



# Annual Report 2023

Delorean Corporation Limited  
ACN 638 111 127



# Our Annual Report

This annual report provides a summary of our activities and performance for the financial year ended 30 June 2023.

## Delorean Corporation

We are a leading bioenergy company in Australia, committed to sustainability and innovation. Our solutions are paving the way towards a greener future, reducing environmental burdens and powering a cleaner, more sustainable Australia.



## Our Vision

To be recognised as Australia and New Zealand's leading emerging renewable energy generator and retailer, led by its fast-growing bioenergy infrastructure footprint.

## Our Mission

To build, own and operate the largest portfolio of commercially successful renewable energy infrastructure in Australia and New Zealand, measured by value of developed assets and quantity of renewable electricity, heat and renewable gas produced.



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# Corporate Directory

## Directors

Mr Hamish Jolly  
Mr Joseph Oliver  
Mr David McArthur  
Mr Steve Gostlow

## Company Secretary

Mr David McArthur

## Contact Details

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+61 8 6147 7575

## Registered and Principal Office

Ground Floor  
1205 Hay Street  
WEST PERTH WA 6005

## Postal Address

Ground Floor  
1205 Hay Street  
WEST PERTH WA 6005

## Auditors

RSM Australia Partners Level 32,  
Exchange Tower 2 The Esplanade  
PERTH WA 6000

## Bank

Commonwealth Bank of Australia Level  
14B, 300 Murray Street Perth WA 6000

## Share Registry

Automic Group  
Level 2, 267 St Georges Terrace  
PERTH WA 6000

Telephone: 1300 288 664

## ASX Code

Shares: DEL

## Legal Form of Entity

Public Company

## Country of Incorporation and Domicile

Australia

## Corporate Governance Statement

[https://www.deloreancorporation.com.au/  
corporate-governance/](https://www.deloreancorporation.com.au/corporate-governance/)



# Delorean Corporation

## Building Tomorrow's Legacy

### 3

#### Award winning bioenergy projects completed:

- Jandakot Bioenergy Plant
- Blue Lake Milling Bioenergy Plant
- Ecogas Bioenergy Plant



Received a commendation award in the South Australian Premier's Awards: Energy and Mining (Environment) Category for the Blue Lake Milling bioenergy project.



In Q1 FY23 Delorean was named as a Top 5 Leader in the Australian Financial Review's inaugural Sustainability Awards 2022

**Delorean Corporation** is proud to pioneer the development of the bioenergy industry in Australia.

Delorean Corporation is the only ASX-listed company leading with bioenergy and commercial production of renewable gas in the form of biomethane.

We are a vertically integrated business operating in two of Australia's highest growth industries – renewable energy and waste management.





# Nurturing Sustainable Growth

## Investment Highlights

- ✓ **Unique and proven track record** of delivering award-winning, innovative and successful Australasian bioenergy projects.
- ✓ **Strong pipeline of bioenergy projects** under development to capitalise on the growth of Australian bioenergy market.
- ✓ **A leading force** in advancing Australia's bioenergy sector and providing unique solutions to address especially hard to abate sectors.
- ✓ **Strong ESG credentials** with TCFD and global ESG standards alignment, multiple ESG certifications, and formal sustainability reporting
- ✓ **Ideally positioned** to capitalise on the national drive towards zero organic waste to landfill and decarbonisation of energy.





# FY2023 at a Glance

In FY2023, Delorean Corporation made notable strides in various projects, demonstrating its commitment to sustainable solutions and solidifying its position as a frontrunner in the Australian bioenergy industry.

- Company has now successfully completed three major bioenergy infrastructure projects, with the Blue Lake Milling project (SA) and Ecogas (NZ) projects both reaching practical completion during the year.
- Now in build for \$53m Yarra Valley Water (YVW) bioenergy project in Lilydale, Victoria being YVW's second bioenergy facility.
- Brickworks/NSW1 project progressed from feasibility to development stage with lodgement of planning application and Environmental Impact Assessment in advanced stages.
- Orderly divestment and wind down of Energy Retail operations completed, de-risking exposure to wholesale energy market – with retail licenses retained to support DEL's own bioenergy infrastructure development and operations.
- New feasibility activities have commenced on a grain-waste feedstock project with a major Australian grain operator.
- Cash balance of \$1.0m as at 30 June 2023





## Chairman's Address



Delorean Corporation (**Delorean**) consolidated its position this year as Australia's bioenergy leader with the successful delivery now of three major bioenergy projects, despite a very difficult year for the entire Australian construction industry in terms of FY22/23 'black swan event' cost escalations, supply chain disruptions and delays in project startup.

The Company has emerged stronger and leaner now with the \$53m Yarra Valley Water project, our biggest project to date, fully under way in the post-COVID era with inflationary protections in place and a great partnership with Victoria's third biggest water utility to build YVW's second bioenergy facility.

We have refined, focused and de-risked the business with the strategic orderly divestment and wind down of Delorean's Energy Retail operations to eliminate cost-side exposure to escalating wholesale energy prices while the Company's Infrastructure Division instead benefits from upward pressure on energy prices to underpin revenues and infrastructure project viability and future returns.

The Energy Retail revenues are replaced by Engineering division construction contracts as that business continues to scale up.

In a second key partnership, Delorean is well advanced in the collaborative development of the NSW1 project with Brickworks Building Products. This is the first project in a multi-project Master Services Agreement, that is set to deliver 190,000 GJ per annum of renewable gas directly into Brickworks operations at Horsley Park in Sydney. With completion of the feasibility stage, the Company is well advanced in preparing submissions for planning and environmental approvals on this project, in readiness for FID and construction to start in 2024.

Between the fully-funded Yarra Valley Water and Brickworks projects (both of which are structurally cashflow positive), the Company currently has adequate working capital, resources and cashflow to support its normal operations without the foreseeable need for further capital injection.

With a 5-year track record of profitability prior to listing in 2022, the Company expects to return to profitability in FY2024.

Delorean's stated Vision to be recognised as Australia and New Zealand's leading emerging renewable energy generator and retailer, led by its fast-growing bioenergy infrastructure footprint.

