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ASX Announcement

29 August 2025

Synertec Expands Capital Structure – Extends Debt Facility by up to A$4m

Highlights

- **Extension of Debt Facility ("the Facility") by up to A$4m executed with Altor Capital**
- **The Facility strengthens the balance sheet, providing flexibility to draw down for working capital if required, while maintaining original tranches to accelerate the rollout of Synertec's 100% renewable microgrid technology, 'Powerhouse'**
- **The Facility extension and the trading improvement in the underlying business, paves a path to profitability for Synertec**

Melbourne, Australia: Technology design and development growth company, Synertec Corporation Limited (ASX: SOP, "Synertec", "the Company" or "the Group") is pleased to announce that it has secured an extension on its debt facility of up to A$4m ("the Facility") with Altor Capital Pty Ltd ("Altor"), taking the total facility amount to A$19 million.

Extension of A$4 million on Debt Facility secures up to A$19 million of available capital

The Facility extension will be available in two tranches, with an immediate progressive draw of up to A$2.5m available, and a subsequent A$1.5m tranche available subject to Altor investment committee approval and if the initial tranche has been fully drawn.

The Facility extension is available to fund working capital, with the original tranches (totalling A$15m, currently drawn $A3.5 million, additional drawings subject to Altor discretion) to fund the rollout of the Group's key technology, Powerhouse. Powerhouse is a 100% renewable and portable solar BESS microgrid providing highly reliable base load continuous power for critical remote industrial operations. Synertec recently celebrated 5 years of continuous power across multiple units and remote sites in outback Australia.

In connection with the Facility extension, approximately 7.8 million warrants will be issued to Altor on the terms set out in the Appendix to this announcement. The warrants will not be quoted on the ASX and will be issued using the Company's existing placement capacity under ASX Listing Rule 7.1.

Synertec's Managing Director, Mr. Michael Carroll, said:
"The Facility will continue to provide the capital flexibility we require to drive improved financial performance. Importantly, the mix of both debt and equity delivers the optimal balance of capital ensuring that we maximise returns and minimise dilution and financing costs. I would like to thank Altor for their continued support of our business which is a positive endorsement of our strategy and outlook."

Altor Capital Management's Chief Investment Officer, Ben Harrison, commented:
"Altor Capital Management recognises the progress Synertec has made in stabilising its engineering business and its ongoing efforts to deliver operational improvements. This funding package is designed to support the company through its next phase of development, including the planned scale-up of its Powerhouse technology."

Key terms of the Facility extension are set out in the Appendix to this announcement.

-ENDS-

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This ASX announcement is authorised by the Directors of Synertec Corporation Limited (ASX: SOP).

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Appendix: Material Terms of the Debt Facility Extension Agreement

Lender	Altor Capital Management Pty Ltd as trustee for Altor AltFi Income Fund
Loan Amount	Total of A$4 million comprised of: • Tranche 3: up to A$2.5m • Tranche 4: up to A$1.5m (subject to Altor investment committee approval once Tranche 3 has been fully drawn). If Altor decides not to proceed with Tranche 4, it will be cancelled but Tranche 3 will remain in place on the same terms.
Utilisation	A$0.5 million per utilisation
Interest Rate	16% per annum
Repayment (Interest Only)	• Interest to be paid in cash or at the Company's discretion accrued interest may be capitalised and added to principal balance • Principal to be repaid on termination date
Financial Covenants	Compliance around EBITDA subject to a standard cure period. Additionally, the Borrower must ensure that, at all times: • Minimum Available Cash Balance requirements; • Borrowing Base requirement where the total amount drawn cannot exceed the borrowing base of 70% of the balance of: a. Cash at bank; plus b. Inventory; plus c. Receivables; plus d. Property, plant and equipment; plus e. Contract assets. • Revenue covenant to be tested from 30 September 2026, on a rolling 3 month period (covenant level to be agreed prior to testing)
Voluntary Prepayments	The Borrower may voluntarily prepay without any Prepayment premium any portion of Tranche 3 or 4 at any time prior to the Termination Date, provided that at least 45 business days' notice is provided to the Lender
Security	• A first-ranking General Security Deed over the assets and undertakings of the Obligors. • Specific Security Deed (via a PMSI over each Powerhouse unit).
Warrants	**Initial Warrants** The Company will issue the Lender approximately 7.8 million warrants today, with the Company released from its obligation to issue 18.5 million warrants from the previous facility. **Facility Drawdown Warrants** Upon utilisation of Tranche 3 or Tranche 4: • The Lender (or its nominee) will be issued a number of warrants equal to 0.5% of the voting shares on issue at the time of utilisation (rounded up to the nearest whole number). Based on the current issued share capital of the Company this would equate to approximately 2.6 million warrants. **Terms of Warrants** • Consideration: No amount is payable for the issue of the warrants. • Expiry Date: The warrants will expire on the date which is 48 months from the date of issue of the warrants. They will remain on issue until the Expiry Date, regardless of whether the Facility Agreement is still in effect or amounts are outstanding under it. • Warrant exercise: Each warrant may be exercised for one ordinary share at any time prior to the Expiry Date by the Lender paying to the Company the Exercise Price for each warrant. Any Warrants not exercised prior to the Expiry Date will automatically lapse and be cancelled. • Exercise Price: 2 cents
Establishment Fee	A$400,000 establishment fee to be capitalised and added to the principal balance of the loan without impacting the facility size.
Facility Fee $	On each utilisation A$50,000 facility fee to be paid in cash or capitalised at discretion of Synertec and added to the principal balance of the loan without impacting the facility size.
Termination Date	18 months from the date of signing the Facility Agreement.
Other	The Debt Facility Agreement includes customary conditions precedent, representations and warranties, undertakings, events of default and review events for a financing of this nature.