



Sprintex Quarterly Report

For the Quarter Ended 31 December 2024

28 Jan 2025

"Sprintex has continued to make strong progress throughout the December quarter, underpinned by sales commitments from distribution partners of A\$30m in the UK, Turkiye and India.

Further, the Company's operational momentum continued with pleasing results from trials undertaken with a leading aquaculture producer in Turkiye, which highlighted that the G15 jet blower can produce 70% in energy savings. This provides exceptional validation of our technology and results will be used for more aggressive business development over the coming months.

Further supporting the Company's growth trajectory and allowing for financial flexibility, the Company entered into a binding underwriting agreement with major shareholder, China Automotive Holdings. Importantly, this agreement will support our growth trajectory and serves as a considerable vote of confidence in our stated strategy.

During the current quarter, the Company remains focused on converting its A\$30m in distribution agreements to meaningful revenue, as well as finalising commissioning of the Mest Water compressors, which is expected to complete by early February.

Sprintex is very well positioned to solidify its position as a market leader in energy efficient technologies and unlocking value for shareholders. We look forward to updating our shareholders on the further developments over the coming months."

Steven Apedaile

Executive Chairman of Sprintex



Quarter Highlights

» UK Market Expansion

- **A\$17.5 million minimum order commitment** secured with Air End Repair for UK exclusive distribution .

» AirTech Validation

- AirTech successfully validated the 4kW G15 units at their German lab, confirming results consistent with Sprintex's internal testing. They will shortly commence 7.5kW testing and discussions with key accounts.

» India Distribution Agreement

- **A\$7.16 million minimum partnership** with Euroteck Environmental.

» Corporate Updates

- Conversion of AU\$266,250 in convertible notes
- Entered into underwriting agreement for AU\$0.075 options (total AU\$965k)

» Türkiye Market Growth

- **G15 trials achieved 70% energy savings**, leading to purchase orders.
- Net 0 Enerji have secured a contract with WeCycle to be the global launch customer of the new Sprintex G25 Blower



Company Update

Key Achievements and Activities

Strategic Partnerships

- Expansion into the UK, India, and Türkiye markets.
- New distribution partnerships have led to total global order value of A\$30m minimum over the next five years.
- Commitment to growing distribution networks with negotiations well advanced.

Technology Developments

- New product innovations in blower technology.
- Implementation of energy-efficient solutions in various sectors.

Financial Performance

- Revenue and funding highlights.
- Operational expenditure and financial health.

Mest Water Progress

1. Facility Expansion

- Mest Water has successfully moved into a new 31,000m² facility on a 5ha lot to support their production scale-up forecast.

2. Preliminary Testing and Review

- Prtotype testing completed in December following a meeting with Sprintex and Mest Water at group's new facility.

3. Commissioning Plans

- Final commissioning of the first Sprintex compressors on 31 January 2025 in the Netherlands with completion anticipated a week following.

4. Expected Developments

- Following successful commissioning, Sprintex anticipates receiving a contract to develop two additional compressor models (500kg/hr and 1500kg/hr).
- A firm production order is expected for the updated 1,000 kg/hr machine.

5. Production Forecast

- Mest Water has a large waitlist of customers including two that require more than 200 systems individually.
- Final commissioning this quarter expected to support Mest Water's expansion and further strengthen strategic partnership.

UK Market Expansion

1. Exclusive Distribution Agreement

- [Air End Repair Ltd appointed as the exclusive distributor of Sprintex G-Series Blowers in the UK.](#)
- Agreement minimum value: **A\$17.5 million over five years.**

2. Initial Order and Financial Commitment

- An initial order of US\$80,100 (AU\$125,750) has been confirmed.
- Agreement includes quarterly minimum order targets to maintain exclusivity.
- 50% deposit US\$40,050 (AU\$62,875) has been paid .

3. Market Potential

- UK turbo blower market valued at US\$182.16 million in 2024, projected to grow at a CAGR of 4.3%.
- Growing demand driven by sustainable industrial practices and the expanding manufacturing sector.
- UK's high energy costs present an opportunity for rapid ROI with Sprintex's energy-efficient solutions.

4. Strategic Importance

- Air End Repair Ltd has a well-established infrastructure, including the Smethwick Works facility in Birmingham.
- Strong existing relationships with UK water authorities provide access to key sectors like wastewater treatment.
- Dedicated Sales Manager with extensive market sector experience appointed to focus exclusively on Sprintex products.