The Company remains active in developing and arranging finance for its own pipeline of bioenergy projects. Beyond the NSW1 project with Brickworks, Delorean met all Agreed Due Diligence requirements relating to the SA1 project and VIC1 project under the proposed funding partnership with Palisade Impact. In August 2023, the parties agreed not to extend the exclusivity period to enable Delorean to secure an alternative funding partner to take the projects forward. Palisade Impact has confirmed it will assist Delorean to secure such alternative funding partner and Delorean is again active in securing investment in these two cornerstone projects.

Development of Delorean's QLD 1 project will also be more actively progressed into FY2024 with the Company awaiting the outcome of an application for a \$5m Queensland Government grant relating to this project.





More widely, following on from the successful completion of the Blue Lake Milling bioenergy project in South Australia this financial year, Delorean has entered into a new agreement with a major Australian grain business to commence studies underpinning the potential development of a bioenergy facility powered by grain-based feedstocks.

We look forward to a strong year in FY2024 and return to the growth and profitability that typified our business prior to listing. Delorean Corporation Ltd is well positioned for this. We now have three major projects under our belt and a track record for delivery that has been earned by tenacity and commitment but has come at some cost. We are through the significant turbulence of 2022/23 in the construction sector and embarking on our biggest construction project yet with margin protections in place. We have shed our downside exposure to the upward trending energy prices and our business is focused on developing and building bioenergy assets that harness this upward trend and the tailwinds associated with both organics and waste management sector and renewable energy.

Against this backdrop, there has never been more urgency or demand for renewable gas for which, in the current absence of a viable, cost-competitive hydrogen solution, there are only two main sources – landfill gas which is being actively curtailed by legislation diverting organics from landfill, and bioenergy in a form that Delorean is pioneering in the Australian market.

We are confident that Delorean will be a significant player in meeting this demand, to the benefit of our shareholders and the progressive decarbonisation of Australian industry.

I genuinely thank our dedicated team at Delorean and our shareholders for their support and patience through FY2023. We are excited at the opportunities afforded to the Company in FY2024 and we are committed to returning Delorean to profitability and growth.

Yours sincerely,

**Hamish Jolly**  
**Executive Chair**



# Directors' Report

The Directors' present their report together with the financial statements of Delorean Corporation Limited ("Delorean" or "the Company" or "DEL") and its subsidiaries ("the Consolidated Entity") for the financial year ended 30 June 2023 and the auditor's report thereon.

## Our Board

Delorean's Board comprises a balance of strong and committed executive leadership through its co-founders, Executive Chair Hamish Jolly and Managing Director Joe Oliver, matched with Steve Gostlow's deep experience and company growth track record in the Australian waste sector with Tox Free Solutions Ltd, and David McArthur's decades of experience in the complexities of ASX-listed businesses. The Board functions well with the Non-Executive Directors providing guidance on finance, performance management and M&A strategy. Together, the Directors hold 42.19% of DEL's issued capital and are motivated to guide the Company to meet its growth and profitability targets and realise the Company's vision.

## Strong Leadership



**Hamish Jolly**  
Executive Chair & Co-Founder

Hamish is a seasoned executive and holds a Bachelor of Business (Business Law and Accounting) and is a Member of the Institute of Chartered Accountants in Australia and New Zealand. He is a former Director of Strategy and Ventures at Bankwest, and former CEO of Greening Australia, one of Australia's largest environmental NGO's.



**Joe Oliver**  
Managing Director & Co-Founder

Joe has 15 years' experience in engineering, power generation and renewable energy across both Australasia and Europe. Prior to Delorean, Joe worked for Edina Ltd, specialising in power generation. Joe has been involved in developing the UK Anaerobic Digestion sector delivering over 10 facilities nationwide through both Farmgen Ltd and Monsal Ltd.



**Steve Gostlow**  
Non-Executive Director

Steve has over 20 years' experience in the waste management industry. He was Managing Director of Tox Free Solutions Ltd (Toxfree) for 16 years where he developed Toxfree into one of Australia's largest waste management companies. Steve has formal governance qualifications as a Graduate of the Australian Institute of Company Directors.



**David McArthur**  
Non-Executive Director & Company Secretary

David is a Chartered Accountant, with over 30 years' experience. David has sat on the board and been company secretary for a number of listed companies including Lodestar Minerals Ltd (ASX: LSR), Xstate Resources Ltd (ASX:XST) as well as Harvest Technology Ltd (ASX:HTC). Additionally, he was also chair of Audit and Risk Management Committee for all three.



## Directors' Report (continued)

### Operating and Financial Review

#### Principal Activities

Delorean is a leading builder and developer of bioenergy infrastructure and a retailer of electricity throughout Australia. The principal activities of the Consolidated Entity during the financial year were:

- Renewable energy asset investment
- Development
- Construction
- Tank and infrastructure fabrication
- Energy retail, focused on renewable energy

#### Overview

Delorean Corporation was established in 2013 as a pioneering bioenergy EPC provider in Australia and New Zealand. Delorean has successfully delivered 3 award-winning bioenergy projects (Jandakot WA, Blue Lake Milling SA, Ecogas NZ). As we continue to expand our impact in the renewable energy sector, we are now actively engaged in the construction of our fourth and most ambitious project to date, valued at approximately \$53m, for Yarra Valley Water.

The advancement of Delorean's development pipeline of infrastructure projects has led to Delorean transitioning into a 'develop, own and operate' business model, enabling us to take a more active role in our project's life cycles:

- **Infrastructure (core):** rollout of Delorean owned bioenergy projects through partnerships.
- **Engineering:** refocused to primarily support EPC and O&M of Delorean's own projects whilst selectively taking on third party work
- **Energy Retail** (now materially inactive – pending future ramp up in support of DEL's infrastructure projects): refocused as retailer of energy (electricity and gas) generated only from Delorean projects.

With a firm foothold in the renewable energy landscape and a strong dedication to driving positive change in the energy industry, Delorean Corporation is incredibly well placed to capitalise on the major and long-term structural change in gas demand. Our steadfast commitment to advancing sustainable solutions and expanding our portfolio exemplifies our purpose of shaping a cleaner future for Australia and New Zealand.

