CAPE RANGE LTD

ABN 43 009 289 481

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29 July 2021

Quarterly Activities Report – Quarter ended 30 June 2021

The Directors of Cape Range Limited (**Company**) present the quarterly activities report for the 3 months ended 30 June 2021 for its operating subsidiary, Biztrak Business Solutions Sdn Bhd (**Biztrak**).

Biztrak recorded revenue of AU$115k (MYR 356k) for the quarter, compared to AU$128k (MYR 399k) for the previous year's corresponding quarter. The decline in revenue being attributed to the ongoing COVID-19 situation in Malaysia that has adversely affected domestic demand.

During the quarter, Malaysia witnessed a resurgence of the COVID-19 pandemic. This culminated in the Malaysian government declaring a full lockdown on 1 June 2021. The COVID-19 resurgence adversely impacted the entire country and economic recovery.

Daily new infections increased from approximately 1,500 per day in early April to in excess of 13,000 per day in July.

The surge in COVID-19 cases has caused a continued decline in domestic demand and resulted in many businesses becoming financially stressed with many being unviable. At present, there is no confirmation as to the end date of the lockdown, uncertainty and business confidence is at a low, which is adversely impacting spending decisions across all industries nationwide.

The strategic direction of the Company, however, remains committed to its technology focus, the Biztrak business and its continued development and growth. The operational objectives of Biztrak have been focused on tightly controlling costs as the impact of COVID-19 across Asia escalates.

Business and Product Highlights

(1) Biztrak MSB

- During the quarter, Biztrak launched a new service, **Biztrak Cloud Hosting Solution** for our Biztrak MSB and Biztrak WMS customers, in partnership with Server Freak, a Malaysia based cloud hosting provider. This new service was officially launched via a virtual event held on 8 April 2021.

  Supported by Virtual Private Server technology, the Biztrak Cloud Hosting Solution is a flexible and scalable server hosting platform that allows users access to Biztrak MSB and Biztrak WMS applications anytime, anywhere 24/7 via a cloud hosting network.

Users can connect to Biztrak applications securely with the VPN using a remote connection from any compatible desktop or laptop.

- Biztrak also launched a new module for Biztrak MSB, the **e-Statement Module** for customer's statement of accounts that allows Biztrak MSB users to schedule the customer's statement of account to be sent via email on a specified date each month. The module was launched via a virtual event held on 4 May 2021.

- Biztrak also deployed the following plug-in application and tool to Biztrak MSB:
    a) **AR Aging by Analysis Code program -** the application allows users to track outstanding AR Sales Invoices/ Debit Notes with respective detailed account and analysis codes.
    b) **Recalculate Cost by Command Line Switches** - a tool that allows users to set a schedule to execute the daily inventory item cost calculation without any human intervention.

  Biztrak further completed the development of an **Intercompany Billing function**, which is currently pending customer acceptance test feedback. The Intercompany Billing function provides an easy way to track and issue AR Debit Notes based on the "Payment on behalf" or "Purchase on behalf" transactions and auto create AP Debit Note transactions within the same Biztrak database within the Biztrak MSB application.

- Biztrak's MSB Team is presently working on the following development tasks, that are scheduled to be completed in the third quarter of 2021:

    a) **Biztrak MSB Mobile Application** - a brand new Biztrak Mobile application that allows users to conduct business from anywhere anytime. This user-friendly mobile application enables users (eg. salespersons) to create sales orders, track sales orders and outstanding payments from customers.

    b) **Sales Target Module** - a plug-in application that allows management to set a sales target for a particular period (eg. monthly, quarterly or yearly) and by products. Users can set multiple sales targets for different groups or sales teams and generate sales target reports by salesperson.

    c) **Payment Contra Wizard program** - allows transactions with a vendor, who acts as both vendor and customer, to offset sales invoices, debit notes and credit notes against vendor invoices, debit notes and credit notes before generating payment to the vendor. The Payment Contra Wizard program will auto generate sales invoices based on prompt payment discounts provided by the vendor in accordance with agreed credit terms.

(2) Biztrak Online

- On 18 June 2021, Biztrak launched the **Biztrak Online Financial KPI dashboard**. The KPI dashboard comes with eight Profit & Loss financial KPIs that allow management to track, in a timely manner, the entity's financial performance, including:

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- Gross Profit Margin
- Operating Profit Margin
- Net Profit Margin
- Operating Expenses
- Operating Expenses ratio
- Income & Expenses for 12 months
- Revenue & Cost of Goods Sold for 12 months

- The Biztrak Online team is currently working on the following developments:

  - **Inventory Control modules** to provide total control and visibility of inventory
  - **Open Web API Services** to allow 3rd party integration with a Biztrak Online cloud accounting system

(3) Biztrak WMS

- The Biztrak WMS team completed a number of features enhancements during the past quarter. These features include:

  - Additional functions in the **Biztrak Customer Web Portal** that allows outlet users, third party logistics warehouse customers to:
    i) Enquire on the status of Advanced Shipping Notes created in Biztrak WMS
    ii) Enquire on the status of Orders created in Biztrak WMS
    iii) Import Advanced Shipping Notes with file format (CSV)
    iv) Import Orders with file format (CSV)

  - Biztrak WMS with the **Combined Packing Wizard** module allows packers to select & pack multiple order items in one packing. The packer can print out a "Packing Note Report" once the combined packing process is completed. The "Packing Note report" displays all outbound carton numbers and the respective packed items and quantities.

Looking ahead

The Biztrak WMS team will further enhance the Biztrak WMS in the following areas:

a) Additional Biztrak **Customer Web Portal** with the following features:
   i) Import item profile with file format (CSV)
   ii) Import consignee profile with file format (CSV)
   iii) Export Advanced Shipping Note Listing to excel
   iv) Export Order Listing to excel

b) Extend the **Web API Services** for further e-commerce integration

c) Create **a billing module** to allow users to enter sales invoices based on the storage charge, loading charge, unloading charge and repacking charge (launch target date is the third quarter of 2021)

d) Develop **kitting master file setting and kitting wizard** to simplify the ordering process.

With the Covid-19 situation and a full lockdown in Malaysia, Biztrak will continue its focus on its online sales efforts and initiatives in marketing our software solutions and services to customers enabling the business to grow.

Biztrak will take advantage of all and any Malaysian government incentives and support programs that provide relief to companies. These may include the extension of conditional wage subsidies and ongoing enhancement of the predictability of Standard Operating Procedure regulations.

Expenditure (A$'000)

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

- Biztrak MSB - $70k (MYR 210k), which includes Malaysian staff costs and third-party server MSB hosting direct expenditure attributable to the product/service
- Biztrak Online - $49k (MYR 153k), which includes Malaysian staff costs
- Biztrak WMS - $22k (MYR 68k), which includes Malaysian staff costs

During the quarter, a total of $66k was paid to related parties of the Company as follows:

- $55k for director fees paid to non-executive directors (including superannuation)
- $9.5k for the provision of corporate, accounting and company secretarial services by a non-executive director
- $1.5k related to payments for office rental

Authorised for release by the Board

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