3 September 2026

RE: SPARC TECHNOLOGIES (SPN) – Share Purchase Plan

Dear Shareholder,

Over the past six years, Sparc Technologies and its shareholders have been on a journey to turn a compelling graphene technology platform into commercial products for some of the world's largest coatings markets. We are now at an important inflection point: the work of technology development, testing, validation and customer engagement is translating into commercial sales.

The purpose of our current capital raising – including the Share Purchase Plan (SPP) now open to eligible shareholders – is straightforward. We are raising a relatively modest amount of capital to accelerate the execution of the commercial opportunities that this work has created, with the priority use of funds directed to the commercialisation of ecosparc®, our flagship graphene additive for anticorrosive coatings.

Graphene Additives – developing a solution for a multibillion-dollar problem

Sparc's graphene technology platform was built around a simple concept: steel corrosion is an enormous and persistent cost to industry, and protective coatings (paints) are a critical part of the solution. Over more than six years, Sparc has developed and validated ecosparc®, a graphene additive product which delivers consistent and compelling anti-corrosion performance improvements of 26% to 79% across a range of widely used protective coatings. The ecosparc® product has been designed to be easily adopted by coatings manufacturers for use within paints that are sold in millions of litres every year.

The extensive product validation conducted by Sparc includes nine rounds of cyclic corrosion testing (up to 4,200 hours) to ISO standards, more than 4,000 test panels, >24 months of field data, and testing, trials and collaborations involving global leaders including AkzoNobel, Dulux, BHP, Santos, the South Australian Government, 29Metals and Saudi Aramco.

Commercialisation has started

2026 has marked the inflection from technical validation to genuine product adoption. In Q2, AkzoNobel – a top tier global coatings manufacturer – commercially released an ecosparc® enhanced version of its Interzone® 954 protective coating in Australia, representing the first widely used protective coating product to incorporate ecosparc®. A first order came through in August 2026 and we look forward to continuing sales momentum for that product. Petro Vietnam Paint followed by announcing that its PERAPHENE range will incorporate ecosparc® from later this year, providing Sparc with its first international sales pathway.

Sparc now has two commercial purchasers and more than 20 active testing and qualification programs across the global coatings industry including the involvement of several oil & gas majors. This existing pipeline of projects offers exposure to more than 50 million litres of coatings annually. To put that in perspective, every litre of coating sold containing Sparc's graphene additives delivers ~US$1.2 of revenue to Sparc at gross margins of ~50%. The Company is targeting multiple new commercial coatings product launches over the next 6 to 12 months which will not only set the platform for revenue growth and positive cash flow generation, but also firmly establish Sparc as the leading graphene additive supplier to the global coatings industry.

Our opportunity set is also expanding beyond protective coatings. SparcES™, launched in June, is a graphene additive range targeting conductive and electrostatic discharge coatings used in data centres, semiconductor fabrication and EV battery manufacturing. In addition, we have customer-led programs progressing in powder coatings, water-based coatings and other applications. Across the coatings segments being targeted through active customer programs, the estimated 2030 market opportunity is approximately US$51 billion and 11.7 billion litres.

Sparc Hydrogen

Sparc Hydrogen is attracting increasing interest as a viable alternative pathway for green hydrogen production which is independent of both electricity access and cost. The technology has progressed to pilot-scale validation at the SHARP facility at Roseworthy, South Australia, where hydrogen has been produced under real-world operating conditions for over 6 months. With approximately A$10 million invested since Sparc Hydrogen was established in 2022, the focus is now on further technology validation and development of a pathway towards commercial scale-up, including through the recently announced technology partnership with US-based SunHydrogen (OTCQB: HYSR). Sparc Technologies retains significant upside exposure through its 36% interest in Sparc Hydrogen, alongside Fortescue (36%) and Adelaide University (28%), but increasingly the business is being managed and will be funded on a standalone basis.

Capital is required to convert the significant opportunity ahead of us into sales

This is why the timing of the capital raise matters. We are not raising capital to begin the development journey; we are raising it to help monetise the work already completed. Of the total funding available combining the current capital raise with existing sources, A$1.7 million is budgeted for ecosparc® commercialisation, A$1.1 million for new product development and R&D, and A$0.5 million for Sparc Hydrogen (which will see that business funded through to end 2027), with the balance directed towards working capital and offer costs. We are a leanly operated business and are always conscious of spending shareholder capital on areas that will deliver the most value.

Our immediate priority is to support customer qualification programs, product launches and business development required to move opportunities from testing into commercial supply. The objective is straightforward: convert a growing pipeline into repeat sales and broaden the number of products and customers generating revenue whilst taking advantage of our first mover position in a very large market.

An opportunity for shareholders to participate

The recently completed share placement has provided important funding support from existing and new investors. Through the SPP, eligible shareholders who have helped fund and support Sparc through the technology development phase now have the opportunity to participate as the Company enters this exciting next stage of commercialisation, the culmination of all our hard work together.

I would encourage all eligible shareholders to consider participating in the SPP which is open until **5:00pm (AEST) on Thursday, 24 September 2026** (unless extended or closed earlier at the discretion of the Company). Applications must be for a minimum of A$1,000 and a maximum of A$30,000 worth of new Sparc shares at an issue price of A$0.175 per share which represents a:

- **16.7%** discount to the last traded price on Monday, 17 August 2026 (A$0.210)
- **19.7%** discount to the 5-day VWAP price ending Monday, 17 August 2026 (A$0.218)
- **20.9%** discount to the 20-day VWAP price ending Monday, 17 August 2026 (A$0.221)

Full details on the SPP, including how to participate, are contained in the SPP Offer Booklet and Application Form and can be accessed at https://investor.xcend.app/sha (using your Securityholder Reference Number (**SRN**) or Holder Identification Number (**HIN**) and postcode).

For many shareholders, this has been a journey over several years. The Company has moved from a promising graphene platform, through extensive R&D and industry validation, to the first commercial products and an expanding pipeline of potential sales, whilst also incubating a next-generation green hydrogen technology. This funding is about capitalising on the opportunity now in front of us - converting a growing pipeline of customer programs into additional commercial agreements and recurring sales.

I thank you for your continued support of Sparc Technologies and encourage all eligible shareholders to consider participating in the SPP.

Yours sincerely

Managing Director
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