

Appendix 4E



Sparc Technologies Limited
Appendix 4E
Preliminary Final Report

1. Company details

| | |
|-------------------|---------------------------------|
| Name of entity: | Sparc Technologies Limited |
| ABN: | 13 009 092 068 |
| Reporting period: | For the year ended 30 June 2025 |
| Previous period: | For the year ended 30 June 2024 |

2. Results for announcement to the market

| | 2025 (A\$) | 2024 (A\$) | Percentage Changes | |
|---|-------------|-------------|--------------------|-----|
| Revenues from ordinary activities | - | - | Down | - |
| Loss from ordinary activities after tax attributable to the members | (2,276,659) | (4,270,492) | Down | 47% |
| Loss for the period attributable to members | (2,276,659) | (4,270,492) | Down | 47% |

Dividends (distributions)

No dividend has been paid during the year ended 30 June 2025
The directors have not proposed a dividend for the year ended 30 June 2025

3. Net Tangible Assets

| | Reporting Period Cents | Previous Period Cents |
|---|------------------------|-----------------------|
| Net tangible assets per ordinary security | 3.56 | 3.02 |

4. Control gained over entities

Not applicable.

5. Loss of control over entities

Not applicable.

6. Details of associates and joint venture entities

| Name of associate / joint venture | Reporting entity's percentage holding | | Contribution to profit/(loss) (where material) | |
|-----------------------------------|---------------------------------------|-------------------|--|--------------------------|
| | Reporting period % | Previous period % | Reporting period (\$'000) | Previous period (\$'000) |
| Sparc Hydrogen Pty Ltd | 36% | 52% | (553) | (433) |

Appendix 4E



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7. Audit qualification or review

Details of audit / review dispute or qualification (if any):

The financial statements have been audited and an unmodified opinion has been issued.

8. Attachments

Details of attachments (if any):

The Annual Report of Sparc Technologies Limited for the year ended 30 June 2025 is attached.

9. Signed

Nicholas O'Loughlin
Managing Director

28 August 2025

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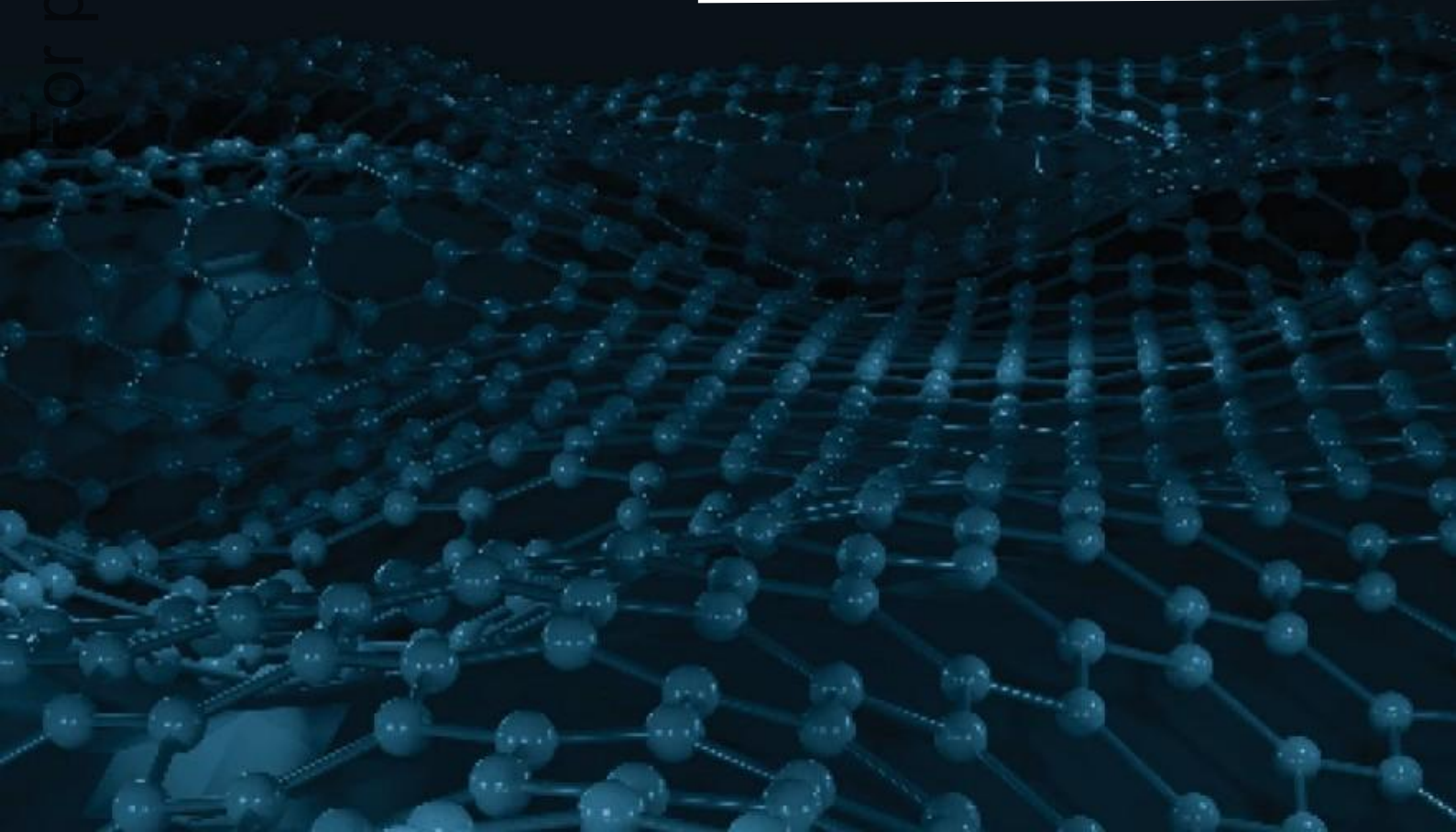


Sparc Technologies Limited

Annual Report - 30 June 2025

ACN 009 092 068

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Corporate Directory



Directors

Nicholas O'Loughlin
Daniel Eddington
Simon Kidston

Company Secretary

Adrien Wing

Registered Office

Sparc Technologies Limited

ABN 13 009 092 068
Level 2, 480 Collins Street
Melbourne VIC 3000
Email: info@sparctechnologies.com.au

Principal Place of Business

51 Rundle Street
Kent Town SA 5067

Share Register

MUFG Corporate Markets (AU) Limited
Level 12, QV1 Building
250 St Georges Terrace
Perth WA 6000

Phone: 1300 554 474

Auditor

BDO Audit Pty Ltd
Level 7
420 King William Street
Adelaide, SA 5000

Solicitors

Hamilton Locke
Level 39, 152-158 St Georges Terrace
Perth, WA 6000

Bankers

NAB
Adelaide Office
Ground Level
22-28 King William Street
Adelaide SA 5000

Stock exchange listing

Sparc Technologies Limited Shares are listed on the Australian Securities Exchange (ASX code: SPN)

Website

<https://sparctechnologies.com.au>

Corporate Governance Statement

<https://sparctechnologies.com.au/corporate-information/>

The directors present their report, together with the financial statements, on the Group (referred to hereafter as the 'Group') consisting of Sparc Technologies Limited (formerly Acacia Coal Limited) (referred to hereafter as the 'company' or 'parent entity') and the entities it controlled at the end of, or during, the year ended 30 June 2025.

Chairman's Letter



Dear Shareholder,

I am pleased to present Sparc Technologies' Annual Report for the financial year 2025. Our purpose remains to be at the global forefront of innovation, developing solutions that support better environmental and sustainability outcomes. In FY25, we made significant progress across our two core technology areas — green hydrogen and graphene-based additives — while reinforcing our financial position and broadening our partnerships.

Much has been written about the headwinds facing development of the green hydrogen industry, particularly relating to project economics and access to electricity. It's in this context that Sparc Hydrogen's photocatalytic water splitting (PWS) technology stands out as a genuine alternative. By using only sunlight, water, and a photocatalyst to produce hydrogen — and without the need for electrolyzers or extensive electrical infrastructure — our approach has the potential to unlock a more cost-effective and scalable path to green hydrogen.

FY25 saw us achieve several major milestones within the Sparc Hydrogen joint venture. Following Sparc Technologies, Fortescue and the University of Adelaide committing to proceed with Stage 2 of the JV in January, construction of our pilot plant at Roseworthy progressed rapidly. An opening ceremony was held on the 24th of June with key stakeholders in attendance including senior representatives from the Sparc Hydrogen joint venture partners, the South Australian Government and Shinshu University. This first-of-its-kind facility will validate the performance and scalability of our green hydrogen production technology under real-world conditions, while showcasing its ability to co-produce green heat — a feature that could accelerate commercialisation, given demand from industrial users seeking alternatives to natural gas.

Shortly after the close of the financial year, Sparc Hydrogen and the University of Adelaide were awarded a A\$2.75 million Australian Economic Accelerator (AEA) Innovate grant, within a competitive national process. These funds will support pilot plant operation, R&D, and commercialisation activities over a two-year period, with no additional monetary contributions from the JV partners. This outcome represents strong external validation of the technology's innovation and potential market impact. Earlier in the year, we also received our first international patent grant, marking a key step in protecting the unique IP underpinning our solar reactor design.

In our graphene-based additives business, momentum towards commercialisation continues to build. Field trials of our flagship product, ecosparc®, progressed across key sites including Streaky Bay, Port Bonython and Golden Grove, delivering highly encouraging performance results. These trials, conducted in collaboration with the South Australian Government and leading industry players such as Santos, 29Metals and BHP Mitsubishi Alliance (with coating at Caval Ridge Mine scheduled shortly after financial year end), are confirming ecosparc®'s ability to significantly enhance corrosion protection in harsh environments.

Importantly, our engagement with major coatings companies intensified during the year. We are now working directly with five of the world's largest protective coatings manufacturers, with multiple lab and field testing programs underway. This strong industry validation — combined with our ISO certifications and established manufacturing capability — means we are well positioned for commercial adoption of ecosparc® enhanced products in FY26. The addressable market for ecosparc® in anticorrosive coatings is estimated at ~US\$1.0 billion, and we remain focused on becoming a key supplier of high-performance, graphene-enhanced materials to this global and growing market.

Our team has also progressed our strategy of developing new applications for graphene in polymers, aligning with our core areas of technical expertise. The development of graphene-enhanced paper packaging in collaboration with Detmold Packaging is a strong example of this. In addition, during the year, Sparc in partnership with Flinders University was awarded an AEA Ignite grant to accelerate the development of graphene-enhanced aquaculture nets. This project aims to reduce biofouling and enhance net durability and is being undertaken in collaboration with global partners in net manufacturing and aquaculture. These initiatives reflect our broader strategy of leveraging Sparc's deep expertise in graphene sourcing, characterisation and incorporation into high-performance, sustainability-focused materials.

Chairman's Letter



FY25 also saw Sparc bolster its financial strength, with a A\$3.2 million capital raise completed in May via a placement and an oversubscribed Share Purchase Plan. I'd like to thank all shareholders who participated for their support in what remains a challenging capital markets environment. This funding allows us to continue advancing key commercialisation milestones while maintaining a prudent approach to expenditure.

None of this progress is possible without the commitment, capability and passion of the Sparc team. I extend my thanks to all employees, collaborators and research partners for their dedication and effort. During the year we farewelled Mr Stephen Hunt, who retired as Chair after co-founding the company in 2018. On behalf of the Board, I extend sincere thanks to Stephen for his vision and contribution. I was honoured to succeed Stephen in March and look forward to supporting Sparc's growth journey, drawing on my experience in sustainable energy, finance and project development.

Despite volatile market conditions for pre-revenue businesses, Sparc Technologies continues to advance a high-impact, high-potential portfolio of technologies — supported by a talented team, quality partners and strong shareholder backing. With strong momentum across both green hydrogen and graphene, and a clear path toward commercialization of ecosparc® during FY26 within the global protective coatings industry, I am excited about the opportunities that lie ahead.

Thank you for your continued support.

Simon Kidston
Non-Executive Chairman

28 August 2025



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Review of Operations



Directors

The following persons were directors of Sparc Technologies Limited during the whole of the financial year and up to the date of this report, unless otherwise stated:

| | | |
|------------------|------------------------|---|
| Nick O'Loughlin | Managing Director | |
| Stephen Hunt | Non-Executive Chairman | (Retired 13 March 2025) |
| Daniel Eddington | Non-Executive Director | |
| Simon Kidston | Non-Executive Chairman | (Appointed NED 6 December 2024, transitioned to Non-Executive Chairman 13 March 2025) |

Principal activities

Sparc is focused on developing new technologies in graphene additive materials and photocatalytic green hydrogen, which have a positive impact on climate change and sustainability. Sparc continues to work with partners in Australia and globally to commercialise its products.

Dividends

No dividends were declared or paid during the financial year.

Review of operations

For the year ended 30 June 2025, the Group recorded a loss after tax of \$2,276,659 (30 June 2024: \$4,270,492) after taking into account non-cash share-based payments of \$477,589.

The Group had working capital of \$3,228,541 (30 June 2024: \$2,319,609). The Group had negative cash flows from operating activities for the year amounting to \$2,017,507 (30 June 2024: \$2,216,563).



