

**Range International Limited**  
**Appendix 4D**  
**Half-year report**

**1. Company details**

Name of entity: Range International Limited  
ABN: 22 611 998 200  
Reporting period: For the half-year ended 30 June 2020  
Previous period: For the half-year ended 30 June 2019

|   | 30-Jun-20<br>US\$'000 | 30-Jun-19<br>US\$'000 | Movement<br>\$ | %       |
|---|-----------------------|-----------------------|----------------|---------|
| <b>2. Results for announcement to the market</b>                |                       |                       |                |         |
| Revenues from ordinary activities                               | 567                   | 817                   | (250)          | (30.6%) |
| Loss from ordinary activities after tax attributable to members | (1,803)               | (7,409)               | 5,606          | 75.7%   |
| Net loss for the period attributable to members                 | (1,803)               | (7,409)               | 5,606          | 75.7%   |

*Comments*

The loss for the consolidated entity after providing for income tax amounted to US\$1,803k (30 June 2019: US\$7,409k).

**3. Net tangible assets**

|   | Reporting<br>period<br>US Cents | Previous<br>period<br>US Cents |
|---|---------------------------------|--------------------------------|
| Net tangible assets per ordinary security | 1.91                            | 3.58                           |

**4. Dividends**

*Current period*

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

*Previous period*

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

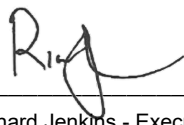
**5. Attachments**

*Details of attachments (if any):*

The Interim Report of Range International Limited for the half-year ended 30 June 2020 is attached.

**Range International Limited**  
**Appendix 4D**  
**Half-year report**

**6. Signed**

Signed  \_\_\_\_\_  
Richard Jenkins - Executive Chairman

Date: 26 August 2020

# **Range International Limited**

**ABN 22 611 998 200**

**Interim Report - 30 June 2020**

**Range International Limited**  
**Directors' report**  
**30 June 2020**

Your Directors present their report on the consolidated entity consisting of Range International Limited (ASX: RAN) (referred to hereafter as Range or the Company), and the entities it controlled (the Group) at the end of, or during, the half-year ended 30 June 2020.

**Directors**

The following persons were directors of Range International Limited during the whole of the financial half-year and up to the date of this report, unless otherwise stated:

|                   |   |
|-------------------|---|
| Stephen Bowhill   | Managing Director [Appointed 14 April 2020]     |
| Peter Wallace     | Non-Executive Director [Resigned 14 April 2020] |
| Kenneth MacMillan | Non-Executive Director [Resigned 9 April 2020]  |
| Matthew Darby     | Non-Executive Director [Resigned 9 April 2020]  |
| Richard Jenkins   | Executive Chairman                              |
| Christopher Fong  | Executive Director                              |

Kim Bradley-Ware resigned as Company Secretary and CFO effective 1 April 2020. Dean Jagger was appointed Company Secretary and Alison Crealy was appointed CFO on 1 April 2020.

**Principal activities**

Range is a manufacturer of recycled plastic pallets. Our ThermoFusion™ technology allows Range to make plastic pallets from 100% recycled mixed waste plastic at a price that is competitive with wood pallets. It currently has four production lines operating at its existing factory in Indonesia and sells its pallets under the brand Re>Pal™.

**Review of operations**

The loss for the consolidated entity after providing for income tax amounted to US\$1.8 million (30 June 2019: US\$7.4 million).

**Board changes and COVID-19 impact**

Major board changes during the half-year include the resignations of Peter Wallace, Kenneth MacMillan and Matthew Darby as Non-Executive Director, as well as the appointment of Stephen Bowhill as Managing Director.

Covid-19 has significantly affected the pipeline of many of the Company's potential projects across Indonesia and Asia, and subsequently on our pipeline of business. The Company has undertaken a number of actions to reduce its cost base. These actions include, *where possible*, reducing shifts and working days in the factory to the minimum to produce the current reduced pallet orders, non-renewal of casual workers, outsourcing factory workers and laying off or rostering off permanent workers to match reduced forecasted demand in the short-term and fitting into new Covid-19 tariffs from our electricity supplier. Other savings include some temporary or permanent salary reductions across Australia and Indonesia, reduction in director fees due to director resignations, new directors not receiving director fees, and other related reduction in costs due to current reduced production volume.

During the half-year the company engaged an Indonesia-based consultancy company, specialising in Waste Water Treatment Plants (WWTP), to analyse the existing Re>Pal plant and determine the changes required to make it function to the standard expected to enable it to be operational. This work is ongoing, though Covid-19 has slowed progress. The Company has 4 sales executives; 3 across Indonesia and 1 in the Philippines.

