

CONSOLIDATED RESULTS FOR ANNOUNCEMENT TO THE MARKET

For the half year ended 31 December 2024 Sparc Technologies Limited ACN 009 092 068

This Condensed Consolidated Interim Financial Report does not include all the notes of the type normally included in an Annual Financial Report. Accordingly, it is to be read in conjunction with the Annual Report for the year ended 30 June 2024 and any public announcements made by Sparc Technologies Limited during the half-year, in accordance with the continuous disclosure requirements of the Corporations Act 2001.

Current reporting period: Half-year ended 31 December 2024

Previous corresponding reporting period: Half-year ended 31 December 2023

Consolidated Results

			\$A
Revenues from ordinary activities	-%	To	-
(Loss) from ordinary activities after tax	-61%	to	(802,190)
Net (loss) for the half-year attributable to members	-61%	to	(802,190)

Dividends (distributions)	Amount per security	Franked amount per security
Final Dividend	Nil	Nil
Interim Dividend		
Previous corresponding half-year	Nil	Nil
Record date for determining entitlements to the dividend	NOT APPLICABLE	

Comments

The reported Loss from Ordinary Activities After Tax for the period was \$802,190. Net Cash used in Operating Activities for the period was \$399,876. The Loss from Ordinary Activities after Tax includes non-cash expenses relating to share-based payments to employees of \$344,326 and depreciation and amortisation of \$105,358 and a non-cash profit of \$143,133 from the Group's share in the Net Profit of its associate, Sparc Hydrogen Pty Ltd. The remaining difference between the Loss from Ordinary Activities After Tax and Net Cash used in Operating Activities relates to movements in other balance sheet items.

OTHER INFORMATION

For the half-year ended 31 December 2024
Sparc Technologies Limited ACN 009 092 068

Net Tangible Assets per Security	Half Year ended 31 December 2024	Half Year ended 31 December 2023
(31 December 2024: Total net assets less intangible assets; 31 December 2023 Total net assets less intangible assets)	3.00 cents	3.00 cents

Dividends

Date the dividend (distribution) is payable

NOT APPLICABLE

Record date to determine entitlements to the dividend (distribution)

NOT APPLICABLE

If it is a final dividend, has it been declared?

NOT APPLICABLE

Amount per security

	Amount per security	Franked amount per security at 30% tax	Amount per security of foreign source dividend
Final dividend:			
Current year	Nil	Nil	Nil
Previous year	Nil	Nil	Nil
Interim dividend:			
Current year	Nil	Nil	Nil
Previous year	Nil	Nil	Nil

Audit

The financial statements were subject to a review by the auditors and the review report is attached as part of the report for the half-year ended 31 December 2024.

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Sparc Technologies Limited

ACN 009 092 068

Report for the half-year ended 31 December 2024

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Contents

Page

Corporate directory	2
Directors' report	3
Auditor's independence declaration	5
Consolidated statement of profit or loss and other comprehensive income	6
Consolidated statement of financial position	7
Consolidated statement of changes in equity	8
Consolidated statement of cash flows	9
Notes to the consolidated financial statements	10
Directors' declaration	15
Independent auditor's review report	16

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Corporate directory

Directors

Mr Stephen Hunt	(Non-Executive Chairman)
Mr Nicholas O'Loughlin	(Managing Director)
Mr Daniel Eddington	(Non-Executive Director)
Mr Simon Kidston	(Non-Executive Director, appointed 06/12/2024)

Company Secretary

Mr Adrien Wing

Registered Office

Sparc Technologies Limited
ABN 15 007 702 927
Level 2, 480 Collins Street
Melbourne VIC 3000
Email: info@sparctechnologies.com.au

Auditors

BDO Audit Pty Ltd
Level 7,
420 King William St
ADELAIDE, SA 5000

Share Registry

Link Market Services Limited
Level 12, QV1 Building
250 St Georges Terrace
Perth WA 6000

Enquiries within Australia: 1300 554 474
Enquiries outside Australia: +61 1300 554 474
www.linkmarketservices.com.au

Websites:

www.sparctechnologies.com.au

Stock Exchange

The company Sparc Technologies Limited is listed on the Australian Securities Exchange (ASX).
The ASX Code is: SPN-Ordinary Shares.