5. Forward Marketing

- Targeted marketing campaigns and on-site demonstrations planned to drive market adoption.

India Distribution Agreement

1. Exclusive Distribution Agreement

- [Euroteck Environmental Pvt. Ltd appointed as the exclusive distributor of Sprintex G-Series Blowers in India.](#)
- Agreement minimum value: **A\$7.16 million over five years.**

2. Initial Order and Market Penetration

- Five custom G15 Jet Blowers delivered to Euroteck for evaluation in their wastewater treatment systems.
- Euroteck plans to integrate Sprintex's technology into their existing systems, replacing outdated blowers.
- Initial order deposit US\$45,875 (AU\$72,613) paid in full.

3. Technical and Market Synergies

- Sprintex's G15 Jet Blowers are optimised for Euroteck's patented Aire-O2 Triton® systems used in wastewater treatment.
- Euroteck operates across India and the Middle East with over **200 staff** and four manufacturing facilities, enhancing Sprintex's market reach.
- Euroteck's IntelHydro™ AIoT platform will complement Sprintex's IoT-enabled blower technology for enhanced efficiency and performance tracking.

4. Operational Impact

- Potential to replace the blowers in up to 3,000 Aire-O2 Triton® systems currently in use across India.
- Energy cost savings of up to **69%**, aligning with Euroteck's sustainability goals.

5. Growth Potential

- Euroteck's established network and expertise in effluent treatment and odour control provide significant expansion opportunities.
- India's growing industrial and municipal wastewater sector presents strong demand for energy-efficient aeration solutions.

Türkiye Market Growth

1. Exclusive Distributor

- Appointed as the exclusive distributor for Türkiye in June 2024, Net 0 Enerji has made significant progress in market penetration, including the recent order of USD 120,000 (~AUD 184,000) following successful trials
- Agreement minimum value: **A\$5.8 million over three years.**

2. Initial Order and Market Penetration

- Successful trial of the Sprintex G15 Jet Blower at Ilknak Aquaculture, demonstrating a 70% energy savings compared to side channel blowers.
- Several ongoing private sector trials, Türkiye has significant industrial applications that suit our technology including; cement factories, meat production, textiles, wastewater & aquaculture.

3. Strategic Collaboration

- Net 0 Enerji provides advanced energy monitoring systems, enabling real-time tracking of efficiency gains and cost savings for clients.
- Sprintex technology aligns with Türkiye's sustainability goals, supporting energy-efficient solutions across multiple industrial sectors.

4. Launch of the Sprintex G25 Jet Blower

- Net 0 Enerji has secured the global launch customer for the soon-to-be-released Sprintex G25 25kW Jet Blower.
- The G25 features cutting-edge air bearing technology that ensures maintenance-free operation for up to five years.
- The larger G25 model range will enable Sprintex to target much larger projects and infrastructure applications, further expanding market potential.

5. Operational and Sustainability Impact

- Demonstrated potential to replace multiple side channel blowers, significantly reducing energy consumption and operational costs.
- Supports Net 0 Enerji's focus on energy efficiency initiatives and promoting sustainable business practices across Türkiye.

6. Growth Potential

- Expansion into additional sectors, including wastewater treatment, aquaculture, and industrial manufacturing.
- Ongoing trials in agriculture and feed processing sectors, broadening market applications for Sprintex's innovative blower solutions.

AirTech Validation

1. Potential White Label Agreement

- Discussions regarding a potential white label partnership are ongoing, with positive progress made to date.

2. Testing and Validation

- Initial first-phase testing conducted in November 2024, successfully passing performance criteria and aligning with Sprintex's internal benchmarks.
- Plans are underway to provide 7.5kW units for further testing, ensuring compatibility with AirTech's operational requirements.

3. Servicing and Maintenance Planning

- Development of a comprehensive maintenance schedule tailored to AirTech's needs.
- Establishment of servicing capabilities in Germany to support customer trials and long-term operational success.

4. Customisation and Product Optimisation

- Collaborative efforts to refine product specifications based on real-world testing feedback.
- Finalisation of product types and potential customisation to meet AirTech's specific application requirements.

Q1 2025 Outlook

Market Expansion Initiatives

- Focus on penetrating European and MENA markets.
- Participation in major industry events and exhibitions; World Future Energy Summit (Abu Dhabi) and Hannover Fair (Germany).

