

Appendix 4E

Preliminary Final Statements to the Australian Securities Exchange

Cape Range Limited and its controlled entities
ABN 43 009 289 481

Reporting period Year ended 31 December 2020
Previous period Year ended 31 December 2019

Results for Announcement to the Market

LOSS OF \$1,143,792 IN 2020 (2019: LOSS OF \$7,503,544)
The 2019 loss included a one-off non-cash book entry of \$7,650,000.

Throughout the year, the Company's Malaysian operations were significantly impacted by the Coronavirus (COVID-19) pandemic resulting in a 52% revenue reduction and a \$651,152 impairment of assets.

On 18 March 2020, the Malaysian Government implemented a Movement Control Order (MCO) to curb the spread of COVID-19. The MCO has remained in place in Malaysia, in various forms, throughout the entire year and is currently in operation.

During the MCO, Biztrak workers have been required to work from home and business travel has been cancelled.

The Company's Malaysian subsidiaries received wage subsidies of MYR 75,600 throughout the year. These subsidies resulted in the retention of all Biztrak employees, without pay cuts or retrenchment. No new recruitment of staff is planned.

With rising unemployment and substantial political and regulatory change, the Malaysian economy has been significantly impacted which has resulted in expenditure cutbacks, corporate downsizing and at times an almost entire shutdown of commercial activities.

Due to the prevailing conditions, product discounts of up to 30% have been offered on the Company's MSB software. In addition, 12 month extended repayment plan options are being requested by customers. On the other hand, working from home and social distancing has resulted in increased demand for the deployment of cloud-based accounting solutions. In that regard, Biztrak has continued to expand its warehouse and logistics applications.

The Board is confident with Biztrak's strategies and goals and is conservatively optimistic about the current macroeconomic environment and spending trends for both accounting and warehouse and logistic solutions, especially in the e-commerce sectors. Market trends and spending have been markedly impacted by the increasing frequency of employees working from home and the increasing demand for online goods and services.

The impact of the Coronavirus (COVID-19) pandemic is ongoing. It is not practicable to estimate the potential impact, positive or negative, after the reporting date. The situation is rapidly developing and is dependent on measures imposed by the Australian Government, the Malaysian Government and other countries, such as maintaining social distancing requirements, quarantine, travel restrictions and any economic stimulus that may be provided.

AUD\$ (All amounts are denoted in AUD\$)			31 December 2020	31 December 2019	Change	Change
		Note	\$	\$	\$	%
Revenue from continuing operations	(Appendix 4E item 2.1)	1	610,532	1,281,066	(670,534)	(52%)
(Loss) from ordinary activities after tax attributable to members	(Appendix 4E item 2.2)	2	(1,143,792)	(7,503,544)	6,359,752	85%
Net Comprehensive Loss attributable to members of the parent entity	(Appendix 4E item 2.3)	3	(1,188,809)	(7,475,186)	6,286,377	84%
			Cents per share	Cents per share	Cents per share	
Basic loss per share (cents)	(Appendix 4E item 14.1)		(1.25)	(8.97)	7.72	86%
Diluted loss per share (cents)	(Appendix 4E item 4.1)		(1.25)	(8.97)	7.72	86%
Net tangible assets per share (cents)	(Appendix 4E Item 9)		3.63	4.55	(0.92)	(20%)

Dividends (Appendix 4E item 2.4 & 2.5)

No Dividends have been declared or paid during the financial year ended 31 December 2020 and the Company does not propose to pay any final dividends in respect of that year.

Audit Status (Appendix 4E item 15)

This report is based on accounts which are in the process of being audited. The Audited Annual Financial Statements are expected to be released by 31 March 2021.

Commentary on Results & Significant Feature of Operating Performance (Appendix 4E item 14)

1. Revenue from continuing operations (Appendix 4E item 2.6 & 14)

Revenue from ordinary activities for the financial year was \$610,532 (31 December 2019: \$1,281,066).

