

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 2022	31 December 2021

2. Results for Announcement to the Market

					\$'000
2.1	Revenue from ordinary activities	up	281%	to	1,067
2.2	Loss from ordinary activities after tax attributable to members	down	42%	to	1,315
2.3	Net loss for the period attributable to members	down	42%	to	1,315
2.4	Brief explanation of results				
	<u>Financial Results</u> The loss for the half-year period for the Group after providing for income tax amounted to \$1,314,847 (2021: \$2,269,690).				
	<u>Operations</u> The Group continued to advance is clean air compressor business during the period.				
	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: <ul style="list-style-type: none">\$3,121,000 was raised from the issue of convertible notes. Each Convertible Note bears flat interest of 12% and will have a conversion price of A\$0.075 per fully paid ordinary share ("Share") if converted on or before 31 July 2023, or the lower of A\$0.075 per Share and a 10-day VWAP at a 20% discount to the market price for the Company's Shares at the date of the conversion if the Convertible Notes are converted after 31 July 2023, subject to a minimum floor price of A\$0.001. Conversion is subject to shareholder approval; and				

	<ul style="list-style-type: none"> The Company paid the arranging brokers and advisors of the convertible note funding a fee of 8% of the funds raised by, and, subject to shareholder approval, will issue 12,871,111 options to acquire Shares with an exercise price of \$0.075 and an expiry date of 31 December 2024.
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3. NTA Backing

	Current period	Previous corresponding period
Net tangible asset/(deficiency) backing per ordinary security	\$0.0004	\$0.0092

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 2022, which contains an emphasis of matter on 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 2022.

Signed here:



Print name: Jay Upton
Managing Director

Date: 28 February 2023



**SPRINTEX LIMITED
AND CONTROLLED ENTITIES**

HALF-YEAR REPORT

**FOR THE HALF-YEAR ENDED
31 DECEMBER 2022**

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

Unit 2 / 63 Furniss Road
Darch WA 6065
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 6/10 Eagle St
Brisbane QLD, 4000

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 2022.

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 \$1,314,847 (2021: \$2,269,690).

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.

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.

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:

SPRINTEX LIMITED
AND CONTROLLED ENTITIES

DIRECTORS' REPORT

- \$3,121,000 was raised from the issue of convertible notes. Each Convertible Note bears flat interest of 12% and will have a conversion price of A\$0.075 per fully paid ordinary share ("Share") if converted on or before 31 July 2023, or the lower of A\$0.075 per Share and a 10-day VWAP at a 20% discount to the market price for the Company's Shares at the date of the conversion if the Convertible Notes are converted after 31 July 2023, subject to a minimum floor price of A\$0.001. Conversion is subject to shareholder approval; and
- The Company paid the arranging brokers and advisors of the convertible note funding a fee of 8% of the funds raised by, and, subject to shareholder approval, will issue 12,871,111 options to acquire Shares with an exercise price of \$0.075 and an expiry date of 31 December 2024.

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 Director has 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 2022 has been received and is included at Page 4 and forms part of this Directors' Report.

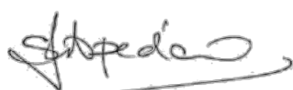
Proceedings on Behalf of the Company:

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.

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.



Steve Apedaile
Non-executive Chairman
Perth, 28 February 2023

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 2022, 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.

PKF BRISBANE AUDIT



TIM FOLLETT
PARTNER

28 FEBRUARY 2023
BRISBANE

SPRINTEX LIMITED
AND CONTROLLED ENTITIES

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND
OTHER COMPREHENSIVE INCOME**
FOR THE HALF-YEAR ENDED 31 DECEMBER 2022

	31 December 2022	31 December 2021
	\$	\$
Notes		
Revenue	1,066,816	279,655
Cost of goods sold	(605,240)	(241,212)
Gross profit	461,576	38,443
Other income	230,313	287
Distribution and marketing expenses	(456,072)	(829,283)
Research and development expenses	(888,414)	(590,873)
Administration expenses	(558,503)	(881,461)
Operating loss	(1,211,100)	(2,262,887)
Finance costs	(103,763)	(6,803)
Finance income	16	-
Loss before income tax expense	(1,314,847)	(2,269,690)
Income tax	-	-
Net loss for the period	(1,314,847)	(2,269,690)
Other comprehensive income for the period		
Items that may be reclassified subsequently to profit and loss		
- Movement in foreign translation reserve	473,918	102,103
Total comprehensive loss for the period (net of tax)	(840,929)	(2,167,587)
Earnings/(loss) per share attributable to the ordinary equity holders of the Company		
Basic loss (cents per share)	(0.5)	(1.0)
Diluted loss (cents per share)	(0.5)	(1.0)

