



30 October 2019

ASX Announcement

Biztrak Strategic Logistics-Warehouse Management Software

Highlights

- Biztrak acquires windows based Logistics IP-Warehouse Management Software
- Biztrak contracted to develop a cloud based Logistics-Warehouse Management Software
- Biztrak to form a Logistics-Warehouse Management Joint Venture

The Directors of Cape Range Limited (the **Company**) are pleased to announce the execution, by its wholly owned Malaysian subsidiary Biztrak Business Solutions Sdn Bhd (**Biztrak**), of a Sale & Purchase of Software Agreement with Xtreme Software Sdn Bhd (**Xtreme**) (a company incorporated in Malaysia) for the acquisition of Xtreme's windows based logistics-warehouse management software (the **Purchase Agreement**).

Pursuant to the Purchase Agreement, the Company has acquired Xtreme's windows based software, which will be upgraded and integrated with Biztrak's windows based accounting software allowing Biztrak to market and sell a fully integrated logistics and warehouse management software package into the lucrative logistics market.

The acquisition of Xtreme's windows based software extends Biztrak's portfolio of accounting software solutions into the logistics, warehouse and inventory control markets.

The acquisition of the software will provide the Company with an additional and growing revenue stream by tapping into Malaysia's rapidly expanding supply chain software solutions market.

The consideration to be paid by Biztrak to Xtreme for the windows based software is Malaysian Ringgit 900,000 (approximately A\$315,000).

In addition to the acquisition of Xtreme's windows based warehouse management software, the Company has also been engaged by GM Limited (a company based in Hong Kong) to develop a cloud based warehouse management software application.

The cash consideration, to be paid by GM Limited, for the development of the cloud based warehouse management software is A\$670,000, of which A\$140,000 has been received with the balance paid by GM Limited in instalments. The final instalment of A\$70,000 is to be received upon completion in December 2019.

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A significant portion of the technology acquired from Xtreme's windows based logistics-warehouse management software is to be incorporated into the cloud based logistics-warehouse management software to be developed for GM Limited.

The development of cloud based logistics-warehouse management software coincides with increasing demand for software that provides real-time access to view and manage inventory data online via a website. The web portal being one of the most widely used platforms that enables users to access data virtually from any device on any web browser. The development of a web portal enhancing the functionality and seamless experience of a cloud based logistics-warehouse management software.

Subject to completion of the cloud based logistics-warehouse management software, GM Limited and the Company have agreed the essential terms of a joint venture whereby a newly formed Malaysian corporation will be established to acquire from Biztrak the windows based logistics-warehouse management system (for a 51% equity interest in the joint venture company) and acquire from GM Limited the cloud based logistics-warehouse management system (for a 49% equity interest in the joint venture company).

Following the establishment of the joint venture, the parties intend to jointly market, promote, distribute and sell the logistics-warehouse management software to the rapidly expanding supply chain software solutions market.

Biztrak stands to further benefit from the establishment of the joint venture as it will provide ongoing technical support to the joint venture and will receive recurring licence fee revenues together with customer consulting fees generated from the sale and distribution of the integrated Biztrak accounting software solutions.

Wayne Johnson
Chairman

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