2025 Shareholder Letter

Dear Shareholder,

I am writing to you at the end of a successful year for Sparc Technologies during which we achieved several key milestones and established a solid foundation for commercial success in 2026.

Before covering some of the highlights, I'd like to reiterate Sparc's value proposition and point of difference. Sparc holds globally leading technology positions within two multi billion-dollar industry verticals:

1) The development of next-generation green hydrogen technology; and
2) The commercialisation of graphene additives for protective steel coatings and polymers.

Both of our technology areas support heavy industrial emitters in reducing their carbon footprint – whether through using a more durable anti-corrosive coating that extends the lifespan of steel infrastructure, or by using sunlight and water to produce green hydrogen without electricity. Sparc is now positioned to create value from its differentiated technology portfolio through selling materials, processing know-how and licenses, while maximising the value of our IP.

Sparc Hydrogen

Delivery of the Roseworthy pilot plant was the main focus for the Sparc Hydrogen joint venture during 2025. In December, Sparc Hydrogen commenced operation of the first-of-its-kind facility which is generating hydrogen directly from concentrated sunlight. Successful commissioning of the plant was the culmination of over 12 months of work since the commencement of FEED and represents a significant milestone that positions Sparc Hydrogen at the global forefront of photocatalytic water splitting (PWS) technology.

Over coming months, the pilot plant will be run to validate reactor performance and scalability under real-world conditions. Initial testing will focus on benchmarking hydrogen generation rates across a range of solar concentrations, temperatures and pressures, using photocatalyst materials from Shinshu University in Japan. Sparc Hydrogen is actively engaging with other photocatalyst developers with a view to testing and validating alternate high performing photocatalyst materials both in the lab and at Roseworthy during 2026. Sparc Hydrogen expects the Roseworthy facility to become a globally significant site for R&D and commercialisation of PWS as interest grows in alternatives to expensive, power-hungry electrolysis.

Sparc Hydrogen's development activities were boosted by a A$2.75 million Australian Government grant awarded in July. This funding, secured through a highly competitive national scheme, validates the technical and commercial potential of Sparc Hydrogen's novel green hydrogen production process. Over the next 12 months the non-dilutive funding will be used to support pilot plant operation, R&D, and commercialisation activities, without requiring additional monetary contributions from the joint venture partners. This funding also enabled the appointment of Sparc Hydrogen's inaugural CEO in December. Alana Barlow has extensive experience across the hydrogen industry and will lead the evolution of Sparc Hydrogen's business plan and investment case as the JV moves beyond Stage 2 piloting activities.

Additional milestones achieved during the year included the receipt of Sparc Hydrogen's first international patent grant, marking an important step in protecting the IP underpinning the solar reactor design. Patent grants were received in Morocco, South Africa and Chile during 2025 with a further fifteen jurisdictions either pending or under review for the original patent family. In October 2025, Sparc Hydrogen submitted a new Australian provisional patent application covering key elements of its latest PWS reactor designs. This application compliments the original patent and represents the continued evolution and optimisation of Sparc Hydrogen's reactor, whilst strengthening the Company's global leadership position within the PWS field.

It has been no small feat to take our novel technology from lab-scale through to a first-of-its-kind pilot plant utilising commercially available concentrated solar infrastructure. I congratulate the Sparc Hydrogen team on their dedicated efforts during the year. Sparc Hydrogen continues to differentiate its technology from both conventional green hydrogen production methods (electrolysis) and other hydrogen production technologies. The technology targets a market that already exists today – 100 million tonnes of hydrogen used annually for the fertilizer, chemicals and refining industries – while also potentially unlocking future green industries in years to come. I look forward to working together with Alana and the JV partners to expand the breadth and depth of Sparc Hydrogen's activities during 2026.

Graphene Additives

2025 was a year of significant progress for our graphene additives division, culminating in the first commercial sale of our flagship product – ecosparc®. This key milestone followed a lot of activity in Q4 including a public collaboration with Dulux and the publishing of an award-winning paper with Saudi Aramco, the world's largest oil and gas company. During the year, multiple field trials of ecosparc® enhanced coatings extended beyond 12 months with consistently strong performance. Infrastructure owners including the South Australian Department for Infrastructure and Transport, BHP Mitsubishi Alliance, Santos, National Trust of SA and 29Metals are providing us with invaluable support and performance data across a range of real-world environments throughout the trials.

There continues to be clear-end user demand for longer lasting anticorrosive coatings, translating into increasing commercial interest from the global coatings industry. Sparc expects ongoing commercial acceptance and adoption of ecosparc® enhanced products in FY26 and remains confident in its ability to ramp up to meaningful volumes with already established manufacturing capability. Sparc is taking a leadership position in creating a market for this innovative product line and it estimates an addressable market (revenue opportunity) for ecosparc® of ~US$1.0 billion within the protective coatings market.

During 2025 our team progressed product development work into new markets within both coatings and polymers which leverage our core areas of technical expertise. Within these R&D projects the Company works closely with end-users to align product development with commercial requirements. A good example of this is our collaboration with Detmold Packaging, a global leader in sustainable paper and board packaging solutions, whereby we are jointly investigating graphene-enhanced paper packaging materials. In another example, Sparc is working alongside global players in net manufacturing and aquaculture farming to research graphene-enhanced aquaculture nets with reduced biofouling and

enhanced net durability. In March this project received an Australian Government grant to support Sparc's work with Flinders University. These initiatives reflect our strategy of leveraging Sparc's deep expertise in graphene sourcing, characterisation and incorporation into developing high-performance, sustainability-focused materials to meet industry requirements.

In November 2025 we celebrated five years as a listed company. I would like to take this opportunity to thank our almost 4,000 shareholders, some of which have been with us since the company's listing. Developing revolutionary technologies for large customers within significant industries is often difficult and time consuming. We appreciate your support and look forward to sharing the rewards of our hard work over the next 12 months and beyond.

The Sparc team wishes you a merry Christmas and prosperous 2026.

Yours sincerely

Nick O'Loughlin
Managing Director
Sparc Technologies Limited