



Activities Report & Cash Flow Statement

For the 3 months ended 30 September 2026

MCS Services Limited (MCS Services, Company, ASX: MSG) is pleased to present its Activities Report and Appendix 4C for the three months ended 30 September 2026 (Period).

Cash less net payables as at 30 September 2026 totalled \$0.83 million, comprising cash of \$1.30 million (30 June 2026 \$1.77 million) and net payables of \$0.47 million, which includes the \$0.54 million Traffic Business vendor liability recognised in the Annual Report (30 June 2026 net payables of \$0.70 million, including the \$0.54 million Traffic Business vendor liability and the \$0.495 million liability to the purchaser of the Security Business recognised in the Annual Report subsequent to the previous Activities Report).

The Cashflow movements in the Company's Appendix 4C are summarised across the Company's activities as:

	Traffic Business	Corporate	Total
	\$'000	\$'000	\$'000
Cashflow from Operating Activities	353	(820)	(467)
Cashflow from Investing Activities	-	-	-
Cashflow from Financing Activities	-	-	-
Net cash movement	353	(820)	(467)

The expenditures (on an accruals basis) incurred during the Period are summarised below:

	Traffic Business	Corporate	Total
	\$'000	\$'000	\$'000
Employment Costs	-	-	-
Other Operational Costs	(138)	(122)	(260)
Depreciation, Amortisation, Interest	-	-	-
Total	(138)	(122)	(260)

OPERATIONS UPDATE

Until the sale of the Highways Traffic business effective 9 June 2026 the primary business activity of the Group was the provision of Traffic Management services in Western Australia through its Highways Traffic Pty Ltd subsidiary.

Subsequent to the sale of the Highways Traffic business the operating activities of the Group have been the realisation of the remaining assets and the payment of remaining liabilities of the Highways Traffic business. Materially all Highways Traffic employment liabilities, including leave, were paid prior to 30 June 2026.

During the Period:

- trade debtor collections of \$0.30m and insurance premium refunds of \$0.30m were received by the Traffic Business, and the payment of sundry remaining operational liabilities continued including attending to the make good matters at the former Traffic Business rented premises. Residual trade debtor collections are expected subsequent to the end of the Period;
- corporate expenses were incurred including professional fees (audit, legal, accounting support) and the accruing of directors' fees for FY2027.

CORPORATE UPDATE

Consistent with the corporate activity discussed in the previous Activities Report to 30 June 2026 and the Annual Report for the year ended 30 June 2026, in previous periods the Company:

- announced on 25 November 2025 it had agreed to sell the business of its Highways Traffic Pty Ltd subsidiary to Altus Traffic Pty Ltd (“Altus”), subject to shareholder approval;
- announced on 26 February 2026 it had executed a revised Asset Purchase Agreement with Altus;
- the Notice of Extraordinary General Meeting (“EGM”) of the Company was issued to shareholders on 18 March 2026, the EGM was held on 21 April 2026, and the resolution to sell the Highways Traffic business was passed;
- the Conditions Precedent for the sale of the Highways Traffic business were completed, including material customer and supplier contracts being novated or assigned to Altus, such that completion of the sale to Altus occurred effective 9 June 2026, with:
 - total proceeds of \$1.16m;
 - the NAB loan facility (balance of \$0.41m as at that date) repaid in full, and
 - the Highways vehicle fleet (net book value of \$0.45m at that date) transferred to Altus;

During the Period:

- the Company’s securities have been suspended from quotation since 19 August 2026 under Listing Rule 17.3 (following expiry of the six-month period contemplated by ASX Guidance Note 12 after the Company agreed to dispose of its main undertaking, without a new business being announced) and remain suspended. Reinstatement would be conditional on ASX being satisfied with compliance with Listing Rule 12.1 and in practice require a recompliance transaction and recompliance with Chapters 1 and 2 of the ASX Listing Rules;
- as announced to shareholders on 31 August 2026, and reported / accrued in the Annual Report to 30 June 2026, during the Period the Company settled a claim by the June 2024 purchaser (Vibrant Services Pty Ltd, “Vibrant”) of its former Security Business, MCS Security Group Pty Ltd (now Vibrant MCS Pty Ltd), in connection with the Share Sale Agreement’s warranty provisions following a Fair Work Ombudsman investigation into alleged underpayments by Vibrant MCS to its employees. MCS disputed the claim and did not admit liability. The Company and Vibrant entered into a Deed of Settlement and Release (Deed) dated 28 August 2026 under which the Company and Vibrant agreed, on a no admissions basis, that MCS would pay Vibrant \$495,000 (inclusive of costs, interest, superannuation, GST and other taxes) for the purpose of Vibrant MCS making additional wages payments to its employees in relation to the period 7 December 2023 to 19 June 2024. The Company paid the settlement amount to Vibrant during the Period;
- on 31 August 2026 the Company lodged its unaudited Preliminary Final Report (Appendix 4E) for the year ended 30 June 2026 and, on 30 September 2026, lodged its audited Annual Report for the year ended 30 June 2026, together with its Appendix 4G and Corporate Governance Statement;
- the Company paid the remaining \$180,000 of accrued directors’ fees for FY2025 and FY2026 in July 2026 (total accrued \$220,000, of which \$40,000 was paid in the previous period). Other than these fees, no payments were made to directors, related parties or their associates in the

Period. Directors' fees for FY2027 are being accrued but have not yet been paid;

- the Company continued to meet other corporate-level expenditures as they fell due.

