

Appendix 4E

Preliminary Final Statements to the Australian Securities Exchange

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

Reporting period Year ended 31 December 2021
Previous period Year ended 31 December 2020

Results for Announcement to the Market

LOSS OF \$959,273 IN 2021 (2020: LOSS OF \$1,575,514)

Throughout the year, the Company's Malaysian operations were significantly impacted by the Coronavirus (COVID-19) pandemic resulting in a 22% revenue reduction and a \$441,894 impairment of assets.

On 18 March 2021, the Malaysian Government implemented a Movement Control Order (MCO) to curb the spread of COVID-19. The MCO remained in place in Malaysia, in various forms, throughout the year. During the MCO, Biztrak workers have been required to work from home and business travel has been cancelled. All Biztrak employees have been retained and no new recruitment is planned.

With rising unemployment and substantial political and regulatory change, the Malaysian economy has been significantly impacted which resulted in expenditure cutbacks, corporate downsizing and at times an almost entire shutdown of commercial activities.

Due to the prevailing conditions, product discounts of up to 30% have been offered on the Company's MSB and warehouse management software. In addition, 12 month extended repayment plan options are being requested by customers. On the other hand, working from home and social distancing has resulted in increased demand for the deployment of cloud-based accounting solutions. In that regard, Biztrak has continued to expand its warehouse and logistics applications.

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 and logistic solutions, especially in the e-commerce sectors. Market trends and spending have been markedly impacted by the increasing frequency of employees working from home and the increasing demand for online goods and services.

COVID-19

As a consequence of Malaysia's high vaccination rate (over 79% of the population being fully inoculated and 43% being administered with booster jabs), it is expected that Malaysia will transition from the COVID-19 pandemic to an endemic phase. With the easing of restrictions and the lifting of travel bans, there is optimism that the Malaysian economy is beginning to recover.

Even with the policies and plans that have been designed to propel Malaysia forward, COVID-19's impact still reverberates across the Malaysian economy, particularly among those who are least able to bear the burden. The pandemic continues to impact Malaysian businesses, particularly those in micro, small and medium enterprises and industries such as tourism and services.

Given the need to achieve fiscal sustainability, the Government has called upon the private sector to contribute to economic growth and nation-building.

The impact of the COVID-19 pandemic is ongoing. It is not practicable to estimate the potential impact, positive or negative, after the reporting date. The situation is rapidly developing and is dependent on measures imposed by the Australian Government, the Malaysian Government and other countries, such as maintaining social distancing requirements, quarantine, travel restrictions and any economic stimulus that may be provided.

All amounts are denoted in AU\$	31 December 2021	31 December 2020	Change \$	Change %
	\$	\$		
Revenue from continuing operations <i>(Appendix 4E item 2.1)</i>	478,469	610,532	(132,063)	(22%)
(Loss) from ordinary activities after tax attributable to members <i>(Appendix 4E item 2.2)</i>	(959,273)	(1,575,514)	616,241	39%
Net Comprehensive Loss attributable to members of the parent entity <i>(Appendix 4E item 2.3)</i>	(929,901)	(1,591,733)	661,832	42%
	Cents per share	Cents per share	Cents per share	
Basic loss per share (cents) <i>(Appendix 4E item 14.1)</i>	(1.01)	(1.73)	0.72	42%
Diluted loss per share (cents) <i>(Appendix 4E item 4.1)</i>	(1.01)	(1.73)	0.72	42%
Net tangible assets per share (cents) <i>(Appendix 4E Item 9)</i>	2.82	3.47	(0.65)	(19%)

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

No Dividends have been declared or paid during the financial year ended 31 December 2021 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 2022.

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 \$478,469 (31 December 2020: \$610,532).

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 \$959,273 (2020: loss \$1,575,514).

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 \$929,901 (2020: loss \$1,591,733).

Supplementary Information

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

See comments on page 1 above.

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

See comments on page 1 above

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

Not applicable

Attachments forming part of the Appendix 4E:

The Preliminary Financial Report of Cape Range Limited for the year ended 31 December 2021 is attached.

Signed by

A handwritten signature in black ink, appearing to read 'Wayne Johnson', written in a cursive style.

Wayne Johnson
Chairman
Sydney

28 February 2022

**Preliminary Consolidated Statement of Profit and Loss and Other Comprehensive Income
 For the financial year ended 31 December 2021**

	Note	31 December 2021 \$	31 December 2020 \$
Revenue		478,469	610,532
Cost of sales		(17,480)	(9,593)
Gross profit		460,989	600,939
Other operating income		54,314	92,406
Expenses			
Administration expenses		(616,930)	(583,541)
Marketing & promotional expenditure		(559)	(2,187)
Other operating expenses		(270,792)	(303,569)
Finance costs		(10,426)	(10,522)
Depreciation and amortisation expenses		(109,356)	(306,223)
Provision for doubtful debt		(14,115)	(15,035)
Impairment of intangible assets		(441,894)	(1,037,543)
Total expenses		(1,464,072)	(2,258,620)
Loss before income tax		(948,769)	(1,565,275)
Income tax expense		(10,504)	(10,239)
Loss after tax		(959,273)	(1,575,514)
Other comprehensive income for the year, net of tax			
Exchange differences on translating foreign operations		29,372	(16,219)
Total comprehensive income for the year		(929,901)	(1,591,733)
Basic and diluted (loss) per share (cents per share)	4	(1.01)	(1.73)

