

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 2024
Previous period:	For the year ended 30 June 2023

2. Results for announcement to the market

	2024 (A\$)	2023 (A\$)		Percentage Changes
Revenues from ordinary activities	-	-	Down	-
Loss from ordinary activities after tax attributable to the members	(4,270,492)	(4,494,520)	Down	5%
Loss for the period attributable to members	(4,270,492)	(4,494,520)	Down	5%

Dividends

No dividend has been paid during the year ended 30 June 2024

The directors have not proposed a dividend for the year ended 30 June 2024

3. Net Tangible Assets

	Reporting Period Cents	Previous Period Cents
Net tangible assets per ordinary security	3.70	4.00

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 %	Previous period %
Sparc Hydrogen Pty Ltd	52%	52%	(433)	(205)

Appendix 4E



Sparc Technologies Limited
Appendix 4E
Preliminary Final Report

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 2024 is attached.

9. Signed

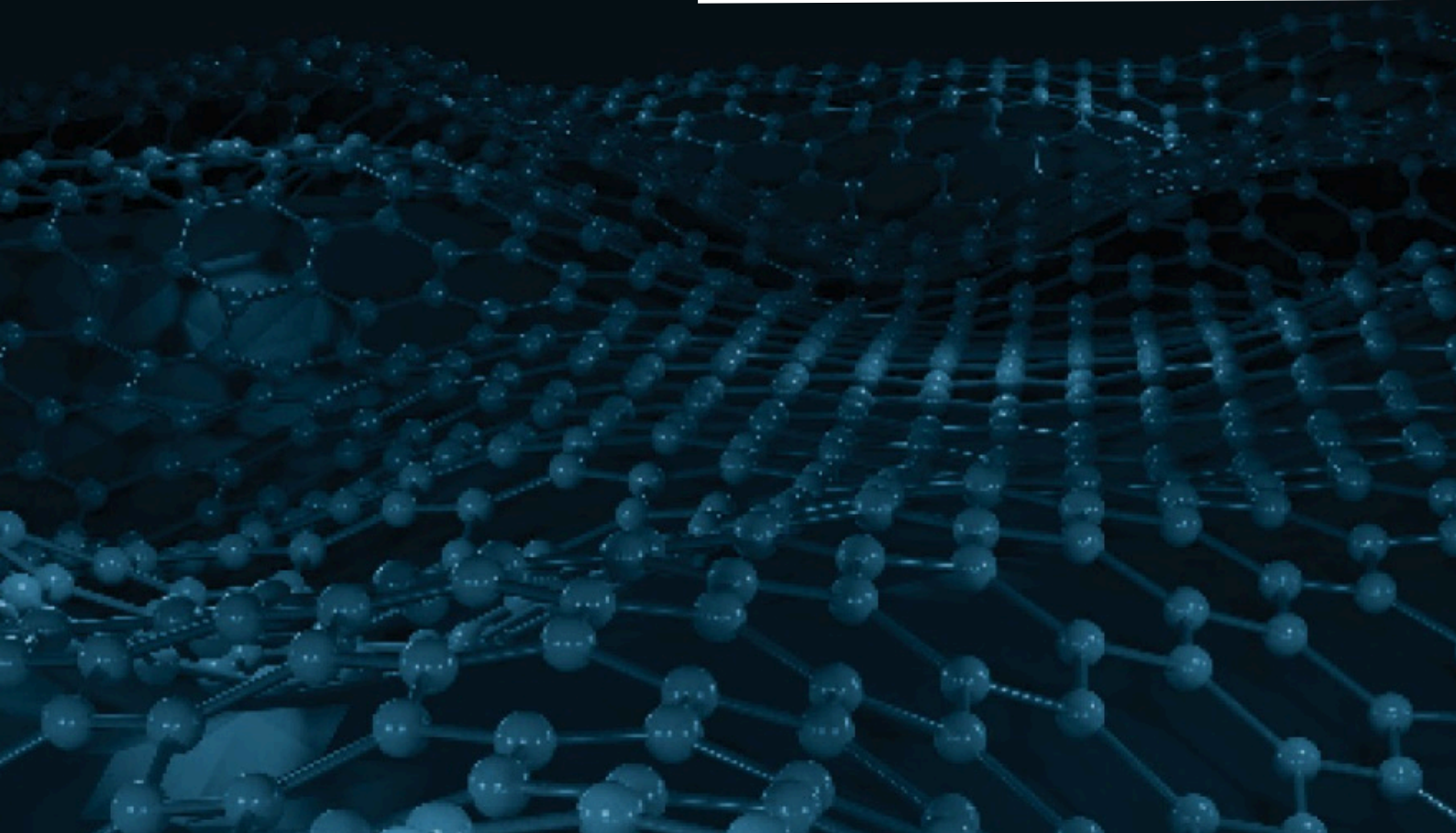
Stephen Hunt
Non-Executive Chairman

29 August 2024



Sparc Technologies Limited

Annual Report - 30 June 2024
ACN 009 092 068



Corporate Directory



Directors	Stephen Hunt Daniel Eddington Nicholas O'Loughlin
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	Sparc Technologies Limited ABN 13 009 092 068 51 Rundle Street Kent Town SA 5067 Email: info@sparctechnologies.com.au
Share Register	Link Market Services 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 33 360 Collins St Melbourne, VIC 3000
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 2024.

Chairman's Letter



Dear Shareholder,

I am pleased to present Sparc Technologies' Annual Report for the fiscal year 2024. Our vision is to be at the global forefront of technical innovation focused on unique solutions driving environmental and sustainable outcomes.

Our key technology areas in green hydrogen and graphene-based additives have each taken great strides during the year advancing in both technology and commercial readiness.

Much has been said in recent times about the high cost of electricity stalling the progress of green hydrogen projects around the world. Whilst this presents a hurdle for the emerging green hydrogen industry it also shines a light on alternative technologies such as is being developed by Sparc Hydrogen. The global need for green hydrogen is not going away and providing an economically viable alternative technology solution which doesn't use electricity to produce hydrogen from water presents Sparc shareholders with a unique opportunity. We believe that the ground-breaking work being done by Sparc Hydrogen could play a globally significant role in unlocking green hydrogen in order to decarbonise the existing 95Mtpa hydrogen market along with other hard to abate industries.

Over the past year, Sparc Hydrogen, with support from Sparc Technologies, Fortescue Ltd and the University of Adelaide, has significantly advanced its reactor technology. The company successfully completed a world leading demonstration of green hydrogen production via photocatalytic water splitting using solar concentration, at a prototype scale. This testing, completed at CSIRO Energy Centre in Newcastle, delivered all of its objectives and has provided the team with the confidence to scale up the reactor to pilot scale. Development of what will be a first-of-its-kind pilot plant progressed significantly during the year with completion of a pre-FEED study, site selection and the signing of a collaboration framework agreement with Shinshu University in Japan for photocatalyst supply. When constructed in FY25, the pilot plant will showcase photocatalytic water splitting technology and provide opportunities to optimise the reactor technology, ahead of further scale up towards commercialisation.

In terms of our work with graphene-based additives (GBA), the last 12 months have seen exciting advancements. Our focus on targeting end users to accelerate adoption of our flagship GBA, ecosparc®, has borne fruit. Not only have we secured real world field trials with a department of the South Australian Government and a leading Australian mining company, but we have also seen a very strong response to our pitch for better performing anti-corrosive coatings across a broad section of industry. The field trials are proving invaluable in promoting and demonstrating the efficacy of our product and we believe this will lead to wider interest from both end users and coatings companies. Coupled with the ongoing extensive testing being undertaken by global coatings companies, we are confident that ecosparc® will soon become a force as a graphene additive in anticorrosion coatings, providing significant performance improvements, cost reductions and improved sustainability outcomes for steel infrastructure owners. Such benefits, we believe, will see Sparc participate in the US\$43 billion global anticorrosion coatings market in the not-too-distant future.

