

Appendix 4E

Preliminary Final Statements

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

Reporting period Year ended 31 December 2019  
 Previous period Year ended 31 December 2018

Results for Announcement to the Market

**EXCELLENT \$597,921 OPERATING PROFIT FROM CONTINUING OPERATIONS IN 2019 (2018: LOSS OF \$603,426) OFFSET BY A ONE-OFF NON-CASH BOOK ENTRY OF \$11,900,000.**

On admission of the Company to the official list of ASX on 28 November 2017, 20,000,000 performance rights were granted to the vendors of Biztrak. Conversion of those performance rights being subject to Biztrak achieving pre-determined EBITDA performance targets during the EBITDA Period, being 1 December 2017 to 31 December 2019.

As a consequence of the better than expected trading results achieved during the second half of the 2019 financial year, some 17,500,000 performance rights will be converted into ordinary fully paid shares on or before 30 April 2020.

For the purpose of recording a performance rights expense in the 31 December 2019 financial statements, the 17,500,000 shares have been valued at \$0.68 per share being the Company's closing share price on 31 December 2019.

AUD\$ (All amounts are denoted in AUD\$)	31 December 2019	31 December 2018	Change	Change
	\$	\$	\$	%
Revenue from continuing operations (Appendix 4E item 2.1)	1,310,483	775,729	534,754	69%
(Loss) from ordinary activities after tax attributable to members (Appendix 4E item 2.2)	(11,302,079)	(603,426)	(10,698,653)	(1,773%)
Net Comprehensive Loss attributable to members of the parent entity (Appendix 4E item 2.3)	(11,270,566)	(560,123)	(10,710,443)	(1,912%)
	Cents per share	Cents per share	Cents per share	
Basic loss per share (cents) (Appendix 4E item 14.1)	(13.51)	(0.77)	(12.74)	(1,655%)
Diluted loss per share (cents) (Appendix 4E item 4.1)	(13.51)	(0.77)	(12.74)	(1,655%)
Net tangible assets per share (cents) (Appendix 4E Item 9)	5.1	5.1	-	-

**Dividends** (*Appendix 4E item 2.4 & 2.5*)

No Dividends have been declared or paid during the financial year ended 31 December 2019 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 2020.

**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 \$1,310,483 (31 December 2018: \$775,729).

**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 \$11,302,079 (2018: loss \$603,426). This loss included a one-off performance rights expense of \$11,900,000 as a consequence of the conversion of 17,500,000 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 \$11,270,566 (2018: loss \$560,123).

**Supplementary Information**

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

The Company's management is marketing both accounting software as a service and warehouse management software to the market.

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

As announced on 30 October 2019, the Company acquired for MYR900,000 (approximately A\$315,000) windows-based Warehouse Management Software and was contracted by GM Limited (a company based in Hong Kong) to develop cloud-based Warehouse Management Software for a consideration of A\$670,000.

The Company and GM Limited are in the process of forming a logistics Warehouse Management Joint Venture for the purpose of jointly marketing, promoting, distributing and selling the logistics warehouse management software to the rapidly expanding supply chain software solutions market.

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

Not applicable

The Preliminary Financial Report of Cape Range Limited for the year ended 31 December 2019 is attached.

Signed By

Wayne Johnson  
Chairman  
Sydney  
28 February 2020

**Preliminary Consolidated Statement of Profit and Loss and Other Comprehensive Income  
 For the financial year ended 31 December 2019**

	Note	31 December 2019 \$	31 December 2018 \$
<b>Revenue</b>		1,310,483	775,729
Cost of sales		(146,639)	(44,963)
<b>Gross profit</b>		1,163,844	730,766
Reversal of provision for doubtful debts		367,325	-
Other operating income		126,333	178,098
<b>Expenses</b>			
Administration expenses		(718,079)	(966,029)
Marketing & promotional expenditure		(4,026)	(17,989)
Other operating expenses		(60,202)	(10,944)
Finance costs		(15,376)	(30,292)
Depreciation and amortisation expenses		(207,683)	(134,342)
Provision for doubtful debts		-	(352,083)
Performance rights expense	11(b)	(11,900,000)	-
<b>Total expenses</b>		(12,905,365)	(1,511,679)
<b>(Loss) before income tax from continuing operations</b>		(11,247,863)	(602,815)
Income tax expense		(54,215)	(611)
<b>(Loss) after income tax from continuing operation</b>		(11,302,079)	(603,426)
<b>Other comprehensive income for the year, net of tax</b>			
Exchange differences on translating foreign operations		31,513	43,303
<b>Total comprehensive (loss) for the year</b>		(11,270,566)	(560,123)
<b>Basic and diluted (loss) per share (cents per share)</b>	4	(13.51)	(0.77)

