

ASX Announcement
(ASX:RAN)

30 July 2019

Appendix 4C June 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 30 June 2019.

HIGHLIGHTS

- Cash balance at the end of the June 2019 quarter was US\$1.6m
- Cash burn for the quarter (inclusive of forex) was US\$621k compared to the previous quarter of US\$1.01m, differences were in the main due to additional one-off payments from last quarter not being repeated
- Sales revenue of US\$357k for the quarter compared to prior quarter of US\$461K
- Approximately 65 tonnes of plastic were processed per week during June 2019 through the wash plant
- Range is working on raw material initiatives with new potential partners to add supply at lower pricing. A number of trials are running on new supply from NGO's or from new quasi-commercial operations, or from larger corporates focused on sustainability and wish to control exactly where their waste is going
- New clients this quarter include Dynaplast Thailand and LF Logistics in Indonesia and Singapore
- Dynapack, has expanded its relationship with Re>Pal to improve the circularity of plastic used in its manufacturing process
- PO received from Unilever Oleo Chemicals for 8,000 NP1090 export pallets.

OPERATIONAL UPDATE

A review of the pelletizing equipment throughput was undertaken during the period. Throughput levels were increased based on the pelletizers existing configuration however this was not sustainable and the throughput did not meet the levels expected from the suppliers of the equipment. The Company continues to review production design processes and procedures to work around the limits of the pelletizer whilst it remains not fully commissioned. Discussions with the supplier are continuing.

The wash plant became partially operational in May and volume increased further in June small incremental reductions (5%) in *total* average waste pricing are starting to flow from using the dirty waste raw material. The nature of savings is difficult to forecast as the net plastic recovered from the wash plant depends on the level of contamination on the raw material. Suppliers are trialed and those that provide poor quality waste are culled.

At the time of writing, Re>Pal is applying for an import license for 'non-hazardous B3 waste' and we are aiming for this application to be lodged in July 2019 or shortly thereafter. This *may* allow Range to bring in waste at a higher volume and lower cost than is available locally, this would form only a portion of our raw materials, as there are certain caveats on the use of the plastic (for instance to be used for exports only as we understand it at present).

FINANCIALS

22,829 pallets were sold (invoiced following delivery/collection) during the Quarter down from 37,654 last Quarter. There was a production halt during the pelletizing commissioning in May which stopped production and delivery of non-inventory items. Ramadan holidays and a 10 day trucking ban impacted sales and deliveries. Where possible orders and deliveries were bought forward, however, a general market slowdown for these celebrations and holidays always impacts business.

There is currently a backlog of orders of 13,454 pallets due to the sub-optimal throughput in the factory combined with the abovementioned holiday period and forward orders of 19,363.

Sales Revenue of US\$357k was recorded, closing stock was 10,468 pallets.

Closing cash on hand at 30 June 2019 was \$1.6m.

SALES UPDATE

Sales Renewals

During the quarter we have added new name clients as follows below on top of existing client relationships.

CV Yelin Shan Hang/Sherly	One Mundial	PT Supracor Sejahtera
PT Endo Indonesia	CV Karya Sejati	PSAPSI (PH)
PT Surya Inti Perkasa/Mustofa	Parexgroup (PH)	CV Central Usaha Sukses
PT Adi Bharata Asty	PT Phrada Karya Perkasa	LF Logistics Singapore
LF Logistics Indonesia	Dynaplast Thailand	
Susanti Megah		
PT Harapan Inti Utama		

Range is in trials with several clients including Thai Union in Thailand.

DGF, a subsidiary of DHL in the Philippines, has become a client for the Range export pallet as has Parex, a subsidiary of Sika. The Unilever OleoChemical relationship remains in place for our NP1090 export pallet and a purchase order for 8,000 was received in July. Dynapack is looking to expand the use of the NSP1210 pallet for its Singapore facility and within Indonesia, it is looking to reuse manufacturing waste of HDPE, PP, LDPE and upcycle into the Re>Pal pallets it buys.