Product Roadmap

- Introduction of next-generation blowers with enhanced automation & IoT features.
- Global launch of game-changing G25 series complete January 2025.

Operational Improvements

- Scaling production capacity in Malaysian and Suzhou facilities.

Market Expansion Initiatives

- CE certification (Europe) for G15 already achieved, G25 expected to receive CE certification in Q1 2025.
- MENA expansion: Success attendance at World Future Energy Summit in Abu Dhabi (January 2025) alongside appointment of Regional Manager Mr. Fadi El Sadek, who has 25+ years experience in industrial blowers & compressors is fluent in Arabic, French & English. Sprintex will use the UAE as a hub to supply the region.
- North America Expansion: Focus on the USA and Canada, with customers already eager for the products. QPS certification (CE/UL equivalent for USA/Canada) is currently underway to facilitate market entry and compliance.
- Europe: Sprintex is attending the prestigious and broad reach Hanover Fair in April 2025 as we look to establish a presence in Germany.

Sprintex G25 Jet Blower Launch

Global Launch Partnership

- Sprintex is launching the G25 Jet Blower in collaboration with Net 0 Enerji, our exclusive distributor in Türkiye.
- The first global launch order includes two G25 25kW units for Wecycler Arıtım, a leading water treatment company in Türkiye.

Key Advantages of G25

Maintenance-Free Operation:

- Utilises air bearing technology, ensuring 5 years of maintenance-free operation, significantly reducing operational downtime.

Ultra-High-Speed Performance:

- Operates at speeds up to 100,000 RPM, delivering industry-leading energy efficiency and output.

Energy Savings:

- Offers up to 20% more efficiency compared to conventional turbo blowers, and up to 40% more efficiency compared to positive displacement blowers.

Intelligent Control:

- Equipped with a smart monitoring system, enabling remote operation, performance tracking, and proactive maintenance alerts.

Scalability:

- With models up to 55kW, the larger capacity of the G25 opens opportunities for large-scale infrastructure projects, including municipal and industrial wastewater treatment applications.

Market Potential

- Expanding Sprintex's market reach into larger-scale infrastructure projects.
- Strong demand anticipated across wastewater treatment, aquaculture, and pneumatic conveying industries.
- Aligns with global sustainability goals by providing energy-efficient aeration solutions.

G25

Jet Blower Series

G25 30kW 100kPa

INTELLIGENT

Enables unmanned operation with programmable controls and active valves for surge and choke protection

ENERGY EFFICIENCY

30-40% more efficient than Roots Style blowers, 20% more efficient than other Turbo Blowers

