

CAPE RANGE LTD



ABN 43 009 289 481

31 March 2020

Results disclosed in the Company's Preliminary Final Statements compared with the Company's 2019 Annual Report

The Directors of Cape Range Limited (the **Company**) refer to the Company's Preliminary Final Statements lodged with ASX on 28 February 2020 (**PFS**) and the Company's 2019 Annual Report lodged with ASX today (**Annual Report**).

The purpose of this announcement is to provide an explanation for the material differences between the results disclosed in the PFS and the results disclosed in the Annual Report.

Provision for impairment of receivables

In the PFS a provision for impairment of receivables totaling \$21,121 was included. As a consequence of the Coronavirus pandemic and the dramatic social and economic changes occurring throughout the world and Australia, a re-assessment of the recoverability of the consolidated entity's receivables was undertaken and it was resolved to increase the provision for impairment to \$441,115.

Conversion of performance rights

As disclosed in the PFS, 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.

Based on the trading results reported in the PFS, some 17,500,000 performance rights were to be converted into ordinary fully paid shares on or before 30 April 2020.

For the purpose of recording a performance rights expense in the PFS, the 17,500,000 shares were valued at \$0.68 per share (being the Company's closing share price on 31 December 2019) which equates to a "performance rights expense" of \$11,900,000.

As a consequence of the increase in the provision for impairment (which reduced Biztrak's EBITDA), the number of performance rights to be converted into ordinary fully paid shares reduced from 17,500,000 to 11,250,000. Consequently, the performance rights expense reduced from \$11,900,000 (as disclosed in the PFS) to \$7,650,000 (a difference of \$4,250,000).

Results announced to the market

The effect of the above material changes and other non-material changes made to the Annual Report are as follows:

- the loss from ordinary activities after tax is reduced from \$11,302,079 to \$7,503,544
- net comprehensive loss attributable to members is reduced from \$11,270,566 to \$7,475,186
- basic and diluted loss per share is reduced from 13.51 cents to 8.97 cents
- net tangible assets per share reduces from 5.1 cents to 4.5 cents

Authorised for release by the Board

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