

Results for Announcement to the Market

Appendix 4D

Consolidated Financial Report

for the half-year ended 30 June 2019

	Decrease	2019		2018
		US\$'000	US\$'000	% Change
Revenue from ordinary activities	Decrease	817	912	10%
Loss for the period from ordinary activities after tax attributable to members	Decrease	(7,409)	(2,662)	178%
Net loss for the period attributable to members	Decrease	(7,409)	(2,662)	178%
Net tangible asset per security (US cents)		(3.68)	(1.32)	

No dividends declared during the period.

This information should be read in conjunction with the 2018 Annual Report and public announcements made by Range in the interim reporting period and up to the date of the signing of the interim report. Additional Appendix 4D disclosure requirements can be found in the notes to the Interim Financial Report and the Directors' Report for the half-year ended 30 June 2019.

RANGE INTERNATIONAL



Interim Financial Report

For the half-year ended 30 June 2019

For personal use only

RANGE INTERNATIONAL LIMITED

ABN 22 611 998 200

Contents

Appendix 4D	1
Directors' Report	4
Auditor's Independence Declaration	6
Consolidated Financial Report	7
Directors' Declaration.....	18
Independent Auditor's Review Report.....	19

Directors' Report

Your Directors present their report on the consolidated entity consisting of Range International Limited (ASX: RAN) (referred to hereafter as Range or the Group), and the entities it controlled at the end of, or during, the half-year ended 30 June 2019.

Directors

The following persons were directors of Range International Limited (the Company) during the half-year and up to the date of this report, except as indicated:

Peter Wallace	Non-Executive Director	Appointed 10 September 2018 to 24 January 2019
Matthew Darby	Non-Executive Chairman Executive Director	Appointed 24 January 2019 Appointed 10 June 2016 to 29 October 2017
Kenneth MacMillian	Non-Executive Director Executive Chairman Non-Executive Director Non-Executive Director	Appointed 30 October 2017 to 28 February 2018 Appointed 28 February 2018 to 24 January 2019 Appointed 25 January 2019 Appointed 28 February 2018

Principal Activities

Range is a manufacturer of recycled plastic pallets. Our ThermoFusion™ technology allows Range to make plastic pallets from 100% recycled mixed waste plastic at a price that is competitive with wood pallets. It currently has four production lines operating at its existing factory in Indonesia and sells its pallets under the brand Re>Pal™.

All amounts shown are in US dollars (unless otherwise stated).

Review and Results of Operations

During the half-year, the Group incurred a loss after tax of \$7.4 million (1H FY2018: \$2.7 million).

Revenue for the half-year was \$817k, a decrease of 10% on the previous corresponding period. In late 2018 to improve margins, the Group increased its sales prices by 30-50%, which led to an initial loss of customers who were paying less than cost for a pallet. Conversely, and in connection with resetting the Company's expense base during 2018, operations costs for the period decreased from 2018 in all direct operational costs including raw material, labour and electricity to provide an 11% increase to gross profit from 2018. Employee costs were 50% lower than 2018 resulting in an overall 27% increase in EBITDA. Net operating cash outflows were \$1.6 million compared to the corresponding period of \$2.6 million.

As at 30 June 2019, the Group has cash and cash equivalents of \$1.64 million (2018: \$3.27 million).

The Group has made limited progress in commencing sales to a number of new customers and markets which include leading global freight forwarders, warehousing facilities, logistics companies and multinational manufacturers. Clients of significance include:

- Thai Union Group PCL, who are trialling the HD1210 pallet in its Thailand factory with results expected in September 2019;
- LF Logistics (LF), purchased a total of 5,512 HD1210L warehouse pallets for live trial in Indonesia with a view to additional orders in 2019;
- DGF, a subsidiary of DHL in the Philippines, has become a client for the Range export pallet as has Parex, a subsidiary of Sika;
- The Unilever OleoChemical relationship remains in place for the NP1090 export pallet and a purchase order for 8,000 pallets was received in July 2019; and
- Dynapak is looking to expand the use of the NSP1210 pallet for its Singapore facility. It is used by Vietnam, Thailand and its Indonesian factories now.

The Group is looking at all opportunities to lower raw materials pricing and diversify supply. Operationally, the wash plant became partially operational in May 2019 and the volume of waste processed in house increased further in June 2019. Small incremental reductions (5%) in **total** average waste pricing have happened from using this dirty waste raw material.