Leveraging our expertise in anti-corrosion coatings has also enabled us to advance GBAs for a range of other sustainability focused applications, including in composite and polymer materials. This expertise compliments our ongoing work with hard carbon for sodium ion battery anodes and positions us to be able to work with a number of relevant industry partners in the coming year. We see that graphene is emerging commercially in a multitude of advanced materials worldwide and that these tailwinds will benefit Sparc's unique proposition as a specialist in graphene characterisation, selection and incorporation into advanced industrial materials.

None of our achievements are possible without the dedication of our worldwide team of professionals which is a driving force behind our success. The appointment earlier this year of Mr. Nick O'Loughlin to the role of MD has provided the company with exceptional leadership. Nick's drive and capabilities provides the Board with a great deal of confidence that the company is very well placed to execute on the strategies it is pursuing with vigour.

Chairman's Letter



As we look back, FY24 has been a tough year for small cap, pre-revenue listed companies. However, we believe that with an exciting and commercially relevant technology portfolio, a motivated and highly credentialled team, combined with financial strength, we are creating a bright future for Sparc Technologies and importantly, helping to create a positive impact on the world.

Thank you for your continued support.

Stephen Hunt
Non-Executive Chairman

29 August 2024



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:

Nicholas O’Loughlin	Managing Director	Appointed 29 January 2024
Stephen Hunt	Non-Executive Chairman	Transitioned from Executive Chairman 31 March 2024
Daniel Eddington	Non-Executive Director	
Adrien Wing	Non-Executive Director	Appointed 29 September 2023, Resigned 31 March 2024
Stephanie Moroz	Non-Executive Director	Resigned 29 September 2023

Principal activities

Sparc is focused on developing new technologies in graphene additive materials, photocatalytic green hydrogen and sodium-ion batteries, 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 2024, the Group recorded a loss after tax of \$4,270,492 (30 June 2023: \$4,494,520) after taking into account non-cash share-based payments of \$1,582,748.

The Group had working capital of \$2,319,609: (30 June 2023: \$2,378,901). The Group had negative cash flows from operating activities for the year amounting to \$2,216,563 (30 June 2023: \$2,474,180).



Review of Operations



Sparc Hydrogen

Sparc Hydrogen is a joint venture (Sparc Technologies 52%, The University of Adelaide 28% and Fortescue 20%) developing next generation green hydrogen technology using a process known as photocatalytic water splitting (PWS). This process requires only sunlight, water and a photocatalyst to produce green hydrogen, without an electrolyser. Sparc Hydrogen's patent pending reactor utilises concentrated sunlight to improve the economics of PWS and to deliver a modular, scalable system. Given lower infrastructure requirements and electricity use, PWS has the potential to deliver a cost and flexibility advantage over electrolysis.

Key milestones achieved during FY 2024:

- ✓ Completion of successful prototyping at the CSIRO Energy Centre in Newcastle, validating key pilot scale reactor design principles and advancing the reactor's technology readiness level (TRL) from 4 to 5, demonstrating progress towards a commercially deployable product.
- ✓ Collaboration Framework Agreement entered into with Shinshu University in Japan, a leading developer of photocatalyst materials, targeting pilot testing.
- ✓ Completion of a pilot plant pre-FEED (Front End Engineering Design) study demonstrating positive engineering outcomes.
- ✓ Selection of a linear Fresnel system provider for the pilot plant.
- ✓ In-principle support provided by the University of Adelaide to locate the pilot plant at its Roseworthy Campus, ~50km north of Adelaide, South Australia.
- ✓ Substantial PWS reactor engineering and design improvements tested both at laboratory and prototype scale.
- ✓ University of Adelaide and Sparc Hydrogen awarded A\$470,511 under the AEA Seed grant program for laboratory and on-sun prototype testing.
- ✓ 18 national and regional phase patent filings submitted in relation to PWS reactor IP.
- ✓ Sparc Hydrogen recognised as a finalist in the 2024 Hydrogen Innovation Challenge, organised by Zero Carbon Hydrogen Australia and the Smart Energy Council.
- ✓ Launch of new website www.sparchydrogen.com.



Review of Operations



In addition to these highlights, continued progress was made in the laboratory by Greg Metha's team at the University of Adelaide. The research and testing of lab-scale PWS reactors during the period has progressed understanding and informed design principles for scale up under real-world conditions.



Figure 1: Photos of Sparc Hydrogen's second-generation prototype at the CSIRO Energy Centre in Newcastle ©2024 Sparc Hydrogen

Looking forward to FY 2025, Sparc Hydrogen has a strong focus on the development and construction of a first-of-its-kind pilot plant facility at the University of Adelaide's Roseworthy Campus. When built, the pilot plant will be an important R&D testing ground for photocatalysis globally and it will position Sparc Hydrogen at the forefront of this emerging industry. More importantly, it will demonstrate the scalability of Sparc Hydrogen's PWS reactor technology in an end-to-end hydrogen production system. The plant will advance the reactor technology to at least TRL-6 and will generate important learnings and operational data for future commercial scale up of the technology. With FEED studies having commenced in August 2024 and subject to a positive final investment decision, construction of the pilot plant is expected to commence in Q4 2024. Based on the current expected construction timeline commissioning of the plant would commence in H1 2025.



Sparc Hydrogen joint venture **established** beginning 2022



Preliminary TEA **confirms commercial potential** in Q4 2022



Reactor prototype for on-sun testing at CSIRO in **Q4 2023 - Q1 2024**



Pilot plant construction and commissioning **Q4 2024 - Q1 2025**

Review of Operations



Graphene Based Additives

Sparc has spent over 5 years developing graphene based additives for industrial coatings and composites. Sparc's most advanced graphene based additive product, ecosparc®, has demonstrated up to 40% anti-corrosion improvement in commercially available epoxy coatings. These coatings are predominantly used in the US\$43 billion global anti-corrosive coatings market. Sparc is also developing graphene based additives for anti-fouling coatings along with composites and, more recently, bioplastics and lubricants.

Key milestones achieved during FY 2024 in relation to our graphene based additives division:

- ✓ Signed agreements for collaborative field trials of ecosparc® enhanced coatings with the South Australian Department of Infrastructure and Transport and a wholly owned subsidiary of 29Metals Limited (ASX:29M).
- ✓ Commenced field trial of ecosparc® enhanced coating on the Streaky Bay Jetty in South Australia.
- ✓ Expanded testing of ecosparc® in anti-corrosive coatings by global paint manufacturers.
- ✓ Completed a fully independent lifecycle assessment (LCA) showing an 18 - 21% reduction in CO2-e emissions and 19 – 23% reduction in asset maintenance costs through the use of ecosparc® enhanced coatings on steel infrastructure.
- ✓ Further positive testing results supporting performance enhancement of ecosparc® enhanced coatings in Thermal-Cycling Crack Resistance, Impact Resistance, Wearability, Cathodic Disbondment and Scribe Creep.
- ✓ Development of economic modelling which supports the potential for high margin sales of ecosparc® at reasonable price points.
- ✓ Diversification of graphene grade and sources qualified in ecosparc® and Sparc's other graphene based additives.
- ✓ Progress on ISO9001 certification.
- ✓ Commercial Evaluation Authorisation received from the Australian Industrial Chemicals Introduction Scheme (AICIS) for ecosparc®.
- ✓ Ongoing participation in collaborative projects with universities on Smart Composites, Antifouling and Photocatalyst Coatings.
- ✓ Commencement of projects investigating graphene based additives to improve key properties of bioplastics and lubricants.
- ✓ Launch of new website www.ecosparc.com.au.



Review of Operations



Figure 2: Photos of ecosparco® field trial infrastructure; Streaky Bay Jetty (left) and Golden Grove Processing Plant (right)

Sodium Ion Batteries

In September 2022, Sparc entered a research project with Queensland University of Technology (QUT) to develop sustainable hard carbon anode materials for sodium-ion batteries (SIBs). The project involved developing a faster and less energy intensive process for the production of hard carbon using sustainably sourced green bio-waste materials. Positive results were derived from the testwork including establishing processing parameters for hard carbon production which yielded up to 63% improvement in reversible capacities compared to commercially available hard carbon materials. The research project with QUT was completed in Q2 2024 and Sparc is currently considering industry and research partnerships to take the R&D forward.