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

SPRINTEX LIMITED
AND CONTROLLED ENTITIES

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2022

	NOTES	31 December 2022 \$	30 June 2022 \$
CURRENT ASSETS			
Cash and cash equivalents	5	17,190	50,039
Pledged bank deposits	3	30,000	30,000
Trade and other receivables		1,172,123	190,881
Inventories		49,196	288,549
TOTAL CURRENT ASSETS		1,268,509	559,469
NON-CURRENT ASSETS			
Property, plant and equipment	6	985,152	1,060,294
Right of use asset		234,294	257,305
TOTAL NON-CURRENT ASSETS		1,219,446	1,317,599
TOTAL ASSETS		2,487,955	1,877,068
CURRENT LIABILITIES			
Trade and other payables		1,155,366	312,149
Borrowings	7	903,781	13,586
Provisions		54,018	57,049
Building lease liabilities		114,743	180,102
TOTAL CURRENT LIABILITIES		2,227,908	562,886
NON-CURRENT LIABILITIES			
Borrowings	7	45,997	50,157
Building lease liabilities		121,820	93,485
TOTAL NON-CURRENT LIABILITIES		167,817	143,642
TOTAL LIABILITIES		2,395,725	706,528
NET ASSETS /		92,230	1,170,540
EQUITY			
Contributed equity	4	68,682,908	68,538,918
Reserves		2,383,213	2,290,666
Accumulated losses		(70,973,891)	(69,659,044)
TOTAL EQUITY		92,230	1,170,540

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
AS AT 31 DECEMBER 2022

	Ordinary Shares	Share Based Payment Reserve	Foreign Translation Reserve	Accumulated Losses	Total
	\$	\$	\$	\$	\$
<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
<i>For the half-year ended 31 December 2021</i>					
Balance at 1 July 2021	65,834,374	361,895	425,346	(63,776,716)	2,844,899
Loss for the period	-	-	-	(2,269,690)	(2,269,690)
Movement in the foreign translation reserve	-	-	102,103	-	102,103
Total Comprehensive Income/(Loss)	-	-	102,103	(2,269,690)	(2,167,587)
Issue of new securities	1,603,724	-	-	-	1,603,724
Share issue expenses	(106,179)	-	-	-	(106,179)
Transactions with owners in their capacity as owners	1,497,545	-	-	-	1,497,545
Balance at 31 December 2021	67,331,919	361,895	527,449	(66,046,406)	2,174,857

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

SPRINTEX LIMITED
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CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2022

	NOTES	31 December 2022 \$	31 December 2021 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		836,187	279,655
Payments to suppliers and employees		(1,767,972)	(2,590,220)
Interest and finance lease charges paid		(90,544)	(1,746)
Interest received		16	-
Government grant received		116,919	150,185
Net cash flows used in operating activities		<u>(1,022,314)</u>	<u>(2,162,126)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments from the sale of plant and equipment		(64,975)	-
Proceeds from the sale of plant and equipment		51,645	-
Payments for property, plant and equipment	6	-	(687,054)
Net cash flows generated from / (used in) investing activities		<u>(13,330)</u>	<u>(687,054)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from borrowings		876,747	-
Repayment of borrowings		(3,931)	-
Proceeds from the issue of shares		150,000	1,603,724
Share issue costs		(6,010)	(106,179)
Repayment of lease liabilities		(14,011)	-
Net cash flows generated from financing activities		<u>1,002,795</u>	<u>1,497,545</u>
Net increase / (decrease) in cash and cash equivalents		(32,849)	(1,351,635)
Cash and cash equivalents at the beginning of the period	5	50,039	2,536,790
Cash and cash equivalents at the end of the period	5	<u>17,190</u>	<u>1,185,155</u>

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

SPRINTEX LIMITED
AND CONTROLLED ENTITIES

NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2022

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 2022, 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 2022, 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, 28 February 2023.

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 2022 of \$1,314,847 (2021: 2,269,690) and net cash outflows from operating activities of \$1,022,314 (2021: \$285,719). Further, the Group had a deficiency of current assets of \$959,399.

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 Company’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:

SPRINTEX LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2022

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 Company'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 Company 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 2022 represented a term deposit of \$30,000 supporting credit card facilities.

4. Contributed Equity

	31 December 2022	30 June 2022
	\$	\$
Paid up capital – ordinary shares	70,748,473	70,598,473
Capital raising costs capitalised	(2,065,565)	(2,059,555)
	<u>68,682,908</u>	<u>68,538,918</u>

(a) Ordinary Shares

Movements in Ordinary Share Capital	Number of shares	\$
Balance at 1 July 2022	252,354,329	68,538,918
Placement at \$0.075 per share (see Note 4(b) for details of attaching options)	2,000,000	150,000
Costs related to the issue of shares	-	(6,010)
Balance as at 31 December 2022	<u>254,354,329</u>	<u>68,682,908</u>

SPRINTEX LIMITED
AND CONTROLLED ENTITIES

NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2022

(b) Share Options

The following unlisted options were on issue at period end:

Expiry Date	Exercise Price	Number on Issue	Comments/Terms
12 Apr 2023	\$0.10	16,204,839	
18 May 2023	\$0.10	1,333,333	
22 Jun 2023	\$0.10	1,166,667	
27 Jul 2023	\$0.10	1,000,000	Attaching options issued as part of a placement see Note 4(a)
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

During the period, 486,670 options with an exercise price of \$0.10 each expired unexercised on 13 December 2022.