A number of client initiatives have been established including the Take>Bak scheme where old or damaged pallets are re-ground and/ or clients' waste is taken to re-process in our factory. This helps create a closed-loop to assist clients in reaching their carbon emission/sustainability development goals. An import license for 'non-hazardous B3 waste' is in the process of being applied for, which may allow Range to bring in waste at a higher volume and lower cost than is available locally, this would likely only form a portion of our raw material supply, there are certain caveats on the use of the plastic (for instance to be used for exports only as we understand it at present). Larger clients such as Dynapak are looking to reuse manufacturing waste of HDPE, PP, LDPE and upcycle into the Re>Pal pallets it buys.

The Company continues to work through the 'optimise' phase presented at the 2019 AGM, and is currently focussing its efforts on: the wash plant expansion, overall factory throughput; partnering with NGO's or MNC's on lower cost or free waste and helping these MNC's with their 'hard to recycle waste'; Take>Bak, building the marketing story of waste into pallets to help the 'circular economy' with larger MNC's; concluding the Import license for post-factory waste as well as sales and distribution.

The Group recorded an impairment loss during the period of \$5.4 million. Whilst a number of key relationships have been established, and the circular economy movement is becoming more pertinent in Indonesian, the impairment charge was driven by the delays in the receipt of actual sales orders and lower projected cash flows within the business plans resulting from a reassessment of expected timing of the said orders.

In order to provide support to the fair value of the Company's assets, the Company obtained a fair valuation for the land, buildings and property plant and equipment excluding construction in progress (Assets). All Assets valued are carried at the lower of fair value or carrying value, in particular, the land is carried at \$1.1 million less than its fair value as at 30 June 2019.

Going concern

During the period, the Group incurred a loss after tax of \$7.4 million (FY2018: \$2.7 million), net operating cash outflows of \$1.6 million (FY2018: \$2.6 million) and investing cash outflows of \$0.06 million (FY2018: \$1.6 million).

As at 30 June 2019, the Group has cash and cash equivalents of \$1.6 million (Dec 2018: \$3.3 million).

Cost restructure efforts from 2018 have allowed Range to extend its cash flow runway.

The Group's ability to continue as a going concern, to recover the carrying value of its assets and meet its commitments as and when they fall due is dependent on the ability of the Group to deliver its sales targets, improve its margins and manage its cost base. The Directors believe the reductions in production and administrative costs combined with current and prospective sales in its pipeline will further extend the Company's cash flow runway. Additional funding will be required to support the Group to continue to pay its debts as and when they fall due. As a result of these matters, there is a material uncertainty that may cast significant doubt on the Group's ability to continue as a going concern and, therefore, the Group may be unable to realise its assets and discharge its liabilities in the normal course of business.

At this time, the Board and management are of the opinion that no asset is likely to be realised for an amount less than the amount at which it is recorded in the financial report at 30 June 2019. No adjustments have been made to the financial report relating to the recoverability and classification of the asset carrying amounts or the amounts and classification of liabilities that might be necessary should the Group not continue as a going concern.

Dividends

There is no current intention for Range to pay a dividend. In the event that Range reaches profitability, it may consider whether to pay a dividend, although for the foreseeable future it expects to reinvest any free cash flow in the further expansion of the business.

After Balance Date Events

Other than the activities described above there were no other changes in the subsequent events of the Company for the half-year ended 30 June 2019.

Auditor's Independence Declaration

The Auditor's independence declaration, as required under section 307C of the Corporations Act 2001, is set out on page 6.

Rounding of amounts

The Company is of a kind referred to in ASIC Legislative Instrument 2016/191 relating to the 'rounding off' of amounts in the directors' report. Amounts in the directors' report have been rounded off in accordance with the instrument to the nearest thousand dollars, or in certain cases, to the nearest dollar.

This report is made in accordance with a resolution of Directors.



Peter Wallace
Non - Executive Chairman
30 August 2019

DECLARATION OF INDEPENDENCE BY LEAH RUSSELL TO THE DIRECTORS OF RANGE INTERNATIONAL LIMITED

As lead auditor for the review of Range International Limited for the half-year ended 30 June 2019, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
2. No contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of Range International limited and the entities it controlled during the period.