The above Preliminary Consolidated Statement of Profit & 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 2021**

	Note	31 December 2021 \$	31 December 2020 \$
Assets			
Current assets			
Cash and cash equivalents	5	2,948,344	3,553,711
Trade and other receivables	6	84,832	114,208
Total current assets		3,033,176	3,667,919
Non-current assets			
Plant and equipment	7	39,999	57,880
Right-of-use assets		10,231	24,180
Intangible assets	8	152,335	465,037
Total non-current assets		202,565	547,097
Total assets		3,235,741	4,215,016
Current liabilities			
Trade and other payables	9	134,195	141,540
Deferred revenue		149,323	161,576
Lease liabilities		10,881	13,722
Borrowings	10	29,006	28,426
Total current liabilities		323,405	345,264
Non-current liabilities			
Deferred tax liabilities		46,203	35,484
Lease liabilities		-	10,789
Borrowings	10	39,349	66,794
Total non-current liabilities		85,552	113,067
Total liabilities		408,957	458,331
Net assets		2,826,784	3,756,685
Equity			
Issued capital	11	21,048,346	21,048,346
Foreign currency translation reserve	12	87,238	57,866
Accumulated losses		(18,308,800)	(17,349,527)
Total equity		2,826,784	3,756,685

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 2021

	Issued Capital Ordinary Shares \$	Foreign Currency Translatio n Reserve \$	Unissued Share Reserve \$	Accumulated Losses \$	Total Equity \$
Balance at 01/01/2021	21,048,346	57,866	-	(17,349,527)	3,756,685
Foreign exchange translation reserve	-	29,372	-	-	29,372
Loss for the year	-	-	-	(959,273)	(959,273)
Total comprehensive income for the year	-	29,372	-	(959,273)	(929,901)
Transactions with owners, in their capacity as owners and other transfers					
Balance at 31/12/2021	21,048,346	87,238	-	(18,308,800)	2,826,784
Balance at 01/01/2020	13,417,257	74,085	7,650,000	(15,774,013)	5,367,329
Foreign exchange translation reserve	-	(16,219)	-	-	(16,219)
Loss for the year	-	-	-	(1,575,514)	(1,575,514)
Total comprehensive income for the year	-	(16,219)	-	(1,575,514)	(1,591,733)
Transactions with owners, in their capacity as owners and other transfers					
Ordinary shares issued on conversion of performance rights	7,650,000		(7,650,000)		
Costs of shares issued	(18,911)				(18,911)
Balance at 31/12/2020	21,048,346	57,866	-	(17,349,527)	3,756,685

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 2021

	Note	31 December 2021 \$	31 December 2020 \$
Cash flows from operating activities			
Receipts from customers		520,850	826,330
Payments to suppliers and employees		(883,733)	(1,075,414)
Interest received		7,225	38,938
Payment of income tax		(472)	(29,306)
Finance costs		(10,426)	(10,522)
Government grants received		8,402	46,130
Net cash (used in)/from operating activities	5(b)	(358,154)	(203,844)
Cash flows from investing activities			
Payments for plant & equipment		(1,470)	(1,915)
Payments for intangibles		(205,248)	(199,898)
Net cash used in investing activities		(206,718)	(201,813)
Cash flows from financing activities			
Repayment of term loan		(26,865)	(16,795)
Cost of issue of shares		-	(18,911)
Repayment of lease liabilities		(13,630)	(16,371)
Net cash used in financing activities		(40,495)	(52,077)
Net decrease in cash and cash equivalents held		(605,367)	(457,734)
Cash and cash equivalents at the beginning of the financial year		3,553,711	4,011,445
Cash and cash equivalents at the end of the financial year	5(a)	2,948,344	3,553,711

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 2021

Notes to the preliminary financial statements

For the financial year ended 31 December 2021

1. Reporting Entity

Cape Range Limited is a company limited by shares incorporated in Australia. The Company's registered office is 36 Prestwick Drive, Twin Waters, Queensland, 4564.

