

Appendix 4D

(Rule 4.2A.3)

Half-year Report

Name of entity

Sprintex Limited	38 106 337 599
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1. Details of the Reporting Period and the Previous Corresponding Period

Financial period ended ("current period")	Financial period ended ("previous period")
31 December 2023	31 December 2022

2. Results for Announcement to the Market

					\$'000
2.1	Revenue from ordinary activities	up	66%	to	1,768
2.2	Loss from ordinary activities after tax attributable to members	up	4%	to	1,365
2.3	Net loss for the period attributable to members	up	4%	to	1,365

2.4	Brief explanation of results
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	<p><u>Financial Results</u></p> <p>The loss for the half-year period for the Group after providing for income tax amounted to \$1,365,240 (2022: \$1,314,847).</p> <p><u>Operations</u></p> <p>The Group continued to advance its clean air compressor business during the period. In addition to the initial models of G Series industrial blowers of 3.5kW and 25kW, the company expanded the range to include 3 separate models of the G15 and 3 models of the G25, offering a range of industrial and environmental high-speed turbo blowers from 3.5kW to 50kW.</p> <p>A new division of the company, Smart Aeration Solutions was established during the period to assist in marketing of the Sprintex industrial and environmental product range to the water treatment, aquaculture and other large market sectors.</p> <p>The Group launched its industrial and environmental product range at the Water Energy Technology (WETEX) held in Dubai UAE during November and as a result is following up strong interest from more than 70 companies that registered their interest as distributors, dealers or system designers and end users of industrial blowers, attracted by the small size and weight, quiet operation and significantly increased efficiency of the Sprintex range when compared to previously available products commonly used in this very large market sector.</p>
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	<p>Likely Developments and Expected Results</p> <p>The Group intends to continue deploying clean air compressors for internal combustion engines, fuel cells and industrial applications, such as waste-water treatment.</p> <p>During the second half of FY2024, the Group expects to expand its production capacity for the high-speed industrial range as demand increases and investigate further expansion of the G Series production to its wholly owned subsidiary, Sprintex Clean Air (Malaysia) Sdn. Bhd, to further product reach into the Middle East region and Indian sub-continent.</p> <p>Events After Reporting Date</p> <p>In the interval between the end of the period and the date of this report, in the opinion of the Directors of the Company, no item, transaction or event of a material and unusual nature has occurred which is likely to significantly affect the operations of the Group, or the results of those operations, other than as set out below:</p> <ul style="list-style-type: none"> • On 10 January 2024 2,750,000 options with an exercise price of 10 cents were issued to a broker as consideration for services provided; • On 1 February 2024 6,640,000 convertible notes with a value of \$498,000 were converted into 45,355,191 fully paid ordinary shares; • Only 21 February 2024 6,500,000 options with an exercise price of 3.5 cents on or before 30 June 2024 were issued to a consultant as consideration for services provided; and • Subsequent to period end \$139,292 was received for commitments to convertible notes, subject to shareholder approval
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3. NTA Backing

	Current period	Previous corresponding period
Net tangible asset/(deficiency) backing per ordinary security	\$(0.0016)	\$0.0004

4 Control gained or lost over entities having material effect

Not applicable.

5. Dividends

There were no dividends declared or paid during the period and the do not recommend that any dividends be paid.

6. Dividend Reinvestment Plans

Not applicable.

7. Material interest in entities which are not controlled entities

Not applicable.

8. Independent Review Report

Refer to the attached Half Year Financial Report for the half-year ended 31 December 2023, which contains an emphasis of matter relating to a material uncertainty relating to going concern.

9. Compliance Statement

This report should be read in conjunction with the attached Half Year Financial Report for the half-year ended 31 December 2023.