Review of Operations



Sparc Technologies holds a globally leading position within its two business / technology segments which both progressed strongly during FY25:

1. Development of next-generation green hydrogen technology through the Sparc Hydrogen joint venture; and
2. Development and commercialisation of graphene-based additives for protective coatings and polymers.

Whilst there is no direct linkage between hydrogen and graphene, the common thread across our portfolio is the innovative contribution towards enhanced environmental and sustainability outcomes for global industry. Our technologies can support heavy industrial emitters in reducing their carbon footprint – whether through using a more durable anti-corrosive coating that extends the lifespan of steel infrastructure or using sunlight and water to produce green hydrogen for fuel or feedstock.

Despite ongoing global political turmoil and uncertainty, the appetite from large corporates and governments to fund green initiatives remains strong. According to Bloomberg New Energy Finance funding for the energy transition. The Company is well positioned to benefit from this growing tide of investment in both green innovation and projects with its differentiated technology portfolio. Our business model is to sell materials, processing know-how and licenses to maximise the market reach and value of our IP and products.

Sparc Hydrogen

Sparc Hydrogen, a joint venture between Sparc Technologies, Fortescue Ltd and the University of Adelaide, continued to advance its pioneering photocatalytic water splitting (PWS) green hydrogen production technology throughout FY25. Key milestones achieved during the financial year included:

Key milestones achieved during FY25:

- ✓ A\$2.5M Stage 2 commitment by the joint venture partners providing strong validation for the technology.
- ✓ First-of-its-kind pilot plant construction at Roseworthy campus; opening ceremony held in June 2025.
- ✓ AEA Innovate grant of A\$2.75M awarded post financial year-end to support pilot plant operations and commercialisation activities.
- ✓ First international patent granted in Morocco; 17 jurisdictions patent pending for the first generation reactor patent.
- ✓ Strengthened engagement with concentrated solar equipment providers and international photocatalyst developers including Shinshu University in Japan.

Review of Operations



With a solid financial and operational platform laid during FY25 Sparc Hydrogen is in a strong position to leverage its market leading position in the scale-up and commercialisation of PWS which has the potential to revolutionise green hydrogen production. The focus for Sparc Hydrogen during FY26 will be on establishing consistent operation of the Roseworthy pilot plant and deepening collaborations with photocatalyst suppliers targeting testing and co-development whilst looking towards further scale up and commercialisation of the technology.



Figure 1: Roseworthy pilot plant as at June 2025

Graphene Based Additives

Sparc continued to progress its graphene-based additives business during FY25, with a focus on commercialising ecosparc® — a proprietary additive that enhances corrosion protection widely used in epoxy-based protective coatings. Key highlights achieved during the financial year included:

Key milestones achieved during FY25 in relation to our graphene based additives division:

- ✓ Successful field trials of ecosparc® enhanced coatings conducted at Streaky Bay, Port Bonython and Golden Grove in collaboration with major asset owners demonstrating positive initial results.
- ✓ Internal testing demonstrated up to 60% corrosion improvement in commercially available water-based coatings using Sparc's graphene additives.
- ✓ Active testing programs progressed with five of the eight largest global protective coatings companies.
- ✓ Field trial with BHP Mitsubishi Alliance at the Caval Ridge Mine to commence post financial year-end.
- ✓ ISO 9001, 14001 and 45001 certifications achieved for Sparc's graphene additives business.

Review of Operations



With ongoing positive results from field trials and lab-based testing the Company is confident of commercialising ecosparc® within the protective coatings industry during FY26.



Figure 2: Photos of ecosparc® field trial infrastructure.

In addition to commercialisation activities for ecosparc®, the Company progressed its strategy of diversifying research and development activities into adjacent markets leveraging our deep expertise within graphene-enhanced polymer materials, including:

- ✓ Collaboration agreement signed with Detmold Packaging to develop graphene-enhanced sustainable packaging.
- ✓ Well attended presentation to the Advanced Carbons Council (formerly known as the Graphene Council) and attendance at the IPACK-IMA packaging conference in Milan.
- ✓ A\$353K AEA Ignite grant awarded for graphene-enhanced aquaculture netting project with Flinders University which commenced in June 2025.
- ✓ Australian provisional patent application lodged in relation to the development of advanced coating systems for photocatalyst materials.

Corporate

Corporate and financial highlights during FY25 included:

- ✓ Appointment of Simon Kidston as Chairman of the Board in March 2025.
- ✓ Receipt of A\$1.1M R&D tax rebate in Q4 2024.
- ✓ Successful A\$3.2M capital raise via placement and oversubscribed share purchase plan.
- ✓ Ongoing disciplined cost management.

Review of Operations



Significant changes in the state of affairs

Mr. Simon Kidston was appointed Non-Executive Director on 6 December 2024, transitioning to Non-Executive Chairman upon the retirement of Mr. Stephen Hunt on 13 March 2025.

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

For a complete list of ASX announcements, please refer to Sparc's website, www.sparctechnologies.com.au.

Matters subsequent to the end of the financial year

As announced on 4 July 2025, Sparc Technologies Ltd.'s investment in associate, Sparc Hydrogen Pty Ltd was awarded \$2.75M grant funding under Australia's Economic Accelerator (AEA) Innovate grant program. Grant funds will support operation of the Roseworthy pilot plant, R&D and commercialisation activities.

Environmental regulation

The Directors assessment of business opportunities and management of operations include consideration of the impact of such activities on the environment and climate change. The Group is not subject to any significant environmental regulation under Australian Commonwealth or State law.

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Information on Directors



Information on Directors

| | |
|---------------------------|--|
| Name: | Simon Kidston (appointed Non-Executive Chairman 13 March 2025) |
| Title: | Non-Executive Chairman |
| Qualifications: | BCom. Grad Dip Applied Finance and Investment |
| Experience and expertise: | <p>Mr Kidston is a highly experienced company director and former investment banker with over 30 years' experience.</p> <p>He was the founding Director of Genex Power Limited (ASX: GNX), which was acquired by J-Power in July 2024 for an enterprise value exceeding A\$1 billion. Prior to his work at Genex, Mr Kidston had a successful career in investment banking working with Macquarie Bank, HSBC and Helmsec Global Capital. He has deep experience and a strong track record in assisting growth phase companies through accessing capital, negotiating strategic relationships and M&A.</p> <p>Mr Kidston also serves on a number of other boards including as a Non-Executive Director of Lithium Plus Minerals (ASX: LPM), Non-Executive Director of XXIX Inc (TSXV: XXIX), Non-Executive Chairman of Energy Transition Minerals (ASX: ETM), Non-Executive Chairman of Permagen Limited (Private) and Non-Executive Director of Moonlight Resources Limited.</p> |
| Special responsibilities: | Non-Executive Chairman |
| Interest in shares: | 1,500,000 options |
| | |
| Name: | Daniel Eddington (appointed 12 November 2020) |
| Title: | Non-Executive Director |
| Qualifications: | BCom. And Grad. Diploma in Finance |
| Experience and expertise: | <p>Mr. Eddington has over 25 years' experience in financial markets across multiple sectors including the resource, energy and industrial sectors. Mr Eddington is currently a non-executive director of Osmond Resources Limited (ASX:OSM) and Jade Gas Holdings (ASX:JGH).</p> <p>Mr Eddington specialises in equity capital markets and has been responsible for IPOs, placements, reverse takeovers, underwritings, corporate negotiations and corporate advisory for companies predominately in the resources sector.</p> |
| Interest in shares: | 3,030,769 Ordinary shares, 2,000,000 performance shares and 2,075,000 options |
| | |
| Name: | Nick O'Loughlin (appointed 29 January 2024) |
| Title: | BEng (Mining)(Hons) BCom (CorpFin) |
| Qualifications: | Mr. O'Loughlin spent over a decade in investment banking in Australia and London. Nick was an Associate Director (Vice President) at Rothschild & Co in London from 2017 to 2020, where he advised on several landmark transactions in the resources sector. Prior to that, he was in Standard Chartered Bank's Mining & Metals team. Since his investment banking career, Nick has held consulting roles with Rio Tinto on renewable energy projects and was Chief Development Officer for NYSE listed Battery Future Acquisition Corp. Nick has been working for Sparc Technologies since January 2022 and took the role of Managing Director in January 2024. |
| Experience and expertise: | |
| Interest in shares: | 154,545 Ordinary Shares, 3,000,000 performance rights and 327,273 options |

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Information on Directors



| | |
|---------------------------|---|
| Name: | Stephen Hunt (retired 13 March 2025) |
| Title: | Executive Chairman |
| Qualifications: | BBus. (Marketing), MAICD |
| Experience and expertise: | Mr. Hunt, together with Sparc Technologies Director, Mr. Daniel Eddington, founded Sparc Technologies in 2018. Mr. Hunt is currently a consultant to Sparc Technologies and remains Non-Executive Director of Sparc Hydrogen Pty Ltd, a joint venture between Sparc Technologies, Fortescue Metals Group and The University of Adelaide. During a period spanning over 20 years, Mr. Hunt has been Executive Chairman and a Non- Executive Director of a multitude of ASX and NASDAQ listed companies, as well as not-for-profit organisations. The focus of the listed companies has been technology and mining. |
| Interest in shares: | 7,907,533 Ordinary Shares, 2,000,000 performance shares and 3,075,000 options |

Company secretary

Adrien Wing (B.Bus) is a certified practising accountant. He has worked in audit and corporate advisory for a chartered accounting firm before moving to assist a number of public companies listed on the ASX as a corporate account consultant and company secretary. Mr Wing was appointed on 12 November 2020 and is engaged through Northern Star Nominees Pty Ltd. Mr Wing holds 312,351 Ordinary Shares, 750,000 performance shares and 1,000,000 options.

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CORPORATE GOVERNANCE

The Board oversees the Company's business and is responsible for the overall corporate governance of the Company. It monitors the operations, financial position and performance of the Company and oversees its business strategy, including approving the strategy and performance objectives of the Company.

The Board is committed to maximising performance and generating value and financial returns for shareholders.

To the extent relevant and practical, the Company has adopted a corporate governance framework that is consistent with the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations (4th Edition).

The Company's Corporate Governance Plan, including key policies, is available on the Company's website at [Corporate Information - Sparc Technologies](#).

DIRECTORS' MEETINGS

The number of meetings of the Company's Board of Directors ('the Board') during the year ended 30 June 2025, and the number of meetings attended by each director were:

| | Full Board | |
|---|------------|----------|
| | Held | Attended |
| Stephen Hunt (Retired 13 March 2025) | 5 | 5 |
| Daniel Eddington | 7 | 7 |
| Nick O'Loughlin | 7 | 7 |
| Simon Kidston (Appointed 6 December 2024) | 3 | 2 |

Held: represents the number of meetings held (5) and circular resolutions (2) during the time the director held office.

The Board manages the function of the audit committee.

REMUNERATION REPORT (AUDITED)

The Directors of the Company present this Remuneration Report for the Group for the year ended 30 June 2025. The information provided in this Report has been audited as required by s 308(3C) of the Corporations Act 2001 (Cth) (Corporations Act) and forms part of the Directors' Report.

The Remuneration Report outlines the Company's key remuneration activities during the financial year ended 30 June 2025 and remuneration information pertaining to the Company's Directors and senior management personnel who are the key management personnel (KMP) of the Group for the purpose of the Corporations Act and Accounting Standards. These are the personnel who have authority and responsibility for planning, directing and controlling the activities of the Company.

The report is structured as follows:

1. Remuneration Governance
2. Directors and Key Management Personnel (KMP)
3. Remuneration Policy
4. Remuneration Components
5. Details of Directors' and KMP Remuneration
6. Key Terms of Employment Contracts
7. Terms and Conditions of Performance Shares and Performance Rights
8. Directors and KMP Equity Holdings
9. Other Transactions with Directors and KMP



1. REMUNERATION GOVERNANCE

The Board has taken the decision, consistent with the Board's Charter, that at this early stage of the Company's growth a separate Remuneration and Nomination Committee is not warranted. Accordingly, the whole Board carries out the functions of the Remuneration and Nomination Committee, as described in the Committee Charter. Where appropriate, this is undertaken by Non-Executive Directors (NED) only, without the presence or participation of Executive Director/s.

The Board reviews any matters of significance affecting the remuneration of the Board and employees of the Company. The primary remuneration purpose of the Board is to fulfil its responsibilities to shareholders, including by:

- a. Ensuring that executive remuneration demonstrates a clear relationship between key executive performance and remuneration;
- b. Fairly and responsibly rewarding executives, having regard to the performance of the Company, the performance of the executive and the prevailing remuneration expectations in the market;
- c. Reviewing the Company's remuneration, recruitment, retention and termination policies and procedures for senior management;
- d. Reviewing and approving any equity-based plans and other incentive schemes;
- e. Clearly distinguishing the structure of NED remuneration from that of executive directors and senior executives, and recommending NED remuneration to the Board;
- f. Arrange the performance evaluation of the Board, its Committees, individual Directors and senior executives on an annual basis; and
- g. Oversee the annual remuneration and performance evaluation of the senior executive team.

