



MULTISTACK INTERNATIONAL LIMITED  
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24 April 2024

**Multistack International Limited: MSI (the Company)  
Quarter Activity Report – January to March 2024 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. Sale revenue during the first quarter of 2024 included 4 modules of SRA145H air-cooled heat pump scroll chillers and some spare parts.

In June 2020, as previously announced to the market, the Company acquired certain assets from Verdicorp Inc (a US company), including the contractual rights held by Verdicorp pursuant to a Technology License Agreement and a separate Supply Agreement entered into by Verdicorp and certain US based subsidiaries of Danfoss AS (a Danish multinational company) (Danfoss).

The Company has been in discussions with Danfoss seeking performance by it of its obligations to provide technical know-how and engineering support under the above two agreements. The Company has now referred its claims to arbitration in the US. If the arbitration proceeds to a hearing, it is currently expected that hearing will take place in August 2024. The Company's US lawyers have agreed to advise and generally assist the Company in the conduct of the arbitration on the basis of agreed hourly rates (capped at a maximum of USD\$150,000) plus a contingency fee (payable only if the Company is successful in its claims against Danfoss).

The Company will advise shareholders of any material developments and the outcome of the arbitration as required.

There has not been much progress with the ORC technology, nevertheless, the Company is continuing to promote and market the existing ORC products. The Directors believe that the ORC products are still 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 \$1,294,587. Quarterly operating expenditure during the quarter was \$358,111, including \$115,184 relating to trading and operating expenses, and \$242,927 relating to staff, administration and corporate related costs.

On 18 March 2024, the Company announced that it had entered into a loan arrangement from A.C.R. Equipment (HK) Ltd (a related party of S. Yan and S. Leung) to the Company. The loan amount is USD 650,000.00 at 6% interest, for one year term (expiring on 31 March 2025) and unsecured. This is on normal commercial terms and conditions. The fund will primarily be used for on-going operations of the Company.

The Company has previously borrowed US\$1,800,000 (A\$3,092,105 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, this is interest bearing at 5.00% per annum and secured with the Verdicorp assets.

The Company has also 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)**