MEDIA RELEASE

11 May 2023

Federal Budget – Green Hydrogen Support

Sparc Technologies Limited (**ASX: SPN**) (**Sparc, Sparc Technologies** or the **Company**) is pleased to note the Australian Government's continued and increasing support for green hydrogen production and science and technology as announced in the 2023-24 Federal Budget.

The A$2bn *Hydrogen Headstart* program is another sign of the growing commitment from Governments around the world to support the scale up of green hydrogen as a clean fuel to support the global transition to a low carbon economy. This follows the lead of the Inflation Reduction Act in the United States which offers production tax credits of up to US$3/kg for clean hydrogen until 2032 and the creation of the EU Hydrogen Bank in support of the European Commission's targets to produce and import 20Mtpa of renewable hydrogen by 2030. Each of these funding programs seek to bridge the commercial gap for early-stage projects and support the development of a clean hydrogen ecosystem. Whilst the *Hydrogen Headstart* program is a good first step, Sparc Technologies looks forward to receiving further detail around the funding mechanisms proposed and additional support for new technologies, such as is being developed by Sparc Hydrogen.

Sparc Technologies also welcomes the Federal Government's A$392m investment in the *Industry Growth Program* which supports start-ups and small-to-medium businesses to help them commercialise new technologies. Sparc is committed to developing technologies in Australia and has several partnerships with universities which support its own research and development activities in graphene, green hydrogen and hard carbon battery anode materials.

About Sparc Hydrogen

Sparc Hydrogen is a joint venture (Sparc Technologies 52%, The University of Adelaide 28% and Fortescue Future Industries 20%), developing next generation green hydrogen technology using a process known as photocatalytic water splitting (PWS). This process is an alternative to producing green hydrogen via electrolysis, using only sunlight, water and a photocatalyst. Sparc Hydrogen's patent pending solar reactor is demonstrated to improve the efficiency of PWS to separate hydrogen from water using concentrated solar. Given lower infrastructure requirements, and energy use, if successful, the 'Sparc Green Hydrogen' process has the potential to deliver a cost competitive advantage over electrolysis driven by renewable energy.

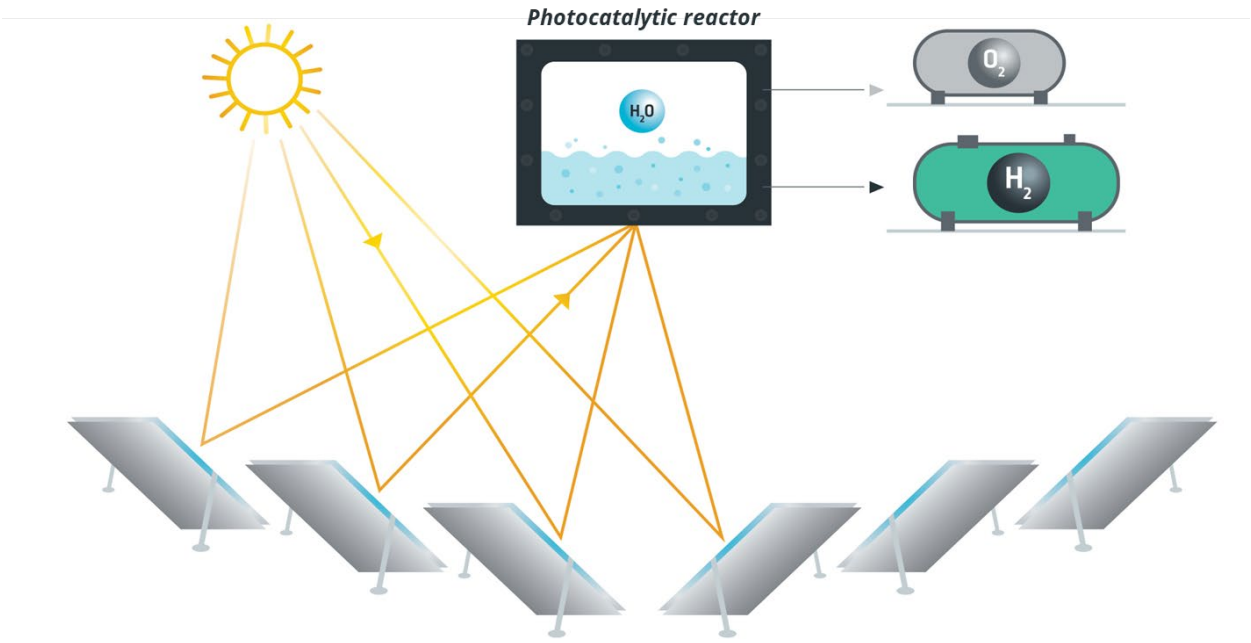

Figure 1: Sparc Green Hydrogen schematic demonstrating combination of concentrated solar and photocatalytic water splitting

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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.