

**ASX Announcement**  
(ASX:RAN)

30 January 2018

**Appendix 4C December Quarter 2017**

Range International Limited ('Range International' or 'Company'), manufacturer of Re>Pal™ recycled plastic pallets, presents its Appendix 4C for the quarter ended 31 December 2017.

**HIGHLIGHTS**

- Cash balance at the end of the period was US\$9.7M
- Sales revenue of US\$557k for the quarter, representing a 18% increase over previous quarter
- Production volumes of over 50,000 pallets achieved in the month of November further proving our ability to produce in volume
- Seven (7) production lines commissioned, additional three (3) lines on site to be commissioned when needed
- Further CNC machine tool purchased and commissioned, making a total of three (3) CNC machine tools available for mould making, modifications and maintenance
- Six (6) moulds modified during the quarter based on required design changes
- Back to Basics strategy to reduce costs and extend cash runway, initiated and progressing according to plan

**OPERATIONAL UPDATE**

Sales during the quarter increased by 18% over the previous quarter. Sales slowed in December due to the stop-ship on the large China order and the implementation of price increases in December. Price increases were made with a view to improving yield and testing price points for Re>Pal products. The Company has received some payments towards the outstanding China receivables and continues to pursue payment of the balance.

Discussions are ongoing with a number of customers in the Philippines and we are continuing to explore options around products that serve customers' needs at a suitable price point.

There have been recurring orders from customers in Indonesia, with one large multi-national company advising of repeat orders through 2018.

We continue to review our product portfolio and are in the process of finalising designs to further improve our current offering with a view to a new product launch in Q2 2018.

Production achieved record output in November of over 50,000 units.

The Company and its equipment suppliers are continuing to work through the difficulties encountered in the commissioning of the pre-processing plant notably technical challenges with the wash plant and pellet production equipment.

The Company is exploring potential relationships with sources of waste plastic. Final decisions on sourcing will depend on the results of the pre-processing operations, supply availability and market pricing for different material sources.

The Company has taken steps to manage electricity costs by avoiding peak time production, and installing some capital equipment to reduce usage. The Company is also in discussions with its power provider to explore options to reduce capacity and tariff for a longer term solution.

In light of the lower production volumes needed as a result of the dampened sales, the Company has only commissioned seven (7) production lines. There are a further three (3) lines on site which can be commissioned in short cycle when demand requires. We are currently running between three (3) and four (4) lines dependent on demand.

The Company has commissioned three CNC machines and six (6) moulds were modified for design changes in Q4 2017.

## **FINANCIALS**

Closing cash on hand at year end was US\$9.7m.

During the quarter, the Company received the remainder of the net proceeds of the US\$11.3M raised by way of a placement and share purchase plan in August 2017. The funds raised are being used for operational and working capital purposes together with the final stage of the previously committed capex spend which will continue throughout the next quarter.

As previously mentioned, the Company's 'Back to Basic' initiative is designed to extend the Company's cashflow runway into 2019 to allow time to adjust the Company's strategy and drive operational cashflow. The Company has taken a number of actions to restructure its costs and continues to look at all cost areas for opportunities to reduce operational and overhead costs.

## **OUTLOOK**

The results of price increases implemented by the Company, the work being carried out to address the challenges encountered in the commissioning of the pre-processing system and the Company's electricity cost investigation are expected to be available within Q1 2018, after which a outlook update will be made available.

**Stewart Hall**  
Chairman

**About Range International:**

Range is a manufacturer of plastic pallets. Our ThermoFusion™ technology allows Range to make plastic pallets from 100% recycled plastic at a price that is competitive with wood pallets. Range currently has production lines operating in Indonesia and sells its pallets under the brand Re>Pal™. Range is scaling up its operations in Indonesia. In the medium term, the Company's goal is to establish a global production footprint and sales distribution network.

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## Appendix 4C

### Quarterly report for entities subject to Listing Rule 4.7B

Introduced 31/03/00 Amended 30/09/01, 24/10/05, 17/12/10, 01/09/16

**Name of entity**

RANGE INTERNATIONAL LIMITED

**ABN**

22611998200

**Quarter ended ("current quarter")**

December 2017

Consolidated statement of cash flows	Current quarter US\$'000	Year-to-date (12 months) US\$'000
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	306	756
1.2 Payments for		
(a) research and development	-	(77)
(b) product manufacturing and operating costs	(1,700)	(4,903)
(c) sales, advertising and marketing costs	(428)	(1,650)
(d) leased assets	-	-
(e) staff costs	(1,068)	(4,298)
(f) administration and corporate costs	(689)	(2,595)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	24	37
1.5 Interest and other costs of finance paid	(52)	(52)
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	-
1.8 Other (provide details if material)	-	-
<b>1.9 Net cash (used in) operating activities</b>	<b>(3,607)</b>	<b>(12,782)</b>