2. Loss from ordinary activities after tax attributable to members (Appendix 4E item 2.6 & 14).

The loss after income tax for the reporting period was \$1,143,792 (2019: loss \$7,503,544). This 2019 loss included a one-off share-based payment expense of \$7,650,000 as a consequence of the conversion of 11,250,000 performance rights,

3. Net Comprehensive Loss attributable to members of the parent entity (Appendix 4E item 2.6 & 14)

The net comprehensive loss attributable to members of the parent entity for the reporting period was \$1,188,809 (2019: loss \$7,475,186).

Supplementary Information

1. Trends in performance (Appendix 4E item 14.5)

See comments on page 1 above.

2. Other factors that affected results in the period or which are likely to affect results in the future (Appendix 4E item 14.6)

See comments on page 1 above

3. Other significant information (Appendix 4E item 12)

Not applicable

Attachments forming part of the Appendix 4E:

The Preliminary Financial Report of Cape Range Limited for the year ended 31 December 2020 is attached.

Signed by



Wayne Johnson
Chairman
Sydney
26 February 2021

**Preliminary consolidated Statement of profit and Loss and Other Comprehensive Income
 For the financial year ended 31 December 2020**

	Note	31 December 2020 \$	31 December 2019 \$
Revenue		610,532	1,281,066
Cost of sales		(9,593)	(146,639)
Gross profit		600,939	1,134,427
Other operating income		92,406	126,339
Reversal of doubtful debt provision		-	367,319
Expenses			
Administration expenses		(583,541)	(702,552)
Marketing & promotional expenditure		(2,187)	(4,026)
Other operating expenses		(242,511)	(56,663)
Finance costs		(10,522)	(15,376)
Depreciation and amortisation expenses		(306,223)	(207,682)
Provision for doubtful debt		(30,762)	(441,115)
Impairment of intangible assets		(651,152)	-
Performance rights expense		-	(7,650,000)
Total expenses		(1,826,898)	(9,077,414)
Loss before income tax		(1,133,553)	(7,449,329)
Income tax expense		(10,239)	(54,215)
Loss after tax		(1,143,792)	(7,503,544)
Other comprehensive income for the year, net of tax			
Exchange differences on translating foreign operations		(45,017)	28,358
Total comprehensive income for the year		(1,188,809)	(7,475,186)
Basic and diluted (loss) per share (cents per share)	4	(1.25)	(8.97)

The above preliminary consolidated statement of profit & loss and other comprehensive income is to be read in conjunction with the accompanying notes.

**Preliminary Consolidated Statement of Financial Position
 As at 31 December 2020**

	Note	31 December 2020 \$	31 December 2019 \$
Assets			
Current assets			
Cash and cash equivalents	5	3,544,777	4,011,445
Trade and other receivables	6	139,674	328,017
Total current assets		3,684,451	4,339,462
Non-current assets			
Plant and equipment	7	57,880	82,995
Right-of-use assets		24,180	13,368
Intangible assets	8	851,428	1,565,169
Total non-current assets		933,488	1,661,532
Total assets		4,617,939	6,000,994
Current liabilities			
Trade and other payables	9	141,539	317,572
Deferred revenue		161,576	136,158
Lease liabilities		13,722	13,972
Income tax liabilities		-	52,209
Borrowings	10	28,426	28,473
Total current liabilities		345,263	548,384
Non-current liabilities			
Deferred tax liabilities		35,484	1,739
Lease liabilities		10,789	-
Borrowings	10	66,794	83,542
Total non-current liabilities		113,067	85,281
Total liabilities		458,330	633,665
Net assets		4,159,609	5,367,329
Equity			
Issued capital	11	21,048,346	13,417,257
Foreign currency translation reserve	12	29,068	74,085
Unissued share reserve		-	7,650,000
Accumulated losses		(16,917,805)	(15,774,013)
Total equity		4,159,609	5,367,329

The above preliminary consolidated statement of financial position is to be read in conjunction with the accompanying notes.

