



Sprintex Limited
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ASX RELEASE

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Agreement to Supply Hydrogen Fuel Cell Compressors

Sprintex to launch electric compressors with global technology leader to access new markets

Highlights:

- **Agreement for collaboration signed with Aeristech Ltd, a global technological leader in electric compressors**
- **Facilitates both Sprintex and Aeristech's steps towards the industrialisation of high-speed electric compressors, accelerates the two companies into hydrogen energy and clean air markets, including hydrogen fuel cell, industrial turbo blowers and compressor sets**
- **First production samples scheduled for October 2021 to coincide with the opening of Sprintex's China production facility**
- **Provides significant future revenue opportunities for Sprintex with first fuel cell air compressor sales expected within the 2021 calendar year**

Sprintex Limited (ASX: SIX) (**Sprintex** or the **Company**), the international developer, manufacturer, and distributor of the Sprintex® twin screw compressor and supercharger systems incorporating the Sprintex® twin screw supercharger, is pleased to announce its **transformative expansion into the electric compressor (eCompressor) business following the signing of an agreement with UK company Aeristech Ltd (Aeristech)**, a global technological leader in high-speed motors, controllers and fuel cell eCompressors, with unique and proprietary Intellectual Property (IP) developed over the past decade.

The addition of Aeristech's high speed electric motors and controllers will enable Sprintex's compressor technology to be driven electrically, which has application to the hydrogen fuel cell sector, complementing the current application of Sprintex's compressor technology being driven mechanically, which is currently applied to internal combustion engines, typically via the accessory drive belt of an internal combustion engine.

Sprintex will utilise the same compressor technology now driven by an electric motor enabling Sprintex to offer its compressors to customers in the hydrogen fuel cell industry, as hydrogen fuel cells require a constant flow of oxygen to produce electricity, and additional clean air applications such as waste water treatment.

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Jay Upton, Sprintex Managing Director said, *“This strategic collaboration will stimulate exciting synergies between the two companies on product development, production and sales.*

“Sprintex aims to offer the most competitive products to the surging electrification, hydrogen fuel cell and next-gen industrial compressor market. Sprintex and Aeristech are confident that under this collaboration, both parties will accelerate the expansion of market coverage and the realisation of revenues leading to profits.

“Sprintex has committed to launch and produce 6kW to 25kW eCompressors by the end of 2021, covering the majority of fuel cell system in the market ranging from 30kW to 150kW. This product range is ideal for passenger and commercial FCEV, non-road machinery and stationary generator sets.”

Richard Wall, Executive Chairman of Aeristech, said, *“We are delighted to initiate this partnership with Sprintex. The addition of the engineering resources of Sprintex to our team will help to accelerate product development in key power ranges. Sprintex commercialisation resources will bolster our revenue growth particularly in the Asian markets. We are very excited with this opportunity to boost our revenue growth in the fast growing hydrogen fuel cell market, key to achieving global emissions reduction and the deceleration of climate change.”*



*Sprintex developed high-speed eCompressors with Aeristech,
for hydrogen fuel cells and industrial air applications*

Agreement with Aeristech: Electric Compressor Business Established

Sprintex and Aeristech have signed an agreement on collaborative development, production and sales (the **Agreement**).

The Agreement with Aeristech will facilitate Sprintex’s penetration into high-growth and lucrative hydrogen energy and clean air markets. Based on Aeristech’s advanced electric motor and controller architecture, Sprintex will further utilise its expertise in high-speed turbomachinery, air bearing and motor material to develop new eCompressors series, manufacture and supply the eCompressor products to Aeristech.

The products will feature Aeristech’s proprietary IP and newly developed IP from Sprintex, to be used as air compressors on:

- i. fuel cell electric vehicles and stationary fuel cell generators;
- ii. industrial turbo blowers for clean air supply and water treatment aeration; and

- iii. multi-stage industrial compressor sets.

In addition, Aeristech has appointed Sprintex as sales representative to promote Aeristech products. Sprintex has already sourced customers and arranged initial product testing, providing Sprintex with near-term revenue opportunities. Sprintex will be the exclusive supplier to Aeristech for all Sprintex introduced customers.

The Agreement is for a minimum term of 24 months following which the parties agree to negotiate a formal agreement in good faith.

Under the Agreement, Sprintex will supply 10 samples of each of the 6kW, 10kW and 25kW units to Aeristech in Q4 2021 following initial sample acceptance for USD110,000. Thereafter, Aeristech will order products for quantities from 100 units to over 10,000 units, however, there is no certainty as to the future quantity of products Aeristech may purchase.

See Appendix A for further key terms of the Agreement.

Products and Features

Specifications of the eCompressor products to be developed and manufactured by Sprintex:

- i. 10kW eCompressor, for FC light weight commercial vehicles, FC stationary power units and industrial air markets;
- ii. 25kW eCompressor, for FC long haul commercial vehicles and passenger vehicles, FC non-road machinery and industrial air markets; and
- iii. 6kW eCompressor, for FC forklift trucks, FC light truck and FC stationary power unit markets.

featuring Sprintex's technology in:

- contactless air bearings - durability and contamination free;
- carbon fibre and ceramic rotor components - high stiffness under high speed;
- cost effective precision motor manufacturing process - high quality consistency;
- advanced compressor fluid dynamics - high efficiency; and
- water-cooled unibody motor housing - compactness and reliability.

