CAPE RANGE LTD

ABN 43 009 289 481

29 October 2021

Quarterly Activities Report – Quarter ended 30 September 2021

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

Biztrak recorded revenue of ~AU$95k (MYR 286k) for the quarter, compared to ~AU$186k (MYR 550k) 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.

In 2021, 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, with daily infections increasing from approximately 1,500 per day in early April to in excess of 24,000 per day in August.

The surge in COVID-19 cases has caused a continued decline in domestic sales and resulted in many businesses becoming financially stressed with many becoming unviable.

As a consequence of Malaysia's now high vaccination rate (over 70% of the population being fully inoculated), it is expected that Malaysia will transition from the COVID-19 pandemic to an endemic phase, with restrictions being eased. With the easing of restrictions and present travel bans there is some optimism that the Malaysian economy may begin to recover in Q4 2021 and beyond.

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 will remain focused on online initiatives to market our solutions and services to drive business growth.

Business and Product Highlights

(1) Biztrak MSB

- During the quarter, Biztrak MSB was upgraded with some new and enhanced features. In addition, Biztrak MSB 16.0 virtual briefing sessions were launched to our business partners and Biztrak MSB Users. Biztrak MSB Users are being encouraged to renew their annual maintenance support in order to receive free upgrades.

- The latest Biztrak MSB edition 16.0 comes with the following new and enhanced features:
    a) **Intercompany Billing Function (New) -** An easy way to track and issue accounts receivable debit notes based on the 'payment on behalf' or

'purchase on behalf' transactions and auto create accounts payable debit note transactions within the same database in the Biztrak MSB application.

b) **Import Serial Number Function (Enhanced)** - The enhanced 'create serial number' window allows users to import serial number information via a new 'import' button, instead of generate via wizard or manual entry.

c) **ePay Function (New)** - The ePay module is now available for use with the United Overseas Bank (Malaysia) Berhad (UOBMB) and Hong Leong Bank Berhad (HLBB). The new programs allow users to extract UOBMB and HLBB related payment entries and generate them into an 'ePayment' file. Users then can submit or upload it to their banker's portal for the bank to process and make payments to the payees in accordance with the payment schedules stated in the ePayment file.

- Development of the **Biztrak MSB Mobile Application** has been completed and is currently undergoing internal testing prior to launch. Biztrak MSB Mobile Application is a user-friendly mobile application that allows Biztrak MSB users (especially their sales teams) to create sales orders, track the status of sales orders and outstanding payments anywhere and anytime (as long as there is internet or data connection). The tasks performed on the mobile application will be automatically updated in the user's web-based Biztrak MSB application.

- The **Sales Target Module** has also been completed and is currently pending customer user acceptance test feedback. The Sales Target Module is a plug-in application that provides users with the ability to set sales targets for a particular period (ie. monthly, quarterly or yearly) and for a particular product or products. User can set up multiple sales targets to different group of sales teams and generate sales target reports for each salesperson.

- The Biztrak MSB team is currently working on the development of the **Payment Contra Wizard** program, which is scheduled for completion in Q4 2021. The Payment Contra Wizard program allows transactions with an entity that is both a vendor and a customer to be offset. For example, sales invoices, debit notes and credit notes can be offset against invoices, debit notes and credit notes prior to generating payment to a vendor. The Payment Contra Wizard will also auto generate sales invoices based on prompt payment discounts provided by vendors as per agreed payment terms.

(2) Biztrak Online

(a) During the quarter, Biztrak Online was updated with the following new features and enhancements:

- **Dashboard Module** - Allows users to visually track and analyse seven Profit & Loss key performance indicators (**KPI**) through a collection of easy-to-read charts and graphs. The dashboard module was officially launched via a virtual event on 15 September 2021.
- **Sales Invoice (Account)** - Allows users to select posting account codes instead of item codes within the sales invoice entry.
- **Vendor Invoice (Account)** - Allows users to select posting account codes instead of item codes within the vendor invoice entry.
- Enhanced **Cash Receipt** program with nine user defineable fields.
- New business form templates for **Official Receipts** and **Payment Vouchers**.
- Other enhancements include:
  - New searching criteria in the following programs:
    - Party List

- Item Category
- Item List
- Cash Receipt
- Cash Payment
- Goods Received Note
  - o Enhanced email validation control and messaging.

(b) The Biztrak Online team is now working on the following developments:
- **Inventory Control module** to provide total control and visibility of inventory.
- **Open Web API Services** to allow 3rd party integration with the Biztrak Online cloud accounting system.

(c) Marketing efforts to recruit new Biztrak Online subscribers are continuing with complimentary online tutorials being arranged and offered to potential subscribers.

(3) Biztrak Warehouse Management System (WMS)

- During the quarter, Biztrak WMS was updated with the following new features and enhancements:
  - o A new **Billing module** that allows users to issue sales invoices and credit notes based on the storage charge, loading charge, unloading charge and repacking charge.
  - o **Quick Response (QR) Codes** have been incorprpoated into the existing Delivery Report for mobile application scanning purposes.
  - o Integration with **DHL's Courier Service Providers** for shipment booking and shipping labelling.
  - o **Import Pallet Wizard** that allows users to import their own set of pallet numbers instead of using pallet numbers generated by the system upon the receipt of goods.
  - o **Receive** function in the Biztrak WMS Mobile application has been added that allows mobile users to scan carton numbers and integrate them with pallet numbers within the Biztrak WMS application.

- Planned Biztrak WMS developments include:
  a) Extending the **Web API Services** for the e-commerce integration.
  b) Developing **kitting master file settings and a kitting wizard** to simplify the ordering process.
  c) Enhancing the **Biztrak Customer Web Portal** in the following areas:
     - Synchronising the master setting with ACTIVE status only via API
     - Creating a dashboard for KPI information
     - Import item with file format (CSV)
     - Import consignee with file format (CSV)
     - Export advanced shipping note (ASN) listing to excel
     - Export order listing to excel

Expenditure (A$'000)

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

- Biztrak MSB: ~$75k (MYR 226k), which includes Malaysian staff costs and third-party server MSB hosting direct expenditure attributable to the product/service
- Biztrak Online: ~$44k (MYR 133k), which includes Malaysian staff costs

- Biztrak WMS: ~$23k (MYR 68k), which includes Malaysian staff costs.

During the quarter, a total of $94k was paid to related parties of the Company as follows:

- $88k for director fees paid to non-executive directors (including superannuation)
- $4.5k 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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Director/Company Secretary

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