Revenue for the half-year was \$567k, a decrease of 31% on the previous corresponding period. Employee costs were 5% lower than 2019 resulting in an overall 11% increase in EBITDA. Net operating cash outflows were \$1.02 million compared to the corresponding period of \$1.59 million.

Sales cycles for pallets that the company has in its portfolio are very slow and delayed due to Covid-19. Despite this, the pipeline is encouraging across the warehouse sector in Indonesia and Philippines. Warehouses are looking to transition from timber to plastic due to the longer life of plastic and the better use of plastic in the food and beverages sector.

Clients of significance include: Unilever OleoChemicals (Indonesia), Nestle (Philippines), Nestle (Indonesia), Givaudan (Indonesia), Nur Hidayat (Indonesia), Veolia Services. Currently, we have also received a small order from Coca-Cola Beverages for 1 container of warehouse pallets, for a live trial before potential expansion in 2021.

**Range International Limited****Directors' report****30 June 2020**

- During the half-year, 15 new client names were added.
- Efficiencies were gained through modifications to the wash plant, drying and dry friction processes which have resulted in a further 10% decrease in raw material costs.
- 46,696 pallets were sold during the half-year.
- There are forward orders for the second half of 2020 of 33,231 pallets - due for delivery in 2020.

In the half-year we have successfully tested waste from large MNC's (Multi National Corporations) including Unilever, Nestle, Indofood and Nutrifood. The intention with this testing is to turn the waste into pallets, and either these companies purchase pallets, or we receive a low cost and reliable waste stream. Some of this waste is metalised plastic which is harder to recycle but can be included in the pallets at up to (approximately) 30% concentration. In the era of sustainability and Extended Producer Responsibility, this is a differentiator for Re>Pal.

There are many pallets that Range does not have the capital position to invest in, where we have intelligence across our pipeline that there are opportunities for 1200x1200, 1100x1100, 1200x800 pallets. We are planning to start the C1311 (1300x1100x150) for the chemical sector, but it should be noted that lead times for mold development are 6 months using our in-house machine, or even if outsourced.

**Dividends**

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

**Events after reporting period**

At the time of publication, against the backdrop of weaker than expected performance, the Board has appointed Ankura Consulting, a global advisory group, to assist it in finding suitable partnerships including global investors, supply chain and distribution channel partners. Ankura is currently in contact with a broad selection of parties that both Range and Ankura have identified. By September 2020, following the initial target contact, we will assess the likely need for additional capital in the context of what Ankura and Range have been able to progress. Shareholders will be kept fully informed of relevant developments.

Other than the activities described above there were no other significant subsequent events of the Company for the half-year ended 30 June 2020.

**Rounding of amounts**

The Company is of a kind referred to in ASIC Legislative Instrument 2016/191 relating to the 'rounding off' of amounts in the directors' report. Amounts in the directors' report have been rounded off in accordance with the instrument to the nearest thousand dollars, or in certain cases, to the nearest dollar.

**Significant changes in the state of affairs**

There were no significant changes in the state of affairs of the consolidated entity during the financial half-year.

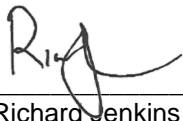
**Auditor's independence declaration**

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.

**Range International Limited**  
**Directors' report**  
**30 June 2020**

This report is made in accordance with a resolution of directors, pursuant to section 306(3)(a) of the Corporations Act 2001.

On behalf of the directors

A handwritten signature in black ink, appearing to read 'R. Jenkins', is positioned above a horizontal line.

Richard Jenkins  
Executive Chairman

26 August 2020

**DECLARATION OF INDEPENDENCE BY LEAH RUSSELL TO THE DIRECTORS OF RANGE INTERNATIONAL LIMITED**

As lead auditor for the review of Range International Limited for the half-year ended 30 June 2020, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
2. No contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of Range International limited and the entities it controlled during the period.



