

## Appendix 4D

### CONSOLIDATED RESULTS FOR ANNOUNCEMENT TO THE MARKET

For the half year ended 31 December 2020

Sparc Technologies Limited (Formerly Acacia Coal Limited) ACN 009 092 068

This results announcement and the half-year report attached to this announcement should be read in conjunction with the annual financial report for the year ended 30 June 2020.

Current reporting period: Half-year ended 31 December 2020

Previous corresponding reporting period: Half-year ended 31 December 2019

#### Consolidated Results

			<b>\$A</b>
Revenues from ordinary activities	100%	To	2,650
(Loss) from ordinary activities after tax	522%	to	(2,653,803)
Net (loss) for the half-year attributable to members	522%	to	(2,653,803)

<b>Dividends (distributions)</b>	<b>Amount per security</b>	<b>Franked amount per security</b>
Final Dividend	Nil	Nil
Interim Dividend		
Previous corresponding half-year	Nil	Nil
Record date for determining entitlements to the dividend	NOT APPLICABLE	

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## OTHER INFORMATION

For the half-year ended 31 December 2020

Sparc Technologies Limited (Formerly Acacia Coal Limited) ACN 009 092 068

Net Tangible Assets per Security	Half Year ended 31 December 2020	Half Year ended 31 December 2019
Net tangible asset backing per ordinary security (31 December 2020: Total net assets less right of use asset and lease liability, 31 December 2019: Total net assets less intangible assets)	6.85 cents	0.99 cents

### Dividends

Date the dividend (distribution) is payable

NOT APPLICABLE

Record date to determine entitlements to the dividend  
(distribution)

NOT APPLICABLE

If it is a final dividend, has it been declared?

NOT APPLICABLE

### Amount per security

	Amount per security	Franked amount per security at 30% tax	Amount per security of foreign source dividend
Final dividend:			
Current year	Nil	Nil	Nil
Previous year	Nil	Nil	Nil
Interim dividend:			
Current year	Nil	Nil	Nil
Previous year	Nil	Nil	Nil

### Details of entities over which control has been gained or lost during the half-year

On 12 November 2020 the Company announced the completion of the acquisition of 100% of the shares of Graphene Technology Solutions Limited (ACN 629 889 550), a South Australian business involved in the research and development of new technologies for environmental and biomedical applications using graphene.

Refer to note 5 in the financial statements for the half-year ended 31 December 2020 for details.

### Audit

The financial statements have been subject to audit review.

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# **Sparc Technologies Limited (Formerly Acacia Coal Limited)**

**ACN 009 092 068**

**Report for the half-year ended 31 December 2020**

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## Corporate directory

### Directors

Mr Stephen Hunt	(Executive Chairman)
Mr Daniel Eddington	(Non – Executive Director)
Mr Tom Spurling	(Managing Director)

### Company Secretary

Mr Adrien Wing

### Registered Office

Sparc Technologies Limited  
ABN 15 007 702 927  
Level 2, 480 Collins Street  
Melbourne VIC 3000  
Email: [info@sparctechnologies.com.au](mailto:info@sparctechnologies.com.au)

### Auditors

Pitcher Partners BA&A Pty Ltd  
Level 11, 12-14 The Esplanade  
PERTH WA 6000

### Share Registry

Link Market Services Limited  
Level 12, QV1 Building  
250 St Georges Terrace  
Perth WA 6000

Enquiries within Australia: 1300 554 474  
Enquiries outside Australia: +61 1300 554 474  
[www.linkmarketservices.com.au](http://www.linkmarketservices.com.au)

### Websites:

[www.sparctechnologies.com.au](http://www.sparctechnologies.com.au)

### Stock Exchange

The company Sparc Technologies Limited (Formerly Acacia Coal Limited) is listed on the Australian Securities Exchange (ASX).  
The ASX Code is: SPN-Ordinary Shares.

## **Directors' report**

The Directors of Sparc Technologies Limited (Formerly Acacia Coal Limited) (the "Company") submit herewith the financial report of the Company and its subsidiaries (the "Group") for the half-year ended 31 December 2020.

The names of the Directors of the Company during or since the end of the half-year and up to the date of this report are:

Mr S Hunt – Executive Chairman (appointed 12 November 2020)  
Mr D Eddington- Non – Executive Director (appointed 12 November 2020)  
Mr T Spurling – Managing Director (appointed 12 November 2020)  
Mr A Santa Maria – Executive Chairman (resigned 12 November 2020)  
Mr L Robertson- Non – Executive Director (resigned 12 November 2020)  
Mr B Lawrence - Non – Executive Director (resigned 12 November 2020)

Mr A Wing was appointed Company Secretary on 12 November 2020. Mr B Donovan resigned as Company Secretary on 12 November 2020.

## **Principal Activities**

Until 12 November 2020 the principal activities of the Company during the half-year were exploration and evaluation of mineral resources in Western Australia. On 12 November 2020 the Company completed the acquisition of 100% of the shares of Graphene Technology Solutions Limited (ACN 629 889 550) and consequently changed its principal activities to research and development of new technologies for environmental and biomedical applications using graphene.

