

ASX RELEASE

31 October 2023

Sprintex Quarterly Activities Report and Appendix 4C for the Quarter ended 30 September 2023

Quarter Highlights:

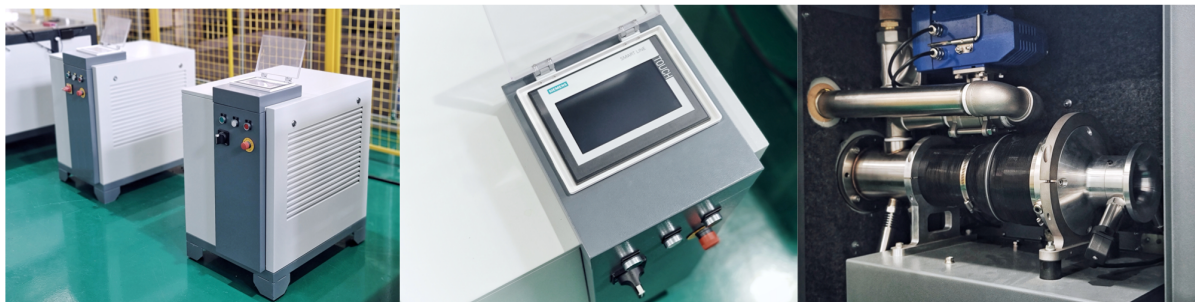
- ☐ **Progress of High Efficiency G26 (25kW) Turbo-Blower Expands Blower Range**
- ☐ **\$1.3 million placement and SPP finalised**
- ☐ **General Meeting approves all resolutions**

Sprintex Limited (ASX: SIX) (**Sprintex** or the **Company**) is pleased to provide its quarterly activities and cash flow report for the September 2023 quarter.

Activities:

High Efficiency G26 (25kW) Turbo-Blower Expands Blower Range

On 5 September 2023, the Company advised the successful completion of testing, validation, and benchmarking for its innovative new G26 (25kW) stand-alone turbo-blower designed for wastewater aeration and industrial applications.



G26 turbo-blower

The new G26 turbo-blower boasts an impressive 80,000-hour service life. In terms of energy efficiency, it delivers outstanding results, saving 20% in energy during steady state operation and a remarkable 30% energy reduction during Smart Pulse Aeration operation when compared to competing products in similar applications. This leads to a lower total cost of ownership (TCO) and quicker cost payback.

Subsequent to the September Quarter

High Speed Industrial Blower Production Underway on Schedule

On 18 October 2023 the Company advised that production of the high speed G15 industrial blower range has commenced on schedule with the larger G26 models to commence on target in November 2023.

Trading Halt Pending Release of Announcement of a Capital Raise

On 31 October 2023, the Company called a trading halt pending release of an announcement of a capital raise.

Corporate:

Change of Addresses

On 11 July 2023, the Company advised that:

- ☐ as part of the development of the Company's business, the Company closed its Perth based research and development facility.
- ☐ its registered office is now located at Suite 6, Level 1, 251 Adelaide Terrace, Perth WA 6000.

Prospectus

On 20 July 2023, the Company issued a Prospectus for:

- a) up to 25,000,000 fully paid ordinary shares (Shares) at an issue price of \$0.04 per Share, together with one free attaching Option for every two Shares issued, exercisable at \$0.10 each on or before 30 June 2025 to Eligible Shareholders under the Company's security purchase plan to raise up to \$1,000,000;
- b) up to 15,069,444 Options to participants in the Placement, on the basis of one Option for every two Shares subscribed for and issued under the Placement, exercisable at \$0.10 each on or before 30 June 2025;

Security Purchase Plan

On 8 August 2023 the Company advised that it had raised \$164,000 pursuant to a security purchase plan.

Preliminary Final report

On 31 August 2023 the Company issued its Preliminary Company Report.

General Meeting

On 4 September 2023, the Company held a General Meeting. All resolutions were pass by poll.

Annual Report

On 4 October 2023 the Company released its Annual Report

Expenditure:

The Company's focus continues to be the development and commercialisation of its clean air compressor business.

Expenditure for the Quarter ended 31 September 2023 included:

- ☐ Research and development costs of \$144k relate to the development of products and samples (see above commentary for details);
- ☐ Product manufacturing and operating expenditure of \$241k incurred in producing products for sale;

- ☐ Advertising and marketing expenditure of \$365k related to marketing the Company and its products and services;
- ☐ Remunerations costs of \$226k comprising the costs of all staff employed by the Company. No payments were made to related parties; and
- ☐ Administration and corporate costs of \$708k associated with running the Company, including ASX fees, audit fees, legal fees, share registry fees and rent.