The above preliminary consolidated statement of profit and 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 2019**

	Note	31 December 2019 \$	31 December 2018 \$
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	5	4,011,445	4,255,177
Trade and other receivables	6	777,636	247,108
<b>Total current assets</b>		<b>4,789,081</b>	<b>4,502,285</b>
<b>Non-current assets</b>			
Plant and equipment	7	82,995	93,707
Right-of-use assets		13,368	-
Intangible assets	8	1,565,169	965,105
<b>Total non-current assets</b>		<b>1,661,532</b>	<b>1,058,812</b>
<b>Total assets</b>		<b>6,450,613</b>	<b>5,561,097</b>
<b>Current liabilities</b>			
Trade and other payables	9	312,572	130,608
Lease liabilities		13,972	-
Income tax liabilities		52,209	-
Deferred revenue		136,157	94,473
Financial liabilities	10	28,473	29,256
<b>Total current liabilities</b>		<b>543,383</b>	<b>254,337</b>
<b>Non-current liabilities</b>			
Deferred tax liabilities		1,739	-
Financial liabilities	10	83,542	113,893
<b>Total non-current liabilities</b>		<b>85,281</b>	<b>113,893</b>
<b>Total liabilities</b>		<b>628,664</b>	<b>368,230</b>
<b>Net assets</b>		<b>5,821,949</b>	<b>5,192,867</b>
<b>Equity</b>			
Issued capital	11	13,417,257	13,417,257
Foreign currency translation reserve	12	77,240	45,727
Unissued share reserve		11,900,000	-
Accumulated losses		(19,572,548)	(8,270,117)
<b>Total equity</b>		<b>5,821,949</b>	<b>5,192,867</b>

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 2019

	Issued Capital Ordinary Shares	Foreign Currency Translation Reserve	Unissued Share Reserve	Accumulated Losses	Total Equity
	\$	\$	\$	\$	\$
<b>Balance at 01/01/2019</b>	13,417,257	45,727	-	(8,270,117)	5,192,867
Adjustment on initial recognition of AASB16	-	-	-	(352)	(352)
<b>Balance as at 01/01/2019 (restated)</b>	13,417,257	45,727	-	(8,270,469)	5,192,515
Total comprehensive income for the period	-	-	-	(11,302,079)	(11,302,079)
Foreign exchange translation reserve	-	31,513	-	-	31,513
<b>Total comprehensive income</b>	-	<b>31,513</b>		<b>(11,302,079)</b>	<b>(11,270,566)</b>
<b>Transactions with owners, in their capacity as owners and other transfers</b>					
Performance rights earned for shares not yet issued	-	-	11,900,000	-	11,900,000
<b>Balance at 31/12/2019</b>	<b>13,417,257</b>	<b>77,240</b>	<b>11,900,000</b>	<b>(19,572,548)</b>	<b>5,821,949</b>
<b>Balance at 01/01/2018</b>	10,767,257	2,424		(7,666,691)	3,102,990
Total comprehensive loss for the year	-	-		(603,426)	(603,426)
Foreign exchange translation reserve	-	43,303		-	43,303
Total comprehensive income	-	43,303		(603,426)	(560,123)
<b>Transactions with owners, in their capacity as owners and other transfers</b>					
Conversion of performance rights	2,650,000	-		-	2,650,000
<b>Balance at 31/12/2018</b>	<b>13,417,257</b>	<b>45,727</b>		<b>(8,270,117)</b>	<b>5,192,867</b>

The above preliminary consolidated statement of changes 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 2019**