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Directors' report

The Directors of Sparc Technologies Limited (the "Company") submit herewith the financial report of the Company and its subsidiaries (the "Group") for the half-year ended 31 December 2024.

The names of the Directors of the Company during or since the end of the half-year and up to the date of this report are:

Mr S Hunt – Non-Executive Chairman
Mr D Eddington – Non-Executive Director
Mr N O'Loughlin – Managing Director
Mr S Kidston – Non-Executive Director (appointed 06/12/2024)

Mr A Wing – Company Secretary

Principal activities

The Company's principal activities are in the research and development of innovative technologies which drive enhanced environmental and sustainability objectives for global industries.

Review of operations

For the half-year ended 31 December 2024, the Group recorded a loss after tax of \$802,190 (31 December 2023: \$2,058,806) which included non-cash expenses relating to share-based payments to employees of \$344,326 and depreciation and amortisation of \$105,358 and a non-cash profit of \$143,133 from the Group's share in the net profit of its associate, Sparc Hydrogen Pty Ltd.

The Group had working capital of \$1,609,205 (31 December 2023: \$3,035,073). The Group had negative cash flows from operating activities for the half-year amounting to \$399,876 (31 December 2023: \$1,950,872)

Dividends paid or recommended

There were no dividends paid, or recommended, during the half-year ended 31 December 2024.

Significant changes in the state of affairs

Other than disclosed elsewhere in this Directors' report, there have been no significant changes in the state of affairs of the Group which occurred during the half-year.

Significant events after balance date

Note 10: Events Occurring After the Reporting Date

The decision to proceed to Stage 2 of the Sparc Hydrogen Pty Ltd joint venture project was made under the terms and conditions of the subscription agreement entered into between MIH2 Pty Ltd (a subsidiary of Fortescue), The University of Adelaide, Innovation and Commercial Partners Pty Ltd as trustee for The Adelaide Research & Innovation Investment Trust, Sparc Technologies Limited and Sparc Hydrogen Pty Ltd, dated 31 January 2022 (Subscription Agreement).

According to the terms of the Subscription Agreement, MIH2 Pty Ltd and Sparc Technologies Limited must contribute A\$2.5 million to Sparc Hydrogen following a positive decision to move forward with Stage 2. The parties' respective funding obligations and participating interests under the Subscription Agreement are set out below. The parties have agreed to the milestones, budget and R&D activities to be conducted at the University of Adelaide during Stage 2. This has been documented in an updated Phase 2 research agreement (Research Agreement).

The technology under development is being exclusively licensed by Sparc Hydrogen from the University of Adelaide under the terms and conditions of a licence deed, dated 31 January 2022 (Licence Agreement). The licenced technology will be assigned to Sparc Hydrogen subject to the completion of Stage 2. No royalties are payable by Sparc Hydrogen to the University of Adelaide under the Licence Agreement.

A shareholders agreement pertaining to Sparc Hydrogen exists between Sparc Technologies Limited, Fortescue (via MIH2 Pty Ltd) and the University of Adelaide (via Innovation and Commercial Partners Pty Ltd) (Shareholders Agreement) which contains customary provisions for an agreement of this nature including governance and funding. The Shareholders Agreement together with the Research Agreement, Licence

Sparc Technologies Limited

Agreement and Subscription Agreement contain the key terms and provisions which underpin the operation of the Sparc Hydrogen joint venture through to 30 June 2026.

