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ASX Announcement
(ASX: RAN)

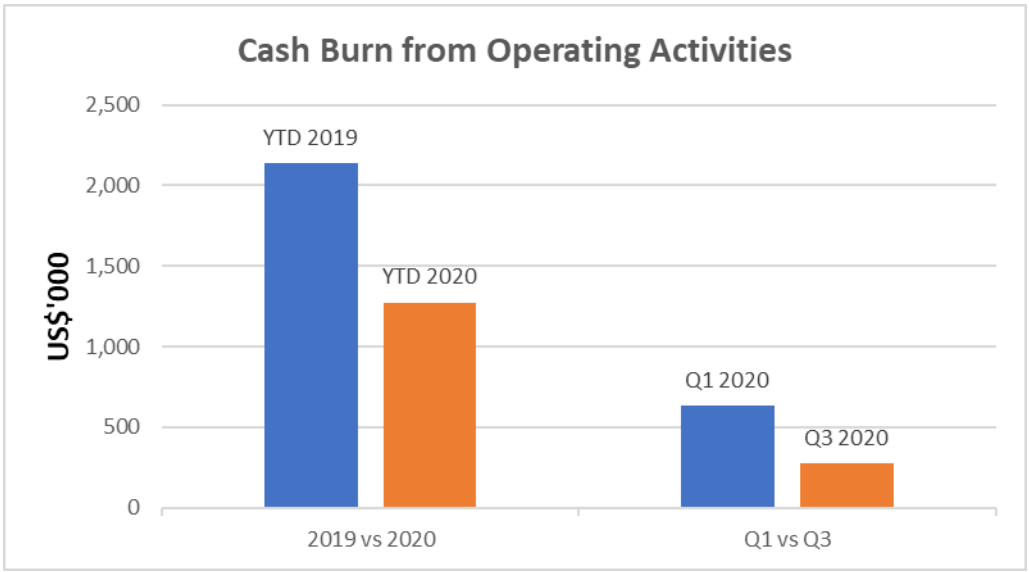
30th October 2020

Appendix 4C September Quarter 2020

Range International Limited ('Range' or 'Company'), manufacturer of Re>Pal™ 'zero-waste', recycled plastic pallets, presents its Appendix 4C for the quarter ended 30 September 2020.

SEPTEMBER QUARTER 2020 HIGHLIGHTS

- Nestle Philippines continues rollout of Re>Pal™ Pallets, with a total YTD order value of $US297K as at the date of this announcement.
- Re>Pal is actively testing and trialling with 3 large Multinational Corporations (MNC's).
- YTD Operating cash burn reduced by 40% from 2019 cash burn.
- Total cash burn for the quarter (inclusive of forex) was US$274K compared to the previous quarter of US$299K and was 50% of Q1 2020 cash burn.
- Sales revenue of US$332K for the quarter compared to prior quarter of US$280K.
- Water quality in the Waste Water Treatment Plant (WWTP) is significantly improved arising in the production of pristine odour free pallets.
- Covid-19 conditions in Indonesia continue to considerably hamper the speed of decision making of both our existing clients and new prospects.
- Cash balance at the end of the September 2020 quarter was US$767K.



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SALES UPDATE

During the quarter, the Company added 16 new name clients in addition to the Company's existing client relationships. Further, since 1 October 2020, the Company has added an additional 7 new clients.

Nestle Philippines continued its roll-out of the Re>Pal pallet to its Cagayan de Oro factory as a part of its planned expansion of using Re>Pal, in addition to using at its Cabuyao factory, and now to be used at Nestle's North and South Distribution centres. The total order value YTD from Nestle Philippines is $US297k and the Company is hopeful of additional orders in the future as the rollout of Re>Pal's pallet across Nestle's Philippines enterprise continues. This success with Nestle is in addition to other recent successes in Philippines with Alaska Milk, Entrego and a small Coca-Cola Beverages testing order last quarter. At the time of writing the Company does not have formal feedback on the testing process at Coca-Cola Beverages Philippines.

