



ASX Announcement

19 OCTOBER 2022

DELOREAN CORPORATION ENTERS INTO MULTI-PROJECT DEVELOPMENT FUNDING PARTNERSHIP WITH PALISADE IMPACT

HIGHLIGHTS:

- Delorean Corporation has entered into a binding agreement to form a multi-project development funding partnership with funds managed by Palisade Impact Pty Ltd.
- Subject to completion of final due diligence required for each project's Final Investment Decision, Palisade Impact will fund 100% of the project costs (including DEL's development costs) to deliver Delorean's SA1 and VIC1 bioenergy projects, with a right of first offer to fund a further three DEL bioenergy projects.
- Palisade Impact will invest \$5m in Delorean by way of Convertible Notes in two tranches of \$2.4m (immediate) and \$2.6m (on conditions precedent).
- Delorean will design, construct and commission the Projects on commercial margins.
- From practical completion, Delorean will undertake Operation and Maintenance of the projects on commercial margins for a term of 25 years and provide day-to-day management services to each project.

Delorean Corporation (ASX: DEL) ("Delorean" or "the Company") is pleased to announce that the Company has entered into a binding agreement to form a multi-project development funding partnership ("Funding Partnership") with funds managed by Palisade Impact Pty Ltd ("Palisade Impact") arranged by Planum Partners under their financial advisory mandate to support DEL's project funding for up to \$200m.

Under the terms of the Funding Partnership, Palisade Impact will (subject to satisfaction of conditions precedent):

- subject to completion of final due diligence required for each project's Final Investment Decision, fund 100% of the project costs (including full reimbursement to Delorean of the development costs incurred) to deliver Delorean's SA1 and VIC1 bioenergy projects ("Immediate Projects") under separate preferred funding agreements ("PFA") for each project. The PFA will give Palisade Impact a fixed preferential return set at 12% per annum. Palisade will also receive equal ordinary equity interest in the Immediate Projects together with Delorean in excess of the preferred return.
- have a right of first offer ("ROFO") to fund a further three bioenergy infrastructure projects in Delorean's project pipeline ("Development Projects") through the Funding Partnership.

Palisade Impact will invest \$5m in Delorean to support the Company's working capital requirements, including to progress the detailed design work on the Immediate Projects. This investment will be by way of Convertible Notes. The Convertible Notes will be issued in two tranches, an initial tranche of \$2.4m to be issued immediately and a second tranche of \$2.6m to be issued upon satisfaction of conditions precedent including DEL shareholder approval. The Convertible Notes will have an

interest rate of 12% that will capitalise and will be convertible into DEL shares at a conversion price of \$0.1244 per share, which reflects a premium of 91.38% over DELs last closing price. The initial tranche of the Convertible Notes will equate to 19,292,604 Shares on conversion at the date of issue. The initial note will be issued pursuant to the requirements of Listing Rule 7.1 of the ASX Listing Rules.

As part of Palisade Impact's investment in DEL, a Palisade representative will be invited to attend the DEL board meetings as an observer once the initial tranche of the Convertible Notes funding completes. If Palisade Impact exercises its right to convert all of the issued Convertible Notes into shares in DEL, Palisade Impact will propose a board appointee to join the DEL board and the DEL board will recommend this appointment for approval by the shareholders.

For the Funding Partnership, DEL and Palisade Impact have entered into a binding Framework Agreement providing for:

- Palisade Impact's investment in DEL by way of Convertible Notes; and
- Palisade finalising its due diligence on the Immediate Projects and, subject to satisfactory completion of that due diligence, the parties entering into definitive project and transaction documents in accordance with agreed commercial principles.

Finalisation of project and transaction agreements and satisfaction of relevant conditions precedents will deliver the following outcomes:

- Delorean will receive an upfront cash payment representing DEL's investments in developing the SA1 and VIC1 bioenergy projects to each respective financial close.
- Delorean will design, construct and commission the Immediate Projects under arms-length Engineer, Procure and Construct contracts on commercial margins.
- From practical completion, Delorean will undertake Operation and Maintenance of the Immediate Projects on arms-length terms and commercial margins for a term of 25 years.
- Delorean will also provide day-to-day management services to each project under separate Revenue Management Services agreements.