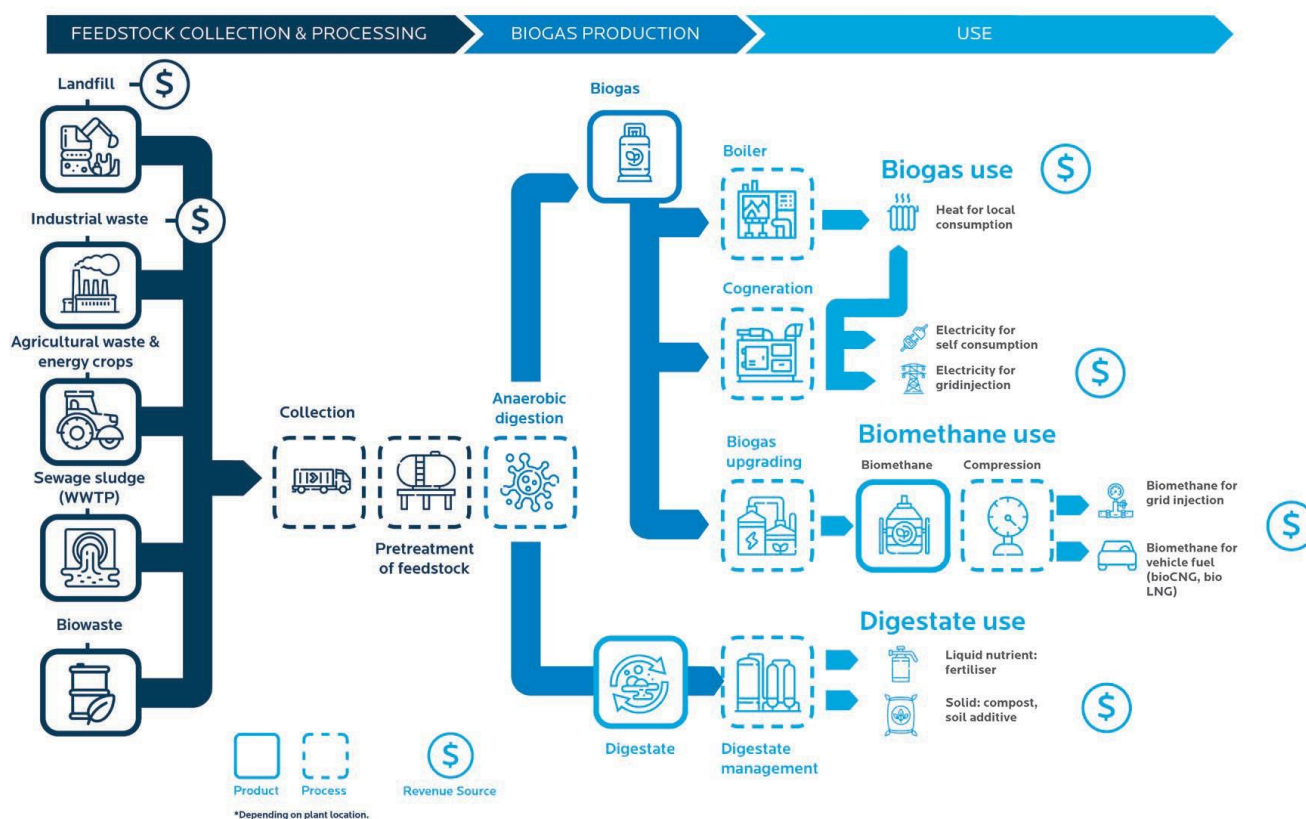




## Directors' Report (continued) Operating and Financial Review (continued)

### Bioenergy Plant Revenue Model

Bioenergy plants benefit from multiple revenue streams, deriving income from various sources such as waste acceptance and processing, as well as sale of renewable electricity, heat and gas. Furthermore, there are prospects for additional revenue streams in the future, including the sale of biofertiliser, CO<sub>2</sub>, and hydrogen. These opportunities contribute to the overall financial viability and sustainability of bioenergy operations.



### Organics Market Across Australia

Australia's waste policy places a strong emphasis on the recycling of organic waste. According to the National Waste Report 2022, approximately 48 million tonnes of organic waste is generated annually in Australia, which can be utilised for bioenergy. As part of the National Waste Policy Action Plan 2019, Australia aims to halve the amount of organic waste to landfill disposal by 2030 (Target 6 under the plan). This target is expected to heighten the urgency for local government authorities to divert organic waste to bioenergy.

Waste levies are a key driver underpinning each state government's waste and circular economy policy. The escalating landfill levies across the country are encouraging waste generators and feedstock suppliers to seek alternative waste disposal options. This significant trend is projected to further enhance Delorean's revenue from gate fees.