Re>Pal is in commercial discussions and starting trials with several large Fast-Moving Consumer Goods (FMCG) companies, beverage and food manufacturing companies across Indonesia to help them evaluate their potential transition to Re>Pal's 100% recycled plastic pallets. These companies all have a requirement for a 1200mmx1000mm pallet across many parts of their organisations, as well as other sizes.

As investors would be aware, Re>Pal has an existing relationship with Unilever OleoChemicals (UOI). UOI has indicated a continuing requirement for Re>Pal pallets in 2021. The Company will update the market when orders materialise.

The Company is currently trialling the use of Radio Frequency Identification (RFID) in the pallet to help a large global FMCG company in Indonesia and their 3rd party logistic partners (3PL's) track the pallets. The next batch of pallets that will be sent will include RFID. The Company expects to receive design feedback in the coming months, further the Company expects this will lead to discussions of potential purchase orders. It is intended that the Company will recycle the FMCG company's packaging waste into the pallet within the scope of this project.

Initial trials with a large global beverage company in Indonesia has resulted in feedback on pallet design and we have amended our nested NP1210 pallet design prototype to a flat deck pallet with inserts for the nesting holes, and 120mm high. This will need to be re-trialled by the prospect, and we will also need to be audited for supplier accreditation. Accreditation documentation has been supplied to them and we will know in Q4 whether we are successful in this process. We believe the recent Hazard Analysis Critical Control Point (HACCP) certification should make the accreditation process easier for Re>Pal to deal with all food and beverage manufacturing organisations.

Accreditation has been successful for a large global beauty company in Indonesia which has a strong sustainability focus. This does not necessarily mean that Re>Pal will receive orders from the company.

Recent trials at a large Indonesia food manufacturing company went well and decision makers in the Jakarta head office have indicated their initial support for Re>Pal's pallet and trials in several locations

In the quarterly report for the period ended 30 June 2020, the Company noted the reasons for the lengthy sales cycles, even for pallet sizes that we do have. The Company sees the trend towards plastic pallets from timber continuing and this is a tailwind in the market. The Company also sees a trend to include RFID as another driver behind the change to plastic, as well as the additional durability, and the trend to

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sustainability a specific driver behind why MNC's will engage with Re>Pal. However as mentioned before, Covid-19 has affected the Company's sales pipeline and our clients' and prospects' business volumes and therefore their own priorities, so sales are unfortunately slower than management had forecast.

The New Zealand prospect trialling the HD1210L made from TetraPak's PolyAl, has not given any formal feedback to date.

During the quarter, the Company achieved success in trialling the TetraPak PolyAl into the mixed plastic waste material, making a combined PolyAl-plastic pallet. This will help us lower the cost of production while also making for a stronger and more durable pallet with a nice-looking finish.

26,648 pallets were delivered during the quarter, up from 24,507 in the previous quarter. There are forward orders for 2020 of 26,547 pallets and there is no back-log of old orders awaiting production.

As of 30 September 2020, inventory was 5,525 pallets.

OPERATIONAL UPDATE

- The WWTP chemical trials by BioSystems have completed and the Re>Pal team has deeper understanding of the methods to improve the efficiency and utilisation of the WWTP system.
- The small re-design of wash plant (additional paddle) had been successfully carried out to increase efficiency and reliability.
- Centrifugal rinsing had been completed in one of the washing lines with a noticeable improvement in cleanliness, similar work is currently being carried out on another wash line.
- During the quarter, new Standard Operating Procedures (SOP) were implemented for all incoming material and quality control testing, resulting in better finished goods quality.
- A magnetic trap has been positioned in the dry washing line to improve separation of metal objects from waste streams, this was not a material capex.
- Several trials to mix TetraPak's PolyAl recycled material with normal recycled plastic material has been tested in various composition for several pallet types. All have passed ISO 8611 testing.
- As reported in the previous quarter, the pelletiser encountered increasing and frequent blockage issues from melted plastic materials and as reported last quarter. This is now resolved and improved.

During the WWTP chemical trials two testing parameters were conducted:

- Biochemical Oxygen Demand (BOD) and Chemical Oxygen Demand (COD), these parameters signify water quality; and
- Mixed Liquor Suspended Solids (MLSS) and Mixed Liquor Volatile Suspended solids (MLVS), these parameters describe the concentration of suspended solids and biomass in the activated sludge system.

