

DELOREAN CORPORATION LIMITED
ACN 638 111 127
SUPPLEMENTARY PROSPECTUS

1. IMPORTANT INFORMATION

This is a supplementary prospectus (**Supplementary Prospectus**) which supplements and is intended to be read with the prospectus dated 4 March 2021 (**Prospectus**) issued by Delorean Corporation Limited (ACN 638 111 127) (**Company**).

This Supplementary Prospectus is dated 31 March 2021 and was lodged with the ASIC on that date.

The ASIC, the ASX and their respective officers take no responsibility for the contents of this Supplementary Prospectus.

This Supplementary Prospectus should be read together with the Prospectus. Other than as set out below, all details in relation to the Prospectus remain unchanged. Terms and abbreviations defined in the Prospectus have the same meaning in this Supplementary Prospectus. If there is a conflict between the Prospectus and this Supplementary Prospectus, this Supplementary Prospectus will prevail.

This Supplementary Prospectus will be issued with the Prospectus as an electronic prospectus, copies of which can be downloaded from the website of the Company at www.deloreancorporation.com.au.

This is an important document and should be read in its entirety. If you do not understand it, you should consult your professional advisers without delay.

The Directors believe that the changes in this Supplementary Prospectus are not materially adverse from the point of view of an investor. Accordingly, no action needs to be taken if you have already subscribed for new Shares under the Prospectus.

2. PURPOSE OF THIS DOCUMENT

The purpose of this Supplementary Prospectus is to provide additional information to investors as set out in section 3 below.

3. UPDATE ON PERFORMANCE SHARES

3.1 Background

Section 11.4 of the Prospectus outlines the proposed terms of the Performance Shares to be issued to Messrs Jolly and Oliver. Section 11.4 also notes that the Company had made application to ASX for the approval of the terms of the Performance Shares and that Messrs Jolly and Oliver had agreed to amend the terms of the Performance Shares as required by ASX.

On 29 March 2021, ASX advised the Company that it had approved amended terms of the Performance Shares to those outlined in the Prospectus. The amendments do not alter the milestones or the number of Performance Shares to be issued, or Shares that will be issued on achievement of a relevant milestone.

Section 3.2 below outlines the amended terms of the Performance Shares to be issued to Messrs Jolly and Oliver prior to the Company being admitted to trading on ASX, replacing the existing terms set out in Section 11.4 of the Prospectus. There is no changes to the quantum of Performance Shares being issued to Messrs Jolly and Oliver.

3.2 Amended terms of Performance Shares

3.2.1 Definitions

ASIC means the Australian Securities and Investments Commission.

ASX means the Australian Securities Exchange operated by ASX Limited.

Calculation Date means, in respect of a Financial Year, the date that the Company's audited accounts are signed off and released to ASX.

Capital Reorganisation means a reorganisation, reconstruction, consolidation, sub-division, bonus issue or some other analogous action in respect of the ordinary share capital of the Company.

Change in Control Event means:

- (a) the occurrence of:
 - (i) the offeror under a takeover bid pursuant to Chapter 6 of the Corporations Act in respect of the Shares announcing that it has achieved acceptances in respect of more than 50% of all Shares; and
 - (ii) that takeover bid being, or having become or been declared, unconditional; or
- (b) the coming into effect, pursuant to section 411(10) of the Corporations Act, of the order of the court made under section 411(4)(b) of the Corporations Act in respect of a members scheme of arrangement under Part 5.1 of the Corporations Act under which all Shares are to be either cancelled or transferred to a third party (but not a scheme of arrangement for the purposes of a corporate restructure (including change of domicile, consolidation, sub-division, reduction or return) of the issued capital of the Company).

Company means Delorean Corporation Ltd (ACN 638 111 127).

Condition means the condition that the Holder (or executive related to the Holder where the Performance Shares are held by a nominee) remains employed or engaged with the Company as at the end of the Financial Year in which the Milestone is achieved.

Corporations Act means the *Corporations Act 2001* (Cth).

Expiry Date means the date that is five (5) years from the date of issue of the Performance Shares.

Financial Year means a financial year commencing on 1 July and ending on the following 30 June.

Holder means a holder of a Performance Share.

Milestone means the milestone that relates to each of the Class A Performance Shares, the Class B Performance Shares and the Class C Performance Shares, and **Milestones** means all of them.

Share means a fully paid ordinary share in the capital of the Company.

Shareholder means a holder of a Share.

Underlying EBITDA means the Company's earnings before interest, taxes, depreciation and amortisation for the Financial Year or any part thereof determined after the completion of an audit or audit review by the Company's auditor adjusted to eliminate one-off gains or losses that are unlikely to reoccur and are not part of the company's day to day business operations. These adjustments include the cost of share-based incentive payments as well as the non-recurring costs that may be associated with impairment of non-financial assets, acquisition related adjustments and restructuring and/or redundancy costs. For absolute clarity, Underlying EBITDA includes other income as defined in the Company's financial statements as well as any share of income in associates.

3.2.2 Rights attaching to the Performance Shares:

(a) **Performance Shares**

Each Performance Share is a share in the capital of the Company.

(b) **General meetings**

Each Performance Share confers on the Holder the right to receive notices of general meetings and financial reports and accounts of the Company that are circulated to Shareholders. Holders have the right to attend general meetings of Shareholders.

(c) **No voting rights**

A Performance Share does not entitle the Holder to vote on any resolutions proposed by the Company except as otherwise required by law.

