Wales  
**Experience and expertise:** Daniel is the founder and CEO of Nucleics, a private Australian biotechnology company producing and selling world leading DNA sequencing software to the Genomics industry. Nucleics SaaS genomics tools are in use in more than 30 countries at over 250 companies and institutions. Daniel has extensive commercial experience over the last 20 years in the biotech industry in project management, sales and marketing, IP management, fundraising and start-up investing. Previously, Daniel was a Senior Lecturer within the School of Pharmacy at La Trobe University where he taught and researched in the areas of pharmacy, phage therapy, microbiology, bioinformatics and cancer. Daniel has more than 40 scientific publications and granted patents in molecular biology, microbiology, genetics and biochemistry.

**Other current directorships:** Race Oncology (ASX: RAC) (September 2019)  
**Former directorships (last 3 years):** None  
**Interests in shares:** 39,185,647 ordinary shares (directly)  
**Interests in options:** 27,498,483 options over ordinary shares

'Other current directorships' quoted above are current directorships for listed entities only and excludes directorships of all other types of entities, unless otherwise stated.

'Former directorships (last 3 years)' quoted above are directorships held in the last 3 years for listed entities only and excludes directorships of all other types of entities, unless otherwise stated.

### Company secretary

**Name:** Kim Clark  
**Title:** Company Secretary  
**Qualifications:** Certificate III in Financial Services, Graduate Certificate in Commerce, Certificate of Banking  
**Experience and expertise:** Kim is an experienced business professional with 21 years' experience in the banking and finance industries and 6 years as a Company Secretary (in-house) of an ASX300 company. Her experience includes debt and capital raising, risk management, mergers and acquisitions, compliance and governance. Kim currently acts as Company Secretary to various ASX listed and unlisted companies in Australia and is the Head of Corporate Services for Boardroom Pty Limited's Queensland office and has held this position since April 2013.

### Meetings of directors

The number of meetings of the Company's Board of Directors ('the Board') held during the year ended 31 December 2022, and the number of meetings attended by each director were:

	Full Board		Audit Committee	
	Attended	Held	Attended	Held
Ben Loiterton	8	8	2	2
Fadi Geha	8	8	-	-
Darryl Flukes	8	8	2	2
Daniel Tillett	7	7	-	-

Held: represents the number of meetings held during the time the director held office.

### Remuneration report (audited)

The remuneration report details the key management personnel remuneration arrangements for the Group, in accordance with the requirements of the Corporations Act 2001 and its Regulations.

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including all directors.

The key management personnel of the Group consisted of the following directors of Simble Solutions Limited:

- Ben Loiterton (Executive Chairman)
- Fadi Geha
- Darryl Flukes
- Daniel Tillett (appointed 16 February 2022)

And the following person:

- Ronen Ghosh - Chief Executive Officer (ceased 10 May 2022)

The remuneration report is set out under the following main headings:

- Principles used to determine the nature and amount of remuneration
- Details of remuneration
- Service agreements
- Share-based compensation
- Additional disclosures relating to key management personnel

#### ***Principles used to determine the nature and amount of remuneration***

The objective of the Group's executive reward framework is to ensure reward for performance is competitive and appropriate for the results delivered. The framework aligns executive reward with the achievement of strategic objectives and the creation of value for shareholders, and it is considered to conform to the market best practice for the delivery of reward. The Board of Directors ('the Board') ensures that executive reward satisfies the following key criteria for good reward governance practices:

- competitiveness and reasonableness
- acceptability to shareholders
- transparency

The Board is responsible for determining and reviewing remuneration arrangements for its directors and executives. The performance of the Group depends on the quality of its directors and executives. The remuneration philosophy is to attract, motivate and retain high performance and high quality personnel.

The Board has structured an executive remuneration framework that is market competitive and complementary to the reward strategy of the Group.

In accordance with best practice corporate governance, the structure of non-executive director and executive director remuneration is separate.

#### ***Non-executive directors remuneration***

Fees and payments to non-executive directors reflect the demands and responsibilities of their role. Non-executive directors' fees and payments are reviewed regularly by the Board. The Board may, from time to time, receive advice from independent remuneration consultants to ensure non-executive directors' fees and payments are appropriate and in line with the market. The chairman's fees are determined independently to the fees of other non-executive directors based on comparative roles in the external market. The chairman is not present at any discussions relating to the determination of his own remuneration.

ASX listing rules require the aggregate non-executive directors' remuneration be determined periodically by a general meeting. The shareholders' approval of a maximum annual aggregate remuneration of \$180,000 at the Annual General Meeting held on 15 May 2018.

The Company has entered into an appointment letter with each of its non-executive directors. Non-executive fees are currently as follows:

Name of non-executive director	Fees per annum \$
Darryl Flukes	50,000
Daniel Tillett	50,000

#### *Executive remuneration*

The Group aims to reward executives based on their position and responsibility, with a level and mix of remuneration which has both fixed and variable components.

The executive remuneration and reward framework has four components:

- base pay and non-monetary benefits
- short-term performance incentives
- share-based payments
- other remuneration such as superannuation and long service leave

The combination of these comprises the executive's total remuneration.

Executives may receive their fixed remuneration in the form of cash or other fringe benefits (for example motor vehicle benefits) where it does not create any additional costs to the Group and provides additional value to the executive.

#### *The Simble Wealth Creation Scheme*

On 14 May 2018, the Company granted 4,495,750 Zero Exercise Price Options to certain management personnel ('Options') for nil cash consideration under the Simble Wealth Creation Scheme ('SWCS').

Pursuant to the SWCS, each Option will convert to one fully paid ordinary share in the Company on the vesting date of 31 March 2023 subject to:

- Consecutive service till the vesting date;
- Compound earnings before interest, tax, depreciation and amortisation ('EBITDA') growth to \$5 million or 125% by 31 December 2021. The starting point is \$1 million; and
- Compound share price growth to \$0.80 per share or 100% by 31 December 2021. The starting point is the original issue price of \$0.20.

On 21 December 2022 the Company cancelled the remaining options issued under the SWCS on the basis that there was no reasonable prospect that the vesting conditions would be met.

#### *The Incentive Options and Performance Rights Plan*

On 18 December 2020, the Company granted 7,000,000 \$0.05 Options and 5,000,000 \$0.08 Options to certain directors and key management personnel for nil cash consideration under the Incentive Options and Performance Rights Plan ('IOPR').

Pursuant to the IOPR, each option vests immediately and can be exercised at any time up to the expiry date of 31 December 2023.

On 25 May 2021, the Company granted 1,500,000 \$0.08 Options to certain directors for nil cash consideration under the IOPR. Pursuant to the IOPR, each option vests immediately and can be exercised at any time up to the expiry date of 25 May 2024.

On 24 May 2022, the Company granted 12,000,000 \$0.04 Options to Dr Daniel Tillett for nil cash consideration under the terms of his letter of appointment as a director. The options vest over a period of time subject to Dr Tillett's ongoing service. The options expired on 16 February 2023.

#### *Voting and comments made at the Company's 20 May 2021 Annual General Meeting ('AGM')*

At the 20 May 2021 AGM, 99.66% of the votes received supported the adoption of the remuneration report for the year ended 31 December 2021. The Company did not receive any specific feedback at the AGM regarding its remuneration practices.

**Details of remuneration**

	Short-term benefits			Post-employment benefits	Long-term benefits	Share-based payments	Total
	Cash salary and fees	Cash bonus	Non-monetary	Super-annuation	Long service leave	Equity-settled	
	\$	\$	\$	\$	\$	\$	
<b>2022</b>							
<i>Non-Executive Directors:</i>							
D Flukes	50,000	-	-	-	-	-	50,000
D Tillett <sup>(a)</sup>	-	-	-	-	-	42,347	42,347
<i>Executive Directors:</i>							
B Loiterton	146,676	-	-	-	-	-	146,676
F Geha	227,050	-	6,241	22,472	-	-	255,763
<i>Other Key Management Personnel:</i>							
R Ghosh <sup>(b)</sup>	104,167	-	-	-	-	-	104,167
	<u>527,893</u>	<u>-</u>	<u>6,241</u>	<u>22,472</u>	<u>-</u>	<u>42,347</u>	<u>598,953</u>

(a) Remuneration is from date of appointment as a director to 31 December 2022

(b) Remuneration is to date of cessation as Chief Executive Officer, being 10 May 2022

	Short-term benefits			Post-employment benefits	Long-term benefits	Share-based payments	Total
	Cash salary and fees	Cash bonus	Non-monetary	Super-annuation	Long service leave	Equity-settled	
	\$	\$	\$	\$	\$	\$	
<b>2021</b>							
<i>Non-Executive Directors:</i>							
B Loiterton	106,667	-	-	-	-	-	106,667
D Flukes	52,192	-	-	-	-	9,000	61,192
<i>Executive Directors:</i>							
F Geha	352,660	-	5,892	22,827	-	-	381,379
<i>Other Key Management Personnel:</i>							
R Ghosh	241,667	-	-	-	-	-	241,667
	<u>753,186</u>	<u>-</u>	<u>5,892</u>	<u>22,827</u>	<u>-</u>	<u>9,000</u>	<u>790,905</u>

The proportion of remuneration linked to performance and the fixed proportion are as follows:

Name	Fixed remuneration		At risk - STI		At risk - LTI	
	2022	2021	2022	2021	2022	2021
<i>Non-Executive Directors:</i>						
B Loiterton	-	100%	-	-	-	-
D Flukes	100%	100%	-	-	-	-
D Tillett	100%	-	-	-	-	-
<i>Executive Directors:</i>						
B Loiterton	100%	-	-	-	-	-
F Geha	66%	55%	34%	45%	-	-
<i>Other Key Management Personnel:</i>						
R Ghosh	100%	100%	-	-	-	-

### Service agreements

Remuneration and other terms of employment for key management personnel are formalised in service agreements. Details of these agreements are as follows:

Name: Ben Loiterton  
 Title: Executive Chairman  
 Agreement commenced: 10 May 2022  
 Term of agreement: No fixed term  
 Details: The agreement may be terminated by either party giving 30 days notice. Remuneration of \$100,000 per annum in addition to Mr Loiterton's existing directors fees of \$80,000 per annum.

Name: Fadi Geha  
 Title: Founder and Executive Director  
 Agreement commenced: 1 September 2016  
 Term of agreement: No fixed term  
 Details: Mr Geha may terminate the employment contract by giving 12 months notice. The Company may terminate Mr Geha's employment by giving 6 months notice. Remuneration of \$170,000, sales commissions, discretionary annual performance bonus and participation in Incentive Plan at discretion of the Board.