After chemical treatment, all parameters showed a significant improvement. Unfortunately, the cost of these chemicals is significant; and following consultation with BioSystems, we pursued some internal works and alternate solutions, such as adding additional screening to avoid blockages and adding a sink tank to reduce suspended solids, and ensuring better maintenance processes on reducing blockages. Now our WWTP is in normal operations again and its output water is suitable for our recycled waste washing purposes.

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BioSystems also recommended several ways to improve solid/liquid separation through additional screening of particle before the Moving Bed Biofilm Reactor (MBBR) tank. Again, the cost involved is material and an In-house solution is currently being explored, where we will use a screw conveyor to extract solid sediment from the bottom of wash tank, to add a floating tank to further screen solid particles and to separate solid sediment for further reuse and recycle process. A trial process run was positive, and for now we will pursue a lower cost working solution in-house.

As reported in the prior quarter, the pelletiser encountered increasing and frequent blockage issues from melted plastic materials. To fix this we had forecasted to spend EUR20K on capital equipment, however, with pelletiser supplier Munch's guidance we managed to reset problematic rollers and dies, and clean and repair the worn parts. Normal pelletiser production has resumed with minimal blockage and higher uptime and higher throughput.

We have seen significant improvements in factory uptime since the issues reported in the last quarter update which is helping with utilisation and efficiency. In this coming quarter we will explore better sludge removal and separation options, to reduce the costs of sludge removal from the waste tank. We believe that annual savings of US$30k are possible by spending US$2k on screening and separation equipment so that the waste can be separated into sand/ plastic/ water mix before disposal.

PRODUCT DESIGN PALLET PROGRESS

As mentioned in the last update, subject to availability of capital, the availability of the Computer Numerical Control (CNC) machine for internal mold development and the price and availability of outsourced CNC's, the Company is keen to start the development of the Chemical Pallet (CP1311) pallet mentioned below.

It was anticipated that development this pallet would commence by 1st October 2020, however we have also had to accommodate many minor mold changes for all of the trials in progress. We have a few other smaller amendments to make for some of these trials we are running now, and we hope now that this CP1311 development will commence in this 4th quarter. The market size for a pallet in the chemical sector is exciting and we have engaged and interested prospects keen to explore moving from timber pallets. The development time is up to 6 months for this two-piece pallet mold. Capital cost for a mold is approximately US$35,000-US$70,000 depending if insourced within the factory or outsourced to a suitable manufacturer within Indonesia.

CP1311 (1300mmx1100mmx150mm) – is in demand for the chemical sector in Indonesia as it transitions away from wood as this sector often supports the food manufacturing and beverages industry.

To improve the utilisation of the factory's existing extrusion production lines, in addition to making pallets, we are also investigating and trialling very low-cost molds to make prototypes of plastic boards. We are investigating if we can use these to make a plastic pallet in the form of a timber pallet and this is in its early stage of development and we will look at whether other products such as decking boards, posts or plastic bricks are feasible.

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OTHER INFORMATION

For the purposes of ASX Listing Rule 4.7C.1, expenditure on activities during the quarter was US$583K, which comprised operating expenditure US$580K, investing expenditure US$3K and nil financing expenditure.

For the purposes of ASX Listing Rule 4.7C.3, the Company paid US$28k for Director remuneration for the quarter ended 30 September 2020.

As investors are aware, the Board has appointed Ankura Consulting, a global advisory group, to assist in finding suitable partnerships across global investors, supply chain or new distribution channels. We anticipate in this forthcoming quarter to be clearer on the pathway forward for the business and the likely need for additional funding in the context of what Ankura and Range have been able to progress. Shareholders will be kept fully informed of relevant developments.

Sincerely,

Stephen Bowhill

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

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About Range International:

Range is a manufacturer of plastic pallets. Our ThermoFusion™ technology allows Range to make 'zero waste', 100% recycled and recyclable plastic. Range currently has production lines operating in its East Java factory in Indonesia and sells its pallets under the brand Re>Pal™, supplying pallets into Indonesia and across Asia/ globally.