Appendix 1: Sparc Hydrogen Funding and Ownership Structure

	University of Adelaide	Sparc Technologies	Fortescue
Sparc Hydrogen Joint Venture			
Stage 1	IP contribution	Pays \$0.45m and issues 3m SPN shares	Pays \$1.80m
Stage 1 Ownership	28%	52%	20%
Stage 2	Remains the same	Pays \$1.025m	Pays \$1.475m
Stage 2 Ownership	28%	36%	36%

Rounding of amounts to nearest thousand dollars

In accordance with ASIC Corporations (Rounding in Financial/Director's Reports) Instrument 2016/191, the amounts in the Directors' report and in the financial report have been rounded to the nearest dollar.

Auditor's independence declaration

The auditor's independence declaration is included on page 4 of the half-year report.

Signed in accordance with a resolution of Directors.

On behalf of the Directors:



Stephen Hunt
Non-Executive Chairman
26 February 2025

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DECLARATION OF INDEPENDENCE
BY ANDREW TICKLE
TO THE DIRECTORS OF SPARC TECHNOLOGIES LIMITED

As lead auditor of Sparc Technologies Limited for the half-year review ended 31 December 2024, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
2. No contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of Sparc Technologies Limited and the entities it controlled during the period.



Andrew Tickle
Director

BDO Audit Pty Ltd

Adelaide, 26 February 2025

Consolidated statement of profit or loss and other comprehensive income for the half-year ended 31 December 2024

		Consolidated Group	
		Half-year ended 31 Dec 2024 \$	Half-year ended 31 Dec 2023 \$
	Note		
Revenue			
Other Income	5	1,164,073	1,435,849
Share of net profit of associate	4	143,133	-
Expenses			
Share of net loss of associate		-	57,879
Research and development		213,382	494,020
Professional and consulting fees	6	317,218	285,271
Travel and accommodation		16,375	35,476
Regulatory & advisory		130,501	113,239
Employee benefits expense	6	1,114,662	2,165,571
Depreciation and amortisation		105,358	109,069
Interest on lease liabilities		3,854	6,386
Other expenses		208,045	227,745
Total Operating expenses		2,109,395	3,494,654
(Loss) before income tax expense		(802,190)	(2,058,806)
Income tax expense		-	-
(Loss) for the half-year		(802,190)	(2,058,806)
Other comprehensive income		-	-
Total comprehensive loss attributable to equity holders of the parent entity		(802,190)	(2,058,806)
Earnings per share for loss attributable to equity holders of the parent entity:			
Basic (cents per share)		(0.01)	(0.02)
Diluted (cents per share)		(0.01)	(0.02)

The above Consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

Consolidated statement of financial position as at 31 December 2024

		Consolidated Group	
		Half-year ended	
		31 Dec 2024	30 Jun 2024
		\$	\$
Note			
	Current assets		
	Cash and cash equivalents	2,022,675	2,707,349
	Receivables	19,470	18,822
	Other	86,528	53,428
	Total current assets	2,128,673	2,779,599
	Non-current assets		
	Property, plant and equipment	392,700	415,484
	Other assets	80,000	30,000
	Intangible assets	36,878	35,278
	Investments accounted for using equity method	311,812	31,228
	Right of use asset	113,719	170,581
	Total non-current assets	935,109	682,571
	Total assets	3,063,781	3,462,170
	Current liabilities		
	Trade and other payables	365,702	259,214
	Lease liability	136,787	133,823
	Employee benefits	86,120	66,953
	Total current liabilities	588,610	459,990
	Non-current liabilities		
	Lease liability	-	69,144
	Total non-current liabilities	-	69,144
	Total liabilities	588,610	529,134
	Net assets/(deficit)	2,475,172	2,933,036
	Equity		
	Issued capital	7	23,176,088
	Reserves	8	10,340,641
	Accumulated (losses)		(31,041,557)
	Total equity/(deficit)		2,475,172
			2,933,036

The above Consolidated statement of financial position should be read in conjunction with the accompanying notes.

