

## Appendix 4E

### Preliminary final report

Year ending on 31 December 2024  
Provided to the ASX under listing rule 4.3A

Name of entity	ABN
Multistack International Limited	54 007 254 346

#### 1. Reporting period

Report for the financial year ended 31 December 2024.
Previous corresponding period is the financial year ended 31 December 2023.

#### 2. Results for announcement to the market

					\$A
Revenues from ordinary activities	down	78.79 %	to		374,032
Loss from ordinary activities after tax attributable to members	up	88.24%	to		(1,679,290)
Net loss for the period attributable to members	up	88.24%	to		(1,679,290)
Record date for determining entitlements to the dividend	Not applicable				

## Results for announcement to the market (cont'd)

### Dividends

No dividends were paid or declared for the year ended 31 December 2024.

### Trends in Performance

Total revenue in 2024 decreased by 78.79% to \$374,032 (2023: \$1,763,061). Revenue from Other Income was \$6,666 (2023: \$161,425). The net loss for the period attributable to members was \$1,679,290 (2023: loss \$892,087).

### Operations

The trading entity, Multistack Australia Pty Ltd, has incurred losses before income tax for the year ending 31 December 2024 of \$502,248 (2023: \$286,325). Noted the sale revenue has decreased substantially, there has been few chiller sales during the year, while overheads were about the same.

There are still many uncertainties in the economy, consumers continued to be prudent and cautious about capital spending, which was a major impact in the air conditioning industry on chiller plants retrofit or equipment replacement. Our oil free maglev chiller is regarded as a high-end product, but customers have become concerned more about costs than higher efficiencies of the chiller. In order to improve this market situation, we have developed a new model which is a modular type of air-cooled chiller with variable speed drive scroll compressor to suit the market requirements. It is a cost-effective solution to meet the basic performance standards of the industry at a relatively competitive price. The Company expects that the market will be inclined to retrofit projects more than new chiller plant, therefore we will expect to get more sales in this area with the new VSD scroll model. Further to this, the Company will remain focused on the data centre industry as it is one of the few sectors that has the potentials to grow around the world.

Like the air conditioning industry, the potential customers of the ORC unit are currently very concerned about their capital spending. We have received inquiries from time to time but most of the time the customers indicated that the inquiry was only in their primary budget stage, hence the projects would probably take more time to be materialised. Having said that the Board remains its good faith in our ORC technology and still believes that it has great future growth potential.

As previously reported, the Company has referred its claims against the Danfoss to arbitration in the US. On 21 February 2025, the Company is pleased to announce that the parties have now finalised and executed a Settlement Agreement, thereby ending the arbitration. With access to engineering and other technical with components from Danfoss for the ORC products, the Company will continue its re-engineering of the ORC technology. As the worldwide economy starts to recover and grow, we shall expect to see results in the coming years for commercial sales of the ORC products.

### **Business Risks**

There are various internal and external risks that may have a material impact on our future financial performance and economic sustainability. We make every effort to identify material risks and to manage these effectively. Material financial risks are listed below.

#### **Inability to commercialise the ORC technology.**

There is a possible risk that the Company is unable to commercialise the ORC technology and hence unable to sell its ORC products, or the Company is taking far too long for this process. This would mean the Company would rely on its existing core business being the sales and distribution of Multistack chillers.

#### **Customer demand for our products**

The global economy, as well as Australia's economy, is expected to grow at its slowest pace, we also expect slow and little growth in demand for our chiller products. The Company noted the consumers are generally more concerned about capital expenditure given the current uncertain economic conditions.

Generally, customers are fundamental to the success of the business. The ability to attract new customers, the loss of key material customers, a reduction in their demand for our products or a claim for non-performance can have a negative effect on the future financial performance of the Company.

#### **Competitor risks**

The Company operates in a competitive environment due to factors including actions by existing or new competitors, price, product selection and quality, manufacturing capability, innovation and the ability to provide the customer with an appropriate range of products and services in a timely manner. Any deterioration in the Company competitive position as a result of actions from competitors may result in adverse effect on our future financial performance.

### **Tax consolidation**

For the purposes of income taxation, Multistack International Ltd and its 100% owned subsidiaries have not formed a tax consolidated group and entry into a tax consolidated group is unlikely. This did not impact the consolidated results for the year. From 1 January 2004, the carried forward tax losses of each entity in the Group could only be used to offset taxable income of that individual entity.