## **Review of operations**

For the half-year ended 31 December 2020, the Group recorded a loss after tax of \$2,653,803 (31 December 2019: \$426,857) after taking into account a recapitalisation expense of \$1,543,042 and non cash share based payments of \$279,152.

The Group had working capital of \$4,671,781 (30 June 2020: Deficit of \$142,786). The Group had negative cash flows from operating activities for the half-year amounting to \$786,473 (31 December 2019: \$539,055).

## **Acquisition of Graphene Technology Solutions Limited**

On 12 November 2020 the Company announced the completion of the acquisition (the "Acquisition") of 100% of the shares of Graphene Technology Solutions Limited (ACN 629 889 550) ("GTS") a South Australian business involved in the research and development of new technologies for environmental and biomedical applications using graphene.

As detailed in the Company's prospectus dated 5 October 2020 ("the Prospectus"), the Acquisition involved a significant change to the nature of the Company's main business activity from mineral exploration and resource investment to research and development of new technologies for environmental and biomedical applications using graphene. Furthermore, the Acquisition involved an increase in the size of the Company's business operations.

The Share Purchase Agreement (the "SPA") relating to the Acquisition was entered into on 22 July 2020. Under the SPA the Company agreed to consolidate its issued capital on a 200 to 1 basis and then acquire all of the ordinary shares in GTS and in return issue 29,500,000 fully paid ordinary shares and 7,000,000 performance shares subject to meeting certain conditions precedent. The Acquisition was completed on 12 November 2020.

The 7,000,000 performance shares issued as consideration to the shareholders on GTS will, subject to satisfaction of certain milestones relating to GTS EBITDA, revenue and market valuation goals convert into fully paid shares over 2021, 2022 and 2023 (or will otherwise lapse)

Completion of the acquisition was conditional on certain conditions being satisfied which have occurred:

- the Company completing the issued capital consolidation (on a 200 to 1 basis);
- the Company raising a minimum of \$4,000,000 (before costs) through the issue of a maximum of 20,000,000 shares at an issue price of \$0.20 per share via the Public Offer;
- execution of all necessary Restriction Agreements required by ASX or the Listing Rules imposing such restrictions on trading of shares as mandated by the Listing Rules;

## Sparc Technologies Limited (Formerly Acacia Coal Limited)

- the Company obtaining all third-party consents and regulatory approvals which may be required to undertake the Acquisition; and
- ASX confirming that it will reinstate the Company's shares to trading on ASX subject only to the satisfaction of customary terms and conditions which are acceptable to the Company acting reasonably.

The acquisition of GTS did not meet the definition of a business combination in accordance with AASB 3 Business Combinations ("AASB 3"). Instead, the acquisition has been treated as a group recapitalisation, using principles of reverse acquisition accounting in AASB 3 given the substance of the transaction is that the Company has effectively been recapitalised with GTS operations being the ongoing business. Accordingly, the consolidated financial statements have been prepared as if GTS had acquired the Company and not vice-versa as represented by the legal position. The recapitalisation is measured at the fair value of the equity instruments that would have been given by GTS to have exactly the same percentage holding in the new structure at the date of the transaction.

As the activities of the Company would not constitute a business based on the requirements of AASB 3, the excess of the deemed consideration over the fair value of the Company, as calculated in accordance with the reverse acquisition accounting principles and with AASB 2 Share Based Payments, is considered to be payment for a group restructure and has been expensed as a recapitalisation expense.

Concurrent with the acquisition of GTS, the company successfully raised \$4,000,000 (before costs) through the Prospectus offering 20,000,000 new ordinary at \$0.20 per share and re-complied with ASX listing rules.

The Company's acquisition of 100% of the issued capital of GTS resulted in the Company issuing the following:

- 29,500,000 shares to the shareholders of GTS;
- 7,000,000 performance shares to be issued to proposed Directors and key management personnel;
- 2,159,625 options to the lead manager and advisors in lieu of fees, transaction costs; and
- 625,000 shares to the lead manager and advisors in lieu of fees, transaction costs

As the Company is deemed to be the acquiree for accounting purposes, the carrying values of assets and liabilities are required to be recorded at fair value for the purposes of the Acquisition. No adjustments were required to the historical values to effect this change.

	\$
29,500,000 fully paid ordinary vendor shares	2,407,195
7,000,000 performance shares	992,516
<b>Total deemed consideration</b>	<b>3,399,711</b>
Cash and cash equivalents	1,854,889
Trade and other receivables	34,326
Other current assets	14,612
	1,903,827
Trade payables	(47,158)
<b>Fair value of net assets</b>	<b>1,856,669</b>
<b>Excess of fair value of net assets recognised as a recapitalisation expense</b>	<b>1,543,042</b>

### Dividends paid or recommended

There were no dividends paid, or recommended, during the half-year ended 31 December 2020.

### Significant changes in the state of affairs

Other than disclosed elsewhere in this Directors Report, there have been no significant changes in the state of affairs of the Group which occurred during the half-year.