G25 37kW 100kPa

UNSURPASSED DURABILITY

5 years maintenance free

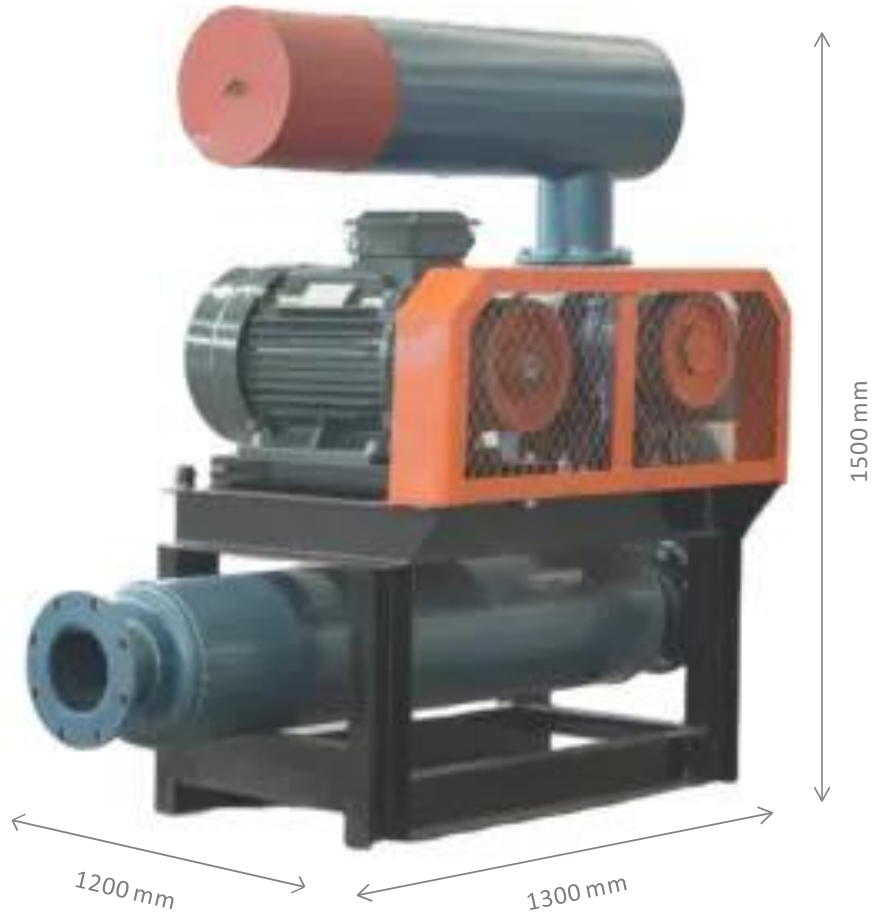
ULTIMATE POWER DENSITY

37kW power for only 140kg



Technology Comparison

Rotary Lobe (Roots) Blower



VS

Sprintex G25 Jet Blower

88% lighter
 79% smaller
 20-40% more efficient



Funding & Equity Movements

Funding Movements

- During the December quarter Sprintex had the following funding movements:
 - Raised A\$700k from loans from Euromark Limited and Distacom Enterprises Limited.
 - Raised A\$319k (1.5M RMB) from a loan from Jiangsu Kunshan Rural Commercial Bank Co., Ltd.
 - Settled a bank loan totaling A\$319k (1.5M RMB) and made payment for insurance premium funding of 17k.
 - Raised A\$21,000 from convertible debt securities.
 - Transaction costs relating to loans and borrowings amounted to A\$18,000.
- Total convertible notes outstanding at quarter end include:
 - A\$3,000,000 issued to China Automotive Holdings Limited convertible before 30 June 2025.
 - A\$661,186 (3M RMB) issued to Fangfang Yang and Zengmin Bi convertible before 31 March 2025.

Equity Movements

- During the December quarter Sprintex had the following equity movements:
 - A\$298,000 raised from options exercised in the previous quarter.
 - Transaction costs relating to equity or convertible debt securities totaled A\$35,000
 - 10,650,000 shares were issued from the conversion of convertible notes with a face value of \$266,250 and a conversion rate of \$0.025 per share.
 - Subsequent to quarter end, the Group received \$965K from the underwriting of 12,871,111 options with an exercise price of 7.5 cents which expired on 31 December 2024.

Expenditure

Research & Development

- A\$27k spent on product development and sample testing.

Product Manufacturing & Operating Costs

- A\$517k incurred to support ongoing production activities.

Advertising & Marketing

- A\$73k spent in relation to marketing campaigns and promotional activities.

Staff Costs

- A\$550k remuneration costs for all staff employed by the Company, including payments to related parties of A\$67k.

Administration & Corporate Costs

- A\$367k incurred for administration and corporate costs associated with running the Company including ASX fees, legal fees, audit fees, share registry fees, rent, other administrative expenses and payments to related parties of A\$3k.

Expected Receipts & Funding March Quarter

Expected Revenue Receipts

- Sprintex anticipates the remaining 15 1000kg compressors to be delivered to Mest Water €247,500 (AU\$409,510).
- Sprintex anticipates a contract to develop two new compressor models from Mest Water (500 and 1500kg) , 10 units of each (20 total) €620,000 (AU\$1,025,842).
- Sprintex anticipates volume orders of the 1000kg compressor from Mest Water, quantities to be confirmed.
- Sprintex anticipates increases in orders from exclusive and non-exclusive distributors & dealers as well as direct to clients.

Funding Sources

- A\$965,000 from the underwriting of 12,871,111 options exercised at 7.5 cents, which expired on 31 December 2024.

Projected Sales Growth

- Multiple sales prospects and pilot projects are expected to contribute additional revenue.

