



31 July 2020

## Quarterly Activities Report – Quarter ended 30 June 2020

The Directors of Cape Range Limited (**Company**) present the Company's quarterly activities report for the 3 months ended 30 June 2020.

During the quarter, receipts from customers was principally from the sale of software licenses for Biztrak's windows-based accounting software (**Biztrak MSB**) and software maintenance and customisation.

Revenue from Biztrak's windows-based Warehouse Management System (**Biztrak WMS**) was weaker due to weaker market demand experienced during Malaysia's Movement Control Order (**MCO**) that was implemented by the government on 18 March 2020 to curb the spread of COVID-19.

Throughout the quarter, the MCO and the significant political and regulatory changes that took place across Malaysia created a host of uncertainties across the entire country. The net effect being that almost an entire shutdown of commercial activities took place.

During the MCO period of 18 March to 8 June 2020, all of Biztrak staff were prevented from attending their office and hence were required to work remotely.

The MCO also resulted in the cancellation of all planned and scheduled workshops, seminars and training programmes. In addition, the restriction on physical movement meant that all of Biztrak's communications with customers and potential customers was undertaken remotely.

### **Business and Product Highlights**

#### **Biztrak MSB**

- The new enhanced *Intercompany Billing Module* that allows a user to create internal invoicing and accounting entries to pass costs and share revenue across divisions within an organisation was deployed in May 2020 for testing purposes. The module's commercial launch is scheduled to occur in the third quarter of 2020.
- Following the announcement of the Conditional Movement Control Order (**CMCO**), which allows for the gradual opening of businesses after 10 June 2020, Biztrak initiated a series of online programs for the period June to September 2020. These include bi-weekly software knowledge training courses, product demonstrations and virtual engagement with customers and potential customers.
- Due to the prevailing conditions, product discounts of up to 30% were offered on the Biztrak MSB software packages.
- Expenditure incurred during the quarter on Biztrak MSB activities totaled \$105,000.

#### **Biztrak Online**

- The working from home and social distancing practices led to an increase in demand for the deployment of cloud-based accounting solutions.

**Cape Range Limited**

ABN 43 009 289 481

Principal and Registered Office: 29 Brookside Place, Lota, Queensland 4179

**Tel/Fax: +61 7 3901 0751**

- In addition, Biztrak received an increased number of requests from existing customers to upgrade their subscription from Biztrak MSB to the cloud based accounting software, Biztrak Online.
- The release of the new Biztrak Online Fixed Assets Module occurred on 17 July 2020.
- Email marketing has been adopted during this period to promote new subscriptions.
- The upgrading of Biztrak's website is progressing. The upgraded site will deliver more informative and detailed content and will be visually more appealing.
- Expenditure incurred during the quarter on Biztrak Online activities totaled \$54,000.

### **Biztrak WMS**

- The release of the newly-developed Biztrak WMS Web-Portal occurred on 17 July 2020. This new Web-Portal allows third-party logistic operators to submit online outbound orders and stock balances in real-time.
- The WMS team is currently working on two major customisation projects, which will enhance the current features and functionalities of Biztrak WMS. It is expected that these projects will be deployed by the end of September 2020.
- Following the implementation of the MCO, new sales orders have been put on hold by customers. Marketing and pre-sales activities, such as on-site visiting and workshops were either postponed or cancelled during the MCO phase. These activities resumed after 9 June 2020.
- Biztrak has secured a booth at the Logisware 2020 Exhibition that is expected to be held in Malaysia on 16-18 September 2020.
- Expenditure incurred during the quarter on Biztrak WMS activities totaled \$19,000.

### **Proposed Warehouse Management System (WMS) Joint Venture with GM Limited**

In the Company's 2019 Annual Report (lodged with ASX on 31 March 2020) the Company stated that:

- Biztrak was contracted by Hong Kong based GM Limited (**GM**) to develop a cloud-based WMS for a total consideration of \$670,000; and
- Biztrak and GM intend to form a Logistics Warehouse Management Joint Venture for the purpose of jointly marketing, promoting, distributing and selling both Biztrak's windows-based WMS and GM's cloud-based WMS.

Given that GM have paid Biztrak only \$250,000 of the \$670,000 owed for the cloud-based WMS, no progress has been made with regard to the formation of the proposed Logistics Warehouse Management Joint Venture.

### **Payments to related parties**

During the quarter a total of \$68,987 was paid to related parties of the Company as follows:

- \$55,000 for director fees paid to non-executive directors
- \$12,487 for the provision of services by a non-executive director
- \$1,500 paid to a director for office rent

### **Authorised for release by the Board**

**Michael Higginson**  
**Director/Company Secretary**

**Telephone: +61 42 999 5000**

**Cape Range Limited**

ABN 43 009 289 481

Principal and Registered Office: 29 Brookside Place, Lota, Queensland 4179

**Tel/Fax: +61 7 3901 0751**