### Significant events after balance date

There were no significant events subsequent to the reporting date for the half-year ended 31 December 2020.

**Rounding of amounts to nearest thousand dollars**

In accordance with ASIC Corporations (Rounding in Financial/Director's Reports) Instrument 2016/191, the amounts in the Directors' Report and in the financial report have been rounded to the nearest dollar.

**Auditor's independence declaration**

The auditor's independence declaration is included on page 6 of the half-year report.

Signed in accordance with a resolution of Directors.

On behalf of the directors



**Tom Spurling**  
Managing Director  
Adelaide, 25 February 2021

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**AUDITOR'S INDEPENDENCE DECLARATION  
TO THE DIRECTORS OF SPARC TECHNOLOGIES LIMITED (FORMERLY ACACIA  
COAL LIMITED) AND ITS CONTROLLED ENTITIES**

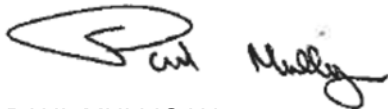
In relation to the independent review for the half-year ended 31 December 2020, to the best of my knowledge and belief there have been:

- (i) No contraventions of the auditor independence requirements of the *Corporations Act 2001*; and
- (ii) no contraventions of APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)*.

This declaration is in respect of Sparc Technologies Limited (Formerly Acacia Coal Limited) and the entities it controlled during the period.

Pitcher Partners BA&A PTY LTD

PITCHER PARTNERS BA&A PTY LTD



PAUL MULLIGAN  
Executive Director  
25 February 2021

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## Consolidated statement of profit or loss and other comprehensive income for the half-year ended 31 December 2020

		Consolidated Group	
	Note	Half-year ended 31 Dec 2020 \$	Half-year ended 31 Dec 2019 \$
<b>Revenue</b>			
Interest received		2,650	-
<b>Expenses</b>			
Research and development		313,862	247,813
Professional and consulting fees		278,058	112,309
Travel		10,560	40,134
Share based payments	7	279,152	-
Listing expense		8,586	-
Legal expense		63,186	6,728
Recapitalisation expense	5	1,543,042	-
Depreciation and amortisation		35,803	-
Interest on lease liabilities	11	3,798	-
Other expenses		120,406	19,873
<b>Total Operating expenses</b>		<b>2,656,453</b>	<b>426,857</b>
<b>(Loss) before income tax expense</b>		<b>(2,653,803)</b>	<b>(426,857)</b>
Income tax expense		-	-
<b>(Loss) for the half-year</b>		<b>(2,653,803)</b>	<b>(426,857)</b>
Other comprehensive income		-	-
<b>Total comprehensive loss attributable to equity holders of the parent entity</b>		<b>(2,653,803)</b>	<b>(426,857)</b>
<b>Earnings per share for loss attributable to equity holders of the parent entity:</b>			
Basic (cents per share)		(0.04)	(0.01)
Diluted (cents per share)		(0.03)	(0.01)

The above Consolidated 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 31 December 2020

		Consolidated Group	
		31 Dec 2020	30 June 2020
		\$	\$
	Note		
<b>Current assets</b>			
Cash and cash equivalents		4,864,586	53,995
Receivables		155,602	86,034
Current tax assets		135,602	135,602
<b>Total current assets</b>		<b>5,155,790</b>	<b>275,631</b>
<b>Non-current assets</b>			
Property, plant and equipment		64,132	79,757
Other assets		30,000	-
Intangible assets		-	-
Right of use asset	11	503,336	-
<b>Total non-current assets</b>		<b>597,468</b>	<b>79,757</b>
<b>Total assets</b>		<b>5,753,258</b>	<b>355,388</b>
<b>Current liabilities</b>			
Trade and other payables		421,740	418,417
Lease liability	11	62,269	-
<b>Total current liabilities</b>		<b>484,009</b>	<b>418,417</b>
<b>Non-current liabilities</b>			
Lease liability	11	457,643	-
<b>Total non-current liabilities</b>		<b>457,643</b>	<b>-</b>
<b>Total liabilities</b>		<b>941,652</b>	<b>418,417</b>
<b>Net assets/(deficit)</b>		<b>4,811,606</b>	<b>(63,029)</b>
<b>Equity</b>			
Issued capital	6	7,765,408	1,328,639
Reserves	7	1,338,868	247,200
Accumulated (losses)		(4,292,671)	(1,638,868)
<b>Total equity/(deficit)</b>		<b>4,811,606</b>	<b>(63,029)</b>

The above Consolidated statement of financial position should be read in conjunction with the accompanying notes.