Key management personnel have no entitlement to termination payments in the event of removal for misconduct.

### Share-based compensation

#### Issue of shares

There were no shares issued to directors and other key management personnel as part of compensation during the year ended 31 December 2022.

### Options

The terms and conditions of each grant of options over ordinary shares affecting remuneration of directors and other key management personnel in this financial year or future reporting years are as follows:

Name	Number of options granted	Grant date	Vesting date and exercisable date	Expiry date	Exercise price	Fair value per option at grant date
B Loiterton	3,000,000	18/12/2020	18/12/2020	31/12/2023	\$0.050	\$0.012
B Loiterton	1,000,000	18/12/2020	18/12/2020	31/12/2023	\$0.080	\$0.009
F Geha	2,000,000	18/12/2020	18/12/2020	31/12/2023	\$0.050	\$0.012
F Geha	2,000,000	18/12/2020	18/12/2020	31/12/2023	\$0.080	\$0.009
R Ghosh	2,000,000	18/12/2020	18/12/2020	31/12/2023	\$0.050	\$0.012
R Ghosh	2,000,000	18/12/2020	18/12/2020	31/12/2023	\$0.080	\$0.009
D Flukes	1,500,000	25/05/2021	25/05/2021	25/05/2024	\$0.080	\$0.006
D Tillett	3,000,000	20/05/2022	20/05/2022	16/02/2023	\$0.040	\$0.004
D Tillett	3,000,000	20/05/2022	15/08/2022	16/02/2023	\$0.040	\$0.004
D Tillett	3,000,000	20/05/2022	15/11/2022	16/02/2023	\$0.040	\$0.004
D Tillett	3,000,000	20/05/2022	15/02/2023	16/02/2023	\$0.040	\$0.004

Options granted carry no dividend or voting rights.

The number of options over ordinary shares granted to and vested by directors and other key management personnel as part of compensation during the year ended 31 December 2022 are set out below:

Name	Number of options granted during the year 2022	Number of options granted during the year 2021	Number of options vested during the year 2022	Number of options vested during the year 2021
D Flukes	-	1,500,000	-	1,500,000
D Tillett	12,000,000	-	9,000,000	-

Values of options over ordinary shares granted, exercised and lapsed for directors and other key management personnel as part of compensation during the year ended 31 December 2022 are set out below:

Name	Value of options granted during the year \$	Value of options exercised during the year \$	Value of options lapsed during the year \$	Remuneration consisting of options for the year %
D Tillett	42,347	75,000	-	100.0%

**Additional disclosures relating to key management personnel**

**Shareholding**

The number of shares in the Company held during the financial year by each director and other members of key management personnel of the Group, including their personally related parties, is set out below:

	Balance at the start of the year	Received as part of remuneration	Additions	Disposals/ other	Balance at the end of the year
<b>Ordinary shares</b>					
B Loiterton	1,469,566	-	-	-	1,469,566
F Geha	22,035,966	-	-	-	22,035,966
D Flukes	2,000,000	-	595,149	-	2,595,149
D Tillett <sup>(a)</sup>	-	-	6,303,952	32,881,695	39,185,647
R Ghosh	2,973,914	-	-	-	2,973,914
	<u>28,479,446</u>	<u>-</u>	<u>6,899,101</u>	<u>32,881,695</u>	<u>68,260,242</u>

(a) Disposals/other represents existing holding as at date of appointment.

**Options**

The number of options over ordinary shares in the Company held during the financial year by each director and other members of key management personnel of the Group, including their personally related parties, is set out below:

	Balance at the start of the year	Granted	Exercised	Expired/ forfeited/ other	Balance at the end of the year
<b>Options over ordinary shares</b>					
B Loiterton	4,981,740	-	-	-	4,981,740
F Geha	11,278,154	-	-	-	11,278,154
D Flukes	2,500,000	595,149	-	-	3,095,149
D Tillett <sup>(a),(b)</sup>	-	16,762,487	(4,166,667)	10,554,837	23,150,657
R Ghosh	5,886,597	-	-	-	5,886,597
	<u>24,646,491</u>	<u>17,357,636</u>	<u>(4,166,667)</u>	<u>10,554,837</u>	<u>48,392,297</u>

(a) Other relates to holding at date of appointment as a Director

(b) Granted includes 12m options granted to Dr Daniel Tillett for nil cash consideration under the terms of his letter of appointment as a director. The options vest over a period of time subject to Dr Tillett's ongoing service. The options expired on 16 February 2023.

**Loans to key management personnel and their related parties**

There were no loans with key management personnel or their related parties made during the year ended 31 December 2022.

**This concludes the remuneration report, which has been audited.**

**Shares under option**

Unissued ordinary shares of Simble Solutions Limited under option at the date of this report are as follows:

Grant date	Expiry date	Exercise price	Number under option
14 May 2018	31 March 2023	\$0.000	2,500,000
15 June 2020	15 June 2023	\$0.050	10,684,000
18 December 2020	31 December 2023	\$0.050	7,500,000
18 December 2020	31 December 2023	\$0.080	5,000,000
25 May 2021	25 May 2024	\$0.080	1,500,000
Various dates	10 August 2024	\$0.040	108,704,756
1 October 2021	1 October 2024	\$0.040	42,600,000
			<u>178,488,756</u>

No person entitled to exercise the options had or has any right by virtue of the option to participate in any share issue of the Company or of any other body corporate.

#### Shares issued on the exercise of options

The following ordinary shares of Simble Solutions Limited were issued during the year ended 31 December 2022 and up to the date of this report on the exercise of options granted:

Date options granted	Exercise price	Number of shares issued
15 June 2020	\$0.180	4,861,111

#### Indemnity and insurance of officers

The Company has indemnified the directors and executives of the Company for costs incurred, in their capacity as a director or executive, for which they may be held personally liable, except where there is a lack of good faith.

During the financial year, the Company paid a premium in respect of a contract to insure the directors and executives of the Company against a liability to the extent permitted by the Corporations Act 2001. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

#### Indemnity and insurance of auditor

The Company has not, during or since the end of the financial year, indemnified or agreed to indemnify the auditor of the Company or any related entity against a liability incurred by the auditor.

During the financial year, the Company has not paid a premium in respect of a contract to insure the auditor of the Company or any related entity.

#### Proceedings on behalf of the Company

No person has applied to the Court under section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the Company, or to intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or part of those proceedings.

#### Non-audit services

There were no non-audit services provided during the financial year by the auditor.

#### Officers of the Company who are former partners of William Buck

There are no officers of the Company who are former partners of William Buck.

#### Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out immediately after this directors' report.

This report is made in accordance with a resolution of directors, pursuant to section 298(2)(a) of the Corporations Act 2001.

On behalf of the directors



---

Ben Loiterton  
Executive Chairman

28 March 2023  
Sydney

## Simble Solutions Limited

### Auditor's Independence Declaration Under Section 307C of the Corporations Act 2001 to the Directors

I declare that, to the best of my knowledge and belief, during the year ended 31 December 2022 there have been:

- no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and
- no contraventions of any applicable code of professional conduct in relation to the audit.



**William Buck**  
Accountants & Advisors  
ABN: 16 021 300 521



**L.E. Tutt**  
Partner

Sydney, 28 March 2023

Simble Solutions Limited and its controlled entities  
Consolidated statement of profit or loss and other comprehensive income  
For the year ended 31 December 2022



	Note	Group	
		2022 \$	2021 \$
<b>Revenue</b>			
Revenue	5	1,486,474	1,457,042
Cost of sales		(692,135)	(580,483)
Gross margin		<u>794,339</u>	<u>876,559</u>
<b>Other income</b>			
Interest revenue calculated using the effective interest method	6	129	242,065
Recovery of impairment of receivables		70	297
		-	7,019
<b>Expenses</b>			
Professional service and consulting expense		(819,158)	(710,597)
Sales and marketing expense		(128,863)	(75,264)
Occupancy, utilities and office expense		(58,251)	(28,492)
Software development and other IT expense		(299,407)	(324,885)
Travel expense		(62,730)	(7,321)
Employee benefits expense	7	(1,331,664)	(940,082)
Depreciation expense		(471)	(89,331)
Loss on disposal of investments		-	(58,499)
Net foreign exchange (loss)/gain		(188,411)	256,722
General administration and other expense		(154,623)	(235,325)
Finance expenses	8	(37,829)	(97,011)
<b>Loss before income tax benefit</b>		(2,286,869)	(1,184,145)
Income tax benefit	9	17,030	-
<b>Loss after income tax benefit for the year attributable to the owners of Simble Solutions Limited</b>		(2,269,839)	(1,184,145)
<b>Other comprehensive income/(loss)</b>			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Foreign currency translation		167,354	(315,600)
Other comprehensive income/(loss) for the year, net of tax		<u>167,354</u>	<u>(315,600)</u>
<b>Total comprehensive loss for the year attributable to the owners of Simble Solutions Limited</b>		<u>(2,102,485)</u>	<u>(1,499,745)</u>
		<b>Cents</b>	<b>Cents</b>
Basic loss per share	31	(0.56)	(0.41)
Diluted loss per share	31	(0.56)	(0.41)

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

	Note	Group	
		2022	2021
		\$	\$
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	10	731,702	609,118
Trade and other receivables	11	303,674	274,627
Inventories	12	28,637	34,646
Other assets	13	170,406	191,716
Total current assets		<u>1,234,419</u>	<u>1,110,107</u>
<b>Non-current assets</b>			
Property, plant and equipment	14	3,590	4,908
Other assets	13	-	143,162
Total non-current assets		<u>3,590</u>	<u>148,070</u>
<b>Total assets</b>		<u>1,238,009</u>	<u>1,258,177</u>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables	15	812,468	672,937
Contract liabilities	16	464,843	457,867
Borrowings	17	186,389	-
Income tax	9	-	17,030
Employee benefits		67,816	61,151
Total current liabilities		<u>1,531,516</u>	<u>1,208,985</u>
<b>Non-current liabilities</b>			
Contract liabilities	16	114,373	27,206
Employee benefits		26,599	19,715
Total non-current liabilities		<u>140,972</u>	<u>46,921</u>
<b>Total liabilities</b>		<u>1,672,488</u>	<u>1,255,906</u>
<b>Net assets/(liabilities)</b>		<u>(434,479)</u>	<u>2,271</u>
<b>Equity</b>			
Issued capital	18	27,515,411	25,912,023
Reserves	19	282,214	2,803,513
Accumulated losses		(28,232,104)	(28,713,265)
<b>Total equity/(deficiency)</b>		<u>(434,479)</u>	<u>2,271</u>

