Sprintex Limited
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ASX: SIX

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Sprintex enters China MVR market through Bosiwei Co-Development Agreement, targeting Yufeng retrofit

Highlights

- **Strategic Co-Development partnership:** formal Co-Development Agreement executed with Jiangsu Bosiwei Chemical Equipment Engineering Co., Ltd. ("**Bosiwei**") to collaboratively develop sub-3-tonne Mechanical Vapor Recompression ("**MVR**") systems.
- **Marquee target project:** Collaboration targets an energy-saving MVR system retrofit for Hebei Yufeng Industrial Group ("**Yufeng Group**"), a major Chinese ag and biotech enterprise processing up to 8m tonnes of corn annually.
- **Core technology integration:** For the Yufeng retrofit, Sprintex will supply its high-efficiency 30kW MVR compressor technology, specifically engineered to replace legacy, energy-intensive 110kW Roots blowers.
- **Rapidly expanding market:** Asia-Pacific leads the global MVR market (41%–45% share)[1], with China representing the largest single market globally, boasting over 2,600 active industrial installations[2].
- **Sector tailwinds in agriculture & food refining:** MVR deployments in food and agricultural processing are surging 21% year-on-year[2], driven by industrial energy efficiency mandates and up to 80%–90% energy consumption reductions compared to traditional thermal evaporation[1].
- **Two-stage commercial structure:** Establishes a structured pathway from Phase 1 co-development/evaluation directly into Phase 2 ongoing commercial supply, subject to successful testing.
- **Exclusivity pathway:** Successful completion of the Yufeng Group benchmark project is intended to lead to a long-term Supply Agreement, under which Bosiwei would receive exclusive matching integration status in China.
- **Strong IP & Anti-Circumvention covenants:** Agreement strictly protects Sprintex's core compressor Background IP and includes robust anti-circumvention provisions.
- **Strategic fit:** Extends Sprintex's existing MVR compressor platform into Chinese industrial evaporation applications, supporting the Company's broader strategy of converting partner-led validation into recurring product supply.

Sprintex Limited (ASX: SIX) ("**Sprintex"** or "**the Company"**) is pleased to advise it has entered into a Co-Development Agreement with China-based industrial equipment specialist Jiangsu Bosiwei Chemical Equipment Engineering Co., Ltd. ("**Bosiwei**") to co-develop sub-3-tonne Mechanical Vapor Recompression ("**MVR**") systems for industrial applications in China.

Under the terms of the agreement, Sprintex will manufacture and supply compressors based on its current high-efficiency MVR compressors, providing its 30kW high-efficiency MVR compressor as the core technology component for Bosiwei's sub-3-tonne MVR industrial systems. Bosiwei will lead overall system integration, design, piping, PLC software configuration, and final site deployment.

The agreement expands the application of Sprintex's MVR compressor platform into industrial evaporation in China and is consistent with the Company's broader strategy of working with established local partners to validate its technology and convert successful deployments into recurring product supply.

China's sub-3-tonne MVR market represents a rapidly expanding segment driven by stringent national environmental policies, mandatory Zero Liquid Discharge ("**ZLD**") requirements, and industrial decarbonisation targets.

Substantial global & Chinese addressable market opportunity

The strategic entry into China's MVR sector positions Sprintex directly within the world's largest and fastest-growing market for industrial vapor compression and energy-efficiency equipment:

- Energy efficiency & ESG impact: MVR technology reduces thermal energy consumption by 80% to 90% compared to conventional steam evaporation systems by recycling latent heat[1]. On average, MVR integration achieves a 45% reduction in site operating costs and can cut carbon emissions by more than 1,000 metric tonnes per year per installation, providing a high-impact environmental profile.

- High growth market rates: The global MVR evaporator market is projected to reach US$4.5bn (A$6.38bn) by 2035, growing at a 7.1% CAGR[3]. The global MVR compressor segment specifically is expanding at an 8.49% CAGR to reach over US$876m (A$1.24bn) by 2035[4].