Preliminary Consolidated Statement of Changes in Equity
 For the financial year ended 31 December 2020

	Issued Capital Ordinary Shares \$	Foreign Currency Translatio n Reserve \$	Unissued Share Reserve \$	Accumulated Losses \$	Total Equity \$
Balance at 01/01/2020	13,417,257	74,085	7,650,000	(15,774,013)	5,367,329
Foreign exchange translation reserve	-	(45,017)	-	-	(45,017)
Loss for the year	-	-	-	(1,143,792)	(1,143,792)
Total comprehensive income for the year	-	(45,017)	-	(1,143,792)	(1,188,809)
Transactions with owners, in their capacity as owners and other transfers					
Ordinary shares issued on conversion of performance rights	7,650,000	-	(7,650,000)	-	-
Costs of shares issued	(18,911)	-	-	-	(18,911)
Balance at 31/12/2020	21,048,346	29,068	-	(16,917,805)	4,159,609
Balance at 01/01/2019	13,417,257	45,727	-	(8,270,117)	5,192,867
Adjustment on initial recognition of AASB 16	-	-	-	(352)	(352)
Balance as at 1 January 2019 (restated)	13,417,257	45,727	-	(8,270,469)	5,192,515
Foreign exchange translation reserve	-	28,358	-	-	28,358
Loss for the year	-	-	-	(7,503,544)	(7,503,544)
Total comprehensive income for the year	-	28,358	-	(7,503,544)	(7,475,186)
Transactions with owners, in their capacity as owners and other transfers					
Performance rights earned for shares not yet issued	-	-	7,650,000	-	7,650,000
Balance at 31/12/2019	13,417,257	74,085	7,650,000	(15,774,013)	5,367,329

The above preliminary consolidated statement of change in equity is to be read in conjunction with the accompanying notes.

Preliminary Consolidated Statement of Cash Flows
For the financial year ended 31 December 2020

	Note	31 December 2020 \$	31 December 2019 \$
Cash flows from operating activities			
Receipts from customers		800,864	878,812
Payments to suppliers and employees		(1,058,882)	(692,552)
Interest received		38,938	95,963
Payment of income tax		(29,306)	(267)
Finance costs		(10,522)	(15,376)
Government grants received		46,130	-
Net cash (used in)/from operating activities	5(b)	(212,778)	266,580
Cash flows from investing activities			
Payments for plant & equipment		(1,915)	(8,945)
Payments for intangibles		(199,898)	(450,574)
Net cash used in investing activities		(201,813)	(459,519)
Cash flows from financing activities			
Repayment of term loan		(16,795)	(31,134)
Cost of issue of shares		(18,911)	-
Repayment of lease liabilities		(16,371)	(19,659)
Net cash used in financing activities		(52,077)	(50,793)
Net decrease in cash and cash equivalents held		(466,668)	(243,732)
Cash and cash equivalents at the beginning of the financial year		4,011,445	4,255,177
Cash and cash equivalents at the end of the financial year	5(a)	3,544,777	4,011,445

The above preliminary consolidated statement of cash flows is to be read in conjunction with the accompanying notes.

Cape Range Limited
Notes to the preliminary financial statements
For the financial year ended 31 December 2020

Notes to the preliminary financial statements

For the financial year ended 31 December 2020

1. Reporting Entity

Cape Range Limited is a company limited by shares incorporated in Australia. The Company's registered office is 36 Prestwick Drive, Twin Waters, Queensland, 4564.

2. Basis of Preparation

This preliminary final report has been prepared in accordance with ASX Listing Rule 4.3A and the disclosure requirements of ASX Appendix 4E. This report is to be read in conjunction with any public announcements made by Cape Range Limited during the reporting period in accordance with the continuous disclosure obligations arising under the Corporations Act 2001 and Australian Securities Exchange Listing Rules.

