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CAPE RANGE LTD

ABN 43 009 289 481

30 October 2020

Quarterly Activities Report – Quarter ended 30 September 2020

The Directors of Cape Range Limited (**Company**) present the quarterly activities report for the 9 months ended 30 September 2020 for its operating subsidiary, Biztrak Business Solutions Sdn Bhd (**Biztrak**).

The strategic direction of the Company remains committed to the Biztrak business and its growth. The operational objectives of Biztrak have been to reduce and control all costs as the impact of COVID-19 across Asia is experienced.

As planned, Biztrak has been expanding its warehouse and logistics applications. The COVID-19 pandemic creating an uplift in demand for web-based and cloud-based ecommerce warehouse & logistic solutions.

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 & logistic solutions. These spending trends being markedly impacted by the increasing frequency of employees working from home and the rapidly increasing demand for online goods and services.

Receipts from Biztrak customers for the quarter (A$174k) increased by 17% when compared to the previous quarter (A$149k). This increase is a result of increased revenue from the sale of Biztrak MSB (our windows-based accounting software and warehouse management systems (Biztrak WMS) software licences. In addition, a new income was generated from the subscription and training of our online cloud-based accounting software (Biztrak Online).

Business and Product Highlights

Biztrak MSB

- During the September quarter, Biztrak MSB was upgraded with the addition of plug-in modules that cater for the pharmaceutical and healthcare sectors. These modules include Sales Order Processing Module, Sales Commission Module, Sales Target/Incentive Module, Medical Claim Adjustment Module and Integration module.

- Additionally, work was undertaken during quarter on the development of the following items which are expected to be available in the December quarter:
    a) Intercompany Billing function – provides an easy way to track and issue Accounts Receivable Debit Note transactions and auto create Accounts Payable Debit Note transactions within the same Biztrak database within the Biztrak MSB application.
    b) Payment Contra Wizard program - allows transactions with a company who act as both vendor and customer, to offset a sales invoice, debit note and

credit note against a vendor invoice, debit note and credit note before generating payment to the vendor. Also, the Payment Contra Wizard program will auto generate sales invoices based on a prompt payment discount provided by the vendor.

c) Budget/ Forecast Analysis is to be added to the import function.
d) Integration of an ePay Module with UOB Bank and Hong Leong Bhd - allows users to extract payment entries from Cash Payment and Invoice Payment and generate them into a 'ePayment' file, which the user can submit or upload to their bank's portal to schedule payments to the payees based on the ePayment file.
e) Open Web API Services for 3rd parties' interconnection with Biztrak MSB.

Biztrak Online

- During the quarter two new Biztrak Online modules were launched - Fixed Assets and Recurring Billing. The Fixed Asset module allows user to track assets, calculate depreciation and automatically allocate depreciation and disposal entries in the general ledger. The Recurring Billing module helps user to create a scheduled recurring invoice based on their preferred schedule.

- Ongoing work will focus on the following enhancements:
    - Open Web API Services for 3rd parties' interconnection with Biztrak Online
    - A KPI dashboard with 8 Profit & Loss Financial KPIs that allows management to track the entities financial performance
    - Inventory Control module to provide total control and visibility of inventory.

Biztrak WMS

- A number of feature enhancements to both Biztrak WMS web and mobile applications were completed during the quarter. These features include:
    a) Integration of Web API Services for 3rd parties' interconnection with Biztrak WMS and between Biztrak mobile applications and Biztrak WMS web applications.
    b) Combined Picking Wizard in Biztrak WMS web applications has been improved with "bulk orders generation per trip/picker" and "by article" based on current inventory situation and workforce.
    c) A Dashboard Panel has been developed for Biztrak WMS web applications to allow warehouse operators to view the current status for Inbound Bookings, Receiving, Put-away, Outbound Bookings and Issues.
    d) The Biztrak WMS mobile application has been improved with the following function enhancements:
        - Transfer - new option "Pallet Transfer by Physical Quantity";
        - Picking - new option "Combined Picking" and "Combined Picking - by Articles";
        - Packing - new option "Packing Assignment", "Pickup - new options ""Pickup – By Airway", "Pickup – Driver Pickup", "Pickup – Driver Delivery";
        - Stock Take - new option "Stock Count by Quantity";
        - Enquiry - new options "Enquiry - Available Bin", "Enquiry - Available Stock";
        - Images/videos capture function.
    e) Biztrak's WMS Customer Web Portal has been improved with a new feature that allows users salespersons, outlet users and 3PL customers to login to the Customer Web Portal to create an Outbound Booking/Order, to track on order status and stock balances.

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- Ongoing work will be aimed at improving Biztrak WMS in the following areas:
    - extending the Web API Services for the integration between Biztrak MSB applications and Biztrak WMS applications;
    - to simplify the ordering process, developing kitting master file settings and kitting wizard;
    - creating image capture functions for Biztrak WMS mobile application;
    - developing a new function for Receive without Inbound Booking;
    - Further enhancing the Biztrak Customer Web Portal to allow outlet users and 3PL Customers to login to the Customer Web Portal to:
        i) Create Inbound Booking ~ Advance Shipping Notes;
        ii) Track on Receive Status;
        iii) View Dashboard for Warehouse Order Performance Dashboard, Shipping Status Dashboard and Today's Order Status.

Expenditure (A$'000)

Biztrak expenditure on the business activities undertaken during the quarter and described in this report are as set out below:

- Biztrak MSB - $76, which includes Malaysian staff costs, business partners referral fees and direct expenditure attributable to the product/service
- Biztrak Online – $50, which includes Malaysian staff costs
- Biztrak WMS - $24, which includes Malaysian staff costs and WMS cloud-based contractor fees

During the quarter a total of $64.5 was paid to related parties of the Company as follows:

- $55 for director fees paid to non-executive directors
- $8 for the provision of services by a non-executive director
- $1.5 paid to a director for office rent

Authorised for release by the Board

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