

ASX Announcement
31 July 2023

JUNE QUARTER 2023 ACTIVITIES REPORT
AND APPENDIX 4C

Range International Limited (ASX:RAN, **Company** or **Range**), manufacturer of Re>Pal™ 'zero-waste', recycled plastic pallets presents its Quarterly Activities Report and Appendix 4C for the quarter ended 30th June 2023.

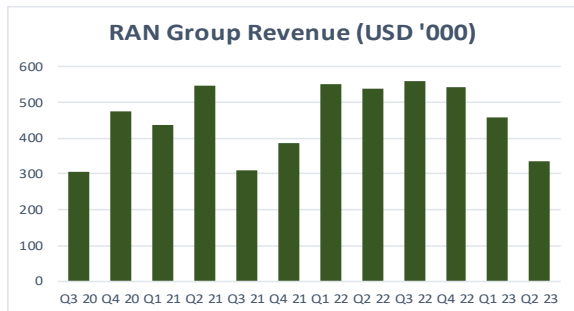
QUARTER HIGHLIGHTS

- The Indonesian business posted a small net operating profit excluding tax, depreciation and interest in Q2 of \$31,000.
- The business delivered +33% gross margin (gross operating margin as percentage of revenue) and +9% operating margin (as percentage of revenue) including asset sales.
- Group's cashflow for the quarter was positive US\$84,000 compared to cash outflow US\$105,000 in Q1 2023 and an outflow of US\$193,000 per quarter on average in FY2022.
- US\$202,000 was received in Q2 2023 from sales of assets identified as surplus as part of the restructuring of the Company's plastic waste processing and pallet production.

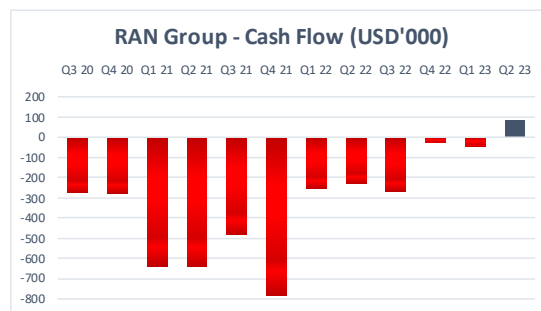
OPERATIONAL UPDATE - INDONESIA

- Q2 2023 sales revenues of US\$336,000 was below FY2022's quarterly average and was a 24% decrease from Q1 2022. The drop being equivalent to the deferred delivery schedules.
- Inventory of finished goods at Q2 more than doubled from Q1, due to the requests to defer delivery schedules into July possibly reflecting some slowing of export production in Indonesia.
- Raw materials costs and processing cost improvements continue and to date inflationary pressures have not impacted costs, sales prices or results and we have maintained recent COGS and gross margin levels.
- Efforts to add to our sales team capabilities have been renewed. New distribution channels for our ECO pallets are being sought. For the first time, the COGS for these pallets enable us to compete with one-way timber pallets.
- Management is in discussions with a number of large Indonesian conglomerates to utilize their plastic waste in pallets for their internal pallet requirements. Re>Pal is uniquely positioned as we can utilise multi-layered plastics in our production and a large FMCG corporation has signed an agreement with us to fund the purchase of specialised equipment required for this material.

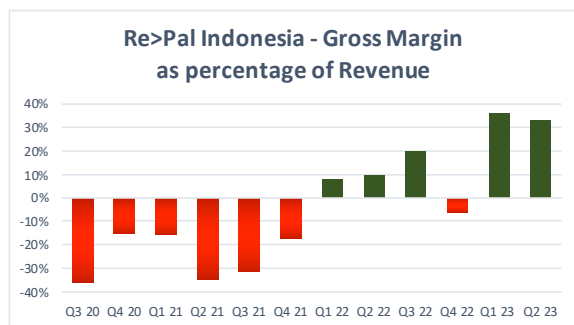
RANGE FINANCIAL SUMMARY



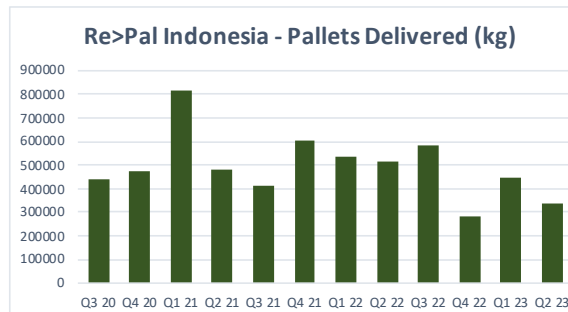
Q2 sales were less than budget although customers delayed deliveries of ~\$90k of pallets into Q3. YTD Sales total IDR 11.4 billion.



