

## NOTICE UNDER SECTION 708A(12C)(e) OF THE CORPORATIONS ACT 2001

This cleansing notice (**Cleansing Notice**) is given by Delorean Corporation Limited (ACN 638 111 127) (**Company**) under section 708A(12C)(e) of the *Corporations Act 2001* (Cth) (**Corporations Act**) as amended by *ASIC Corporations (Sale Offers: Securities Issued on Conversion of Convertible Securities) Instrument 2016/82*.

The Company hereby confirms that:

- (a) the Convertible Note described below has been issued without disclosure to investors under Part 6D.2 of the Corporations Act;
- (b) this Cleansing Notice has been given in accordance with section 708A(12C)(e) of the Corporations Act for the Convertible Note; and
- (c) as at the date of this notice the Company has complied with:
  - (i) the provisions of Chapter 2M of the Act as they apply to the Company; and
  - (ii) section 674 of the Corporations Act; and
- (d) as at the date of this notice, there is no information that is “excluded information” within the meaning of Sections 708A(7) and 708A(8) of the Act.

The issue of this Cleansing Notice enables the fully paid ordinary shares in the capital of the Company (**Shares**) issued on the conversion of the Convertible Securities and to be on-sold to retail investors without further disclosure.

This Cleansing Notice is important and should be read in its entirety.

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### 1. BACKGROUND

#### 1.1 Framework Deed

The Company has entered into an agreement in relation to a secured convertible note facility with Impact DL Pty Ltd (ACN 662 136 236) as trustee of the Impact DL Holding Trust (**Noteholder**) dated 18 October 2022 as amended by letter agreement dated 16 December (**Framework Deed**).

#### 1.2 Convertible Note

Under the Framework Deed, the Company has agreed to issue a secured convertible note with a face value of \$2,600,000 (**Face Value**), such note being convertible into shares in the Company (**Convertible Note**). The Convertible Note will have an interest rate of 12% per annum, which accrues from day to day, capitalises quarterly and either be convertible into Shares in the Company or redeemable by the Company, in each case on the terms set out in the Framework Deed and the terms of the Convertible Note.

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### 2. CONTENTS OF THIS CLEANSING NOTICE

This Cleansing Notice sets out the following:

- (a) in relation to the Convertible Note:
  - (i) the effect of the issue on the Company;
  - (ii) a summary of the rights and liabilities attaching to the Convertible Note; and

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- (iii) a summary of the rights and liabilities attaching to the Shares that will be issued on the conversion of the Convertible Note; and
- (b) any information that:
  - (i) has been excluded from continuous disclosure notices in accordance with the ASX Listing Rules; and
  - (ii) is information that investors and their professional advisors would reasonably require for the purpose of making an informed assessment of:
    - (A) the assets and liabilities, financial position and performance, profits and losses and prospects of the Company; and
    - (B) the rights and liabilities attaching to the Shares; and
  - (iii) other information relating to the Company's status as a disclosing entity.

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### **3. THE EFFECT OF THE ISSUE ON THE COMPANY**

#### **3.1 Effect of the issue on the Company**

The principal effect of the issue of the Convertible Note on the Company will be to:

- (a) require the satisfaction of the Company's obligations under the Convertible Note;
- (b) increase the Company's cash reserves by \$2,600,000 to be received by the Company pursuant to the issue of the Convertible Note;
- (c) increase the number of unquoted Convertible Securities on issue from 1 to 2.
- (d) give rise to the Company having a liability for the aggregate amount of the Face Value of the Convertible Note of \$2,600,000 plus interest accruing on the Face Value; and
- (e) if the Convertible Note is converted into Shares, increase the number of Shares on issue as a consequence of the issue of Shares on such conversion as set out in section 3.3(d) of this Cleansing Notice.

#### **3.2 Pro Forma Consolidated Statement of Financial Position as at 30 November 2022 taking into account the issue of the Convertible Securities**

- (a) Set out in Annexure A is a pro forma consolidated Statement of Financial Position as at 30 November 2022 for the Company adjusted to reflect the proposed issue of the Convertible Note and has been prepared on the basis of the accounting policies normally adopted by the Company.
- (b) The pro forma financial information is presented in an abbreviated form in so far as it does not include all of the disclosures required by Australian Accounting Standards applicable to annual financial statements. The pro forma financial information is not audited. The classification of the allocations between debt and equity for the Convertible Securities may change in the future.