The Preliminary Financial Statements of Cape Range Limited and its controlled entities, comply with Australian Accounting Standards.

Functional and presentation currency

The preliminary financial report is presented in Australian dollars, which is the Company's presentation currency.

New and Revised Accounting Requirements

The Group has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board that are relevant to its operations and effective for the current reporting period. The adoption of these new and revised Standards and Interpretations has not resulted in a significant or material change to the Group's accounting policies.

3. Segment reporting (Appendix 4 E Item 14.4)

For management purposes the group is organised into two strategic units:

- Corporate head office in Australia
- Operations and technology development based in Malaysia

Such structural organisation is determined by the nature of risks and returns associated with each business segment and define the management structure as well as the internal reporting system. It represents the basis on which the Group reports its primary segment information to the Board.

The operating segment analysis presented in these preliminary financial statements reflects operations analysis by business. It best describes the way the group is managed and provides a meaningful insight into the business activities of the Group.

The following table presents details of revenue and operating loss by business segment as well as reconciliation between the information disclosed for reportable segments and the aggregated information in the preliminary financial statements. The information disclosed in the table below is derived directly from the internal financial reporting system used by the Board of Directors to monitor and evaluate the performance of our operating segments separately.

Cape Range Limited
Notes to the preliminary financial statements
For the financial year ended 31 December 2020

3. Segment reporting (Appendix 4 E Item 14.4) continued

	Australia	Malaysia	Eliminations	Total
	\$	\$	\$	\$
Year ended 31 December 2020				
Revenue from external customers	-	610,532	-	610,532
Reportable segment (loss) after tax	(386,097)	(757,695)	-	(1,143,792)
Year ended 31 December 2019				
Revenue from external customers	-	1,281,066	-	1,281,066
Reportable segment (loss)/profit after tax	(8,081,212)	577,668	-	(7,503,544)
Reportable segments assets				
At 31 December 2020	15,395,532	1,208,907	(11,986,500)	4,617,939
At 31 December 2019	15,822,206	2,115,288	(11,936,500)	6,000,994
Reportable segments liabilities				
At 31 December 2020	145,824	641,896	(329,390)	458,330
At 31 December 2019	167,490	741,667	(275,492)	633,665

4. Earnings per Share (Appendix 4E Item 14.1)

	2020	2019
	\$	\$
Net (loss) attributable to the equity holders of the Company	(1,143,792)	(7,503,544)
	2020	2019
	No.	No.
Weighted average number of ordinary shares	91,189,039	83,658,301
	2019	2019
	cents	Cents
Basic and Diluted Loss per share	(1.25)	(8.97)

Cape Range Limited
Notes to the preliminary financial statements
For the financial year ended 31 December 2020

5. Cash and Cash Equivalents

	2020	2019
	\$	\$
(a) Cash and cash equivalents	3,544,777	4,011,445
(b) Reconciliation of net cash used in operating activities to operating loss		
Operating loss after income tax expense for the year	(1,143,792)	(7,503,544)
Add non – cash items:		
Depreciation and amortisation	306,223	207,682
Debt forgiveness	-	(1,909)
Provision for doubtful debts	30,762	441,115
Impairment of intangible assets	651,152	-
Performance rights expense	-	7,650,000
Gain on termination of lease	(608)	-
Reversal of prior year doubtful debts provision	-	(367,319)
Loss on disposal of plant & equipment	-	97
Foreign exchange differences	45,017	28,358
Add / (deduct) movement in working capital:		
Trade and other receivables	157,581	(472,406)
Deferred revenue	25,418	41,685
Trade and other payables	(176,033)	188,873
Current tax liabilities	(52,209)	52,209
Deferred tax liabilities	33,745	1,739
	(212,778)	266,580

Cape Range Limited
Notes to the preliminary financial statements
For the financial year ended 31 December 2020