Leah Russell
Partner

BDO East Coast Partnership

Sydney, 30 August 2019

Consolidated Financial Report

For the half-year ended 30 June 2019

INDEX

Consolidated Income Statement	8
Consolidated Statement of Comprehensive Income	9
Consolidated Statement of Financial Position	10
Consolidated Statement of Cash Flows	11
Consolidated Statement of Changes in Equity	12
Notes to the Financial Statements	13

For personal use only

Consolidated Income Statement
For the half-year ended 30 June 2019

	NOTE	30 June 2019 US\$'000	30 June 2018 US\$'000	Consolidated
Sales revenue	2	817	912	
Cost of sales		(1,478)	(1,653)	
Gross loss		(661)	(741)	
Other income		47	41	
Employee benefits		(512)	(774)	
Administrative and other expenses	3	(886)	(1,211)	
Impairment expense	4	(5,395)	-	
Foreign exchange gain/(loss)		(2)	23	
Loss before tax		(7,409)	(2,662)	
Tax expense		-	-	
Loss for the period after tax		(7,409)	(2,662)	
Attributable to:				
Non-controlling interest		-	-	
Members of the parent		(7,409)	(2,662)	
Loss per share (cents per share):				
Basic loss per share		(3.68)	(1.32)	
Diluted loss per share		(3.68)	(1.32)	

The above consolidated income statement should be read in conjunction with the accompanying notes.

Consolidated Statement of Comprehensive Income
for the half-year ended 30 June 2019

Consolidated		
	30 June 2019 US\$'000	30 June 2018 US\$'000
Loss for the period	(7,409)	(2,662)
<i>Items that may be reclassified to profit or loss</i>		
Exchange differences on translating foreign controlled entities	292	(1,673)
	<hr/>	<hr/>
Attributable to:		
Non-controlling interest	-	-
Members of the parent	(7,117)	(4,335)
	<hr/>	<hr/>

The above consolidated statement of comprehensive income should be read in conjunction with the accompanying notes.

Consolidated Statement of Financial Position

As at 30 June 2019

		Consolidated	
	NOTE	30 June 2019 US\$'000	31 Dec 2018 US\$'000
ASSETS			
Current assets			
Cash and cash equivalents		1,642	3,275
Trade and other receivables	5	498	487
Inventories		218	57
Other current assets	6	106	57
Total current assets		2,464	3,876
Non-current assets			
Intangible assets	7	-	4,582
Property, plant and equipment	8	9,723	11,047
Other non-current assets	6	114	103
Total non-current assets		9,837	15,732
Total assets		12,301	19,608
LIABILITIES			
Current liabilities			
Trade and other payables		655	913
Tax related liability		2,644	2,637
Total current liabilities		3,299	3,550
Non-current liabilities			
Other long-term liabilities		90	89
Total non-current liabilities		90	89
Total liabilities		3,389	3,638
Net assets		8,912	15,969
EQUITY			
Contributed equity		109,676	109,676
Other reserves		(28,211)	(28,563)
Accumulated losses		(72,553)	(65,144)
Total equity		8,912	15,969

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

Consolidated Statement of Cash Flows
For the half-year ended 30 June 2019

	Consolidated	
	30 June 2019 US\$'000	30 June 2018 US\$'000
Cash flows from operating activities		
Receipts from customers	803	824
Payments to suppliers and employees	(2,396)	(3,442)
Interest received	-	41
Net cash used in operating activities	(1,593)	(2,577)
Cash flows from investing activities		
Payments for property, plant and equipment	(67)	(1,600)
Receipts for property, plant and equipment	7	-
Net cash used in investing activities	(60)	(1,600)
Cash flows from financing activities		
Net cash inflow from financing activities	-	-
Net increase/(decrease) in cash and cash equivalents	(1,653)	(4,177)
Cash and deposits, net of overdrafts, at beginning of the period	3,275	9,656
Effect of exchange rate changes	20	(499)
Cash at end of the period	1,642	4,980