## Consolidated statement of changes in equity for the half-year ended 31 December 2020

Note	Contributed equity \$	Share based payment reserve \$	Accumulated (losses) \$	Total \$
	<b>444,640</b>	-	<b>(80,847)</b>	<b>363,793</b>
	379,998	-	-	379,998
	<b>824,638</b>	-	-	<b>743,791</b>
	-	-	(426,857)	(426,857)
	-	-	-	-
	-	-	<b>(426,857)</b>	<b>(426,857)</b>
	<b>824,638</b>	-	<b>(507,704)</b>	<b>316,934</b>
	<b>1,328,639</b>	<b>247,200</b>	<b>(1,638,868)</b>	<b>(63,029)</b>
	Shares issued for the reverse acquisition of the Company in the half-year			
6	2,407,195	-	-	2,407,195
	Performance shares issued for the reverse acquisition of the Company in the half-year			
7	-	992,516	-	992,516
	Shares issued, net of transaction costs, in the half-year			
6	3,749,575	-	-	3,749,575
	Options issued in the half-year			
7	-	178,352	-	178,352
	Shares issued to management and advisors in the half-year			
6/7	280,000	(180,000)	-	100,000
	Share based payment in the half-year			
7	-	100,800	-	100,800
	<b>6,436,770</b>	<b>1,091,668</b>	-	<b>7,528,438</b>
	-	-	(2,653,803)	<b>(2,653,803)</b>
	-	-	-	-
	-	-	<b>(2,653,803)</b>	<b>(2,653,803)</b>
	<b>7,765,408</b>	<b>1,338,868</b>	<b>(4,292,671)</b>	<b>4,811,606</b>

The above Consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

## Consolidated statement of cash flows for the half-year ended 31 December 2020

		Consolidated Group	
Note	Half-year ended 31 Dec 2020 \$	Half-year ended 31 Dec 2019 \$	
<b>Cash flows from operating activities</b>			
	(789,123)	(539,055)	
	2,650	-	
	<b>(786,473)</b>	<b>(539,055)</b>	
<b>Cash flows from investing activities</b>			
	-	(11,421)	
	(3,400)	-	
5	1,854,889	-	
	<b>1,851,489</b>	<b>(89,827)</b>	
<b>Cash flows from financing activities</b>			
6	4,000,000	379,998	
6	(250,425)	-	
11	(4,000)	-	
	<b>3,745,575</b>	<b>379,998</b>	
	<b>4,810,591</b>	<b>(170,478)</b>	
	53,995	350,006	
	<b>4,864,586</b>	<b>179,528</b>	

The above Consolidated statement of cashflows should be read in conjunction with the accompanying notes.

## Notes to the Consolidated financial statements for the half-year ended 31 December 2020

### Note 1: Reporting entity

Sparc Technologies Limited is a company limited by shares, incorporated and domiciled in Australia. The condensed interim financial report as at and for the half-year ended 31 December 2020 covers the consolidated group of Sparc Technologies Limited and its controlled entities, together referred to as the "Group". The Group is a for-profit entity.

### Note 2: Statement of compliance and basis of preparation

These financial statements for the interim half-year reporting period ended 31 December 2020 are condensed consolidated general purpose financial statements and have been prepared in accordance with requirements from the Corporations Act 2001 and AASB 134: Interim Financial Reporting. The Group is a for-profit entity for financial reporting purposes under AASB 134: Interim Financial Reporting. Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with IAS 34 Interim Financial Reporting.

The condensed interim consolidated financial statements ('the interim financial statements') of the Group are for the half-year ended 31 December 2020 and are presented in Australian Dollars, which is the functional currency of the Company. They do not include all the information required in the annual financial statements in accordance with Australian Accounting Standards and should be read in conjunction with the consolidated financial statements of the Group for the year ended 30 June 2020 and any public announcements made by the Group during the half-year in accordance with continuous disclosure requirements arising under the Australian Securities Exchange Listing Rules and the Corporations Act 2001.

The interim financial statements have been approved and authorised for issue by the Board of Directors on 25 February 2021.

The same accounting policies and methods of computation have been followed in this condensed interim financial report as were applied in the most recent annual financial statements except for the adoption of the new and revised Accounting Standards discussed in subsequent paragraphs.

### Comparatives

The comparatives included in the financial statements have been adjusted, as a result of the group recapitalisation, accounted for using principles of reverse acquisition accounting in AASB 3 Business Combinations, as detailed in Note 5, to that of the accounting acquirer Graphene Technology Solutions Limited.

### Going Concern

The condensed interim financial report has been prepared on a going concern basis. In arriving at this position the directors have had regard to the fact that based on the matters noted below the Group has, or in the directors opinion, will have access to, sufficient cash to fund administrative and other committed expenditure for a period of at least 12 months from the date of signing this report.

### Note 3: New and Revised Accounting Standards that are effective for these financial statements

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 half-year ended 31 December 2020.

#### ***AASB 2018-7 Amendments to Australian Accounting Standards – Definition of Material***

This Standard amends AASB 101 Presentation of Financial Statements and AASB 108 Accounting Policies, Changes in Accounting Estimates and Errors as well as making consequential amendments to several other Standards and pronouncements. The Group has adopted these amendments in the current year and note that this has not impacted on the reporting of the Group. The amendments make the definition of "material" in AASB 101 easier to understand and are not intended to change the underlying concept of materiality. Now included in the definition is the concept of 'obscuring' material information with immaterial information.