Signed here:

Date: 29 February 2023

Print name: Jay Upton
Managing Director



**SPRINTEX LIMITED
AND CONTROLLED ENTITIES**

HALF-YEAR REPORT

**FOR THE HALF-YEAR ENDED
31 DECEMBER 2023**

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SPRINTEX LIMITED
AND CONTROLLED ENTITIES

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SPRINTEX LIMITED
AND CONTROLLED ENTITIES

CORPORATE INFORMATION

ABN 38 106 337 599

Directors

S Apedaile, Non-executive Chairman
J Upton, Managing Director and CEO
L Chen, Non-executive Director

Company Secretary

M van Uffelen

Registered Office and Principal Place of Business

Suite 6, Level 1, 251 Adelaide Terrace
Perth WA 6000
T: +61 8 9262 7277

Share Register

Advanced Share Registry
110 Stirling Highway
Nedlands WA 6009
T: +61 8 9389 8033

ASX Code: SIX

Sprintex Limited's shares are listed on the Australian Securities Exchange Limited (ASX)

Auditors

PKF Brisbane Audit
Level 2, 66 Eagle St
Brisbane QLD, 4000

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SPRINTEX LIMITED
AND CONTROLLED ENTITIES

DIRECTORS' REPORT

This financial report covers the Consolidated Entity comprising Sprintex Limited (“the Company” or “Sprintex”) and its subsidiaries (“the Group”). The Group’s functional and presentation currency is AUD (\$).

Your directors present their report on the Consolidated Entity consisting of Sprintex Limited (the Company) and the entities it controlled (“the Group”, “the Consolidated Entity”) for the six months ended 31 December 2023.

Directors

The directors of the Company in office during the financial period and until the date of this report are as follows. Directors were in office for this entire period unless otherwise stated.

Steven Apedaile	Non-executive Chairman
Jay Upton	Managing Director and CEO
Li Chen	Non-executive Director

Principal Activities

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.

Review and Results of Operations

Financial Results

The loss for the half-year period for the Group after providing for income tax amounted to \$1,365,240 (2022: \$1,314,847).

No dividends have been paid or declared since the start of the financial period and the Directors do not recommend the payment of a dividend in respect of the financial period.

Operations

The Group continued to advance its clean air compressor business during the period. In addition to the initial models of G Series industrial blowers of 3.5kW and 25kW, the company expanded the range to include 3 separate models of the G15 and 3 models of the G25, offering a range of industrial and environmental high- speed turbo blowers from 3.5kW to 50kW.

A new division of the company, Smart Aeration Solutions was established during the period to assist in marketing of the Sprintex industrial and environmental product range to the water treatment, aquaculture and other large market sectors.

The Group launched its industrial and environmental product range at the Water Energy Technology (WETEX) held in Dubai UAE during November and as a result is following up strong interest from more than 70 companies that registered their interest as distributors, dealers or system designers and end users of industrial blowers, attracted by the small size and weight, quiet operation and significantly increased efficiency of the Sprintex range when compared to previously available products commonly used in this very large market sector.

Likely Developments and Expected Results

The Group intends to continue deploying clean air compressors for internal combustion engines, fuel cells and industrial applications, such as waste-water treatment.

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SPRINTEX LIMITED
AND CONTROLLED ENTITIES

DIRECTORS' REPORT

During the second half of FY2024, the Group expects to expand its production capacity for the high-speed industrial range as demand increases and investigate further expansion of the G Series production to its wholly owned subsidiary, Sprintex Clean Air (Malaysia) Sdn. Bhd, to further product reach into the Middle East region and Indian sub-continent.

Environmental Issues

The Group's operations are not subject to any significant environmental regulations under either Commonwealth or State legislation. However, the Board believes that the Group has adequate systems in place for the management of its environmental requirements and is not aware of any breach of these environmental requirements as they apply to the Group.

Events After Reporting Date

In the interval between the end of the period and the date of this report, in the opinion of the Directors of the Company, no item, transaction or event of a material and unusual nature has occurred which is likely to significantly affect the operations of the Group, or the results of those operations, other than as set out below:

- On 10 January 2024 2,750,000 options with an exercise price of 10 cents were issued to a broker as consideration for services provided;
- On 1 February 2024 6,640,000 convertible notes with a value of \$498,000 were converted into 45,355,191 fully paid ordinary shares;
- Only 21 February 2024 6,500,000 options with an exercise price of 3.5 cents on or before 30 June 2024 were issued to a consultant as consideration for services provided; and
- Subsequent to period end \$139,292 was received for commitments to convertible notes, subject to shareholder approval.