The Board Charter and the Remuneration and Nomination Committee Charter, which outlines the terms of reference under which the Committee operates, are available in the Corporate Governance Plan at [Corporate Information - Sparc Technologies](#).

2. DIRECTORS AND KEY MANAGEMENT PERSONNEL (KMP)

The directors and KMP of the Group during the year were:

| | Period of Responsibility in FY25 | Position |
|---------------------------------|--|----------------------------|
| Non-Executive Directors | | |
| Daniel Eddington | | Non-Executive Director |
| Stephen Hunt | (Retired 13 March 2025) | Non-Executive Chairman |
| Simon Kidston | (Appointed NED 6 December 2024 and transitioned to Non-Executive Chairman 13 March 2025) | Non-Executive Chairman |
| Executive Directors | | |
| Nick O'Loughlin | | Managing Director |
| Key Management Personnel | | |
| Adrien Wing | | Corporate Secretary |
| Kristen Kubank | | Chief Financial Officer |
| Denis Wright | | General Manager - Graphene |



3. REMUNERATION POLICY

The Company's remuneration framework for Directors and senior executives has been designed to remunerate fairly and responsibly, balancing the need to attract and retain key personnel with a prudent approach to management of costs. The Board's policy for determining the nature and amount of remuneration for Board members and senior executives of the Company is as follows:

Non-Executive Director Remuneration

The Board aims to remunerate each NED for their time, commitment and responsibilities at market rates for comparable companies. The Board determines the annual level of fees payable to NEDs and reviews their remuneration annually, based on market practice, duties and accountability and subject to the maximum aggregate amount per annum as approved by shareholders. Fees for NEDs are not linked to the performance of the Group, other than participation in performance shares and options to acquire ordinary shares (refer to section 8 for share plans). The Board approves a letter of appointment setting out the key terms and conditions of appointment for each NED. NEDs receive statutory superannuation guarantee payments and NEDs do not receive any other retirement benefits.

Executive Remuneration

Executive remuneration reviews are undertaken annually by the Board to ensure that the remuneration framework remains aligned to business needs. The Board aims to ensure that remuneration practices are:

- Competitive and reasonable, enabling the Company to attract and retain key talent; and
- Aligned to the Company's strategic and business objectives and the creation of shareholder value.

4. REMUNERATION COMPONENTS

Non-Executive Directors

NEDs remuneration comprises a fixed fee for their participation on the Board and may include performance-based remuneration. These are set with reference to the Company's performance and market capitalisation. No additional fee is paid for service on Board sub-committees.

NED fees are determined by the Board within an aggregate fee pool limit as approved by shareholders. The current aggregate fee pool, as set out in the Constitution in Rule 7.8 detailing initial fees to Directors, is \$300,000.

Executive Directors

Executive Directors' remuneration comprises fixed remuneration (salary) and may include performance-based remuneration. These are set with reference to the Company's performance and market capitalisation. Fixed remuneration, which reflects the individual's role and responsibility as well as their experience and skills, includes base pay and statutory superannuation.



5. DIRECTOR AND KMP REMUNERATION

Remuneration for the financial year ended 30 June 2025:

Table 1 Sparc Technologies Limited for the year ended 30 June 2025

| 2025 | Short-term benefits (\$) | | | | Post-employment (\$) | Share-based payments (\$) | | |
|--|--------------------------|----------------------|-----------------|----------|----------------------|---------------------------|------------------------|----------------------------|
| | Cash salary and fees | Short-term incentive | Annual Leave | Other | Super annuation | Performance Shares | Options | Total share-based payments |
| <i>Non-Executive Directors</i> | | | | | | | | |
| Daniel Eddington ¹ | \$61,862 | - | - | - | \$7,114 | \$56,715 ¹ | - | \$56,715 |
| Stephen Hunt ¹ (resigned 13 March 2025) | \$140,615 | - | - | - | \$6,511 | \$56,715 ¹ | - | \$56,715 |
| Simon Kidston ² (appointed NED 6 December 2024, transitioned to Non-Executive Chairman 13 March 2025) | \$42,725 | - | - | - | \$4,913 | - | \$133,500 ² | \$133,500 |
| <i>Executive Directors</i> | | | | | | | | |
| Nick O'Loughlin ^{3,7} | \$290,000 ⁷ | \$18,404 | \$17,317 | - | \$35,466 | \$209,389 ³ | - | \$209,389 |
| <i>Key Management Personnel</i> | | | | | | | | |
| Adrien Wing ^{1,6} | \$60,000 ⁶ | - | - | - | - | \$21,268 ¹ | - | \$21,268 |
| Kristen Kubank ⁴ | \$174,979 ⁴ | - | \$1,316 | - | \$6,256 | - | - | - |
| Denis Wright | \$228,800 | - | \$19,383 | - | \$26,312 | - | - | - |
| Total | \$998,981 | \$18,404 | \$38,016 | - | \$86,572 | \$344,087 | \$133,500 | \$477,587 |

| 2025 | Termination (\$) | Other long-term benefits (\$) | Total (\$) | Total "at risk" (%) |
|---|------------------|-------------------------------|--------------------|---------------------|
| <i>Non-Executive Directors</i> | | | | |
| Daniel Eddington | - | - | \$125,691 | 45% |
| Stephen Hunt (resigned 13 March 2025) | - | - | \$203,841 | 28% |
| Simon Kidston (appointed 6 December 2024) | - | - | \$181,138 | 74% |
| <i>Executive Directors</i> | | | | |
| Nick O'Loughlin | - | - | \$570,576 | 37% |
| <i>Key Management Personnel</i> | | | | |
| Adrien Wing | - | - | \$81,268 | 26% |
| Kristen Kubank | - | - | \$182,551 | 0% |
| Denis Wright | - | - | \$274,495 | 0% |
| Total | - | - | \$1,619,560 | 29% |

- Amounts stated in the tables above represent the annual expense recognised over the vesting period.
- On 6 December 2024, Mr Simon Kidston was issued 1,500,000 options for ordinary shares with expiry date 6 December 2028 and an exercise price of \$0.25 upon his appointment as Non-Executive Director. There were no performance shares attached to the options.
- As announced on 2 January 2024 Mr Nick O'Loughlin was issued 3,000,000 Performance Rights upon appointment as Managing Director beginning 29 January 2024.
- On 1 March 2025, Ms Kubank transitioned from contractor to employee for equal remuneration. Ms Kubank had a contract to supply company CFO services to Sparc Technologies Ltd through KPI Business Advisory. Fees at \$15,392 plus GST per month were billed for the period 1 July 2024 to 28 February 2025 with a reduction in September 2024 for holiday leave.
- Mr Stephen Hunt retired as Non-Executive Chairman 13 March 2025 for which he received an annual salary of \$80,000. Mr Hunt has a contract for advisory services for \$6,000 per month plus GST as of 1 April 2024; as of 1 April 2025 this increased to \$10,000 per month plus GST.
- Mr Wing has a contract to supply company secretarial services to Sparc Technologies Ltd through Northern Star Nominees Pty Ltd. The fees are \$5,000 per month plus GST.
- Mr Nick O'Loughlin's executive agreement as Managing Director entitles a cash bonus payment of up to 15% of base salary at the absolute discretion of the Board which will be assessed and paid (if applicable) at the end of each Financial Year. Mr O'Loughlin was paid a bonus of \$18,404 plus superannuation on 6 September 2024 for the 2024 financial year (pro-rata).



The proportion of remuneration linked to performance and the fixed proportion are as follows:

| Name | Fixed Remuneration | | At risk - STI | | At risk - LTI | |
|---|--------------------|------|---------------|------|---------------|------|
| | 2025 | 2024 | 2025 | 2024 | 2025 | 2024 |
| <i>Non-Executive Directors</i> | | | | | | |
| Daniel Eddington | 55% | 22% | 0% | 22% | 45% | 78% |
| Stephen Hunt (retired 13 March 2025) | 72% | 41% | 0% | 41% | 28% | 59% |
| Simon Kidston (appointed 6 December 2024) | 26% | 0% | 74% | 0% | 0% | 0% |
| <i>Executive Directors</i> | | | | | | |
| Nick O'Loughlin | 63% | 65% | 0% | 65% | 37% | 35% |
| <i>Key Management Personnel</i> | | | | | | |
| Adrien Wing | 74% | 33% | 0% | 60% | 26% | 7% |
| Kristen Kubank | 100% | 65% | 0% | 65% | 0% | 35% |
| Denis Wright | 100% | 63% | 0% | 63% | 0% | 37% |

Table 2 Sparc Technologies Limited for the year ended 30 June 2024

| 2024 | Short-term benefits (\$) | | | | Post-employment (\$) | Share-based payments (\$) | | |
|---------------------------------|--------------------------|----------------------|--------------|----------|----------------------|---------------------------|------------------------|----------------------------|
| | Cash salary and fees | Short-term incentive | Annual Leave | Other | Super annuation | Performance Shares | Options | Total share-based payments |
| <i>Non-Executive Directors</i> | | | | | | | | |
| Daniel Eddington ^{1,4} | \$58,916 | - | - | - | \$6,481 | \$56,715 ¹ | \$170,350 ⁴ | \$227,065 |
| Stephen Hunt ^{1,3,10} | \$196,740 ¹⁰ | - | - | - | \$18,107 | \$56,715 ¹ | \$253,650 ³ | \$310,365 |
| Adrien Wing ^{1,2,5} | \$91,483 ² | - | - | - | - | \$21,268 ¹ | \$166,600 ⁵ | \$187,868 |
| Stephanie Moroz | \$14,182 | - | - | - | \$1,560 | - | - | - |
| <i>Executive Directors</i> | | | | | | | | |
| Nick O'Loughlin ^{5,9} | \$206,971 | - | - | - | \$22,767 | \$120,948 | \$3,864 | \$124,812 |
| <i>Key Management Personnel</i> | | | | | | | | |
| Kristen Kubank ^{6,8} | \$166,974 ⁸ | - | - | - | \$13,997 | - | \$98,200 ⁶ | \$98,200 |
| Denis Wright ⁷ | \$228,800 | - | - | - | \$25,168 | - | \$147,300 ⁷ | \$147,300 |
| Total | \$964,066 | - | - | - | \$88,080 | \$255,246 | \$839,964 | \$1,095,610 |

| 2025 | Termination (\$) | Other long-term benefits (\$) | Total (\$) | Total "at risk" (%) |
|--------------------------------|------------------|-------------------------------|------------|---------------------|
| <i>Non-Executive Directors</i> | | | | |
| Daniel Eddington | - | - | \$292,462 | 78% |
| Stephen Hunt | - | - | \$525,212 | 59% |
| Adrien Wing | - | - | \$279,351 | 67% |
| Stephanie Moroz | - | - | \$15,742 | 0% |
| <i>Executive Directors</i> | | | | |
| Nick O'Loughlin | - | - | \$354,549 | 35% |



| Key Management Personnel | | | | |
|--------------------------|---|---|--------------------|------------|
| Kristen Kubank | - | - | \$279,171 | 35% |
| Denis Wright | - | - | \$401,268 | 37% |
| Total | - | - | \$2,147,755 | 50% |

1. Amounts stated in the tables above represent the annual expense recognised over the vesting period.
2. Mr Wing has a contract to supply company secretarial services to Sparc Technologies Ltd through Northern Star Nominees Pty Ltd. The fees are \$5,000 per month plus GST. Mr Wing received fees as Non-Executive Director for the period 29 September 2023 to 31 March 2024. The fees were \$5,247.23 per month plus GST.
3. On 20 December 2023 Mr Hunt was issued 1,500,000 options for ordinary shares with an expiry date 21 December 2027 and an exercise price of \$0.35. There are no performance hurdles attached to the options.
4. On 20 December 2023 Mr Daniel Eddington was issued 1,000,000 options for ordinary shares with an exercise price of \$0.35 and expiry date 21 December 2027. There are no performance hurdles attached to the options.
5. On 20 December 2023 Mr Wing was issued 1,000,000 options for ordinary shares with an expiry date 21 December 2027 and an exercise price of \$0.35. There are no performance hurdles attached to the options.
6. On 20 December 2023, Ms Kubank was issued 500,000 options for ordinary shares with an expiry date of 21 December 2027 and an exercise price of \$0.35. There are no performance hurdles attached to the options.
7. On 20 December 2023, Mr Wright was issued 750,000 options for ordinary shares with an expiry date of 21 December 2027 and an exercise price of \$0.35. There are no performance hurdles attached to the options.
8. As of 1 May 2024, Ms Kubank transitioned from employee to contractor for equal remuneration. Ms Kubank has a contract to supply company CFO services to Sparc Technologies Ltd through KPI Business Advisory. Fees are \$15,392 plus GST per month.
9. As announced on 2 January 2024 Mr Nick O'Loughlin was issued 3,000,000 Performance Rights upon appointment as Managing Director beginning 29 January 2024.
10. Mr Stephen Hunt transitioned to Non-Executive Chairman 31 March 2024. Mr Hunt receives an annual salary of \$80,000 for his role as Non-Executive Chairman and has a contract for advisory services for \$6,000 per month excluding GST as of 1 April 2024.