Leah Russell  
Partner

**BDO East Coast Partnership**

Sydney, 26 August 2020

**Range International Limited**  
**Statement of profit or loss**  
**For the half-year ended 30 June 2020**

|  |             | <b>Consolidated</b> |                     |
|--|-------------|---------------------|---------------------|
|  | <b>Note</b> | <b>30 June 2020</b> | <b>30 June 2019</b> |
|  |             | <b>US\$'000</b>     | <b>US\$'000</b>     |
| <b>Revenue</b>   |             |                     |                     |
| Sales revenue  |             | 567                 | 817                 |
| Cost of sales  |             | (1,173)             | (1,478)             |
| Gross loss   |             | (606)               | (661)               |
| Other income   |             | 31                  | 47                  |
| <b>Expenses</b>  |             |                     |                     |
| Employee benefits expense  |             | (488)               | (512)               |
| Administrative and other expense   |             | (531)               | (886)               |
| Impairment expense   |             | (211)               | (5,395)             |
| Foreign exchange gain/(loss)   |             | 2                   | (2)                 |
| <b>Loss before income tax expense</b>  |             | (1,803)             | (7,409)             |
| Income tax expense   |             | -                   | -                   |
| <b>Loss after income tax expense for the half-year attributable to the owners of Range International Limited</b> |             | <b>(1,803)</b>      | <b>(7,409)</b>      |
|  |             | <b>Cents</b>        | <b>Cents</b>        |
| Basic earnings per share   | 18          | (0.52)              | (3.68)              |
| Diluted earnings per share   | 18          | (0.52)              | (3.68)              |

*The above statement of profit or loss should be read in conjunction with the accompanying notes*



**Range International Limited**  
**Statement of other comprehensive income**  
**For the half-year ended 30 June 2020**

|  | <b>Consolidated</b> |                     |
|--|---------------------|---------------------|
|  | <b>30 June 2020</b> | <b>30 June 2019</b> |
|  | <b>US\$'000</b>     | <b>US\$'000</b>     |
| <b>Loss after income tax expense for the half-year attributable to the owners of Range International Limited</b> | (1,803)             | (7,409)             |
| <b>Other comprehensive income</b>  |                     |                     |
| <i>Items that will not be reclassified subsequently to profit or loss</i>  |                     |                     |
| Exchange differences on translating foreign controlled entities  | (257)               | 292                 |
| Other comprehensive income for the half-year, net of tax   | (257)               | 292                 |
| <b>Total comprehensive loss for the half-year attributable to the owners of Range International Limited</b>      | <b>(2,060)</b>      | <b>(7,117)</b>      |

*The above statement of other comprehensive income should be read in conjunction with the accompanying notes*

**Range International Limited**  
**Statement of financial position**  
**As at 30 June 2020**

|                                |             | <b>Consolidated</b> |                 |
|--------------------------------|-------------|---------------------|-----------------|
|                                |             | <b>31 December</b>  |                 |
|                                | <b>Note</b> | <b>30 June 2020</b> | <b>2019</b>     |
|                                |             | <b>US\$'000</b>     | <b>US\$'000</b> |
| <b>Assets</b>                  |             |                     |                 |
| <b>Current assets</b>          |             |                     |                 |
| Cash and cash equivalents      |             | 1,041               | 569             |
| Trade and other receivables    | 5           | 459                 | 454             |
| Inventories                    | 6           | 249                 | 262             |
| Other current assets           | 7           | 90                  | 61              |
| Total current assets           |             | <u>1,839</u>        | <u>1,346</u>    |
| <b>Non-current assets</b>      |             |                     |                 |
| Property, plant and equipment  | 8           | 7,856               | 8,729           |
| Right-of-use assets            | 9           | 585                 | 612             |
| Intangibles                    | 10          | -                   | -               |
| Other non-current assets       | 11          | 102                 | 106             |
| Total non-current assets       |             | <u>8,543</u>        | <u>9,447</u>    |
| <b>Total assets</b>            |             | <u>10,382</u>       | <u>10,793</u>   |
| <b>Liabilities</b>             |             |                     |                 |
| <b>Current liabilities</b>     |             |                     |                 |
| Trade and other payables       |             | 707                 | 768             |
| Provisions                     | 12          | 2,634               | 2,650           |
| Total current liabilities      |             | <u>3,341</u>        | <u>3,418</u>    |
| <b>Non-current liabilities</b> |             |                     |                 |
| Provisions                     |             | 154                 | 158             |
| Total non-current liabilities  |             | <u>154</u>          | <u>158</u>      |
| <b>Total liabilities</b>       |             | <u>3,495</u>        | <u>3,576</u>    |
| <b>Net assets</b>              |             | <u>6,887</u>        | <u>7,217</u>    |
| <b>Equity</b>                  |             |                     |                 |
| Share capital                  | 13          | 111,239             | 109,676         |
| Other reserves                 |             | (28,198)            | (28,108)        |
| Accumulated losses             |             | <u>(76,154)</u>     | <u>(74,351)</u> |
| <b>Total equity</b>            |             | <u>6,887</u>        | <u>7,217</u>    |

*The above statement of financial position should be read in conjunction with the accompanying notes*