Work completed during FY 2024 on this project included:

- ✓ Testing results showing up to 63% improvement in reversible capacities for hard carbon anode materials produced in sodium ion battery half cells.
- ✓ Techno-economic modelled completed demonstrating attractive potential economics from the process.
- ✓ Half cell testing using alternate electrolytes and pre-processing techniques completed.
- ✓ Initial full cell testing conducted including capacity testing, rate performance and cyclic stability (over 500 cycles).
- ✓ Approaches made to potential industry partners.

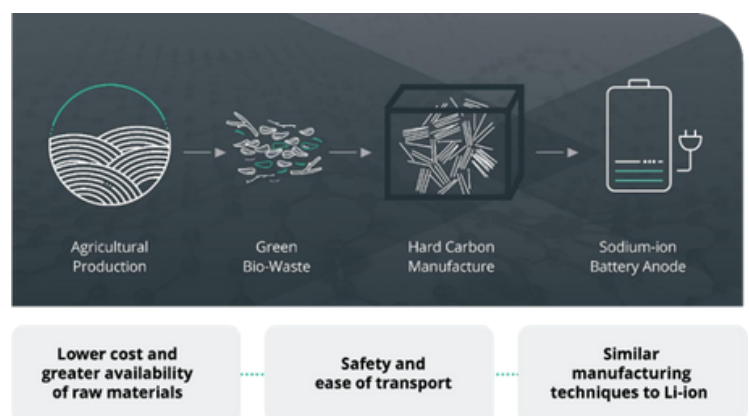


Figure 3: Process schematic for sustainable hard carbon anode materials project

Review of Operations



Significant changes in the state of affairs

Ms Stephanie Moroz resigned as Director on 29 September 2023. Corporate Secretary, Mr Adrien Wing was appointed as a Director 29 September 2023 and resigned on 28 March 2024 after Mr Nicholas O'Loughlin was appointed Managing Director on 29 January 2024. Mr Stephen Hunt subsequently transitioned to Non-Executive Chairman on the 31 March 2024.

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

No other matter or circumstance has arisen since 30 June 2024 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

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.

Information on Directors



Information on Directors

Name:	Stephen Hunt (appointed 12 November 2020)
Title:	Non-Executive Chairman
Qualifications:	BBus. (Marketing), MAICD
Experience and expertise:	Mr. Hunt, together with fellow Director, Mr. Daniel Eddington, founded Sparc Technologies in 2018 and over a period exceeding 20 years, Mr. Hunt has been Executive Chairman and a Non Executive Director of a multitude of ASX and NASDAQ listed companies, including a Director of 5E Advanced Materials (ASX: 5EA, NASDAQ: FEAM). The focus of these companies has been technology and mining. Mr. Hunt is also a Director of the Chooze Shop, (chooze.com.au), an e-marketplace start-up, in the NDIS sector.
Special responsibilities:	Chairman
Interest in shares:	7,907,533 Ordinary shares, 2,000,000 performance shares and 3,075,000 options
Name:	Daniel Eddington (appointed 12 November 2020)
Title:	Non-Executive Director
Qualifications:	BCom. And Grad. Diploma in Finance.
Experience and expertise:	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). 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.
Interest in shares:	3,030,769 Ordinary shares, 2,000,000 performance shares and 2,075,000 options
Name:	Nicholas 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.
Interest in shares:	154,545 Ordinary Shares, 3,000,000 performance rights and 327,273 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.



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 2024, and the number of meetings attended by each director were:

	Full Board	
	Attended	Held
Stephen Hunt	13	13
Daniel Eddington	13	13
Nick O'Loughlin (appointed 29 January 2024)	5	5
Adrien Wing (appointed 29 September 2023, resigned 31 March 2024)	7	7
Stephanie Moroz (resigned 29 September 2023)	3	3

Held: represents the number of meetings held (6) and circular resolutions (7) 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 2024. 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 2024 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

Consistent with the Board's Charter, the Board has taken the decision that at this early stage of the Company's growth a separate Remuneration and Nomination Committee is not warranted. Accordingly, the Board as a whole 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 only, without the presence or participation of the 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 Non-Executive Director (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 FY24		Position
<i>Non-Executive Directors</i>		
Daniel Eddington		Non-Executive Director
Stephen Hunt	(Transitioned 31 March 2024 from Executive Chairman)	Non-Executive Chairman
Adrien Wing	(Appointed 29 September 2023, resigned 31 March 2024)	Non-Executive Director
Stephanie Moroz	(Resigned 29 September 2023)	Non-Executive Director
<i>Executive Directors</i>		
Nick O'Loughlin	(Appointed 29 January 2024)	Managing Director
Stephen Hunt	(Transitioned 31 March 2024 to Non-Executive Chairman)	Executive Chairman
<i>Key Management Personnel</i>		
Kristen Kubank		Chief Financial Officer
Denis Wright		General Manager - Graphene
Nick O'Loughlin	(Appointed Managing Director 29 January 2024)	General Manager - Renewables



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 Non-Executive Director (NED) for their time, commitment and responsibilities at market rates for comparable companies. The Board determines the annual level of fees payable to Non-Executive Directors and intends to review 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 Non-Executive Directors 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 Non-Executive Director. Non-Executive Directors receive statutory superannuation guarantee payments and Non-Executive Directors do not receive any other retirement benefits.

Executive Remuneration

It is intended that executive remuneration reviews will be 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

Non-Executive Directors receive 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 the market capitalisation. No additional fee is paid for service on Board sub-committees.

Non-Executive Director 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 the 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 2024:

Table 1 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

2024	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%
<i>Key Management Personnel</i>				
Kristen Kubank	-	-	\$279,171	35%
Denis Wright	-	-	\$401,268	37%
Total	-	-	\$2,147,755	50%

- Amounts stated in the tables above represent the annual expense recognised over the vesting period.
- 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.
- 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.
- 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.
- 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.
- 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.
- 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.
- 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.
- 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.
- 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.



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

Name	% Fixed Remuneration					
			At risk - STI		At risk - LTI	
	2024	2023	2024	2023	2024	2023
<i>Non-Executive Directors</i>						
Daniel Eddington	22%	53%	-%	-%	78%	47%
Stephen Hunt	41%	78%	-%	-%	59%	22%
Adrien Wing	33%	-%	-%	-%	67%	-%
Stephanie Moroz	100%	100%	-%	-%	-%	-%
<i>Executive Directors</i>						
Nick O'Loughlin	65%	13%	-%	-%	35%	87%
<i>Key Management Personnel</i>						
Kristen Kubank	65%	34%	-%	-%	35%	66%
Denis Wright	63%	68%	-%	-%	37%	32%

Table 2 Sparc Technologies Limited for the year ended 30 June 2023

2023	Short-term benefits (\$)				Post-employment (\$)	Share-based payments (\$)		
	Cash salary and fees	Short-term incentive	Annual Leave	Other		Super annuation	Performance Shares	Options
Non-Executive Directors								
Daniel Eddington ¹	\$57,216	-	-	-	\$6,013	\$56,715	-	\$56,715
Stephanie Moroz	\$55,091	-	-	-	\$5,790	-	-	-
Executive Directors								
Stephen Hunt	\$187,254	-	-	-	\$19,680	\$56,715	-	\$56,715
Mike Bartels (resigned 28/3/2023) ¹	\$175,992	-	\$30,715	-	\$25,657	\$234,066	-	\$234,066
Key Management Personnel								
Adrien Wing ²	\$60,000	-	-	-	-	\$21,268	-	\$21,268
Kristen Kubank ³	\$87,260	-	-	-	\$9,162	-	\$190,750	\$190,750
Denis Wright ⁴	\$206,050	-	-	-	\$21,635	-	\$106,750	\$106,750
Nick O'Loughlin ⁵	\$113,496	-	-	-	\$11,928	-	\$106,750	\$106,750
Total	\$942,359	-	\$30,715	-	\$99,865	\$368,764	\$404,250	\$773,014