## Directors' Report (continued) Operating and Financial Review (continued)

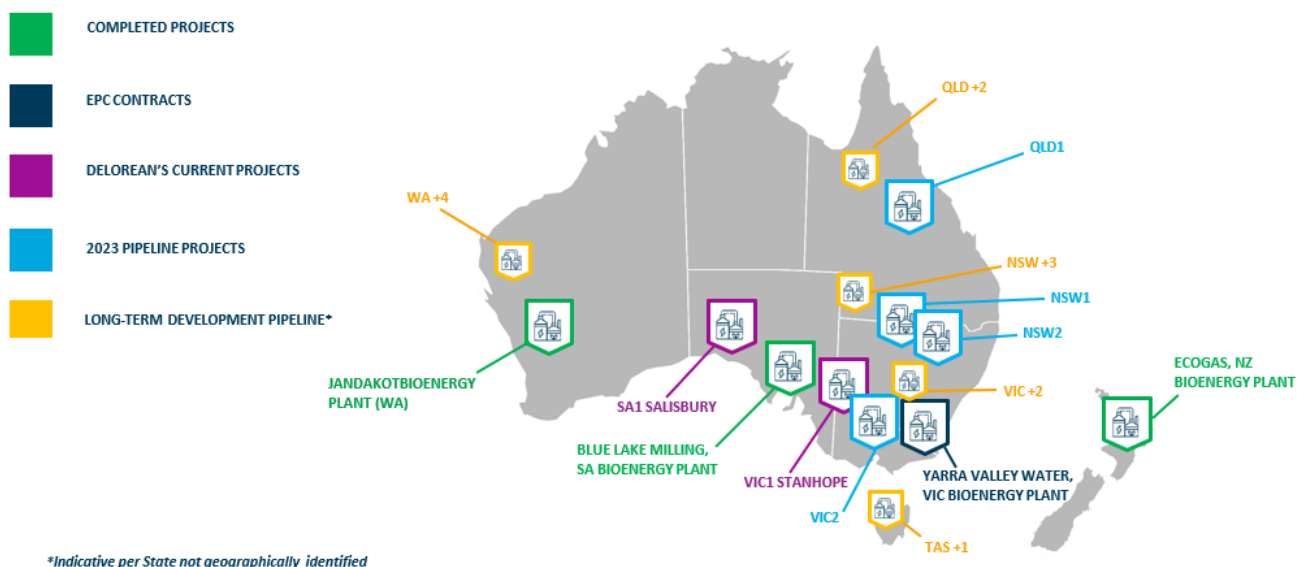
### Vertically Integrated Renewable Energy Business

Delorean is a vertically integrated business operating in the organic waste management sector and the renewable energy sector (particularly renewable gas). Both sectors have strong macro drivers for growth and are rapidly developing.

Within this structure, Delorean has the inhouse capability to deliver bioenergy projects across the full lifecycle, from project conception to commissioning and operation; processing organic waste and generating and monetising renewable electricity, heat and gas.



### EPC Projects progressing with DEL-owned Project Development and Build Pipeline





## Directors' Report (continued)

### Operating and Financial Review (continued)

#### Delorean Engineering Division

	FY23	1HY23	FY22	Change*
	\$	\$	\$	%
Revenue	3,138,787	2,719,992	3,563,459	-12%
Underlying EBITDA**	(2,946,509)	86,809	(2,225,770)	32%

- Incurred a net loss on Ecogas (NZ) and Blue Lake Milling (SA) projects from impacts of COVID, global materials and shipping cost uplift and access to site.
- Contracted for construction of Yarra Valley Water, \$53m value. Contract executed with key commercial terms to manage future escalations. Initial phase works completed profitably.

\*%Change in FY22 and FY23

\*\* Refer to page 26 for definition of Underlying EBITDA

#### Yarra Valley Water, VIC Bioenergy Plant

##### Project Background

*Location: Lilydale, Victoria - \$53M + \$6.5M contract value*

Delorean Corporation's Engineering Division was awarded the contract for the design, construction, operation, and maintenance of Yarra Valley Water's second food waste to energy plant at Lilydale, Victoria. This new facility will be one of the largest food waste to energy facilities of its kind in Victoria.

The total design and construction contract sum is \$53M. Additionally, the contract includes a two-year agreement for operations and maintenance (and an option for digestate management) by Delorean with a value of \$6.5M.

##### Project Update

Delorean Corporation's Engineering Division was awarded Notice to Proceed under its existing contract with Yarra Valley Water. Long lead item orders are being placed and site commencement is expected in late CY2023, subject to final regulatory and planning approval.



Image 1: Yarra Valley Water bioenergy plant render





## Directors' Report (continued)

### Operating and Financial Review (continued)

## Delorean Engineering Division (continued)

### Ecogas, NZ Bioenergy Plant

#### Project Background

*Location: Reparoa, New Zealand - \$10.1M contract value*

Delorean Corporation's Engineering Division was contracted for the design, turnkey build and commissioning of this bioenergy project in Reparoa, New Zealand. The completed project is taking food organics from Auckland City Council collections, with the energy produced supplying a major greenhouse operation. This bioenergy facility is New Zealand's first commercial scale anaerobic digestion plant.

#### Project Update

The bioenergy facility for Ecogas / Pioneer achieved Practical Completion in Q4 FY2023, with the plant successfully generating biogas. The project is operated by the client and is successfully producing green electricity and biofertiliser.



Image 2: Ecogas bioenergy facility



## Directors' Report (continued)

### Operating and Financial Review (continued)

## Delorean Engineering Division (continued)

### Blue Lake Milling, SA Bioenergy Plant

#### Project Background

*Location: Bordertown, South Australia - \$7.8M contract value*

Delorean Corporation's Engineering Division was contracted for the design, turnkey EPC and commissioning of this world-first grain milling operation bioenergy plant. The plant supplies renewable electricity, heat and biofertiliser from ground out milled feed.

#### Project Update

The AD facility for Blue Lake Milling achieved practical completion on 29 September 2022, and is powering Blue Lake Milling's site, with surplus electricity exported to the grid. The project is operated by the client and continues to produce green electricity and biofertiliser.

Delorean received a joint commendation award (with Blue Lake Milling) in the South Australian Premier's Awards: Energy and Mining (Environment) Category for the Blue Lake Milling bioenergy project.



Image 3: Blue Lake Milling bioenergy facility



## Directors' Report (continued)

### Operating and Financial Review (continued)

#### Delorean Infrastructure Division

	FY23	1HY23	FY22	Change*
	\$	\$	\$	%
Revenue	385,588	161,344	365,022	6%
Underlying EBITDA**	(104,371)	92	205,687	-151%

- Invested in project pipeline progressing SA1, VIC1 and QLD1 and other projects across Australia
- Invested in the project delivery and operations team across engineering, infrastructure and corporate
- Infrastructure projects on foot to align to institutional investors key objectives to subsequently meet FID requirements for direct investment

\*%Change in FY22 and FY23

\*\* Refer to page 26 for definition of Underlying EBITDA

#### Project Finance

From October 2022, Delorean and Palisade Impact were actively focused on completing the workstreams necessary for Palisade Impact's due diligence on the SA1 and VIC1 projects under a structured plan and process.