### **AASB 2019-1 Amendments to Australian Accounting Standards – Reference to the Conceptual Framework**

The amendments introduced by this standard are consequential amendments to the Australian Accounting Standards, Interpretations and other pronouncements impacted by the issue of the Conceptual Framework for Financial Reporting (Conceptual Framework) by the AASB. The Group has adopted these amendments which have had no impact on the reporting of the Group. The amendments update the relevant pronouncements to refer to the new Conceptual Framework or to provide clarity as to which version is being referenced.

### **AASB 2020-4 Amendments to Australian Accounting Standards – COVID-19 Related Rent Concessions**

The amendments provide a practical solution for lessees accounting for leases as required under AASB 16 whereby the lessee may elect not to assess whether a COVID-19 related rent concession is a lease modification which would otherwise require the lessee to recalculate its position under the lease. The solution provided by the amendment can only be accessed where the rent concessions are a direct consequence of COVID-19 and certain other criteria are met. The Group currently has no ongoing leases in which it is a lessee and therefore the amendment does not have an impact on the Group.

### **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. The Group is currently in the process of assessing the following new and amended pronouncements:

- *AASB 2020-1 Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current (applicable for annual reporting periods beginning on or after 1 January 2023).*  
AASB 2020-1 amends AASB 101 Presentation of Financial Statements to clarify requirements for the presentation of liabilities in the statement of financial position as current or non-current. This Standard is not expected to significantly impact the Group's financial statements.
- *AASB 2020-3 Amendments to Australian Accounting Standards – Annual Improvements 2018-2020 and Other Amendments (applicable for annual reporting periods beginning on or after 1 January 2022).*  
AASB 2020-3 amends AASB 1 First-time Adoption of Australian Accounting Standards, AASB 3 Business Combinations, AASB 9 Financial Instruments, AASB 116 Property, Plant and Equipment, AASB 137 Provisions, Contingent Liabilities and Contingent Assets and AASB 141 Agriculture as a consequence of the recent issuance by IASB of the following IFRS: Annual Improvements to IFRS Standards 2018-2020, Reference to the Conceptual Framework, Property, Plant and Equipment: Proceeds before Intended Use and Onerous Contracts – Cost of Fulfilling a Contract. This Standard is not expected to significantly impact the Group's financial statements.

### **Note 4: Accounting policies applied for the first time**

**The following accounting policies have been adopted by the Group for the first time for the half-year ended 31 December 2020.**

#### **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 half-year ended 31 December 2020 resulted in the recognition of a right-of-use asset with an aggregate carrying amount of \$520,114 (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%.

**Government grants**

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related asset.

**Note 5: Reverse acquisition accounting**

On 12 November 2020 the Company announced the completion of the acquisition (the "Acquisition") of 100% of the shares of Graphene Technology Solutions Limited (ACN 629 889 550) ("GTS") a South Australian business involved in the research and development of new technologies for environmental and biomedical applications using graphene.

As detailed in the Company's prospectus dated 5 October 2020 ("the Prospectus"), the Acquisition involved a significant change to the nature of the Company's main business activity from mineral exploration and resource investment to research and development of new technologies for environmental and biomedical applications using graphene. Furthermore, the Acquisition involved an increase in the size of the Company's business operations.

The Share Purchase Agreement (the "SPA") relating to the Acquisition was entered into on 22 July 2020. Under the SPA the Company agreed to consolidate its issued capital on a 200 to 1 basis and then acquire all of the ordinary shares in GTS and in return issue 29,500,000 fully paid ordinary shares and 7,000,000 performance shares subject to meeting certain conditions precedent. The Acquisition was completed on 12 November 2020.

The 7,000,000 performance shares issued as consideration to the shareholders on GTS will, subject to satisfaction of certain milestones relating to GTS EBITDA revenue and market valuation goals, convert into fully paid shares over 2021, 2022 and 2023 (or will otherwise lapse)

Completion of the acquisition was conditional on certain conditions being satisfied which have occurred:



## Sparc Technologies Limited (Formerly Acacia Coal Limited)

- the Company completing the issued capital consolidation (on a 200 to 1 basis);
- the Company raising a minimum of \$4,000,000 (before costs) through the issue of a maximum of 20,000,000 shares at an issue price of \$0.20 per share via the Public Offer;
- execution of all necessary Restriction Agreements required by ASX or the Listing Rules imposing such restrictions on trading of shares as mandated by the Listing Rules;
- the Company obtaining all third-party consents and regulatory approvals which may be required to undertake the Acquisition; and
- ASX confirming that it will reinstate the Company's shares to trading on ASX subject only to the satisfaction of customary terms and conditions which are acceptable to the Company acting reasonably.

The acquisition of GTS did not meet the definition of a business combination in accordance with AASB 3 Business Combinations ("AASB 3"). Instead, the acquisition has been treated as a group recapitalisation, using principles of reverse acquisition accounting in AASB 3 given the substance of the transaction is that the Company has effectively been recapitalised with GTS operations being the ongoing business. Accordingly, the consolidated financial statements have been prepared as if GTS had acquired the Company and not vice-versa as represented by the legal position. The recapitalisation is measured at the fair value of the equity instruments that would have been given by GTS to have exactly the same percentage holding in the new structure at the date of the transaction.