2023	Termination (\$)	Other long- term benefits (\$)	Total (\$)	Total "at risk" (%)
<i>Non-Executive Directors</i>				
Daniel Eddington	-	-	\$119,944	47%
Stephanie Moroz	-	-	\$60,881	0%
<i>Executive Directors</i>				
Stephen Hunt	-	-	263,649	22%
Michael Bartels (resigned 28/3/2023)	\$61,800	-	\$528,230	44%
<i>Key Management Personnel</i>				
Adrien Wing	-	-	\$81,268	26%
Kristen Kubank	-	-	\$287,172	66%
Denis Wright	-	-	\$334,435	32%
Nick O'Loughlin	-	-	\$232,174	46%
Total	\$61,800	-	\$1,907,753	

1. Amounts stated in the tables above represent the annual expense recognised over the vesting period other than Michael Bartels whose unamortised performance share balance as at 1 July 2023 has been fully expensed in the FY23 financial year.
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.
3. Ms Kubank was issued 250,000 options for ordinary shares with an expiry date of 1 July 2026 and a call price of \$0.90. There are no performance hurdles attached to the options.
4. Mr Wright was issued 250,000 options for ordinary shares with an expiry date of 1 July 2026 and a call price of \$0.90. There are no performance hurdles attached to the options.
5. Mr Nick O'Loughlin was issued 250,000 options for ordinary shares with an expiry date of 1 July 2026 and a call price of \$0.90. There are no performance hurdles attached to the options.

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 will be 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 expensed over the 3 year vesting period. The value of the performance rights was determined based on the Monte Carlo model using the following assumptions:

- Dividend yield: Nil %
- Expected volatility: Tranche1- 84.20%, Tranche 2 - 85.20%, Tranche 3 - 89.10%. A historical volatility was calculated for the respective period.
- Risk free interest rate: Tranche1- 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%, Tranche2 – 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
Stephanie Moroz	1,000,000	2 March 2022	n/a	28 February 2026	\$1.20	\$0.584
Daniel Eddington	1,000,000	30 November 2021	n/a	30 September 2025	\$1.00	\$1.142
Stephen Hunt	1,500,000	30 November 2021	n/a	30 September 2025	\$1.00	\$1.142
Michael Bartels	1,500,000	30 November 2021	n/a	30 September 2025	\$1.00	\$1.142
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	11 December 2027	20 December 2023	21 December 2027	\$0.35	\$0.1984
Kristen Kubank	500,000	11 December 2027	20 December 2023	21 December 2027	\$0.35	\$0.1984

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 anytime before the expiry date. There has not been any alteration to the terms or conditions of the grant 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 2024 are summarised below:

	2024	2023	2022
Sales revenue	-	-	-
EBITDA	(4,270,492)	(4,494,520)	(14,209,517)
EBIT	(4,270,492)	(4,494,520)	(14,209,517)
Profit after income tax	(4,270,492)	(4,494,520)	(14,209,517)

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

	2024	2023	2022
Share price at financial year end (\$)	\$0.205	\$0.265	\$0.64
Total dividends declared (cents per share)	-	-	-
Basic earnings per share (cents per share)	(04.38)	(05.72)	(18.87)



6. KEY TERMS OF EMPLOYMENT CONTRACTS

Non-Executive Director

Based on the Non-Executive Director letter of appointment provided to Daniel Eddington in the financial year ending 30 June 2022 (Letter of Appointment) that amongst other things, in consideration for services, the Company will pay the following fees, plus statutory superannuation:

Daniel Eddington \$58,916 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.

Non-Executive Chairman

The Company entered into a Non-Executive Services Agreement with Stephen Hunt, whereby he was engaged as the Non-Executive Chairman of the Company effective 1 April 2024. Stephen Hunt receives a base salary of \$80,000 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. Hunt holds 2,000,000 performance shares which are subject to the conditions set out below.

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).

Executives

Managing Director

Mr Nick O'Loughlin was appointed as the Managing Director of the Company on the 2 January 2024 and 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. 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 receives, as part of employment remuneration, 3,000,000 long term incentive performance rights which are subject to the conditions as set out in the above.

Company Secretary

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 Adrien 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 and also 1,000,000 options.



7. TERMS AND CONDITIONS OF PERFORMANCE SHARES AND PERFORMANCE RIGHTS

Performance Shares that were issued to Stephen Hunt (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.

Upon the resignation of Mr Bartels on 28 March 2023 the conditions pertaining to his 2,250,000 performance shares were changed. The performance shares will convert into ordinary shares on a one-for-one basis upon satisfaction of the following milestones:

- The Company achieving a market capitalisation (based on the Company's VWAP) of \$50,000,000 or more; and
- 100% of the performance share entitlement if the Company generating annual operating revenue from contracts and Graphene Projects or Graphene Technology in existence at 28 March 2023 of at least \$3,000,000 for the period ending 30 June 2023; or
- 50% of performance shares entitlement if the Company generating annual operating revenue from contracts and Graphene Projects or Graphene Technology in existence at 28 March 2023 of at least \$3,000,000 within the period 1 July 2023 to 31 December 2023; or
- 25% of performance shares entitlement if the Company generating annual operating revenue from contracts and Graphene Projects or Graphene Technology in existence at 28 March 2023 of at least \$3,000,000 within the period 1 January 2024 to 30 June 2024; or
- 0% of performance shares entitlement if the Company generating annual operating revenue from contracts and Graphene Projects or Graphene Technology in existence at 28 March 2023 of at least \$3,000,000 after 30 June 2024.

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.
- These Performance Rights will be 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 5 years. The value of the performance rights was determined based on the Monte Carlo model using the following assumptions:

- Dividend yield: Nil %
- Expected volatility: Tranche1- 84.20%, Tranche 2 - 85.20%, Tranche 3 - 89.10%. A historical volatility was calculated for the respective period.
- Risk free interest rate: Tranche1- 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%, Tranche2 – 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 2024 are set out below:

	Balance 1 July 2023	Received as part of remuneration	Additions	Disposals	Balance 30 June 2024
Daniel Eddington ¹	2,880,769	-	150,000	-	3,030,769
Stephen Hunt ²	7,757,533	-	150,000	-	7,907,533
Nick O'Loughlin ³	-	-	154,545	-	154,545
Adrien Wing ⁴	312,351	-	-	-	312,351
Total	10,950,653	-	454,545	-	11,405,198

1. At 30 June 2024 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 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.
3. At 30 June 2024 Hutley Wharf Pty Ltd a nominee of Mr Nick O'Loughlin holds 154,545 ordinary shares.
4. At 30 June 2024 Northern Star Nominees Pty Ltd a nominee of Mr Adrien Wing holds 312,351 ordinary shares.

Details of the number of performance shares held by Directors and KMP in the Company as at 30 June 2024 are set out below:

	Balance 1 July 2023	Received as part of remuneration	Additions	Disposals	Balance 30 June 2024
Daniel Eddington	2,000,000	-	-	-	2,000,000
Stephen Hunt	2,000,000	-	-	-	2,000,000
Nick O'Loughlin	-	3,000,000	-	-	3,000,000
Adrien Wing	750,000	-	-	-	750,000
Total	4,750,000	3,000,000	-	-	7,750,000



Details of the number of options held by Directors and KMP in the Company as at 30 June 2024 are set out below:

	Balance 1 July 2023	Received as part of remuneration	Additions	Disposals/ Other	Balance at 30 June 2024
Daniel Eddington ^{1,4,8}	1,000,000 ¹	-	1,075,000 ^{4,8}	-	2,075,000
Stephen Hunt ^{2,5,8}	1,500,000 ²	-	1,575,000 ^{5,8}	-	3,075,000
Nick O'Loughlin ^{3,9}	250,000 ³	-	77,273 ⁹	-	327,273
Adrien Wing ⁴	1,000,000 ⁴	-	-	-	1,000,000
Denis Wright ^{3,6}	250,000 ³	-	750,000 ⁶	-	1,000,000
Kristen Kubank ^{3,7}	250,000 ³	-	500,000 ⁷	-	750,000
Total	4,250,000	-	3,977,273	-	8,227,273

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

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 2024 and up to the date of this report on the exercise of options granted:

Grant Date	Expiry Date	Exercise Price	Number under option
21 December 2023	21 December 2027	\$0.90	3,500,000
21 December 2023	21 December 2027	\$0.90	3,750,000
29 April 2024	29 April 2024	\$0.35	4,886,367
19 June 2024	29 April 2024	\$0.35	227,273
19 June 2024	29 April 2024	\$0.35	2,250,000

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

7,000,000 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 milestone: (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.