Simble Solutions Limited and its controlled entities  
 Consolidated statement of changes in equity  
 For the year ended 31 December 2022



Group	Issued 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	-	-	(1,184,145)	(1,184,145)
Other comprehensive loss for the year, net of tax	-	(315,600)	-	(315,600)
Total comprehensive loss for the year	-	(315,600)	(1,184,145)	(1,499,745)
<i>Transactions with owners in their capacity as owners:</i>				
Contributions of equity, net of transaction costs (note 18)	2,832,903	-	-	2,832,903
Share-based payments (note 30)	-	9,000	-	9,000
Balance at 31 December 2021	<u>25,912,023</u>	<u>2,803,513</u>	<u>(28,713,265)</u>	<u>2,271</u>
Group	Issued capital \$	Reserves \$	Accumulated losses \$	Total deficiency in equity \$
Balance at 1 January 2022	25,912,023	2,803,513	(28,713,265)	2,271
Loss after income tax benefit for the year	-	-	(2,269,839)	(2,269,839)
Other comprehensive income for the year, net of tax	-	167,354	-	167,354
Total comprehensive income/(loss) for the year	-	167,354	(2,269,839)	(2,102,485)
<i>Transactions with owners in their capacity as owners:</i>				
Contributions of equity, net of transaction costs (note 18)	1,603,388	-	-	1,603,388
Share-based payments (note 7)	-	62,347	-	62,347
Performance shares lapsed in prior period	-	(2,751,000)	2,751,000	-
Balance at 31 December 2022	<u>27,515,411</u>	<u>282,214</u>	<u>(28,232,104)</u>	<u>(434,479)</u>

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

	Note	Group 2022 \$	2021 \$
<b>Cash flows from operating activities</b>			
Receipts from customers (inclusive of GST)		1,688,034	1,693,956
Payments to suppliers and employees (inclusive of GST)		<u>(3,764,132)</u>	<u>(2,907,028)</u>
		(2,076,098)	(1,213,072)
Interest received		70	297
Other revenue		129	-
Interest and other finance costs paid		(35,645)	(89,918)
Research and development tax offset recovered		<u>129,419</u>	<u>-</u>
Net cash used in operating activities	29	<u>(1,982,125)</u>	<u>(1,302,693)</u>
<b>Cash flows from investing activities</b>			
Payments for property, plant and equipment	14	(36)	(4,799)
Payments for security deposits		-	(6,192)
Proceeds from disposal of property, plant and equipment		883	-
Proceeds from release of security deposits		144,731	-
Repayment of loans from related parties		<u>-</u>	<u>34,652</u>
Net cash from investing activities		<u>145,578</u>	<u>23,661</u>
<b>Cash flows from financing activities</b>			
Proceeds from issue of shares	18	1,650,000	1,791,687
Proceeds from exercise of options		87,500	-
Share issue transaction costs	18	(114,112)	(137,891)
Proceeds from borrowings		186,389	-
Proceeds from lease receivable		-	169,868
Repayment of lease liabilities		-	(223,695)
Loans from related parties		(18,000)	-
Repayment of borrowings		-	(123,661)
Repayment of convertible notes		<u>-</u>	<u>(64,099)</u>
Net cash from financing activities		<u>1,791,777</u>	<u>1,412,209</u>
Net (decrease)/increase in cash and cash equivalents		(44,770)	133,177
Cash and cash equivalents at the beginning of the financial year		609,118	791,541
Effects of exchange rate changes on cash and cash equivalents		<u>167,354</u>	<u>(315,600)</u>
Cash and cash equivalents at the end of the financial year	10	<u><u>731,702</u></u>	<u><u>609,118</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 8  
210 George Street  
Sydney NSW 2000

### Principal place of business

Level 2  
383 George Street  
Sydney NSW 2000

A description of the nature of the Group's operations and its principal activities are included in the directors' report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of directors, on 28 March 2023. The directors have the power to amend and reissue the financial statements.

## Note 2. Significant accounting policies

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

### New or amended Accounting Standards and Interpretations adopted

The Group has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period. The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the Group.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

### Going concern

The Directors have prepared the financial report on the going concern basis, which assumes continuity of normal business activities and the realisation of assets and the settlement of liabilities in the ordinary course of business. The consolidated statement of profit or loss and other comprehensive income reflects a consolidated net loss of \$2,269,839 (31 December 2021: net loss of \$1,184,145) and the consolidated statement of cash flows shows net operating cash outflows of \$1,982,125 (31 December 2021: net operating cash outflows of \$1,302,693) for the year ended 31 December 2022. The consolidated statement of financial position shows net liabilities of \$434,479 (31 December 2021: net assets of \$2,271) as well as an excess of current liabilities over current assets of \$297,097 (31 December 2021: excess of current liabilities over current assets of \$98,878). These factors result in a material uncertainty on the Group's ability to continue as a going concern.

The Directors have prepared a cash flow forecast for the Group through to 31 March 2024. The forecast assumes continuity of business and indicates that the Group will be able to pay its debts as and when they fall due after considering the following factors:

- As at 31 December 2022, the Group had available cash resources of \$731K. As at 28 February 2023, the Group had available cash resources of \$900K following the receipt of the first tranche of Placement funds (see below) with a further balance in Accounts Receivable in excess of \$350K.
- The Group currently has contracted and recurring annual software net revenues of approximately \$850K, being \$600K in Australia and \$250K in the UK. Hardware revenues were in excess of \$500K in 2022 and \$300K in 2021.
- The augmentation of the existing contracted and recurring revenues by modest additional revenues from sources noted above are expected to result in the Group achieving its aim of becoming self-sustaining, and profitable during the period.

## Note 2. Significant accounting policies (continued)

- The Group has recognised contract liabilities where software subscriptions have been received in advance and assumes that SaaS revenue will continue to be recognised over the term of the subscription period. Under the terms of the software subscription, if the agreement is terminated by the customer prior to the end of the subscription period, the Company is not required to refund any subscription fees. If the agreement is terminated by the Company prior to the end of the subscription period, the Company is required to provide a pro-rata refund of fees paid in advance.
- The Group's cash operating expenses are tightly controlled and averaged \$245K per month during 2022. The Group has forecast that the average cash operating expenses will reduce slightly to approximately \$225K per month during 2023.
- The Group has incurred expenditure during 2021 and 2022 which is the subject of research and development tax concession claims that are expected to be lodged and received in the year ended 31 December 2023. In line with previous years the quantum of claims are expected to be between GBP£70K (A\$125K) and GBP£80K (A\$145K) per year.
- In February 2023 the Group raised \$1.56m in equity through a Placement to existing and new sophisticated investors. The Placement will be settled in two tranches, the first of which resulted in the company receiving \$856K during February 2023. The second tranche requires shareholder approval at the Company's EGM on 23 March 2023 and will result in the receipt of a further \$700K by 31 March 2023.
- The Group can undertake further capital raisings if and when required and has demonstrated the ability to do so on previous occasions with continued strong support from existing shareholders.

The Directors are confident that the Group will achieve successful outcomes in relation to the above matters, and that it is therefore appropriate to prepare the financial statements on the going concern basis and that the Group will be able to pay its debts as and when they become due and payable from available cash resources, operating cash flows and additional capital to be raised.

The consolidated financial report does not include any adjustments relating to the recoverability and classifications of recorded asset amounts or to the amount and classification of liabilities that might be necessary should the Group not continue as a going concern.

### **Significant accounting policies**

The following significant accounting policies are relevant to the Group:

#### **Basis of preparation**

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') and the Corporations Act 2001, as appropriate for for-profit oriented entities. These financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board ('IASB').

#### *Historical cost convention*

The financial statements have been prepared under the historical cost convention, except for, where applicable, the revaluation of financial assets and liabilities at fair value through profit or loss.

#### *Critical accounting estimates*

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 3.

#### **Parent entity information**

In accordance with the Corporations Act 2001, these financial statements present the results of the Group only. Supplementary information about the parent entity is disclosed in note 27.

#### **Principles of consolidation**

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of the Company as at 31 December 2022 and the results of all subsidiaries for the year then ended.

## Note 2. Significant accounting policies (continued)

Subsidiaries are all those entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains on transactions between entities in the Group are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

The acquisition of subsidiaries is accounted for using the acquisition method of accounting. A change in ownership interest, without the loss of control, is accounted for as an equity transaction, where the difference between the consideration transferred and the book value of the share of the non-controlling interest acquired is recognised directly in equity attributable to the parent.

Where the Group loses control over a subsidiary, it derecognises the assets including goodwill, liabilities and non-controlling interest in the subsidiary together with any cumulative translation differences recognised in equity. The Group recognises the fair value of the consideration received and the fair value of any investment retained together with any gain or loss in profit or loss.

### Operating segments

Operating segments are presented using the 'management approach', where the information presented is on the same basis as the internal reports provided to the Chief Operating Decision Makers ('CODM'). The CODM is responsible for the allocation of resources to operating segments and assessing their performance.

### Foreign currency translation

The financial statements are presented in Australian dollars, which is Simble Solutions Limited's functional and presentation currency.

#### *Foreign currency transactions*

Foreign currency transactions are translated into the entity's functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at financial year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

#### *Foreign operations*

The assets and liabilities of foreign operations are translated into Australian dollars using the exchange rates at the reporting date. The revenues and expenses of foreign operations are translated into Australian dollars using the average exchange rates, which approximate the rates at the dates of the transactions, for the period. All resulting foreign exchange differences are recognised in other comprehensive income through the foreign currency reserve in equity.

The foreign currency reserve is recognised in profit or loss when the foreign operation or net investment is disposed of.

### Revenue recognition

Revenue is recognised at an amount that reflects the consideration to which the Group is expected to be entitled in exchange for transferring goods or services to a customer. For each contract with a customer, the Group: identifies the contract with a customer; identifies the performance obligations in the contract; determines the transaction price which takes into account estimates of variable consideration and the time value of money; allocates the transaction price to the separate performance obligations on the basis of the relative stand-alone selling price of each distinct good or service to be delivered; and recognises revenue when or as each performance obligation is satisfied in a manner that depicts the transfer to the customer of the goods or services promised.

## Note 2. Significant accounting policies (continued)

Variable consideration within the transaction price, if any, reflects concessions provided to the customer such as discounts, rebates and refunds, any potential bonuses receivable from the customer and any other contingent events. Such estimates are determined using either the 'expected value' or 'most likely amount' method. The measurement of variable consideration is subject to a constraining principle whereby revenue will only be recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur. The measurement constraint continues until the uncertainty associated with the variable consideration is subsequently resolved. Amounts received that are subject to the constraining principle are recognised as a refund liability.

