



Sprintex Limited
ABN: 38 106 337 599

ASX: SIX

ASX RELEASE

31 October 2022

Sprintex Quarterly Activities Report and Appendix 4C for the Quarter Ended 30 September 2022

Quarter Highlights:

- **6kW, 10kW and 25kW e-Compressor samples delivered**
- **Sprintex's 25kW fuel cell compressors provided to fuel cell manufacturers**
- **Design and testing of several new high-speed e-compressors completed**
- **E-Compressors exhibited at World Hydrogen Expo and conference at Messe Bremen in Northern Germany**

Sprintex Limited (ASX: SIX) (**Sprintex** or the **Company**) is pleased to provide its quarterly activities and cash flow report for the September 2022 quarter.

Activities:

e-Compressors

All samples of 6kW, 10kW and 25kW e-Compressors were delivered to Aeristech per the Sprintex Aeristech agreement. Applications include air compressors in fuel cell systems and HVAC compressors for battery cooling.

Sprintex's 25kW fuel cell compressors were provided to fuel cell manufacturers in August 2022.

Design and testing of several new high-speed e-compressors supporting applications for hydrogen fuel cells, e-boosting of internal combustion engines and industrial processing was completed.

In the September quarter, the Company completed the design and testing of several new high-speed e-compressors supporting applications for hydrogen fuel cells, e-boosting of internal combustion engines and industrial processing.

These three compressor families offer exceptional compressor and electric motor efficiency, aiding improved net energy efficiency from a wide range of fuel cell applications.

Sprintex S15 is a 3Kw compressor range, with versions suited to fuel cells of up to 20kW capacity, commonly used in forklift truck applications, mobile phone network installations, and other stationary power generation needs, as well as automotive e-boosting applications for electric vehicles with small internal combustion engines and many generic clean air requirements in food processing and general industrial process applications. The unit is very light weight at around 3kg and compact, featuring air-cooled ultra-high-speed solid bar magnet electric motor and dedicated motor controller.

Sprintex S18 is similar in design to S15 but includes liquid cooling offering a higher-pressure ratio output, supporting e-boosted internal combustion engines up to 200kw or fuel cell range extender applications up to approx. 40kw for electric plug-in vehicles and many generic clean air applications in industrial processing.

Sprintex S26 is an advanced design, high-speed hydrogen fuel cell compressor, featuring a very small electric motor rotor diameter of just 26mm, offering exceptional efficiency and compact packaging, ideally suited to hydrogen fuel cell / battery electric full size semi-trailer trucks, line-haul trucks and construction equipment etc. The Company's R&D team is currently developing a version of the S26 compressor that will include a turbine expander on a common shaft with the electric motor and compressor, offering up to 11kw of energy recovery from exhaust heat from either fuel cell or ICE powered applications.

These systems were exhibited at World Hydrogen Expo and conference at Messe Bremen in Northern Germany in October 2022, attracting significant interest and multiple enquiries from leading automotive and hydrogen industry vehicle and systems manufacturers and developers.

The Company will also present its new e-compressor systems at the world's largest automotive industry expo and conference the SEMA Show) in Las Vegas USA from 1st to 4th of November 2022

Sprintex has successfully developed and tested an advanced axial flow electric supercharger (e-boost) demonstrator for a major European car manufacturer. The customer has invited Sprintex to visit to their headquarters for discussions regarding the next phase of the project where Sprintex expects to develop a production version of this high-power electric supercharger for the customer's next generation hybrid supercar. While discussions are encouraging, there can be no certainty that discussions will advance to a material contract.

During the quarter, the Company upgraded its axial flow industrial blower/ e-Compressor design, resulting in higher efficiency and extending its operating range. This will allow the unit to perform a variable speed pulsation mode for water aeration applications, offering energy savings of up to 33% for end users. A new software and control system has been designed to facilitate this feature, alongside a new exterior body panel design.

Jeep Supercharger Systems

During the quarter, the Company delivered supercharger systems, mainly for Jeep vehicles, following customer interest generated at marketing events earlier in the year.

Corporate:

Annual Report and Corporate Governance Statement

The Company issued its Annual Report and Corporate Governance Statement on 31 August 2022.

Director Nominations

A general call for nominations for directors was made on 23 September 2022 in accordance with the Company's Constitution. No nominations for new directors were received.

Annual General Meeting

On 28 October 2022, the Company announced that its AGM will be held on 30 November 2022.

Share Issues

On 28 July 2022, the Company issued 2,000,000 shares at \$0.075, raising capital \$150,000, being part of the placement announced on 2 November 2021.

Further, on 28 July 2022, the Company issued 1,000,000 options with an exercise price of \$0.10 on or before 12 April 2023, which were attaching options to the placement announced on 2 November 2021.