2,250,000 performance shares issued in previous years have had their performance conditions changed as highlighted in section 7, Terms and Conditions of Performance Shares.

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

The exercise price is nil as per ASX notice 2 January 2024. The performance rights have been capitalised over 5 years. The value of the performance rights was determined based on the Monte Carlo model using the following assumptions:

- Dividend yield: Nil %
- Expected volatility: Tranche1- 84.20%, Tranche 2 - 85.20%, Tranche 3 - 89.10%. A historical volatility was calculated for the respective period.
- Risk free interest rate: Tranche1- 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%, Tranche2 – 75%, Tranche 3 – 50%

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 25 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 27 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

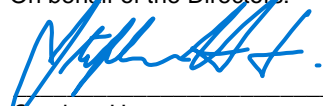
A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out immediately after this directors' report.

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:



Stephen Hunt
Director

29 August 2024
Adelaide

DECLARATION OF INDEPENDENCE
BY ANDREW TICKLE
TO SPARC TECHNOLOGIES LIMITED

As lead auditor of Sparc Technologies Limited for the year ended 30 June 2024, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the 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, 29 August 2024



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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 26 August 2024. 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 2024

Consolidated Group

	Note	Year ended 30 Jun 2024 \$	Year ended 30 Jun 2023 \$
Revenue			
Other Income	3	1,449,171	956,824
Expenses			
Research and development		587,827	824,506
Professional and consulting fees		585,480	541,244
Travel		64,624	139,922
Share based payments	18	1,582,748	773,015
Employee Expenses		1,553,366	1,810,346
Depreciation and amortization	22	228,105	331,406
Interest on lease liabilities		11,674	15,807
Loss on disposal of financial asset		0	0
Share of loss from associate		432,996	205,537
Other expenses	22	672,843	809,562
Total Operating expenses	4	5,719,662	5,451,345
(Loss) before income tax expense	22	(4,270,492)	(4,494,520)
Income tax expense			
(Loss) for the year		(4,270,492)	(4,494,520)
Other comprehensive income			
Total comprehensive loss attributable to equity holders of the parent entity		(4,270,492)	(4,494,520)
Earnings per share for loss attributable to equity holders of the parent entity:			
Basic (cents per share)	32	(4.79)	(5.72)
Diluted (cents per share)	32	(4.79)	(5.72)

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 2024

Consolidated Group			
	Note	Year ended 30 Jun 2024 \$	Year ended 30 Jun 2023 \$
Current assets			
Cash and cash equivalents	6	2,707,349	2,956,622
Receivables	7	18,822	17,154
Other	8	53,428	46,167
Current tax assets	5	-	-
Total current assets		2,779,599	3,019,943
Non-current assets			
Property, plant and equipment	9	415,484	499,350
Other assets	10	30,000	30,000
Intangible assets	11	35,278	44,378
Right of use asset	12	170,581	282,576
Investment in Associate	13	31,228	464,224
Total non-current assets		682,571	1,320,528
Total assets		3,462,170	4,340,471
Current liabilities			
Trade and other payables	14	259,214	449,451
Employee Benefits	16	66,953	69,383
Lease liability	15	133,823	122,208
Total current liabilities		459,990	641,042
Non-current liabilities			
Lease liability	15	69,144	193,649
Total non-current liabilities		69,144	193,649
Total liabilities		529,134	834,691
Net assets/(deficit)		2,933,036	3,505,780
Equity			
Issued capital	17	23,176,088	21,186,526
Reserves	18	9,996,315	8,288,129
Accumulated (losses)	22	(30,239,367)	(25,968,875)
Total equity/(deficit)		2,933,036	3,505,780

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 2024

	Contributed Equity	Share based payment	Accumulated Losses	Total
Balance at 1 July 2022	18,138,943	6,980,419	(21,474,355)	3,345,007
Shares issued, net of transaction costs, in the year	2,670,499	619,500	-	3,289,999
Shares issued on exercise of options	377,084	(84,805)	-	292,279
Shares issued in relation to the loss of control of subsidiary	-	-	-	-
Share based payment expense in the year	-	773,015	-	773,015
Total of transactions with owners	-	-	(4,474,520)	(4,474,520)
(Loss) for the year	-	-	-	-
Other comprehensive income for the year	-	-	-	-
Total comprehensive income for the year	-	-	(4,474,520)	(4,474,520)
Balance at 30 June 2023	21,186,526	8,288,129	(25,968,875)	3,505,780
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

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 2024

Consolidated Group			
	Note	Year ended 30 Jun 2024 \$	Year ended 30 Jun 2023 \$
Cash flows from operating activities			
Payments to suppliers and employees		(3,665,733)	(4,037,150)
Interest Paid		-	-
Interest Received		27,112	7,051
R&D tax refund	3	1,422,058	1,541,478
Other Income		-	14,441
Net cash (used in) operating activities	29	(2,216,563)	(2,474,180)
Cash flows from investing activities			
Payment for intangible assets		-	(57,297)
Payment for property, plant and equipment		(19,036)	(101,715)
Purchase of Financial Assets			
Cash acquired by reverse acquisition		-	-
Proceeds from loan with associate		-	-
Net cash provided by/(used in) investing activities		(19,036)	(159,012)
Cash flows from financing activities			
Proceeds from issue of shares		2,250,000	3,582,280
Share issue costs		(135,000)	
Payment for lease liabilities (principal and interest)		(128,672)	(128,322)
Net cash provided by financing activities		1,986,328	3,453,958
Net increase/(decrease) in cash and cash equivalents		(249,273)	820,765
Cash and cash equivalents at the beginning of the year		2,956,622	2,135,857
Cash and cash equivalents at the end of the year	6	2,707,349	2,956,622



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 2024.

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 3.

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 \$4,270,492 and had net cash outflows from operating activities of \$2,216,563 for the year ended 30 June 2024.

The Directors believe it is reasonably foreseeable that the Group will continue as a going concern and that it is appropriate to adopt the going concern basis in the preparation of the financial report given the ability of the Group to raise additional capital either through an additional placement and/or the exercise of options and the receipt of the 2024 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 29.

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 2024 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.

Foreign currency translation

The financial statements are presented in Australian dollars, which is Sparc Technologies Limited's functional and presentation currency.

Foreign currency transactions

Foreign currency transactions are translated into Australian dollars using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at financial year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

Revenue recognition

The Group recognises revenue as follows:

Interest

Interest revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

Other revenue

Other revenue is recognised when it is received or when the right to receive payment is established.

Government grants

Government grants relating to costs are recognised in profit or loss as other income over the period necessary to match them with the costs that they are intended to compensate.

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.

Trade and other receivables

Trade receivables are generally due for settlement within 30 days.

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 (excluding land) over their expected useful lives as follows:

Leasehold improvements	3-10 years
Plant and equipment	3-7 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.

Right-of-use assets

A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the Group expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of use assets are subject to impairment or adjusted for any remeasurement of lease liabilities.

The Group has elected not to recognise a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are expensed to profit or loss as incurred.



Intangible assets

Intangible assets acquired as part of a business combination, other than goodwill, are initially measured at their fair value at the date of the acquisition. Intangible assets acquired separately are initially recognised at cost. Indefinite life intangible assets are not amortised and are subsequently measured at cost less any impairment. Finite life intangible assets are subsequently measured at cost less amortisation and any impairment. The gains or losses recognised in profit or loss arising from the derecognition of intangible assets are measured as the difference between net disposal proceeds and the carrying amount of the intangible asset. The method and useful lives of finite life intangible assets are reviewed annually. Changes in the expected pattern of consumption or useful life are accounted for prospectively by changing the amortisation method or period.

Research and development

Research costs are expensed in the period in which they are incurred.

