Sprintex Limited
ABN: 38 106 337 599

ASX: SIX

ASX RELEASE **28 October 2026**

A$41m+ Mest Water orders progress to commercial manufacturing following receipt of A$1.3m in payments

Highlights

- **€815k (A$1.3m) in commercial payments received from Mest Water, comprising €715k (A$1.2m) in upfront production deposits and €100k (A$160k) in settlement of previously delivered equipment**
- **Commercial manufacturing of compressor systems commenced at Sprintex's facility in China, following advanced on-farm development and live-manure engineering optimisation, with Sprintex technical team currently on-site in the Netherlands finalising commissioning of the upgraded prototypes**
- **Initial production deposits secure manufacturing of the first 40 compressor systems, prioritising high-capacity 800kg/hr configurations alongside initial 300kg/hr systems to meet immediate Dutch deployment schedules, with a combined contract value of ~€1.43m (~A$2.28m)**
- **Manufacturing commencement marks a major milestone in progressing €25.7m (A$41.1m) Mest Water order book, comprising 700 systems scheduled across a revised delivery timeline through to late 2028**
- **Existing purchase orders provide significant multi-year revenue visibility, with progressive deliveries expected to support growing commercial revenue**
- **Netherlands' "Derogation Cliff" and evolving EU nutrient recovery regulations driving demand for agricultural waste processing solutions, strengthening the opportunity for ZLD-UP® technology**
- **Mest Water targeting a substantial European agricultural market, with more than 10,000 smaller Dutch farming operations identified as potentially suitable for its processing technology**
- **Significant potential to expand beyond existing purchase orders, with illustrative monthly supply volumes of 50–60 systems representing annualised supply value of ~€22.0m–€26.4m (A$35.1m–A$42.1m), subject to future demand and additional orders**
- **Sprintex positioned to establish a scalable, recurring commercial revenue stream as Mest Water expands deployment across the Netherlands and broader European agricultural markets**

Sprintex Limited (ASX: SIX) ("**Sprintex**" or "**the Company**") is pleased to advise it has received €815k (A$1.3m) in commercial payments from Netherlands-based environmental technology company MW Techniek Systems B.V. ("**Mest Water**"), triggering the commencement of commercial manufacturing under its existing €25.7m (A$41.1m) purchase order book.

The payments comprise €715k (A$1.2m) in upfront deposits securing initial commercial production batches across Sprintex's two compressor system configurations, together with €100k (A$160k) in final settlement for previously delivered equipment.

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Receipt of these funds follows the successful completion of extended on-farm testing and engineering optimisation of Mest Water's proprietary ZLD-UP® agricultural waste processing technology, incorporating Sprintex's high-speed compressor systems.

With these milestones now completed, Sprintex has commenced commercial manufacturing and component allocation at its wholly owned Kunshan manufacturing facility in China, supporting the progressive delivery of 700 systems under existing purchase orders through late CY2028.

The commencement of commercial production represents an important milestone for Sprintex, transitioning its Mest Water partnership from product development and technical validation into the execution of a substantial multi-year commercial supply program.

Commercial manufacturing and order book progression:

As announced on 30 June 2026, Sprintex secured expanded purchase orders from Mest Water totalling €25.7m (A$41.1m), representing the Company's largest commercial order book to date.

The combined orders comprise:

- **€6.5m (A$10.4m) purchase order for 200 smaller 300kg/hr systems**, designed for deployment across smaller dairy, pig and family-owned agricultural operations, including through Mest Water's distribution relationship with Completerra B.V.
- **€19.2m (A$30.7m) purchase order for 500 high-capacity 800kg/hr systems**, incorporating Sprintex's upgraded compressor architecture for larger agricultural and intensive livestock operations

The €715k (A$1.2m) in commercial deposits received represents 50% upfront payments securing the initial production of 40 systems. To align with immediate site readiness and installation schedules in the Netherlands, the initial batch prioritises 16 high-capacity 800kg/hr systems (comprising 3 field prototypes and 13 early serial units), followed by a subsequent run of 20 high-capacity 800kg/hr systems and 4 smaller 300kg/hr systems. The remaining €100k (A$160k) relates to the final settlement of previously delivered evaluation equipment and control infrastructure.

The receipt of these payments provides an important step towards converting Sprintex's existing contracted order book into commercial revenue, while supporting working capital requirements associated with the commencement of manufacturing.

The Company will continue to work closely with Mest Water to coordinate manufacturing volumes and delivery schedules in line with its commercial deployment requirements.

Completion of technical validation and engineering optimisation:

Prior to the commencement of commercial manufacturing, Sprintex and Mest Water completed an extended program of on-farm testing and engineering optimisation, evaluating system performance across different agricultural waste streams, including dairy and veal slurry.

The program incorporated several important design enhancements to improve operating flexibility, reliability and processing efficiency ahead of larger-scale commercial deployment.