Security Issues and Cessation

During the September Quarter the following movements in securities occurred:

Lapse	30/06/2023	20,520,000	Performance Rights (SIXAT)	Lapse of conditional right to securities because the conditions have not been, or have become incapable of being, satisfied.
Issue	30/6/2023	20,170,000	Performance Rights (SIXAT)	Performance Rights vesting and convertible into one (1) Share on the achievement of \$20,000,000 of annual revenue by 30 June 2024 (validated by audited / reviewed financial reports)
Issue	20/07/2023	20,638,888	Ordinary Fully Paid Shares	Securities issued pursuant to a prospectus.
Conversion / Issue	01/08/2023	2,539,790	Ordinary Fully Paid Shares	Conversion of Convertible Notes
Conversion / Issue	01/08/2023	3,039,790	Ordinary Fully Paid Shares	Issue and Conversion of Convertible Notes
Exercise / Conversion / Issue	09/08/2023	8,275,261	Ordinary Fully Paid Shares	Conversion of Convertible Notes and exercise of Options
Issue	09/08/2023	12,168,410	Ordinary Fully Paid Shares	Securities issued pursuant to a prospectus to fund the retirement of debt
Issue	14/08/2023	4,112,500	Ordinary Fully Paid Shares	Securities issued pursuant to a prospectus
Conversion / Issue	24/08/2023	1,097,413	Ordinary Fully Paid Shares	Conversion of Convertible Notes
Conversion / Issue	08/09/2023	2,815,713	Ordinary Fully Paid Shares	Conversion of Convertible Notes
Conversion / Issue	08/09/2023	6,149,046	Ordinary Fully Paid Shares	Issue and Conversion of Convertible Notes
Issue	12/09/2023	22,222,222	Ordinary Fully Paid Shares	Placement
Issue	14/09/2023	5,666,667	Ordinary Fully Paid Shares	Placement
Issue	21/09/2023	4,246,028	Ordinary Fully Paid Shares	Conversion of Convertible Notes
Conversion / Issue	05/10/2023	10,033,287	Ordinary Fully Paid Shares	Issue and Conversion of Convertible Notes

Following the issues of securities noted above the current securities on issue by the Company at the date of this report are:

Quoted Securities

SIX : ORDINARY FULLY PAID	334,839,691
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Unquoted Securities

SIXAX : OPTION EXPIRING 27-JUL-2023 EX \$0.10	1,000,000
SIXAT : PERFORMANCE RIGHTS	20,170,000
SIXAC : OPTION EXPIRING 30-JUN-2025 EX \$0.10	25,153,474
SIXAP : OPTION EXPIRING 12-APR-2024 EX \$0.086	5,000,000
SIXAB : OPTION EXPIRING 31-DEC-2024 EX \$0.075	12,871,111
SIXAR : OPTION EXPIRING 19-MAY-2024 EX \$0.086	3,000,000
SIXAQ : OPTION EXPIRING 19-MAY-2024 EX \$0.015	2,000,000
SIXAA : CONVERTIBLE NOTES	19,906,878

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 September 2023

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	656	656
1.2 Payments for		
(a) research and development	(144)	(144)
(b) product manufacturing and operating costs	(241)	(241)
(c) advertising and marketing	(365)	(365)
(d) leased assets	(9)	(9)
(e) staff costs	(226)	(226)
(f) administration and corporate costs	(708)	(708)
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	(1,037)	(1,037)
2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) businesses	-	-
(c) property, plant and equipment	(25)	(25)
(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	(25)	(25)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	1,359	1,359
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	(28)	(28)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	(259)	(259)
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	1,072	1,072

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	19	19
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(1,037)	(1,037)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(25)	(25)

Appendix 4C

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

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)	1,072	1,072
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	29	29

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	29	19
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)	29	19

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>		

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)	(1,037)
8.2 Cash and cash equivalents at quarter end (item 4.6)	29
8.3 Unused finance facilities available at quarter end (item 7.5)	-
8.4 Total available funding (item 8.2 + item 8.3)	29
8.5 Estimated quarters of funding available (item 8.4 divided by item 8.1)	0.0
<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: No. Sprintex has secured sales contracts of e-compressors which are expected to commence generating revenue in the coming quarters.	
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 and subsequent to period end the Company called a trading halt pending announcement of a capital raising.	

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 2023

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.