Indemnification and Insurance of Directors and Auditors

The Company has entered into an Indemnity, Insurance and Access Deed with each Director and Officer. Pursuant to the Deed, the Director/Officer is indemnified by the Company against any liability incurred in that capacity as an officer of the Company to the maximum extent permitted by law subject to certain exclusions. The Company must keep a complete set of company documents until the later of:

- the date which is seven years after the Director/Officer ceases to be an officer of the Company; and
- the date after a final judgment or order has been made in relation to any hearing, conference, dispute, enquiry or investigation in which the Director/Officer is involved as a party, witness or otherwise because the Director is or was an officer of the Company ("Relevant Proceedings").

The Directors have the right to inspect and/or copy a company document in connection with Relevant Proceedings during the period referred to above. Subject to the next sentence, the Company must maintain an insurance policy insuring the Director/Officer against liability as a director and officer of the Company while the Director/Officer is an officer of the Company and until the later of:

- the date which is seven years after the Director/Officer ceases to be an officer of the Company; and
- the date any Relevant Proceedings have been finally resolved. The Company may cease to maintain the insurance policy if the Company reasonably determines that the type of coverage is no longer available.

The Company has not, during or since the end of the financial year, indemnified or agreed to indemnify, the auditor of the Company or any related entity, against a liability incurred by the auditor.

Auditor's Independence Declaration

The auditor's independence declaration for the half-year ended 31 December 2023 has been received and is included at Page 5 and forms part of this Directors' Report.

Proceedings on Behalf of the Company:

There are no proceedings on behalf of the Company under section 237 of the Corporations Act 2001 in the financial period or at the date of this report.

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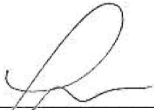
SPRINTEX LIMITED
AND CONTROLLED ENTITIES

DIRECTORS' REPORT

Significant Changes in the State of Affairs

There are no further significant changes outside of that disclosed in this Report and announced to the market.

Signed in accordance with a resolution of the Board of Directors.



Jay Upton
Managing Director
Perth, 29 February 2024

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AUDITOR'S INDEPENDENCE DECLARATION
UNDER SECTION 307C OF THE CORPORATIONS ACT 2001
TO THE DIRECTORS OF
SPRINTEX LIMITED

I declare that, to the best of my knowledge and belief, during the half-year ended 31 December 2023, there have been:

- (a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- (b) no contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of Sprintex Limited and the entities it controlled during the half year.

A handwritten signature in blue ink that reads 'PKF'.

PKF BRISBANE AUDIT

A handwritten signature in blue ink that appears to read 'Tim Follett'.

TIM FOLLETT
PARTNER

29 FEBRUARY 2024
BRISBANE

SPRINTEX LIMITED
AND CONTROLLED ENTITIES

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND
OTHER COMPREHENSIVE INCOME**
FOR THE HALF-YEAR ENDED 31 DECEMBER 2023

	31 December 2023	31 December 2022
	\$	\$
Notes		
Revenue	1,768,904	1,066,816
Cost of goods sold	(610,784)	(605,240)
Gross profit	1,158,120	461,576
Other income	2,531	230,313
Distribution and marketing expenses	(800,901)	(456,072)
Research and development expenses	(310,656)	(888,414)
Administration expenses	(1,171,628)	(558,503)
Impairment expenses	(187,365)	-
Operating loss	(1,309,899)	(1,211,100)
Finance costs	(55,328)	(103,763)
Finance income	-	16
Loss before income tax expense	(1,365,227)	(1,314,847)
Income tax	(13)	-
Net loss for the period	(1,365,240)	(1,314,847)
Other comprehensive income for the period		
Items that may be reclassified subsequently to profit and loss		
- Movement in foreign translation reserve	(102,798)	473,918
Total comprehensive loss for the period (net of tax)	(1,468,038)	(840,929)
Earnings/(loss) per share attributable to the ordinary equity holders of the Company		
Basic loss (cents per share)	(0.4)	(0.5)
Diluted loss (cents per share)	(0.4)	(0.5)

The consolidated statement of profit and loss and other comprehensive income should be read in conjunction with the notes to the financial statements.