Patents and trademarks

Significant costs associated with patents and trademarks are deferred and amortised on a straight-line basis over the period of their expected benefit, being their finite life of 10 years.

Trade and other payables

These amounts represent liabilities for goods and services provided to the Group prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

Lease liabilities

A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of-use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down.

Finance costs

Finance costs attributable to qualifying assets are capitalised as part of the asset. All other finance costs are expensed in the period in which they are incurred.

Provisions

Provisions are recognised when the Group has a present (legal or constructive) obligation as a result of a past event, it is probable the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation. If the time value of money is material, provisions are discounted using a current pre-tax rate specific to the liability. The increase in the provision resulting from the passage of time is recognised as a finance cost.



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.

Dividends

Dividends are recognised when declared during the financial year and no longer at the discretion of the company.

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.

Goods and Services Tax ('GST') and other similar taxes

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the tax authority is included in other receivables or other payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the tax authority, are presented as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the tax authority.

Lease assets

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.

Lease assets are initially recognised at cost, comprising the amount of the initial measurement of the lease liability, any lease payments made at or before the commencement date of the lease, less any lease incentives received, any initial direct costs incurred by the Group, and an estimate of costs to be incurred by the Group in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease, unless those costs are incurred to produce inventories.



Subsequent to initial recognition, lease assets are measured at cost (adjusted for any remeasurement of the lease liability), less accumulated depreciation and any accumulated impairment loss.

Lease assets are depreciated over the shorter of the lease term and the estimated useful life of the underlying asset, consistent with the estimated consumption of the economic benefits embodied in the underlying asset.

Lease liabilities

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.

Lease liabilities are initially recognised at the present value of the future lease payments (i.e., the lease payments that are unpaid at the commencement date of the lease). These lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined, or otherwise using the Group's incremental borrowing rate.

Subsequent to initial recognition, lease liabilities are measured at the present value of remaining lease payments (i.e., the lease payments that are unpaid at the reporting date). Interest expense on lease liabilities is recognised in profit or loss (presented as a component of finance costs). Lease liabilities are remeasured to reflect changes to lease terms, changes to lease payments and any lease modifications not accounted for as separate leases.

Variable lease payments not included in the measurement of lease liabilities are recognised as an expense when incurred.

Leases of 12-months or less and leases of low value assets

Lease payments made in relation to leases of 12-months or less and leases of low value assets (for which a lease asset and a lease liability has not been recognised) are recognised as an expense on a straight-line basis over the lease term.

The application of the above accounting policy for the year ended 30 June 2024 resulted in the recognition of a right-of-use asset with an aggregate carrying amount of \$202,969 (referred to in these financial statements as "Right-of-use asset") and a corresponding lease liability as at 1 November 2020. The weighted average incremental borrowing rate applied in the calculation of the initial carrying amount of lease liabilities is 4.39%.

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 18 for further information.

Estimation of useful lives of assets

The Group determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment and finite life intangible assets. The useful lives could change significantly as a result of technical innovations or some other event. The



depreciation and amortisation charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

Income tax

The Group is subject to income taxes in the jurisdictions in which it operates. Significant judgement is required in determining the provision for income tax. There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. The Group recognises liabilities for anticipated tax audit issues based on the Group's current understanding of the tax law. Where the final tax outcome of these matters is different from the carrying amounts, such differences will impact the current and deferred tax provisions in the period in which such determination is made.

Recovery of deferred tax assets

Deferred tax assets are recognised for deductible temporary differences only if the Group considers it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Lease term

The lease term is a significant component in the measurement of both the right-of-use asset and lease liability. Judgement is exercised in determining whether there is reasonable certainty that an option to extend the lease or purchase the underlying asset will be exercised, or an option to terminate the lease will not be exercised, when ascertaining the periods to be included in the lease term. In determining the lease term, all facts and circumstances that create an economical incentive to exercise an extension option, or not to exercise a termination option, are considered at the lease commencement date. Factors considered may include the importance of the asset to the Group's operations; comparison of terms and conditions to prevailing market rates; incurrence of significant penalties; existence of significant leasehold improvements; and the costs and disruption to replace the asset. The Group reassesses whether it is reasonably certain to exercise an extension option, or not exercise a termination option, if there is a significant event or significant change in circumstances.

Incremental borrowing rate

Where the interest rate implicit in a lease cannot be readily determined, an incremental borrowing rate is estimated to discount future lease payments to measure the present value of the lease liability at the lease commencement date. Such a rate is based on what the Group estimates it would have to pay a third party to borrow the funds necessary to obtain an asset of a similar value to the right-of-use asset, with similar terms, security and economic environment.

Employee benefits provision

As discussed in note 1, the liability for employee benefits expected to be settled more than 12 months from the reporting date are recognised and measured at the present value of the estimated future cash flows to be made in respect of all employees at the reporting date. In determining the present value of the liability, estimates of attrition rates and pay increases through promotion and inflation have been taken into account.

Note 3. Other Income

	Consolidated	
	2024	2023
Interest	27,112	7,051
Rent	-	2,400
Other	-	10,400
R&D Incentive	1,422,059	936,973
	1,449,171	956,824



Note 4. Expenses

	Consolidated	
	2024	2023
Profit before income tax includes the following specific expenses:		
<i>Depreciation and Amortisation</i>		
Leasehold Improvements	21,920	23,443
Plant & Equipment	80,982	85,314
Building right-of use assets	116,103	108,138
Patents	455	551
Patents Impairment Charge	8,646	113,960
<i>Total Depreciation and Amortisation</i>	228,106	331,406
<i>Finance Costs</i>		
Interest charges on building lease	11,674	15,807
<i>Superannuation Expense</i>		
Defined contribution superannuation expense	150,493	159,879
<i>Share-based payments expense</i>		
Share-based payments expense	1,582,748	773,015
<i>Research costs</i>		
Research Costs	587,827	824,506

Note 5. Income tax expense

	Consolidated	
	2024	2023
a. Current tax receivable		
Opening balance	1,422,059	604,505
Adjustment to other income		
R&D tax incentive - refundable		936,720
Refunds received	(1,422,059)	(1,541,225)
	0	0

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

Note 6. Current assets - cash and cash equivalents

	Consolidated	
	2024	2023
Cash at bank	2,707,349	2,956,622
<i>Reconciliation to cash and cash equivalents at the end of the financial year</i>		
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	2,707,349	2,956,622
Balance as per statement of cash flows	2,707,349	2,956,622



Note 7. Current assets - trade and other receivables

	Consolidated	
	2024	2023
Other Debtors	182	218
R&D Tax Incentive receivable	-	-
GST Credits	18,640	16,936
	<u>18,822</u>	<u>17,154</u>

Note 8. Current assets – other

	Consolidated	
	2024	2023
Prepayments	53,428	46,167

Note 9. Non-current assets - property, plant and equipment

	Consolidated	
	2024	2023
Leasehold improvements at cost	105,466	105,466
Less accumulated depreciation	(65,530)	(43,611)
	<u>39,936</u>	<u>61,855</u>
Plant and Equipment at Cost	633,112	614,076
less accumulated depreciation	(257,563)	(176,581)
	<u>375,549</u>	<u>437,495</u>
Total property, plant and equipment	<u>415,484</u>	<u>499,484</u>

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 2023	61,855	437,495	499,350
Additions	-	19,036	19,036
Depreciation expense	(21,920)	(80,982)	(102,902)
Balance at 30 June 2024	<u>39,935</u>	<u>375,549</u>	<u>415,484</u>

Note 10. Non-current assets- other

	Consolidated	
	2024	2023
Security bond	30,000	30,000
	<u>30,000</u>	<u>30,000</u>



Note 11. Non-current assets – intangibles

	Consolidated	
	2024	2023
Patents - at cost	47,716	47,716
Less Accumulated amortisation	(12,438)	(3,338)
	35,278	44,378

Reconciliations

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

Consolidated	Patents
Balance at 30 June 2023	44,378
Additions	-
Impairments	(8,645)
Amortisation expense	(455)
Balance at 30 June 2024	35,278

Note 12. Non-current assets - right-of-use assets

	Consolidated	
	2024	2023
Land and Buildings -right-of-use	282,576	361,357
Less Accumulated depreciation	(116,103)	(78,781)
Add modification	4,108	-
	170,581	282,576

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 reviews to CPI and a market review if renewed.