(c) Performance Rights

The following performance rights were on issue at period end:

Vesting Condition	31 December 2022	30 June 2022
Tranche A: The Performance Rights will vest and be convertible into one (1) Share on the achievement of \$10,000,000 of annual revenue by 30 June 2023 (validated by audited/reviewed financial reports)	10,260,000	10,260,000
Tranche B: The Performance Rights will vest and be convertible into one (1) Share on the achievement of Profitability by 30 June 2023 (validated by audited/reviewed financial reports)	10,260,000	10,260,000
	20,520,000	20,520,000

The probability of achievement has been assessed as nil and accordingly the value of the performance rights previously recognised as an expense of \$381,371 in the year ended 30 June 2022 has been credited to the statement of profit or loss in the current period.

5. Cash and Cash Equivalents

	31 December 2022	30 June 2022
	\$	\$
Cash	17,190	50,039
Total cash and cash equivalents	<u>17,190</u>	<u>50,039</u>

SPRINTEX LIMITED
AND CONTROLLED ENTITIES

NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2022

6. Property, Plant and Equipment

	Plant and Equipment	Engineering Equipment and Software	Motor Vehicles	Office Furniture and Equipment	Total
Opening net book amount	857,858	-	202,437	-	1,060,294
Additions	64,975	-	-	-	64,975
Disposals	(42,964)	-	(32,681)	-	(75,645)
Depreciation charge	(28,462)	-	(36,008)	-	(64,472)
Net book amount	851,406	-	133,748	-	985,152
At 31 December 2022					
Cost	1,294,542	31,562	478,489	11,994	1,816,577
Accumulated depreciation	(443,136)	(31,562)	(344,732)	(11,994)	(831,425)
Net book amount	851,406	-	133,747	-	985,152

7. Borrowings

	31 December 2022	30 June 2022
	\$	\$
Finance leases liabilities	59,812	63,743
Director loans (i)	100,000	-
Other loans	789,966	-
Total	949,778	63,743
Current	903,781	13,586
Non-current	45,997	50,157
Total	949,778	63,743

- i. Director loans have no fixed terms and, subject to shareholder approval, are intended to be part of the consideration for convertible notes issued subsequent to period end (see Note 9 for details). Director loans bear no interest and are unsecured.
- ii. Other loans are due for repayment on the earliest of 30 September 2022 and completion of the next repayment shares, after which the other loan bears interest at a rate of 15% per annum. Other loans are also unsecured.

8. Commitments and Contingencies

Subsequent to period end, the Group extended a lease on a property it occupies in Malaysia. The lease is for the period from 1 January 2023 to 31 December 2024 with the option to extend for a further year. Lease payments are \$16,724 (RM50,000) per month.

There have been no significant other changes to operating lease commitments or capital commitments since 30 June 2022 or subsequent to 31 December 2022.

SPRINTEX LIMITED
AND CONTROLLED ENTITIES

NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2022

9. 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:

- \$3,121,000 was raised from the issue of convertible notes. Each Convertible Note bears flat interest of 12% and will have a conversion price of A\$0.075 per fully paid ordinary share (“Share”) if converted on or before 31 July 2023, or the lower of A\$0.075 per Share and a 10-day VWAP at a 20% discount to the market price for the Company’s Shares at the date of the conversion if the Convertible Notes are converted after 31 July 2023, subject to a minimum floor price of A\$0.001. Conversion is subject to shareholder approval; and
- The Company paid the arranging brokers and advisors of the convertible note funding a fee of 8% of the funds raised, and, subject to shareholder approval, will issue 12,871,111 options to acquire Shares with an exercise price of \$0.075 and an expiry date of 31 December 2024.

SPRINTEX LIMITED
AND CONTROLLED ENTITIES

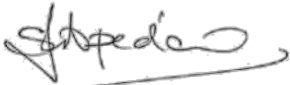
DIRECTORS' DECLARATION

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 2022 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.



Steve Apedaile
Non-executive Chairman
Perth, 28 February 2023

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 2022, 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 2022, 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.

PKF Brisbane Audit ABN 33 873 151 348

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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 2022. 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 opinion 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 2022 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.

PKF BRISBANE AUDIT



TIM FOLLETT
PARTNER

28 FEBRUARY 2023
BRISBANE