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SPRINTEX LIMITED
AND CONTROLLED ENTITIES

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2023

	NOTES	31 December 2023 \$	30 June 2023 \$
CURRENT ASSETS			
Cash and cash equivalents	5	38,242	19,253
Pledged bank deposits	3	30,000	30,000
Trade and other receivables		1,069,792	593,968
Inventories		223,492	121,294
TOTAL CURRENT ASSETS		1,361,526	764,515
NON-CURRENT ASSETS			
Property, plant and equipment		891,371	950,890
Right of use assets		545,869	579,624
TOTAL NON-CURRENT ASSETS		1,437,240	1,530,514
TOTAL ASSETS		2,798,766	2,295,029
CURRENT LIABILITIES			
Trade and other payables		1,417,238	1,220,607
Borrowings	6	1,404,206	928,599
Provisions		56,954	57,087
Building lease liabilities		344,908	274,618
TOTAL CURRENT LIABILITIES		3,223,306	2,480,911
NON-CURRENT LIABILITIES			
Borrowings	6	-	1,664,980
Building lease liabilities		225,653	330,576
TOTAL NON-CURRENT LIABILITIES		225,653	1,995,556
TOTAL LIABILITIES		3,448,959	4,476,467
NET ASSETS / (LIABILITIES)		(650,193)	(2,181,438)
EQUITY			
Contributed equity	4	72,688,191	69,688,908
Reserves		1,687,088	1,789,886
Accumulated losses		(75,025,472)	(73,660,232)
TOTAL (DEFICIENCY) / EQUITY		(650,193)	(2,181,438)

The consolidated statement of financial position should be read in conjunction with the notes to the financial statements.

SPRINTEX LIMITED
AND CONTROLLED ENTITIES

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE HALF-YEAR ENDED 31 DECEMBER 2023

	Ordinary Shares	Share Based Payment Reserve	Foreign Translation Reserve	Accumulated Losses	Total
	\$	\$	\$	\$	\$
<i>For the half-year ended 31 December 2023</i>					
Balance at 1 July 2023	69,688,908	484,392	1,305,494	(73,660,232)	(2,181,438)
Loss for the period	-	-	-	(1,365,240)	(1,365,240)
Movement in the foreign translation reserve	-	-	(102,798)	-	(102,798)
Total Comprehensive Income/(Loss)	-	-	(102,798)	(1,365,240)	(1,468,038)
Issue of new securities from placements	1,508,684	-	-	-	1,508,684
Issue of new securities from conversion of notes	1,527,500	-	-	-	1,527,500
Share issue expenses	(36,901)	-	-	-	(36,901)
Transactions with owners in their capacity as owners	2,999,283	-	-	-	2,999,283
Balance at 31 December 2023	72,688,191	484,392	1,202,696	(75,025,472)	(650,193)
<i>For the half-year ended 31 December 2022</i>					
Balance at 1 July 2022	68,538,918	743,266	1,547,400	(69,659,044)	1,170,540
Loss for the period	-	-	-	(1,314,847)	(1,314,847)
Movement in the foreign translation reserve	-	-	473,918	-	473,918
Total Comprehensive Income/(Loss)	-	-	473,918	(1,314,847)	(840,929)
Issue of new securities	150,000	-	-	-	150,000
Share issue expenses	(6,010)	-	-	-	(6,010)
Movement in share based payment reserve	-	(381,371)	-	-	(381,371)
Transactions with owners in their capacity as owners	143,990	(381,371)	-	-	(237,381)
Balance at 31 December 2022	68,682,908	361,895	2,021,318	(70,973,891)	92,230

The consolidated statement of changes in equity should be read in conjunction with the notes to the financial statements.

