



**Sprintex Limited**  
ABN: 38 106 337 599

**ASX: SIX**

**ASX RELEASE**

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## **Sprintex and Mest Water Unite to Tackle Ammonia Emissions in European Agriculture**

***AU\$1 million Initial Evaluation Order with 50% deposit already paid  
Anticipated to be Company Transformational***

Sprintex Limited (ASX: SIX) (**Sprintex** or the **Company**) is pleased to advise that it has signed its largest Evaluation Agreement to date with MW Techniek BV (**Mest Water**)<sup>1</sup>.

### **Highlights**

- Sprintex to develop custom compressors for Mest Water's ammonia-reducing technology ZLD-UP, addressing Dutch ammonia emission regulations in agriculture.
- Mest Water's Zero Liquid Discharge Universal Process (ZLD-UP) revolutionises the treatment of manure, slurry, sludge, and wastewater, and farmers can use the ZLD-UP system to process manure and receive clean water and fertiliser as outputs.
- **First Model** (1,000kg/hr): 20 Sprintex compressors valued at €620,000 (AU\$1,000,000), to be supplied for evaluation, with 50% deposit already paid.
- **Two Additional Models** (500kg/hr and 1,500kg/hr): Letter of intent received to develop two additional compressors (total three models) in parallel this year (2024).
- **Long-Term Commitment:** Mest Water LOI intends to purchase all its system compressors from Sprintex and to enter a 5-year supply agreement post successful commissioning.
- Target sales price of €19,000 (AU\$30,000) per compressor, each farm requires at least one unit.
- Mest Water is currently working with a range of regulatory, commercial and financing partners, to scale their patented technology sufficiently to address the growing global problem of ammonia emissions from livestock farming

### **Background**

On 18 June 2024, the Company advised that it is collaborating with a Netherlands-based company to develop a custom compressor to integrate with their ammonia reducing technology for agriculture. This project is in response to the Dutch government mandated limits on ammonia emissions from animal

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<sup>1</sup> ASX 19/6/2024 – Sprintex Advises Collaboration Partners

manure. The customer has an existing waitlist of over 1000 farmers<sup>2</sup>. On 19 June 2024, the Company advised that the Netherlands party it was collaborating with is Mest Water.

**Jay Upton, Sprintex Managing Director, commented,** “This agreement marks a pivotal step in expanding Sprintex's reach within the European agricultural market, focusing on reducing ammonia emissions from livestock farming. Partnering with Mest Water marks a significant milestone for Sprintex. Our compressors are crucial for enhancing the energy efficiency and economic viability of their technology. This collaboration unlocks substantial market opportunities in cattle and pig farms, particularly in regions with stringent ammonia emission standards. We are excited to contribute to both environmental sustainability and operational efficiency in the agricultural sector. This agreement is expected to generate record revenues for Sprintex during FY 2024/2025 and beyond.”

**Arjan Mensink, Director of MW Techniek, stated,** "We are thrilled with Sprintex’s commitment to providing comprehensive R&D and customised solutions for our project. Their ability to quickly adapt and meet our needs has been crucial in overcoming the final major challenge in bringing our ZLD-UP system to market. Sprintex's advanced compressors have solved a big hurdle in making our ZLD-UP system more energy efficient. Their technology enables us to offer farmers a complete solution, significantly reducing ammonia emissions and converting manure into valuable products. We are looking forward to a long term relationship with Sprintex well beyond 5 years, as well as throughout The European Union."

#### **Evaluation & Collaboration Agreement**

**Initial Provision of Evaluation Compressors:** Sprintex will design, manufacture and deliver 20 custom evaluation compressors for Mest Water, for a total of €620,000 (AU\$1,000,000) including NRE<sup>3</sup> fees, within 12 weeks of the commencement date.

A 50% deposit of €310,000 (AU\$500,000) has already been paid, with the balance due upon delivery of the 20 evaluation units and completion of the 90-day evaluation period.

**Production Pricing:** Target production sales price is €19,000 (A\$30,000) per unit.

**On-Site Support:** Sprintex will provide its two most senior engineers to assist with the commissioning on-site in the Netherlands to ensure optimum outcomes for both parties

**Future Development:** Mest Water has provided a letter of intent for two additional compressor models with varying capacities. The evaluation order is for Sprintex 1,000 kg/hr unit. Following the evaluation period, two more models (500 kg/hr and 1,500 kg/hr) will commence parallel development with Sprintex. Development and production pricing for these models will be agreed upon based on expected specifications and proposed minimum annual production volumes.

**Long-Term Commitment:** A letter of intent for five years of production across the three models has been provided. Upon successful completion of the evaluation period (no longer than 90 days), a 5-year supply contract will be executed with minimum annual and quarterly production requirements for each model, based on a detailed assessment of market requirements at that time. This evaluation of Sprintex's custom compressor is a preparatory step towards a large-scale program aimed at addressing the government-mandated reduction of ammonia emissions from livestock farming, initially in the Netherlands and subsequently rolled out across Europe. Mest Water is currently working with a range of regulatory,

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<sup>2</sup> ASX 18/6/2024 – Evaluation Agreement with Leading Blower Manufacturer

<sup>3</sup> Non-Recurring Engineering (NRE) fees are costs associated with the design, development, and testing of a new product or component. These fees are typically one-time expenses incurred during the initial stages of a project, before mass production begins. NRE fees cover various activities that contribute to the creation of a prototype or a new system.

commercial, and financing partners to scale their patented ZLD-UP technology sufficiently to address the growing problem of ammonia emissions from livestock farming and reduce disposal costs for farmers.

