MULTISTACK

MULTISTACK INTERNATIONAL LIMITED
ACN 007 254 346 ABN 54 007 254 346
17 Friars Road, Moorabbin, VICTORIA 3189, AUSTRALIA
TELEPHONE: + 61 3 8586 8200 FACSIMILE: + 61 3 8586 8201

24 October 2022

Multistack International Limited: MSI (the Company): Quarter Activity Report - September 2022 Quarter

Activities during the Quarter

During the quarter, the Company's activities were primarily its principal business activities being the sale, marketing and distribution of Multistack water-cooled and air-cooled water chillers. The Company has received an order for 4 modules of Multistack Oil free Flooded Air Cooled chillers for expected revenue of over a million dollars scheduled to be delivered by the end of the year or early next year. There have been operational delays to the supply chain, specifically, the pandemic-related measures in China have adversely affected our supply, and the unexpected rising shipping costs have also affected our margin

Following the Extraordinary General Meeting (EGM) of shareholders held on 27 July 2022, both Resolutions for the supply of all goods to the Company from Superlink companies which were made prior to the date of the EGM **(Past Supply Arrangements)** as well as for the supply of all goods to the Company from Superlink companies until the date which is three years after the date of the EGM **(Future Supply Arrangements)** were carried, as such the Company has resumed the purchases of goods from the Superlink companies.

The Company is continuing to work on the ORC technology and to promote and market the ORC products, however the progress is much slower than expected. The Directors believe that the ORC products are in line with the carbon reduction program in Australia as well as the rest of the world.

Summary of cash position and expenditure during the quarter

The Company held cash and cash equivalents at the end of the quarter of $1,504,397. Quarterly operating expenditure during the quarter was $411,750, including $207,193 relating to trading and operating expenses, and $181,445 to staff, administration and corporate related costs.

In addition to the loan of US$1,800,000 (A$2,874,147 including interest payable) from Super Link Company Ltd (a related party of S. Yan and S. Leung) to enable the Company to complete the acquisition of the Verdicorp assets as announced previously to the market, the Company has borrowed a total of $696,000 from ACR Equipment (HK) Ltd (a related party of S. Yan and S. Leung) in the prior periods, which is a non-interest bearing unsecured facility.

Announcement authorised by the Board of Directors

Yan Wong
Company Secretary
Multistack International Limited (MSI)