Revenue is recognised over time if:

- the customer simultaneously receives and consumes the benefits as the entity performs; or
- the customer controls the asset as the entity creates or enhances it; or
- the seller's performance does not create an asset for which the seller has an alternative use and there is a right to payment for performance to date.

Where the above criteria are not met, revenue is recognised at a point in time. The Group does not offer material discounts or rebates, and all products and services are sold separately.

The Group recognises revenue predominantly from the following:

### *Software as a service revenue*

The Group offers several cloud-based SaaS products which are accessible via a web browser. The Group provides customers access to an online portal for the subscription period as specified in contracts.

SaaS revenue is recognised over time as the Group provides a continuous service of making the online portal available during the subscription period and customers simultaneously receive and consume the benefits provided to them by the Group.

### *Sale of hardware*

The Group also sells certain hardware being energy metering devices. In some cases, for practical expedience, sale of hardware may be governed by the same legal contract with a customer as sale of SaaS. However, these are considered separate performance obligations because the hardware and services are sold separately. The sales are independent of each other and customers benefit from the sale of hardware and sale of SaaS either on its own or together with other resources that are readily available to a customer.

Revenue for sale of hardware is recognised at a point in time when a delivery of the hardware to a customer is completed.

The transaction price for sale of hardware is fixed in the contracts.

Management has considered the right of return of hardware by customers and concluded that the impact is not material as at the balance date.

### *Sale of access to research reports database*

The Group offers subscription-based services being access to a research reports database for the subscription period as specified in contracts.

Revenue from sales of access to the research reports database is recognised over time as the Group provides a continuous service of making the database available during the subscription period and customers simultaneously receive and consume the benefits provided to them by the Group.

### *Other revenue*

Other revenue predominantly consists of ad hoc consulting assignments for which revenue is generally recognised as and when the service is provided.

### *Interest*

Interest revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

## Note 2. Significant accounting policies (continued)

### *Research and development tax refund*

The Group has adopted the income approach to accounting for research and development tax offsets pursuant to AASB 120 'Accounting for Government Grant and Disclosure of Government Assistance' whereby the incentive is recognised in profit or loss on a systematic basis over the periods in which the Group recognises the eligible expenses.

### **Income tax**

The income tax expense or benefit for the period is the tax payable on that period's taxable income based on the applicable income tax rate for each jurisdiction, adjusted by the changes in deferred tax assets and liabilities attributable to temporary differences, unused tax losses and the adjustment recognised for prior periods, where applicable.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to be applied when the assets are recovered or liabilities are settled, based on those tax rates that are enacted or substantively enacted, except for:

- When the deferred income tax asset or liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting nor taxable profits; or
- When the taxable temporary difference is associated with interests in subsidiaries, associates or joint ventures, and the timing of the reversal can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

The carrying amount of recognised and unrecognised deferred tax assets are reviewed at each reporting date. Deferred tax assets recognised are reduced to the extent that it is no longer probable that future taxable profits will be available for the carrying amount to be recovered. Previously unrecognised deferred tax assets are recognised to the extent that it is probable that there are future taxable profits available to recover the asset.

Deferred tax assets and liabilities are offset only where there is a legally enforceable right to offset current tax assets against current tax liabilities and deferred tax assets against deferred tax liabilities; and they relate to the same taxable authority on either the same taxable entity or different taxable entities which intend to settle simultaneously.

### **Current and non-current classification**

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the Group's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in the Group's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

Deferred tax assets and liabilities are always classified as non-current.

### **Cash and cash equivalents**

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

### **Trade and other receivables**

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for expected credit losses. Trade receivables are generally due for settlement within 30 days.

The Group has applied the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance. To measure the expected credit losses, trade receivables have been grouped based on days overdue.

## Note 2. Significant accounting policies (continued)

Other receivables are recognised at amortised cost, less any allowance for expected credit losses.

### Inventories

Stock on hand is stated at the lower of cost and net realisable value. Cost comprises of purchase and delivery costs, net of rebates and discounts received or receivable.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

### Investments and other financial assets

Investments and other financial assets are initially measured at fair value. Transaction costs are included as part of the initial measurement, except for financial assets at fair value through profit or loss. Such assets are subsequently measured at either amortised cost or fair value depending on their classification. Classification is determined based on both the business model within which such assets are held and the contractual cash flow characteristics of the financial asset unless an accounting mismatch is being avoided.

Financial assets are derecognised when the rights to receive cash flows have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership. When there is no reasonable expectation of recovering part or all of a financial asset, its carrying value is written off.

#### *Financial assets at amortised cost*

A financial asset is measured at amortised cost only if both of the following conditions are met: (i) it is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and (ii) the contractual terms of the financial asset represent contractual cash flows that are solely payments of principal and interest.

#### *Impairment of financial assets*

The Group recognises a loss allowance for expected credit losses on financial assets which are either measured at amortised cost or fair value through other comprehensive income. The measurement of the loss allowance depends upon the Group's assessment at the end of each reporting period as to whether the financial instrument's credit risk has increased significantly since initial recognition, based on reasonable and supportable information that is available, without undue cost or effort to obtain.

Where there has not been a significant increase in exposure to credit risk since initial recognition, a 12-month expected credit loss allowance is estimated. This represents a portion of the asset's lifetime expected credit losses that is attributable to a default event that is possible within the next 12 months. Where a financial asset has become credit impaired or where it is determined that credit risk has increased significantly, the loss allowance is based on the asset's lifetime expected credit losses. The amount of expected credit loss recognised is measured on the basis of the probability weighted present value of anticipated cash shortfalls over the life of the instrument discounted at the original effective interest rate.

For financial assets mandatorily measured at fair value through other comprehensive income, the loss allowance is recognised in other comprehensive income with a corresponding expense through profit or loss. In all other cases, the loss allowance reduces the asset's carrying value with a corresponding expense through profit or loss.

### Property, plant and equipment

Plant and equipment is stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Depreciation is calculated on a straight-line basis to write off the net cost of each item of property, plant and equipment over their expected useful lives as follows:

Computer equipment	1 to 2 years
Office equipment	2 to 5 years

The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date.

An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the Group. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss.

## Note 2. Significant accounting policies (continued)

### Research and development costs

Research expenditure is recognised as an expense when incurred.

An internally generated intangible asset arising from development is recognised if, and only if, it can be demonstrated that:

- (a) the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- (b) its intention to complete the intangible asset and use or sell it;
- (c) its ability to use or sell the intangible asset;
- (d) how the intangible asset will generate probable future economic benefits. Among other things, the entity can demonstrate the existence of a market for the output of the intangible asset or the intangible asset itself or, if it is to be used internally, the usefulness of the intangible asset;
- (e) the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- (f) its ability to measure reliably the expenditure attributable to the intangible asset during its development.

Development costs in respect of enhancements on existing suites of software applications are capitalised and written off over three years.

At each balance date, a review of the carrying value of the capitalised development cost carried forward is undertaken to ensure the carrying amount is recoverable from future revenue generated from the sale of that software.

### Impairment of non-financial assets

Goodwill and other intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Recoverable amount is the higher of an asset's fair value less costs of disposal and value-in-use. The value-in-use is the present value of the estimated future cash flows relating to the asset using a pre-tax discount rate specific to the asset or cash-generating unit to which the asset belongs. Assets that do not have independent cash flows are grouped together to form a cash-generating unit.

### Trade and other payables

These amounts represent liabilities for goods and services provided to the Group prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

### Contract liabilities

Contract liabilities represent the Group's obligation to transfer goods or services to a customer and are recognised when a customer pays consideration, or when the Group recognises a receivable to reflect its unconditional right to consideration (whichever is earlier) before the Group has transferred the goods or services to the customer.

### Employee benefits

#### *Short-term employee benefits*

Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled wholly within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled.

#### *Other long-term employee benefits*

The liability for annual leave and long service leave not expected to be settled within 12 months of the reporting date are measured at the present value of expected future payments to be made in respect of services provided by employees up to the reporting date. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on high quality corporate bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

#### *Share-based payments*

Equity-settled and cash-settled share-based compensation benefits are provided to employees.

## Note 2. Significant accounting policies (continued)

Equity-settled transactions are awards of shares, or options over shares, that are provided to employees in exchange for the rendering of services. Cash-settled transactions are awards of cash for the exchange of services, where the amount of cash is determined by reference to the share price.

The cost of equity-settled transactions are measured at fair value on grant date. Fair value is independently determined using appropriate option pricing models that take into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option, together with non-vesting conditions that do not determine whether the Group receives the services that entitle the employees to receive payment. No account is taken of any other vesting conditions.

The cost of equity-settled transactions are recognised as an expense with a corresponding increase in equity over the vesting period. The cumulative charge to profit or loss is calculated based on the grant date fair value of the award, the best estimate of the number of awards that are likely to vest and the expired portion of the vesting period. The amount recognised in profit or loss for the period is the cumulative amount calculated at each reporting date less amounts already recognised in previous periods.

The cost of cash-settled transactions is initially, and at each reporting date until vested, determined by applying either the Binomial or Black-Scholes option pricing model, taking into consideration the terms and conditions on which the award was granted. The cumulative charge to profit or loss until settlement of the liability is calculated as follows:

- during the vesting period, the liability at each reporting date is the fair value of the award at that date multiplied by the expired portion of the vesting period.
- from the end of the vesting period until settlement of the award, the liability is the full fair value of the liability at the reporting date.

All changes in the liability are recognised in profit or loss. The ultimate cost of cash-settled transactions is the cash paid to settle the liability.

Market conditions are taken into consideration in determining fair value. Therefore any awards subject to market conditions are considered to vest irrespective of whether or not that market condition has been met, provided all other conditions are satisfied.

If equity-settled awards are modified, as a minimum an expense is recognised as if the modification has not been made. An additional expense is recognised, over the remaining vesting period, for any modification that increases the total fair value of the share-based compensation benefit as at the date of modification.

If the non-vesting condition is within the control of the Group or employee, the failure to satisfy the condition is treated as a cancellation. If the condition is not within the control of the Group or employee and is not satisfied during the vesting period, any remaining expense for the award is recognised over the remaining vesting period, unless the award is forfeited.

If equity-settled awards are cancelled, it is treated as if it has vested on the date of cancellation, and any remaining expense is recognised immediately. If a new replacement award is substituted for the cancelled award, the cancelled and new award is treated as if they were a modification.

### Issued capital

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

### Business combinations

The acquisition method of accounting is used to account for business combinations regardless of whether equity instruments or other assets are acquired.