### 3. Consolidated Statement of Profit or Loss and other comprehensive income

FOR THE YEAR ENDED 31 DECEMBER 2023

	For the year	
	31 December 2024	31 December 2023
	\$	\$
<b>Revenue</b>		
Sale of goods	374,032	1,763,061
<b>Total Revenue</b>	<b>374,032</b>	<b>1,763,061</b>
Cost of sales	(253,712)	(1,453,931)
<b>Gross Profit</b>	<b>120,320</b>	<b>309,130</b>
<b>Other Income</b>		
Foreign currency gain	-	44,984
Interest income	6,661	634
Sundry income	5	115,807
<b>Total Other Income</b>	<b>6,666</b>	<b>161,425</b>
<b>Expenses</b>		
Employee benefits expense	(403,587)	(383,316)
Administrative and occupancy expense	(631,297)	(635,040)
Foreign currency loss	(491,104)	-
Professional fees	(252,788)	(267,886)
Other expenses	(27,500)	(76,400)
<b>Total Expenses</b>	<b>(1,806,276)</b>	<b>(1,362,642)</b>
<b>Loss before income tax</b>	<b>(1,679,290)</b>	<b>(892,087)</b>
<b>Loss from continuing operations</b>	<b>(1,679,290)</b>	<b>(892,087)</b>
<b>Other comprehensive income or loss for the year</b>		
<i>Items that may be reclassified subsequently to profit and loss</i>	-	-
<b>Total comprehensive loss for the year</b>	<b>(1,679,290)</b>	<b>(892,087)</b>
<b>Earnings per share for loss from continuing operations attributable to members of the parent:</b>		
Basic earnings per share	\$(0.0123)	\$(0.0065)
Diluted earnings per share	\$(0.0123)	\$(0.0065)

#### 4. Consolidated Statement of Financial Position

	31 December 2024 \$	31 December 2023 \$
<b>Current assets</b>		
Cash and cash equivalents	975,608	646,816
Receivables	3,080	47,336
Inventories	55,229	62,333
Deposit – Bond for property	17,612	17,612
<b>Total current assets</b>	<b>1,051,529</b>	<b>774,097</b>
<b>Non-current assets</b>		
Intangible assets – ORC Technology	2,478,134	2,478,134
Lease assets – right of use	265,965	42,999
<b>Total non-current assets</b>	<b>2,744,099</b>	<b>2,521,133</b>
<b>Total assets</b>	<b>3,795,628</b>	<b>3,295,230</b>
<b>Current liabilities</b>		
Payables and other payables	2,520,235	1,927,295
Lease liability	101,372	46,664
Loan from A.C.R. Equipment (HK) Ltd	1,788,568	696,000
Loan from Super Link Company Ltd	2,895,288	2,631,579
Provisions	170,135	164,414
<b>Total current liabilities</b>	<b>7,475,598</b>	<b>5,465,952</b>
<b>Non-current liabilities</b>		
Lease liability	170,042	-
Provisions	7,660	7,660
<b>Total non-current liabilities</b>	<b>177,702</b>	<b>7,660</b>
<b>Total liabilities</b>	<b>7,653,300</b>	<b>5,473,612</b>
<b>Net (liabilities)</b>	<b>(3,857,672)</b>	<b>(2,178,382)</b>
<b>Equity</b>		
Contributed equity	156,838,695	156,838,695
Accumulated losses	(160,696,367)	(159,017,077)
<b>Total equity</b>	<b>(3,857,672)</b>	<b>(2,178,382)</b>

## 5. Consolidated Statement of Changes in Equity

CONSOLIDATED	Attributable to equity holders of the parent		
	Contributed Equity \$	Accumulated Losses \$	Total Equity \$
At 1 January 2023	156,838,695	(158,124,990)	(1,286,295)
Loss for the year	-	(892,087)	(892,087)
<b>Total comprehensive income / (loss) for the year</b>	<b>-</b>	<b>(892,087)</b>	<b>(892,087)</b>
Transactions with owners as their capacity of owners	-	-	-
<b>As at 31 December 2023</b>	<b>156,838,695</b>	<b>(159,017,077)</b>	<b>(2,178,382)</b>

