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Sprintex Limited
ABN: 38 106 337 599

ASX: SIX

ASX RELEASE **27 March 2025**

$3.25m Placement Considerably Strengthens Balance Sheet to Underpin Aggressive Sales Push

Highlights

- **Firm commitments from sophisticated, professional and institutional investors to raise $3.25m via the issue of 65m new shares priced at $0.05 per share**
- **Placement received strong support from new institutional and sophisticated investors, along with existing cornerstone shareholders (47%)**
- **Funds to be used to reduce debt and for general working capital, with added flexibility to capitalise on recent sales momentum and aggressive expansion into Asia-Pacific and European markets**
- **Key near term focus with new funding will include production scale up of in-demand solutions, reconfiguration of Malaysian factory to meet demand and reduce customer tariff risk**
- **Placement follows a number of milestone developments, including:**
    - **Completion of compressor commissioning with strategic European partner, Mest Water – with first large scale purchase order pending**
    - **CE certification achieved for SIX's innovative range of industrial jet blowers which unlocks 28 new countries for the sale of SIX solutions**
    - **First orders from Euroteck Environmental Pty. Ltd. valued at A$359,669 as part of a broader A$7m distributor agreement**
    - **Culmination of multiple distribution partnerships that have led to minimum global order values of $35m over the next five years (based on minimum order requirements) – expected to grow with additional distributor agreements**
- **Sprintex now well-funded to advance its three core go-to-market strategies to drive revenue growth, via direct to end user sales, distributors and private label & integrators**

Sprintex Limited (ASX: SIX) ("**Sprintex**" or "**the Company"**), is pleased to advise that it has received firm commitments from a network of sophisticated, professional and institutional investors to raise $3.25m through the issue of 65m fully paid ordinary shares in the Company ("**Shares**") at an issue price of A$0.05 per Share, together with one free attaching option ("**Option**") for every 5 Shares applied for and issued, exercisable at $0.10 per Option on or before 30 June 2026 (**"Placement**").

Recent sales momentum is highlighted by an initial US$225,800 (A$359,669[1]) purchase order by Euroteck Environmental Pty. Ltd., comprising a mix of Sprintex's G15 and G25 series blowers and marking Sprintex's

[1] Exchange rate of USD to AUD based on the Reserve Bank of Australia (RBA) rate on 24 March 2025 of: 1 USD = 0.6278 AUD

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entry into the Indian market. This order is part of a broader agreement with Euroteck anticipated to generate over A$7m in sales over the next three years, with particular focus on wastewater treatment applications. Refer to the Company's ASX announcement dated 14 March 2024 for further details.

The Company is also preparing to display its technology in the COMVAC (Compressor and Vacuum) section at the 2025 Hannover Messe, one of the leading global industrial trade events which attracts over 3,600 exhibitors and over 130,000 attendees annually. The Company is in negotiations with various potential distributors based in European countries and expects to complete arrangements with one or more potential distributors in conjunction with its participation in this sustainable industry event. Refer to the Company's ASX announcement dated 12 March 2024 for further details.

Use of funds

Funds raised under the Placement will be used to settle outstanding loans with strategic debt funding providers, totalling $1,500,000, and to provide working capital of $1,750,000 to support the Company's ongoing expansion into Asia-Pacific and European markets and fund key strategic initiatives to capitalise on growing demand for its high-speed motor and compressor technology for the optimisation of industrial applications. Just three distribution partnerships have led to a total global minimum order value of $35m over the next five years, based on quarterly minimum order requirements. Minimum revenues will grow as more distributors are appointed.

Key investment focus to include scaling the G25+ Platform Models

A significant portion of capital will be directed towards rapidly scaling production of SIX's new G25+ platform models, which deliver 4-5x the revenue per unit compared to our smaller G15 models. The solution's superior performance is driven by their advanced technology and strong demand in high-growth sectors such as municipal sewerage and wastewater treatment.

The G25+ platform includes a range of models—25kW, 37kW, 55kW, 74kW (modularised from 37kW), and 110kW (modularised from 55kW)—designed to enable the Company and its distributors to target large-scale projects. This includes exclusive Indian distributor, Euroteck Environmental Pty. Ltd., which recently placed an order for eight 74kW units for a single wastewater treatment site, highlighting the platform's potential to secure high-value contracts.

To meet this growing demand, the Company will use the funds to order components in bulk and build inventory now, ensuring production capacity aligns with bullish forecasts from our exclusive distributors, which signal a strong market appetite for the G25+ models.

Production line duplication at Malaysia facility

To support ongoing growth, the Company has made the strategic decision to reconfigure its Malaysian facility, which is currently set up for manufacturing the Sprintex Supercharger range. The capital will fund a strategic shift to prioritise SIX's high-speed electric motor product range, including industrial blowers and fuel cell compressors. This transition aligns with global demand trends for sustainable energy solutions and ensures the Company is well-positioned to meet the needs of industries transitioning to cleaner technologies, such as wastewater treatment, aquaculture, and clean energy applications.