Share-based compensation

Issue of performance rights

On 29 January 2024, Mr Nick O'Loughlin was appointed Managing Director, with Mr Stephen Hunt, Executive Chairman transitioning to Non-Executive Chairman on 31 March 2024. Material terms of Mr O'Loughlin's employment contract included long-term incentive 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.
- These Performance Rights were issued pursuant to ASX Listing Rule 10.12 (Exception 12) and do not require shareholder approval.

The exercise price is nil as per ASX notice on 2 January 2024. The Performance Rights have been expensed over the 3 year vesting period. The value of the Performance Rights was determined based on Monte Carlo modelling 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 - \$0.197
- Probability factor applied: Tranche 1 - 90%, Tranche 2 - 75%, Tranche 3 - 50%



Options

The terms and conditions of each grant of options over ordinary shares affecting remuneration of directors and other key management personnel in this financial year or future reporting years are as follows:

| Name | Number of options granted | Grant Date | Vesting date and exercisable date | Expiry date | Exercise price | Fair value per option at grant date |
|------------------------------|---------------------------|------------------|-----------------------------------|-------------------|----------------|-------------------------------------|
| Performance Shares | | | | | | |
| SB Hunt Super (Stephen Hunt) | 2,000,000 | 12 November 2020 | n/a | 12 November 2025 | nil | \$0.1418 |
| Dacama (Daniel Eddington) | 2,000,000 | 12 November 2020 | n/a | 12 November 2025 | nil | \$0.1418 |
| Northern Star (Adrien Wing) | 750,000 | 12 November 2020 | n/a | 12 November 2025 | nil | \$0.1418 |
| Performance Rights | | | | | | |
| Nick O'Loughlin | 1,000,000 | 29 January 2024 | 29 January 2025 | 29 January 2025 | n/a | \$0.1830 |
| Nick O'Loughlin | 1,000,000 | 29 January 2024 | 29 January 2026 | 29 January 2026 | n/a | \$0.1470 |
| Nick O'Loughlin | 1,000,000 | 29 January 2024 | 29 January 2027 | 29 January 2027 | n/a | \$0.1970 |
| Options | | | | | | |
| Daniel Eddington | 1,000,000 | 30 November 2021 | n/a | 30 September 2025 | \$1.00 | \$1.1420 |
| Stephen Hunt | 1,500,000 | 30 November 2021 | n/a | 30 September 2025 | \$1.00 | \$1.1420 |
| Kristen Kubank | 250,000 | 19 August 2022 | n/a | 1 July 2026 | \$0.90 | \$0.7630 |
| Denis Wright | 250,000 | 18 July 2022 | n/a | 1 July 2026 | \$0.90 | \$0.4270 |
| Nick O'Loughlin | 250,000 | 18 July 2022 | n/a | 1 July 2026 | \$0.90 | \$0.4270 |
| Daniel Eddington | 1,000,000 | 20 December 2023 | 20 December 2023 | 21 December 2027 | \$0.35 | \$0.1666 |
| Stephen Hunt | 1,500,000 | 20 December 2023 | 20 December 2023 | 21 December 2027 | \$0.35 | \$0.1666 |
| Adrien Wing | 1,000,000 | 20 December 2023 | 20 December 2023 | 21 December 2027 | \$0.35 | \$0.1666 |
| Denis Wright | 750,000 | 20 December 2023 | 20 December 2023 | 21 December 2027 | \$0.35 | \$0.1984 |
| Kristen Kubank | 500,000 | 20 December 2023 | 20 December 2023 | 21 December 2027 | \$0.35 | \$0.1984 |
| Stephen Hunt | 75,000 | 19 June 2024 | n/a | 29 April 2026 | \$0.35 | \$0.5507 |
| Daniel Eddington | 75,000 | 19 June 2024 | n/a | 29 April 2026 | \$0.35 | \$0.5507 |
| Nick O'Loughlin | 77,273 | 19 June 2024 | n/a | 29 April 2026 | \$0.35 | \$0.5507 |
| Simon Kidston | 1,500,000 | 6 December 2024 | 6 December 2024 | 6 December 2028 | \$0.25 | \$0.0890 |

Options carry no right no dividend or voting rights.

All options were granted over unissued fully paid ordinary shares in the Company. Options may be exercised any time before the expiry date. There has not been any alteration to the terms or conditions of the options since the grant date. There are no amounts paid or payable by the recipient in relation to the granting of such options other than on their potential exercise.

No options issued to directors or key management personnel as part of their compensation lapsed during the year.

Additional information

The earnings for the Group for the three years to 30 June 2025 are summarised below:

| | 2025 | 2024 | 2023 |
|-------------------------|-------------|-------------|-------------|
| Sales revenue | - | - | - |
| EBITDA | (2,029,240) | (4,030,713) | (4,147,308) |
| EBIT | (2,240,958) | (4,258,817) | (4,478,714) |
| Profit after income tax | (2,276,659) | (4,270,492) | (4,494,520) |



The factors that are considered to affect total shareholder return ("TSR") are summarised below:

| | 2025 | 2024 | 2023 |
|--|--------|---------|---------|
| Share price at financial year end (\$) | \$0.15 | \$0.205 | \$0.265 |
| Total dividends declared (cents per share) | - | - | - |
| Basic earnings per share (cents per share) | (2.31) | (4.79) | (5.72) |

6. KEY TERMS OF EMPLOYMENT CONTRACTS

Non-Executives

Non-Executive Chairman

The company entered into a Non-Executive Services Agreement with Mr Simon Kidston, whereby he was engaged as the Non-Executive Chairman of the Company effective 13 March 2025.

Mr Simon Kidston receives a base salary of \$90,000 per annum plus statutory superannuation for services rendered under the non-executive services agreement. The Company will also, subject to certain conditions, reimburse the Non-Executive Chairman for all reasonable travelling intra/interstate or overseas, accommodation and general expenses incurred in the performance of all duties in connection with the business of the Company. Mr. Kidston does not hold any performance shares.

The appointment of the Non-Executive Directors is subject to the provisions of the Constitution and the ASX Listing Rules relating to retirement by rotation and re-election of directors.

The appointment of a Non-Executive Director will automatically cease at the end of any meeting at which the relevant Director is not re-elected as a Director by shareholders. A Director may terminate their directorship at any time by advising the Board in writing.

The Letters of Appointment otherwise contain terms and conditions that are considered standard for agreements of this nature and are in accordance with the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations (4th Ed).

Non-Executive Director

Based on the Non-Executive Director letter of appointment provided to Daniel Eddington in the financial year ending 30 June 2020 (Letter of Appointment) that amongst other things, in consideration for services, the Company will pay the following fees, plus statutory superannuation:

Daniel Eddington \$61,861.80 per annum incorporating all changes since initial Letter of Appointment. Mr Eddington holds 2,000,000 performance shares which are subject to the conditions set out below.

Executives

Managing Director

Mr Nick O'Loughlin was appointed as the Managing Director of the Company on 2 January 2024 effective from 29 January 2024. Mr. O'Loughlin receives a base salary of \$290,000 per annum plus statutory superannuation for services rendered under the executive services agreement. Mr Nick O'Loughlin's executive agreement as Managing Director entitles him to a cash bonus payment of up to 15% of base salary at the absolute discretion of the Board which will be assessed and paid (if applicable) at the end of each financial year. Mr O'Loughlin was paid a bonus of \$18,404 plus superannuation on 6 September 2024 for the 2024 financial year.

The Company also, subject to certain conditions, reimbursed the Managing Director for all reasonable travelling intra/interstate or overseas, accommodation and general expenses incurred in the performance of all duties in connection with the business of the



Company. Mr O'Loughlin received, as part of employment remuneration, 3,000,000 long term incentive performance rights which are subject to the conditions as set out above.

Company Secretary

Mr Adrien Wing's services as Company Secretary (CS) are undertaken in accordance with a contractor agreement between the Company and Northern Star Nominees Pty Ltd, an entity controlled by Mr Wing (CS Agreement). Under the CS Agreement, Northern Star Nominees Pty Ltd provides the services of Adrien Wing in the position of CS at a monthly fee of \$5,000 plus GST. The contract is ongoing and subject to termination by either party with a notice period of one month in writing. The CS Agreement otherwise includes standard commercial terms.

Adrien Wing holds 750,000 performance shares which are subject to the conditions set out above, as well as 1,000,000 options.

7. TERMS AND CONDITIONS OF PERFORMANCE SHARES AND PERFORMANCE RIGHTS

Performance Shares that were issued to Stephen Hunt (former Director), Daniel Eddington (Director), and Adrien Wing (Company Secretary) on 12 November 2020 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.

Performance shares issued by the Company carry no rights to dividends, hold no voting rights, capital or wind up rights, are not transferable and have an expiry 5 years from issue.

On 29 January 2024, Mr Nick O'Loughlin was appointed Managing Director, with Mr Stephen Hunt, Executive Chairman, transitioning to Non-Executive Chairman. Material terms of Mr O'Loughlin's employment contract included long-term incentive 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.
- Performance Rights were issued pursuant to ASX Listing Rule 10.12 (Exception 12) and do not require shareholder approval.

The exercise price is nil as per ASX notice 2 January 2024. The Performance Rights have been capitalised over 3 years. 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 - \$0.197
- Probability factor applied: Tranche 1 - 90%, Tranche 2 - 75%, Tranche 3 - 50%



8. DIRECTOR AND KMP EQUITY HOLDINGS

Details of the number of ordinary shares held by Directors and KMP in the Company are set out below. This includes shares held directly, indirectly or beneficially by Directors and KMP, including related party holdings.

Details of the number of ordinary shares held by Directors and KMP in the Company as at 30 June 2025 are set out below:

| | Balance 1 July 2024 | Received as part of remuneration | Additions | Disposals | Balance 30 June 2025 |
|---|------------------------|--|-----------|-----------|-------------------------|
| Daniel Eddington ¹ | 3,030,769 | - | - | - | 3,030,769 |
| Simon Kidston (appointed 6 December 2024) | - | - | - | - | - |
| Nick O'Loughlin ² | 154,545 | - | - | - | 154,545 |
| Adrien Wing ³ | 312,351 | - | - | - | 312,351 |
| Stephen Hunt ⁴ (retired 13 March 2025) | 7,907,533 | - | - | - | 7,907,533 |
| Total | 11,405,198 | - | - | - | 11,405,198 |

1. At 30 June 2025 Mr Daniel Eddington holds 2,930,769 ordinary shares in joint names with Julie Eddington. Dejul Trading Pty Ltd is a nominee of Mr Eddington and holds 100,000 ordinary shares.
2. At 30 June 2025 Hutley Wharf Pty Ltd a nominee of Mr Nick O'Loughlin holds 154,545 ordinary shares.
3. At 30 June 2025 Northern Star Nominees Pty Ltd a nominee of Mr Adrien Wing holds 312,351 ordinary shares.
4. At 30 June 2024 DFM Trust a nominee of Mr Hunt holds 3,565,416 ordinary shares and SB Hunt Super Pty Ltd a nominee of Mr Hunt holds 2,362,287 ordinary shares. Minerals and Metals Marketing Pty Ltd a nominee of Mr Hunt holds 1,979,830 ordinary shares.

Details of the number of performance shares and performance rights held by Directors and KMP in the Company as at 30 June 2025 are set out below:

| | Balance 1 July 2024 | Received as part of remuneration | Additions | Disposals | Balance 30 June 2025 |
|--------------------------------------|------------------------|--|-----------|-----------|-------------------------|
| Daniel Eddington | 2,000,000 | - | - | - | 2,000,000 |
| Stephen Hunt (retired 13 March 2025) | 2,000,000 | - | - | - | 2,000,000 |
| Nick O'Loughlin | 3,000,000 | - | - | - | 3,000,000 |
| Adrien Wing | 750,000 | - | - | - | 750,000 |
| Total | 7,750,000 | - | - | - | 7,750,000 |

Details of the number of options held by Directors and KMP in the Company as at 30 June 2025 are set out below:

| | Balance 1 July 2024 | Received as part of remuneration | Additions | Disposals/ Other | Balance at 30 June 2025 |
|--|------------------------|--|-----------|---------------------|----------------------------|
| Daniel Eddington ^{1,4,7} | 2,075,000 | - | - | - | 2,075,000 |
| Simon Kidston ² | - | 1,500,000 | - | - | 1,500,000 |
| Nick O'Loughlin ^{3,8} | 327,273 | - | - | - | 327,273 |
| Adrien Wing ⁴ | 1,000,000 | - | - | - | 1,000,000 |
| Denis Wright ^{3,5} | 1,000,000 | - | - | - | 1,000,000 |
| Kristen Kubank ^{3,6} | 750,000 | - | - | - | 750,000 |
| Stephen Hunt ^{7, 9, 10} (retired 13 March 2025) | 3,075,000 | - | - | - | 3,075,000 |
| Total | 8,227,273 | 1,500,000 | - | - | 9,727,273 |

1. Mr Daniel Eddington issued 1,000,000 options exercisable at \$1 expiring 30 September 2025.
2. Mr Simon Kidston issued 1,500,000 unlisted incentive options exercisable at \$0.25 expiring 6 December 2028.