CONSOLIDATED	Attributable to equity holders of the parent		
	Contributed Equity \$	Accumulated Losses \$	Total Equity \$
At 1 January 2024	156,838,695	(159,017,077)	(2,178,382)
Loss for the year	-	(1,679,290)	(1,679,290)
<b>Total comprehensive income / (loss) for the year</b>	<b>-</b>	<b>(1,679,290)</b>	<b>(1,679,290)</b>
Transactions with owners as their capacity of owners	-	-	-
<b>As at 31 December 2024</b>	<b>156,838,695</b>	<b>(160,696,367)</b>	<b>(3,857,672)</b>

## 6. Consolidated Statement of Cash Flows

	31 December 2024 \$	31 December 2023 \$
<b>Cash flows from operating activities</b>		
Receipts from customers	455,442	1,985,287
Payments to suppliers and employees	(955,412)	(2,715,791)
<b>Net cash (used in) operating activities</b>	<b>(499,970)</b>	<b>(730,504)</b>
<b>Cash flows related to investing activities</b>		
Interest and other items of similar nature received	6,661	634
<b>Net cash provided by investing activities</b>	<b>6,661</b>	<b>634</b>
<b>Cash flows from financing activities</b>		
Loan from Directors' related entities	924,251	-
Payment for principal portion of lease liabilities	(102,150)	(93,376)
<b>Net cash provided by / (used in) financing activities</b>	<b>822,101</b>	<b>(93,376)</b>
<b>Increase in / (provided by) cash held</b>	<b>328,792</b>	<b>(823,246)</b>
Cash at beginning of year	646,816	1,470,062
<b>Cash at end of year</b>	<b>975,608</b>	<b>646,816</b>

### Reconciliation of cash

Reconciliation of cash at the end of the year (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.

	31 December 2024 \$	31 December 2023 \$
Cash on hand and at bank	975,608	646,816
<b>Total cash at end of year</b>	<b>975,608</b>	<b>646,816</b>

## 7.1 Consolidated accumulated losses

	31 December 2024 \$	31 December 2023 \$
Accumulated losses at the beginning of the financial year	(159,017,077)	(158,124,990)
Loss from continuing operations	(1,679,290)	(892,087)
<b>Accumulated losses at end of financial year</b>	<b>(160,696,367)</b>	<b>(159,017,077)</b>

## 7.2 Earnings per security (EPS)

Details of basic and diluted EPS reported separately in accordance with *AASB 133: Earnings Per Share* are as follows.

Basic and diluted earnings (loss) per share is calculated at \$(0.0123), based on a net loss for the period attributable to members of \$(1,679,290) and a weighted average of 136,303,924 ordinary shares on issue for the period.

## 7.3 NTA backing

	Current period	Previous corresponding period
Net tangible asset backing per ordinary security	\$(0.0464)	\$(0.0341)

## 7.4 Dividends

No dividends have been paid or declared in respect of the current or prior period.  
There is no dividend or distribution reinvestment plan currently in operation.

## 8. Details of entities over which control has been gained or lost during the period

There has been no change in the composition of the group during the period.

## 9. Basis of preparation

The financial information provided in the Appendix 4E is based on the draft annual financial report, which has been prepared in accordance with Australian Accounting Standards. The Directors have prepared the draft financial statements for the Group on a going concern basis which contemplates the continuity of normal business activities and the realisation of assets and the discharge of liabilities in the ordinary course of business.

During the year ended 31 December 2024, the Group incurred a loss after income tax for the year of \$1,679,290 (2023: \$892,087 loss). The Group had a negative net asset position of \$3,857,672 (2023 negative \$2,178,382). The Group had a net cash outflow from operating activities of \$499,970 (2023: \$730,504 outflow).

As a result of these matters, there is a material uncertainty that may cast significant doubt on the Group's ability to continue as a going concern and therefore the Group may be unable to realise its assets and discharge its liabilities in the ordinary course of business.

The Group has \$3,546,727 (as loan and interests) owing to a director related company, Super Link Co. Ltd, \$1,788,568 (as loan and interests) and \$35,376 (as trade payables) owing to a director related company, A.C.R. Equipment (HK) Ltd, and \$1,641,077 (management fees) owing to a director related company, Welletin Investments Ltd.

The Group has obtained an undertaking from these director related companies that they will not call on the amount owing for at least 12 months from the date of signing the Group's financial report for the year ended 31 December 2024.

## 10. Audit of the financial report

The financial report is in the process of being audited and is likely to contain an independent audit report that is subject to an emphasis of matter paragraph regarding going concern.