	Note	31 December 2019 \$	31 December 2018 \$
<b>Cash flows from operating activities</b>			
Receipts from customers		878,603	913,185
Payments to suppliers and employees		(692,343)	(1,252,628)
Payment of income tax		(267)	(745)
Interest received		95,963	100,075
Finance costs		(15,376)	(30,292)
<b>Net cash from / (used in) operating activities</b>	5(a)	266,580	(270,405)
<b>Cash flows from investing activities</b>			
Payments for property, plant & equipment		(8,945)	(29,446)
Payment for intangibles		(450,574)	(389,397)
<b>Net cash used in investing activities</b>		(459,519)	(418,843)
<b>Cash flows from financing activities</b>			
Repayment of hire purchase		-	(6,714)
Repayment of term loan		(31,134)	(131,510)
Repayment of long-term loan		-	(38,809)
Repayment of lease liabilities		(19,659)	-
<b>Net cash used in financing activities</b>		(50,793)	(177,033)
Net decrease in cash and cash equivalents held		(243,732)	(866,281)
Cash and cash equivalents at the beginning of the year		4,255,177	5,121,458
<b>Cash and cash equivalents at the end of the financial year</b>	5(b)	4,011,445	4,255,177

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 2019**

**Notes to the preliminary financial statements**

**For the financial year ended 31 December 2019**

**1. Reporting Entity**

Cape Range Limited is a company limited by shares incorporated in Australia. The Company's registered office is 29 Brookside Place, Lota, Queensland, 4179.

**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 2019**

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

	Australia \$	Malaysia \$	Eliminations \$	Total \$
<b>Year ended 31 December 2019</b>				
Revenue from external customers	-	1,310,483	-	1,310,483
Reportable segment profit/(loss) before tax	(12,326,211)	1,078,348	-	(11,247,863)
<b>Year ended 31 December 2018</b>				
Revenue from external customers	-	775,729	-	775,729
Reportable segment profit/(loss) before tax	(494,860)	(108,566)	-	(603,426)
<b>Reportable segments assets</b>				
At 31 December 2019	15,822,206	2,564,907	(11,936,500)	6,450,613
At 31 December 2018	16,230,604	1,266,993	(11,936,500)	5,561,097
<b>Reportable segments liabilities</b>				
At 31 December 2019	162,491	741,665	(275,492)	628,664
At 31 December 2018	144,676	504,560	(281,006)	368,230

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

	<b>2019</b>	<b>2018</b>
	<b>\$</b>	<b>\$</b>
Net (loss) attributable to the ordinary equity holders of the Company	(11,302,079)	(603,426)
	<b>2019</b>	<b>2018</b>
	<b>No.</b>	<b>No.</b>
Weighted average number of ordinary shares outstanding during the year used in calculating basic and diluted earnings per share	83,658,301	78,428,424
	<b>2019</b>	<b>2018</b>
	<b>cents</b>	<b>cents</b>
Basic and Diluted Loss per share	(13.51)	(0.77)

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**Cape Range Limited**  
**Notes to the preliminary financial statements**  
**For the financial year ended 31 December 2019**

**5. Cash and Cash Equivalents**

	<b>2019</b>	<b>2018</b>
	<b>\$</b>	<b>\$</b>
(a) Cash and cash equivalents	4,011,445	4,255,177
(b) <b>Reconciliation of net cash used in operating activities to operating loss</b>		
Operating loss after income tax expense for the year	(11,302,079)	(603,426)
Add non – cash items:		
Depreciation and amortisation	207,682	134,342
Debt forgiveness	(1,909)	(78,023)
Provision for doubtful debts	21,121	356,001
Reversal of provision for doubtful debts	(367,319)	-
Performance share rights expense	11,900,000	-
Loss on disposal of plant and equipment	97	-
Foreign exchange differences	31,513	43,304
Add / (deduct) movement in working capital:		
Trade and other receivables	(502,031)	136,917
Deferred revenue	41,684	405
Current tax liabilities	52,209	-
Deferred tax liabilities	1,739	-
Trade and other payables	183,873	(259,925)
	<b>266,580</b>	<b>(270,405)</b>

**6. Trade and Other Receivables**

	<b>2019</b>	<b>2018</b>
	<b>\$</b>	<b>\$</b>
Trade debtors	647,886	446,998
Less Provision for doubtful debts	(9,803)	(356,001)
	638,083	90,997
Other receivables	109,928	155,622
Income tax receivable	-	489
Receivable from related parties	29,625	-
	<b>777,636</b>	<b>247,108</b>

**Cape Range Limited**  
**Notes to the preliminary financial statements**  
**For the financial year ended 31 December 2019**