3. Mr Denis Wright, Ms Kristen Kubank & Mr Nick O'Loughlin issued 250,000 options exercisable at \$0.90 expiring 1 July 2026.
4. Mr Daniel Eddington & Mr Adrien Wing issued 1,000,000 options exercisable at \$0.35 expiring 21 December 2027.
5. Mr Denis Wright issued 750,000 options exercisable at \$0.35 expiring 21 December 2027.
6. Ms Kristen Kubank issued 500,000 options exercisable at \$0.35 expiring 21 December 2027.
7. Mr Daniel Eddington and Mr Stephen Hunt issued 75,000 options under a shareholder ratified 1:2 placement offering exercisable \$0.35 expiring 29 April 2026.
8. Mr Nick O'Loughlin issued 77,273 options under a shareholder ratified 1:2 placement offering exercisable \$0.35 expiring 29 April 2026.
9. Mr Stephen Hunt issued 1,500,000 options exercisable at \$1 expiring 30 September 2025.
10. Mr Stephen Hunt issued 1,500,000 options exercisable at \$0.35 expiring 21 December 2027.

The Remuneration Report details the key management personnel remuneration arrangements for the Group, in accordance with the requirements of the Corporations Act 2001 and its Regulations.

This concludes the Remuneration Report, which has been audited.

Shares under option

The following ordinary shares of Sparc Technologies Limited were reserved for issue during the year ended 30 June 2025 and up to the date of this report on the exercise of options granted:

| Grant Date | Expiry Date | Exercise Price | Number under option |
|-----------------|-----------------|----------------|---------------------|
| 6 December 2024 | 6 December 2028 | \$0.25 | 1,500,000 |

No person entitled to exercise the options had or has any right by virtue of the option to participate in any share issue of the Company or of any other body corporate.

Performance Shares and Performance Rights

On 29 January 2024, Mr Nick O'Loughlin was appointed Managing Director, with Mr Stephen Hunt, Executive Chairman, transitioning to Non-Executive Chairman. Material terms of Mr O'Loughlin's employment contract included long-term incentive 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.
- Performance Rights were issued pursuant to ASX Listing Rule 10.12 (Exception 12) and do not require shareholder approval.

The exercise price is nil as per ASX notice 2 January 2024. The Performance Rights have been capitalised over 3 years. 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 - \$0.197
- Probability factor applied: Tranche 1 - 90%, Tranche 2 - 75%, Tranche 3 - 50%



4,750,000 performance shares have been issued in previous financial years with no fixed vesting date. The performance shares will convert into ordinary shares in the company on a one for one basis where on satisfaction of the following milestones: (1) GTS generates annual Operating Revenue of at least \$3 million from the Graphene projects or Graphene Technology over an audited financial year; and (2) the Company achieves a market capitalisation (based on the Company's VWAP) of \$50 million or more.

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

Indemnity and insurance of officers

The Company has indemnified the directors and executives of the Company for costs incurred, in their capacity as a director or executive, for which they may be held personally liable, except where there is a lack of good faith.

During the financial year, the company paid a premium in respect of a contract to insure the directors and executives of the Company against a liability to the extent permitted by the Corporations Act 2001. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

Indemnity and insurance of auditor

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.

During the financial year, the company has not paid a premium in respect of a contract to insure the auditor of the Company or any related entity.

Proceedings on behalf of the Company

No person has applied to the Court under section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the Company, or to intervene in any proceedings to which the company is a party for the purpose of taking responsibility on behalf of the Company for all or part of those proceedings.

Non-audit services

Details of the amounts paid or payable to the auditor for non-audit services provided during the financial year by the auditor are outlined in note 23 to the financial statements.

The directors are satisfied that the provision of non-audit services during the financial year, by the auditor (or by another person or firm on the auditor's behalf), is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001.

The directors are of the opinion that the services as disclosed in note 23 to the financial statements do not compromise the external auditor's independence requirements of the Corporations Act 2001 for the following reasons:

- all non-audit services have been reviewed and approved to ensure that they do not impact the integrity and objectivity of the auditor; and
- none of the services undermine the general principles relating to auditor independence as set out in APES 110 Code of Ethics for Professional Accountants issued by the Accounting Professional and Ethical Standards Board, including reviewing or auditing the auditor's own work, acting in a management or decision-making capacity for the company, acting as advocate for the company or jointly sharing economic risks and rewards.



Officers of the company who are former partners of BDO Audit Pty Ltd

There are no officers of the company who are former partners of BDO Audit Pty Ltd.

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out immediately after this Directors' Report.

Auditor

BDO Audit Pty Ltd will be nominated to continue in office in accordance with section 327 of the Corporations Act 2001 at the Company's forthcoming annual general meeting.

This report is made in accordance with a resolution of Directors, pursuant to section 298(2)(a) of the Corporations Act 2001.

On behalf of the Directors:

Nicholas O'Loughlin
Managing Director
28 August 2025 (Adelaide)

For personal use only

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

As lead auditor of Sparc Technologies Limited for the year ended 30 June 2025, 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 audit; and
2. No contraventions of any applicable code of professional conduct in relation to the audit.

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, 28 August 2025



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General information

The financial statements cover Sparc Technologies Limited as a Group consisting of Sparc Technologies Limited and the entities it controlled at the end of, or during, the year. The financial statements are presented in Australian dollars, which is Sparc Technologies Limited's functional and presentation currency.

Sparc Technologies Limited is a listed public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business are:

Registered office

Sparc Technologies Limited
Level 2
480 Collins Street
Melbourne VIC 3000

Principal place of business

Sparc Technologies Limited
51 Rundle Street
Adelaide SA 5067

A description of the nature of the Group's operations and its principal activities are included in the Directors' Report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of Directors, on 28 August 2025. The Directors have the power to amend and reissue the financial statements.



Consolidated statement of profit or loss and other comprehensive income for the year ended 30 June 2025

Consolidated Group

| | Note | Year ended 30 Jun 2025 \$ | Year ended 30 Jun 2024 \$ |
|---|------|---------------------------------|---------------------------------|
| Revenue | | | |
| Other Income | 3 | 2,236,325 | 1,449,171 |
| Expenses | | | |
| Research and development | | 315,847 | 587,827 |
| Professional and consulting fees | | 510,564 | 585,480 |
| Travel | | 26,940 | 64,624 |
| Share based payments | 15 | 477,589 | 1,582,748 |
| Employee Expenses | | 1,617,945 | 1,553,366 |
| Depreciation and amortization | 4 | 211,717 | 228,105 |
| Interest on lease liabilities | | 6,301 | 11,674 |
| Loss on disposal of financial asset | | 0 | 0 |
| Share of loss from associate | 10 | 552,911 | 432,996 |
| Other expenses | 4 | 793,170 | 672,843 |
| Total Operating expenses | | 4,512,984 | 5,719,662 |
| (Loss) before income tax expense | 19 | (2,276,659) | (4,270,492) |
| Income tax expense | | | |
| (Loss) for the year | | (2,276,659) | (4,270,492) |
| Other comprehensive income | | | |
| Total comprehensive loss attributable to equity holders of the parent entity | | (2,276,659) | (4,270,492) |
| Earnings per share for loss attributable to equity holders of the parent entity: | | | |
| Basic (cents per share) | 29 | (2.31) | (4.79) |
| Diluted (cents per share) | 29 | (2.31) | (4.79) |

The above 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 30 June 2025

| | | Consolidated Group | |
|--------------------------------------|------|---------------------------------|---------------------------------|
| | Note | Year ended 30 Jun 2025 \$ | Year ended 30 Jun 2024 \$ |
| Current assets | | | |
| Cash and cash equivalents | 6 | 3,294,030 | 2,707,349 |
| Receivables | | 12,862 | 18,822 |
| Other | | 39,099 | 53,428 |
| Current tax assets | 5/7 | 1,014,310 | - |
| Total current assets | | 4,360,301 | 2,779,599 |
| Non-current assets | | | |
| Property, plant and equipment | 8 | 344,937 | 415,484 |
| Other assets | | 30,000 | 30,000 |
| Intangible assets | | 36,878 | 35,278 |
| Right of use asset | 9 | 58,596 | 170,581 |
| Investment in Associate | 10 | 503,318 | 31,228 |
| Total non-current assets | | 973,729 | 682,571 |
| Total assets | | 5,334,030 | 3,462,170 |
| Current liabilities | | | |
| Trade and other payables | 11 | 235,967 | 259,214 |
| Employee benefits | | 94,855 | 66,953 |
| Lease liability | 12 | 70,938 | 133,823 |
| EY25 R&D advance | 13 | 730,000 | 0 |
| Total current liabilities | | 1,131,760 | 459,990 |
| Non-current liabilities | | | |
| Lease liability | 12 | 0 | 69,144 |
| Total non-current liabilities | | 0 | 69,144 |
| Total liabilities | | 1,131,760 | 529,134 |
| Net assets/(deficit) | | 4,202,270 | 2,933,036 |
| Equity | | | |
| Issued capital | 14 | 26,244,392 | 23,176,088 |
| Reserves | 15 | 8,940,814 | 9,996,315 |
| Accumulated (losses) | 19 | (30,982,936) | (30,239,367) |
| Total equity/(deficit) | | 4,202,270 | 2,933,036 |

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



Consolidated statement of changes in equity for the year ended 30 June 2025

| | Contributed Equity | Share based payment | Accumulated Losses | Total |
|--|--------------------|---------------------|--------------------|-------------|
| Balance at 1 July 2023 | 21,186,526 | 8,288,129 | (25,968,875) | 3,505,780 |
| Shares issued, net of transaction costs, in the year | 1,989,562 | 125,438 | | 2,115,000 |
| Shares issued on exercise of options | | - | | - |
| Shares issued in relation to the loss of control of subsidiary | - | - | | - |
| Share based payment expense in the year | | 1,582,748 | | 1,582,748 |
| Total of transactions with owners | | | (4,270,492) | (4,270,492) |
| (Loss) for the year | | | | |
| Other comprehensive income for the year | | | | |
| Total comprehensive income for the year | | | (4,270,492) | (4,270,492) |
| Balance at 30 June 2024 | 23,176,088 | 9,996,315 | (30,239,367) | 2,933,036 |
| Balance at 1 July 2024 | 23,176,088 | 9,996,315 | (30,239,367) | 2,933,036 |
| Shares issued, net of transaction costs, in the year | 3,068,304 | - | - | 3,068,304 |
| Shares issued on exercise of options | - | - | - | - |
| Shares issued in relation to the loss of control of subsidiary | - | - | - | - |
| Options expired | | (1,533,090) | 1,533,090 | - |
| Share based payment expense in the year | | 477,589 | - | 477,589 |
| Total of transactions with owners | - | - | (2,276,659) | (2,276,659) |
| (Loss) for the year | | | | |
| Other comprehensive income for the year | - | - | - | - |
| Total comprehensive income for the year | | | (2,276,659) | (2,276,659) |
| Balance at 30 June 2025 | 26,244,392 | 8,940,814 | (30,982,936) | 4,202,270 |

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



Consolidated statement of cash flows for the year ended 30 June 2025

| Consolidated Group | | | |
|---|------|---------------------------------|---------------------------------|
| | Note | Year ended 30 Jun 2025 \$ | Year ended 30 Jun 2024 \$ |
| Cash flows from operating activities | | | |
| Payments to suppliers and employees | | (3,245,482) | (3,665,733) |
| Interest paid | | - | - |
| Interest received | | 83,367 | 27,112 |
| R&D tax refund | 5 | 1,116,124 | 1,422,058 |
| Other Income | | 28,484 | - |
| Net cash (used in) operating activities | 26 | (2,017,507) | (2,216,563) |
| Cash flows from investing activities | | | |
| Payment for intangible assets | | (1,600) | - |
| Payment for property, plant and equipment | | (25,711) | (19,036) |
| Cash acquired by reverse acquisition | | - | - |
| Payment of further investment in associate | | (1,025,000) | - |
| Net cash provided by/(used in) investing activities | | (1,052,312) | (19,036) |
| Cash flows from financing activities | | | |
| Proceeds from issue of shares | | 3,166,224 | 2,250,000 |
| Share issue costs | | (97,920) | (135,000) |
| Payment for lease liabilities (principal and interest) | | (141,804) | (128,672) |
| Proceeds from borrowings | 13 | 730,000 | - |
| Net cash provided by financing activities | | 3,656,500 | 1,986,328 |
| Net increase/(decrease) in cash and cash equivalents | | 586,682 | (249,273) |
| Cash and cash equivalents at the beginning of the year | | 2,707,349 | 2,956,622 |
| Cash and cash equivalents at the end of the year | 6 | 3,294,030 | 2,707,349 |



Notes to the Financial Statements

Note 1: Material accounting policy information

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

New or amended Accounting Standards and Interpretations adopted

A number of new and amended accounting standards are effective for the current reporting period, however, the change to the Group's accounting policies arising from these standards has not required the Group to make retrospective adjustments as a result of adopting these standards. The adoption of the new and amended accounting standards has therefore had no material impact on the Group for the year ended 30 June 2025.

Other amendments and interpretations relevant to the Group in a future period

A number of new and amended Accounting Standards and Interpretations have been issued that have mandatory application dates for future reporting periods, some of which are relevant to the Group. The Group has decided not to early adopt any of these new and amended pronouncements.

Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') and the Corporations Act 2001, as appropriate for for-profit oriented entities. These financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board ('IASB').

Historical cost convention

The financial statements have been prepared under the historical cost convention, except for, where applicable, the revaluation of financial assets and liabilities at fair value through profit or loss, financial assets at fair value through other comprehensive income, investment properties, certain classes of property, plant and equipment and derivative financial instruments.

Critical accounting estimates

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 2.

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 \$2,276,659 and had net cash outflows from operating activities of 2,017,507 for the year ended 30 June 2025.

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 an additional placement and/or exercise of options and the receipt of the net balance of the FY25 R&D Incentive Payment.

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



Parent entity information

In accordance with the Corporations Act 2001, these financial statements present the results of the Group only. Supplementary information about the parent entity is disclosed in note 25.

Principles of consolidation

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Sparc Technologies Limited ('company' or 'parent entity') as at 30 June 2025 and the results of all subsidiaries for the year then ended. Sparc Technologies Limited and its subsidiaries together are referred to in these financial statements as the 'Group'.

Subsidiaries are all those entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains on transactions between entities in the Group are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Income tax

The income tax expense or benefit for the period is the tax payable on that period's taxable income based on the applicable income tax rate for each jurisdiction, adjusted by the changes in deferred tax assets and liabilities attributable to temporary differences, unused tax losses and the adjustment recognised for prior periods, where applicable.

The group has incurred significant losses in conducting its business. No income tax expense has been provided, however tax losses may be available when the Group is able to generate sufficient income in the future.

The Group is not currently consolidated under the tax consolidation regime.

Current and non-current classification

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the Group's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in the Group's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

Deferred tax assets and liabilities are always classified as non-current.

Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Plant and equipment

Plant and equipment is stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Depreciation is calculated on a straight-line basis to write off the net cost of each item of property, plant and equipment over their expected useful lives as follows:



| | |
|------------------------|------------|
| Leasehold improvements | 3-10 years |
| Plant and equipment | 3-10 years |

The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date.

Leasehold improvements are depreciated over the unexpired period of the lease or the estimated useful life of the assets, whichever is shorter.

An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the Group. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss. Any revaluation surplus reserve relating to the item disposed of is transferred directly to retained profits.

Employee benefits

Short-term employee benefits

Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled wholly within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled.

Defined contribution superannuation expense

Contributions to defined contribution superannuation plans are expensed in the period in which they are incurred.

Share-based payments

Equity-settled and cash-settled share-based compensation benefits are provided to employees.

Equity-settled transactions are awards of shares, or options over shares, that are provided to employees in exchange for the rendering of services. Cash-settled transactions are awards of cash for the exchange of services, where the amount of cash is determined by reference to the share price.

The cost of equity-settled transactions are measured at fair value on grant date. Fair value is independently determined using either the Binomial or Black-Scholes option pricing model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option, together with non-vesting conditions that do not determine whether the Group receives the services that entitle the employees to receive payment. No account is taken of any other vesting conditions.

The cost of equity-settled transactions are recognised as an expense with a corresponding increase in equity over the vesting period. The cumulative charge to profit or loss is calculated based on the grant date fair value of the award, the best estimate of the number of awards that are likely to vest and the expired portion of the vesting period. The amount recognised in profit or loss for the period is the cumulative amount calculated at each reporting date less amounts already recognised in previous periods.

The cost of cash-settled transactions is initially, and at each reporting date until vested, determined by applying either the Binomial or Black-Scholes option pricing model, taking into consideration the terms and conditions on which the award was granted. The cumulative charge to profit or loss until settlement of the liability is calculated as follows:

- during the vesting period, the liability at each reporting date is the fair value of the award at that date multiplied by the expired portion of the vesting period.
- from the end of the vesting period until settlement of the award, the liability is the full fair value of the liability at the reporting date.

All changes in the liability are recognised in profit or loss. The ultimate cost of cash-settled transactions is the cash paid to settle the liability.

Market conditions are taken into consideration in determining fair value. Therefore any awards subject to market conditions are considered to vest irrespective of whether or not that market condition has been met, provided all other conditions are satisfied.



If equity-settled awards are modified, as a minimum an expense is recognised as if the modification has not been made. An additional expense is recognised, over the remaining vesting period, for any modification that increases the total fair value of the share-based compensation benefit as at the date of modification.

If the non-vesting condition is within the control of the Group or employee, the failure to satisfy the condition is treated as a cancellation. If the condition is not within the control of the Group or employee and is not satisfied during the vesting period, any remaining expense for the award is recognised over the remaining vesting period, unless the award is forfeited.

If equity-settled awards are cancelled, it is treated as if it has vested on the date of cancellation, and any remaining expense is recognised immediately. If a new replacement award is substituted for the cancelled award, the cancelled and new award is treated as if they were a modification.

Fair value measurement

When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principal market; or in the absence of a principal market, in the most advantageous market.

Issued capital

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Earnings per share

Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to the owners of Sparc Technologies Limited, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the financial year.

Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

Investment in Associate

The Group's investment in an associate is accounted for using the equity method in accordance with AASB 128 Investments in Associates and Joint Ventures. Under this method, the investment is initially recognised at cost and adjusted thereafter for the Group's share of the investee's post-acquisition profits or losses and other comprehensive income.

After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment. At each reporting date, the Group determines whether there is objective evidence that the investment is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value and recognises the loss in the statement of profit or loss.

R&D Income

The Group is eligible for the Australian Government's Research and Development Tax Incentive (R&DTI). R&D income is recognised as other income in profit or loss when there is reasonable assurance that the entity has complied with the program requirements and the income will be received. The refundable R&D tax offset is accrued over the period in which eligible expenditure is incurred, based on estimates prepared with reference to the advice of external R&D tax specialists.



R&D Advance Loan

The Group has entered into an advance funding arrangement secured against the expected R&D tax refund. The R&D advance loan is recognised as a financial liability initially at fair value, net of transaction costs. Interest expense is recognised in profit or loss as incurred. The loan is repayable upon receipt of the R&D tax refund, with any excess refund retained by the Group.

Note 2: Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

Share-based payment transactions

The Group measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by using either the Binomial or Black-Scholes model taking into account the terms and conditions upon which the instruments were granted. The accounting estimates and assumptions relating to equity-settled share-based payments would have no impact on the carrying amounts of assets and liabilities within the next annual reporting period but may impact profit or loss and equity. Refer to note 15 for further information.

FY25 R&D Tax Incentive revenue estimation

An accrual for the FY25 R&D Tax refund has been recognised based on actuals approved by an external tax specialist for the period from 1 July 2024 to 28 Feb 2025, with the same methodology applied by management to the remaining period. The calculation involves judgement in determining eligible activities, allocating qualifying expenditure and applying the correct offset rate. The final amount may differ from the estimate once the claim is lodged and assessed. The R&D registered company, Sparc Operations Pty Ltd has successfully submitted and received approved R&D Tax Incentive rebates since 2020 complying with eligible expenditure under subsection 355-205 of the ITAA 1997.

Note 3: Other Income

| | Consolidated | |
|--------------------|--------------|-----------|
| | 2025 | 2024 |
| Interest | 83,367 | 27,112 |
| Other | 22,525 | - |
| FY24 R&D Incentive | 1,116,124 | 1,422,059 |
| FY25 R&D Provision | 1,014,310 | |
| Total | 2,236,325 | 1,449,171 |

Recognition of the FY25 R&D revenue of \$1,014,310 has been prepared and approved by the external R&D Tax Specialist. The company successfully attained a \$730,000 advance via Rockford Capital Pty Ltd against the tax incentive actual calculations for the period 1 July 2024 to 28 February 2025. The balance of refund for the remaining period are to be paid to the company, less interest of 15%pa, upon receipt of refund around October 2025. The estimate may vary from the actual refund upon approval by The Australian Taxation Office.



Note 4: Expenses

Profit before income tax includes the following specific expenses:

Other Expenses

ASX Advisory, secretarial & ASIC

Admin & other

Other occupancy

Interest on borrowings

Total other Expenses

Depreciation and Amortisation

Leasehold Improvements

Plant & Equipment

Building right-of use assets

Patents

Patents Impairment Charge

Total Depreciation and Amortisation

Interest on lease

Interest charges on building lease

Consolidated

2025

2024

349,165

265,981

338,636

337,594

75,970

69,268

29,400

-

793,170

672,843

37,041

21,920

59,217

80,982

115,459

116,103

0

455

0

8,645

211,717

228,105

6,301

11,674

Note 5: Income tax expense

Current tax receivable

Opening balance

FY24 R&D Tax Incentive

FY25 R&D Provision - adjustment to other income

Refunds received – FY24 R&D

Funds received – FY25 R&D advance

R&D tax incentive - refundable

Consolidated

2025

2024

-

1,422,058

1,116,124

1,014,310

-

(1,116,124)

(1,422,058)

(730,000)

284,310

-

The Company and its subsidiaries are currently not consolidated for tax purposes.

Note 6: Current assets - cash and cash equivalents

Consolidated

2025

2024

Cash at bank

3,294,030

2,707,349

Reconciliation to cash and cash equivalents at the end of the financial year

The above figures are reconciled to cash at the end of the financial year as shown in the statement of cash flows as follows:

Balances as above

3,294,030

2,707,349

Balance as per statement of cash flows

3,294,030

2,707,349



Note 7: Current assets - trade and other receivables

| | Consolidated | |
|------------------------------|--------------|--------|
| | 2025 | 2024 |
| Other Debtors | - | 182 |
| R&D Tax Incentive receivable | 1,014,310 | - |
| GST Credits | 12,862 | 18,640 |
| Total | 1,027,172 | 18,822 |

In FY25, \$1,014,310 has been accrued as R&D Tax Incentive revenue based on the estimate expected to be received in October 2025 as per note 13.

Note 8: Non-current assets - property, plant and equipment

| | Consolidated | |
|-------------------------------------|--------------|-----------|
| | 2025 | 2024 |
| Leasehold improvements at cost | 129,146 | 105,466 |
| Less accumulated depreciation | (102,571) | (65,530) |
| | 26,575 | 39,936 |
| Plant and Equipment at cost | 635,144 | 633,112 |
| Less accumulated depreciation | (316,782) | (257,563) |
| | 318,363 | 375,549 |
| Total property, plant and equipment | 344,937 | 415,484 |

Reconciliations

Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below

| | Leasehold Improvements | Plant and equipment | Total |
|-------------------------|------------------------|---------------------|----------|
| Balance at 30 June 2024 | 39,935 | 375,549 | 415,484 |
| Additions | 23,680 | 2,032 | 25,712 |
| Depreciation expense | (37,040) | (59,218) | (96,258) |
| Balance at 30 June 2025 | 26,575 | 318,363 | 344,937 |

Note 9: Non-current assets - right-of-use assets

| | Consolidated | |
|----------------------------------|--------------|-----------|
| | 2025 | 2024 |
| Land and Buildings -right-of-use | 170,581 | 282,576 |
| Less Accumulated depreciation | (115,459) | (116,103) |
| Add modification | 3,474 | 4,108 |
| | 58,596 | 170,581 |

The Group leases land and buildings for its offices and research facilities under a five-year agreement with an option to extend for a further term. The lease has an annual rent review to CPI and a market review if renewed. Negotiations to extend the lease from 1st January 2026 for 3+3 years at market rate are currently in process.



Note 10: Investment in associate

Investment in Sparc Hydrogen Pty Ltd:

| | 2025 | 2024 |
|---------------------|-----------|-----------|
| Opening Balance | 31,228 | 464,224 |
| Contributed Capital | 1,025,000 | - |
| Net Loss Attributed | (552,911) | (432,996) |
| Closing Balance | 503,318 | 31,228 |

In August 2021, the Group established a wholly owned subsidiary, Sparc Hydrogen Pty Ltd. On 3 February 2022 the Group entered into binding agreements with Fortescue Limited and the University of Adelaide forming the Sparc Hydrogen Joint Venture. These agreements introduce Fortescue Ltd and University of Adelaide as shareholders of Sparc Hydrogen Pty Ltd, as at 31 December 2021 with Fortescue contributing \$1.8m to Sparc Hydrogen Pty Ltd in exchange for a 20% interest. UoA licenses its pre-existing intellectual property in relation to the project in exchange for a 28% interest in Sparc Hydrogen. The Group issued 3 million shares in Sparc Technologies Limited to UoA (2.721m shares) and Flinders University (279k shares).

Prior to the loss of control, the Group provided funding of \$1.07m to Sparc Hydrogen Pty Ltd. \$450,000 of this funding was converted to equity in Sparc Hydrogen Pty Ltd and the remaining \$620,000 was refunded to the Group.

