



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

**ASX: SIX**

**ASX RELEASE**

**29 July 2022**

## **Sprintex Quarterly Activities Report and Appendix 4C for the Quarter Ended 30 June 2022**

### **Quarter Highlights:**

- **Aeristech agreements proceeding as agreed**
- **Nanjing RGE agreement proceeding as agreed**
- **Patented S15i 3kW e-compressor platform released in July**
- **Capital of \$775k raised from the issue of shares at \$0.075 each with 1 free attaching option, with an exercise price of \$0.10 and a 12 month term, for each 2 participating shares**

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

### **Activities:**

Key activities during the quarter included:

- Samples of 6kW, 10kW and 25kW e-Compressors were delivered to Aeristech, with some products having already been provided to end customers for applications including air compressor in fuel cell systems and HVAC compressors for battery cooling. Further, durability tests were carried out in July. All 30 initial samples are expected to be delivered to Aeristech per the Sprintex Aeristech agreement, by the end of August 2022.
- Sprintex delivered 5 initial samples for the new 5kW fuel cell compressor project.
- The first demonstrator of an industrial e-compressor system was delivered to Aeristech UK in July. The industrial e-compressor system features Sprintex mixed flow e-compressor design and will be installed with Aeristech's own motor and motor inverter.
- Sprintex completed the build of the first production-ready version of an axial flow industrial e-compressor in July. This utilises a Sprintex patented axial flow e-compressor, powered by a customised high-speed 3 phase motor convertor, delivering over 98% efficiency.
- A waste-water aeration e-compressor set was delivered to Nanjing RGE in June for marketing purposes. It was displayed at a major environmental equipment exhibition in July.
- Sprintex released its patented S15i 3kW e-compressor platform in July. This platform features highly efficient air-cooled motor and integrated controller and weighs just 3kg to 3.5kg (dependent on specification and application).

Variant models are compatible to both 48-80V DC input and three phase AC input. The DC version from 1.5kW to 3kW (constant shaft power) has applications in fuel cells for forklift trucks and light commercial vehicles. With an additional plug and play control, this DC version can also be used as

an electric supercharger for aftermarket performance in smaller capacity internal combustion engines with applications in the automotive industry and agricultural industry, such as pollen blowing and seed separation.

The AC version from 3kW to 4kW (constant shaft power) will be used a general-purpose e-compressor for water aeration, clean air delivery, hot drying (food processing etc) and vacuum devices. The AC version will offer optional remote-control function, operated via mobile phones.

Sprintex has received significant customer interest in this new product range.

- Sprintex's 25kW fuel cell compressor was upgraded in July utilising a Sprintex in-house motor design and highly customised motor controller. Sprintex will provide samples to fuel cell manufacturers in Q3 of calendar 2022.
- 6kW HVAC (heating, ventilation and air conditioning) e-compressor initial design for Aeristech has been completed. Feedback from Aeristech is very positive.

The design incorporates a 150,000rpm ultra-high-speed two stage compressor assembly that can reach a Coefficient of Performance (COP) of 3.0 for 60°C temperature difference between the condenser and evaporator of a heat pump system, which is capable of heating domestic hot water during winter.

- Progress on the projects from the Company's China facility is slightly behind schedule due to COVID-19 lockdowns.
- Sprintex's automotive performance division successfully delivered the first of its generation 2 supercharger systems for the Jeep Wrangler JK, JL and JT variants (from 2012-2022). Scale up to full production of this product range is progressing.

#### **Corporate:**

##### **Share Issues**

During the quarter the Company issued raised \$775k of equity from the issue of 10,333,333 shares at \$0.075 and 5,166,666 options with an exercise price of \$0.10 and a term of 12 months, which were attaching options to the placement.

A further placement on 28 July 2022 raised \$150,000 from the issue of 2,000,000 shares and 1,000,000 options.

These issues were part of the Placement announced on 2 November 2021 and the balance of the Placement of \$1,369k is expected to be completed in Q3 of calendar 2022.

Secondary trading of the shares on the ASX was cleansed by the lodgement of a prospectus on 6 April 2022 and a further prospectus lodged on 15 July 2022, a regulatory requirement due to the shares having been suspended from trading on the ASX for more than 5 days on the preceding 12 month period.

##### **Expenditure**

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

Expenditure for the Quarter ended 30 June 2022 included:

- Product manufacturing and operating expenditure of \$226k incurred in producing products for sale;
- Advertising and marketing expenditure of \$125k related to marketing the Company and its products and services;



- Remunerations costs of \$241k comprising the costs of all staff employed by the Company including payments to related parties of \$83k for directors' fees, executive remuneration, and pension / superannuation benefits; and
- Administration and corporate costs of \$78k 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**

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#### **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 June 2022

<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>Year to date (12 months) \$A'000</b>
<b>1. Cash flows from operating activities</b>			
1.1 Receipts from customers		146	347
1.2 Payments for			
(a) research and development		(226)	(648)
(b) product manufacturing and operating costs		(125)	(327)
(c) advertising and marketing		(318)	(497)
(d) leased assets		(3)	(9)
(e) staff costs		(241)	(1,254)
(f) administration and corporate costs		(78)	(1,439)
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		-	150
1.8 Other (provide details if material)		-	-
<b>1.9 Net cash from / (used in) operating activities</b>		<b>(845)</b>	<b>(4,444)</b>
<b>2. Cash flows from investing activities</b>			
2.1 Payments to acquire or for:			
(a) entities		-	-
(b) businesses		-	-
(c) property, plant and equipment		(63)	(814)
(d) investments		-	-
(e) intellectual property		-	-
(f) other non-current assets		-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 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)	-	-
<b>2.6</b>	<b>Net cash from / (used in) investing activities</b>	<b>(63)</b>	<b>(814)</b>

<b>3.</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	775	2,879
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	(34)	(174)
3.5	Proceeds from borrowings	63	63
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)	-	-
<b>3.10</b>	<b>Net cash from / (used in) financing activities</b>	<b>804</b>	<b>2,768</b>

<b>4.</b>	<b>Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1	Cash and cash equivalents at beginning of period	151	2,537
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(845)	(4,444)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(63)	(814)

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
4.4	Net cash from / (used in) financing activities (item 3.10 above)	804	2,768
4.5	Effect of movement in exchange rates on cash held	3	3
4.6	<b>Cash and cash equivalents at end of period</b>	<b>50</b>	<b>50</b>

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	50	151
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>50</b>	<b>151</b>

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	83
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>		

<b>7.</b>	<b>Financing facilities</b> <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>	<b>Total facility amount at quarter end \$A'000</b>	<b>Amount drawn at quarter end \$A'000</b>
7.1	Loan facilities	-	-
7.2	Credit standby arrangements	-	-
7.3	Other (please specify)	-	-
7.4	<b>Total financing facilities</b>	-	-
7.5	<b>Unused financing facilities available at quarter end</b>		-
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.		

<b>8.</b>	<b>Estimated cash available for future operating activities</b>	<b>\$A'000</b>
8.1	Net cash from / (used in) operating activities (item 1.9)	(845)
8.2	Cash and cash equivalents at quarter end (item 4.6)	50
8.3	Unused finance facilities available at quarter end (item 7.5)	-
8.4	Total available funding (item 8.2 + item 8.3)	50
8.5	<b>Estimated quarters of funding available (item 8.4 divided by item 8.1)</b>	0.1
	<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.

\$2,879k was received by the Company before 30 June 2022, \$150,000 was received on 28 July 2022 and the balance of the placement is expected to be completed in Q3 of calendar 2022, a slight delay from the previous expectation of Q2 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.

29 July 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.