CONTACT

GET IN TOUCH

Join us in making a brighter,
cleaner future



OUR ADDRESS

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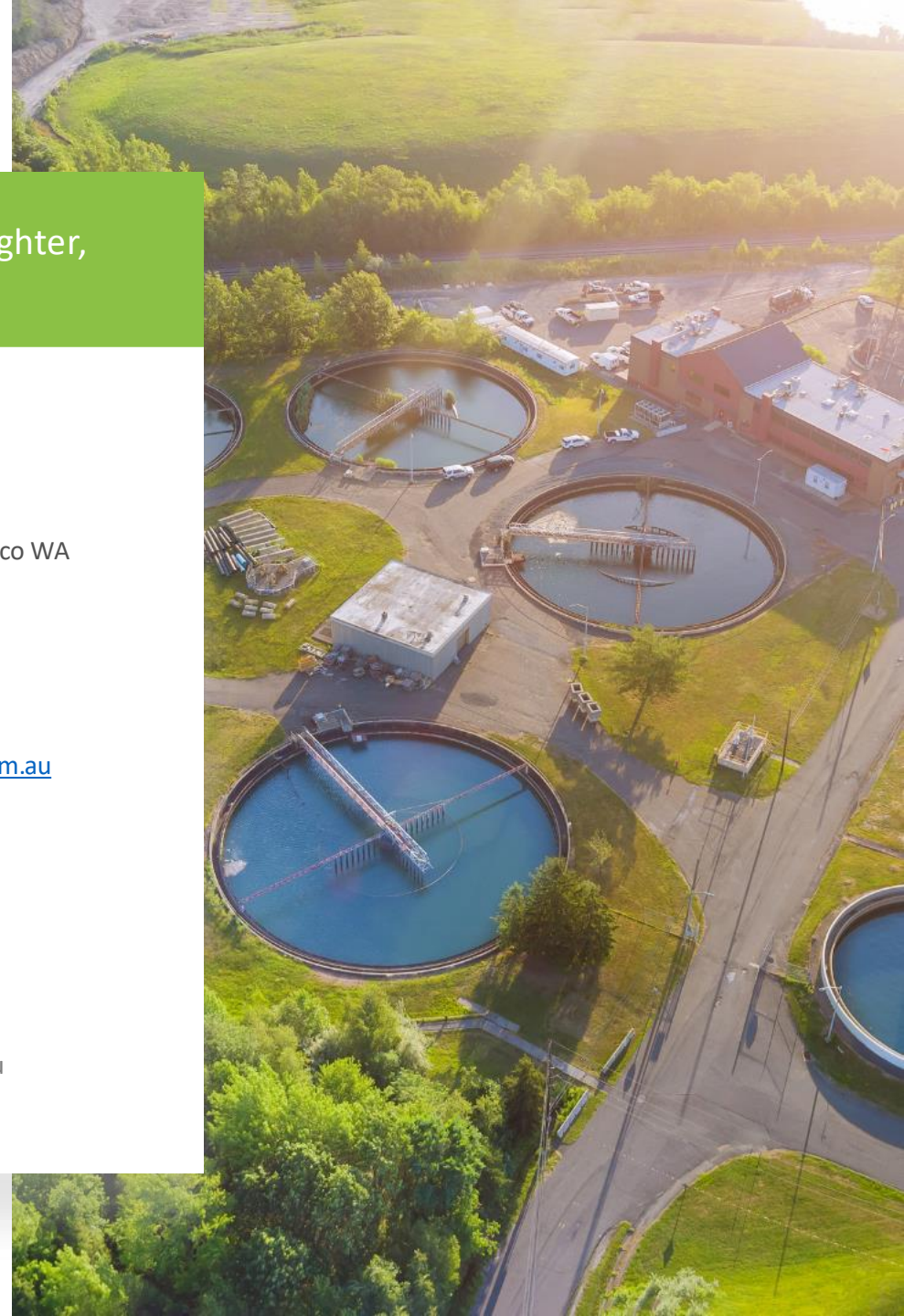
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Forward Looking Statements

This announcement contains ‘forward-looking information’ that is based on the Company’s expectations, estimates and projections as of the date on which the statements were made. This forward-looking information includes, among other things, statements with respect to the Company’s business strategy, plans, development, objectives, performance, outlook, growth, cash flow, projections, targets and expectations and related expenses. Generally, this forward-looking information can be identified by the use of forward-looking terminology such as ‘outlook’, ‘anticipate’, ‘project’, ‘target’, ‘potential’, ‘likely’, ‘believe’, ‘estimate’, ‘expect’, ‘intend’, ‘may’, ‘would’, ‘could’, ‘should’, ‘scheduled’, ‘will’, ‘plan’, ‘forecast’, ‘evolve’ and similar expressions. Persons reading this announcement are cautioned that such statements are only predictions, and that the Company’s actual future results or performance may be materially different. Forward-looking information is subject to known and unknown risks, uncertainties and other factors that may cause the Company’s actual results, level of activity, performance, or achievements to be materially different from those expressed or implied by such forward looking information.