Note 13. Investment in associate

Investment in Sparc Hydrogen Pty Ltd	31,228	464,224
	31,228	464,224

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 a wholly owned subsidiary of the Group. The group has recorded it's share of loss from the associate for the year ended 30 June 2024 of \$432,996 in profit or loss.

The shareholdings at the conclusion of the transaction and at 30 June 2024 are;

- Sparc Technologies Limited – 52%
- Fortescue Ltd– 20%
- University of Adelaide (UoA)– 28%



Fortescue has contributed \$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 has 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.

Note 14. Current liabilities - trade and other payables

	Consolidated	
	2024	2023
Trade payables	183,743	250,184
Other payables	75,471	199,266
	259,214	449,451

Note 15. Current liabilities - lease liabilities

	Consolidated	
	2024	2023
Lease liability - current	133,826	122,208
Lease liability – non current	69,144	193,649

Note 16 Employee benefits liability

	Consolidated	
	2024	2023
Employee leave entitlement liability	66,953	69,383
	66,953	69,383

Note 17. Equity - issued capital

	30 June 2024		30 June 2023	
	No.	\$	No.	\$
Balance at beginning of year	85,645,432	21,186,526	79,336,552	18,138,943
Shares issued in GTS to consultants and management ¹	-	-	-	-
Shares issued to directors ¹	454,545	100,000	353,848	230,000
Share placement ²	9,772,728	2,150,000	5,030,767	3,270,000
Shares issued on exercise of options	-	-	924,265	377,084
Share issue costs ³	-	(260,438)	-	(829,501)
Balance at end of year	95,872,705	23,176,088	85,645,432	21,186,526

¹ On 19.6.24 at general meeting, shareholders ratified the issue of 454,545 shares with issue price \$0.22 to Directors. Two free attaching options were granted for each share purchased.

² On 17th April 2024 Sparc Technologies was successful in capital raising \$2,250,000 with an issue price \$0.22.

³ Share issue costs include:

- lead manager fee placement \$135,000
- Share options granted to the lead manager with a fair value of \$125,438



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 no borrowings.

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 2024 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 2024 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.

A total of 3 million Performance Rights subject to the following:

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

These Performance Rights will be issued pursuant to ASX Listing Rule 10.12 (Exception 12) and do not require shareholder approval and have been capitalised over 5 years.

Note 18. Equity - reserves

Share based payment reserve

	30 June 2024	30 June 2023
	\$	\$
Option reserve	8,824,273	7,371,735
Performance share reserve	1,172,042	916,394
Share based payment reserve at end of year	9,996,315	8,288,129



The Share based payment reserve arises on the grant of share options and performance shares to executives, employees, consultants and advisors and upon issue of share options and performance shares to shareholders or buyers. Amounts are transferred out of the share based payment reserve and into accumulated losses when the share options and performance shares expire or lapse.

Movement in Share based payment reserve - options

	30 June 2024
	\$
Balance at beginning of year	7,371,735
Issue of shares to employees, consultants and management ¹	869,438
Exercise of Options	-
Issue of options to directors ²	583,100
Balance at end of year	8,824,273

1. On 21 December 2023 3,750,000 options were issued with an exercise price of \$0.35 to employees and consultants. The options have fair value \$0.1984 and an expiry date 21 December 2027.
On 19 June 2024, at General Meeting, shareholders ratified 2,250,000 options were issued to Canaccord Genuity with 1:1 placement share offer. The options have a fair value of \$0.5575 and expiry date 29 April 2026
2. On 21 December 2023 3,500,000 options were issued with an exercise price of \$0.35 to directors. The options have fair value \$0.1666 and an expiry date 21 December 2027.

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

	30 June 2024
	\$
Balance at beginning of year	916,394
Issue of performance shares to Directors ¹	134,700
Issue of performance rights to Director ²	120,948
Balance at end of year	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.

Upon the resignation of Mr Bartels the conditions pertaining to his 2,250,000 performance shares were changed and subsequently been assessed the fair value of the performance shares 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 the Monte Carlo model using the following assumptions:

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

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.



A total of 3 million Performance Rights subject to the following:

- Performance Rights that have not been exercised by the 5th anniversary of the Commencement Date expire.
- Performance and vesting conditions are as follows:
 - 1 million vesting upon Sparc's 5-day VWAP (trading days) being at or above A\$0.35, subject to the Managing Director being employed 12 months from the Commencement Date;
 - 1 million vesting upon Sparc's 5-day VWAP (trading days) being at or above A\$0.50, subject to the Managing Director being employed 24 months from the Commencement Date; and
 - 1 million vesting upon Sparc's 5-day VWAP (trading days) being at or above A\$0.75, subject to the Managing Director being employed 36 months from the Commencement Date. These Performance Rights will be 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 5 years. The value of the performance rights was determined based on the Monte Carlo model using the following assumptions:

- Dividend yield: Nil %
- Expected volatility: Tranche1- 84.20%, Tranche 2 - 85.20%, Tranche 3 - 89.10%. A historical volatility was calculated for the respective period.
- Risk free interest rate: Tranche1- 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%, Tranche2 – 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

	\$
<i>Options</i>	
Expense options to employees and consultants	744,000
Issue of options to directors	583,100
<i>Performance Rights</i>	
Expense of performance shares to Directors	134,700
Expense of performance rights to Director	120,948
<i>Shares</i>	
Shares issued to advisors	1,582,748
Share Based Payments (employee and directors)	1,582,748

Note 19 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 20 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 21 Contingent Liability

There are currently no contingent liabilities.

Note 22. Equity - retained profits

	Consolidated	
	2024	2023
Retained earnings at the beginning of the financial year	(25,968,875)	(21,481,896)
Loss after income tax expense for the year	(4,270,492)	(4,486,979)
Retained losses at the end of the financial year	(30,239,367)	(25,968,875)

Note 23. Commitments

Expenditure commitments

The Group does not have any further expenditure commitments as at 30 June 2024.

Leasing commitments

The Group entered into a lease for its office facility at 51 Rundle Street, Kent Town, SA on 1 November 2020. 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 2023	282,576
Amortisation for year	(116,103)
Add modification to lease payments	4,108
Carrying amount as at 30 June 2024	170,561
	Office Lease
	\$
Lease liability	
Balance as at 30 June 2023	315,857
Interest expense for year	11,674
Payments for lease liabilities for year (change arising from financing activity)	(128,672)
Add modification to lease payments	4,110
Carrying amount as at 30 June 2024	202,969



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

As at 30 Jun 2024
\$
11,674
116,998
128,672

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

Note 24. Leasing commitments - additional

Lease commitments

Minimum lease commitments payable (undiscounted):
1 year or less
Between 1 and 2 years
Between 2 and 3 years
Between 3 and 4 years
Between 4 and 5 years

Consolidated	
2024	2023
133,285	122,208
69,144	127,683
-	65,966
202,969	315,857

Note 25. 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	
2024	2023
1,052,146	1,072,939
-	61,800
1,095,610	773,014
2,147,756	1,907,753

Note 26. 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:

Audit services – BDO Audit Pty Ltd
Audit of financial statements
Other Services – BDO
Taxation Services
Advisory

Consolidated	
2024	2023
40,621	34,000
16,444	16,458
2,424	12,373
18,868	28,831
59,489	62,831



Note 27. Related party transactions

Parent entity - Sparc Technologies Limited is the parent entity.

Subsidiaries - Interest in subsidiaries are set out in note 31

Key management personnel - Disclosures related to key management personnel are set out in note 27 and the remuneration report included in the directors' report.

Transactions with related parties - During 2024, there were no payments made to related parties of Directors.

Note 28. Parent entity information

Set out below is supplementary information about the parent entity.