Palisade Impact recently reached a first close on its inaugural investment fund and co-investments at over \$400m and has sufficient binding equity commitments from investors to fund this initial investment, as well as Delorean's broader pipeline of investments.

A Notice of General Meeting of DEL Shareholders will go out to all existing DEL shareholders prior to the end of October 2022 for DEL's Annual General Meeting of shareholders scheduled for 30 November 2022.

Funding Partnership Timetable

The expected transaction timeline is as follows:

- Settlement of initial tranche of the Convertible Notes by 21 October 2022
- DEL shareholder meeting to approve the issuance of the second tranche of the Convertible Notes before the end of November 2022.
- Settlement of second tranche of the Convertible Notes before 16 December 2022
- Finalisation of project and transaction documentation and FID on the Immediate Projects expected by March 2023.

Development Funding Partnership A Major Milestone for Delorean's Business

“This development funding partnership with Palisade Impact is a major milestone for Delorean's business. DEL listed on the ASX in April 2021 with the specific purpose of focusing on development and capitalisation of its own bioenergy infrastructure pipeline, to diversify the business beyond its already growing construction project portfolio and WA energy retail revenues” said DEL's Managing Director, Joe Oliver.

“The partnership makes perfect sense for both Delorean and Palisade Impact. Palisade is a major Australian infrastructure investor which understands the bioenergy sector and has a solid track record backing winners and delivering solid investor returns and Delorean's status as an award-winning ESG-focussed pioneer of the sector is a neat fit for its impact fund.”

Palisade Impact CEO Steve Gross commented “We are looking forward to working with Hamish, Joe and the rest of the DEL team to develop this first set of bioenergy projects and supporting DEL with their mission to catalyse the bioenergy sector in Australia. We see a great opportunity to facilitate the race to zero, by reducing waste to landfill but also in decarbonizing harder to abate sectors. Moreover, bioenergy presents a new sector that can catalyse job growth for future generations of Australians.”

Delorean's financial advisor for the Funding Partnership is Planum Partners.

Authorised on behalf of the Delorean Corporation Board of Directors by Hamish Jolly, Executive Chair.

For more information/interview please contact:

Hamish Jolly, Executive Chair

Delorean Corporation Ltd
+61 (0) 8 6147 7575
info@deloreancorporation.com.au

Bianca Barlow, Investor Relations

Delorean Corporation Ltd
+61 (0) 8 6147 7575
bianca.barlow@deloreancorporation.com.au

About Delorean Corporation Limited

Delorean Corporation is a leading Australian bioenergy company. Delorean specialises in the design, build, ownership and management of bioenergy infrastructure. In addition to bioenergy power generation, Delorean also operates in the energy retail market. Delorean Corporation is a vertically integrated company positioned in two high growth industries; renewable energy and waste management.

Delorean Corporation comprises an Engineering Division, Infrastructure Division and Energy Retail Division. Through these divisions Delorean Corporation has the inhouse capability to deliver bioenergy projects across the full lifecycle, from project conception to completion, processing organic waste, generating renewable energy and monetising the sale of green electricity, heat and gas.

DEL's projects produce renewable energy whilst reducing the volume of waste going to landfill, utilising a model that generates multiple revenue streams.

About Palisade Impact

Palisade Impact invests in next generation infrastructure and infrastructure-like assets and businesses that provide essential services, supporting the future economy.

Palisade Impact takes a cross-sector approach to driving the race to zero: zero emissions, zero waste and zero inequality. These themes, together with changing technology and policy, provide a large opportunity to invest in a greener, smarter, more equitable, connected infrastructure of the future.

Palisade Impact is majority owned by the executive team, with 2% of the profits of the manager also being paid to a charitable foundation and a leading impact industry body, enabling dedicated funding to go towards charitable causes, advocacy and the growth of the impact industry.

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