**7. Property, Plant and Equipment**

	<b>2018</b>	<b>2018</b>
	<b>\$</b>	<b>\$</b>
Equipment – at cost	384,168	480,858
Less: accumulated depreciation	(301,173)	(387,151)
	<u>82,995</u>	<u>93,707</u>
<b>(a) Movement</b>		
Balance as at 1 January	93,707	79,538
Additions	8,945	29,446
Disposals	(97)	-
Depreciation expense	(19,560)	(15,277)
Balance as at 31 December	<u>82,995</u>	<u>93,707</u>

**8. Intangible assets**

	<b>2019</b>	<b>2018</b>
	<b>\$</b>	<b>\$</b>
<b>Development expenditure</b>		
At cost	3,565,332	3,102,602
Less: Accumulated depreciation	(2,576,007)	(2,347,672)
	<u>989,325</u>	<u>754,930</u>
<b>Intellectual property</b>		
At cost	1,552,750	1,096,063
Less: Accumulated depreciation	(976,906)	(885,888)
	<u>575,844</u>	<u>210,175</u>
<b>Total intangible assets</b>	<u>1,565,169</u>	<u>965,105</u>

**9. Trade and Other Payables**

	<b>2019</b>	<b>2018</b>
	<b>\$</b>	<b>\$</b>
Trade payables <sup>1</sup>	110,084	97,944
Payable to related parties <sup>2</sup>	21,580	7,842
Other payables and accruals	180,908	24,822
	<u>312,572</u>	<u>130,608</u>

<sup>1</sup> Accounts payable are non-interest bearing and are predominantly settled on 30 day terms.

<sup>2</sup> Payable to a director.

**10. Financial Liabilities**

	<b>2019</b>	<b>2018</b>
	<b>\$</b>	<b>\$</b>
<b>Current</b>		
Term loans <sup>1</sup>	28,473	29,256
	<u>28,473</u>	<u>29,256</u>
<b>Non- Current</b>		
Term loans <sup>1</sup>	83,542	113,893
	<u>83,542</u>	<u>113,893</u>

<sup>1</sup> The Biztrak term loans are repayable within three years and are jointly and severally guaranteed by former Biztrak directors.

**Cape Range Limited**  
**Notes to the preliminary financial statements**  
**For the financial year ended 31 December 2019**

**11. Issued Capital**

	2019 Shares	2018 Shares	2019 \$	2018 \$
Ordinary shares fully paid	83,658,301	83,658,301	13,417,257	13,417,257

**(a) Movement in ordinary shares**

	2019 Shares	2019 \$	2018 Shares	2018 \$
Opening balance at beginning of period	83,658,301	13,417,257	73,658,301	10,767,257
	83,658,301	13,417,257	73,658,301	10,767,257
Issue of shares <sup>1</sup>	-	-	10,000,000	2,650,000
Closing balance at end of period	83,658,301	13,417,257	83,658,301	13,417,257

(1) On 11 July 2018 10,000,000 fully paid ordinary shares were issued following the conversion of 10,000,000 performance rights.

**(b) Options and performance rights**

As at 31 December 2019, there were no options on issue (2018: nil). During the year no options were issued (2018: nil)

As at 31 December 2019, there were 20,000,000 performance rights on issue (2018: 20,000,000) each converting into 1 fully paid ordinary share. During the year no new performance rights were issued (2018: nil).

On 10 July 2018 10,000,000 performance rights were converted into 10,000,000 ordinary shares following the completion of Stage 1 of the cloud-based accounting software within eight months of the Company being admitted to the official list of ASX (being 28 November 2017).

20,000,000 performance rights are convertible into 20,000,000 ordinary shares upon Biztrak achieving an EBITDA target 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. Based on the financial statements to 31 December 2019, 17,500,000 of these performance rights are convertible into 17,500,000 ordinary shares. The value of these performance rights is based on the \$0.68 closing price of Cape Range Limited shares trading on the ASX as at 31 December 2019, which equates to \$11,900,000. These performance rights will be convertible into fully paid ordinary shares and issued on or before 30 April 2020.

**12. Reserves**

	2019 \$	2018 \$
Foreign currency reserve		
Opening balance	45,727	2,424
Foreign currency translation <sup>1</sup>	31,513	43,303
Closing balance	77,240	45,727

<sup>1</sup> 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.