Consolidated statement of changes in equity for the half-year ended 31 December 2024

		Contributed equity	Share based payment reserve	Accumulated (losses)	Total
	Note	\$	\$	\$	\$
Balance as at 1 July 2023		21,186,526	8,288,129	(25,968,875)	3,505,780
Share based payment expense in the year	8	-	-	-	-
Shares issued, net of transaction costs, in the year	7	-	1,327,100	-	1,327,100
Shares issued for options exercised in the half-year	7/8	-	67,350	-	67,350
Performance shares issued to management in the half-year	8	-	1,394,450	-	1,394,450
Total transactions with owners				(2,058,806)	(2,058,806)
(Loss) for the half-year		-	-	-	-
Other comprehensive income for the half-year		-	-	(2,058,806)	(2,058,806)
Total comprehensive loss for the half-year		21,186,526	9,682,579	(28,027,681)	2,841,423
Balance as at 31 December 2023		21,186,526	9,682,579	(28,027,681)	2,841,423
Balance as at 1 July 2024					
Share based payment expense in the year		23,176,088	9,996,315	(30,239,367)	2,933,036
Shares issued, net of transaction costs, in the year		-	-	-	-
Shares issued for options exercised in the half-year		-	133,500	-	133,500
Performance shares issued to management in the half-year		-	210,826	-	210,826
Total transactions with owners		-	344,326	-	344,826
(Loss) for the half-year				(802,190)	(802,190)
Other comprehensive income for the half-year		-	-	-	-
Total comprehensive loss for the half-year		-	-	(802,190)	(802,190)
Balance as at 31 December 2024		23,176,088	10,340,641	(31,041,541)	2,475,172

The above Consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

Consolidated statement of cash flows for the half-year ended 31 December 2024

	Consolidated Group	
	Half-year ended 31 Dec 2024	Half-year ended 31 Dec 2023
	\$	\$
Cash flows from operating activities		
Payments to suppliers and employees	(1,563,948)	(1,964,880)
Interest received	47,949	13,790
R&D tax refund	1,116,124	-
Other income received	-	218
Net cash (used in) operating activities	(399,876)	(1,950,872)
Cash flows from investing activities		
Payment for intangible assets	(1,600)	(17,639)
Payment for property, plant and equipment	(25,728)	(13,440)
Payments for investment in Associate	(137,451)	-
Deposit paid	(50,000)	-
Net cash provided by/ (used in) investing activities	(214,779)	(31,080)
Cash flows from financing activities		
Proceeds from issue of shares	-	-
Share issue costs	-	-
Payment of lease liabilities (principal and interest)	(70,035)	(66,821)
Net cash provided by financing activities	(70,035)	(66,821)
Net increase/(decrease) in cash and cash equivalents	(684,674)	(2,048,773)
Cash and cash equivalents at the beginning of the half-year	2,707,349	2,956,621
Cash and cash equivalents at the end of the half-year	2,022,675	907,848

The above Consolidated statement of cashflows should be read in conjunction with the accompanying notes.

Notes to the consolidated financial statements for the half-year ended 31 December 2024

Note 1: Reporting entity

Sparc Technologies Limited is a company limited by shares, incorporated and domiciled in Australia. The condensed interim financial report as at and for the half-year ended 31 December 2024 covers the consolidated group of Sparc Technologies Limited and its controlled entities, together referred to as the "Group". The Group is a for-profit entity.

Note 2: Statement of compliance and basis of preparation

These financial statements for the interim half-year reporting period ended 31 December 2024 are condensed consolidated general purpose financial statements and have been prepared in accordance with requirements from the Corporations Act 2001 and AASB 134: Interim Financial Reporting. The Group is a for-profit entity for financial reporting purposes under AASB 134: Interim Financial Reporting. Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with IAS 34 Interim Financial Reporting.

The condensed interim consolidated financial statements ('the interim financial statements') of the Group are for the half-year ended 31 December 2024 and are presented in Australian Dollars, which is the functional currency of the Company. They do not include all the information required in the annual financial statements in accordance with Australian Accounting Standards and should be read in conjunction with the consolidated financial statements of the Group for the year ended 30 June 2024 and any public announcements made by the Group during the half-year in accordance with continuous disclosure requirements arising under the Australian Securities Exchange Listing Rules and the Corporations Act 2001.