(d) **No dividend rights**

A Performance Share does not entitle the Holder to any dividends.

(e) **No rights to return of capital**

A Performance Share does not entitle the Holder to a return of capital, whether in a winding up, upon a reduction of capital or otherwise.

(f) **Rights on winding up**

A Performance Share does not entitle the Holder to participate in the surplus profits or assets of the Company upon winding up.

(g) **Not transferable**

A Performance Share is not transferable.

(h) **Capital Reorganisation**

If at any time prior to the Expiry Date there is a Capital Reorganisation, all rights of a Holder will be equitably adjusted so as to ensure no relative benefit or detriment occurs to, or is conferred upon, the Holder, Shareholders or the Company as a result of the Capital Reorganisation and otherwise so as to comply with the applicable ASX Listing Rules at the time of the Capital Reorganisation.

(i) **Application to ASX and removal of trading restrictions**

- (i) The Performance Shares will not be quoted on ASX. However, if the Company is listed on ASX at the time of conversion of the Performance Shares into Shares, the Company must within 2 Business Days of conversion apply for the official quotation on ASX of the Shares arising from the conversion.
- (ii) At the time of issue of the Shares under (i) above, the Company must undertake all actions necessary to ensure that any trading restrictions imposed on the Shares under the Corporations Act are lifted by either:
 - (A) lodging with the ASX a cleansing notice (which complies with Section 708A(6) of the Corporations Act at the time of applying for the official quotation of the Shares arising from the conversion; or
 - (B) lodging a prospectus with the ASIC at the time of applying for the official quotation of the Shares arising from the conversion that satisfies the requirements of Section 708A(11) of the Corporations Act.

(j) **Participation in entitlements and bonus issues**

Without prejudice to paragraph 1(h), a Performance Share does not entitle a Holder (in their capacity as a holder of a Performance Share) to participate in new issues of capital offered to holders of Shares such as bonus issues and entitlement issues.

(k) **No other rights**

A Performance Share gives the Holder no rights other than those expressly provided by these terms and those provided at law where such rights at law have not been excluded by these terms.

3.3.3 Conversion of the Performance Shares:

(a) **Conversion**

Subject to the satisfaction of the Condition by a Holder, the Performance Shares held by a Holder will convert into Shares upon the confirmation of the achievement of the relevant milestone by the Calculation Date as set out below:

- (i) **Class A Performance Shares:** upon the Company achieving at least \$5,000,000 in Underlying EBITDA in any Financial Year (or part thereof) (**Class A Milestone**).

- (ii) **Class B Performance Shares:** upon the Company achieving at least \$10,000,000 in Underlying EBITDA in any Financial Year (or part thereof) (**Class B Milestone**).
- (iii) **Class C Performance Shares:** upon the Company achieving at least \$12,500,000 in Underlying EBITDA in any Financial Year (or part thereof) (**Class C Milestone**).

(b) **Determination of Milestone**

For the purpose of ascertaining the conversion of the Performance Shares under 3(a) above:

- (i) the calculation of the Underlying EBITDA must only occur on audited or audit reviewed accounts of the Company; and
- (ii) the Underlying EBITDA once calculated must be reviewed by the Company's auditor, or if they are unwilling to act, any other independent third party financial advisor, who must confirm that the calculated Underlying EBITDA is not inconsistent with the definition of Underlying EBITDA outlined in these terms.

(c) **Conversion on Change of Control Event**

- (i) Subject to paragraph 3(c)(ii), if prior to the Expiry Date a Change in Control Event occurs then each Performance Share outstanding at that time will convert into one (1) Share.
- (ii) The maximum number of Performance Shares that can be converted into Shares under paragraph 3(c)(i) upon a Change of Control Event must not exceed 10% of the issued Share capital of the Company (as at the date of the Change of Control Event).

(d) **Deferral of conversion if resulting in a prohibited acquisition of Shares**

If the conversion of a Performance Share under paragraph 3 would result in any person being in contravention of section 606(1) of the Corporations Act (**General Prohibition**) then the conversion of that Performance Share shall be deferred until such later time or times that the conversion would not result in a contravention of the General Prohibition.

(e) **Lapse of Performance Share**

Each Performance Share that has not been converted under paragraph 3 shall lapse on the Expiry Date. For the avoidance of doubt, a Performance Share will not lapse in the event that the Shares the subject of a conversion are deferred in accordance with paragraph 3(d) above.

(f) **Conversion procedure**

- (i) The Company will issue the Shares immediately upon conversion of the Performance Shares for no consideration and shall record the issue in the manner required by the Corporations Act.
- (ii) The Company will issue the Holder with a new holding statement for any Share issued upon conversion of a Performance Share within 5 Business Days following the Calculation Date.

(g) **Ranking upon conversion**

The Share into which a Performance Share may convert will rank pari passu in all respects with existing Shares.

4. CONSENTS

The Company confirms that as at the date of this Supplementary Prospectus, each of the parties that have been named as having consented to being named in the Prospectus have not withdrawn that consent.

5. DIRECTORS' AUTHORISATION

This Supplementary Prospectus is issued by the Company and its issue has been authorised by a resolution of the Directors.

In accordance with Section 720 of the Corporations Act, each Director has consented to the lodgement of this Supplementary Prospectus with the ASIC.



Hamish Jolly
Executive Chair
For and on behalf of
Delorean Corporation Limited