During this time, Delorean was subject to certain exclusivity and conduct of business restrictions which were due to lift on 17 August 2023. The parties have agreed not to extend the exclusivity period to enable Delorean to secure an alternative funding partner to take the projects forward. Palisade Impact has confirmed it will assist Delorean to secure such alternative funding partner.

The due diligence process with Palisade Impact enabled meaningful progression and proving up of the commercial proposition of both SA1 and VIC1 to ready each project.

Delorean intends to actively connect with a shortlist of potential investors with whom the Company was unable to engage during Palisade Impact's exclusivity period, with the objective of securing an alternative investment partner for the SA1 and VIC 1 projects.

#### VIC1 Stanhope Bioenergy Plant

##### Project Background

*Location: Stanhope, Victoria*

In stage one, this facility will process 54,000TPA of organic waste. It will generate 15,400 MWh per annum of green electricity and contribute to emissions reduction of 69,400tCO<sub>2</sub>e/annum. ***This is equivalent to powering 3,850 homes with green energy every year.***

##### Project Update

During FY2023, Delorean's Infrastructure Division has been actively advancing the project. The VIC1 project has successfully obtained all the necessary approvals. The Powercor electricity grid technical report has been completed, and higher volumes of feedstock have been identified, surpassing the planned capacity of the facility. Initial construction works have commenced.

The project is currently shovel ready for full construction pending project finance.





## Directors' Report (continued)

### Operating and Financial Review (continued)

## Delorean Infrastructure Division (continued)

### SA1 Salisbury Bioenergy Plant

#### Project Background

*Location: Salisbury, South Australia*

This project will be one of Australia's first to create green gas to mains utilising organic waste.

In Stage 1 it will process 70,000TPA of organic waste, generating 200 TJs of biomethane per annum. This will contribute to 92,200 tonnes/annum emissions reduction, ***the equivalent of powering 5,120 homes with green energy per year.***

#### Project Update

Delorean's Infrastructure Division has achieved significant milestones. The Project has successfully obtained all the necessary approvals, ensuring a smooth path for its development. The SAPN electricity grid technical report has been completed, and higher volumes of feedstock have been identified, surpassing the planned capacity of the facility.

The project is currently shovel ready for full construction pending project finance.

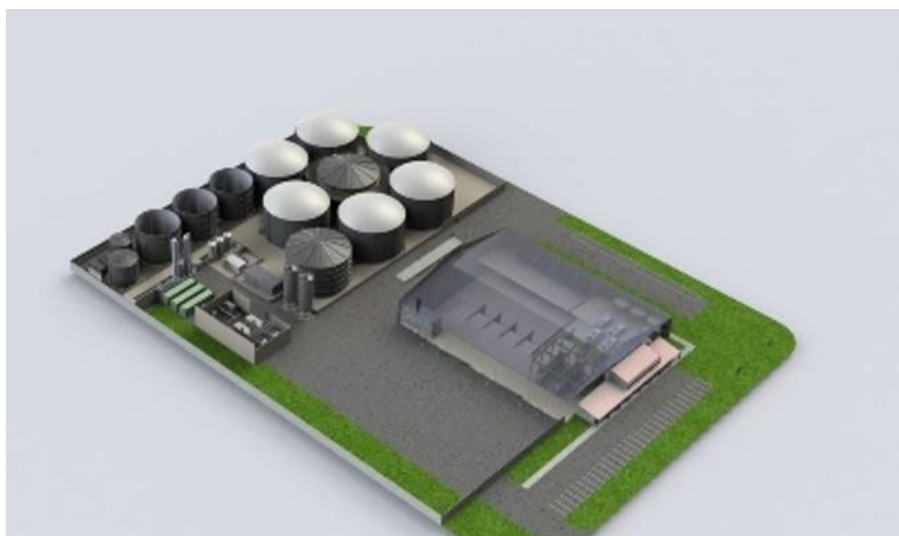


Image 4: SA1 Salisbury Bioenergy Plant Render



## Directors' Report (continued)

### Operating and Financial Review (continued)

#### Delorean Infrastructure Division (continued)

##### Brickworks

###### Project Background

Brickworks Building Products (ASX: BKW) and Delorean have signed a landmark collaboration agreement to build and operate bioenergy facilities that will be co-located at Brickworks' brick manufacturing sites. The completed facilities will convert organic waste to green gas and electricity for use in Brickworks' operations.

The collaboration has commenced with Brickworks' NSW brick manufacturing sites, and if successful there is the potential for the model to be rolled out on a national basis.

###### Project Update

In Q4 FY2023, Brickworks Building Products and Delorean continued to progress the Development Stage of the NSW1 project under a Master Services Agreement (MSA).

Following approval to progress to submission of planning and development approvals, the Company has been active in preparing documentation for full planning/development approval. Progress on the development application activities has been in line with expectations and the development work remains materially on track.



Image 5: NSW1 Bioenergy Plant Render



## Directors' Report (continued)

### Operating and Financial Review (continued)

#### QLD1 Bioenergy Plant

##### Project Background

At full capacity, this site will process approximately 130,000TPA of organic waste with the primary energy output being either biomethane or green electricity. The facility is likely to be developed with a staged approach, with Stage 1 seeing 70,000 tonnes per annum of waste accepted. ***This is equivalent to powering 9,000 homes with green energy every year (based on full capacity).***

##### Project Update

The Company is currently preparing to progress the project from feasibility stage to development approval. The project is expected to be FID-ready early in CY2024. DEL is awaiting the outcome of a \$5m grant application from the Queensland Government to support the construction of this project.

#### Energy Retail FY 2023 Report

	FY23	1HY23	FY22	Change*
	\$	\$		%
Revenue	15,730,421	15,398,683	35,398,813	-56%
Underlying EBITDA**	383,876	(213,648)	1,222,692	-69%

- Returned a profit from operations retailing energy and managing forward contracts for LGC's

\*%Change in FY22 and FY23

\*\* Refer to page 26 for definition of Underlying EBITDA

#### Overview

In October 2022, after a review of its activities, Delorean elected to confine its energy retail operations to the monetisation of energy exclusively from its own bioenergy projects (either constructed for third parties or owned by Delorean), as those projects continue to come online.