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

Consolidated Statement of Changes in Equity

For the half-year ended 30 June 2019

	Contributed equity US\$'000	Restructure reserve US\$'000	Share based payment reserve US\$'000	Accumulated losses US\$'000	Currency translation reserve US\$'000	Total equity US\$'000
Half-year ended 30 June 2018						
Opening balance at 1 January 2018	109,676	(27,891)	226	(57,398)	322	24,935
Loss for the period	-	-	-	(2,662)	-	(2,662)
Other comprehensive income	-	-	-	-	(1,673)	(1,673)
Total comprehensive loss	-	-	-	(2,662)	(1,673)	(4,335)
Equity Transactions:						
Share based payment transactions	-	-	(66)	-	-	(66)
Closing balance at 30 June 2018	109,676	(27,891)	160	(60,060)	(1,351)	20,534
Half-year ended 30 June 2019						
Opening balance at 1 January 2019	109,676	(27,891)	169	(64,605)	(841)	16,508
Prior year error (Note 8)	-	-	-	(539)	-	(539)
Adjusted opening balance at 1 January 2019	109,676	(27,891)	169	(65,144)	(841)	15,969
Loss for the period	-	-	-	(7,409)	-	(7,409)
Other comprehensive income	-	-	-	-	292	292
Total comprehensive loss	-	-	-	(7,409)	292	(7,117)
Equity Transactions:						
Share based payment transactions	-	-	60	-	-	60
Closing balance at 30 June 2019	109,676	(27,891)	229	(72,553)	(549)	8,912

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

1. Corporate Information

Range International Limited ("Range") is a manufacturer of plastic pallets listed on the Australian Securities Exchange (ASX:RAN). Range's ThermoFusion™ technology allows it to make plastic pallets from 100% recycled mixed waste plastic.

Range has production facilities located in Indonesia operated by its subsidiary PT Enviropallets Bali and sells its pallets under the brand Re>Pal™, while its Singapore subsidiary, Range International Holdings Limited ("RIHL"), owns all of Range's intellectual property.

The address of Range International Limited registered office and its principal place of business is Level 12, 680 George Street, Sydney, NSW Australia 2000.

The financial statements of Range International Limited (the Company) for the half-year ended 30 June 2019 were authorised for issue in accordance with a resolution of the Directors.

a) Basis of preparation

These financial statements present the consolidated results of the Company and its subsidiaries (Range or the Group) for the half-year ended 30 June 2019.

The general-purpose financial statements for the interim half-year reporting period ended 30 June 2019 have been prepared in accordance with the requirements of the *Corporations Act 2001* and AASB 134: Interim Financial Reporting. Range is a for-profit entity for the purpose of preparing these consolidated financial statements. These interim consolidated financial statements do not include all of the notes that would normally be included in an annual financial report and therefore cannot be expected to provide a full understanding of the financial performance, financial position and financing and investing activities as the full financial report. The interim consolidated financial statements should be read in conjunction with the Annual Report for the year ended 31 December 2018 and public announcements made by Range during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period.

b) Going Concern

During the period, the Group incurred a loss after tax of \$7.4 million (FY2018: \$2.6 million), net operating cash outflows of \$1.6 million (FY2018: \$2.6 million) and investing cash outflows of \$0.06 million (FY2018: \$1.6 million).

As at 30 June 2019, the Group has cash and cash equivalents of \$1.6 million (Dec 2018: \$3.3 million).

The Group's ability to continue as a going concern, to recover the carrying value of its assets and meet its commitments as and when they fall due is dependent on the ability of the Group to deliver its sales targets, improve its margins and manage its cost base. The Directors believe the reductions in production and administrative costs combined with current and prospective sales in its pipeline will further extend the Company's cash flow runway. Additional funding will be required to support the Group to continue to pay its debts as and when they fall due. As a result of these matters, there is a material uncertainty that may cast significant doubt on the Group's ability to continue as a going concern and, therefore, the Group may be unable to realise its assets and discharge its liabilities in the normal course of business.

At this time, the Board and management are of the opinion that no asset is likely to be realised for an amount less than the amount at which it is recorded in the financial report at 30 June 2019. No adjustments have been made to the financial report relating to the recoverability and classification of the asset carrying amounts or the amounts and classification of liabilities that might be necessary should the Group not continue as a going concern.

c) New accounting standards adopted during the year

The Group has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period. The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the Group.

The following Accounting Standards and Interpretations are most relevant to the Group

AASB 16 Lease

AASB 16 Leases has been adopted in the current period. The company applies the short-term lease exemption to all classes of assets. The group has assessed the financial impact of adopting the new lease standard on transition to be immaterial. Adoption of AASB 16 had no material impact on the financial statements in the period or at the date of initial application.

IFRIC 23 Uncertainty over Income Tax Treatments

IFRIC 23 has been adopted in the current period. There is nil impact to Consolidated Income statement and Consolidated Statement of Financial position.

d) New accounting standards and interpretations not yet mandatory or early adopted

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

Notes to the Financial Statements

For the half-year ended 30 June 2019

2. Segment Information

Identification of reportable segments.