As the activities of the Company would not constitute a business based on the requirements of AASB 3, the excess of the deemed consideration over the fair value of the Company, as calculated in accordance with the reverse acquisition accounting principles and with AASB 2 Share Based Payments, is considered to be payment for a group restructure and has been expensed as a recapitalisation expense.

Concurrent with the acquisition of GTS, the company successfully raised \$4,000,000 (before costs) through the Prospectus offering 20,000,000 new ordinary at \$0.20 per share and re-complied with ASX listing rules.

The Company's acquisition of 100% of the issued capital of GTS resulted in the Company issuing the following:

- 29,500,000 shares to the shareholders of GTS;
- 7,000,000 performance shares to be issued to proposed directors and key management personnel;
- 2,159,625 options to the lead manager and advisors in lieu of fees, transaction costs; and
- 625,000 shares to the lead manager and advisors in lieu of fees, transaction costs

As the Company is deemed to be the acquiree for accounting purposes, the carrying values of assets and liabilities are required to be recorded at fair value for the purposes of the Acquisition. No adjustments were required to the historical values to effect this change.

	\$
29,500,000 fully paid ordinary vendor shares	2,407,195
7,000,000 performance shares	992,516
<b>Total deemed consideration</b>	<b>3,399,711</b>
Cash and cash equivalents	1,854,889
Trade and other receivables	34,326
Other current assets	14,612
	1,903,827
Trade payables	(47,158)
<b>Fair value of net assets</b>	<b>1,856,669</b>
<b>Excess of fair value of net assets recognised as a recapitalisation expense</b>	<b>1,543,042</b>

The impact of the group restructure on each of the primary statements is as follows:

### *Consolidated statement of profit or loss and other comprehensive income*

- The 31 December 2020 statement of profit or loss and comprehensive income comprises of GTS and the period since 12 November 2020 of the Company.
- The 31 December 2019 statement of profit or loss and other comprehensive income comprises of GTS only.

## Sparc Technologies Limited (Formerly Acacia Coal Limited)

### Consolidated statement of financial position

- The statement of financial position as at 31 December 2020 represents both the Company and GTS.
- The statement of financial position as at 31 December 2019 represents GTS only.

### Consolidated statement of changes in equity

- The 31 December 2020 statement of changes in equity comprises GTS equity balance as at 1 July 2020, its loss for the half-year and transactions with equity holders for the half-year to 31 December 2020. It also comprises the Company's loss and transactions with equity holders since 12 November 2020 and the equity balances of the Company and GTS as at 31 December 2020.
- The 31 December 2019 statement of changes in equity comprises GTS only.

### Consolidated statement of cash flows

- The 31 December 2020 statement of cash flows comprises of GTS and the period since 12 November 2020 of the Company.
- The 31 December 2019 statement of cash flows comprises GTS only.

## Note 6: Movements in shares on issue

	31 Dec 2020		30 June 2020	
	No.	\$	No.	\$
Balance at beginning of half-year	29,910,100	1,328,638	29,910,100	1,328,638
Shares issued in GTS to consultants and management <sup>1</sup>	2,333,334	280,000	-	-
	32,243,434	1,608,638		
Exchange of GTS shares for the Company shares	(32,243,434)	-	-	-
The Company shares on issue at date of legal acquisition:				
Shares on issue as at 12 November 2020 Consolidation on a 1:200 basis <sup>2</sup>	4,067,651,670	-	-	-
	(4,047,313,412)	-	-	-
Shares on issue as at 12 November post consolidation	20,338,258	1,608,638		
Shares issued for acquisition of GTS <sup>3</sup>	29,500,000	2,407,195	-	-
Shares issued to advisors <sup>4</sup>	625,000	125,000	-	-
Share placement <sup>5</sup>	20,000,000	4,000,000	-	-
Share issue costs	-	(375,425)	-	-
Balance at end of half-year	70,463,258	7,765,408	29,910,100	1,328,638

<sup>1</sup> On the 14<sup>th</sup> July 2020, 1,500,000 shares were issued to consultants and management at \$0.12 per share. The expense for these shares had been recognised as a share based payment in the year ended 30 June 2020. 833,334 shares were also issued to a consultant in settlement of an outstanding invoice as at 30 June 2020.

<sup>2</sup> On 21 September 2020, the Group lodged its Notification of Consolidation/Split with the ASX. The Group received shareholder approval at its general meeting held on 26 October 2020 to perform a consolidation on a 1:200 basis.

<sup>3</sup> On 12 November 2020, 29,500,000 shares were issued to the vendors of GTS in exchange for 100% ownership of GTS.

<sup>4</sup> On 12 November 2020, 625,000 shares were issued to advisors at \$0.20 per share in lieu of fees.

<sup>5</sup> On 12 November 2020, 20,000,000 shares were issued to sophisticated and professional investors at a price of \$0.20 per share.