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 2021

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

	Australia \$	Malaysia \$	Eliminations \$	Total \$
Year ended 31 December 2021				
Revenue from external customers	-	478,469	-	478,469
Reportable segment (loss) after tax	(423,810)	(535,463)	-	(959,273)
Year ended 31 December 2020				
Revenue from external customers	-	610,532	-	610,532
Reportable segment (loss)/profit after tax	(386,097)	(1,189,417)	-	(1,575,514)
Reportable segments assets				
At 31 December 2021	14,962,786	359,456	(12,086,501)	3,235,741
At 31 December 2020	15,395,532	805,984	(11,986,500)	4,215,016
Reportable segments liabilities				
At 31 December 2021	734,525	105,462	(431,030)	408,957
At 31 December 2020	145,824	641,896	(329,389)	458,331

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

	2021 \$	2020 \$
Net (loss) attributable to the equity holders of the Company	(959,273)	(1,575,514)
	2021 No.	2020 No.
Weighted average number of ordinary shares	94,908,301	91,189,039
	2021 Cents	2020 Cents
Basic and Diluted Loss per share	(1.01)	(1.73)

Cape Range Limited
Notes to the Preliminary Financial Statements
For the financial year ended 31 December 2021

5. Cash and Cash Equivalents

	2021	2020
	\$	\$
(a) Cash and cash equivalents	2,948,344	3,553,711
(b) Reconciliation of net cash used in operating activities to operating loss		
Operating loss after income tax expense for the year	(959,273)	(1,575,514)
Add non – cash items:		
Depreciation and amortisation	109,356	306,223
Provision for doubtful debts	14,115	15,035
Impairment of intangible assets	441,894	1,037,543
Gain on termination of lease	-	(608)
Foreign exchange differences	29,372	(16,219)
Add / (deduct) movement in working capital:		
Trade and other receivables	15,261	198,774
Deferred revenue	(12,253)	25,418
Trade and other payables	(7,345)	(176,032)
Current tax liabilities	-	(52,209)
Deferred tax liabilities	10,719	33,745
	(358,154)	(203,844)

Cape Range Limited
Notes to the Preliminary Financial Statements
For the financial year ended 31 December 2021

6. Trade and Other Receivables

	2021	2020
	\$	\$
Trade Debtors	459,430	480,002
Less Provision for Impairment	(435,210)	(444,832)
	24,220	35,170
Other receivables	59,322	78,435
Income tax receivable	1,290	603
	84,832	114,208

7. Plant and Equipment

	2021	2020
	\$	\$
Equipment – at cost	367,918	358,267
Less: accumulated depreciation	(327,919)	(300,387)
	39,999	57,880
Movement		
Balance as at 1 January	57,880	82,995
Additions	1,470	1,915
Disposals	-	-
Depreciation expense	(19,351)	(27,030)
Balance as at 31 December	39,999	57,880

8. Intangible Assets

	2021	2020
	\$	\$
Development expenditure		
At cost	3,712,327	3,507,079
Less: Accumulated amortisation	(2,471,897)	(2,469,536)
Accumulated impairment losses	(1,240,430)	(1,037,543)
	-	-
Intellectual property		
At cost	1,440,323	1,440,323
Less: Accumulated amortisation	(1,048,981)	(975,286)
Accumulated impairment losses	(239,007)	--
	152,335	465,037
Total intangible assets	152,335	465,037

Cape Range Limited
Notes to the Preliminary Financial Statements
For the financial year ended 31 December 2021

9. Trade and Other Payables

	2021	2020
	\$	\$
Trade payables	56,120	45,267
Payable to related parties	-	15,717
Other payables and accruals	78,075	80,556
	134,195	141,540

10. Borrowings

	2021	2020
	\$	\$
Current	29,006	28,426
Term loans	29,006	28,426
Non- Current	39,349	66,794
Term loans	39,349	66,794

The Biztrak term loans are, are jointly and severally guaranteed by past Biztrak directors and a fixed deposit. The loan interest rate is 8.90% (2020: 8.90% to 9.15%).

11. Issued Capital (Appendix 4E Item 14.6)

	2021	2020	2021	2020
	Shares	Shares	\$	\$
Ordinary shares fully paid	94,908,301	94,908,301	21,048,346	21,048,346

(a) Movement in ordinary shares

	2021	2021	2020	2020
	Shares	\$	Shares	\$
Opening balance at beginning of the financial year	94,908,301	21,048,346	83,658,301	13,417,257
Issue of shares	-	-	11,250,000	7,650,000
Cost of issue	-	-	-	(18,911)
Closing balance at end of the financial year	94,908,301	21,048,346	94,908,301	21,048,346

(b) Options and performance rights

As at 31 December 2021, there were no options on issue (2020: nil). During the year no options were issued (2020: nil)

As at 31 December 2021, there were no performance rights on issue (2020: nil). During the year no new performance rights were issued (2020: nil).

Cape Range Limited
Notes to the Preliminary Financial Statements
For the financial year ended 31 December 2021

12. Reserves

	2021	2020
	\$	\$
Foreign currency reserve		
Opening balance	57,866	74,085
Foreign currency translation ¹	29,372	(16,219)
Closing balance	<u>87,238</u>	<u>57,866</u>

¹ The reserve is used to recognise exchange differences arising from translation of the financial statements of international operations in Australian dollars.