Expenditure:

The Company's focus has been the development and commercialisation of its clean air compressor business.

Expenditure for the Quarter ended 30 September 2022 included:

- Product manufacturing and operating expenditure of \$219k incurred in producing products for sale;
- Advertising and marketing expenditure of \$148k related to marketing the Company and its products and services;
- Remunerations costs of \$141k comprising the costs of all staff employed by the Company. No payments were made to related parties during the period; and
- Administration and corporate costs of \$104k associated with running the Company, including ASX fees, audit fees, legal fees, share registry fees and rent.

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

For further information**Sprintex Limited**

Jay Upton, Managing Director

P: +61 8 9262 7277

E: jay.upton@sprintex.com.au

W: <https://invest.sprintex.com.au>

MMR Corporate Services Pty Ltd

Level 5, 52 Phillip Street

Sydney, NSW 2000 Australia

P: +61 2 9251 7177

E: Sprintex@mmercporate.com

About Sprintex

Sprintex is a clean air compressor engineering, research, product development and manufacturing company, incorporated in Australia in 2003. Sprintex designs and manufactures electric and mechanically driven clean air compressors for use in a wide variety of applications, including:

- combustion engines where Sprintex sells Sprintex® twin screw superchargers, and supercharger systems incorporating the Sprintex® twin screw supercharger, in the automotive aftermarket and original equipment manufacturer (OEM) market in Australia, Asia, Africa, the Middle East and the United States of America;
- hydrogen fuel cells, which require a constant flow of oxygen rich air; and
- industrial oil-free clean air applications, including wastewater treatment.

Forward Looking Statements

Statements regarding plans with respect to the Sprintex projects and products are forward looking statements. There can be no assurance that the Sprintex plans for its projects or products will proceed as expected and there can be no assurance of future sales.

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")

30 September 2022

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	383	383
1.2 Payments for		
(a) research and development	(353)	(353)
(b) product manufacturing and operating costs	(219)	(219)
(c) advertising and marketing	(148)	(148)
(d) leased assets	(9)	(9)
(e) staff costs	(224)	(224)
(f) administration and corporate costs	(19)	(19)
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 (provide details if material)	-	-
1.9 Net cash from / (used in) operating activities	(589)	(589)
2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) businesses	-	-
(c) property, plant and equipment	(94)	(94)
(d) investments	-	-
(e) intellectual property	-	-
(f) other non-current assets	-	-

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (3 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	(94)	(94)

3. Cash flows from financing activities		
3.1 Proceeds from issues of equity securities (excluding convertible debt securities)	150	150
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	(6)	(6)
3.5 Proceeds from borrowings	669	669
3.6 Repayment of borrowings	-	-
3.7 Transaction costs related to loans and borrowings	-	-
3.8 Dividends paid	-	-
3.9 Other (provide details if material)	-	-
3.10 Net cash from / (used in) financing activities	813	813

4. Net increase / (decrease) in cash and cash equivalents for the period		
4.1 Cash and cash equivalents at beginning of period	50	50
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(589)	(589)
4.3 Net cash from / (used in) investing activities (item 2.6 above)	(94)	(94)

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
4.4	Net cash from / (used in) financing activities (item 3.10 above)	813	813
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	180	180

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	180	50
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)	180	50

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	-
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>		

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

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	-	-
7.2 Credit standby arrangements	-	-
7.3 Other (please specify)	-	-
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.		

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (item 1.9)	(589)
8.2 Cash and cash equivalents at quarter end (item 4.6)	180
8.3 Unused finance facilities available at quarter end (item 7.5)	-
8.4 Total available funding (item 8.2 + item 8.3)	180
8.5 Estimated quarters of funding available (item 8.4 divided by item 8.1)	0.3
<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?	
Answer: Yes	

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: Yes.

Sprintex has secured sales contracts of e-compressors which are expected to commence generating revenue in the coming quarters, albeit that recent COVID-19 lockdowns in China have caused delays.

On 2 November 2021, the Company announced it had received commitments from sophisticated and professional investors to raise \$4,000,000 (before costs) through the issue of 53,333,334 fully paid ordinary shares (Shares) in the Company (Placement) at an issue price of \$0.075 per Share (Placement Shares), together with 1 free attaching option exercisable at \$0.10 on or before the anniversary of their issue (Placement Options) for each two participating Shares.

\$3,029k was received by the Company before 30 September 2022, including \$150k received during the current quarter and the balance of the placement is expected to be completed in Q4 of calendar 2022, a slight delay from the previous expectation of Q3 2022. This funding is expected to finance the operations until revenue commences being earned from contracted sales.

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 the comments in section 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.

31 October 2022

Date:

By the Board

Authorised by:

(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.