On 14 March 2025, the decision to proceed to Stage 2 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 contributed A\$2.5 million to Sparc Hydrogen, Sparc Technologies Ltd contribution being \$1.025m

The group has recorded its share of loss from the associate for the year ended 30 June 2025 of \$552,911 in profit or loss. The shareholdings at the conclusion of the transaction and at 30 June 2025 are;

- Sparc Technologies Limited – 36%
- Fortescue Ltd – 36%
- University of Adelaide (UoA) – 28%

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: Current liabilities - trade and other payables

| | Consolidated | |
|----------------|--------------|---------|
| | 2025 | 2024 |
| Trade payables | 108,253 | 183,743 |
| Other payables | 127,714 | 75,471 |
| | 235,967 | 259,214 |



Note 12: Current liabilities - lease liabilities

| | Consolidated | |
|-------------------------------|--------------|---------|
| | 2025 | 2024 |
| Lease liability - current | 70,938 | 133,823 |
| Lease liability – non current | - | 69,144 |

Note 13: Current liabilities – R&D advance

| | Consolidated | |
|--------------------------------|--------------|------|
| | 2025 | 2024 |
| FY25 R&D Tax Incentive Advance | 730,000 | - |

The Company's FY25 R&D tax incentive claim estimate of \$1,014,310 provided the provision for an advance of \$730,000 on the 25 March 2025 via Rockford Capital Pty Ltd. Interest accrues at 15% pa from original maturity date until payment application date. The Company intends to repay the advance and interest around October 2025.

Note 14: Equity - issued capital

| | 30 June 2025 | | 30 June 2024 | |
|---|--------------|------------|--------------|------------|
| | No. | \$ | No. | \$ |
| Balance at beginning of year | 95,872,947 | 23,176,088 | 85,645,432 | 21,186,526 |
| Shares issued to consultants and management | - | - | - | - |
| Shares issued to directors | - | - | 454,545 | 100,000 |
| Share placement ^{1,3} | 21,108,156 | 3,166,223 | 9,772,728 | 2,150,000 |
| Shares issued on exercise of options | - | - | - | - |
| Share issue costs ² | - | (97,920) | - | (260,438) |
| Balance at end of year | 116,981,103 | 26,244,392 | 95,872,705 | 23,176,088 |

1. On 6 May 2025 Sparc Technologies was successful in capital raising \$2,139,999.75 with an issue price \$0.15.

2. Share issue costs of \$97,920 were paid to the lead manager fee placement.

3. On 1 May 2025, Sparc Technologies raised \$1,026,214 via a Share Purchase Plan to all eligible shareholders. The SPP closed 29 May 2025.

Capital risk management

The Group's objectives when managing capital is to safeguard its ability to continue as a going concern, so that it can provide returns for shareholders and benefits for other stakeholders and to maintain an optimum capital structure to reduce the cost of capital.

Capital is regarded as total equity, as recognised in the statement of financial position. The Group has borrowings of \$730,000 advance of the expected FY25 R&D tax incentive claim \$1,014,310 provided by Rockford Capital Pty Ltd as outlined in note 7.

In order to maintain or adjust the capital structure, the Group may, return capital to shareholders, issue new shares or sell assets to increase cash.

The Group will look to raise capital when an opportunity to invest in new technology, a business or company is seen as value adding relative to the current company's share price at the time of the investment.

Performance Shares and Performance Rights

As at the 30 June 2025 there are 7,000,000 performance shares on issue with nil exercise price. Performance shares issued by the Company carry no rights to dividends, hold no voting rights, capital or wind up rights. The performance shares expire five years from issue. To the extent that a milestone for a performance share has not been achieved by expiry, such performance shares will automatically consolidate into a sum total of one performance share, which will then convert into one ordinary share.

The performance shares will convert into ordinary shares on a one-for-one basis upon satisfaction of the following milestones:

- GTS 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.



As at 30 June 2025 there are 3,000,000 performance rights on issue as part of Mr Nick O'Loughlin's remuneration with his appointment as Managing Director on 29 January 2024.

- 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.
- Performance Rights were issued pursuant to ASX Listing Rule 10.12 (Exception 12) and do not require shareholder approval.

Note 15: Equity - reserves

Share based payment reserve

| | 30 June 2025 | 30 June 2024 |
|---|--------------|--------------|
| | \$ | \$ |
| Option reserve | 7,424,683 | 8,824,273 |
| Performance shares and performance rights reserve | 1,516,131 | 1,172,042 |
| Share based payment reserve at end of year | 8,940,814 | 9,996,315 |

The Share based payment reserve arises on the grant of share options and performance shares and rights 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

| | 30 June 2025 | 30 June 2024 |
|--|--------------|--------------|
| | \$ | \$ |
| Balance at beginning of year | 8,824,273 | 7,371,735 |
| Issue of shares to employees, consultants and management | - | 869,438 |
| Exercise of Options | - | - |
| Issue of options to directors ¹ | 133,500 | 583,100 |
| Expiry of Options | (1,533,090) | - |
| Balance at end of year | 7,424,683 | 8,824,273 |

1. On 6 December 2024, 1,500,000 options were issued with an exercise price of \$0.25 to Director, Mr Simon Kidston. The options have fair value \$0.0890 and an expiry date 6 December 2028.

Movement in Share based payment reserve – performance shares and performance rights

| | 30 June 2025 | 30 June 2024 |
|---|--------------|--------------|
| | \$ | \$ |
| Balance at beginning of year | 1,172,042 | 916,394 |
| Vesting of performance shares to Directors ¹ | 134,700 | 134,700 |
| Vesting of performance rights to Director ² | 209,389 | 120,948 |
| Balance at end of year | 1,516,131 | 1,172,042 |

1. On 12th November 2020, 7,000,000 performance shares were issued to Directors with an exercise price of nil. The expense relating to these performance shares is being expensed over the expected vesting period of five years.
2. On 29 January 2024, 3,000,000 unlisted performance rights were issued to Mr Nick O'Loughlin upon his appointment as Managing Director as part of his remuneration.

Upon the resignation of Mr Mike Bartels as Managing Director on 28 March 2023, the conditions pertaining to his 2,250,000 performance shares were changed and subsequently the fair value of the performance shares assessed with the new conditions is less than the performance shares before the changed conditions. The remaining unrecognized expense as at 30 June 2023 was subsequently recognized and brought to account. The recognized expense amounted to \$170,261.



The value of the performance shares was determined based on Monte Carlo modelling 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

On 29 January 2024, Mr Nick O'Loughlin was appointed Managing Director, with Mr Stephen Hunt, Executive Chairman transitioning to Non-Executive Chairman on 31 March 2024. Material terms of Mr O'Loughlin's employment contract included long-term incentive 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.
- These Performance Rights were issued pursuant to ASX Listing Rule 10.12 (Exception 12) and do not require shareholder approval.

The exercise price is nil as per ASX notice on 2 January 2024. The Performance Rights have been expensed over the 3 year vesting period. The value of the Performance Rights was determined based on Monte Carlo modelling 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 shares and performance rights issued by the Company carry no rights to dividends, hold no voting rights, capital or wind up rights and are not transferable.

Share Based Payment Expense for the year

\$

Options

| | |
|--|---------|
| Expense options to employees and consultants | - |
| Issue of options to directors | 133,500 |
| Performance Rights | |
| Expense of performance shares to Directors | 134,700 |
| Expense of performance rights to Director | 209,389 |

Shares

| | |
|---|---------|
| Shares issued to advisors | - |
| | 477,589 |
| Share Based Payments (employee and directors) | 477,589 |



Note 16: Segment Information

The directors have considered the requirements of AASB 8 Operating Segments and the internal reports that are reviewed by the chief operating decision maker (the Board) in allocating resources and have concluded at this time that there are no separately identifiable segments.

Note 17: Subsequent Events

No other matters or circumstances that have arisen since the end of the year to the date of this report that have significantly affected or may significantly affect either:

- The entity's operations in future financial years;
- The results of those operations in future financial years; or the entity's state of affairs in future financial years.

Note 18: Contingent Liability

There are currently no contingent liabilities (2024: Nil).

Note 19: Equity - retained profits

| | Consolidated | |
|--|--------------|--------------|
| | 2025 | 2024 |
| Retained earnings at the beginning of the financial year | (30,239,367) | (25,968,875) |
| Loss after income tax expense for the year | (2,276,659) | (4,270,492) |
| Reallocation expired options reserves | 1,533,090 | |
| Retained losses at the end of the financial year | (30,982,936) | (30,239,367) |

Note 20: Commitments

Expenditure commitments

The Group does not have any further expenditure commitments as at 30 June 2025.

Leasing commitments

The Group entered into a lease for its office facility at 51 Rundle Street, Kent Town, SA commencing 1 January 2021. The lease term is for an initial 5 years with an option to extend for a further 3 years. At balance date, the Group has assessed the probability of exercising this option as low and have therefore excluded the option period from the lease calculations. The Group does not have an option to purchase the leased asset at the expiry of the lease period.

At the commencement date of a lease (other than leases of 12-months or less and leases of low value assets), the Group recognises a lease asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments.

| | Office Lease |
|------------------------------------|--------------|
| | \$ |
| Right-of-use asset | |
| Balance as at 30 June 2024 | 170,561 |
| Amortisation for year | (115,459) |
| Add modification to lease payments | 3,473 |
| Carrying amount as at 30 June 2025 | 58,595 |



| |
|--|
| Lease liability |
| Balance as at 30 June 2024 |
| Interest expense for year |
| Payments for lease liabilities for year (change arising from financing activity) |
| Add modification to lease payments |
| Carrying amount as at 30 June 2025 |

| Office Lease |
|--------------|
| \$ |
| 202,969 |
| 6,300 |
| (141,804) |
| 3,473 |
| 70,938 |
| 30 Jun 2025 |
| \$ |
| 6,301 |
| 115,459 |
| 121,760 |

| |
|--|
| Amounts recognised in statement of cash flows |
| Interest expense on lease liability for year |
| Payments for principal portion of lease liabilities for year |
| Total cash outflow in relation to leases for year |

The incremental borrowing rate applied in the calculation of the initial carrying amount of lease liabilities is 4.39%

Note 21: Leasing commitments - additional

Lease commitments

| |
|---|
| Minimum lease commitments payable (undiscounted): |
| 1 year or less |
| Between 1 and 2 years |
| 3+ years |

| Consolidated | |
|--------------|---------|
| 2025 | 2024 |
| 70,938 | 133,825 |
| - | 69,144 |
| - | - |
| 70,938 | 202,969 |

Note 22: Key management personnel disclosures

Compensation

The aggregate compensation made to directors and other members of key management personnel of the Group is set out below:

| |
|------------------------------|
| Short term employee benefits |
| Post employment benefits |
| Long term benefits |
| Share based payments |

| Consolidated | |
|--------------|-----------|
| 2025 | 2024 |
| 1,103,930 | 1,052,146 |
| - | - |
| - | - |
| 477,587 | 1,095,610 |
| 1,581,517 | 2,147,756 |



Note 23: Remuneration of auditors

During the financial year the following fees were paid or payable for services provided by the Group's auditors', their network firms and unrelated firms:

| | | Consolidated | |
|------------------------------------|--|--------------|--------|
| | | 2025 | 2024 |
| Audit services – BDO Audit Pty Ltd | | | |
| Audit of financial statements | | 45,740 | 40,621 |
| Other Services – BDO | | | |
| Taxation Services | | 20,213 | 16,444 |
| Advisory | | 1,500 | 2,424 |
| Total | | 21,713 | 18,868 |
| | | 67,453 | 59,489 |

Note 24: Related party transactions

Parent entity - Sparc Technologies Limited is the parent entity.

Subsidiaries - Interest in subsidiaries are set out in note 28.

Key management personnel - Disclosures related to key management personnel are set out in note 22 and the remuneration report included in the Directors' Report.

Transactions with related parties - During 2025, there were no payments made to related parties of Directors.

Investment in associate – As per note 10.

Note 25: Parent entity information

Set out below is supplementary information about the parent entity.

Statement of profit or loss and other comprehensive income

| | | Consolidated | |
|--|--|--------------|--------------|
| | | 2025 | 2024 |
| Loss of after income tax | | (2,173,924) | (2,702,961) |
| Total comprehensive loss | | (2,173,924) | (2,702,961) |
| <i>Statement of financial position</i> | | | |
| Total current assets | | 10,811,445 | 9,890,468 |
| Total assets | | 11,529,629 | 10,304,543 |
| Total current liabilities | | 250,089 | 327,827 |
| Total liabilities | | 250,089 | 396,971 |
| Equity | | | |
| Issued capital | | 24,635,754 | 21,567,450 |
| Reserve | | 8,873,614 | 9,929,115 |
| Accumulated losses | | (22,229,827) | (21,588,993) |
| Total equity | | 11,279,540 | 9,907,572 |



Note 26: Reconciliation of profit after income tax to net cash from operating activities

| | Consolidated | |
|---|--------------------|--------------------|
| | 2025 | 2024 |
| Loss after tax | (2,276,659) | (4,270,492) |
| <i>Non cash flows in profit or loss:</i> | | |
| Depreciation & amortisation | 211,717 | 228,105 |
| Net fair value loss on Associate | 552,911 | 432,996 |
| Interest RTU Adjustment | 6,301 | 11,674 |
| Share based payments | 477,589 | 1,582,748 |
| <i>Movements in assets and liabilities:</i> | | |
| Decrease/(Increase) in receivables | 5,960 | (57,034) |
| Increase in prepayments | 14,329 | (7,259) |
| Increase in Tax Receivable | (1,014,310) | - |
| (Decrease)/Increase in trade payables | (23,247) | (134,876) |
| Increase in employee benefits | 27,902 | (2,430) |
| | 259,152 | 2,053,924 |
| Net cash from operating activities | (2,017,507) | (2,216,563) |

Note 27: Financial risk

The Group's financial instruments consist mainly of cash at bank and payables.