The interim financial statements have been approved and authorised for issue by the Board of Directors on 25 February 2025.

The same accounting policies and methods of computation have been followed in this condensed interim financial report as were applied in the most recent annual financial statements except for the adoption of the new and revised Accounting Standards discussed in subsequent paragraphs.

Going Concern

The financial statements have been prepared on the going concern basis, which contemplates continuity of normal business activities and the realisation of assets and discharge of liabilities in the normal course of business.

As presented in the financial statements, the Group incurred a loss before comprehensive income of \$802,190 and had net cash outflows from operating activities of \$399,876 as at 31 December 2024.

The Directors believe it is reasonably foreseeable that the Group will continue as a going concern and that it is appropriate to adopt the going concern basis in the preparation of the financial report given the ability of the Group to raise additional capital either through additional issuances of securities and/or the exercise of options and the receipt of R&D tax incentive payments.

However, there remains a material uncertainty which may cast significant doubt as to whether the Group will continue as a going concern, and therefore whether it will realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial report. The financial report does not include any adjustments relating to the amounts or classification of recorded assets or liabilities that might be necessary if the entity does not continue as a going concern.

Note 3: New and revised Accounting Standards that are effective for these financial statements

The Group has adopted all the new or revised Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

Note 4: Investments accounted for using the equity method

The profit recorded for the six months ended 31 December 2024 is the Group's 52% share of Sparc Hydrogen Pty Ltd's net profit for the same period which is represented by the recognition of Sparc Hydrogen's research and development expenses during the period.

Note 5: Other income

	31-Dec-24	31-Dec-23
Other Income		
Interest received	47,949	13,790
Rent	-	-
Other	-	-
Research & Development tax refund	1,116,124	1,422,059
	<u>1,164,073</u>	<u>1,435,849</u>

Note 6: Expenses

	31-Dec-24	31-Dec-23
Employee Benefits comprised of:		
Short term employee benefits	770,336	771,121
Share based expense	344,326	1,394,450
	<u>1,114,662</u>	<u>2,165,571</u>
Professional and consulting expense comprised of:		
Professional and consulting expense	260,117	151,318
Overseas Representation	57,101	133,953
	<u>317,218</u>	<u>285,271</u>

Note 7: Movements in shares on issue

	31-Dec-24		30-Jun-24	
	No.	\$	No.	\$
Balance at the beginning of half-year	95,872,705	23,176,088	85,645,432	21,186,526
Share placement net of cash issue costs	.	.	10,227,273	2,115,000
Share placement issue costs -capital	.	.	-	(125,438)
Shares issued for options	.	.	-	-
Balance end of half-year	<u>95,872,705</u>	<u>23,176,088</u>	<u>95,872,705</u>	<u>23,176,088</u>

Note 8: Share based payment reserve**Share based payment reserve**

	31-Dec-24	30-Jun-24
	\$	\$
Option reserve	8,957,773	8,824,273
Performance share reserve	1,382,868	1,172,042

Share based payment reserve at end of half-year	10,340,641	9,996,315
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The share based payment reserve arises on the grant of share options and performance shares to executives, employees, consultants and advisors and upon issue of share options and performance shares to shareholders or buyers. Amounts are transferred out of the share based payment reserve and into accumulated losses when the share options and performance shares expire or lapse.

Movement in share based payment reserve - options

	31-Dec-24
	\$
Balance at beginning of half-year	8,824,273
Issue of options to employees, management and consultants	-
Issue of options to Directors ¹	133,500
Options expensed	-
Balance at end of half-year	<u>8,957,773</u>

¹ On 6 December 2024 1,500,000 unlisted options were granted upon appointment to Director, Simon Kidston, under the Company ESOP with fair value per option equal to \$0.089. The value of the options was determined based on the Black Scholes model using the following assumptions:

- Dividend yield: nil%
- Expected volatility: 84.8%
- Risk free interest rate: 6%
- Expected life of options (years): 4 years
- Exercise price: \$0.25
- Grant date share price: \$0.16
- Fair value per option: \$0.089