During 2H FY2023, consistent with strategy, Delorean divested its last two remaining electricity retail customers, pending a scale up of its retail operations as Delorean's Infrastructure assets come onstream.

The Energy Retail division also successfully resolved a residual payment due to the Clean Energy Regulator relating to its legacy business from 2022.

## Directors' Report (continued)

### Operating and Financial Review (continued)

#### ESG Strategy

From its early beginnings, Delorean Corporation was founded on key Environment, Social and Governance (ESG) principles. Pioneering Australia's diversion of organics from landfill and delivering renewable gas, electricity and heat means that Delorean directly delivers on climate action and the clean energy transition. Delorean's business is, at its core, truly green.

In Q1 FY2023, Delorean published its Environment, Social and Governance framework, its inaugural ESG Report 2022 and signed up to the UN Global Compact (UNGC).

The inaugural ESG report articulates Delorean's impact framework and prioritises Delorean's sustainability goals and focus areas. It articulates how Delorean proposes to achieve its ESG aspirations and how the Company plans to measure progress.

The report also includes formal alignment to the Task Force on Climate Related Financial Disclosures (TCFD) and our first Communication on Progress report to the UNGC.

Based on our purpose of "Shaping a cleaner future", our impact framework is centered on our contribution to the **United Nations Sustainable Development Goals**.



We focus our efforts on **six key pillars** that are relevant to our business and our stakeholders where we believe we can have the most impact.

- ✓ Climate & Emissions
- ✓ Circularity & Waste
- ✓ Local Communities
- ✓ Health, Safety & Wellbeing
- ✓ Economic Contribution
- ✓ Business Ethics & Code of Conduct





## Directors' Report (continued)

### Operating and financial review (continued)

#### Planned Activity in FY2024

The primary focus of the Company in FY2024 is to ensure a return to profitability for the financial year, through construction of the Yarra Valley Water project and diligent and timely progression of the NSW1 project development with Brickworks towards development and planning approvals, FID and commencement of construction.

The Board has carefully considered the potential risks for the projects and put in place strategies to limit and/or eliminate the downside effects for the Company, while leveraging opportunities that arise to deliver a superior outcome. For Yarra Valley Water, this includes working hand in hand with the client and maintaining open lines of communication to ensure all deliverables are achieved on time and on budget, as well as key milestones achieved (such as upcoming receipt of site possession).

In addition, with the support of Palisade Impact, Delorean is expecting to engage with potential investors to secure project finance for the SA1 and VIC1 projects, so as to also move those projects into construction. The risk associated with the potential redemption of the convertible note – which has been used to fund these projects to date – is planned to be resolved via the project funding for completion of these projects, which should settle the historical convertible note debt in full.

The Company will also progress the development of its QLD1 project to continue the growth of its build/own/operate bioenergy infrastructure pipeline and maintain a solid platform for its ongoing construction revenues.

The Company is driven to providing economic and viable energy solutions that also address the waste crisis, ensuring Delorean will maintain its commitment to the fundamental ESG principles that inspired the inception of the business.



## Directors' Report (continued)

### Operating and Financial Review (continued)

#### Information on directors

Name and independence status	Experience, qualifications, special responsibilities, and other directorships
<p><b>Hamish Jolly</b> Executive Chairman</p> <p><b>Appointed: 17 December 2019</b></p> <p><b>Interest in securities</b> Shares: 44,926,470 Performance rights: 6,835,857</p>	<p>Hamish Jolly is a Co-Founder of the Delorean Corporation group of companies and in that role has jointly led the Company from start-up through ASX-listing and to date.</p> <p>Hamish is a seasoned senior executive and board member with extensive public and private sector experience, including investment development, finance and innovation, renewable energy, and technology commercialisation. He is experienced in large scale strategic program and venture development.</p> <p>Hamish has formal governance qualifications as a member of the Australian Institute of Company Directors. He is a former Non-Executive Director of ASX listed entity Harvest Technology Group (<b>ASX:HTG</b>).</p> <p>With a Business degree (Business Law and Accounting double major), he is a Member of the Institute of Chartered Accountants in Australia and New Zealand.</p> <p>Hamish has previously served as Director of Strategy and Ventures (including M&amp;A) at Bankwest.</p> <p>In 2006, Hamish was awarded in the WA Business News 40 Under 40, recognising the top 40 business leaders under 40 years of age.</p>
<p><b>Joseph Oliver</b> Managing Director</p> <p><b>Appointed: 17 December 2019</b></p> <p><b>Interest in securities</b> Shares: 44,926,470 Performance rights: 6,835,857</p>	<p>Joe Oliver is a co-founder of the Delorean Corporation group of companies and in that role has jointly led the Company from start-up through ASX-listing and to date.</p> <p>Joe has an extensive background in engineering and renewable energy and the development, design, construction, commissioning, and operation of renewable energy infrastructure, and particularly in the bioenergy sector (over 15 years). Joe has a Higher National Diploma Conversion in Electrical and Electronic Engineering.</p> <p>Joe's Board role and executive management experience includes:</p> <ul style="list-style-type: none"><li>(i) Management and business management of infrastructure development company specialising in bioenergy plants using mature-technology anaerobic digestion systems.</li><li>(ii) Technical management of infrastructure projects and business management and operation of leading Australia Anaerobic Digestion (AD) Technology Provider, specialising in Design, Construction, Operating and Managing of AD plants across Australia.</li></ul>



