CAPE RANGE LTD

29 July 2022

Quarterly Activities Report – Quarter ended 30 June 2022

The Directors of Cape Range Limited (**Company**) present the quarterly activities report for the 3 months ended 30 June 2022 for its operating subsidiary, Biztrak Business Solutions Sdn Bhd (**Biztrak**).

Second Quarter 2022 v Second Quarter 2021

Biztrak recorded revenue of ~A\$73k (MYR 228k) for the second quarter of 2022, as compared to the preceding year's corresponding quarter of ~A\$114k (MYR 356k). The decline in revenue was due to a lower revenue contribution from software maintenance and services of Biztrak MSB and Biztrak WMS. The decline can be attributed to weakened demand as a result of the prevailing soft market conditions within Malaysia caused primarily by inflation concerns and global economic uncertainty.

As a consequence of the lower revenue, Biztrak recorded a net loss of ~\$A43k (MYR 134k) compared to a net loss of ~\$A31k (MYR 98k) in the same period of 2021.

In response to the decline in revenue, Biztrak has intensified its marketing and sales initiatives. In that regard, Biztrak's team is proactively working with their business partners and conducting marketing roadshows (in key Malaysian markets, including the Klang Valley, Kuantan, Johor and East Malaysia) promoting Biztrak's accounting solutions, including HR & Payroll solutions, to prospective dealer partners and customers.

In addition, our online marketing efforts will focus on Search Engine Optimisation and content creation on social media platforms.

Business and Product Development Highlights

Biztrak MSB – Desktop Accounting Software

Biztrak MSB team had completed the following enhancements:

- Vendor Statement & Vendor Statement (by periods)
  - The new Vendor Statement and Vendor Statement (by periods) provides users with an overview of their statement of account which lists out all financial transaction information within a specific time period with the amount due and the status of the account.

- Outstanding Collection/ Payment Information

  - The new "Out. Collection" button is now available in the Account Receivable, Account Payable, Sales and Purchase modules' transaction screens. This function provides details of outstanding collections or payments for a specific party.

- Items Below Minimum Selling Price Control

  - The new Items Below Minimum Selling Price allows users to control the minimum selling price in the Sales module. This function prevents items from being sold below the minimum selling price, unless an authorised user elects to bypass the warning message.

- Vendor Item Price History

  - The new Vendor Item Price History allows users to view the last 10 historical item cost price list within the Purchase module.

- Business Documents in Purchase module

  - The enhanced Purchase module allows users to add a "discount %" and/or a "discount amount" in the Purchase module.

- e-Bridge

  - The enhanced e-Bridge allows user to import Purchase Order and Goods Received note transactions with "discount %" and "discount amount" columns.
  - In addition, facilitates an Export Party List for either a customer or vendor for a specified date range.

- Biztrak Mobile application

  Dashboard - Sales Order tracking, which:
  - allows only the authorised mobile user to edit selling prices; and
  - allows a mobile user to set the default warehouse and to track current stock warehouse quantities.

The Biztrak MSB team had also completed the development of the following modules, which are currently pending user acceptance:

- Update GRN Inspection & Print RM Label program – a plug-in application which allows users to enter the quality control check status, values and print the barcode label after the user has entered Goods Received Note transactions in the Biztrak MSB application.

- A new update unit cost function which allows the system to update the finished goods standard cost after recalculating the total cost of all components for the particular finished goods product.

Biztrak Online – Cloud Accounting Software

During the quarter, Biztrak Online was updated with the following new features and enhancements:

- 12 additional Chart of Account templates have been added for users to view and import for a new set up company.
- Enhanced Security Control to make sure User type for Admin or Accountant must match against the user profile selection.
- Enhancement of the Fixed Asset Category, the Item Profile Category and the validation process for the Vendor Invoice and Sales Invoice.
- Enhanced the following import functions to identify and remedy the import data prepared in the import file (*.CSV):

- ✓ Setup > Analysis Code
- ✓ Setup > Unit Of Measure
- ✓ Setup > Currency Setup > Foreign Exchange Rate
- ✓ Setup > Party Setup > Party Category
- ✓ Setup > Party Setup > Party Status
- ✓ Setup > Party Setup > Party List
- ✓ Setup > Item Code > Item Category
- ✓ Setup > Item Code > Item List
- ✓ Setup > Fixed Asset Setup > Fixed Asset Category
- ✓ FA > Existing Fixed Asset
- ✓ Tax > Tariff Code

On-going R&D tasks include:

- a complete Inventory Control module to provide total control and visibility of inventory.
- An Open Web API Services to allow 3rd party integration with the Biztrak Online cloud accounting system.

Biztrak WMS – Warehouse Management System (WMS)

The Biztrak WMS team completed a number of enhancements during the second quarter, which include:

- Biztrak WMS Application

  - ✓ a new integration with Citylink Courier Service Provider for the shipment booking and shipping label.
  - ✓ an enhanced Import Order function to facilitate the importing of additional fields such as Country, State, City and Postcode.
  - ✓ an enhanced system control, which prompts a warning message if the maximum concurrent user access is detected during login to the Biztrak WMS application.

- Biztrak WMS Customer Web Portal

  - ✓ allows users to confirm multiple Advanced Shipping Notes and ordering by batches
  - ✓ Biztrak WMS Dashboard module was improved with the following features:
    - Daily Received by Item Categories
    - Daily Received by Item Types
    - Daily Issued by Item Categories
    - Daily Issued by Item Types

Additional Biztrak WMS upgrades include the following:

- Biztrak WMS

  - ✓ an enhanced auto picking allocation function that allows users to select a product by full pallet and then select the balance from a loose pallet from the Loose Bin
  - ✓ developing a kitting master file setting and kitting wizard to simplify the ordering process.

- Biztrak WMS Customer Web Portal

  - ✓ Extend Web API Services for the e-Commerce integration
  - ✓ Import item with file format (CSV)
  - ✓ Import consignee with file format (CSV)
  - ✓ Export the Advanced Shipping Note listing to excel
  - ✓ Export the Order listing to excel

For the remaining of 2022, we will continue to intensify our marketing and sales initiatives to improve sales. We're working with our business partners to plan and conduct roadshows in our key markets e.g. Klang Valley, Kuantan, Johor, and East Malaysia, with aims to promote our Accounting solutions with the HR & Payroll solutions to our prospective dealer partners and customers.

In terms of online marketing, we will be continuously working on the SEO (Search Engine Optimisation) to maintain the visibility of our website, as well as creating contents on different social media platforms to drive traffic to our website to generate leads for our sales team.

Expenditure (A$'000)

Biztrak expenditure on the business activities undertaken during the quarter and described in this report are summarised below:

- Biztrak MSB: ~$76k (MYR 232k), includes Malaysian staff costs and third-party server MSB hosting direct expenditure attributable to the product/service delivery

- Biztrak Online: ~$40k (MYR 125k), includes Malaysian staff costs

- Biztrak WMS: ~$18k (MYR 56k), includes Malaysian staff costs

During the quarter, a total of $63k was paid to related parties of the Company as follows:

- $57k for director fees paid to non-executive directors (including superannuation)

- $4.5k for the provision of corporate, accounting and company secretarial services by a non-executive director

- $1.5k related to payments for office rental

Authorised for release by the Board

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Director/Company Secretary

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