The consideration transferred is the sum of the acquisition-date fair values of the assets transferred, equity instruments issued or liabilities incurred by the acquirer to former owners of the acquiree and the amount of any non-controlling interest in the acquiree. For each business combination, the non-controlling interest in the acquiree is measured at either fair value or at the proportionate share of the acquiree's identifiable net assets. All acquisition costs are expensed as incurred to profit or loss.

## Note 2. Significant accounting policies (continued)

On the acquisition of a business, the Group assesses the financial assets acquired and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic conditions, the Group's operating or accounting policies and other pertinent conditions in existence at the acquisition-date.

Where the business combination is achieved in stages, the Group remeasures its previously held equity interest in the acquiree at the acquisition-date fair value and the difference between the fair value and the previous carrying amount is recognised in profit or loss.

Contingent consideration to be transferred by the acquirer is recognised at the acquisition-date fair value. Subsequent changes in the fair value of the contingent consideration classified as an asset or liability is recognised in profit or loss. Contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity.

The difference between the acquisition-date fair value of assets acquired, liabilities assumed and any non-controlling interest in the acquiree and the fair value of the consideration transferred and the fair value of any pre-existing investment in the acquiree is recognised as goodwill. If the consideration transferred and the pre-existing fair value is less than the fair value of the identifiable net assets acquired, being a bargain purchase to the acquirer, the difference is recognised as a gain directly in profit or loss by the acquirer on the acquisition-date, but only after a reassessment of the identification and measurement of the net assets acquired, the non-controlling interest in the acquiree, if any, the consideration transferred and the acquirer's previously held equity interest in the acquirer.

Business combinations are initially accounted for on a provisional basis. The acquirer retrospectively adjusts the provisional amounts recognised and also recognises additional assets or liabilities during the measurement period, based on new information obtained about the facts and circumstances that existed at the acquisition-date. The measurement period ends on either the earlier of (i) 12 months from the date of the acquisition or (ii) when the acquirer receives all the information possible to determine fair value.

### Earnings per share

#### *Basic earnings per share*

Basic earnings per share is calculated by dividing the profit attributable to the owners of Simble Solutions Limited, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the financial year.

#### *Diluted earnings per share*

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

### Goods and Services Tax ('GST') and other similar taxes

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the tax authority is included in other receivables or other payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the tax authority, are presented as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the tax authority.

### New Accounting Standards and Interpretations not yet mandatory or early adopted

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the Group for the annual reporting period ended 31 December 2022. The Group's assessment of the impact of these new or amended Accounting Standards and Interpretations, most relevant to the Group, are set out below.

## Note 2. Significant accounting policies (continued)

### *AASB 2020-1 Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-Current and AASB 2022-6 Amendments to Australian Accounting Standards - Non-current Liabilities with Covenants*

AASB 2020-1 was issued in March 2020 and is applicable to annual periods beginning on or after 1 January 2023, as extended by AASB 2020-6. Early adoption is permitted. AASB 2022-6 was issued in December 2022 and is applicable to annual periods beginning on or after 1 January 2023. Early adoption is permitted where AASB 2020-1 is also early adopted.

These standards amend AASB 101 'Presentation of Financial Statements' to clarify requirements for the presentation of liabilities in the statement of financial position as current or non-current. The amendments clarify that a liability is classified as non-current if an entity has the right at the end of the reporting period to defer settlement of the liability for at least 12 months after the reporting period. If the deferral right is subject to the entity complying with covenants in the loan arrangement based on information up to and including reporting date, the deferral right will exist where the entity is able to comply with the covenant on or before the end of the reporting date even if compliance is assessed after the reporting date. The deferral right will be deemed to exist at reporting date if the entity is required to comply with the covenant only after the reporting date based on post-reporting date information. Additional disclosure is required about loan arrangements classified as non-current liabilities in such circumstances which enables users of financial statements to understand the risk that the liabilities could become repayable within twelve months after the reporting period. Classification of a liability as non-current is unaffected by the likelihood that the entity will exercise its right to defer settlement of the liability for at least 12 months after the reporting date or even if the entity settles the liability prior to issue of the financial statements. The meaning of settlement of a liability is also clarified.

### *AASB 2021-2 Amendments to AASB 7, AASB 101, AASB 134 Interim Financial Reporting and AASB Practice Statement 2 Making Materiality Judgements – Disclosure of Accounting Policies*

Effective for annual reporting periods beginning on or after 1 January 2023.

The amendments to AASB 101 require disclosure of material accounting policy information, instead of significant accounting policies. Unlike 'material', 'significant' was not defined in Australian Accounting Standards. Leveraging the existing definition of material with additional guidance is expected to help preparers make more effective accounting policy disclosures. The guidance illustrates circumstances where an entity is likely to consider accounting policy information to be material. Entity-specific accounting policy information is emphasised as being more useful than generic information or summaries of the requirements of Australian Accounting Standards. The amendments to AASB Practice Statement 2 supplement the amendments to AASB 101 by illustrating how the four-step materiality process can identify material accounting policy information. Earlier application of the amendments is permitted.

## Note 3. Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

### *Capitalisation of development costs*

The Group has adopted a policy for capitalising development costs only for products for which an assessment is made that the product is technically feasible and will generate defined economic benefits for the Group going forward. The capitalised costs are subsequently amortised over the expected useful life of the product, which is estimated to be three years. The Group does not believe that the criteria for capitalisation has been met in the current financial year therefore development costs have been expensed.

#### Note 4. Operating segments

##### Identification of reportable operating segments

The Group operates in one segment, based on the internal reports that are reviewed and used by the Board of Directors (who are identified as the Chief Operating Decision Makers ('CODM')) in assessing performance and in determining the allocation of resources.

As a result, the operating segment information is disclosed in the statement and notes to the financial statements. For geographic information, refer to note 5.

##### Major customers

During the year, one customer contributed 10.2% of external sales (2021: one customer contributed 23.8% of external sales).

#### Note 5. Revenue

	Group	
	2022	2021
	\$	\$
Rendering of services and sale of goods	<u>1,486,474</u>	<u>1,457,042</u>

##### Disaggregation of revenue

The disaggregation of revenue from contracts with customers is as follows:

	Group	
	2022	2021
	\$	\$
<i>Major product lines</i>		
Energy	959,327	824,504
Carbon reporting	193,052	153,095
Mobility	<u>334,095</u>	<u>479,443</u>
	<u>1,486,474</u>	<u>1,457,042</u>
<i>Geographical regions</i>		
Australia	925,710	888,198
United Kingdom	<u>560,764</u>	<u>568,844</u>
	<u>1,486,474</u>	<u>1,457,042</u>
<i>Timing of revenue recognition</i>		
Goods and services transferred over time	933,768	1,116,992
Goods and services transferred at a point in time	<u>552,706</u>	<u>340,050</u>
	<u>1,486,474</u>	<u>1,457,042</u>

**Note 6. Other income**

	Group	
	2022	2021
	\$	\$
Research and development tax incentive	-	129,525
Other income	129	112,540
	<u>129</u>	<u>112,540</u>
Other income	<u><u>129</u></u>	<u><u>242,065</u></u>

**Note 7. Employee benefits expense**

	Group	
	2022	2021
	\$	\$
Salaries and wages	1,199,533	839,581
Superannuation	84,622	86,355
Share-based payments	42,347	9,000
Other employee related expenses	5,162	5,146
	<u>1,331,664</u>	<u>940,082</u>

**Note 8. Finance expenses**

	Group	
	2022	2021
	\$	\$
Bank fees and charges	3,399	12,869
Interest expense on lease liability	20,583	-
Other interest expense	13,847	84,142
	<u>37,829</u>	<u>84,142</u>
	<u><u>37,829</u></u>	<u><u>97,011</u></u>



**Note 11. Trade and other receivables**

	Group	
	2022	2021
	\$	\$
<i>Current assets</i>		
Trade receivables	225,413	117,687
Other receivables	-	22,692
Goods and services tax recoverable	78,261	4,829
Research and development tax incentive recoverable	-	129,419
	<u>303,674</u>	<u>274,627</u>

*Allowance for expected credit losses*

The Group has recognised a recovery of \$nil (2021: \$7,019) in profit or loss in respect of expected credit losses for the year ended 31 December 2022.

The ageing of the receivables and allowance for expected credit losses provided for above are as follows:

Group	Expected credit loss rate		Carrying amount		Allowance for expected credit losses	
	2022	2021	2022	2021	2022	2021
	%	%	\$	\$	\$	\$
Not overdue	-	-	143,100	69,916	-	-
0 to 30 days overdue	-	-	46,555	21,476	-	-
30 to 60 days overdue	-	-	19,493	-	-	-
60 to 90 days overdue	-	-	-	4,950	-	-
Over 90 days overdue	-	-	16,265	21,345	-	-
			<u>225,413</u>	<u>117,687</u>	<u>-</u>	<u>-</u>

Movements in the allowance for expected credit losses are as follows:

	Group	
	2022	2021
	\$	\$
Opening balance	-	7,019
Unused amounts reversed	-	(7,019)
Closing balance	<u>-</u>	<u>-</u>

**Note 12. Inventories**

	Group	
	2022	2021
	\$	\$
<i>Current assets</i>		
Stock on hand - at cost	<u>28,637</u>	<u>34,646</u>

**Note 13. Other assets**

	Group	
	2022 \$	2021 \$
<i>Current assets</i>		
Prepayments	162,466	182,207
Security deposits	7,940	9,509
	<u>170,406</u>	<u>191,716</u>
<i>Non-current assets</i>		
Other deposits	-	143,162
	<u>-</u>	<u>143,162</u>

**Note 14. Property, plant and equipment**

	Group	
	2022 \$	2021 \$
<i>Non-current assets</i>		
Computer equipment - at cost	4,376	4,744
Less: Accumulated depreciation	(786)	(294)
	<u>3,590</u>	<u>4,450</u>
Office equipment - at cost	-	458
	<u>3,590</u>	<u>4,908</u>

*Reconciliations*

Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:

Group	Computer equipment \$	Office equipment \$	Total \$
Balance at 1 January 2021	403	-	403
Additions	4,341	458	4,799
Depreciation expense	(294)	-	(294)
Balance at 31 December 2021	4,450	458	4,908
Additions	36	-	36
Disposals	(425)	(458)	(883)
Depreciation expense	(471)	-	(471)
Balance at 31 December 2022	<u>3,590</u>	<u>-</u>	<u>3,590</u>

**Note 15. Trade and other payables**

	Group	
	2022 \$	2021 \$
<i>Current liabilities</i>		
Trade payables	662,037	485,102
Amounts payable to other related party, Wise-Owl.com Pty Limited	24,680	42,680
Accrued expenses	37,423	53,475
Other payables	88,328	91,680
	<u>812,468</u>	<u>672,937</u>

Refer to note 21 for further information on financial instruments.