The Group has determined operating segments based on the information provided to the Board of Directors (Chief Operating Decision Maker).

The Group operates predominately in one business segment, being the manufacture and sale of plastic pallets. There is no material difference between the financial information presented to the Chief Operating Decision Maker and the financial information presented in this report.

Sales revenue by geographic location

Revenue obtained from external customers is attributed to individual countries based on the location of the customer.

	Consolidated	
	30 June 2019 US\$'000	30 June 2018 US\$'000
Indonesia	631	627
Philippines	73	-
Thailand	101	113
Other	12	172
	817	912

Non-current assets by geographical location

The total of non-current assets broken down by location of the assets are as follows:

	Consolidated	
	30 June 2019 US\$'000	31 Dec 2018 US\$'000
Indonesia		
Property, plant and equipment	9,723	11,047
Other non-current assets	114	103
Singapore		
Intangible assets	-	4,582
Australia		
Property, plant and equipment	-	2
Total non-current assets	9,837	15,734

3. Administrative and other expenses

	Consolidated	
	30 June 2019 US\$'000	30 June 2018 US\$'000
Depreciation and amortisation	408	528
Professional fees and other advisory fees	289	247
Sales & marketing	133	302
Other expenses	56	134
	886	1,211

4. Impairment expense

	Consolidated	
	30 June 2019 US\$'000	30 June 2018 US\$'000
Impairment of assets	5,395	-
	5,395	-

Assets are assessed for impairment at each reporting period end by evaluating whether indicators of impairment exist. It was determined that there were indicators of impairment of the Group's assets as at 30 June 2019 as operating performance in the period ended 30 June 2019 was below expectations. Whilst a number of key relationships have been established, and the circular economy movement is becoming more pertinent in Indonesia, the impairment charge was driven by the delays in the receipt of actual sales orders and lower projected cash flows within the business plans resulting from a reassessment of expected timing of said orders. In accordance with applicable accounting standards, management also performed an impairment review applying value-in-use principals. In order to provide support to the carrying values in the balance sheet, the Company also obtained a fair valuation for the land, buildings and property plant and equipment excluding construction in progress during the period.

In performing the value-in-use calculations, the Group has applied the following key assumptions:

- Revenue forecasts for a 5 year forecast period based on management's detailed FY19 budget and FY20-FY24 projections;
- A growth rate to extrapolate cash flows beyond the 5 year period of 4%; and
- A discount rate applied to forecast cash flows of 13.5%.

Discount rates reflect the Group's estimate of the time value of money and the risks specific to CGU that are not already reflected in the cash flows. In determining appropriate discount rates, regard has been given to the weighted average cost of capital of the Group and business risks.

As a result of the review, the carrying amount of Group's intangible assets and property, plant and equipment was reduced to its recoverable amount through the recognition of an impairment charge of \$4.3 million for intangible assets and \$1.1 million for property, plant and equipment. Value-in-use calculations are highly sensitive to changes in certain key assumptions. For the Group's assets, the carrying amount is equal to the lower of the value in use or the carrying value of the fair value less cost of sell. Considering the fair valuation obtained during the period any adverse change in any of the key assumptions will unlikely give rise to a further impairment charge.

5. Trade and other receivables

	Consolidated	
	30 June 2019 US\$'000	31 Dec 2018 US\$'000
Trade receivables (net of expected credit loss)	260	241
Other receivables	238	246
	498	487

The carrying value of trade and other receivables is assumed to approximate the fair value due to the short-term nature of the trade and other receivables.

6. Other assets

	Consolidated	
	30 June 2019 US\$'000	31 Dec 2018 US\$'000
Current assets		
Prepayments	106	57
Other non-current assets		
Prepayments - other	22	21
Deposits	92	92
	114	103

Notes to the Financial Statements
For the half-year ended 30 June 2019

7. Intangible assets

	Consolidated		
	Design & Development US\$'000	Intellectual property US\$'000	Total US\$'000
30 June 2019			
Opening balance at 1 Jan 2019	70	4,512	4,582
Amortisation	(27)	(273)	(300)
Impairment	(43)	(4,239)	(4,282)
Closing balance at 30 June 2019	-	-	-

Range's IP portfolio comprises of several trademark applications protecting its brands, as well as trade secrets protecting its ThermoFusion™ technology. They are recorded at cost less accumulated amortisation and impairment losses. An impairment loss of \$4.3 million was recorded as at 30 June 2019 please refer to note 4. The Company has capitalised certain costs related to the design and development of new pallet moulds. These costs are recorded as an intangible asset. They are recorded at cost less accumulated amortisation and impairment losses.

