ASX ANNOUNCEMENT

15 February 2023

Appendix 4C clarification

Sparc Technologies Limited (**ASX: SPN**) (**Sparc, Sparc Technologies** or the **Company**) provides an updated Statement of Commitments, as provided in the Quarterly Activities Report released to the ASX on 31 January 2023.

An updated Statement of Commitments is provided below providing further clarification regarding the expenditure to date:

	Expenditure since listing to 31 December 2022 ($000)	Expenditure described in Use of Funds in prospectus ($000)
Cost of offer	(406)	(470)
Corporate administration (and Working Capital) [2]	(4,047)	(1,000)
Research and development[3]	(4204)	(1,300)
Graphene plant construction	(706)	(1,900)
Marketing and business development[4]	(272)	(730)
Working capital	(61)	(900)
Total	**(9,696)**	**(6,300)**

[1] The above table is a statement of current intentions. Investors should note that the allocation of funds set out in the above table may change depending on a number of factors. In light of this the Board reserves the right to alter the way the funds are applied.

[2] Corporate and Administration Costs includes reallocated Working Capital costs, product manufacturing (for the manufacturing of the Company's products and operating costs, leased assets, staff costs (including technical staff), administration and corporate assets, which in part off-sets costs that had originally been earmarked for Graphene Plant Construction, under the prospectus. The Company's corporate and administration costs have increased as a result of the increased business activity of the Company and have increased proportionally with its expenditure on research and development. Such costs include the costs associated with the in-house development of a laboratory and the addition of extra staff and consultants not originally contemplated in its listing prospectus. Further, the Company notes that neither the commencement of its Sparc Hydrogen JV, nor the ancillary costs associated with running such a project, were anticipated when the Company lodged its listing prospectus. The Company has provided regular updates to the market on its use of funds, including in its announcements of 2 November 2022 and 2 February 2022.

[3] Research and Development Expenditure includes the addition of the Stage 1 investment in the Sparc Hydrogen JV and costs associated with an acceleration in the R&D program (as opposed to investment in manufacturing). Aside from the funds that have been applied to the Stage 1 investment in the Sparc Hydrogen JV, which have been supported by a separate capital raising, the research and development expenditure remains in line with expenditure identified in the prospectus. This expenditure is not nett of R&D Tax Rebates.

[4] The marketing and business development costs have been lower than anticipated because the Company has prioritised product manufacturing and research and development over marketing and business development.

[5] Since listing in November 2020, the company has undertaken capital raising which has provided sufficient funds for the company to cover ongoing expenditure.

Regards,

Stephen Hunt
Executive Chairman

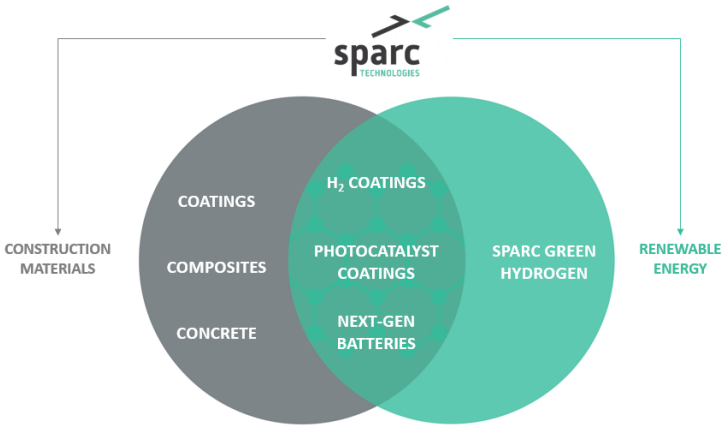
Authorised for release by: The Board of Sparc Technologies Limited.

For more information:

Mike Bartels
Managing Director
+61 408 288 301
mike.bartels@sparctechnologies.com.au

Mark Flynn
Investor Relations
+61 416 068 733
mark.flynn@sparctechnologies.com.au

About Sparc Technologies



Sparc Technologies Limited (ASX: SPN) is an Australian company pioneering new technologies to disrupt and transform industry while seeking to deliver a more sustainable world. Sparc Technologies has established offices in Europe and North America.

Graphene, a major focus for Sparc Technologies, is a 2-dimensional material made of carbon atoms arranged in a hexagonal lattice which creates unique and powerful properties that can be imparted on products to improve performance. Sparc Technologies is commercialising graphene in a number of applications including Graphene Based Additives for the Protective and Marine Coatings market along with applications in the renewable energy and construction materials sectors.

Sparc Technologies, via its majority interest in Sparc Hydrogen, is also focussed on developing photocatalytic green hydrogen technology that does not require solar and/or wind farms, nor electrolysers as with conventional green hydrogen processes.