**Range International Limited**  
**Statement of changes in equity**  
**For the half-year ended 30 June 2020**

| <b>Consolidated</b>  | <b>Contributed equity<br/>US\$'000</b> | <b>Restructure reserve<br/>US\$'000</b> | <b>Share-based payment reserve<br/>US\$'000</b> | <b>Accumulated losses<br/>US\$'000</b> | <b>Currency translation reserve<br/>US\$'000</b> | <b>Total equity<br/>US\$'000</b> |
|--|--|---|---|--|--|----------------------------------|
| Balance at 1 January 2019                                    | 109,676                                | (27,891)                                | 169   | (64,605)                               | (841)  | 16,508                           |
| Adjustment for correction of error                           | -                                      | -                                       | -   | (539)                                  | -  | (539)                            |
| Balance at 1 January 2019 - restated                         | 109,676                                | (27,891)                                | 169   | (65,144)                               | (841)  | 15,969                           |
| Loss after income tax expense for the half-year              | -                                      | -                                       | -   | (7,409)                                | -  | (7,409)                          |
| Other comprehensive income for the half-year, net of tax     | -                                      | -                                       | -   | -                                      | 292  | 292                              |
| Total comprehensive income for the half-year                 | -                                      | -                                       | -   | (7,409)                                | 292  | (7,117)                          |
| <i>Transactions with owners in their capacity as owners:</i> |  |   |   |  |  |                                  |
| Share-based payments   | -                                      | -                                       | 60  | -                                      | -  | 60                               |
| Balance at 30 June 2019                                      | <u>109,676</u>                         | <u>(27,891)</u>                         | <u>229</u>                                      | <u>(72,553)</u>                        | <u>(549)</u>                                     | <u>8,912</u>                     |
| <b>Consolidated</b>  | <b>Contributed equity<br/>US\$'000</b> | <b>Restructure reserve<br/>US\$'000</b> | <b>Share-based payment reserve<br/>US\$'000</b> | <b>Accumulated losses<br/>US\$'000</b> | <b>Currency translation reserve<br/>US\$'000</b> | <b>Total equity<br/>US\$'000</b> |
| Balance at 1 January 2020                                    | 109,676                                | (27,891)                                | 247   | (74,351)                               | (464)  | 7,217                            |
| Loss after income tax expense for the half-year              | -                                      | -                                       | -   | (1,803)                                | -  | (1,803)                          |
| Other comprehensive loss for the half-year, net of tax       | -                                      | -                                       | -   | -                                      | (257)  | (257)                            |
| Total comprehensive loss for the half-year                   | -                                      | -                                       | -   | (1,803)                                | (257)  | (2,060)                          |
| <i>Transactions with owners in their capacity as owners:</i> |  |   |   |  |  |                                  |
| Share-based payments   | -                                      | -                                       | 167   | -                                      | -  | 167                              |
| Paid in Capital  | 1,563                                  | -                                       | -   | -                                      | -  | 1,563                            |
| Balance at 30 June 2020                                      | <u>111,239</u>                         | <u>(27,891)</u>                         | <u>414</u>                                      | <u>(76,154)</u>                        | <u>(721)</u>                                     | <u>6,887</u>                     |

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

**Range International Limited**  
**Statement of cash flows**  
**For the half-year ended 30 June 2020**

|   |             | <b>Consolidated</b> |                     |
|---|-------------|---------------------|---------------------|
|   | <b>Note</b> | <b>30 June 2020</b> | <b>30 June 2019</b> |
|   |             | <b>US\$'000</b>     | <b>US\$'000</b>     |
| <b>Cash flows from operating activities</b>                           |             |                     |                     |
| Receipts from customers (inclusive of GST)                            |             | 567                 | 803                 |
| Payments to suppliers and employees (inclusive of GST)                |             | (1,604)             | (2,396)             |
| Government grants (Cash flow boost)                                   |             | 21                  | -                   |
|   |             | <u>          </u>   | <u>          </u>   |
| Net cash used in operating activities                                 |             | <u>(1,016)</u>      | <u>(1,593)</u>      |
| <b>Cash flows from investing activities</b>                           |             |                     |                     |
| Payments for property, plant and equipment                            | 8           | (42)                | (67)                |
| Receipts for property, plant and equipment                            |             | -                   | 7                   |
|   |             | <u>          </u>   | <u>          </u>   |
| Net cash used in investing activities                                 |             | <u>(42)</u>         | <u>(60)</u>         |
| <b>Cash flows from financing activities</b>                           |             |                     |                     |
| Proceeds from issue of shares   | 13          | 1,611               | -                   |
| Share issue transaction costs   |             | (48)                | -                   |
|   |             | <u>          </u>   | <u>          </u>   |
| Net cash from financing activities                                    |             | <u>1,563</u>        | <u>-</u>            |
| Net increase/(decrease) in cash and cash equivalents                  |             | 505                 | (1,653)             |
| Cash and cash equivalents at the beginning of the financial half-year |             | 569                 | 3,275               |
| Effects of exchange rate changes                                      |             | (33)                | 20                  |
|   |             | <u>          </u>   | <u>          </u>   |
| Cash and cash equivalents at the end of the financial half-year       |             | <u><u>1,041</u></u> | <u><u>1,642</u></u> |