#### **3.3 Potential effect on capital structure**

- (a) As at the date of this Cleansing Notice:
  - (i) the total number of issued Shares is 215,720,915;
  - (ii) the total number of convertible notes on issue is 1;
  - (iii) the total number of options on issue is 20,250,000; and
  - (iv) the total number of performance rights on issue is 13,671,714.
- (b) The capital structure of the Company will be affected by the conversion of the Convertible Note by the Noteholder which will each result in additional Shares being issued.

- (c) Subject to limits on the conversion, the Convertible Note can be:
- (i) converted at any time after its issue and prior to the date of Transaction Documentation Completion, but if that does not occur by the Project Commitment Sunset Date, then on the Maturity Date at the request of the Noteholder;
  - (ii) redeemed prior to the Maturity Date either:
    - (A) at the request of the Company after Transaction Documentation Completion or, if that has not occurred, the Project Commitment Sunset Date, but prior to the Maturity Date; or
    - (B) by the Noteholder upon the occurrence of certain events (see the Trigger Events described in Annexure B for further details);
  - (iii) automatically redeemed on the Maturity Date.

For the purposes of this paragraph, capitalised terms have the meaning given to them in Annexure B.

- (d) The effect of the capital structure of the Company upon (i) issue, and (ii) conversion of the Convertible Note is as follows:

**Upon issue:**

Convertible Notes	Number
Convertible notes on issue prior to this Cleansing Notice	1
Convertible notes to be issued under the Framework Deed on the date of this Cleansing Notice	1
<b>Total convertible notes on issue following the issue of the Convertible Note under the Framework Deed</b>	<b>2</b>

**Upon conversion:<sup>1</sup>**

Shares	Number
Shares issued on the date of this Cleansing Notice	215,720,915
Shares issued upon the conversion of the Convertible Note (if converted on the date of this Cleansing Notice)	20,900,322
<b>Total Shares on issue following conversion of all Convertible Notes (assuming conversion on the date of this Cleansing Notice)</b>	<b>255,913,841<sup>2</sup></b>

- (e) The Company currently has 20,250,000 options on issue. There will be no resulting change to the number of options on issue upon issue or conversion of the Convertible Note.
- (f) The Company currently has 13,671,714 performance rights on issue. There will be

<sup>1</sup> This table assumes that the Convertible Note is converted as at the date of this Cleansing Notice. The actual number of Shares to be issued on conversion will be calculated in accordance with the formula set out in Annexure B, having reference to the then Principal Outstanding of the Convertible Note.

<sup>2</sup> The number of shares relating to the First Convertible Note is 19,292,604 as set out in the cleansing notice in respect of the First Convertible Note.

no resulting change to the number of performance rights on issue upon issue or conversion of the Convertible Note.

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**4. RIGHTS AND LIABILITIES ATTACHING TO THE CONVERTIBLE NOTE TO BE ISSUED UNDER THE FRAMEWORK DEED**

A broad summary of the rights, privileges and restrictions attaching to the Convertible Note is set out in Annexure B. The summary is not exhaustive and does not constitute a definitive statement of the rights and liabilities of the Noteholder.

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**5. RIGHTS AND LIABILITIES ATTACHING TO SHARES ISSUED ON CONVERSION OF THE CONVERTIBLE NOTE**

The Shares issued to the Noteholder on the conversion of the Convertible Note will rank equally in all respects with all of the Company's existing Shares. The rights attaching to the Shares, including new Shares to be issued to the Noteholder on the conversion of the Convertible Note, are set out in the Company's constitution, and, in certain circumstances, are regulated by the Corporations Act, the ASX Listing Rules and the general law.

The Company intends to apply to ASX for quotation of the Shares issued on conversion of any Convertible Note.

Full details of the rights and liabilities attaching to Shares are set out in the Company's constitution, a copy of which can be inspected free of charge, at the Company's registered office during normal business hours.

The following is a broad summary of the rights, privileges and restrictions attaching to all Shares. This summary is not exhaustive and does not constitute a definitive statement of the rights and liabilities of Shareholders.