SPRINTEX LIMITED
AND CONTROLLED ENTITIES

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2023

	NOTES	31 December 2023 \$	31 December 2022 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		1,411,777	836,187
Payments to suppliers and employees		(3,040,808)	(1,767,972)
Interest and finance lease charges paid		(55,328)	(90,544)
Interest received		-	15
Tax paid		(13)	-
Other income received		1,891	-
Net cash flows used in operating activities		<u>(1,682,481)</u>	<u>(1,022,314)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from the sale of plant and equipment		641	51,645
Payments for property, plant and equipment		(19,043)	(64,975)
Net cash flows used in investing activities		<u>(18,402)</u>	<u>(13,330)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from borrowings		501,708	876,747
Repayment of borrowings		(163,581)	(3,931)
Proceeds from the issue of shares		1,508,684	150,000
Share issue costs		(36,901)	(6,010)
Repayment of lease liabilities		(90,038)	(14,011)
Net cash flows generated from financing activities		<u>1,719,872</u>	<u>1,002,795</u>
Net increase / (decrease) in cash and cash equivalents		18,989	(32,849)
Cash and cash equivalents at the beginning of the period	5	19,253	50,039
Cash and cash equivalents at the end of the period	5	<u>38,242</u>	<u>17,190</u>

The consolidated statement of cash flows should be read in conjunction with the notes to the financial statements.

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SPRINTEX LIMITED
AND CONTROLLED ENTITIES

NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2023

1. Significant Accounting Policies

Statement of compliance

The half year financial report is a general purpose financial report prepared in accordance with AASB 134 Interim Financial Reporting as issued by the Australian Accounting Standards Board (AASB) and the Corporations Act 2001 as appropriate for “for-profit” oriented entities. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 ‘Interim Financial Reporting’. The Group is a for-profit entity for financial reporting purposes under Australian Accounting Standards.

Basis of preparation

The principal accounting policies adopted are consistent with those adopted in the annual financial report for the year ended 30 June 2023, and the corresponding interim reporting period, unless otherwise stated, and the condensed consolidated financial statements have been prepared on the historical cost basis.

The half-year financial report does not include full disclosures of the type normally included in an annual financial report and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the Group as the full financial report.

The half-year financial report should be read in conjunction with the annual report of the Group for the year ended 30 June 2023, and any public announcements made by the Group during the interim period, in accordance with continuing disclosure requirements of the Corporations Act 2001.

The financial statements were authorised for issue in accordance with a resolution of the directors, 29 February 2024.

New, revised or amending Accounting Standards

The Group has adopted all of the new and revised Accounting Standards and Interpretations issued by the AASB that are relevant to their operations and effective for the current half-year. There has been no material impact on the adoption of these.

Critical accounting estimates and judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that may have a financial impact on the entity and that are believed to be reasonable under the circumstances.

Going concern

The interim financial report has been prepared on a going concern basis, which contemplates the continuity of normal business activity and the realisation of assets and the settlement of liabilities in the ordinary course of business. The Group incurred a loss for the half year ended 31 December 2023 of \$1,365,240 (2022: 1,314,847), net cash outflows from operating activities of \$1,682,481 (2022: \$1,022,314) and recorded a net current liability position of \$1,861,780 as at 31 December 2023.

The Group’s ability to continue as a going concern and meet its debts and future commitments as and when they fall due is dependent on a number of factors, including:

- delivery of existing and new products through the Group’s distribution network to generate sales revenues and positive cash flows;
- the ability of the Company to raise additional funding; and
- the success of the manufacturing facilities in China and Malaysia.

These conditions indicate a material uncertainty that may cast a significant doubt about the Group’s ability to continue as a going concern and, therefore, that it may be unable to realise its assets and discharge its liabilities in the normal course of business.