- China regional dominance: The Asia-Pacific region accounts for 41% to 45% of total global MVR market share[1]. China leads global deployments with over 2,600 active operational installations across chemical, pharmaceutical, and food processing industries[2].

- Surge in agricultural processing demand: MVR deployments in food and agricultural processing are experiencing a 21% year-on-year surge[2], as global processing giants accelerate energy optimisation for liquid separation and thermal concentration.

- Industrial retrofit momentum: With over 1,100 industrial evaporators retrofitted with modern MVR modules globally in a single year[2], replacing legacy blowers with high-efficiency centrifugal compressors typically yields payback periods between 3 to 5 years.

Within this addressable market, Bosiwei is targeting 500 units per year for sub-3-tonne MVR systems across wastewater, chemical, pharmaceutical, and food refining sectors.

Target benchmark project: Yufeng Group

The initial deployment under this collaboration targets an energy-saving MVR system retrofit for Yufeng Group.

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Operational requirement & energy efficiency retrofit

Yufeng Group requires high-efficiency sub-3-tonne MVR systems to upgrade its existing evaporation and concentration processes. The initial retrofit project specifically targets the replacement of legacy 110kW Roots blowers with Sprintex's 30kW high-efficiency MVR compressor technology.

By replacing inefficient legacy Roots blowers with Sprintex's advanced high-speed centrifugal compressors, the upgraded system is engineered to deliver significant energy savings—drastically lowering specific power consumption per tonne of steam recycled, reducing site operational expenditure, and assisting Yufeng Group in meeting strict regional energy efficiency and decarbonisation mandates.

About Yufeng Group

Yufeng Group is a major Chinese agricultural and biotechnology enterprise based in Xingtai, Hebei, specialising in large-scale deep processing of corn. The company processes approximately 6 to 8 million tonnes of corn annually across multiple industrial parks in China—including major facilities in Hebei, Henan, and Inner Mongolia—converting raw grain into starches, sweeteners, animal feed, and high-value biochemicals.

- Core product portfolio:
  - Starches & Sweeteners: Edible and medicinal-grade corn starch, crystalline glucose, high fructose corn syrup, malt syrup, and maltodextrin.
  - Sugar Alcohols & Biochemicals: Erythritol, sorbitol, maltitol, mannitol, trehalose, alongside world-leading production capacities for Vitamin B12 and Coenzyme Q10.
  - Byproducts: Corn germ oil, protein powder, and specialised animal feed components.
  - Global footprint: Exports functional food ingredients, pharmaceutical inputs, and industrial starches across North America, Europe, Southeast Asia, and Oceania.

Successful validation of Sprintex's 30kW high-efficiency MVR compressor technology in Yufeng Group's industrial facilities would establish an authoritative, highly credible benchmark across China's agricultural refining, biotechnology, and food processing sectors, laying the foundation for widespread commercial adoption.

Commercial roadmap & exclusivity framework

The agreement establishes a structured, two-stage commercial model designed to de-risk technical integration before potentially scaling commercial supply:

1. Stage 1 (Co-development & testing): Governs initial system development, evaluation, and site testing for the Yufeng Group project. Sprintex will supply 30kW high-efficiency MVR compressors for this phase at an agreed pilot price upon specification confirmation.
2. Stage 2 (Binding Supply Agreement & market exclusivity): Upon successful site testing and project acceptance at Yufeng Group, the parties will execute a separate long-term Supply Agreement. This agreement would set out agreed recurring volume commitments, commercial pricing, and grant Bosiwei the exclusive matching qualification status for sub-3-tonne MVR systems in China.

The agreement includes a 6-month longstop date from execution for project completion and Supply Agreement execution, unless extended by mutual consent.

Intellectual Property Protection & Safeguards

The agreement incorporates strict legal protections regarding IP and technology security:

- Ownership: Each party retains full ownership of its Background IP. Sprintex maintains exclusive rights to all underlying compressor technology.
- Anti-Circumvention: Bosiwei is strictly prohibited from using Sprintex's confidential information, engineering assistance, or technical data to design, source, or qualify alternative third-party compressors as a substitute for Sprintex units.
- Reverse Engineering Prohibitions: Bosiwei must not reverse-engineer, decompile, or file conflicting IP registrations based on Sprintex's core compressor technology anywhere in the world.