A new independent consultant joined the Range sales team, he brings existing supply chain relationships. He is paid a small retainer with a commission arrangement. Range anticipates engaging more resellers in Indonesia to expand sales channels in specific verticals.

Pallet progress

New pallet designs are under consideration based on review of forward orders or anticipated demand.

Outlook for 2019

The Company continues to work through the optimise phase, and is currently focussing its efforts on the wash plant expansion, factory throughput; partnering on MNC's **free** waste; build the marketing story of waste into pallets for circular economy with larger MNC's; and concluding the Import license for post-factory waste.

2018

Stabilise:

- Restructuring staff following FTI
- Procurement and raw material processes tightened
- Raw material suppliers changed
- Client collections tightened
- All costs and contracts examined
- Overseas offices closed or significantly downsized.
- Pricing of pallets increased
- Social marketing/web/ news restarted after 18 months, Branding tightened, differentiate between Re>Pal and Range
- Joined industry associations are joined (IABC, ADUPI, IBCSD)
- CRM and reporting engine started

2019

Optimise:

- Right people for growth phase;
- Right size factory staff, and shift patterns.
- Headcount freeze; reduce manager: staff ratio
- New raw material sourcing, handling control, rec's & wash plant expansion
- Efficiency of equipment and electricity: pelletiser throughput
- Optimise equipment configuration in factory
- Partnering on MNC's **free** waste; build marketing story of waste into pallets for circular economy with larger MNC's
- Reduce waste cost significantly to ensure competitiveness
- Import license for post-factory waste, establishes a maximum price for raw materials
- Raw material dashboard to be established

2019 - 2020

Grow:

- Sales growth with large MNC's regionally is key.
- Target is building a portfolio of Multi-National companies and large domestic warehouse MNC's with focus on sustainability
- Focus on large Indonesia/ regional exporting companies (exporters of pallets for annual volume)
- Marketing/ social media at relevant events (IABC annual meeting Bali, Logistic Exhibition Jakarta (Oct 19), Plastics Jakarta Nov 19)
- Recruit high performance Indonesia sales staff, tertiary qualified, CEO level enabled
- Develop partnerships with better resellers
- Develop strong local Indonesian Board
- Develop new products in collaboration with MNC's, new partnerships, companies wanting to use Re>Pal plastic
- Examine 'mini-plant's' overseas if viable/ licensing IP

Sincerely

Stephen Bowhill

Chief Executive Officer

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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

22611998200

Quarter ended ("current quarter")

June 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	359	804
1.2 Payments for		
(a) research and development	-	-
(b) product manufacturing and operating costs	(473)	(891)
(c) sales, advertising and marketing costs	(116)	(243)
(d) leased assets	-	-
(e) staff costs	(286)	(623)
(f) administration and corporate costs	(85)	(647)
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	(12)	(27)
1.7 Government grants and tax incentives	-	-
1.8 Other (provide details if material)	-	-
1.9 Net cash (used in) operating activities	(613)	(1,627)

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	5	(60)
(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	(1)	35
2.4 Dividends received (see note 3)	-	-
2.5 Other (provide details if material)	-	-
2.6 Net cash (used in) investing activities	4	(25)
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	2,263	3,275
4.2	Net cash (used in) operating activities (item 1.9 above)	(613)	(1,627)
4.3	Net cash (used in) investing activities (item 2.6 above)	4	(25)
4.4	Net cash from financing activities (item 3.10 above)	-	-
4.5	Effect of movement in exchange rates on cash held	(12)	20
4.6	Cash and cash equivalents at end of quarter	1,642	1,642

5. Reconciliation of cash and cash equivalents	Current quarter	Previous quarter
at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	US\$'000	US\$'000
5.1 Bank balances	1,642	2,263
5.2 Call deposits	-	-
5.3 Bank overdrafts	-	-
5.4 Other (provide details)	-	-
5.5 Cash and cash equivalents at end of quarter	1,642	2,263

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	33
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	19
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	(128)
9.4 Fixed assets	-
9.5 Staff costs	(408)
9.6 Administration and corporate costs	(361)
9.7 Total estimated cash outflows (excludes revenue)	(1,505)

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: XX July 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.