Mitigating import tariffs to unlock strategic advantage

By expanding production in Malaysia, the Company will address challenges associated with import tariffs on Chinese goods in key markets such as the USA, Türkiye, parts of Europe, and India. This move will enhance SIX's cost competitiveness, improve margins, and ensure seamless delivery to international

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customers without the burden of additional tariffs, further strengthening SIX's position in high-growth regions.

Placement details

The Placement will take place in accordance with the Company's available placement capacity pursuant to ASX Listing Rule 7.1 and 7.1A, comprising:

(a) 37,119,385 Shares and 20,000,000 Options pursuant to the Company's placement capacity under ASX Listing Rule 7.1; and

(b) 27,880,615 Shares pursuant to the Company's placement capacity under ASX Listing Rule 7.1A.

The Placement offer price of $0.05 represents a 5.5% discount to the 15-Day VWAP of $0.053. Allotment of the Shares under the Placement is expected to occur on or before Wednesday, 2 April 2024.

As stated above, participants in the Placement will also receive an attaching option on a 1-for-5 basis, with an exercise price of $0.10 (representing a 100% premium to the Placement offer price) and an expiry date of 30 June 2026 ("**Placement Options**").

Alpine Capital (AFSL 422 477) acted as sole lead manager to the Placement and will receive a 2% management fee and a 4% selling fee on the total amount raised under the Placement, less funds raised from participants introduced by the Company. Alpine Capital will also receive 7m Options on the same terms as Placement participants ("**Broker Options**") in consideration for the services as Lead Manager of the Placement. The Broker Options are being issued pursuant to the Company's available placement capacity pursuant to ASX Listing Rule 7.1.

The Placement Options and Broker Options will be issued under a prospectus expected to be lodged with the Australian Securities Investment Committee on or about 28 March 2025.

Conversion of existing debt from strategic funders

Proceeds raised under the Placement will be applied to a reduction in debt of ~$1.5m, with the remainder allocated for the previously highlight initiatives and the remainder to cover the costs of the Placement.

Substantial shareholder, China Automotive Holdings Limited ("**CAHL**") will participate in the Placement through a partial conversion of $850,000 of its total $3m convertible loan facility agreement with Sprintex (*refer ASX Announcement 10 April 2024*), that will allow CAHL to maintain its substantial 22% stake in the business.

Additionally, the Placement includes a $700,000 commitment from substantial shareholder, Euromark Limited. Participation from Euromark Limited will settle an existing $350,000 in debt from the entity, as well as provide $350,000 in new funding to the Company.

Further, the Company's existing loan with Distacom Enterprises Limited has been extended to 30 June 2025, with the Company entering into a new agreement with Distacom Enterprises Limited for a loan valued at $350,000, with an interest rate of 6% per annum and due 30 June 2025. The proceeds from this new loan will be used to settle a portion of the Company's outstanding RMB 3 million (A$658,256[2]) convertible notes and accrued interest which are due for repayment on 31 March 2025 (*refer ASX Announcement 10 April 2024*). Of the remaining balance, A$300,000 will be paid using funds received from the Placement, with the remainder to be settled from the Company's existing cash reserves.

[2] Exchange rate of RMD to AUD based on the Reserve Bank of Australia (RBA) rate on 24 March 2025 of: 1 RMB = 4.5575 AUD

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Management commentary

Sprintex Managing Director and CEO Jay Upton commented: *"We are very pleased to have secured firm commitments for this placement, which was well supported by a network of new sophisticated investors alongside strong participation from our existing major shareholders.*

"The capital raise marks a vote of confidence in the business – both in what we have achieved over the past 12 months, and the addressable market opportunity now in front of the Company amid growing demand for our world class range of energy efficient industrial and automotive products.

"Along with reducing debt, the funds raised will provide the Company with important balance sheet flexibility to capitalise on our recent momentum, with discussions now well advanced on several additional business development and distribution opportunities. We look forward to working with our major shareholders to unlock the significant value inherent in our business over the course of 2025 and beyond."

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

-ENDS-

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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.

About Euroteck Environmental Pty. Ltd.:

Founded in 2005, Euroteck is a leading provider of wastewater treatment and aeration solutions. With extensive operations across India and a strong focus on energy efficiency, Euroteck is ideally positioned to drive the adoption of innovative technologies like Sprintex's G-Series Blowers. With over 200 employees and operations in major cities such as Hyderabad, Mumbai, Delhi, Bangalore, and Pune, the company's infrastructure supports the integration of existing systems, incorporating hundreds of blowers annually. Euroteck's IntelHydro AIoT Platform, powered by AI, enables real-time monitoring to optimise energy consumption and operational performance, seamlessly aligning with Sprintex's IoT-enabled blower technology to enhance efficiency, predictive maintenance, and reliability. With over 3,000 existing systems

deployed across India, Euroteck's strong market presence and scalability make it an ideal partner for deploying Sprintex's innovative blower solutions, facilitating upgrades to the G15 model for existing users.

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.

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