### **About Mest Water and their Technology**

- **European Patent:** Mest Water's technology holds a European patent, with a global patent application in progress.
- **Transforming Waste into Resources:** Mest Water's Zero Liquid Discharge Universal Process (ZLD-UP) revolutionises the treatment of manure, slurry, sludge, and wastewater. The system evaporates water from these inputs, leaving a highly concentrated mixture, sterilised above 70°C. This evaporated water is then filtered through low-pressure reverse osmosis, making it suitable for discharge or reuse, with the process consuming approximately 50 kWh per cubic metre of evaporated water.
- **Ammonia Crystallisation Unit:** A standout feature of the ZLD-UP is its ammonia crystallisation unit, which converts ammonia gases into solid fertilisers, eliminating ammonia emissions. This makes the technology both highly efficient and environmentally friendly. The ZLD-UP can be customised for various industries, achieving high dry matter content, such as 98% from a 1% input in sludge processing.
- **Farmers' Benefits:** Farmers can use the ZLD-UP system to process manure and receive clean water and fertiliser as outputs. The innovative ZLD-UP system exemplifies its ability to transform liquid manure into valuable products while significantly reducing emissions.

### **EU Prospective Market**

Mest Water's technology addresses the critical need for efficient ammonia emission reduction in livestock farming, particularly in countries with stringent environmental regulations. Without Sprintex's advanced compressors, previous prototypes have not been energy-efficient enough to be economically viable. This agreement is set to revolutionise the industry by offering a solution that meets both efficiency and regulatory requirements.

### **EU Ammonia Emission Regulations Provide Significant Market Opportunities**

The European Union has stringent ammonia emission regulations under the National Emission Reduction Commitments Directive (NECD) and the Integrated Pollution Prevention and Control (IPPC) directive, aiming for significant reductions in ammonia emissions from agriculture by 2030. These regulations require the implementation of Best Available Techniques (BAT) to minimize emissions, making the ZLD-UP's ammonia crystallization unit and water reuse capabilities particularly relevant.

EU countries with strict regulations (representing market size) include:

EU Country	Approximate no. Poultry Farms	Approximate no. Cattle Farms	Approximate no. Pig Farms
Netherlands	1,900 housing about 98 million chickens	17,500	3,300
Denmark	4,000	10,000	3,500
Germany	34 million laying hens and numerous poultry farms	130,000	27,000
Ireland	350	80,000	1,300
France	20,000	210,000	8,500
Spain	1,300	130,000	86,000

This comprehensive market analysis highlights a significant opportunity for Sprintex and Mest Water to serve tens of thousands of livestock farms across Europe. By providing energy-efficient compressors, Sprintex enables Mest Water to deliver viable and sustainable ammonia reduction solutions. This addresses a critical environmental challenge while opening substantial commercial opportunities.

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

**For further information**

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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.



### **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 A

1. Centraal Bureau voor de Statistiek (CBS) - Agriculture Overview [<https://www.cbs.nl/en-gb>]
2. Statistics Denmark - Livestock Production [<https://www.dst.dk/en/Statistik>]
3. German Federal Statistical Office (Destatis) [[https://www.destatis.de/EN/Home/\\_node.html](https://www.destatis.de/EN/Home/_node.html)]
4. Teagasc - Irish Agriculture and Food Development Authority [<https://www.teagasc.ie>]
5. Pig333 - Swine production in France [<https://www.pig333.com>]
6. USDA Foreign Agricultural Service - Spanish Poultry Sector Update [<https://www.fas.usda.gov/>]
7. Zootechnica International - Insight into the Spanish poultry industry [<https://zootecnicainternational.com/>]
8. BMEL - Farm animals - Questions and answers on the subject of laying hen husbandry in Germany [[https://www.bmel.de/EN/Home/home\\_node.html](https://www.bmel.de/EN/Home/home_node.html)]

## Appendix B

### Information required under Section 4.15 of ASX Guidance Note 8

Parties	Sprintex Limited MW Techniek BV ( <b>Mest Water</b> ).
Term of the Agreement	12 weeks from the commencement date followed by a 90 day evaluation period
Nature of the products or services to be supplied by Sprintex to Mest Water	Sprintex to develop custom compressors for Mest Water's ammonia-reducing technology, addressing Dutch ammonia emission regulations in agriculture.
Significance of the contract to the entity	The agreement will accelerate the expansion of market coverage and the realisation of strong revenues.
Material conditions that need to be satisfied before the customer becomes legally bound to proceed with the contract.	Deposit of €310,000 (AU\$500,000) paid. Successful evaluation to be completed.
Other material information relevant to assessing the impact of the contract on the price or value of the entity's securities	This agreement marks a pivotal step in expanding Sprintex's reach within the European agricultural market, focusing on reducing ammonia emissions from livestock farming which should enhance the price and value of the Company's securities.