

ASX Announcement
(ASX:RAN)

30 April 2019

Appendix 4C March Quarter 2019

Range International Limited ('Range' or 'Company'), manufacturer of Re>Pal™ 'zero-waste', recycled plastic pallets, presents its Appendix 4C for the quarter ended 31 March 2019.

HIGHLIGHTS

- Cash balance at the end of the March 2019 quarter was US\$2.26m.
- Cash burn for the quarter (inclusive of forex) was US\$1.01m compared to the previous quarter of US\$776k, differences were in the main due to an additional US\$40k to increase raw materials stock for testing of the pelletizers, US\$34k to increase raw material purchased for addition pallets produced during the quarter, audit fees of US\$117k and one-off payments US\$50k due to legacy creditors from early 2018 being settled.
- Sales revenue of US\$461k for the quarter compared to prior quarter of US\$363k.
- Range has been successful in trialling the wash plant to add new dirty raw materials sources in addition to purchasing clean and dry waste.
- Range is working on more initiatives with different new potential partners to add supply for its raw materials at lower pricing.
- Range remains highly focused on multi-national companies including logistics companies, large pan-Asia companies that understand and value the sustainability benefits that Range brings to their supply chain.
- Re>Pal recruited Abdul Rachman, HR Manager, to look at efficiencies and optimisation of staffing rostering in conjunction with the Operations Manager.

OPERATIONAL UPDATE

Commissioning of the pelletizing equipment has been delayed from February due to visa processing for overseas consulting staff, which was unfortunately outside of Re>Pal's control. Commissioning is now scheduled for the end of May 2019.

The wash plant is operational and small reductions in waste pricing are being achieved using dirty waste. Re>Pal has reapplied for an import license for post-factory waste which is may be available rather than a general waste import license which falls under the import moratorium. Post-factory waste that is clean and non-hazardous and non-toxic could possibly be allowed into Indonesia. We believe that Re>Pal's business is helpful to Indonesia as an added value processor and is consistent with the country's "Indonesia 4.0" objectives.

FINANCIALS

37,654 pallets were sold during the Quarter up from 28,300 last Quarter. Sales Revenue of US\$461k was recorded and closing stock was 8,052 pallets.

Closing cash on hand at 31 March 2019 was \$2.26m.

SALES UPDATE

Sales Renewals

During the quarter we recontracted with several clients including Givaudan Indonesia, IFF Philippines, and Nestle Philippines. We have seen increased volumes of pallet sales from several selected resellers in Indonesia.

Pallet progress

The HD1210L warehouse pallet concluded its testing phase with several clients and at the time of writing is now in production. For one larger food producer the pallet's use on their conveyors experiences slight issues due to the roller's configuration, however we believe that these will be resolved within the next few weeks and this new client is supportive of Re>Pal. As of the end of Q1 2019 the HD1210L is also in testing with several larger companies.

Outlook for 2019

The delay on the pelletizing commissioning is frustrating though the work will definitely happen in the forthcoming quarter.

- Our sales CRM and reporting system is now used across the sales team and is providing valuable data, accountability and a better outlook on sales.
- Sales cycles are extremely lengthy due to the nature of the pallet being fundamental to supply chain and the many variances in pallet types and suitability for each prospect.
- Increasing reseller and consultancy relationships where these bring with them connections of a healthy prospect base in Indonesia are being reviewed.
- Growing opportunities for export pallets are a key focus, these are effectively annualised sales, whilst being mindful of competing with lighter weight virgin pallets and very cheap timber in this market. Benchmarking competitor plastic pallets to determine any design changes needed for future pallets. Some companies in the region are keen to reduce the high volume of timber pallets and look to re-use plastic across their regional networks.
- Sales pricing has been received by customers at around a 25% increase from 2018 average prices.
- The CRM implementation has allowed the collection of data on all pallets needed by the various prospects for which Re>Pal does not today have the right pallet match, and is providing the necessary intelligence which is vital to determine our next pallet type.
- Further volumes of waste are expected to be processed in the wash plant and the update of increased volume and a further reduction in raw material pricing to be provided in the next quarterly.