The eCompressor products that are introduced to the market under this collaboration will incorporate market leading and proven technology, based on Aeristech's proprietary motor and controller IP. The new eCompressor family possesses numerous attractive product features, anticipated to be highly sought after by customers:

- i. able to spin from idle to maximum speed of 160,000rpm in less than 1 second, achieved 30% reduction in size and weight compared with other high-speed compressors present;
- ii. single-stage compression to feeds air over 3.5 bar pressure into hydrogen fuel cell system to generate electricity from 30kW to 150kW, to save over 20% of energy consumption comparing to competitors using two-stage compression to achieve the same pressure;
- iii. low noise operation due to advanced electromagnetic design and unique motor manufacturing techniques;
- iv. designed to continuously operate in a -40 to 55 deg C environment without any degradation in performance or efficiency; and
- v. advanced air bearings able to withstand over 200,000 start-stop cycles and endure over 20G of vibration.



eCompressors will be delivered to several leading automotive customers via Aeristech by the end of 2021.

Additionally, Sprintex will collaborate with Aeristech's industrial air division on Industrial turbo blower sets for clean air supply in manufacturing, food and medicine, ventilation, and water treatment aeration.

Powered by Aeristech's motor controller, the high-speed turbo blower sets will typically save over 30% of electricity cost for the end users, when they upgrade from traditional blowers.

Sprintex will manufacture and supply Aeristech the high flow eCompressors together with blower sets, cabinet, cooling and air flow system, and control panel. The first demonstrator is expected to be built in November. The product has already received customer demands on waste-water treatment applications in China as the environmental protection regulations strengthened.

Sprintex China

Further to Sprintex's ASX Announcement on 1 June 2021, a new production and testing facility is currently being set up in Suzhou, China with production capacity of 50,000 units per annum. To date \$560,000 has been invested in setting up this facility.

The facilities will be fully completed by the end of 2021 and will include semi-automatic production processes for rotor, stator, final assembly and end-of-line test, being flexible for 6kW, 10kW, 25kW and further models.

Included in the work and expenditure to date, Sprintex engineers have been developing compressor impeller, rotor, stator and housing designs, and bearing cooling. It is expected that this work will progress to patents being lodged, adding to Sprintex's existing library of patents. Sprintex has used its compressor knowledge to develop the rotor, air bearing, cooling system and assembly to improve the manufacturability, performance, reliability while allowing cost reduction of Aeristech's existing eCompressor designs.

Sprintex will also use its presence in China to market its products, inclusive of Aeristech technology, to prospective customers requiring compressors for hydrogen fuel cells, as well as other applications such as waste-water treatment which compressors are also used to provide a constant supply of air. Sprintex and Aeristech aim to lead the industrialisation of this key device in the fuel cell system and other industrial air applications.

- Ends -

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

For further information

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About Sprintex

Sprintex is an automotive engineering, research, product development and manufacturing company, incorporated in Australia in 2003. Sprintex designs and manufactures superchargers for use in a wide variety of combustion engines and is currently focused on the development and commercialisation of the Sprintex® twin screw supercharger, 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.

About Aeristech

Founded in 2006, Aeristech is a global leading technology company of advanced electric motor and controller systems, winning the UK Queen's Award for Enterprise: Innovation in 2020.

Aeristech's proven technology is based on patented control architecture which enables it to produce the world's fastest accelerating and most power dense permanent magnet variable speed electric motors, which are ideal for applications where efficiency, power density and speed are essential, such as for fuel cell and industrial air compressor. The patented system allows motors to accelerate to 160,000 rpm in less than a second. The technology also uses fewer semiconductor components and generates less heat than competitive products.

Aeristech has recently announced partnerships with leading aerospace innovators GKN Aerospace and ZeroAvia, with both companies working with Aeristech on the development of new low-carbon hydrogen-electric powertrains for aviation. Aeristech is also collaborating with Cummins on developing the next generation of high-power eCompressors for Hydrogen fuel cells. Aeristech's pilot production facility in UK has supplied eCompressors to a wide range of automotive and industrial customers.

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.

Compatible with:



Appendix A

Information required under Section 4.15 of ASX Guidance Note 8

Parties	Sprintex Limited Aeristech Limited
Term of the Agreement	24 months
Nature of the products or services to be supplied by Sprintex to the Aeristech	Manufacture and supply of electric Compressors designed containing Aeristech's intellectual property to Aeristech, under an agreed price structure and minimum order quantity
Significance of the contract to the entity	<p>The strategic collaboration will stimulate the excellent synergy between the two companies on product development, global resources for series production and sales.</p> <p>Aeristech and Sprintex are ambitious to offer the most competitive products to the surging electrification, hydrogen fuel cell and next-gen industrial compressor market. Companies are confident that under this collaboration, both parties will accelerate the expansion of market coverage and gaining profit.</p>
Material conditions that need to be satisfied before the customer becomes legally bound to proceed with the contract.	All material conditions have been met.
Other material information relevant to assessing the impact of the contract on the price or value of the entity's securities	<p>Aeristech will be the sole customer of Sprintex for all motors and compressors containing Aeristech's intellectual property;</p> <p>Sprintex will be the preferred supplier to Aeristech for all the Sprintex designed products;</p> <p>Sprintex will own all Intellectual Property Rights for any Sprintex designed items under the Agreement;</p> <p>Aeristech will appoint Sprintex as a sales representative to negotiate with customers and provide customer service support pre and after sales; and</p> <p>Sprintex will be the exclusive supplier to Aeristech for all customers that Sprintex has sourced for a period no less than 24 months of the Agreement.</p>