**(a) General meetings**

Each shareholder of the Company (**Shareholder**) is entitled to receive notice of, and to attend and vote at, general meetings of the Company and to receive all notices, accounts and other documents required to be sent to Shareholders under the Company's constitution (**Constitution**), the Corporations Act or the ASX Listing Rules.

**(b) Voting rights**

Subject to any rights or restrictions for the time being attached to any class or classes of Shares, every holder of fully paid ordinary Shares present at a general meeting of the Company in person or by an attorney, representative or proxy, has one vote on a show of hands (unless a member has appointed 2 proxies) and one vote per share on a poll.

A person who holds a share which is not fully paid is entitled, on a poll, to a fraction of a vote equal to the proportion which the amount paid bears to the total issue price of the share.

Where there are 2 or more joint holders of a Share and more than one of them is present at a meeting and tenders a vote in respect of the Share, the Company will count only the vote cast by the Shareholder whose name appears first in the Company's Share register.

**(c) Variation of Rights**

Unless otherwise provided by the terms of issue of a class of shares and subject to the Corporations Act, the rights attached to the shares in any class may be varied or cancelled only with the written consent of the holders of at least three-quarters of the issued shares of the affected class, or by special resolution passed at a separate meeting of the holders of the issued shares of the affected class.

(d) **Transfer of Shares**

Subject to the Constitution, the Corporations Act and ASX Listing Rules, Shares are freely transferable.

The Shares may be transferred by a proper transfer effected in accordance with the ASX Settlement Operating Rules, by any other method of transferring or dealing with Shares introduced by ASX and as otherwise permitted by the Corporations Act or by a written instrument of transfer in any usual form or in any other form approved by either the Directors or ASX that is permitted by the Corporations Act.

The Directors of the Company may decline to register a transfer of Shares (other than a proper transfer in accordance with the ASX Settlement Operating Rules) where permitted to do so under the ASX Listing Rules. If the Directors decline to register a transfer, the Company must, within 5 business days after the transfer is delivered to the Company, give the party lodging the transfer written notice of the refusal and the reason for the refusal. The Directors must decline to register a transfer of Shares when required by law, by the ASX Listing Rules or by the ASX Settlement Operating Rules.

(e) **Dividends**

The Directors may from time to time determine dividends to be distributed to Shareholders according to their rights and interests. The Directors may fix the time for distribution and the methods of distribution. Subject to the terms of issue of shares, the Company may pay a dividend on one class of shares to the exclusion of another class.

Each Share carries the right to participate in the dividend in the same proportion that the amount for the time being paid on the Share (not credited) bears to the total amounts paid and payable (excluding amounts credited) in respect of such Shares.

(f) **Winding-up**

Subject to the rights of holders of shares with special rights in a winding-up and the Corporations Act, if the Company is wound up all monies and property that are to be distributed among Shareholders on a winding-up.

The liquidator may, with the authority of a special resolution of the Company, vest the whole or any part of any such property in trustees upon such trusts for the benefit of the contributories as the liquidator thinks fit, but so that no Shareholder is compelled to accept any Shares or other securities in respect of which there is any liability.

(g) **Shareholder liability**

As the Shares to be issued on the conversion of the Convertible Note will be fully paid ordinary Shares, they will not be subject to any calls for money by the Directors and will therefore not become liable for forfeiture.

(h) **Alteration of constitution**

In accordance with the Corporations Act, the Company's constitution can only be amended by a special resolution passed by at least three quarters of Shareholders present and voting at the general meeting. In addition, at least 28 days' written notice specifying the intention to propose the resolution as a special resolution must be given.

## 6. COMPLIANCE WITH DISCLOSURE OBLIGATIONS

The Company is a disclosing entity under the Corporations Act and, as such, is subject to regular reporting and disclosure obligations under both the Corporations Act and the ASX Listing Rules.

These obligations require the Company to notify ASX of information about specific events and matters as they arise. In particular, the Company is obliged to continuously disclose to the market immediately any information which a reasonable person would expect to have a material effect on the price or the value of the Shares.