## Directors' Report (continued)

### Operating and Financial Review (continued)

#### Information on directors

Name and independence status	Experience, qualifications, special responsibilities, and other directorships
	<p>(iii) Business management and operation of an AEMO-registered Australia energy retailer actively operating in Western Australia Energy Market and with licenses to operate in the National Energy Market.</p> <p>(iv) Business management and operation of tank manufacture and plant infrastructure fabrication operations.</p> <p>Prior to moving to Australia to join Biogas Renewables, Joe held Project Management and Engineering roles with Farmgen Ltd, UK's leading on-farm anaerobic digestion company specialising in developing, managing, and operating AD plants, and Monsal, a leading renewable process and technology provider specialising in AD and wastewater treatment industry.</p>
<p><b>David McArthur</b>  <b>Non-Executive Director</b>  <b>Company Secretary</b></p> <p><b>Appointed: 2 December 2020</b></p> <p><i>Interest in securities</i>  <b>Shares: 476,470</b>  <b>Options: 250,000</b></p>	<p>David is a Chartered Accountant, with over 30 years' experience in the accounting profession. David has worked for a major international accounting firm, as well as been actively involved in the financial and corporate management of numerous public listed companies, including roles as a director and company secretary of ASX listed entities.</p> <p>David is currently a Non-Executive Director of Lodestar Minerals Limited. In the last 3 years, David has held roles as a Non-Executive Director of Sacgasco Limited until 1 June 2021 and Xstate Resources Limited until 7 June 2022. David is chair of the Audit Risk Committee and a member of the Remuneration and Nomination Committee.</p> <p>David was appointed to the position of Company Secretary on 2 December 2020. David has over 30 years' experience in the corporate management of publicly listed companies.</p>
<p><b>Steve Gostlow</b>  <b>Non-Executive Director</b></p> <p><b>Appointed: 3 February 2021</b></p> <p><i>Interest in securities</i>  <b>Shares: 676,470</b>  <b>Options: 6,000,000</b></p>	<p>Steve has over 20 years' experience in the waste management industry, of which, 16 years was spent as Managing Director of Tox Free Solutions Ltd (<b>Toxfree</b>) with overall responsibility for operations and strategic growth. During this time, he developed Toxfree into one of Australia's largest waste management companies.</p> <p>Steve has formal governance qualifications as a Graduate of the Australian Institute of Company Directors as well as significant expertise in waste treatment, waste treatment technologies and regulatory compliance. Steve has also worked as an Environmental Scientist in the mining sector as well as the State Government of Western Australia. Steve is chair of the Remuneration and Nomination Committee and a member of the Audit and Risk Committee.</p>



## Directors' Report (continued)

### Operating and financial review (continued)

#### Directors' meetings

The number of meetings of the Company's Board of Directors held during the year ended 30 June 2023, and the number of meetings attended by each director were:

Director	Full meetings of Directors		Meeting of Audit and Risk Management Committee		Meeting of Remuneration and Nomination Committee	
	Meetings attended	Meetings held whilst Director	Meetings attended	Meetings held whilst Director	Meetings attended	Meetings held whilst Director
Hamish Jolly	12	12	2	2	0	0
Joe Oliver	12	12	2	2	0	0
David McArthur	12	12	2	2	0	0
Steve Gostlow	12	12	2	2	0	0

### Financial results and conditions

The net loss for the financial year ended 30 June 2023 after income tax was \$10,018,805 (2022: \$10,888,011 loss) with an underlying EBITDA loss of \$5,508,793 (2022: \$1,740,081 loss) as summarised in the below table. The Consolidated Entity has net cash outflows of \$2,120,202 (2022: \$9,941,985).





## Directors' Report (continued)

### Operating and financial review (continued)

#### Financial results and conditions (continued)

##### Summary of results

EBITDA is a financial measure which is not prescribed by Australian Accounting Standards.

Underlying EBITDA is defined as earnings before interest, taxes, depreciation and amortisation adjusted to eliminate one-off gains or losses that are unlikely to reoccur and are not part of the Consolidated Entity's day to day business operations.

	2023	2022
	\$	\$
<b>Actual Underlying EBITDA</b>	<b>(5,508,793)</b>	<b>(1,740,081)</b>
EBITDA Adjustments:		
Costs of the IPO offer <sup>(1)</sup>	-	(120,000)
Share-based payments <sup>(2)</sup>	(394,357)	(394,359)
LGC Shortfall Strategy <sup>(3)</sup>	(910,538)	(1,471,299)
Ecogas project <sup>(4)</sup>	(224,195)	(1,256,999)
Ecogas project COVID impact <sup>(5)</sup>	(1,657,115)	(2,990,000)
BLM project COVID impact <sup>(6)</sup>	-	(494,000)
BLM project income <sup>(7)</sup>	-	(350,012)
YVW project <sup>(8)</sup>	-	(68,091)
Allowance for liquidated damages <sup>(9)</sup>	-	(773,441)
Capital raise costs expensed <sup>(10)</sup>	-	(11,313)
Project earth costs <sup>(11)</sup>	(328,179)	(221,027)
Infrastructure costs to be recouped <sup>(12)</sup>	(42,571)	(60,283)
<b>EBITDA</b>	<b>(9,065,748)</b>	<b>(9,950,905)</b>
EBITDA add backs:		
Interest & financing costs	(610,215)	(260,717)
Interest income	7,985	770
Income tax expense	37,650	(115,044)
Depreciation and amortisation	(388,477)	(562,115)
<b>Loss after income tax expense:</b>	<b>(10,018,805)</b>	<b>(10,888,011)</b>

There were several timing adjustments made to the statutory accounts which have been adjusted when calculating Underlying EBITDA.

(1) Costs related to DEL's April 2021 IPO that are not reoccurring or ongoing.

(2) Non-cash share-based payments as detailed in the Company's Prospectus.



## Directors' Report (continued)

### Operating and financial review (continued)

#### Financial results and conditions (continued)

##### Summary of results (continued)

(3) This amount to be returned in full as other income in FY24 until such time as the contracts are settled and upon satisfaction of the refund clause and relates to optimising returns against Delorean's Large-scale Generation Certificates ("LGC") commitment but recorded as an expense in the Income Statement.

(4) Difference in expected progress compared to actual progress on the Ecogas project for the financial year and represents a timing delay. These costs have not yet been imposed by the Consolidated Entity's vendors and subcontractors.

(5) The Ecogas project schedule has been impacted by unforeseen COVID-19 restrictions meaning a delay in anticipated revenue. There has been a permanent cost impact that is non-recurring. The Company has undertaken measures to mitigate the impacts of events which have caused permanent differences including recruitment of project-related personnel that are local to project sites.