The Directors believe that there are sufficient funds available to continue to meet the Group’s working capital requirements as at the date of this report and that sufficient funds will be available to finance the operations of the Group for the following reasons:

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SPRINTEX LIMITED
AND CONTROLLED ENTITIES

NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2023

- The Directors of the Company have assessed the likely cash flow for the 12 month period from date of signing this half year report and its impact on the Group and believe there will be sufficient funds to meet the Group's working capital requirements as at the date of this report, based on the belief that additional funds will be received via product sales to finance the Group's activity.
- The Group has historically demonstrated its ability to raise funds to satisfy its immediate cash requirements. Management have considered the future capital requirements of the Group and will consider all funding options as required.
- The Directors of Sprintex Limited have reason to believe that in addition to the cash flow currently available, additional funds from receipts are expected from the commercialisation of the Group's products.

Should the Group not be able to continue as a going concern, it may be required to realise its assets and discharge its liabilities other than in the ordinary course of business, and at amounts that differ from those stated in the financial statements or raise additional capital through equity or debts raisings and that the interim financial report does not include any adjustments relating to the recoverability and classification of recorded asset amounts or liabilities that might be necessary should the Group not continue as a going concern and meet its debts as and when they become due and payable.

2. Operating Segment

An operating segment is a component of an entity that engages in business activities from which it may earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of the same entity), whose operating results are regularly reviewed by the entity's chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance and for which discrete financial information is available. This includes start-up operations which are yet to earn revenues. Management will also consider other factors in determining operating segments such as the existence of a line manager and the level of segment information presented to the board of directors. Operating segments have been identified based on the information provided to the chief operating decision makers, being the executive management team. The Group operates in one segment, being the manufacture and distribution of the patented range of Sprintex® clean air compressors and systems. These products are complementary, produced using similar production processes and sold to similar customers through the same distribution channels.

3. Pledged Bank Deposits

Pledged bank deposits at 31 December 2023 represented a term deposit of \$30,000 (30 June 2023: \$30,000) supporting credit card facilities.

4. Contributed Equity

	31 December 2023	30 June 2023
	\$	\$
Paid up capital – ordinary shares	74,784,645	71,748,473
Capital raising costs capitalised	(2,096,454)	(2,059,565)
	<u>72,688,191</u>	<u>69,688,908</u>

(a) Ordinary Shares

Movements in Ordinary Share Capital	Number of shares	\$
Balance at 1 July 2023	267,687,662	69,688,908
Placements	34,251,388	1,508,684
Conversion of notes	112,323,251	1,527,500
Costs related to the issue of shares	-	(36,901)
Balance as at 31 December 2023	<u>414,262,301</u>	<u>72,688,191</u>

SPRINTEX LIMITED
AND CONTROLLED ENTITIES

NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2023

(b) Share Options

The following unlisted options were on issue at period end:

Expiry Date	Exercise Price	Number on Issue	Comments/Terms
12 Apr 2024	\$0.086	5,000,000	
19 May 2024	\$0.086	3,000,000	
19 May 2024	\$0.15	2,000,000	Exercisable if SIX having traded at a minimum VWAP of \$0.15 over 5 consecutive trading days
27 Jul 2023	\$0.100	1,000,000	
31 Dec 2024	\$0.075	12,871,111	
30 Jun 2025	\$0.10	25,153,474	Options attaching to placements issued during the half-year period ended 31 December 2023

(c) Performance Rights

The following performance rights were on issue at period end:

Vesting Condition	31 December 2023	30 June 2023
The Performance Rights will vest and be convertible into one (1) Share on the achievement of Profitability and \$10,000,000 of annual revenue by 30 June 2024 (validated by audited/reviewed financial reports)	20,170,000	-

The probability of achievement has been assessed as nil and accordingly no expense has been recognised in the current period.

