



ASX Announcement

31 July 2023

## CLEANTECH ENERGY COMPLETES PAYMENT IN FULL TO CLEAN ENERGY REGULATOR

On 13 June 2023, **Delorean Corporation Limited (ASX:DEL) ("Company")** previously updated that the Company remained in discussions with the Clean Energy Regulator ("CER") in relation to a Statutory Demand for payment of a debt received by the Company's wholly owned subsidiary CleanTech Energy Pty Ltd, as originally advised to the market on 29 May 2023.

The Company now advises that on 28 July 2023 it made a payment of \$2,211,900 (being debt owing plus accrued interest) to CER in full satisfaction of CleanTech Energy's debt due to the CER for refundable Large Scale Generation Certificate (LGC) shortfall charges relating to CleanTech Energy's legacy 2022 energy retail operations. The Company materially divested the customer base of this business in December 2022 and as a result will have no further liability for shortfall charges payable to the CER in relation to 2023.

With payment in full now made to CER on the outstanding shortfall charges for calendar year 2022, Cleantech Energy will be able to progressively unlock and access \$5.65m in cash held by the CER relating to refundable shortfall charges now held by CER for 2020, 2021 and 2022.

The shortfall charges are levied on market participants who elect not to surrender sufficient LGC's for each calendar year. These charges are refundable for a period of three years after payment if the participant surrenders LGC's at that later time. As LGC spot/forward prices are often below the shortfall charge, this provides an opportunity to unlock a portion of the refunded shortfall charge as free cash, net of the cost to acquire the LGC's for surrender. The Company estimates this strategy will generate circa \$1.745m in net free cash to CleanTech Energy between July 2023 and March 2025.

A summary of the mechanics of shortfall charge refunds is set out below:

	Refundable Shortfall Charge (Cash) Held by Clean Energy Regulator	Timing for Refund of Cash (on surrender of LGC's)	Estimated cost of LGC's Surrendered (from spot market or existing/future forward contracts)	Net Cash Inflow from Refund (before finance charges)
Shortfall Charge 2020	\$1,607,190	March 2024	\$1,390,838	\$216,353
Shortfall Charge 2021	\$1,936,090	March 2025	\$1,466,961	\$469,130
Shortfall Charge 2022	\$2,111,720	March 2025	\$1,052,534	\$1,059,186
Total	<b>\$5,655,000</b>			<b>\$1,744,668</b>

## CleanTech Energy Corporate Debt Facility – Roadnight Capital Pty Ltd

CleanTech Energy’s payment to the CER was supported by a corporate debt facility entered into between CleanTech Energy Pty Ltd (a wholly owned subsidiary of the Delorean Corporation Ltd) and Roadnight Capital Pty Ltd (“RNC”) (via RNC’s nominee funding entity).

The key terms of the agreement are as follows:

- Borrower: CleanTech Energy Pty Ltd
- Guarantor: Delorean Corporation Ltd
- Funding Limit: Up to \$3.4m (plus capitalised transaction costs, fees and interest), comprised of:
  - Tranche A: \$2,211,900 paid to CER in repayment of outstanding LGC shortfall charges for the calendar year 2022.
  - Tranche B: up to \$1,188,100 to fund the progressive purchase of LGC’s by CleanTech to be surrendered to CER to secure the release of circa \$1.745m in refundable shortfall charges held by CER.
- Establishment Fee and Interest Rate: Fair market commercial terms.
- Maturity Date: 24 Months from 27 July 2023
- Security: First ranking security over all present and acquired property of CleanTech Energy Pty Ltd.

RNC are not a related party of Delorean Corporation Limited, or any of its Directors. Established in 2014, RNC is an Australian based alternative asset management and capital solutions firm, founded to provide exceptional risk adjusted investment opportunities for investors and innovative capital solutions for businesses.

## Voluntary Suspension to be Lifted

With this payment now being made to the CER as a legacy of the Company’s now divested Energy Retail division, Delorean Corporation Ltd’s focus remains on the delivery of its core business in the development, construction and operation of bioenergy infrastructure in Australia through its Engineering and Infrastructure Divisions including:

- Construction of the \$53m Yarra Valley Water Lilydale project (YVW’s second bioenergy facility) for which the Company received Notice to Proceed on 21 June 2023 .
- Ongoing development of the NSW1 bioenergy project under an integrated multi-project MOU and Master Services Agreement with Brickworks Building Products Pty Ltd. Brickworks Building Products is a 100% owned subsidiary of Brickworks Limited (ASX:BKW, Market Cap \$3.91B)
- Completion of due diligence towards conditional Financial Investment Decision for the funding of the Company’s SA1 and VIC 1 projects under a multi-project agreement with impact investor Palisade Impact.
- Development of the Company’s QLD1 project the subject of a \$5m grant application currently under assessment by the QLD Government.

On this basis the Delorean Corporation Ltd Board will ask ASX to lift the current suspension in trading of the Company's securities effective immediately.



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

**For more information/interview please contact:**

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### **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 legacy 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.