8. Property, Plant and Equipment

	Consolidated	
	30 June 2019 US\$'000	
Cost	28,621	
Accumulated depreciation and impairment	(18,898)	
Closing net book value	9,723	
Opening net book value		
Additions	11,047	
Translation differences	66	
Impairment, disposals and write-offs	250	
Depreciation	(1,122)	
Closing net book value	9,723	

Property, plant and equipment, intangibles and investments in subsidiaries are tested for impairment whenever there is any objective evidence or indication that these assets may be impaired. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash inflows that are largely independent of those from other assets.

During the period the Company obtained a fair valuation for the land, buildings and property plant and equipment excluding construction in progress and all assets valued are carried at the lower of fair value or carrying value, in particular the land is carried at \$1.1 million less than its fair value as at 30 June 2019. Please refer to note 4.

During the year ended 2018 an Extruder machine (**Extruder**) was written off, however, post year end management identified that part of the cost of the Extruder written off was intermingled with the recording of another Extruder. The error has been corrected by restating each of the affected financial statement line items for the prior periods, as follows:

Impact on equity (increase/(decrease) in equity)

	31 December 2018
Property Plant and Equipment	(539)
Total Assets	(539)
Net impact on equity	(539)

Impact on statement of profit or loss (increase/(decrease) in profit)

	31 December 2018
Other expenses	(539)
Net impact on profit for the year	(539)
Attributable to:	
Equity holders of the parent	(539)
Non-controlling interests	-

Impact on basic and diluted earnings per share (EPS) (increase/(decrease) in EPS) 31 December 2018

Earnings per share

- Basic, loss for the year attributable to ordinary equity holders of the parent (3.85 cents)
- Diluted, loss for the year attributable to ordinary equity holders of the parent (3.85 cents)

The change did not have an impact on OCI for the period or the Group's operating, investing and financing cash flows.

Notes to the Financial Statements

For the half-year ended 30 June 2019

9. Dividends

The Board of Directors resolved not to declare an interim dividend for the half-year ended 30 June 2019 (31 Dec 2018: nil).

10. Capital Commitments

There are no capital commitments outstanding at 30 June 2019 (31 Dec 2018: nil).

11. Contingent assets and liabilities

There are no contingent assets or liabilities outstanding or recorded at 30 June 2019.

12. Subsequent events

Other than the activities described above there were no other changes in the subsequent events of the Company for the half-year ended 30 June 2019.

Directors' Declaration

In the opinion of the Directors of Range International Limited:

- a) the financial statements and notes set out on pages 8 to 17 are in accordance with the *Corporations Act 2001*, including:
 - (i). complying with Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements; and
 - (ii). giving a true and fair view of the consolidated financial position of Range International Limited as at 30 June 2019 and of its performance for the half-year ended on that date; and
- b) there are reasonable grounds to believe that Range International Limited will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Directors.

Peter Wallace
Executive Chairman
30 August 2019



INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Range International Limited

Report on the Half-Year Financial Report

Conclusion

We have reviewed the half-year financial report of Range International Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 2019, the consolidated statement of profit or loss, consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the half-year then ended, notes comprising a statement of accounting policies and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of the Group is not in accordance with the *Corporations Act 2001* including:

- (i) Giving a true and fair view of the Group's financial position as at 30 June 2019 and of its financial performance for the half-year ended on that date; and
- (ii) Complying with Accounting Standard AASB 134 *Interim Financial Reporting* and *Corporations Regulations 2001*.

Emphasis of matter - Material uncertainty relating to going concern

We draw attention to Note 1b in the financial report which describes the events and/or conditions which give rise to the existence of a material uncertainty that may cast significant doubt about the Group's ability to continue as a going concern and therefore the Group may be unable to realise its assets and discharge its liabilities in the normal course of business. Our conclusion is not modified in respect of this matter.

Directors' responsibility for the Half-Year Financial Report

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving

a true and fair view of the Group's financial position as at 30 June 2019 and its financial performance for the half-year ended on that date and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of the Group, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Group, would be in the same terms if given to the directors as at the time of this auditor's review report.

BDO East Coast Partnership

A handwritten signature in black ink. The top part reads "BDO" and the bottom part is a cursive signature that appears to read "Leah Russell".

Leah Russell
Partner

Sydney 30 August 2019