Notwithstanding our cash burn, and the challenges this causes the business, I am optimistic that we are building a platform for a sustainable business supporting the growing logistics market. Re>Pal is looking at all opportunities with many of our clients to Take>Bak pallets from them for regrind and also Take>Bak their waste to re-process in our factories. This helps create a closed loop to assist clients in reaching their carbon emission/sustainability development goals. We are also exploring the waste bank network in addition to the import potential for post-factory waste. It is imperative that we reduce our cost of waste plastic which has been unsustainably high. This is a key focus for the next several



quarters. Clients can sell their waste to resellers but by partnering with Re>Pal for HDPE, PP and LDPE they know that it is all being used rather than risk some of it being landfilled, burned or dumped.

Sincerely

Stephen Bowhill
Chief Executive Officer
sb@rangeinternational.com

About Range International:

Range is a manufacturer of plastic pallets. Our ThermoFusion™ technology allows Range to make 'zero waste', 100% recycled and recyclable plastic. Range currently has production lines operating in its East Java factory in Indonesia and sells its pallets under the brand Re>Pal™, supplying pallets into Indonesia and across Asia/ globally.

Media: media@rangeinternational.com

Investor Relations: investors@rangeinternational.com

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

22 611 998 200

Quarter ended ("current quarter")

March 2019

Consolidated statement of cash flows	Current quarter	Year-to-date (12 months)
	US\$'000	US\$'000
1. Cash flows from operating activities		
1.1 Receipts from customers	445	445
1.2 Payments for		
(a) research and development	-	-
(b) product manufacturing and operating costs	(418)	(418)
(c) sales, advertising and marketing costs	(127)	(127)
(d) leased assets	-	-
(e) staff costs	(337)	(337)
(f) administration and corporate costs	(562)	(562)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	-	-
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	(15)	(15)
1.7 Government grants and tax incentives	-	-
1.8 Other (provide details if material)	-	-
1.9 Net cash (used in) operating activities	(1,014)	(1,014)

Consolidated statement of cash flows		Current quarter	Year-to-date (12 months)
		US\$'000	US\$'000
2.	Cash flows from investing activities		
2.1	Payments to acquire:		
	(a) property, plant and equipment	(65)	(65)
	(b) businesses (see item 10)	-	-
	(c) investments	-	-
	(d) intellectual property	-	-
	(e) other non-current assets	-	-
2.2	Proceeds from disposal of:		
	(a) property, plant and equipment	-	-
	(b) businesses (see item 10)	-	-
	(c) investments	-	-
	(d) intellectual property	-	-
	(e) other non-current assets	-	-
2.3	Cash flows from loans to other entities	36	36
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	Net cash (used in) investing activities	(29)	(29)
3.	Cash flows from financing activities		
3.1	Proceeds from issues of shares	-	-
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	-	-
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)	-	-
3.10	Net cash from financing activities	-	-

Consolidated statement of cash flows		Current quarter	Year-to-date (12 months)
		US\$'000	US\$'000
4.	Net (decrease) in cash and cash equivalents for the period	(1,043)	(1,043)
4.1	Cash and cash equivalents at beginning of quarter/year to date	3,275	3,275
4.2	Net cash (used in) operating activities (item 1.9 above)	(1,014)	(1,014)
4.3	Net cash (used in) investing activities (item 2.6 above)	(29)	(29)
4.4	Net cash from financing activities (item 3.10 above)	-	-
4.5	Effect of movement in exchange rates on cash held	31	31
4.6	Cash and cash equivalents at end of quarter	2,263	2,263

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter US\$'000	Previous quarter US\$'000
5.1	Bank balances	2,263	3,275
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter	2,263	3,275

6.	Payments to directors of the entity and their associates	Current quarter US\$'000
6.1	Aggregate amount of payments to these parties included in item 1.2	34
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.	

7. Payments to related entities of the entity and their associates	Current quarter US\$'000
7.1 Aggregate amount of payments to these parties included in item 1.2	26
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.

8. Financing facilities available <i>Add notes as necessary for an understanding of the position</i>	Total facility amount at quarter end US\$'000	Amount drawn at quarter end US\$'000
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.		

9. Estimated cash outflows for next quarter	US\$'000
9.1 Research and development	-
9.2 Product manufacturing and operating costs	(608)
9.3 Advertising and marketing	(127)
9.4 Fixed assets	-
9.5 Staff costs	(408)
9.6 Administration and corporate costs	(562)
9.7 Total estimated cash outflows (excludes revenue)	(1,706)

10. Acquisitions and disposals of business entities (items 2.1(b) and 2.2(b) above)	Acquisitions	Disposals
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 April 2019
Company Secretary

Print name: Kim Bradley-Ware

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.