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R&D Claim and Corporate Funding Arrangement

Blue Energy Limited (ASX: BLU, 'Blue') is pleased to provide an update on the Sapphire Project Research & Development (R&D) claim and an associated funding arrangement that Blue has entered into with Radium Capital.

Blue recently lodged the relevant group company's tax return for the financial year ended 30 June 2023, claiming the R&D Tax Incentive for expenditure incurred on the Sapphire Project in that year.

The rebate claimed, as prepared by Blue's R&D consultant Deloitte Australia is for an amount up to \$7.0 million (being an amount representing 48.5% of qualifying expenditure) and is being currently assessed by the ATO and expected to be received in the near future.

To efficiently manage the Company's cash-flow, Blue has agreed terms with Radium Capital that provides a framework for a debt facility secured against Blue's R&D claim. Radium Capital is a leading R&D finance provider, offering strategic capital by early access to R&D refunds, secured against the associated tax rebate, reducing the need for dilutive equity raising.

The debt facility that has been agreed with Radium Capital encompasses:

- Debt facility of up to \$1,900,000.
- Interest rate of 1.33% per month to 31 Dec 2023.
- Interest rate of 1.58% from 1 Jan 2024 to 29 Feb 2024.
- Secured against R&D rebate due.
- Date of Repayment 29 February 2024.
- No other fees, conversion rights, options, tags, warrant coverage, etc

Commenting on the funding arrangement Blue's Managing Director, Mr John Phillips said: "A specialist loan facility of this nature against the R&D rebate for the Sapphire Pilot is a very attractive form of non-dilutive funding for the company. We are pleased to have worked with Radium Capital on this straightforward and effective debt facility which allows optimal manage our cash-flows whilst awaiting the processing of the full R&D rebate claim by the ATO."

Released by Authority of the Board per:

**John Phillips
Managing Director
Blue Energy Limited**