Appendix 4C

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

Name of entity

Sprintex Limited

ABN

38 106 337 599

Quarter ended ("current quarter")

31 December 2024

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (6 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	687	988
1.2 Payments for		
(a) research and development	(27)	(85)
(b) product manufacturing and operating costs	(517)	(1,103)
(c) advertising and marketing	(73)	(114)
(d) leased assets	-	-
(e) staff costs	(550)	(1,280)
(f) administration and corporate costs	(367)	(712)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	0	0
1.5 Interest and other costs of finance paid	(1)	(30)
1.6 Income taxes paid	(7)	(12)
1.7 Government grants and tax incentives	122	164
1.8 Other (provide details if material)	-	-
1.9 Net cash from / (used in) operating activities	(733)	(2,184)
2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) businesses	-	-
(c) property, plant and equipment	-	(130)
(d) investments	-	-
(e) intellectual property	-	-
(f) other non-current assets	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
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 (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	Net cash from / (used in) investing activities	-	(130)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
3.2	Proceeds from issue of convertible debt securities	21	21
3.3	Proceeds from exercise of options	-	298
3.4	Transaction costs related to issues of equity securities or convertible debt securities	(35)	(68)
3.5	Proceeds from borrowings	1,019	1,019
3.6	Repayment of borrowings	(336)	(362)
3.7	Transaction costs related to loans and borrowings	(18)	(18)
3.8	Dividends paid	-	-
3.9	Other (lease liabilities)	(105)	(172)
3.10	Net cash from / (used in) financing activities	546	718

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	494	1,908
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(733)	(2,184)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	-	(130)

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
4.4	Net cash from / (used in) financing activities (item 3.10 above)	546	718
4.5	Effect of movement in exchange rates on cash held	7	2
4.6	Cash and cash equivalents at end of period	314	314

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	314	494
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	314	494

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	70
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-

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.

Amounts shown at 6.1 relate to director salary/fees, reimbursements and rent paid during the quarter.

7. Financing facilities	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
<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>		
7.1 Loan facilities	4,692	4,692
7.2 Credit standby arrangements	-	-
7.3 Other – premium funding	25	25
7.4 Total financing facilities	4,717	4,717
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.		
<p>Loan facilities includes the following financing facilities:</p> <ul style="list-style-type: none"> - A\$3,000,000 convertible notes, issued to China Automotive Holdings Limited, with an annual interest rate of 6% per annum and are convertible on or before 30 June 2025 at a variable conversion rate being the higher of 3 cents or 20% discount to the 15 day VWAP concluding on the day of conversion. - A\$661,186 (3M RMB) convertible notes, issued to Fangfang Yang and Zengmin Bi, with an annual interest rate of 12% per annum and are convertible on or before 31 March 2025 at a variable conversion rate being the higher of 3 cents or 20% discount to the 15 day VWAP concluding on the day of conversion. - A\$350,000 unsecured loan from Euromark Limited with an interest rate of 6% per annum and a maturity date of 30 June 2025. - A\$350,000 unsecured loan from Distacom Enterprises Limited with an interest rate of 6% per annum and a maturity date of 31 March 2025. - A\$330,593 (1.5M RMB) loan from Jiangsu Kunshan Rural Commercial Bank Co., Ltd with an interest rate of 3.2% per annum and a maturity date of 19 December 2025. <p>Other financial facilities relate to insurance premium funding.</p>		

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (item 1.9)	(733)
8.2 Cash and cash equivalents at quarter end (item 4.6)	314
8.3 Unused finance facilities available at quarter end (item 7.5)	-
8.4 Total available funding (item 8.2 + item 8.3)	314
8.5 Estimated quarters of funding available (item 8.4 divided by item 8.1)	0.43
<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?	
<p>Answer: No, Sprintex anticipates it will receive cash from sale contracts in the coming quarter which shall improve the operating cashflow.</p>	

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?

Answer: Subsequent to quarter end the Group received \$965k from the underwriting of the 12,871,111 options with an exercise price of 7.5 cents which expired on 31 December 2024.

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?

Answer: Yes, refer to section 8.6.1 & 8.6.2 above.

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: 28 January 2025

Authorised by: The Board
(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.