The Group has not formulated any specific management objectives and policies in respect of debt financing, derivatives or hedging activity. Should the group change its position in the future, a considered summary of these policies will be disclosed at that time.

The Group's current exposure to the risk of changes in the market is managed by the Board. The Board is of the opinion that the carrying amount of the Group's financial instruments approximate their fair value.

Liquidity risk

The liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient cash to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

Note 28: Interests in subsidiaries

The consolidated financial statements incorporate the assets, liabilities and results of the following wholly owned subsidiaries in accordance with the accounting policy described in note 1:

| Name | Principal place of business / Country of incorporation | Ownership interest | |
|---|---|--------------------|-----------|
| | | 2025 % | 2024 % |
| Sparc Operations Limited | Australia | 100% | 100% |
| Sparc Biocarbon Pty Ltd (dissolution 21/05/2025) | Australia | 0% | 0% |
| Sparc Technologies North America LLC (dissolution 18/02/2025) | United States of America | 0% | 100% |
| Sparc Technologies UK (dissolution 22/11/2024) | United Kingdom | 0% | 100% |

Sparc Biocarbon Pty Ltd was formed for a potential project developing Sodium Ion Battery technology. The company was de-registered as the group made a strategic decision to cease activities on this project and to minimise corporate costs.



Note 29: Earnings per Share

Basic earnings per share amounts are calculated by dividing net loss for the year attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the year.

Diluted earnings per share amounts are calculated by dividing the net profit attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on the conversion of all the dilutive potential ordinary shares into ordinary shares.

The following reflects the income and share data used in the basic and diluted earnings per share computations:

| | Consolidated | |
|---|----------------|----------------|
| | 2025 \$'000 | 2024 \$'000 |
| Loss after income tax | (2,276,659) | (4,270,492) |
| Profit after income tax attributable to the owners of Sparc Technologies Limited | (2,276,659) | (4,270,492) |
| | | |
| | Number | Number |
| Weighted average number of ordinary shares used in calculating basic earnings per share | 98,491,312 | 87,496,615 |
| Adjustments for calculation of diluted earnings per share: | | |
| Options over ordinary shares | - | - |
| Weighted average number of ordinary shares used in calculating diluted earnings per share | 98,491,312 | 87,496,615 |
| | | |
| | Cents | Cents |
| Basic earnings per share | (2.31) | (4.79) |
| Diluted earnings per share | (2.31) | (4.79) |

Directors' Declaration

In the Directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, the Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in note 1 to the financial statements;
- the attached financial statements and notes give a true and fair view of the Group's financial position as at 30 June 2025 and of its performance for the financial year ended on that date;
- there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable; and
- the information disclosed in the attached consolidated entity disclosure statement is true and correct.

The Directors have been given the declarations required by section 295A of the Corporations Act 2001.

Signed in accordance with a resolution of Directors made pursuant to section 295(5)(a) of the Corporations Act 2001.

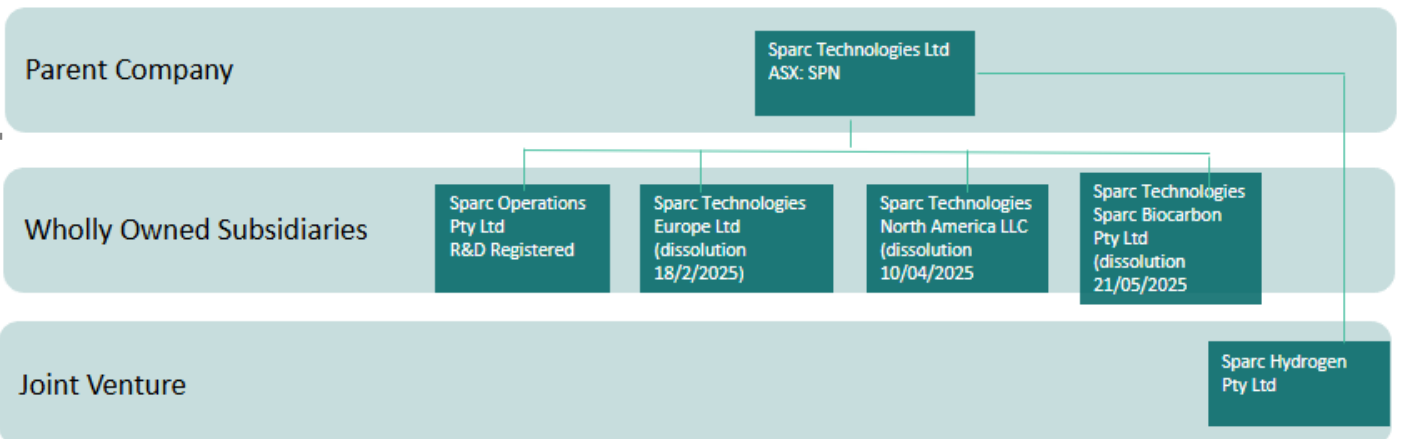
On behalf of the Directors:

Nicholas O'Loughlin
Managing Director
28 August 2025 (Adelaide)

Consolidated Entity Disclosure Statement

| Name of Entity* | Type of Entity | Trustee, partner or participant in joint venture** | % of share capital held | Country of Incorporation | Australian resident or foreign resident*** | Foreign tax jurisdiction(s) of foreign residents |
|--------------------------|----------------|--|-------------------------|--------------------------|--|--|
| Sparc Technologies Ltd | Body Corporate | - | N/A | Australia | Australian | N/A |
| Sparc Operations Pty Ltd | Body Corporate | - | 100 | Australia | Australian | N/A |

Sparc Group of Companies



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

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Sparc Technologies Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 2025, 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 year then ended, and notes to the financial report, including material accounting policy information, the consolidated entity disclosure statement and the directors' declaration.

In our opinion the accompanying financial report of the Group, is in accordance with the *Corporations Act 2001*, including:

- (i) Giving a true and fair view of the Group's financial position as at 30 June 2025 and of its financial performance for the year ended on that date; and
- (ii) Complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the Financial Report* section of our report. We are independent of the Group in accordance with 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 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 in the same terms if given to the directors as at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material uncertainty related to going concern

We draw attention to Note 1 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 opinion is not modified in respect of this matter.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the *Material uncertainty related to going concern* section, we have determined the matters described below to be the key audit matters to be communicated in our report.

Research and Development (R&D) Tax Incentive

| Key audit matter | How the matter was addressed in our audit |
|---|--|
| <p>Refer to Note 3 and 7 of the financial report and note 1 for the accounting policy.</p> <p>During the year ended 30 June 2025 the Group recognised \$2,130,434 in relation to Research and Development (R&D) Tax Incentive, made up of \$1,116,124 received in relation to the preceding financial year and \$1,014,310 accrued in relation to the current financial year.</p> <p>The R&D Tax incentive was identified as a key audit area because of the extent of judgement involved in considering the recognition of the income and receivable as at the reporting date, the complexity involved in the computation and 30 June 2025 being the first year where the Group had developed a reliable estimate to record as income.</p> | <p>Our audit procedures included but were not limited to:</p> <ul style="list-style-type: none"> • Obtaining and analysing the evidence provided by the Group to support the recognition and carrying value of the R&D Tax Incentive receivable. • Obtained and reviewed management's expert report reviewing the methodology used to prepare the claim, the eligibility of the activities and the calculation of the estimated R&D Tax Incentive receivable and considered the skills and experience of management's expert; • obtaining and checking the accuracy of the calculation and reconciliation performed for the R&D Tax Incentive receivable. • concluding on the recognition and presentation of the R&D Tax Incentive receivable for the reporting period. |

Other information

The directors are responsible for the other information. The other information comprises the information in the Group's annual report for the year ended 30 June 2025, but does not include the financial report and the auditor's report thereon.

Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the Financial Report

The directors of the Company are responsible for the preparation of:

- a) the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001 and
- b) the consolidated entity disclosure statement that is true and correct in accordance with the Corporations Act 2001, and

for such internal control as the directors determine is necessary to enable the preparation of:

- i) the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error; and
- ii) the consolidated entity disclosure statement that is true and correct and is free of misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website (<http://www.auasb.gov.au/Home.aspx>) at: https://www.auasb.gov.au/media/bwvjcgre/ar1_2024.pdf

This description forms part of our auditor's report.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 8 to 21 of the directors' report for the year ended 30 June 2025.

In our opinion, the Remuneration Report of Sparc Technologies Limited, for the year ended 30 June 2025, complies with section 300A of the *Corporations Act 2001*.



Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

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

BDO Audit Pty Ltd

A handwritten signature in blue ink, appearing to read 'Andrew Tickle'.

Andrew Tickle

Director

Adelaide, 28 August 2025

For personal use only



Shareholder information

Distribution of equitable securities as at 5 August 2025

Analysis of number of equitable security holders by size of holding:

| | Ordinary Shares | |
|---------------------------------------|-------------------|--------------------------|
| | Number of holders | % Of total shares issued |
| 1 to 1,000 | 1,111 | 28.18 |
| 1,001 to 5,000 | 1,311 | 33.26 |
| 5,001 to 10,000 | 512 | 12.99 |
| 10,001 to 100,000 | 832 | 21.11 |
| 100,001 and over | 176 | 4.46 |
| | 3,942 | 100.00 |
| Holding less than a marketable parcel | 2,052 | 52.05 |

Equity security holders

The names of the twenty largest security holders of quoted equity securities are listed below:

| | Ordinary Shares | |
|--|-------------------|--------------------------|
| | Number held | % Of total shares issued |
| NETWEALTH INVESTMENTS LIMITED | 8,161,123 | 6.98 |
| THE UNIVERSITY OF ADELAIDE | 3,842,643 | 3.28 |
| STEPHEN BRIAN HUNT | 3,565,416 | 3.05 |
| ALFRED A DEANS PTY LTD | 3,525,000 | 3.01 |
| SHARESIES AUSTRALIA NOMINEE PTY LIMITED | 3,016,641 | 2.58 |
| INNOVATION AND COMMERCIAL PARTNERS PTY LTD | 2,721,000 | 2.33 |
| DANIEL WILLIAM EDDINGTON & JULIE EDDINGTON | 2,680,769 | 2.29 |
| SB HUNT SUPER PTY LTD | 2,362,287 | 2.02 |
| CANE ASSET MANAGEMENT PTY LTD | 2,304,187 | 1.97 |
| MS MARNIE JANE EDDINGTON | 2,234,397 | 1.91 |
| MINERALS AND METALS MARKETING PTY LTD | 1,909,830 | 1.63 |
| BLAMNCO TRADING PTY LTD | 1,800,000 | 1.54 |
| WESTHOEK PTY LTD | 1,506,250 | 1.29 |
| MR ANDREW GARNET SMITH & MRS SALLYANNE MAREE SMITH | 1,372,372 | 1.17 |
| MR EDWARD MALOUF | 1,213,043 | 1.04 |
| RED DOG #1 PTY LTD | 1,009,814 | 0.86 |
| HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED | 991,590 | 0.85 |
| CITICORP NOMINEES PTY LIMITED | 921,487 | 0.79 |
| FINCLEAR SERVICES PTY LTD | 891,316 | 0.76 |
| JOMALCO PTY LTD | 800,000 | 0.68 |
| TOTAL | 46,829,165 | 40.03 |
| BALANCE OF REGISTER | 70,151,938 | 59.97 |
| GRAND TOTAL | 116,981,103 | 100.00 |



Unquoted equity securities

| | Number on issue | Number of holders |
|-------------------------------------|--------------------|----------------------|
| Options over ordinary shares issued | 20,913,640 | 107 |
| Performance Shares | 7,000,000 | 4 |
| Performance Rights | 3,000,000 | 1 |

Substantial holders

Substantial holders in the company are set out below:

| | Ordinary shares | |
|-------------------------------|-----------------|--------------------------------|
| | Number held | % Of total shares issued |
| Netwealth Investments Limited | 8,161,123 | 6.98 |
| Stephen Brian Hunt | 7,837,533 | 6.70 |

Voting rights

The voting rights attached to ordinary shares are set out below:

Ordinary shares

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

There are no other classes of equity securities.

Restricted Securities

The Company confirms the following securities will be subject to restriction pursuant to the ASX Listing Rules for the periods outlined below:

| Class | Number | Restriction Period |
|--------------------|-----------|---|
| Shares | 0 | |
| Performance Rights | 7,000,000 | 24 months from the date of official quotation |

Other

- The name of the Company Secretary is Adrien Wing.
- The registered address in Australia is Level 2, 480 Collins Street, Melbourne VIC 3000
- Registers of securities are held at the following address: Link Market Services, Tower 4, 727 Collins Street, Melbourne VIC 3008.
- Stock Exchange Listing: Quotation has been granted for all ordinary shares on all Member Exchanges of the ASX Limited

Corporate Governance: A copy of the Company's Corporate Governance Statement is available on the Company's website at <https://sparctechnologies.com.au/>.