These included the development of an upgraded three-motor compressor configuration for high-capacity systems, incorporating independently controlled MW50, MW18 and MW13 compressor stages.

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The revised configuration provides greater flexibility in managing variations in agricultural waste composition, viscosity and foaming, while incorporating upgraded air foil bearings, labyrinth seals and titanium impellers to support operating reliability.

Further optimisation was undertaken to accommodate a revised 75°C operating temperature threshold, with the MW50 compressor incorporated to maintain target evaporation rates under the lower-temperature operating conditions.

The successful completion of these enhancements and associated on-farm testing has enabled Sprintex to progress into commercial manufacturing across both system configurations.

Significant European market opportunity supports long-term growth:

The commencement of commercial production comes amid increasing demand for agricultural waste processing solutions across the Netherlands and broader European markets, driven by tightening environmental regulations, rising manure disposal costs and growing opportunities for nutrient recovery.

Mest Water has reported significant growth in customer interest for its proprietary ZLD-UP® technology, with several regulatory and commercial developments strengthening the economic case for on-farm agricultural waste processing.

Four key factors are supporting this growing market opportunity:

1. **Netherlands' "Derogation Cliff" and increasing manure disposal costs**

   The progressive withdrawal of exemptions under the EU Nitrates Directive, commonly referred to as the "Derogation Cliff", has reduced the amount of livestock manure Dutch farmers can apply to agricultural land to the standard European limit of 170kg of nitrogen per hectare.[1,2]

   This change has contributed to a significant manure surplus, estimated at approximately 95,000 tonnes of nitrogen nationally, placing increasing financial pressure on livestock producers. Off-farm manure disposal costs are currently estimated at €30.0–€32.5 (A$47.9-A$51.9) per cubic metre, strengthening demand for alternative processing solutions.[2,3]

   Mest Water's ZLD-UP® technology is designed to address these challenges by processing agricultural waste on-site, recovering reusable water and nutrients while reducing the volume of manure requiring external disposal.

2. **RENURE framework and €160m (A$255m) Dutch agricultural transition package**

   The development of the regulatory framework for Recovered Nitrogen from Manure ("**RENURE**"), together with a €160m (A$255m) Dutch agricultural transition package referenced by Mest Water, provides an additional driver for the adoption of nutrient recovery technologies.[4]

   The proposed framework would enable qualifying recovered nitrogen products to substitute for conventional synthetic fertilisers, allowing farmers to apply up to an additional 80kg of recovered nitrogen per hectare, subject to applicable regulatory requirements.[4]

   Mest Water's technology produces concentrated nutrient products from agricultural waste, providing farmers with an opportunity to reduce reliance on conventional fertilisers while improving the economic value recovered from manure processing.

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3. Compost production and potential carbon credit opportunities

In addition to water and nutrient recovery, Mest Water's ZLD-UP® technology processes solid agricultural waste into dried, treated organic material with potential applications as compost and soil amendments.

Subject to applicable certification and product requirements under the EU Fertilising Products Regulation, these outputs may provide additional commercial value through reuse or sale into agricultural markets.[5]

The evolving EU Carbon Removals and Carbon Farming Certification Framework also presents potential longer-term opportunities for qualifying soil carbon activities, including the application of eligible organic materials to agricultural land.[6]

These developments could provide farmers with additional economic benefits beyond reduced manure disposal costs and fertiliser savings, subject to the relevant certification and eligibility requirements.

4. Expanding European market opportunity and commercial deployment models

While Mest Water's initial commercial focus is the Netherlands, the regulatory and economic challenges associated with agricultural waste management extend across major European livestock-producing markets. Over 10,000 smaller Dutch agricultural operations have been identified as potentially suitable for Mest Water's smaller-format processing systems, with the Company's existing 700-system purchase order book representing an initial commercial deployment opportunity within this broader market.[7]

In parallel with the commencement of manufacturing, Mest Water continues to advance its distribution and deployment strategy across stationary and mobile agricultural waste processing applications:

- **Completerra Turnkey Rental Platform:** The smaller 300kg/hr configuration is being commercialised through Completerra's full-service rental and operational leasing model, targeting smaller agricultural operators that may not otherwise have the capital capacity to purchase dedicated processing equipment.
- **Mobile Nutrifixer Fleet:** Mest Water is progressing its collaboration with Elweco-Medo for mobile ZLD-UP® systems, targeting an initial 20 truck-mounted units over the coming six months. Mobile deployments provide operational flexibility for smaller farms and agricultural cooperatives, allowing processing equipment to service multiple sites without requiring permanent on-site infrastructure.

These complementary distribution models provide additional pathways for commercial adoption, supporting potential demand for Sprintex's proprietary compressor systems and laying the foundation for future expansion into Germany, Denmark, France, Ireland, and Spain as European nutrient recovery mandates tighten.

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Potential for significant expansion beyond existing purchase orders

Importantly, Sprintex's existing €25.7m (A$41.1m) order book provides an initial commercial foundation within a substantially larger potential market.