## Note 7: Share based payment reserve

### Share based payment reserve

	31 December 2020	30 June 2020
	\$	\$
Option reserve	245,552	247,200
Performance share reserve	1,093,316	-
Share based payment reserve at end of half-year	1,338,868	247,200

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

	31 December 2020	30 June 2020
	\$	\$
Balance at beginning of half-year	247,200	247,200
Issue of shares to consultants and management <sup>1</sup>	(180,000)	-
Issue of options to consultants <sup>2</sup>	178,352	-
Issue of performance shares to Directors <sup>3</sup>	992,516	-
Share based payment <sup>4</sup>	100,800	-
Balance at end of half-year	1,338,868	247,200

<sup>1</sup> On the 14<sup>th</sup> July 2020, 1,500,000 shares were issued to consultants and management at \$0.12 per share. The expense for these shares had been recognised as a share based payment for the year ended 30 June 2020. Accordingly the corresponding share expense has been transferred to contributed equity.

<sup>2</sup> On the 12<sup>th</sup> November 2020 2,159,265 options were issued to consultants with an exercise price of \$0.30 and an expiry date of 3 years from the date of issue. The value of the options was determined based on the Black Scholes model using the following assumptions:

- Dividend yield: nil %
- Expected volatility: 80%
- Risk free interest rate: 0.27%
- Expected life of options (years): 3
- Exercise price: \$0.30
- Grant date share price: \$0.20
- Fair value per option: \$0.083

Share options issued by the Company carry no rights to dividends and no voting rights. As at the 31 December 2020 there are 3,346,765 (31 December 2019: 1,187,500) unlisted options are on issue as follows:

- 212,500 options exercisable at \$1.20 each on or before 5 December 2021;
- 975,000 options exercisable at \$0.30 each on or before 9 August 2023; and
- 2,159,265 options exercisable at \$0.30 on or before 12 November 2023.

The expense relating to these options has been fully recognised in the current and prior periods as the options have fully vested. During the half-year 375,000 options expired. There were no other movements in share options on issue.

<sup>3</sup> On 12<sup>th</sup> November 2020 7,000,000 performance shares were issued to Directors with an exercise price of \$nil. 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.

## Sparc Technologies Limited (Formerly Acacia Coal Limited)

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

The expense relating to these performance shares has been fully recognised in the current period as the performance shares have fully vested.

<sup>4</sup> As a result of the Acquisition, the previous Executive Service Agreement (“ESA”) relating to Mr Tom Spurling was superseded. Consequently the right to performance shares included in the ESA has expired. The expiry has been treated as a cancellation for accounting purposes and hence the remaining expense relating to the valuation calculated at the grant date not yet recognised in the income statement has been accelerated and fully recognised in the half-year ended 31 December 2020.

### Note 8: Contingent Liabilities

During the half-year, the Group lodged an amended company tax return for the year ended 30 June 2003 for its subsidiary, Mt Garnet Mines NL to reflect that income included in the previously submitted company tax return should not have been included. The Group has therefore recognised a liability of \$nil representing its best estimate of the income tax payable owing to the Australian Tax Office (“ATO”) as a result of lodging the amended tax return. The final amount of income tax payable may however be different following review of the amended tax return by the ATO if the ATO conclude that the income should be included in the company tax return for the year ended 30 June 2003.

The Group has no contingent assets at 31 December 2020.

### Note 9: Events Occurring After the Reporting Date

No matters or circumstances have arisen since the end of the half year which significantly affected or could significantly affect the operations, of the Group, the results of the operations or the state of affairs of the Group in the future financial years other than those noted in Note 8: Contingent Liabilities.

### Note 10: Segment Reporting and Change in Business

As of 30 June 2020, the Group operated in one business segment and one geographic segment, being exploration and evaluation of mineral resources in Western Australia. During the half-year ended 31 December 2020 this business segment ceased to operate. On 12 November 2020 Group acquired the issued share capital of Graphene Technology Solutions Limited. The Group now operates in one business segment, being research and development of new technologies for environmental and biomedical applications using graphene. These research and development activities are being conducted in a single geographic segment, being Australia

### Note 11: Commitments

#### Expenditure commitments

In addition to the amounts disclosed as a commitment in the 30 June 2020 financial statements relating to the Mt Windarra tenement, the Group has the following commitments as at 31 December 2020.

The Group entered into a Technology License Agreement (the “TLA”) with the University of Adelaide on 6<sup>th</sup> March 2020 to exploit certain technology in accordance with the terms and conditions of the Agreement. As a result of entering into the TLA, as at 31 December 2020, the Group is committed to spending a minimum of \$500,000 on research.

The Group entered into a Strategic Partnership Agreement (the “SPA”) with the University of Adelaide on 15<sup>th</sup> January 2020 to work together for the purpose of management and potential commercialisation of the TLA. As a result of entering into the TLA, as at 31 December 2020, the Group is committed to provide \$500,000 towards the Strategic Partnership with the University of Adelaide in 2022 under a project agreement. Amounts spent under the SPA are considered to contribute to the \$500,000 required to be spent under the TLA.