The Company is progressing discussions in relation to a potential acquisition and recompliance with Chapters 1 and 2 of the ASX Listing Rules. No definitive acquisition agreement has been executed, and any transaction would remain subject to agreement on terms, due diligence and the necessary shareholder and regulatory approvals. There is no certainty that a transaction will proceed. The Company will keep the market informed in accordance with its continuous disclosure obligations.

Attached is the Appendix 4C Quarterly Cash Flow Statement for the three months ended 30 September 2026.

Yours faithfully



Paul Simmons
Director

This announcement is authorised for release to ASX by the Board of MCS Services Limited.
For further information contact:

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ABOUT MCS SERVICES LIMITED

MCS Services Limited is a Company listed on the Australian Securities Exchange (ASX: MSG). Following the sale of its Security Business in June 2024 and its Traffic Business in June 2026, MCS Services is now assessing its future direction.

See the Company's latest announcements at:
<https://www.asx.com.au/markets/company/MSG>

FORWARD LOOKING STATEMENTS

This document includes forward-looking statements. Forward-looking statements include, but are not limited to, statements concerning MCS Services Limited's planned activities, operations, expectations and other statements that are not historical facts. When used in this announcement, the words such as "could," "plan," "estimate," "expect," "intend," "may", "potential," "should," and any other similar expressions are forward-looking statements.

Although MCS Services Limited believes that its expectations reflected in these forward-looking statements are reasonable, such statements involve risks and uncertainties and no assurance can be given that actual results will be consistent with these forward-looking statements. All figures presented in this document are unaudited and this document does not contain any forecasts of profitability or loss.

Appendix 4C

Quarterly cash flow report for entities subject to Listing Rule 4.7B

Name of entity

MCS Services Limited

ABN

66 119 641 986

Quarter ended ("current quarter")

30 September 2026

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (3 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	297	297
1.2 Payments for		
(a) research and development	-	-
(b) product manufacturing and operating costs	-	-
(c) advertising and marketing	-	-
(d) leased assets	-	-
(e) staff costs	-	-
(f) administration and corporate costs	(269)	(269)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	-	-
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	-
1.8 Other : Settlement of warranty claim – former Security Business (see Activities Report)	(495)	(495)
1.9 Net cash from / (used in) operating activities	(467)	(467)

Item 1.2(f) is shown net of a \$297,000 refund of insurance premiums received in the Period.

2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) businesses	-	-
(c) property, plant and equipment	-	-
(d) investments	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
	(e) intellectual property	-	-
	(f) other non-current assets	-	-
2.2	Proceeds from disposal of:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) intellectual property	-	-
	(f) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received	-	-
2.5	Security Business cash position assumed by Purchaser	-	-
2.6	Net cash from / (used in) investing activities	-	-

3.	Cash flows from financing activities		
3.1	Proceeds from (payments for) issues of equity securities (excluding convertible debt securities)	-	-
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	-
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other: Invoice Financing	-	-
3.10	Net cash from / (used in) financing activities	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
4.	Net increase / (decrease) in cash and cash equivalents for the period	(467)	(467)
4.1	Cash and cash equivalents at beginning of period	1,772	1,772
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(467)	(467)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	-	-
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	-
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	1,305	1,305

Consistent with the accounting treatment in the Consolidated Financial Statements for the year ending 30 June 2026, \$20,000 provided as a Landlord guarantee in a previous Period was accounted for as a cash outflow for cashflow reporting purposes in the relevant Period and classed as 'restricted cash' Non-Current Assets in Statements of Financial Position. As the landlord cash-backed guarantee remains in effect the Term Deposit totalling \$20,000 is not included in the above.

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	1,305	1,772
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other*	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	1,305	1,772

6.	Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	180
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-
<i>Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.</i> Director fees for FY2025 and FY2026 had accrued totalling \$220,000, and have been paid as follows: - \$40,000 in June 2026 - \$180,000 in July 2026 Director fees for FY2027 had been accrued in the Period but not yet paid.		

7.	Financing facilities <i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
7.1	Loan facilities (Term loan)	-	-
7.2	Credit standby arrangements	-	-
7.3	Other	-	-
7.4	Total financing facilities	-	-
7.5	Unused financing facilities available at quarter end		-
7.6	Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well. <i>Nil. The NAB vehicle finance facility was repaid in full on completion of the sale of the Traffic Business in June 2026.</i>		

8.	Estimated cash available for future operating activities	\$A'000
8.1	Net cash from / (used in) operating activities (item 1.9)	(467)
8.2	Cash and cash equivalents at quarter end (item 4.6)	1,305
8.3	Unused finance facilities available at quarter end (item 7.5)	-
8.4	Total available funding (item 8.2 + item 8.3)	1,305
8.5	Estimated quarters of funding available (item 8.4 divided by item 8.1)	2.8
<i>Note: if the entity has reported positive net operating cash flows in item 1.9, answer item 8.5 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.5.</i>		

8.6 If item 8.5 is less than 2 quarters, please provide answers to the following questions:

8.6.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?

8.6.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?

8.6.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Note: where item 8.5 is less than 2 quarters, all of questions 8.6.1, 8.6.2 and 8.6.3 above must be answered.

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: 27 October 2026

Authorised by: By the Board of Directors
(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.