As Mest Water expands its customer base and geographic presence, Sprintex's established manufacturing infrastructure provides an opportunity to support higher production volumes and additional compressor system orders.

By way of illustration, a sustained supply rate of 50–60 systems per month would equate to 600–720 systems annually. Based on the average contracted system value across the existing Mest Water purchase orders, this represents an illustrative annual supply value of approximately €22.0m to €26.4m (A$35.1m to A$42.1m).

These figures are illustrative only and do not represent a production target, revenue forecast or additional contracted orders.

With commercial manufacturing now commencing, Sprintex is focused on delivering against its existing purchase orders while positioning the Company to capture further opportunities as Mest Water's commercial operations expand across Europe.

Management commentary:

Managing Director and CEO, Mr Jay Upton said: *"The receipt of €815k (A$1.3m) in commercial payments and commencement of manufacturing represents a significant milestone for Sprintex, marking the transition of our Mest Water partnership from an extended period of technical development and validation into commercial execution.*

Importantly, we now have a substantial €25.7m (A$41.1m) order book, initial production deposits received and the manufacturing capability in place to support progressive deliveries through late 2028. This provides Sprintex with a clear opportunity to convert our existing commercial agreements into meaningful revenue over the coming periods.

The broader market opportunity is also particularly compelling. European agricultural operators are facing increasing regulatory and financial pressure to manage manure more efficiently, and Mest Water's technology provides a practical solution to these challenges.

While our immediate focus is on executing the existing 700-system order book, we believe the addressable market extends well beyond these initial orders. As Mest Water expands its commercial presence across the Netherlands and other European markets, Sprintex is well positioned to support higher production volumes and establish a significant, recurring revenue stream from this partnership."

Arjan Mensink, Managing Director of Mest Water said: *"Progressing live-manure validation and initiating serial manufacturing with Sprintex comes at a pivotal time for European agriculture. Following the Dutch derogation expiry and the introduction of the RENURE framework, our inbound customer pipeline has surged across both intensive livestock facilities and family-owned farms.*

Sprintex's custom three-motor compressor architecture gives our ZLD-UP® platforms unmatched reliability when processing demanding agricultural slurries. With production preparations underway, we are focused on completing final on-farm commissioning and accelerating unit installations across the Netherlands. Direct equipment sales to large agricultural operators represent our core volume market, while our Completerra rental model and mobile fleets provide vital complementary routes to market for smaller family farms and cooperatives."

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

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About Sprintex:

Sprintex 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:

Mest Water is a Netherlands-based environmental technology company specialising in Zero Liquid Discharge ("**ZLD**") solutions for agricultural and industrial markets. Its patented ZLD-UP® system transforms manure into clean water, recovered nutrients and fertiliser products, while significantly reducing ammonia emissions and supporting circular-economy outcomes across Europe. Mest Water partners with Completerra.nl for smaller systems and Elweco-Medo for mobile solutions.

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.

Sources:

[1]European Commission, Commission Implementing Decision (EU) 2022/2069 of 30 September 2022 granting a derogation requested by the Netherlands pursuant to Council Directive 91/676/EEC, OJ L 277, 30 September 2022, p. 133–145. http://data.europa.eu/eli/dec_impl/2022/2069/oj

[2]Rijksdienst voor Ondernemend Nederland (RVO), Derogatie, Ministerie van Landbouw, Visserij, Voedselzekerheid en Natuur, last modified 10 March 2026. https://www.rvo.nl/onderwerpen/mest/derogatie

[3]Wageningen University & Research, 'Peddling manure: Analysis of manure market developments and transport economics', 2026. https://www.wur.nl/en/longread/peddling-manure

[4]Rijksoverheid / Ministry of Agriculture, Fisheries, Food Security and Nature, Boeren kunnen aan de slag met Renure, 11 June 2026. https://www.rijksoverheid.nl/actueel/nieuws/2026/06/11/boeren-kunnen-aan-de-slag-met-renure

[5]European Parliament and Council, Regulation (EU) 2019/1009 of 5 June 2019 laying down rules on the making available on the market of EU fertilising products, OJ L 170, 25 June 2019, p. 1–114 (Annex II: CMC 3 - Compost, CMC 10 - Derived Animal By-Products; and Product Function Category PFC 3 - Organic Soil Improver). http://data.europa.eu/eli/reg/2019/1009/oj

[6]European Parliament and Council, Regulation (EU) 2024/3012 of 27 November 2024 establishing a Union certification framework for permanent carbon removals, carbon farming and carbon storage in products (CRCF), OJ L, 2024/3012.

[7]Statistics Netherlands (CBS), Agricultural Census / Landbouwtelling (Family and commercial livestock enterprises). https://www.cbs.nl/en-gb/figures/detail/85949ENG

[8]Exchange rate of AUD to EUR based on the Reserve Bank of Australia (RBA) rate on 26 October 2026 of: 1 AUD = 0.6265 EUR

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