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

**Note 1. Corporate Information**

Range International Limited ("Range") is a manufacturer of plastic pallets listed on the Australian Securities Exchange (ASX:RAN). Range's ThermoFusion™ technology allows it to make plastic pallets from 100% recycled mixed waste plastic.

Range has production facilities located in Indonesia operated by its subsidiary PT Enviropallets Bali and sells its pallets under the brand Re>Pal™, while its Singapore subsidiary, Range International Holdings Limited ("RIHL"), owns all of Range's intellectual property.

The address of Range International Limited registered office and its principal place of business is Level 5, 126 Phillip Street, Sydney, NSW Australia 2000.

The financial statements of Range International Limited for the half-year ended 30 June 2020 were authorised for issue in accordance with a resolution of the Directors.

**Note 2. Significant accounting policies**

These financial statements present the consolidated results of the Company and its subsidiaries (Range or the Group) for the half-year ended 30 June 2020.

These general purpose financial statements for the interim half-year reporting period ended 30 June 2020 have been prepared in accordance with Australian Accounting Standard AASB 134 'Interim Financial Reporting' and the Corporations Act 2001, as appropriate for for-profit oriented entities. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'.

These general purpose financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with the annual report for the year ended 31 December 2019 and any public announcements made by the company during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

The principal accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, unless otherwise stated.

**New or amended Accounting Standards and Interpretations adopted**

The consolidated entity 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.

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

**Going concern**

During the period, the Group incurred a loss after tax of US\$1.8 million (FY2019: US\$7.4 million), net operating cash outflows of US\$1.02 million (FY2019: US\$1.6 million) and investing cash outflows of US\$0.04 million (FY2019: US\$0.06 million).

As at 30 June 2020, the Group has cash and cash equivalents of US\$1.04 million (31 Dec 2019: US\$0.57 million)

The Group's ability to continue as a going concern, to recover the carrying value of its assets and meet its commitments as and when they fall due is dependent on:

- access to additional sources of capital;
- the ability of the Group to deliver its sales targets;
- improve its margins; and
- manage its cost base.

The Directors believe the reductions in production and administrative costs combined with current and prospective sales in its pipeline will further extend the Company's cash flow runway.

As a result of these matters, there is a material uncertainty that may cast significant doubt on the Group's ability to continue as a going concern and, therefore, the Group may be unable to realise its assets and discharge its liabilities in the normal course of business.

## Note 2. Significant accounting policies (continued)

At this time, the Board and management are of the opinion that no asset is likely to be realised for an amount less than the amount at which it is recorded in the financial report at 30 June 2020. No adjustments have been made to the financial report relating to the recoverability and classification of the asset carrying amounts or the amounts and classification of liabilities that might be necessary should the Group not continue as a going concern.

## Note 3. Segment information

### *Identification of reportable operating segments*

The Group has determined operating segments based on the information provided to the Board of Directors (Chief Operating Decision Maker).

The Group operates predominately in one business segment, being the manufacture and sale of plastic pallets. There is no material difference between the financial information presented to the Chief Operating Decision Maker and the financial information presented in this report.

### Sales revenue by geographic location

Revenue obtained from external customers is attributed to individual countries based on the location of the customer. The majority of sales to external customers are made within Indonesia.

|             | <b>Consolidated sales to<br/>external customers</b> |                     |
|-------------|---|---------------------|
|             | <b>30 June 2020</b>                                 | <b>30 June 2019</b> |
|             | <b>US\$'000</b>                                     | <b>US\$'000</b>     |
| Indonesia   | 468   | 631                 |
| Philippines | 22  | 73                  |
| Thailand    | 77  | 101                 |
| Other       | -   | 12                  |
|             | <u>567</u>  | <u>817</u>          |

### *Non-current assets by geographic location*

Non-current assets are broken down by the geographic location of those assets.