Consolidated statement of cash flows		Current quarter	Year-to-date (12 months)
		US\$'000	US\$'000
<b>2.</b>	<b>Cash flows from investing activities</b>		
2.1	Payments to acquire:		
	(a) property, plant and equipment	(855)	(12,085)
	(b) businesses (see item 10)	-	-
	(c) investments	-	-
	(d) intellectual property	(4)	(168)
	(e) other non-current assets	-	(169)
2.2	Proceeds from disposal of:		
	(a) property, plant and equipment	27	27
	(b) businesses (see item 10)	-	-
	(c) investments	-	-
	(d) intellectual property	-	-
	(e) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
<b>2.6</b>	<b>Net cash (used in) investing activities</b>	<b>(832)</b>	<b>(12,395)</b>
<b>3.</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of shares	4,805	12,001
3.2	Proceeds from issue of convertible notes	-	-
3.3	Proceeds from exercise of share options	-	-
3.4	Transaction costs related to issues of shares, convertible notes or options	(408)	(664)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
<b>3.10</b>	<b>Net cash from financing activities</b>	<b>4,397</b>	<b>11,337</b>

Consolidated statement of cash flows		Current quarter	Year-to-date (12 months)
		US\$'000	US\$'000
<b>4.</b>	<b>Net (decrease) in cash and cash equivalents for the period</b>	<b>(42)</b>	<b>(13,840)</b>
4.1	Cash and cash equivalents at beginning of quarter/year to date	9,705	23,947
4.2	Net cash (used in) operating activities (item 1.9 above)	(3,607)	(12,782)
4.3	Net cash (used in) investing activities (item 2.6 above)	(832)	(12,395)
4.4	Net cash from financing activities (item 3.10 above)	4,397	11,337
4.5	Effect of movement in exchange rates on cash held	(7)	(451)
4.6	Cash and cash equivalents at end of quarter	9,656	9,656

<b>5.</b>	<b>Reconciliation of cash and cash equivalents</b> at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	<b>Current quarter US\$'000</b>	<b>Previous quarter US\$'000</b>
5.1	Bank balances	9,656	9,705
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
<b>5.5</b>	<b>Cash and cash equivalents at end of quarter</b>	<b>9,656</b>	<b>9,705</b>

<b>6.</b>	<b>Payments to directors of the entity and their associates</b>	<b>Current quarter US\$'000</b>
6.1	Aggregate amount of payments to these parties included in item 1.2	45
6.2	Aggregate amount of cash flow from loans to these parties included in item 2.3	-
6.3	Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2	
6.1	Directors remuneration.	

<b>7.</b>	<b>Payments to related entities of the entity and their associates</b>	<b>Current quarter US\$'000</b>
7.1	Aggregate amount of payments to these parties included in item 1.2	-
7.2	Aggregate amount of cash flow from loans to these parties included in item 2.3	-
7.3	Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2	

7.1 Payments to associate entity of Director.


<b>8.</b>	<b>Financing facilities available</b> <i>Add notes as necessary for an understanding of the position</i>	<b>Total facility amount at quarter end US\$'000</b>	<b>Amount drawn at quarter end US\$'000</b>
8.1	Loan facilities	-	-
8.2	Credit standby arrangements	-	-
8.3	Other (please specify)	-	-
8.4	Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.		

<b>9.</b>	<b>Estimated cash outflows for next quarter</b>	<b>US\$'000</b>
9.1	Research and development	-
9.2	Product manufacturing and operating costs	(938)
9.3	Advertising and marketing	(151)
9.4	Leased assets	
9.5	Staff costs	(663)
9.6	Administration and corporate costs	(660)
9.7	Other – Pasuruan Factory Capital expenditure	(1,695)
<b>9.8</b>	<b>Total estimated cash outflows (excludes revenue)</b>	<b>(4,107)</b>

<b>10.</b>	<b>Acquisitions and disposals of business entities (items 2.1(b) and 2.2(b) above)</b>	<b>Acquisitions</b>	<b>Disposals</b>
10.1	Name of entity	-	-
10.2	Place of incorporation or registration	-	-
10.3	Consideration for acquisition or disposal	-	-
10.4	Total net assets	-	-
10.5	Nature of business	-	-

### Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Sign here:  Date: 30 January 2018  
Company Secretary

Print name: Gillian Nairn

### Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.