A list of the continuous disclosure notices given by the Company to ASX after lodgement of its last annual financial report (referred to below) and before the lodgement of this Cleansing Notice with ASX is set out in the table below:

Date	Announcement
16/12/2022	Delorean Corporation Update
30/11/2022	Results of AGM
30/11/2022	Managing Director's AGM Report 2022
30/11/2022	2022 AGM Presentation
31/10/2022	Investor Webinar Presentation
31/10/2022	September 2022 Quarterly Activities and Cash Flow Report
27/10/2022	Investor Webinar
26/10/2022	Notice of Annual General Meeting
26/10/2022	Proposed Issue of Securities – DEL
26/10/2022	Notice Under s708A
26/10/2022	Appendix 3G – Tranche 1 Convertible Note
26/10/2022	Clarification of Amended Appendix 3Bs
26/10/2022	Amended Appendix 3B – Tranche 2 Convertible Note
26/10/2022	Amended Appendix 3B – Tranche 1 Convertible Note
24/10/2022	Delorean Energy Retail Division Update
20/10/2022	Trading Halt
20/10/2022	Pause in Trading
20/10/2022	DEL Multi-Project Funding Partnership – Investor Update
19/10/2022	Proposed Issue of Securities - DEL
10/10/2022	Proposed Issue of Securities - DEL
19/10/2022	DEL Multi-Project Funding Partnership with Palisade Impact
03/10/2022	Update on Bioenergy Infrastructure Project Finance
03/10/2022	Appendix 4G
03/10/2022	Corporate Governance Statement

The Company is also required to prepare and lodge with ASIC yearly and half-yearly financial statements accompanied by a directors' statement and report, and an audit report or review. Copies of documents lodged with ASIC in relation to the Company may be obtained from, or inspected at, an ASIC office.

The Company will provide a copy of each of the following documents, free of charge, to any person on request:

- (a) the annual financial report most recently lodged by the Company with ASIC, being the financial report of the Company for the year ended 30 June 2022;
- (b) any half-year financial report lodged by the Company with ASIC after the lodgement of the annual financial report referred to above and before lodgement of this Cleansing Notice with ASX; and
- (c) any continuous disclosure notices given by the Company to ASX after the lodgement of the annual financial report referred to above and before the lodgement of this Cleansing Notice with ASX.

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## 7. INFORMATION EXCLUDED FROM CONTINUOUS DISCLOSURE NOTICES

As at the date of this Cleansing Notice, the Company advises that it has fully complied with its disclosure obligations under the ASX Listing Rules and the Corporations Act, and, in particular, there is no information which the Company has excluded from any of its continuous disclosure notices given in accordance with the ASX Listing Rules and the Corporations Act as at the date of this Cleansing Notice which it would be reasonable for investors and their professional advisors to require for the purpose of making an informed assessment of:

- (a) the assets and liabilities, financial position and performance, profits and losses and prospects of the Company; and
- (b) the rights and liabilities attaching to the Convertible Securities under the Facility and the Shares.

Authorised for release by the Board of Directors.

**Hamish Jolly**

Executive Chair

For more information, please contact:

**David McArthur – Company Secretary**

Email: [david.mcarthur@broadwaymgt.com.au](mailto:david.mcarthur@broadwaymgt.com.au)



**ANNEXURE A – PRO FORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION FOR THE COMPANY AS AT 30 November 2022**
**Delorean Corporation Balance Sheet**
**(as at 30 November 2022)**