|                               | <b>Consolidated<br/>geographical<br/>non-current<br/>assets</b> | <b>Consolidated<br/>geographical<br/>non-current<br/>assets</b> |
|-------------------------------|---|---|
|                               | <b>30 June 2020</b>   | <b>31 December<br/>2019</b>                                     |
|                               | <b>US\$</b>   | <b>US\$</b>   |
| Indonesia                     |   |   |
| Property, plant and equipment | 7,856   | 8,729   |
| Right of use asset            | 585   | 612   |
| Other non-current assets      | 102   | 106   |
|                               | <u>8,543</u>  | <u>9,447</u>  |

**Note 4. Expenses**

**Consolidated**  
**30 June 2020    30 June 2019**  
**US\$'000        US\$'000**

Loss before income tax includes the following specific expenses:

*Impairment*

|                     |     |       |
|---------------------|-----|-------|
| Impairment of asset | 211 | 5,395 |
|---------------------|-----|-------|

*Administrative and other expense*

|   |     |     |
|---|-----|-----|
| Depreciation and amortisation             | 60  | 408 |
| Professional fees and other advisory fees | 212 | 289 |
| Sales & marketing                         | 108 | 133 |
| Other expenses                            | 151 | 56  |
|   | 531 | 886 |

*Impairment expense*

Assets are assessed for impairment at each reporting period end by evaluating whether indicators of impairment exist. Management has reviewed the carrying value and has not identified any changes to the impairment assumptions other than impairing two moulds that are not expected to be used in future years

**Note 5. Trade and other receivables**

**Consolidated**  
**30 June 2020    31 December**  
**US\$'000        2019**  
**US\$'000**

|                                |         |         |
|--------------------------------|---------|---------|
| Trade receivables              | 232     | 251     |
| Less: Provision for impairment | -       | (40)    |
|                                | 232     | 211     |
| <br>Other receivables          | <br>227 | <br>243 |
|                                | 459     | 454     |

**Note 6. Inventories**

**Consolidated**  
**30 June 2020    31 December**  
**US\$'000        2019**  
**US\$'000**

|  |     |     |
|--|-----|-----|
| Raw materials - at cost                  | 8   | 11  |
| Work in progress - at cost               | 82  | -   |
| Finished goods - at net realisable value | 159 | 251 |
|  | 249 | 262 |

**Note 7. Other current assets**

|             | Consolidated<br>30 June 2020<br>US\$'000 | 31 December<br>2019<br>US\$'000 |
|-------------|--|---------------------------------|
| Prepayments | 90                                       | 61                              |

**Note 8. Property, plant and equipment**

|   | Consolidated<br>30 June 2020<br>US\$'000 | 31 December<br>2019<br>US\$'000 |
|---|--|---------------------------------|
| Motor vehicles - at cost                        | -  | 14                              |
| Less: Accumulated depreciation and impairment   | -  | (14)                            |
|   | -  | -                               |
| Factory & office furniture & fixtures - at cost | -  | 686                             |
| Less: Accumulated depreciation and impairment   | -  | (686)                           |
|   | -  | -                               |
| Plant and equipment - at cost                   | 6,000                                    | 19,173                          |
| Less: Accumulated depreciation and impairment   | (1,840)                                  | (14,301)                        |
|   | 4,160                                    | 4,872                           |
| Building - at cost                              | 2,436                                    | 5,972                           |
| Less: Accumulated depreciation and impairment   | (272)                                    | (3,688)                         |
|   | 2,164                                    | 2,284                           |
| Capital work-in-progress - at cost              | 1,532                                    | 1,573                           |
|   | 7,856                                    | 8,729                           |

*Reconciliations*

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

| Consolidated              | Plant and<br>Equipment<br>US\$'000 | Building<br>US\$'000 | Capital work-<br>in-progress<br>US\$'000 | Total<br>US\$'000 |
|---------------------------|------------------------------------|----------------------|--|-------------------|
| Balance at 1 January 2020 | 4,872                              | 2,284                | 1,573                                    | 8,729             |
| Additions                 | 42                                 | 1                    | -  | 43                |
| Disposals                 | (2)                                | -                    | -  | (2)               |
| Exchange differences      | (134)                              | (61)                 | (41)                                     | (236)             |
| Impairment of assets      | (218)                              | -                    | -  | (218)             |
| Depreciation expense      | (400)                              | (60)                 | -  | (460)             |
| Balance at 30 June 2020   | 4,160                              | 2,164                | 1,532                                    | 7,856             |

Property, plant and equipment, intangibles and investments in subsidiaries are tested for impairment whenever there is any objective evidence or indication that these assets may be impaired. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in use) is determined on an individual asset basis unless the asset does not generate cash inflows that are largely independent of those from other assets.