Movement in Share based payment reserve - performance shares

	31-Dec-24
	\$
Balance at beginning of half-year	1,172,042
Issue of performance shares to Directors ¹	67,350
Issue performance rights to Directors ²	<u>143,476</u>
Balance at end of half-year	<u>1,382,868</u>

¹ On 12 November 2020 7,000,000 performance shares were issued to Directors with an exercise price of \$nil. The performance shares will convert into ordinary shares on a one-for-one basis upon satisfaction of the following milestones:

- The Company generating annual operating revenue of at least \$3,000,000 from the Graphene Projects or Graphene Technology over an audited financial year; and
- The Company achieving a market capitalisation (based on the Company's VWAP) of \$50,000,000 or more.

The expense relating to these performance shares is being expensed over the expected vesting period of five years.

The value of the performance shares were determined based on the Monte Carlo model using the following assumptions:

- Dividend yield: nil%
- Expected volatility: 80%
- Risk free interest rate: 0.41%
- Expected life of options (years): 5
- Exercise price: \$nil
- Grant date share price: \$0.20
- Fair value per performance share: \$0.14

Performance shares issued by the Company carry no rights to dividends and no voting rights. As at 31 December 2024 there are 7,000,000 performance shares on issue with nil exercise price. The conversion rights are noted above.

Sparc Technologies Limited

² On 29 January 2024 (Commencement Date), 3,000,000 unlisted performance rights were issued to Mr Nick O'Loughlin upon his appointment as Managing Director as part of his remuneration.

A total of 3 million performance rights subject to the following:

- Performance rights that have not been exercised by the 5th anniversary of the Commencement Date expire.
- Performance and vesting conditions are as follows:
 - 1 million vesting upon Sparc's 5-day VWAP (trading days) being at or above A\$0.35, subject to the Managing Director being employed 12 months from the Commencement Date;
 - 1 million vesting upon Sparc's 5-day VWAP (trading days) being at or above A\$0.50, subject to the Managing Director being employed 24 months from the Commencement Date; and
 - 1 million vesting upon Sparc's 5-day VWAP (trading days) being at or above A\$0.75, subject to the Managing Director being employed 36 months from the Commencement Date.

The exercise price is nil as per ASX notice 2 January 2024.

The value of the performance rights was determined based on the Monte Carlo model using the following assumptions:

- Dividend yield: Nil %
- Expected volatility: Tranche 1 - 84.20%, Tranche 2 - 85.20%, Tranche 3 - 89.10%. A historical volatility was calculated for the respective period.
- Risk free interest rate: Tranche 1 - 3.82%, Tranche 2 - 3.82%, Tranche 3 - 3.75%. Government bond rates were used for periods 1 & 3.
- Expected life of options: (years): 3
- Exercise price: \$nil
- Spot price: \$0.265
- Fair value per performance right: Tranche 1 - \$0.183, Tranche 2 - \$0.147, Tranche 3 - \$0.097
- Probability factor applied: Tranche 1 - 90%, Tranche 2 - 75%, Tranche 3 - 50%

Performance rights issued by the Company carry no rights to dividends, hold no voting rights, capital or wind up rights and are not transferable.

Note 9: Contingent liabilities

The Group has no contingent liabilities as at 31 December 2024.

The Group had no contingent assets as at 31 December 2024.

Note 10: Events occurring after the reporting date

Sparc Hydrogen JV Project

The decision to proceed to Stage 2 of the Sparc Hydrogen Pty Ltd joint venture project was made under the terms and conditions of the subscription agreement entered into between MIH2 Pty Ltd (a subsidiary of Fortescue), The University of Adelaide, Innovation and Commercial Partners Pty Ltd as trustee for The Adelaide Research & Innovation Investment Trust, Sparc Technologies Limited and Sparc Hydrogen Pty Ltd, dated 31 January 2022 (Subscription Agreement).

