

ASX Announcement

30 May 2023

2023 AGM CHAIR ADDRESS

Range International Limited (ASX:RAN, **Company** or **Range**), manufacturer of Re>Pal™ 'zero-waste', recycled plastic pallets, plastic fencing and retaining wall products provides the 2023 AGM Chair Address for the AGM to be held at 2pm AEST today, as required by ASX Listing Rule 3.13.3.

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

Richard Jenkins

Executive Chairman and Company Secretary

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About Range International:

Range is a manufacturer of 'zero waste', plastic pallets, plastic fencing and retaining wall products. Our ThermoFusion™ technology allows Range to manufacture from 100% recovered and recycled plastics. Range currently has production lines operating in its East Java factory in Indonesia and sells its pallets under the brand Re>Pal™, supplying pallets throughout Indonesia and across Asia.

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.

CHAIR'S ADDRESS TO THE 2023 ANNUAL GENERAL MEETING

Good afternoon to our shareholders, service providers and those interested in hearing about our company. My name is Richard Jenkins, and I am the Executive Chairman of Range International, a position I have held since December 2019. Joining me at this meeting is Stephen Bowhill and Chris Fong is joining us by phone.

When this Board came together, the market capitalisation of RAN was about A\$6 million, having peaked at over A\$200 million immediately after listing in July 2016. Before the voluntary suspension in December 2022, our market capitalisation was A\$5 million.

All company shareholders are aware of our unsatisfactory share price performance. We have posted annual losses every year since becoming a listed company in 2016. Shareholders are entitled to a clear explanation of past events and the way forward.

The company initially set up a plant in Surabaya, Indonesia, to collect and treat plastic waste and turn it into logistics pallets with a grand vision to export its pallets throughout Asia and the Middle East. The massive capital expenditure failed to produce logistics pallets at a price or quality the market would accept. Write-downs of P&E followed, and new capital raisings were required to remain in business.

In summary, with the benefit of hindsight, the major problems that the company had in those early days were as follows:

- Range International is a holding company with a Singapore subsidiary and operating subsidiaries in other Asian countries under the Singaporean parent. This costly structure was presumably chosen to provide tax advantages that have never been realised.
- The plant was built in a 'bonded zone' near Surabaya on Java. If the company had primarily been exporting, that decision might have had some merit. But that has never really been the case, and as a result, the extra cost and administrative burden of being in a bonded zone has always been a disadvantage to the company. In addition, most of our waste does not come from that geographic area leading to higher transportation costs and an inferior choice of available plastic waste.
- Unfortunately, much of the equipment purchased, built, and installed, including the water purification plant, plastic waste wash plant, plastic waste shredder, and the pellet mill, were not adequate or best suited for the particular types of plastic waste being processed. Since the original installation modifications and equipment additions have primarily solved these deficiencies.
- The original management negotiated a long-term take-or-pay electricity supply deal with PLN (the government-owned electricity supplier), which has proved costly for the company and has led to excessive electricity supply charges since then.
- From the outset of operations, the company was buying very dirty waste (primarily from landfill), which was very hard to wash properly, put enormous strains on the wash lines, caused frequent equipment breakages and significant downtime and produced pallets that had a foul odour, creating a reputational problem that we still have to combat despite having fixed the issue several years ago.
- There was poor management measuring and focus on COGS and more focus on products (some of dubious quality) out the door. Undoubtedly, the company was operating on a negative margin for much of the period between 2016 to 2020.
- The company's Director and senior management roster was very substantial. Much of the operating losses in those early years can be attributed to Director and senior management remuneration.
- Steve Bowhill became CEO in September 2018 and inherited a huge mess. FTI Consulting was engaged at Steve's insistence and uncovered inconsistencies in raw material pricing, supply, and supplier agreements. These events resulted in personnel changes.

- Due to past company structuring, tax planning and record keeping, the company is engaged in a legal dispute with the ITO about the FY 2018 tax assessment. While there are no certainties in the Indonesian legal environment, our expert advisors believe we will prevail against the claims of the ITO.

The above historical recount is a snapshot of your company's past tribulations affecting all shareholders. The current Board of Range and the senior management team act entirely differently than those they replaced. Since 2020 we have implemented a tight budget and expense environment. Board fees have not been paid, and while share options have been issued, none have provided any financial gain to Board members. We will continue to concentrate on long-term incentives for Board members. Senior management is lean, and salaries are not substantial and probably below market and will need to be supplemented by long-term incentives in a couple of cases.

A lot has been accomplished in the last 24 months, and we believe the future does hold promise:

- The Indonesian business is currently cash flow positive and finally on a pleasingly positive net operating margin.
- Our raw material purchases of plastic waste are cleaner and becoming more innovative and require less washing, shredding, and pelletising.
- We have separated our business into three operating units to enforce accountability: raw materials, manufacturing, and sales. Each unit has its own bottom line.
- Our sales in dollar value terms are increasing, and we have identified many prospects to accelerate the growth in our sales value. If we increase sales on our substantially improved operating margin, the cycle of constant capital raising to fund normal activities will end.
- We are constantly approached by parties wanting us to partner to solve their plastic waste problems.
- We are exploring alternative factory locations. Even if we increase sales and production significantly, the size, location, costs, and factory setup are unsuitable.
- We are exploring setting up an associated finance company to buy the product from RePal Indonesia and rent it to our corporate clients. The rental model continues to be in demand, and currently, due to capital constraints, we have been unable to participate in this crucial market segment.
- We believe a plastic credits market will eventually be established, resulting in significant opportunities for our company.
- We will continue to pare back the costs of our holding company by locating as many cost centres as possible in Indonesia.
- In the Asia Pacific region, CHEP and Loscam hold dominant market positions. Still, your Board continues to believe that the momentum towards replacing the massive wooden pallet fleets worldwide with virgin or recycled plastic pallets continues to gain favour with ESG-minded companies, both large and small.

Even though our shares are currently in suspension, we are contemplating whether remaining an ASX-listed company is in the best interests of shareholders. Our current view is that the benefits outweigh the costs. As such, we will endeavor to take the necessary steps where possible and, in cooperation with the ASX, to have our shares reinstated for trading as soon as possible.

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