**Note 16. Contract liabilities**

	Group	
	2022 \$	2021 \$
<i>Current liabilities</i>		
Contract liabilities - deferred revenue	<u>464,843</u>	<u>457,867</u>
<i>Non-current liabilities</i>		
Contract liabilities - deferred revenue	<u>114,373</u>	<u>27,206</u>
<i>Reconciliation</i>		
Reconciliation of the written down values at the beginning and end of the current and previous financial year are set out below:		
Opening balance	485,073	432,883
Payments received in advance	812,701	772,445
Transfer to revenue	<u>(718,558)</u>	<u>(720,255)</u>
Closing balance	<u>579,216</u>	<u>485,073</u>

*Unsatisfied performance obligations*

The aggregate amount of the transaction price allocated to the performance obligations that are unsatisfied at the end of the reporting period was \$579,216 as at 31 December 2022 (\$485,073 as at 31 December 2021) and is expected to be recognised as revenue in future periods as follows:

	Group	
	2022 \$	2021 \$
Within 12 months	464,843	457,867
24 to 36 months	114,373	27,206
	<u>579,216</u>	<u>485,073</u>

## Note 17. Borrowings

	Group	
	2022 \$	2021 \$
<i>Current liabilities</i>		
Loan	186,389	-

Refer to note 21 for further information on financial instruments.

The loan is unsecured and commenced on 31 December 2022 with a maturity date of 31 December 2023. The loan is interest bearing at 10% per annum, payable monthly.

## Note 18. Issued capital

	Group			
	2022 Shares	2021 Shares	2022 \$	2021 \$
Ordinary shares - fully paid	427,332,803	339,971,692	27,515,411	25,912,023
Treasury shares	20,000,000	-	-	-
	<u>447,332,803</u>	<u>339,971,692</u>	<u>27,515,411</u>	<u>25,912,023</u>

### Movements in ordinary share capital

Details	Date	Shares	Issue price	\$
Balance	1 January 2021	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	339,971,692		25,912,023
Issue of shares on exercise of options	16 February 2022	694,444	\$0.018	12,500
Issue of shares	21 March 2022	45,214,564	\$0.020	904,291
Issue of shares	26 May 2022	37,285,436	\$0.020	745,709
Issue of shares on exercise of options	15 June 2022	4,166,667	\$0.018	75,000
Issue of shares – ATM with Alpha Investment Partners*	1 December 2022	20,000,000	\$0.000	-
Transferred to treasury shares	1 December 2022	(20,000,000)	\$0.000	-
Share issue transaction costs				(134,112)
Balance	31 December 2022	<u>427,332,803</u>		<u>27,515,411</u>

\* These shares were entered under an At-the-Market Facility ('ATM') with Alpha Investment Partners

## Note 18. Issued capital (continued)

### Movements in treasury share capital

Details	Date	Shares	Issue price	\$
Balance	1 January 2021	-		-
Balance	31 December 2021	-		-
Transfer from ordinary share capital	1 December 2022	20,000,000	\$0.000	-
Balance	31 December 2022	<u>20,000,000</u>		<u>-</u>

### Ordinary shares

Ordinary shares entitle the holder to participate in any dividends declared and any proceeds attributable to shareholders should the Company be wound up in proportions that consider both the number of shares held and the extent to which those shares are paid up. The fully paid ordinary shares have no par value and the Company does not have a limited amount of authorised capital.

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

### Share buy-back

There is no current on-market share buy-back.

### Capital risk management

The Group's objectives when managing capital is to safeguard its ability to continue as a going concern, so that it can provide returns for shareholders and benefits for other stakeholders and to maintain an optimum capital structure to reduce the cost of capital.

Capital is regarded as total equity, as recognised in the statement of financial position, plus net debt. Net debt is calculated as total borrowings less cash and cash equivalents.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The Group would look to raise capital when an opportunity to invest in a business or company was seen as value adding relative to the current Company's share price at the time of the investment. The Group is not actively pursuing additional investments in the short term as it continues to integrate and grow its existing businesses in order to maximise synergies.

The capital risk management policy remains unchanged from the 31 December 2021 Annual Report.

## Note 19. Reserves

	Group	
	2022	2021
	\$	\$
Foreign currency translation reserve	(174,969)	(342,323)
Share-based payments reserve	206,347	2,895,000
Common control reserve	250,836	250,836
	<u>282,214</u>	<u>2,803,513</u>

### Foreign currency translation reserve

The reserve is used to recognise exchange differences arising from the translation of the financial statements of foreign operations to Australian dollars. It is also used to recognise gains and losses on hedges of the net investments in foreign operations.

## Note 19. Reserves (continued)

### Share-based payments reserve

The reserve is used to recognise the value of equity benefits provided to employees and directors as part of their remuneration, and other parties as part of their compensation for services.

### Common control reserve

The common control reserve represents the excess of the book value of the net assets over the purchase price of the Simble Group entities acquired. As this transaction involved entities under common control, the Directors have elected for the respective assets and liabilities of the companies acquired to be recognised at book value of these companies as at the date of acquisition.

### Movements in reserves

Movements in each class of reserve during the current and previous financial year are set out below:

Group	Foreign currency translation \$	Share-based payments \$	Common control \$	Total \$
Balance at 1 January 2021	(26,723)	2,886,000	250,836	3,110,113
Foreign currency translation	(315,600)	-	-	(315,600)
Share-based payments	-	9,000	-	9,000
	<hr/>	<hr/>	<hr/>	<hr/>
Balance at 31 December 2021	(342,323)	2,895,000	250,836	2,803,513
Foreign currency translation	167,354	-	-	167,354
Share-based payments	-	62,347	-	62,347
Performance shares lapsed in prior period	-	(2,751,000)	-	(2,751,000)
	<hr/>	<hr/>	<hr/>	<hr/>
Balance at 31 December 2022	<u>(174,969)</u>	<u>206,347</u>	<u>250,836</u>	<u>282,214</u>

## Note 20. Dividends

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

## Note 21. Financial instruments

### Financial risk management objectives

The Group's activities expose it to a variety of financial risks: market risk (including foreign currency risk, price risk and interest rate risk), credit risk and liquidity risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Group. The Group uses different methods to measure different types of risk to which it is exposed. These methods include sensitivity analysis in the case of interest rate, foreign exchange and other price risks and ageing analysis for credit risk.

Risk management is carried out by senior finance executives ('finance') under policies approved by the Board of Directors ('the Board'). These policies include identification and analysis of the risk exposure of the Group and appropriate procedures, controls and risk limits. Finance reports to the Board on a regular basis.

### Market risk

#### Foreign currency risk

The Group undertakes certain transactions denominated in foreign currency and is exposed to foreign currency risk through foreign exchange rate fluctuations.

Foreign exchange risk arises from future commercial transactions and recognised financial assets and financial liabilities denominated in a currency that is not the entity's functional currency. The risk is measured using sensitivity analysis and cash flow forecasting.

## Note 21. Financial instruments (continued)

The carrying amount of the Group's foreign currency denominated financial assets and financial liabilities at the reporting date were as follows:

Group	Assets		Liabilities	
	2022 \$	2021 \$	2022 \$	2021 \$
Pound Sterling	<u>1,519,714</u>	<u>1,575,299</u>	<u>7,327,490</u>	<u>6,195,858</u>

The Group had net liabilities denominated in foreign currencies of \$5,807,776 (assets of \$1,519,714 less liabilities of \$7,327,490) as at 31 December 2022 (2021: \$4,620,599 (assets of \$1,575,299 less liabilities of \$6,195,858)). Based on this exposure, had the Australian dollars weakened or strengthened by the following percentages against these foreign currencies with all other variables held constant, the Group's profit before tax for the year would have been lower or higher as follows:

Group - 2022	% change	AUD strengthened Effect on profit before tax		% change	AUD weakened Effect on profit before tax	
		Effect on equity	Effect on equity			
Pounds Sterling	5%	<u>70,949</u>	<u>290,388</u>	(5%)	<u>(70,949)</u>	<u>(290,388)</u>

Group - 2021	% change	AUD strengthened Effect on profit before tax		% change	AUD weakened Effect on profit before tax	
		Effect on equity	Effect on equity			
Pounds Sterling	5%	<u>46,226</u>	<u>231,018</u>	(5%)	<u>(46,226)</u>	<u>(231,018)</u>

### Price risk

The Group is not exposed to any significant price risk.

### Interest rate risk

The Group is not exposed to any significant interest rate risk.

### Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group sets appropriate credit limits. The Group obtains guarantees where appropriate to mitigate credit risk. The maximum exposure to credit risk at the reporting date to recognised financial assets is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the statement of financial position and notes to the financial statements. The Group does not hold any collateral.

The Group has adopted a lifetime expected loss allowance in estimating expected credit losses to trade receivables through the use of a provisions matrix using fixed rates of credit loss provisioning. These provisions are considered representative across all customers of the Group based on recent sales experience, historical collection rates and forward-looking information that is available.

Generally, trade receivables are written off when there is no reasonable expectation of recovery. Indicators of this include the failure of a debtor to engage in a repayment plan, no active enforcement activity and a failure to make contractual payments for a period greater than 1 year.

The Group is not exposed to any significant credit risk.

### Liquidity risk

Vigilant liquidity risk management requires the Group to maintain sufficient liquid assets (mainly cash and cash equivalents) to be able to pay debts as and when they become due and payable.

## Note 21. Financial instruments (continued)

The Group manages liquidity risk by maintaining adequate cash reserves and available borrowing facilities by continuously monitoring actual and forecast cash flows and matching the maturity profiles of financial assets and liabilities.

### Remaining contractual maturities

The following tables detail the Group's remaining contractual maturity for its financial instrument liabilities. The tables have been drawn up based on the cash flows of financial liabilities based on the earliest date on which the financial liabilities are required to be paid. The tables include both interest and principal cash flows disclosed as remaining contractual maturities and therefore these totals may differ from their carrying amount in the statement of financial position.