Type	Category	Consolidated	Pro Forma Adjustment	Pro Forma
<b>Current Assets</b>	Cash and cash equivalents	2,825,050	2,600,000	5,425,050
	Trade and other receivables	4,047,150		4,047,150
	Contract assets	439,557		439,557
	Other current assets	642,439		642,439
	Interco balances	(4,975)		(4,975)
	Deferred Tax Assets	2,047,146		2,047,146
<b>Current Assets Total</b>		<b>9,996,367</b>	<b>2,600,000</b>	<b>12,596,367</b>
<b>Non-Current Assets</b>	Property, plant and equipment	4,941,885		4,941,885
	Right-of-use assets	2,332,992		2,332,992
	Intangible Assets	32,239		32,239
	Development Costs Capitalised	4,716,442		4,716,442
<b>Non-Current Assets Total</b>		<b>12,023,558</b>		<b>12,023,558</b>
<b>Current Liabilities</b>	Trade and other payables	(6,418,633)		(6,418,633)
	Provisions	(269,398)		(269,398)
	Borrowings - current	(1,322,993)		(1,322,993)
	Income tax payable	(229,411)		(229,411)
	Contract liabilities	(773,441)		(773,441)
	Current Lease Liabilities	(191,307)		(191,307)
<b>Current Liabilities Total</b>		<b>(9,205,183)</b>		<b>(9,205,183)</b>
<b>Non-Current Liabilities</b>	Lease liabilities	(2,087,158)		(2,087,158)
	Borrowings	(2,400,000)	(2,600,000)	(5,000,000)
<b>Non-Current Liabilities Total</b>		<b>(4,487,158)</b>	<b>(2,600,000)</b>	<b>(7,087,158)</b>
<b>Net Assets</b>		<b>8,327,584</b>		<b>8,327,584</b>
<b>Equity &amp; Reserves</b>	<b>Equity</b>	(20,492,993)		(20,492,993)
	<b>Reserves</b>	(1,552,570)		(1,552,570)
	<b>Retained Earnings</b>	10,014,471		10,014,471
	<b>Current Year Earnings</b>	3,703,508		3,703,508
<b>Equity &amp; Reserves Total</b>		<b>(8,327,584)</b>		<b>(8,327,584)</b>



**ANNEXURE B – SUMMARY OF CONVERTIBLE NOTE**

Defined terms in this annexure are as used in the Framework Deed unless otherwise defined in this Cleansing Notice.

<b>Face Value</b>	\$2,600,000.
<b>Issue of Convertible Note</b>	The Convertible Note will be issued on the date of this Cleansing Notice.
<b>Principal Outstanding</b>	The principal outstanding of the Convertible Note at any time is the Face Value of the Convertible Note together with accrued and capitalised interest.
<b>Interest</b>	Interest will accrue from day to day on the Principal Outstanding of the Convertible Note at a rate of interest of 12% per annum, where the interest is capitalised and added to the Principal Outstanding, from (and including) the date of issue to (but excluding) the earliest of the Maturity Date or the date that the Convertible Note is converted or redeemed. The Company must capitalise interest accrued in arrears (as the case may be) on each 31 January, 30 April, 31 July and 31 October each year during that period, with any accrued interest to be dealt with as part of the Principal Outstanding, on the Maturity Date, the conversion date or the date on which the Convertible Note is redeemed (as the case may be). On each interest payment date, the accrued interest will be capitalised and added to the then Principal Outstanding of the Convertible Note.
<b>Maturity Date</b>	26 April 2024, being the date that is 18 months from the date of issue of the First Convertible Note.
<b>Rights to attend meetings and no voting rights</b>	<p>Except as required by the Corporations Act, the Convertible Note will not carry a right to vote at meetings of the Company prior to any conversion of the Convertible Note into Shares.</p> <p>However, while the Convertible Note is outstanding, the Noteholder shall have the right to attend (but not speak) at any shareholder meeting.</p>
<b>Conversion by the Noteholder</b>	<p>The Noteholder may convert the Convertible Note at any time after the date of issue:</p> <p>(a) and prior to the date that Transaction Documentation Completion, but if that does not occur by the Project Commitment Sunset Date, the Maturity Date; or</p> <p>(b) if there is a Trigger Event under the Framework Deed (defined below).</p> <p>Upon conversion, the number of Shares to be issued to the Noteholder will be calculated on the following basis:</p> $\frac{\text{Principal Outstanding}}{\text{Conversion Price}}$ <p>Where the <b>Conversion Price</b> is \$0.1244 as adjusted for certain corporate actions of the Company during the term of the Convertible Note in accordance with customary adjustment provisions.</p> <p>If, upon conversion of the Convertible Note, the Noteholder would have had voting power in the Company of over 20%, then only that proportion of the Principal Outstanding will be converted so that</p>