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.

Appendix 4C

Quarterly cash flow report for entities subject to Listing Rule 4.7B

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Name of entity	
Range International Limited	
ABN	**Quarter ended ("current quarter")**
22611998200	30/09/2020

Consolidated statement of cash flows		**Current quarter $US'000**	**Year to date (9 months) $US'000**
1.	**Cash flows from operating activities**		
1.1	Receipts from customers	306	852
1.2	Payments for		
	(a) research and development	-	-
	(b) product manufacturing and operating costs	(210)	(608)
	(c) advertising and marketing	(18)	(181)
	(d) leased assets	-	-
	(e) staff costs	(243)	(751)
	(f) administration and corporate costs	(135)	(627)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	1	1
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	(7)
1.7	Government grants and tax incentives	25	47
1.8	Other (provide details if material)	-	-
1.9	**Net cash from / (used in) operating activities**	**(274)**	**(1,274)**

2.	**Cash flows from investing activities**		
2.1	Payments to acquire or for:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	(3)	(44)
	(d) investments	-	-
	(e) intellectual property	-	-
	(f) other non-current assets	-	-

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Consolidated statement of cash flows		Current quarter $US'000	Year to date (9 months) $US'000
2.2	Proceeds from disposal of:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) intellectual property	-	-
	(f) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	**Net cash from / (used in) investing activities**	**(3)**	**(44)**

3.	**Cash flows from financing activities**		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	1,610
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	(48)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	**Net cash from / (used in) financing activities**	**-**	**1,562**

4.	**Net increase / (decrease) in cash and cash equivalents for the period**		
4.1	Cash and cash equivalents at beginning of period	1,041	569
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(274)	(1,274)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(3)	(44)

Consolidated statement of cash flows		Current quarter $US'000	Year to date (9 months) $US'000
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	1,562
4.5	Effect of movement in exchange rates on cash held	3	(46)
4.6	**Cash and cash equivalents at end of period**	**767**	**767**

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter $US'000	Previous quarter $US'000
5.1	Bank balances	767	1,401
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	**Cash and cash equivalents at end of quarter (should equal item 4.6 above)**	**767**	**1,041**

6.	Payments to related parties of the entity and their associates	Current quarter $US'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	28
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-

Note to Item 6.1: The amount of US$28k was payment of Director remuneration for the quarter ended 30 September 2020.

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7.	**Financing facilities** *Note: the term "facility' includes all forms of financing arrangements available to the entity.* *Add notes as necessary for an understanding of the sources of finance available to the entity.*	**Total facility amount at quarter end $US'000**	**Amount drawn at quarter end $US'000**
7.1	Loan facilities	-	-
7.2	Credit standby arrangements	-	-
7.3	Other (please specify)	-	-
7.4	**Total financing facilities**	-	-

7.5	**Unused financing facilities available at quarter end**	-

7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.

8.	**Estimated cash available for future operating activities**	**$US'000**
8.1	Net cash from / (used in) operating activities (item 1.9)	(274)
8.2	Cash and cash equivalents at quarter end (item 4.6)	767
8.3	Unused finance facilities available at quarter end (item 7.5)	-
8.4	Total available funding (item 8.2 + item 8.3)	767
8.5	**Estimated quarters of funding available (item 8.4 divided by item 8.1)**	2.8

Note: if the entity has reported positive net operating cash flows in item 1.9, answer item 8.5 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.5.

8.6 If item 8.5 is less than 2 quarters, please provide answers to the following questions:

8.6.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?

Answer:
N/A

8.6.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?

Answer:
N/A

8.6.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer:
N/A

Note: where item 8.5 is less than 2 quarters, all of questions 8.6.1, 8.6.2 and 8.6.3 above must be answered.

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Compliance statement

1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.

2 This statement gives a true and fair view of the matters disclosed.

Date: 30 October 2020

Authorised by: **By the Board**
(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.

2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.

3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.

4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [*name of board committee – eg Audit and Risk Committee*]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".

5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.

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