**Note 8. Property, plant and equipment (continued)**

During the half-year ended 30 June 2019 the Company engaged an external expert to value the right of use assets, buildings and property plant and equipment excluding construction in progress. All assets are measured at cost less impairment to reflect the recoverable value. Management has reviewed the 2019 impairment calculations and has not identified any changes to the impairment assumptions other than impairing two moulds that are not expected to be used in future years.

**Note 9. Right-of-use assets**

|                                | <b>Consolidated</b> | <b>31 December</b> |
|--------------------------------|---------------------|--------------------|
|                                | <b>30 June 2020</b> | <b>2019</b>        |
|                                | <b>US\$'000</b>     | <b>US\$'000</b>    |
| Leasehold land - right-of-use  | 640                 | 657                |
| Less: Accumulated depreciation | (55)                | (45)               |
|                                | <u>585</u>          | <u>612</u>         |

On adoption of AASB 16, leasehold land was reclassified as right to use asset as part of the transition adjustment.

The consolidated entity leases land for its factory facilities under an agreement of a remaining five years with, an option to extend for 20 years. The option must be exercised one month before the end of the current lease in 2025. The expected cost to renew is not material.

The consolidated entity leases an office under an agreement of less than two years. This lease was prepaid and was a low-value lease, and has been expensed as incurred and not capitalised as right-of-use assets.

*Right-of-use assets*

A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the consolidated entity expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over it are subject to impairment or adjusted for any re-measurement of lease liabilities. The estimated useful life of the right to use asset is 29 years.

The consolidated entity has elected not to recognise a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less on these assets and are expensed to profit or loss as incurred.

**Note 10. Intangibles**

|   | <b>Consolidated</b> | <b>31 December</b> |
|---|---------------------|--------------------|
|   | <b>30 June 2020</b> | <b>2019</b>        |
|   | <b>US\$'000</b>     | <b>US\$'000</b>    |
| Design and development - at cost              | 277                 | 277                |
| Less: Accumulated amortisation and impairment | (277)               | (277)              |
|   | -                   | -                  |
| Intellectual property - at cost               | 10,424              | 10,424             |
| Less: Accumulated amortisation and impairment | (10,424)            | (10,424)           |
|   | -                   | -                  |
|   | -                   | -                  |

An impairment loss of US\$4.3 million was recorded during the half-year ended 30 June 2019.

**Recognition and measurement**

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination are fair valued at the date of acquisition. Following initial recognition, intangible assets with finite lives are carried at cost less any accumulated amortisation and any accumulated impairment losses.

Intangible assets with finite lives are amortised on a straight-line basis and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life is reviewed at least at each financial year end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the income statement in the expense category consistent with the function of the intangible asset.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the income statement when the asset is derecognised.

**Intellectual Property**

Range's IP portfolio comprises of several trademark applications protecting its brands, as well as trade secrets protecting its ThermoFusion™ technology. Amortisation of the IP commenced 1 February 2017 to coincide with the commissioning of the first production line. They are recorded at cost less accumulated amortisation and impairment losses, using the straight-line method over 10 years.

**Design and Development**

Capitalised development costs are recorded as an intangible asset and amortised from the point at which the asset is ready for use. They are recorded at cost less accumulated amortisation and impairment losses, using the straight-line method over 5 years.

**Impairment**

Impairment is assessed annually using a value in use calculation.

**Note 11. Other non-current assets**

|             | Consolidated<br>30 June 2020<br>US\$'000 | 31 December<br>2019<br>US\$'000 |
|-------------|--|---------------------------------|
| Prepayments | 16                                       | 18                              |
| Deposits    | 86                                       | 88                              |
|             | <u>102</u>                               | <u>106</u>                      |

**Note 12. Provisions**

|                      | Consolidated<br>30 June 2020<br>US\$'000 | 31 December<br>2019<br>US\$'000 |
|----------------------|--|---------------------------------|
| Other- tax provision | <u>2,634</u>                             | <u>2,650</u>                    |

**Provisions**

Provisions are measured at the present value of the expenditure expected to be required to settle the obligation using a pre-tax discount rate that reflects the current market assessment of the time value of money and the risks specific to the obligation. The increase in the provision due to the passage of time is as finance expense.

Changes in the estimated timing or amount of the expenditure or discount rate are recognised in profit or loss when the changes arise.