	<p>Noteholder's shareholding in the Company is 19.9%. In respect of the balance of the Principal Outstanding, the Company may elect to seek shareholder approval to convert into Shares if it considers that it is in the best interests of the Company to convert the balance. Otherwise the balance of the Principal Outstanding must be redeemed for cash.</p>
<b>Conversion by the Company</b>	<p>The Company has no right to require the Noteholder to convert the Convertible Note.</p>
<b>Ranking on conversion</b>	<p>Shares issued on conversion of the Convertible Note will rank equally with the existing Shares on issue.</p>
<b>Trigger Events</b>	<p>The Company has agreed that if certain events (<b>Trigger Events</b>) occur, the Noteholder may by notice to the Company:</p> <ul style="list-style-type: none"> <li>(a) demand payment of the Principal Outstanding by way of a redemption of the Convertible Note, in which case the Company must repay the Noteholder the Face Value and any accrued and unpaid interest on the Convertible Note within 2 months of the date of such notice; or</li> <li>(b) elect to convert the Principal Outstanding under the Convertible Note into Shares.</li> </ul> <p>The Trigger Events are set out in the provisions of the Framework Deed, and include matters such as:</p> <ul style="list-style-type: none"> <li>(a) execution of certain documents required under the Framework Deed has not occurred by the Project Commitment Sunset Date;</li> <li>(b) failure by the Company to pay or repay an amount due under the Convertible Note or the Framework Deed;</li> <li>(c) a breach by the Company of material obligations, undertakings or a warranty under the Framework Deed (which, in certain circumstances, is subject to a cure period of 15 business days);</li> <li>(d) an insolvency event occurs in relation to the Company or any of its subsidiaries, which includes customary events such as appointment of a liquidator, administrator, receiver or controller;</li> <li>(e) the Company becomes liable in respect of a settlement, judgment, award, order or other decision of any court, quasi-judicial agency or Government agency which has a material adverse effect on the business which is not stayed, discharged, satisfied or appealed within 10 business days of being finally determined;</li> <li>(f) the Company ceases to be admitted to the official list of the ASX or its shares are suspended from trading for more than a total of 5 trading days in any 12 month period; or</li> <li>(g) a change of control of the Company, or a third party acquires an interest in 20% or more of the issued capital of the Company, or the cessation of employment of key directors.</li> </ul>
<b>Redemption at the election of the Company</b>	<p>If the Noteholder has not elected to convert the Convertible Note before the Transaction Documentation Completion or, if that does not occur, the Project Commitment Sunset Date, then the Company may redeem the Convertible Note at any time up to the Maturity Date.</p>
<b>Mandatory redemption</b>	<p>If the Convertible Note has not been converted or redeemed by the Maturity Date, the Company must redeem the Convertible Note.</p>
<b>Undertakings</b>	<p>The Company must comply with various customary undertakings prior to</p>

	the Maturity Date, including in relation to the conduct of its business, non-disposal of material assets, not making material changes to its constitution and compliance with laws.
<b>Board observer rights</b>	From the date of issue of the First Convertible Note, for so long as (i) the Convertible Note or the First Convertible Note remains outstanding; or (ii) until a Noteholder nominee is appointed to the Company's board; a representative nominated by the Noteholder shall have the right to receive notice of and attend all meetings of the Company's board as an observer.
<b>Security</b>	<p>The obligations of the Company under the First Convertible Note and this Convertible Note are secured by a general security deed over all of the assets of the Company and its subsidiaries. The general security deed was entered into on 26 October 2022.</p> <p>In the event that there is a failure by the Company to make a payment under the Convertible Note, or there is a material breach of the terms of the Convertible Note by the Company, which remains unremedied for 10 business days, then the Noteholder can enforce the security.</p>
<b>Rights on Maturity Date, Trigger Events or Redemption</b>	The Company has the express right to seek third party financing or equity investment following the (i) Maturity Date, (ii) receipt of a notice that the Noteholder is seeking to redeem the Convertible Note following a Trigger Event or (iii) the date on which its right to redeem the Convertible Note arises.
<b>Transferability</b>	The Convertible Note is not transferable without the prior written consent of the Company.
<b>Definitions</b>	<p>For the purposes of this Cleansing Notice:</p> <p><b>First Convertible Note</b> means the first convertible note issued by the Company to the Noteholder on 26 October 2022.</p> <p><b>Project Commitment Sunset Date</b> means a date that is no later than 6 months from the date that the Company notifies the Noteholder that it has provided certain requested due diligence information.</p> <p><b>Transaction Documentation Completion</b> means the date that certain documents required to be executed under the Framework Deed become unconditional.</p>