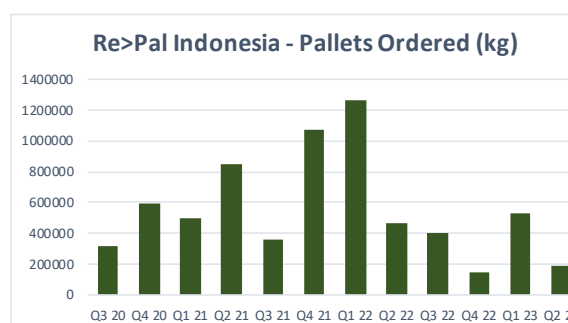
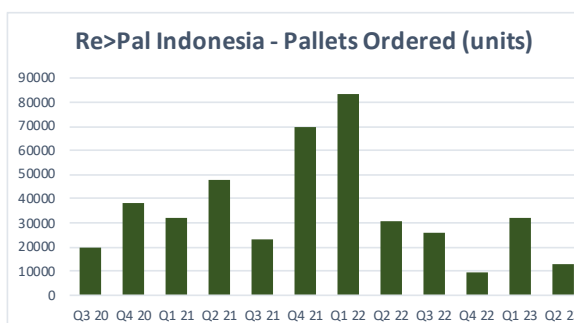
Q2's cashflow includes \$206k from asset sales. Outflow from Operations was \$107k including \$70k committed to build up of pre-sold inventory.



Q2's Gross Margin as percentage of Revenue maintained Q1's positive gross margin. Cost management and the recovery in Gross Margin, carried through to Operating Margin, and resulted in the best EBITDA result for the Company since inception.



Our improved gross margin, compels the need to grow pallet deliveries from qtr avg of ~28,000 units. We await results from significant new business tenders and expect better results from the sales team.



CORPORATE UPDATE

The Group's liquidity pressures since September 2022 have been significant. The Indonesian business has needed to self-fund since Q3 2022, forcing it for liquidity reasons to operate less efficiently. The Board is confident that the improvements in gross margin are stable and can be leveraged with increased costs and commitment to achieving higher sales and expanding the Company's pallet business.

The FY 2022 qualified audit report (related to going concern and provision for VAT obligations) resulted in the ASX's decision to continue the suspension of RAN's listing. In addition, the ASX has advised it considers the qualified audit report prevents any asset sale to a related party, regardless of value, under its Listing Rule 10.1. The cost of unwinding the Cairns transaction and funding the carrying costs of the pilot plant for the past months (and until resolved), and of holding an EGM to approve the sale is greater than the value of the assets.

In early May, the Company's pilot plant in Cairns was sold to an entity associated with Mr. Jenkins, Chairman of Range after a period of unsuccessful public sale advertising. Importantly, the transaction included the transfer of the employment and lease obligations (through to September 2024). The sale provided essential liquidity and ended the monthly cost to RAN of carrying this fledgling business. The sale price of A\$140,660 for the Cairns 'pilot plant' aligned with the independent valuation received in February 2023 and was 2.2% of the Company's net assets (after the write-downs of assets, in particular those earmarked for disposal as per accounting standards in March 2023) and is significantly less than the 5% threshold requiring shareholder approval under ASX Listing Rule 10.1.

The sale provided a much-needed cash injection and saved the Company approximately A\$20,000 per month in staff and rent cost obligations, which has been important in a tight liquidity environment. In addition to the sale proceeds, the Company had previously received A\$227,187 in sales revenue and an R&D cash benefit of A\$135,516 from the Cairns business. Notably, the new owner has recorded no production, orders or sales of the plastic fencing product since the sale.

Following the cessation of production activities in Australia, the finance functions of the Company have been moved to Indonesia and outsourced to PKF Surabaya. On March 31st, the Company lodged its appeals to the recent assessment of withholding and value added taxes by the Indonesian tax office for the year ending 2018. We await notice from the Court regarding the hearing date for the appeal. Our received advice and the Board's opinion remains steadfast that our position is strong and that the matter can be successfully resolved.

Efforts to conclude the sale of the Company's unnecessarily large Indonesian factory continue and we expect to negotiate a sale and terms by the end of the year with the aim of relocating closer to our main sources of raw materials and our customer base. This will assist the Company's liquidity position which is currently hamstrung by the unresolved tax assessment and the interrelated ASX trading suspension, both of which continue to hamper efforts to expand and grow the business.

The Indonesian business' continued positive gross margin underpins the Company's strategic objective to expand operations, improve our sales capabilities and leverage relationships with multi-national corporate customers and to expand the Company's production footprint and its range of pallets.

Opportunities to expand our production capabilities beyond Indonesia are being re-examined, and sources of funds including a likely small equity placement (subject to ASX and regulatory approval) are under consideration.

ASX ADDITIONAL INFORMATION AND APPENDIX 4C

In accordance with Listing Rule 4.7C, payments made to related parties and their associates included in item 6.1 of Appendix 4C were nil, as the Directors do not receive any cash director fees.