5. Cash and Cash Equivalents

	31 December 2023	30 June 2023
	\$	\$
Cash	38,242	19,253
Total	<u>38,242</u>	<u>19,253</u>

6. Borrowings

	31 December 2023	30 June 2023
	\$	\$
Finance leases liabilities	-	56,597
Bank loans	308,998	415,982
Convertible notes	593,500	2,121,000
Loans to be convertible loan notes, subject to shareholder approval	501,708	-
Total	<u>1,404,206</u>	<u>2,593,579</u>
Current	1,404,206	928,599
Non-current	-	1,664,980
Total	<u>1,404,206</u>	<u>2,593,579</u>

7. Commitments and Contingencies

There have been no significant changes to operating lease commitments or capital commitments since 30 June 2023 or subsequent to 31 December 2023.

SPRINTEX LIMITED
AND CONTROLLED ENTITIES

NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2023

8. Events After Reporting Date

In the interval between the end of the period and the date of this report, in the opinion of the Directors of the Company, no item, transaction or event of a material and unusual nature has occurred which is likely to significantly affect the operations of the Group, or the results of those operations, other than as set out below:

- On 10 January 2024 2,750,000 options with an exercise price of 10 cents were issued to a broker as consideration for services provided;
- On 1 February 2024 6,640,000 convertible notes with a value of \$498,000 were converted into 45,355,191 fully paid ordinary shares;
- Only 21 February 2024 6,500,000 options with an exercise price of 3.5 cents on or before 30 June 2024 were issued to a consultant as consideration for services provided; and
- \$139,292 was received for commitments to convertible notes, subject to shareholder approval.

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SPRINTEX LIMITED
AND CONTROLLED ENTITIES

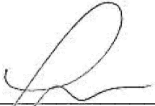
DIRECTORS' DECLARATION

In accordance with a resolution of the directors of Sprintex Limited, we state that:

The directors declare that:

- (a). The financial statements and notes of the Consolidated Entity are in accordance with the Corporations Act 2001, including:
- (i) compliance with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporation Regulations 2001*; and
 - (ii) giving a true and fair view of the Consolidated Entity's financial position as at 31 December 2023 and of its performance for the half-year ended on that date; and
- (b). There are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.



Jay Upton
Managing Director
Perth, 29 February 2024

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INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF SPRINTEX LIMITED

Conclusion

We have reviewed the accompanying half-year financial report of Sprintex Limited ("the company"), which comprises the consolidated statement of financial position as at 31 December 2023, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, a statement of accounting policies, other selected explanatory notes, and the directors' declaration of the consolidated entity, comprising the company and the entities it controlled at the half-year's end or from time to time during the financial half-year.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Sprintex Limited is not in accordance with the *Corporations Act 2001* including:-

- (a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2023, and of its financial performance for the half-year ended on that date; and
- (b) complying with the Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the Auditor's Responsibilities for the Review of the Financial Report section of our report. We are independent of the consolidated entity in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Independence

In conducting our review, we have complied with the auditor independence requirements of the *Corporations Act 2001*. In accordance with the *Corporations Act 2001*, we have given the directors of the company a written Auditor's Independence Declaration.



Material Uncertainty Related to Going Concern

We draw attention to Note 1 in the financial report, which indicates that the consolidated entity incurred a loss during the half-year ended 31 December 2023 and recorded a net current liability position of \$1,861,780 as at 31 December 2023. As stated in Note 1, these events or conditions along with other matters set forth in Note 1, indicate that a material uncertainty exists that may cast significant doubt on the consolidated entity's ability to continue as a going concern and therefore, the consolidated entity may be unable to realise its assets and discharge its liabilities in the normal course of business. Our conclusion is not modified in respect of this matter.

Responsibility of the Directors for the Financial Report

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with the Australian Accounting Standards and the *Corporations Regulations 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibilities for the Review of the Financial Report

Our responsibility is to express a conclusion on the half year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the consolidated entity's financial position as at 31 December 2023 and its performance for the half year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

A stylized, handwritten signature of the audit firm PKF.

PKF BRISBANE AUDIT

A handwritten signature of Tim Follett.

TIM FOLLETT
PARTNER

29 FEBRUARY 2024
BRISBANE

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