Sprintex Limited
ABN: 38 106 337 599

ASX: SIX

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Sprintex Completes High Temp Testing for Ammonia Reduction Tech

Testing supports Mest Water's innovative ammonia-reducing technology

Sprintex Limited (ASX: SIX) (**Sprintex** or the **Company**) is pleased to advise the successful completion of hot environment testing under its A$1 million phase one evaluation contract with Mest Water[1]. Over the past four weeks in collaboration with Mest Water, Sprintex built a specialised test cell to support high-temperature compressor, testing for Mest Water's ammonia-reducing systems.

Key Highlights:

- **Strategic Investment:** Sprintex's new high-temperature testing facility enables advanced testing for Mest Water's compressors and future custom compressor projects.
- **Performance Validation:** Custom-built compressors met all performance targets, with results aligning closely with software simulations. Testing reached inlet temperatures of up to 90°C, confirming performance stability under extreme conditions.
- **Significant Opportunity:** Sprintex will deliver 20 custom compressors (1,000kg/hr) for Mest Water's launch customer, valued at A$1 million. This customer has a requirement for 400 units, presenting a significant opportunity for future sales.
- **Financial Impact:** The broader market potential for Mest Water's ZLD-Up system, paired with Sprintex compressors, could generate up to A$150 million revenue for Sprintex over five years. This positions Sprintex to support Mest Water in meeting growing regulatory demands across Europe and beyond.

Jay Upton, Sprintex Managing Director stated, "We are thrilled to confirm that our specialised compressor team is not only on schedule and on budget for this important program but has also replicated our simulated compressor performance and efficiency maps in initial real-world testing. After building a dedicated test facility for high-temperature conditions, our team has confirmed the intended efficiencies and performance at 90°C intake temperatures, setting the stage for a successful commissioning in early October in Europe."

Specialised compressor supporting high-temperature operation for Mest Water's ammonia-reducing ZLD-Up systems.

[1] See ASX Announcment: "Sprintex and Mest Water Unite to Tackle Ammonia Emissions". 1 July 2024

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Testing was conducted at inlet temperatures up to 90°C, meeting or exceeding all of Mest's compressor performance requirements. The results closely matched calculated and simulated performance models, confirming the efficiency and precision of Sprintex's compressor technology.

Arjan Mensink, Principal of MW Techniek (Mest Water), added: "We are excited that we have secured a 31,000 m^3 facility to manufacture our patented ZLD-Up system. With strong interest in the technology, and backing from the Dutch government, we are accelerating production to meet rising demand. With the dedicated Sprintex compressor, we can confidently bring this program to market and make a significant impact on ammonia emissions, not just in the Netherlands, but across Europe and beyond."

Sprintex and Mest Water to Revolutionise Ammonia Emission Reduction

Mest Water's technology addresses the critical need for efficient ammonia emission reduction in livestock farming, particularly in countries with stringent environmental regulations. Without Sprintex's advanced compressors, previous prototypes had not been energy-efficient enough to be economically viable. With the phase one evaluation contract signed and phase one testing underway, the collaboration with Mest Water is set to revolutionise the industry by providing a solution that meets both efficiency and regulatory requirements.

EU ammonia emission regulations provide significant market opportunities

The European Union has stringent ammonia emission regulations under the National Emission Reduction Commitments Directive, aiming for significant reductions in ammonia emissions from agriculture by 2030. EU countries with strict regulations include:

EU Country	Approximate Poultry Farms	Approximate Cattle Farms	Approximate Pig Farms
Netherlands	1,900 housing about 98 million chickens	17,500	3,300
Denmark	4,000	10,000	3,500
Germany	34 million laying hens and numerous poultry farms	130,000	27,000
Ireland	350	80,000	1,300
France	20,000	210,000	8,500
Spain	1,300	130,000	86,000

This comprehensive market analysis highlights a significant opportunity for Sprintex and Mest Water to serve tens of thousands of livestock farms across Europe. By providing energy-efficient compressors, Sprintex enables Mest Water to deliver viable and sustainable ammonia reduction solutions. This addresses a critical environmental challenge while opening substantial commercial opportunities.

Sprintex's senior engineers will oversee the on-site commissioning of the first units in Europe, scheduled for early October 2024. This partnership with Mest Water is expected to play a pivotal role in reducing ammonia emissions in European livestock farming, creating substantial market opportunities for both companies.

Sprintex continues to invest in advanced testing capabilities, ensuring the reliability and global competitiveness of its products in challenging environments such as the Middle East and India.

Dedicated test facility for high-temperature conditions

We look forward to updating shareholders as this program progresses and drives sustainable solutions in agriculture.

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

For further information

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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 Mest Water and their Technology

- **European Patent:** Mest Water's technology holds a European patent, with a global patent application in progress.

- **Transforming Waste into Resources:** Mest Water's Zero Liquid Discharge Universal Process (ZLD-UP) revolutionises the treatment of manure, slurry, sludge, and wastewater. The system evaporates water from these inputs, leaving a highly concentrated mixture, sterilised above 70°C. This evaporated water is then filtered through low-pressure reverse osmosis, making it suitable for discharge or reuse, with the process consuming approximately 50 kWh per cubic metre of evaporated water.
- **Ammonia Crystallisation Unit:** A standout feature of the ZLD-UP is its ammonia crystallisation unit, which converts ammonia gases into solid fertilisers, eliminating ammonia emissions. This makes the technology both highly efficient and environmentally friendly. The ZLD-UP can be customised for various industries, achieving high dry matter content, such as 98% from a 1% input in sludge processing.
- **Farmers' Benefits:** Farmers can use the ZLD-UP system to process manure and receive clean water and fertiliser as outputs. The innovative ZLD-UP system exemplifies its ability to transform liquid manure into valuable products while significantly reducing emissions.

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.