**Note 13. Share capital**

|                              | 30 June 2020<br>Shares | Consolidated<br>31 December<br>2019<br>Shares | 30 June 2020<br>US\$'000 | 31 December<br>2019<br>US\$'000 |
|------------------------------|------------------------|---|--------------------------|---------------------------------|
| Ordinary shares - fully paid | <u>361,371</u>         | <u>201,055</u>                                | <u>111,239</u>           | <u>109,676</u>                  |

*Movements in ordinary share capital*

| Details                  | Date            | Shares         | US\$'000       |
|--------------------------|-----------------|----------------|----------------|
| Balance                  | 1 January 2020  | 201,055        | 109,676        |
| Issue of ordinary shares | 14 January 2020 | <u>160,316</u> | <u>1,563</u>   |
| Balance                  | 30 June 2020    | <u>361,371</u> | <u>111,239</u> |

*Ordinary shares*

Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the company in proportion to the number of and amounts paid on the shares held. 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.

**Note 14. Dividends**

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

**Note 15. Contingent assets and liabilities**

There are no contingent assets or liabilities outstanding or recorded at 30 June 2020.

**Note 16. Capital Commitments**

There are no capital commitments outstanding at 30 June 2020 (31 Dec 2019: nil).

**Note 17. Events after the reporting period**

At the time of publication, against this backdrop of weaker than expected performance, the Board has appointed Ankura Consulting, a global advisory group, to assist it in finding suitable partnerships including global investors, supply chain and distribution channel partners. Ankura is currently in contact with a broad section of parties that both Range and Ankura have identified. By September 2020, following the initial target contact, we will assess the likely need for additional capital in the context of what Ankura and Range have been able to progress. Shareholders will be kept fully informed of relevant developments.

Other than the activities described above there were no other significant subsequent events of the Company for the half-year ended 30 June 2020.

**Note 18. Earnings per share**

|   | <b>Consolidated</b> |                     |
|---|---------------------|---------------------|
|   | <b>30 June 2020</b> | <b>30 June 2019</b> |
|   | <b>US\$'000</b>     | <b>US\$'000</b>     |
| Loss after income tax attributable to the owners of Range International Limited           | <u>(1,803)</u>      | <u>(7,409)</u>      |
|   | <b>Number</b>       | <b>Number</b>       |
| Weighted average number of ordinary shares used in calculating basic earnings per share   | <u>349,920</u>      | <u>201,055</u>      |
| Weighted average number of ordinary shares used in calculating diluted earnings per share | <u>349,920</u>      | <u>201,055</u>      |
|   | <b>Cents</b>        | <b>Cents</b>        |
| Basic earnings per share  | (0.52)              | (3.68)              |
| Diluted earnings per share  | (0.52)              | (3.68)              |

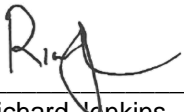
**Range International Limited**  
**Directors' declaration**  
**30 June 2020**

In the directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, Australian Accounting Standard AASB 134 'Interim Financial Reporting', the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes give a true and fair view of the consolidated entity's financial position as at 30 June 2020 and of its performance for the financial half-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.

Signed in accordance with a resolution of directors made pursuant to section 303(5)(a) of the Corporations Act 2001.

On behalf of the directors



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Richard Jenkins  
Executive Chairman

26 August 2020

## INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Range International Limited

### Report on the Half-Year Financial Report

#### Conclusion

We have reviewed the half-year financial report of Range International Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 2020, 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 half-year ended on that date, a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of the Group does not comply with the *Corporations Act 2001* including:

- (i) Giving a true and fair view of the Group's financial position as at 30 June 2020 and of its financial performance for the half-year ended on that date; and
- (ii) Complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

#### Basis for conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our report. We are independent of the Company 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 the audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001* which has been given to the directors of the Company, would be the same terms if given to the directors as at the time of this auditor's review report.

#### Material uncertainty relating to going concern

We draw attention to Note 2 in the financial report which describes the events and/or conditions which give rise to the existence of a material uncertainty that may cast significant doubt about the Group's ability to continue as a going concern and therefore the Group may be unable to realise its assets and discharge its liabilities in the normal course of business. Our conclusion is not modified in respect of this matter.

**Responsibility of the directors for the financial report**

The directors of the company are responsible for the preparation of the half-year 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 half-year financial report that is free from material misstatement, whether due to fraud or error.

**Auditor's responsibility for the review of the financial report**

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Company's financial position as at 30 June 2020 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 Interim Financial Reporting and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

**BDO East Coast Partnership**A handwritten signature in black ink, appearing to read 'Leah Russell', is written over the printed name.

**Leah Russell**  
**Partner**

Sydney 26 August 2020