According to the terms of the Subscription Agreement, MIH2 Pty Ltd and Sparc Technologies Limited must contribute A\$2.5 million to Sparc Hydrogen following a positive decision to move forward with Stage 2. The parties' respective funding obligations and participating interests under the Subscription Agreement are set out below. The parties have agreed to the milestones, budget and R&D activities to be conducted at the University of Adelaide during Stage 2. This has been documented in an updated Phase 2 research agreement (Research Agreement).

The technology under development is being exclusively licensed by Sparc Hydrogen from the University of Adelaide under the terms and conditions of a licence deed, dated 31 January 2022 (Licence Agreement). The licenced technology will be assigned to Sparc Hydrogen subject to the completion of Stage 2. No royalties are payable by Sparc Hydrogen to the University of Adelaide under the Licence Agreement.

A shareholders agreement pertaining to Sparc Hydrogen exists between Sparc Technologies Limited, Fortescue (via MIH2 Pty Ltd) and the University of Adelaide (via Innovation and Commercial Partners Pty Ltd)

Sparc Technologies Limited

(Shareholders Agreement) which contains customary provisions for an agreement of this nature including governance and funding. The Shareholders Agreement together with the Research Agreement, Licence Agreement and Subscription Agreement contain the key terms and provisions which underpin the operation of the Sparc Hydrogen joint venture through to 30 June 2026.

Appendix 1: Sparc Hydrogen Funding and Ownership Structure

	University of Adelaide	Sparc Technologies	Fortescue
Sparc Hydrogen Joint Venture			
Stage 1	IP contribution	Pays \$0.45m and issues 3m SPN shares	Pays \$1.80m
Stage 1 Ownership	28%	52%	20%
Stage 2	Remains the same	Pays \$1.025m	Pays \$1.475m
Stage 2 Ownership	28%	36%	36%

Note 11: Segment reporting and change in business

The Group operates in one business segment, being research and development of innovative technologies which drive enhanced environmental and sustainability objectives for global industries. These research and development activities are being conducted in a single geographic segment, being Australia.

Note 12: Commitments

Expenditure commitments

The Group has a cash commitment to fund its share of Stage 2 of the Sparc Hydrogen Pty Ltd joint venture project. \$137,000 was paid to Sparc Hydrogen Pty Ltd prior to 31 December 2024 and \$887,549 is committed to be paid to Sparc Hydrogen Pty Ltd by the Company post 31 December 2024.

Note 13: Dividends

No dividends were paid or declared during the half-year and no recommendation for payment of dividends has been made.

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Directors' declaration

The Directors declare that:

- a. the accompanying interim financial statements and notes are in accordance with the Corporations Act 2001 including:
 - i. complying with Australian Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001; and
 - ii. giving a true and fair view of the Group's financial position as at 31 December 2024 and of its performance for the half-year ended on that date.
- b. in the Directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the Directors.

On behalf of the Directors:



Stephen Hunt
Non-Executive Chairman
Adelaide, 26 February 2025

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INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF SPARC TECHNOLOGIES LIMITED

Report on the Half-Year Financial Report

Conclusion

We have reviewed the half-year financial report of Sparc Technologies Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 31 December 2024, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the half-year ended on that date, material accounting policy information and other explanatory information, and the directors' declaration.

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

- i. Giving a true and fair view of the Group's financial position as at 31 December 2024 and of its financial performance for the half-year ended on that date; and
- ii. Complying with 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 Company 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 the audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001* which has been given to the directors of the Company, would be the same terms if given to the directors as at the time of this auditor's review report.

Material uncertainty relating to going concern

We draw attention to Note 2 in the financial report which describes the events and/or conditions which give rise to the existence of a material uncertainty that may cast significant doubt about the Group's ability to continue as a going concern and therefore the Group 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 Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is true and fair and is free from material misstatement, whether due to fraud or error.

Auditor's responsibility 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 Group's financial position as at 31 December 2024 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.

BDO Audit Pty Ltd

Andrew Tickle
Director

Adelaide, 26 February 2025