Management Commentary

Sprintex Managing Director & CEO Jay Upton said: *"This co-development agreement expands the application of Sprintex's MVR compressor technology into a significant industrial market in China, combining our high-efficiency compressor platform with Bosiwei system-integration capability and local customer relationships.*

The proposed Yufeng project provides a clearly defined validation opportunity, targeting the replacement of legacy 110kW Roots blowers with our 30kW high-efficiency MVR compressor in a large-scale operating environment. Successful testing would provide an important reference installation for Bosiwei's broader MVR pipeline and, subject to project acceptance and execution of the long-term Supply Agreement, a pathway to recurring compressor supply.

This model also allows Sprintex to focus on supplying its core compressor technology, while leveraging Bosiwei's established engineering, system integration and customer-facing capabilities to support broader deployment across the Chinese market.

This is consistent with our broader commercial strategy of working with established partners to validate Sprintex technology in demanding industrial applications and convert successful deployments into repeat product orders across multiple markets."

This ASX announcement has been authorised for release by the Board of Sprintex Limited.

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About Sprintex:

Sprintex, established in Australia in 2003, is a prominent company specialising in the engineering, research, product development, and manufacturing of ultra high-speed electric motors and clean air compressors. The Company is dedicated to creating energy-efficient solutions for various applications, significantly impacting both industrial and automotive sectors. Sprintex's innovation-driven approach has positioned it as a leader in the development of clean air technologies, continually advancing the standards in these industries.

In the industrial sector, Sprintex's G-Series blowers are designed for high-speed air movement in wastewater treatment, aquaculture, paper milling, and pharmaceuticals, ensuring efficient and reliable performance. Additionally, Sprintex develops fuel cell compressors for clean energy applications, particularly in hydrogen and natural gas fuel cells, promoting sustainable energy solutions. In the automotive realm, the Company focuses on enhancing hybrid and petrol vehicles with high-speed electric motor-driven compressors, while its legacy in twin screw superchargers continues to influence modern advancements.

About Bosiwei:

Jiangsu Bosiwei Chemical Equipment Engineering Co., Ltd. ("**Bosiwei**") is an established Chinese engineering and technology enterprise based in Yangzhou, Jiangsu Province, specialising in the design, engineering, and manufacturing of advanced process equipment, heat exchange systems, drying technology, crystallisation machinery, and evaporation equipment.

With a comprehensive production portfolio spanning over 20 product categories and 100+ specialised equipment configurations, Bosiwei supplies turnkey industrial solutions to the chemical, environmental protection, biological fermentation, starch, sugar, pharmaceutical, food processing, and paper manufacturing sectors. Bosiwei brings multi-year engineering expertise in Mechanical Vapor Recompression ("**MVR**") system integration, Zero Liquid Discharge ("**ZLD**") industrial wastewater engineering, PLC configuration, and complete equipment integration across major Chinese industrial hubs.

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.

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Sources

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[2]Market Growth Reports, MVR Evaporator Market - Global Industry Analysis, Size, Share & Forecast (2026–2035) (July 2026). https://www.marketgrowthreports.com/market-reports/mechanical-vapor-recompression-mvr-market-108602

[3]WiseGuyReports, Global Mechanical Vapor Recompression (MVR) Evaporator Market Research Report (June 2026). https://www.wiseguyreports.com/reports/mechanical-vapor-recompression-mvr-evaporator-market

[4]Precision Reports, Mechanical Vapor Recompression (MVR) Compressors Market Report - Global Size, Share & Industry Analysis (July 2026). https://www.precisionreports.co/market-reports/mechanical-vapor-recompression-mvr-compressors-market-606627

[5]Exchange rate based on the Reserve Bank of Australia rate on 11 August 2026 of A$1.00 = US$0.7056.

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