6. Trade and Other Receivables

	2020	2019
	\$	\$
Trade Debtors	480,002	647,886
Less Provision for Impairment	(444,832)	(429,797)
	35,170	218,089
Other receivables	103,902	109,928
Income tax receivable	602	-
	139,674	328,017

7. Property, Plant and Equipment

	2020	2019
	\$	\$
Equipment – at cost	358,267	384,168
Less: accumulated depreciation	(300,387)	(301,173)
	57,880	82,995
Movement		
Balance as at 1 January	82,995	93,707
Additions	1,915	8,945
Disposals	-	(96)
Depreciation expense	(27,030)	(19,561)
Balance as at 31 December	57,880	82,995

8. Intangible Assets

	2020	2019
	\$	\$
Development expenditure		
At cost	3,507,079	3,565,332
Less: Accumulated amortisation	(2,512,971)	(2,576,007)
Accumulated impairment losses	(414,035)	-
	580,074	989,325
Intellectual property		
At cost	1,440,323	1,552,750
Less: Accumulated amortisation	(975,286)	(976,906)
Accumulated impairment losses	(193,682)	-
	271,354	575,844
Total intangible assets	851,428	1,565,169

Cape Range Limited
Notes to the preliminary financial statements
For the financial year ended 31 December 2020

9. Trade and Other Payables

	2020	2019
	\$	\$
Trade payables	45,267	122,992
Payable to related parties	15,717	13,672
Other payables and accruals	80,555	180,908
	141,539	317,572

10. Borrowings

	2020	2019
	\$	\$
Current	28,426	28,473
Term loans	28,426	28,473
Non- Current	66,794	83,542
Term loans	66,794	83,542

The Biztrak term loans are payable within three years, are jointly and severally guaranteed by past Biztrak directors and a fixed deposit. The loan interest rates range from 8.90% to 9.15% (2019: 6.75% to 10.15%).

11. Issued Capital (Appendix 4E Item 14.6)

	2020	2019	2020	2019
	Shares	Shares	\$	\$
Ordinary shares fully paid	94,908,301	83,658,301	21,048,346	13,417,257

(a) Movement in ordinary shares

	2020	2020	2019	2019
	Shares	\$	Shares	\$
Opening balance at beginning of the financial year	83,658,301	13,417,257	83,658,301	13,417,257
Issue of shares	11,250,000	7,650,000	-	-
Cost of issue	-	(18,911)	-	-
Closing balance at end of the financial year	94,908,301	21,048,346	83,658,301	13,417,257

Cape Range Limited
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(b) Options and performance rights

As at 31 December 2020, there were no options on issue (2019: nil). During the year no options were issued (2019: nil)

As at 31 December 2020, there were no performance rights on issue (2019: 20,000,000) each converting into 1 fully paid ordinary share. During the year no new performance rights were issued (2019: nil).

On 30 April 2020 11,250,000 performance rights were converted to 11,250,000 fully paid ordinary shares at a price of \$0.68 being the Company's closing share price on 31st December 2019. The number of performance rights issued was based upon Biztrak achievement of pre-determined EBITDA targets during the period commencing on the date that the Company was admitted to the official list of ASX (being 28 November 2017) and ending on 31 December 2019. A further 8,750,000 performance rights were forfeited as at 31 December 2019 as Biztrak had not achieved the maximum EBITDA as agreed between the Company and the performance right holders at the time of admission to the official list of the ASX.

12. Reserves

	2020	2019
	\$	\$
Foreign currency reserve		
Opening balance	74,085	45,727
Foreign currency translation ¹	(45,017)	28,358
Closing balance	<u>29,068</u>	<u>74,085</u>

¹ The reserve is used to recognise exchange differences arising from translation of the financial statements of international operations in Australian dollars. It is also used to recognise gains and losses on hedges of the net investments in foreign operations.