The Company's Appendix 4C for the quarter ended 30 June 2023 is **attached**.

This announcement has been approved for release by the Board of the Company.

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.

Forward looking statements:

This announcement may contain forward looking statements which may be identified by words such as "believes", "considers", "could", "estimates", "expects", "intends", "may", and other similar words that involve risks and uncertainties. Such statements are not guarantees of future performance and involve known and unknown risks, uncertainties, assumptions and other important factors, many of which are beyond the control of Range International Limited or its Directors and management, and could cause Range International Limited's actual results and circumstances to differ materially from the results and circumstances expressed or anticipated in these statements. The Directors cannot and do not give any assurance that the results, performance or achievements expressed or implied by the forward-looking statements contained in this announcement will actually occur and investors are cautioned not to place undue reliance on these forward-looking statements.

Appendix 4C

Quarterly cash flow report for entities subject to Listing Rule 4.7B

Name of entity

Range International Limited

ABN

22 611 998 200

Quarter ended ("current quarter")

30 June 2023

Consolidated statement of cash flows		Current quarter \$US'000	Year to date (6months) \$US'000
1. Cash flows from operating activities			
1.1 Receipts from customers		413	931
1.2 Payments for			
(a) research and development		-	-
(b) product manufacturing and operating costs		(227)	(465)
(c) advertising and marketing		(31)	(57)
(d) leased assets		-	-
(e) staff costs		(187)	(375)
(f) administration and corporate costs		(86)	(233)
1.3 Dividends received (see note 3)		-	-
1.4 Interest received		-	1
1.5 Interest and other costs of finance paid		-	-
1.6 Income taxes paid		-	-
1.7 Government grants and tax incentives		-	-
1.8 Other (provide details if material)		(4)	(31)
1.9 Net cash from / (used in) operating activities		(122)	(229)
2. Cash flows from investing activities			
2.1 Payments to acquire or for:			
(a) entities		-	-
(b) businesses		-	-
(c) property, plant and equipment		-	-
(d) investments		-	-
(e) intellectual property		-	-
(f) other non-current assets		-	-

Consolidated statement of cash flows		Current quarter \$US'000	Year to date (6months) \$US'000
2.2	Proceeds from disposal of:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	206	206
	(d) investments	-	-
	(e) intellectual property	-	-
	(f) 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)	-	-
2.6	Net cash from / (used in) investing activities	206	206

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	-
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 / (used in) financing activities	-	-

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	90	198
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(122)	(229)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	206	206

Consolidated statement of cash flows		Current quarter \$US'000	Year to date (6months) \$US'000
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	-
4.5	Effect of movement in exchange rates on cash held	(2)	(3)
4.6	Cash and cash equivalents at end of period	172	172

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	172	172
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	172	172

6.	Payments to related parties of the entity and their associates	Current quarter \$US'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	-
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-
<i>Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.</i>		

7.	Financing facilities <i>Note: the term "facility" includes all forms of financing arrangements available to the entity.</i> <i>Add notes as necessary for an understanding of the sources of finance available to the entity.</i>	Total facility amount at quarter end \$US'000	Amount drawn at quarter end \$US'000
7.1	Loan facilities	-	-
7.2	Credit standby arrangements	-	-
7.3	Other (please specify)	-	-
7.4	Total financing facilities	-	-
7.5	Unused financing facilities available at quarter end		
7.6	Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		

8.	Estimated cash available for future operating activities	\$US'000
8.1	Net cash from / (used in) operating activities (item 1.9)	(122)
8.2	Cash and cash equivalents at quarter end (item 4.6)	172
8.3	Unused finance facilities available at quarter end (item 7.5)	-
8.4	Total available funding (item 8.2 + item 8.3)	172
8.5	Estimated quarters of funding available (item 8.4 divided by item 8.1)	1.41
<i>Note: if the entity has reported positive net operating cash flows in item 1.9, answer item 8.5 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.5.</i>		
8.6	If item 8.5 is less than 2 quarters, please provide answers to the following questions:	
8.6.1	Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
	Answer: Net Operating Cash Flows are expected to improve following the sale of the Cairns Pilot plant and with projected higher sales in Q3 than was achieved in Q2.	
8.6.2	Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
	Answer: RAN will be increasing funds inflow Q3 from selling additional surplus assets and or making an equity placement.	
8.6.3	Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?	
	Answer: Yes. RAN Management has successfully managed the Group through the unprecedented tight liquidity conditions of the past 9 months with careful cost management and COGS reductions and is confident that sales growth will follow.	
<i>Note: where item 8.5 is less than 2 quarters, all of questions 8.6.1, 8.6.2 and 8.6.3 above must be answered.</i>		

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.

Date: .28 July 2023

Authorised by: Arief Setyadi
Chief Financial Officer

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow 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 cash flow 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.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.