Group - 2022	Weighted average interest rate %	1 year or less \$	Between 1 and 2 years \$	Between 2 and 5 years \$	Over 5 years \$	Remaining contractual maturities \$
<b>Non-derivatives</b>						
<i>Non-interest bearing</i>						
Trade payables	-	662,037	-	-	-	662,037
Other payables	-	88,328	-	-	-	88,328
Payable to related parties	-	24,680	-	-	-	24,680
<i>Interest-bearing - fixed rate</i>						
Loan	10.00%	186,389	-	-	-	186,389
<b>Total non-derivatives</b>		<b>961,434</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>961,434</b>

Group - 2021	Weighted average interest rate %	1 year or less \$	Between 1 and 2 years \$	Between 2 and 5 years \$	Over 5 years \$	Remaining contractual maturities \$
<b>Non-derivatives</b>						
<i>Non-interest bearing</i>						
Trade payables	-	485,102	-	-	-	485,102
Other payables	-	91,680	-	-	-	91,680
Payable to related parties	-	42,680	-	-	-	42,680
<b>Total non-derivatives</b>		<b>619,462</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>619,462</b>

The cash flows in the maturity analysis above are not expected to occur significantly earlier than contractually disclosed above.

## Note 22. Fair value measurement

The carrying amounts of trade and other receivables and trade and other payables are assumed to approximate their fair values due to their short-term nature.

The fair value of financial liabilities is estimated by discounting the remaining contractual maturities at the current market interest rate that is available for similar financial liabilities.

### Note 23. Key management personnel disclosures

#### Compensation

The aggregate compensation made to directors and other members of key management personnel of the Group is set out below:

	Group	
	2022	2021
	\$	\$
Short-term employee benefits	534,134	759,078
Post-employment benefits	22,472	22,827
Share-based payments	42,347	9,000
	<u>598,953</u>	<u>790,905</u>

### Note 24. Remuneration of auditors

During the financial year the following fees were paid or payable for services provided by William Buck, the auditor of the Company:

	Group	
	2022	2021
	\$	\$
<i>Audit services - William Buck</i>		
Audit or review of the financial statements	<u>58,700</u>	<u>55,500</u>

There were no other services performed by the auditor during the year ended 31 December 2022 or 31 December 2021.

### Note 25. Contingent liabilities

The Group has no contingent liabilities as at 31 December 2022 and 31 December 2021.

### Note 26. Related party transactions

#### Parent entity

Simble Solutions Limited is the parent entity.

#### Subsidiaries

Interests in subsidiaries are set out in note 28.

#### Key management personnel

Disclosures relating to key management personnel are set out in note 23 and the remuneration report included in the directors' report.

#### Receivable from and payable to related parties

The following balances are outstanding at the reporting date in relation to transactions with related parties:

	Group	
	2022	2021
	\$	\$
Current payables:		
Trade payable to other related party, Wise-Owl.com Pty Limited	24,680	42,680

## Note 26. Related party transactions (continued)

### Loans to/from related parties

There were no loans to or from related parties at the current and previous reporting date.

### Terms and conditions

All transactions were made on normal commercial terms and conditions and at market rates.

## Note 27. Parent entity information

Set out below is the supplementary information about the parent entity.

### Statement of profit or loss and other comprehensive income

	Parent	
	2022	2021
	\$	\$
Profit/(loss) after income tax	(2,422,649)	592,721
Total comprehensive income/(loss)	(2,422,649)	592,721

### Statement of financial position

	Parent	
	2022	2021
	\$	\$
Total current assets	225,475	347,130
Total assets	3,950,643	7,442,729
Total current liabilities	496,203	487,259
Total liabilities	522,802	506,974
Equity		
Issued capital	27,515,411	25,912,023
Share-based payments reserve	206,347	2,895,000
Accumulated losses	(24,293,917)	(21,871,268)
Total equity	<u>3,427,841</u>	<u>6,935,755</u>

### Guarantees entered into by the parent entity in relation to the debts of its subsidiaries

The parent entity had no guarantees in relation to the debts of its subsidiaries as at 31 December 2022 and 31 December 2021.

### Contingent liabilities

The parent entity had no contingent liabilities as at 31 December 2022 and 31 December 2021.

### Capital commitments - Property, plant and equipment

The parent entity had no capital commitments for property, plant and equipment as at 31 December 2022 and 31 December 2021.

## Note 27. Parent entity information (continued)

### Significant accounting policies

The accounting policies of the parent entity are consistent with those of the Group, as disclosed in note 2, except for the following:

- Investments in subsidiaries are accounted for at cost, less any impairment, in the parent entity.
- Dividends received from subsidiaries are recognised as other income by the parent entity and its receipt may be an indicator of an impairment of the investment.

## Note 28. Interests in subsidiaries

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policy described in note 2:

Name	Principal place of business / Country of incorporation	Ownership interest	
		2022 %	2021 %
Acresta Digital Pty Limited	Australia	100%	100%
Acresta Innovations Pty Limited	Australia	100%	100%
Simble Energy Pty Limited	Australia	100%	100%
Simble Holdings (Hong Kong) Limited	Hong Kong	100%	100%
Simble Mobility Pty Limited	Australia	100%	100%
Simble Solutions (Hong Kong) Limited	Hong Kong	100%	100%
Simble Solutions (NZ) Limited	New Zealand	100%	100%
Simble Solutions (UK) Limited	United Kingdom	100%	100%
Simble Solutions (Vietnam) Ltd	Vietnam	100%	100%
Simble Solutions IP Pty Limited	Australia	100%	100%
Wise-Owl Holdings Pty Limited	Australia	100%	100%

## Note 29. Cash flow information

### Reconciliation of loss after income tax to net cash used in operating activities

	Group	
	2022 \$	2021 \$
Loss after income tax benefit for the year	(2,269,839)	(1,184,145)
Adjustments for:		
Depreciation and amortisation	471	294
Net loss on disposal of non-current assets	-	58,499
Share-based payments	42,347	9,000
Non-operating finance costs on convertible notes	-	7,093
Change in operating assets and liabilities:		
Decrease/(increase) in trade and other receivables	(174,518)	130,845
Decrease in inventories	6,009	13,042
Decrease/(increase) in income tax refund due	129,419	(129,419)
Decrease in prepayments	19,741	20,245
Increase/(decrease) in trade and other payables	173,583	(278,822)
Increase in contract liabilities	94,143	52,190
Decrease in provision for income tax	(17,030)	(96)
Increase/(decrease) in employee benefits	13,549	(1,419)
Net cash used in operating activities	<u>(1,982,125)</u>	<u>(1,302,693)</u>

## Note 29. Cash flow information (continued)

### Changes in liabilities arising from financing activities

The table below details changes in the Group's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Group's consolidated statement of cash flow as cash flows from financing activities.

Group	Loan \$	Convertible notes \$	Lease liabilities \$	Total \$
Balance at 1 January 2021	-	1,236,113	223,695	1,459,808
Net cash used in financing activities	-	(64,099)	(223,695)	(287,794)
Shares issued on exercise of convertible notes	-	(1,179,107)	-	(1,179,107)
Interest on convertible notes	-	7,093	-	7,093
Balance at 31 December 2021	-	-	-	-
Net cash from financing activities	186,389	-	-	186,389
Balance at 31 December 2022	186,389	-	-	186,389

## Note 30. Share-based payments

### Incentive Option and Performance Rights Plan

The Group has adopted an Incentive Option and Performance Rights Plan ('Incentive Plan').

The Incentive Plan is open to eligible participants of the Company or any of its subsidiaries who the Board designates as being eligible.

Performance Rights and Share options will be offered to eligible participants for no consideration under the Incentive Plan.

### The Simble Wealth Creation Scheme

On 14 May 2018, the Company granted 4,495,750 Zero Exercise Price Options to certain management personnel ('Options') for nil cash consideration under the Simble Wealth Creation Scheme ('SWCS').

Pursuant to the SWCS, each Option will convert to one fully paid ordinary share in the Company on the vesting date of 31 March 2023 subject to:

- Consecutive service till the vesting date;
- Compound EBITDA growth to \$5 million or 125% by 31 December 2021. The starting point is \$1 million; and
- Compound share price growth to \$0.80 per share or 100% by 31 December 2021. The starting point is the original issue price of \$0.20.

Shares in the Company were issued at the IPO on 22 February 2018 at 20 cents per share.

On 21 December 2022, the Company cancelled the remaining options issued under the SWCS on the basis that there was no reasonable prospect that the vesting conditions would be met.

### The Incentive Options and Performance Rights Plan

On 18 December 2020, the Company granted 7,500,000 \$0.05 Options and 5,000,000 \$0.08 Options to certain directors, key management personnel and staff for nil cash consideration under the Incentive Options and Performance Rights Plan ('IOPR'). Pursuant to the IOPR, each option vests immediately and can be exercised at any time up to the expiry date of 31 December 2023.

On 25 May 2021, the Company granted 1,500,000 \$0.08 Options to certain directors for nil cash consideration under the IOPR. Pursuant to the IOPR each option vests immediately and can be exercised at any time up to the expiry date of 25 May 2024.

### Note 30. Share-based payments (continued)

On 24 May 2022, the Company granted 12,000,000 \$0.04 Options to Dr Daniel Tillett for nil cash consideration under the terms of his letter of appointment as a director. The options vest over a period of time subject to Dr Tillett's ongoing service. The options expired on 16 February 2023.

On 26 May 2022, the Company granted 2,000,000 \$0.04 Options to 180 Markets for nil cash consideration in relation to the March 2022 equity placement. Each option vests immediately and can be exercised at any time up to the expiry date of 10 August 2024.

Set out below are summaries of options granted under the plans:

#### 2022

Grant date	Expiry date	Exercise price	Balance at the start of the year	Granted	Exercised	Expired/forfeited/other	Balance at the end of the year
14/05/2018	31/03/2023	\$0.000	2,500,000	-	-	-	2,500,000
18/12/2020	31/12/2023	\$0.050	7,500,000	-	-	-	7,500,000
18/12/2020	31/12/2023	\$0.080	5,000,000	-	-	-	5,000,000
25/05/2021	25/05/2024	\$0.080	1,500,000	-	-	-	1,500,000
24/05/2022	16/02/2023	\$0.040	-	12,000,000	-	-	12,000,000
26/05/2022	10/08/2024	\$0.040	-	2,000,000	-	-	2,000,000
			<u>16,500,000</u>	<u>14,000,000</u>	<u>-</u>	<u>-</u>	<u>30,500,000</u>

#### 2021

Grant date	Expiry date	Exercise price	Balance at the start of the year	Granted	Exercised	Expired/forfeited/other	Balance at the end of the year
14/05/2018	31/03/2023	\$0.000	3,500,000	-	-	(1,000,000)	2,500,000
18/12/2020	31/12/2023	\$0.050	7,500,000	-	-	-	7,500,000
18/12/2020	31/12/2023	\$0.080	5,000,000	-	-	-	5,000,000
25/05/2021	25/05/2024	\$0.080	-	1,500,000	-	-	1,500,000
			<u>16,000,000</u>	<u>1,500,000</u>	<u>-</u>	<u>(1,000,000)</u>	<u>16,500,000</u>

Set out below are the options exercisable at the end of the financial year:

Grant date	Expiry date	2022 Number	2021 Number
14/05/2018	31/03/2023	2,500,000	2,500,000
18/12/2020	31/12/2023	7,500,000	7,500,000
18/12/2020	31/12/2023	5,000,000	5,000,000
25/05/2021	25/05/2024	1,500,000	1,500,000
24/05/2022	16/02/2023	9,000,000	-
26/05/2022	10/08/2024	2,000,000	-
		<u>27,500,000</u>	<u>16,500,000</u>

The weighted average share price during the financial year was \$0.014 (31 December 2021: \$0.029).