Statement of profit or loss and other comprehensive income

	Consolidated	
	2024	2023
Loss of after income tax	(2,702,961)	(2,058,467)
Total comprehensive loss	(2,702,961)	(2,058,467)
<i>Statement of financial position</i>		
Total current assets	9,890,468	8,549,486
Total assets	10,304,543	9,361,564
Total current liabilities	327,827	255,130
Total liabilities	396,971	448,779
Equity		
Issued capital	21,567,450	19,577,887
Reserve	9,929,115	8,220,929
Accumulated losses	(21,588,993)	(18,886,032)
Total equity	9,907,572	8,912,785

Note 29. Reconciliation of profit after income tax to net cash from operating activities

	Consolidated	
	2024	2023
Loss after tax	(4,270,492)	(4,494,520)
<i>Non cash flows in profit or loss:</i>		
Depreciation & amortisation	228,105	331,406
Net fair value loss on Associate	432,996	205,537
Interest RTU Adjustment	11,674	1,035
Share based payments	1,582,748	773,015
<i>Movements in assets and liabilities:</i>		
Decrease/(Increase) in receivables	(57,034)	
Increase in prepayments	(7,259)	1,640
Increase in Tax Receivable	-	604,505
Increase in other assets	-	-
(Decrease)/Increase in trade payables	(134,876)	148,643



Increase in employee benefits	(2,430)	(45,441)
	2,053,924	2,020,340
Net cash from operating activities	(2,216,563)	(2,474,180)

Note 30. 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 31. 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	
		2024 %	2023 %
Sparc Operations Limited	Australia	100.00%	100.00%
Sparc Technologies Nth America LLC	United States of America	100.00%	100.00%
Sparc Technologies UK	United Kingdom	100.00%	100.00%

Note 32 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	
	2024	2023
	\$'000	\$'000
Loss after income tax	(4,270,492)	(4,494,520)
Profit after income tax attributable to the owners of Sparc Technologies Limited	(4,270,492)	(4,494,520)
	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	87,496,615	83,367,643
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	87,496,615	83,367,643
	Cents	Cents
Basic earnings per share	(4.79)	(5.72)
Diluted earnings per share	(4.79)	(5.72)

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 2024 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


Stephen Hunt
Chairman

29 August 2024
Adelaide

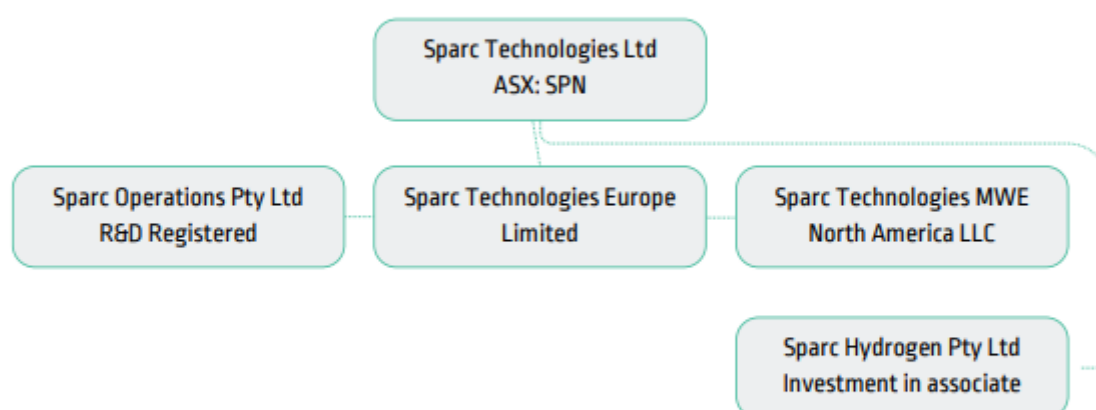


Consolidated Entity Disclosure Statement



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 Technologies MWE North America LLC	Body Corporate	-	100	United States	Foreign	United States
Sparc Technologies Europe Limited	Body Corporate	-	100	Europe	Foreign	Europe

Corporate Structure



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 2024, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the 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 2024 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 described the event 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 matter described below to be the key audit matters to be communicated in our report.

Share based payments

Key audit matter	How the matter was addressed in our audit
<p>During the year ended 30 June 2024, the Company issued options to employees including key management personnel which were accounted for as share based payments under AASB 2: Share Based Payments.</p> <p>Share-based payments are a complex accounting area including assumptions utilised in the fair value calculations and judgments regarding the options issued during the year.</p> <p>There is a risk in the financial report that amounts are incorrectly recognised and/or inappropriately disclosed. Refer to Note 1 of the financial report for a description of the accounting policy and significant estimates and judgements applied to these transactions. The share based payment expense for the year ended 30 June 2024 was \$1,582,748 and is shown in note 4. Disclosure of the terms and conditions and valuation of share based payments granted during the year is made at note 18.</p>	<p>Our audit procedures included but were not limited to:</p> <ul style="list-style-type: none"> • Evaluating management's assessment of the valuation and recognition of the options. • Obtaining an understanding of the key terms and conditions of the performance shares and options by inspecting relevant agreements. • Holding discussions with management to understand the share based payment arrangements in place. • Recalculating the estimated fair value of the options using the valuation methodology selected, including assessing the reasonableness of the methodology used and key inputs used in the Group's valuation model. • Reviewing the adequacy of the Group's disclosures in respect of the accounting treatment of share-based payments in the financial statements, including the significant judgments involved, and the accounting policy adopted.

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 2024, 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

- a) The directors of the Company are responsible for the preparation of:
- b) The financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001 and
- c) The consolidated entity disclosure statement that is true and correct in accordance with the Corporations Act 2001, and
- d) 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/admin/file/content102/c3/ar1_2020.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 18 of the directors' report for the year ended 30 June 2024.

In our opinion, the Remuneration Report of Sparc Technologies Limited, for the year ended 30 June 2024, 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 stylized, 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, 29 August 2024



Shareholder information

Distribution of equitable securities as at 12 August 2024

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

	Ordinary Shares	
	Number of holders	% Of total shares issued
1 to 1,000	1,205	29.18
1,001 to 5,000	1,432	34.67
5,001 to 10,000	512	12.40
10,001 to 100,000	845	20.46
100,001 and over	136	3.29
	4,130	100.00
Holding less than a marketable parcel	2,019	48.89

Equity security holders

Twenty largest quoted 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
THE UNIVERSITY OF ADELAIDE	3,842,643	4.01
STEPHEN BRIAN HUNT	3,565,416	3.72
INNOVATION AND COMMERCIAL PARTNERS PTY LTD	2,721,000	2.84
DANIEL WILLIAM EDDINGTON & JULIE EDDINGTON	2,680,769	2.80
CANE ASSET MANAGEMENT PTY LTD	2,554,187	2.66
STEPHEN BRIAN HUNT & JOHN HUNT	2,287,287	2.39
MS MARNIE JANE EDDINGTON	2,234,397	2.33
ALFRED A DEANS PTY LTD	2,000,000	2.09
MINERALS AND METALS MARKETING PTY LTD	1,979,830	2.07
BLAMNCO TRADING PTY LTD	1,800,000	1.88
ANDREW GARNET SMITH & SALLYANNE MAREE SMITH	1,372,372	1.43
MR EDWARD MALOUF	1,213,043	1.27
NETWEALTH INVESTMENTS LIMITED	1,053,142	1.10
RED DOG #1 PTY LTD	1,009,814	1.05
SHARESIES AUSTRALIA NOMINEE PTY LIMITED	894,374	0.93
THOMAS ANTHONY SPURLING	859,887	0.90
BNP PARIBAS NOMS PTY LTD	782,003	0.82
MR TIMOTHY JAMES FLAVEL	757,457	0.79
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	651,931	0.68
MR JOSEPH PATRICK BURKE	640,475	0.67
	34,900,027	36.40



Unquoted equity securities

	Number on issue	Number of holders
Options over ordinary shares issued	23,855,948	228
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
Innovation & Commercial Partners Pty Ltd <ATF The Adelaide Research & Innovation Investment Trust> & The University of Adelaide	6,563,643	6.85
Stephen Brian Hunt	7,832,533	8.17

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/>.