## Sparc Technologies Limited (Formerly Acacia Coal Limited)

The Group entered into a GEIT Hub Collaboration Agreement (the "GHCA") with the University of Adelaide and various parties on 28 June 2017 (and amended on 2 October 2019 and 28 July 2020) to set out the terms of collaboration on the 'Graphene Hub'. As a result of entering into the CHCA, as at 31 December 2020, the Group is committed to spending a minimum of \$80,000.

### Leasing commitments

The Group entered into an operating 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. 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.

	<b>Office Lease</b>
Right-of-use asset	<b>\$</b>
Recognised on 1 November 2020	520,114
Amortisation for year	(16,778)
Carrying amount as at 31 December 2020	<u>503,336</u>
	<b>Office Lease</b>
Lease liability	<b>\$</b>
Recognised on 1 November 2020	(520,114)
Interest expense for year	(3,798)
Payments for principal portion of lease liabilities for year	4,000
Carrying amount as at 31 December 2020	<u>519,912</u>
	<b>As at</b>
	<b>31 Dec 2020</b>
Amounts recognised in statement of cash flows	<b>\$</b>
Interest expense on lease liability for year	3,798
Payments for principal portion of lease liabilities for year	202
Total cash outflow in relation to leases for year	<u>4,000</u>

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

### Note 12: Dividends

No dividends were paid or declared during the half-year and no recommendation for payment of dividends has been made.

### Note 13: Related Party Transactions

Some Directors or former Directors of the Group hold or have held positions in other companies, where it is considered they control or significantly influence the financial or operating policies of those entities. Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

During the half-year ended 31 December 2020, the following transactions occurred with entities considered to be related to the Group:

Discovery Capital Partners Pty Ltd: Fees of \$24,383 were invoiced to the Group and 375,000 shares (valued at \$75,000) and 750,000 options (valued at \$62,250) with an exercise price of \$0.30 and an expiry of three years from the date of their issue were issued to Discovery Capital Partners Pty Ltd in lieu of advisory services provided. Included in creditors as at 31 December 2020 is an amount for \$79,250 owing to Discovery capital Partners Pty Ltd. Mr A Santa Maria, the Executive Chairman of the Group until his resignation on 12 November 2020, is a Director of Discovery Capital Partners Pty Ltd.

Minerals and Metals Marketing Pty Ltd: Fees of \$11,000 were invoiced to the Group. Mr S Hunt, a Director of the Group, is a Director of Minerals and Metals Marketing Pty Ltd.

**Sparc Technologies Limited (Formerly Acacia Coal Limited)**

The University of Adelaide: Fees of \$68,750 were invoiced to the Group and included in creditors as at 31 December 2020 is an amount for \$147,919 owing to the University Of Adelaide. The University of Adelaide is a shareholder in the Group.

Mr L Robertson: Fees of \$5,500 were invoiced to the Group. Mr L Robertson was a Non-Executive Director of the Group until his resignation on 12 November 2020.

Leopard Energy Pty Ltd: Fees of \$4,354 were invoiced to the Group. Leopard Energy Pty Ltd is considered to be a related party of the Group. Mr B Lawrence, a Non-Executive Director of the Group until his resignation on 12 November 2020, is a Director of Leopard Energy Pty Ltd.

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## Directors' declaration

The Directors declare that:

- a. the accompanying interim financial statements and notes are in accordance with the Corporations Act 2001 including:
  - i. complying with Australian Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001; and
  - ii. giving a true and fair view of the Group's financial position as at 31 December 2020 and of its performance for the half-year ended on that date.
- b. in the Directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the Directors.

On behalf of the directors



**Tom Spurling**  
Managing Director

Adelaide, 25 February 2021

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**SPARC TECHNOLOGIES LIMITED  
(FORMERLY ACACIA COAL LIMITED)  
ABN 13 009 092 068  
INDEPENDENT AUDITOR'S REVIEW REPORT  
TO THE MEMBERS OF SPARC TECHNOLOGIES LIMITED  
(FORMERLY ACACIA COAL LIMITED)**

## Report on the Half-Year Financial Report

### Conclusion

We have reviewed the accompanying half-year financial report of Sparc Technologies Limited (Formerly Acacia Coal Limited) (the "Company") and its controlled entities (the "Group"), which comprises the consolidated statement of financial position as at 31 December 2020, the consolidated statement of profit and loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of Sparc Technologies Limited (Formerly Acacia Coal Limited) does not comply with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the Group's financial position as at 31 December 2020 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

### Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity* ("ASRE 2410"). Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our report. We are independent of the Company in accordance with the auditor independence requirements of 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 annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

### Responsibility of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility for the Review of the Financial Report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2020 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

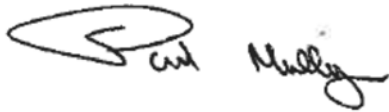


**SPARC TECHNOLOGIES LIMITED  
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A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

*Pitcher Partners BA&A PTY LTD*

PITCHER PARTNERS BA&A PTY LTD



PAUL MULLIGAN  
Executive Director  
25 February 2021

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