The weighted average remaining contractual life of options outstanding at the end of the financial year was 1.6 years (31 December 2021: 2.0 years).

### Note 30. Share-based payments (continued)

For the options granted during the current financial year, the Black-Scholes valuation model inputs used to determine the fair value at the grant date, are as follows:

Grant date	Expiry date	Share price at grant date	Exercise price	Expected volatility	Dividend yield	Risk-free interest rate	Fair value at grant date
24/05/2022	16/02/2023	\$0.011	\$0.040	90.00%	-	2.02%	\$0.004
26/05/2022	10/08/2024	\$0.011	\$0.040	90.00%	-	2.02%	\$0.010

### Note 31. Loss per share

	Group	
	2022 \$	2021 \$
Loss after income tax attributable to the owners of Simble Solutions Limited	<u>(2,269,839)</u>	<u>(1,184,145)</u>
	<b>Number</b>	<b>Number</b>
Weighted average number of ordinary shares used in calculating basic loss per share	<u>402,462,164</u>	<u>289,055,111</u>
Weighted average number of ordinary shares used in calculating diluted loss per share	<u>402,462,164</u>	<u>289,055,111</u>
	<b>Cents</b>	<b>Cents</b>
Basic loss per share	(0.56)	(0.41)
Diluted loss per share	(0.56)	(0.41)

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

### Note 32. Events after the reporting period

On 1 February 2023, the Company issued 85,617,914 fully paid ordinary shares under Tranche 1 of a \$1,556,179 placement of 155,617,914 ordinary shares at \$0.01 per share. Tranche 2 of the placement received shareholder approval at an Extraordinary General Meeting held on 23 March 2023 following which the allotment of the remaining 70,000,000 shares and 155,617,914 options under the placement took place.

No other matter or circumstance has arisen since 31 December 2022 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.


In the directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, the Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in note 2 to the financial statements;
- the attached financial statements and notes give a true and fair view of the Group's financial position as at 31 December 2022 and of its performance for the financial year ended on that date; and
- there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

The directors have been given the declarations required by section 295A of the Corporations Act 2001.

Signed in accordance with a resolution of directors made pursuant to section 295(5)(a) of the Corporations Act 2001.

On behalf of the directors



---

Ben Loiterton  
Executive Chairman

28 March 2023  
Sydney

## SIMBLE SOLUTIONS LIMITED

### Independent auditor's report to members

### Report on the Audit of the Financial Report

#### Opinion

We have audited the financial report of Simble Solutions Limited (the Company and its subsidiaries [the Group]), which comprises the consolidated statement of financial position as at 31 December 2022, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, and the directors' declaration.

In our opinion, the accompanying financial report of the Group, is in accordance with the *Corporations Act 2001*, including:

- i. giving a true and fair view of the Group's financial position as at 31 December 2022 and of its financial performance for the year then ended; and
- ii. complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

#### Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Material Uncertainty Related to Going Concern

We draw attention to Note 2 in the financial report, which indicates that the Group incurred a net loss of \$2,269,839 (2021: \$1,184,145) during the year ended 31 December 2022, and, as of that date, the Group has a current working capital deficiency of \$297,097 (2021: \$98,878) and a net liability position of \$434,479 (2021: net asset \$2,271). As stated in Note 2, these events or conditions, along with other matters as set forth in Note 2, indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

#### Key Audit Matters

Key Audit Matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the *Material Uncertainty Related to Going Concern* section, we have determined the matter described below to be the key audit matter to be communicated in our report.

## Revenue Recognition

Area of focus	How our audit addressed it
<p>The Group sells a number of products and services to its customers across the globe. Sales contracts contain various performance milestones and other terms that determine when the performance milestones have been met.</p>	<p>Our audit procedures included: Testing a sample of the sales transactions from each revenue stream for compliance with the Groups accounting policies and Australian Accounting Standards; and</p>
<p>Disclosure in Note 2 provides additional information on how the Group accounts for its revenue.</p>	<p>Performed analytical procedures to identify and evaluate a sample of manual and automatic journal entries for their appropriate recognition; and</p>
<p>We have identified revenue recognition as a key audit matter as there is a risk of inaccurately recognising revenue in line with the milestones embedded in the Groups revenue contracts.</p>	<p>Traced revenue information to accounting records and other supporting documentation.</p> <p>We assessed the adequacy of the Group's disclosures in respect of the Revenue Recognition.</p>

## Other Information

The directors are responsible for the other information. The other information comprises the information in the Group's annual report for the year ended 31 December 2022 but does not include the financial report and the auditor's report thereon.

Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## Responsibilities of the Directors for the Financial Report

The directors of the Group are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

## Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of these financial statements is located at the Auditing and Assurance Standards Board website at:

[https://www.auasb.gov.au/admin/file/content102/c3/ar1\\_2020.pdf](https://www.auasb.gov.au/admin/file/content102/c3/ar1_2020.pdf)

This description forms part of our independent auditor's report.

## Report on the Remuneration Report

### Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 8 to 13 of the directors' report for the year ended 31 December 2022.

In our opinion, the Remuneration Report of Simble Solutions Limited, for the year ended 31 December 2022, complies with section 300A of the *Corporations Act 2001*.

### Responsibilities

The directors of the Group are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Yours faithfully



**William Buck**

Accountants & Advisors

ABN 16 021 300 521



**L. E. Tutt**

Partner

Sydney, 28 March 2023

The shareholder information set out below was applicable as at 24 March 2023.

### Distribution of equitable securities

Analysis of number of equitable security holders by size of holding:

	Ordinary shares		Options over ordinary shares	
	Number of holders	% of total shares issued	Number of holders	% of total shares issued
1 to 1,000	35	-	133	0.04
1,001 to 5,000	31	0.02	227	0.34
5,001 to 10,000	73	0.12	94	0.42
10,001 to 100,000	363	3.28	163	3.04
100,001 and over	360	96.58	137	96.16
	<u>862</u>	<u>100.00</u>	<u>754</u>	<u>100.00</u>
Holding less than a marketable parcel	<u>332</u>	<u>1.10</u>	<u>640</u>	<u>5.95</u>

### Equity security holders

#### Twenty largest quoted equity security holders

The names of the twenty largest security holders of quoted equity securities are listed below:

	Ordinary shares	
	Number held	% of total shares issued
DR DANIEL TILLET	39,185,647	7.35
CITICORP NOMINEES PTY LIMITED	25,604,040	4.80
UCR CONSULTANTS LIMITED	24,149,456	4.53
IRWIN BIOTECH NOMINEES P/L (BIOA A/C)	20,650,000	3.87
VELASCO S A	20,000,000	3.75
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	19,506,212	3.66
THMG HOLDINGS PTY LTD (THMG A/C)	18,537,944	3.48
DRHM PTY LTD (DURHAM FAMILY A/C)	14,500,602	2.72
180 MARKETS PTY LTD	10,500,000	1.97
MR PHILIP TYE	9,377,788	1.76
PROFESSIONAL & SOPHISTICATED INVESTORS PTY LTD (PROF & SOPH INVEST A/C)	9,000,000	1.69
DAVSAM PTY LTD (ROSEMAN RETIREMENT FUND A/C)	8,633,333	1.62
MARYTON AUSTRALIA PTY LTD	7,968,673	1.50
BNP PARIBAS NOMINEES PTY LTD (IB AU NOMS RETAILCLIENT DRP)	7,620,052	1.43
MR GAVIN JEREMY DUNHILL	7,500,000	1.41
CERTANE CT PTY LTD (L39 CAPITAL A/C)	7,125,000	1.34
MATTHEW BURFORD SUPER FUND PTY LTD (BURFORD SUPERFUND A/C)	6,500,000	1.22
HONGMEN PTY LTD (HONGMEN FAMILY A/C)	6,400,000	1.20
MS CHUNYAN NIU	5,294,340	0.99
MR SANDOR HELBY	5,000,000	0.94
	<u>273,053,087</u>	<u>51.23</u>

*Unquoted equity securities*

	Number on issue	Number of holders
Options over ordinary shares issued	640	178,488,756

**Substantial holders**

Substantial holders in the Company are set out below:

	Number held	Ordinary shares % of total shares issued
DR DANIEL TILLET	39,185,647	7.35

**Voting rights**

The voting rights attached to ordinary shares are set out below:

*Ordinary shares*

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

All other class of equity securities, including options and convertible notes, incur no voting rights.

**Restricted securities**

There are no restricted securities.

Directors	Ben Loiterton (Chairman) Fadi Geha Darryl Flukes Daniel Tillett
Company secretary	Kim Clark
Registered office	C/O Boardroom Pty Ltd Level 8 210 George Street Sydney NSW 2000 Telephone: +61 2 8208 3366 Facsimile: +61 2 9279 0664
Principal place of business	Level 2 383 George Street Sydney NSW 2000
Share register	Boardroom Pty Limited Level 8 210 George Street Sydney NSW 2000 Telephone: +61 2 9290 9600
Auditor	William Buck Level 29 66 Goulburn Street Sydney NSW 2000
Solicitors	Steinepreis Paganin Level 4 50 Market Street Melbourne VIC 3000
Stock exchange listing	Simble Solutions Limited shares are listed on the Australian Securities Exchange (ASX code: SIS)
Website	<a href="http://www.simblegroup.com">www.simblegroup.com</a>
Corporate Governance Statement	<p>The Company's directors and management are committed to conducting the Group's business in an ethical manner and in accordance with the highest standards of corporate governance. The Company has adopted and substantially complies with the ASX Corporate Governance Principles and Recommendations (4th Edition) ('Recommendations') to the extent appropriate to the size and nature of the Group's operations.</p> <p>The Company has prepared a Corporate Governance Statement which sets out the corporate governance practices that were in operation throughout the financial year, identifies any Recommendations that have not been followed, and provides reasons for not following such Recommendations.</p> <p>The Company's Corporate Governance Statement and policies, which is approved at the same time as the Annual Report, can be found on its website: <a href="https://simblegroup.com/investors/governance">https://simblegroup.com/investors/governance</a></p>