(6) The BLM project schedule has been impacted by unforeseen COVID-19 restrictions meaning a delay in anticipated revenue. There has been a permanent cost impact that is non-recurring. The Company has undertaken measures to mitigate the impacts of events which have caused permanent differences including recruitment of project-related personnel that are local to project sites. Equipment is being pre-ordered in anticipation of international shipping delays and to protect against escalating freight costs due to COVID-19.

(7) This project income relates to works performed during the financial year, but the claim and subsequent invoicing is still to be completed. This results to additional time and materials relating to completing the BLM project, in line with extensions of time granted by the Client.

(8) Difference in expected progress compared to actual progress on the Yarra Valley Water project for the financial year and represents a timing delay. These costs have not yet been imposed by the Consolidated Entity's vendors and subcontractors.

(9) This amount represents a provision for potential liquidated damages (LD) relating to an EPC contract on foot. The contract parties are in without prejudice discussions regarding reaching practical completion of the contract, and contributory factors attributed to delays which include COVID impacts, feedstock composition and other factors. Both parties recognise the unique nature of this project being a global first and complexities around processing the feedstock and ramping up the biology to process. The Company expects to mediate a solution and expects some or all of this amount to be written back upon contract completions.

(10) Capital raise costs expensed resulting from the Placement and SPP during the financial year.

(11) Project earth costs relate to the costs incurred pursuant to the Planum Partners infrastructure finance deal.

(12) Infrastructure costs to be recouped once the infrastructure financing is closed out and the entity structure under this deal is effected

The Company remains acutely aware of the current economic climate and continues to assess potential cost-reduction measures across the business.



## **Directors' Report (continued)**

### **Operating and financial review (continued)**

#### **Financial results and conditions (continued)**

#### **Significant changes in the state of affairs**

Other than as detailed in this report, there were no significant changes in the state of affairs of the Consolidated Entity during the financial year.

#### **Dividends**

In respect of the financial year ended 30 June 2023, no dividend has been declared (2022: \$nil).

#### **Likely Developments**

There are no likely developments to the Consolidated Entity's operations other than those described in the Operating and Financial Review section of the Directors' Report.

#### **Events Subsequent to Reporting Date**

On 28 July 2023, the company made a payment of \$2,211,900 (being debt owing plus accrued interest) to Clean Energy Regulator ("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.

CleanTech Energy's payment to CER was supported by a corporate debt facility entered into between CleanTech Energy Pty Ltd and Roadnight Capital Pty Ltd ("RNC"). The facility has a funding limit of \$3,400,000 and is repayable in 24 months from 27<sup>th</sup> July 2023.

From October 2022, Delorean and Palisade Impact have been actively focused on completing the workstreams necessary for Palisade Impact's due diligence on the SA1 and VIC1 projects under a structured plan and process. During this time, Delorean was subject to certain exclusivity and conduct of business restrictions which were due to lift on 17th August 2023. In August 2023, the parties agreed not to extend the exclusivity period to enable Delorean to secure an alternative funding partner to take the projects forward. Palisade Impact has confirmed it will assist Delorean to secure such alternative funding partner.

Other than the above, there has been no other matter or circumstance that has arisen since the end of the financial year that has significantly affected, or may significantly affect, the operations of the consolidated entity, the results of those operations, or the state of affairs of the Consolidated Entity.

#### **Environmental Regulation**

Waste management activities are subject to significant environmental and other regulation. Key legislation that the Consolidated Entity is required to comply with includes legislation relating to the environment and the protection of the environment.



## Directors' Report (continued)

### Share Options

#### Unissued shares under options

At the date of this report unissued ordinary shares of the Company under option are:

Expiry date	Exercise price (cents)	Number of options
31-03-25	20	6,250,000
12-04-25	25	14,000,000
30-11-26	14	1,500,000

All unissued shares are ordinary shares of the Company. These options do not entitle the holder to participate in any share issue of the Company. Further details in relation to the share-based payments to directors are included in the Remuneration Report.

#### Shares issued on exercise of options

During the financial year, no shares were issued as a result of the exercise of options. Since the end of the financial year, no options have been converted.

### Indemnification and Insurance of Officers

During the financial year, the Company paid an insurance premium to insure the Directors and Key Management Personnel of the Company. Details of the amount of the premium paid in respect of insurance policies are not disclosed as such disclosure is prohibited under the terms of the contract. The coverage commenced 30 April 2023.

The liabilities insured are legal costs that may be incurred in defending civil or criminal proceedings that may be brought against the officers in their capacity as officers of the Company, and any other payments arising from liabilities incurred by the officers in connection with such proceedings. This does not include such liabilities that arise from conduct involving a willful breach of duty by the officers or the improper use by the officers of their position or of information to gain advantage for themselves or someone else or to cause detriment to the Company. It is not possible to apportion the premium between amounts relating to the insurance against legal costs and those relating to other liabilities.

The Company has agreed to indemnify each of the Directors and the Company Secretary of the Company and its subsidiaries, against all liabilities to another person (other than the Company or a related body corporate) that may arise from their position as Directors and Company Secretary of the Company and its subsidiaries, except where the liability arises out of conduct involving a lack of good faith. The agreement stipulates that the Company will meet the full amount of any such liabilities, including costs and expenses.





## Directors' Report (continued)

### Indemnification and Insurance of Auditor

The Company has not, during or since the end of the financial year, indemnified or agreed to indemnify the auditor of the Company or any related entity against a liability incurred by the auditor.

During the financial year, the Company has not paid a premium in respect of a contract to insure the auditor of the Company or any related entity.

### Non-Audit Services

The Company may decide to employ the auditor on assignments additional to their statutory audit duties where the auditor's expertise and experience with the Company are important.

The Board has considered the non-audit services provided during the year by the auditor and is satisfied that the provision of these non-audit services during the year by the auditor is compatible with, and did not compromise, the auditor independence requirements of the Corporations Act 2001 for the following reasons:

- all non-audit services were subject to the corporate governance procedures adopted by the Company; and
- the non-audit services provided do not undermine the general principles relating to auditor independence as set out in APES 110 Code of Ethics for Professional Accountants, as they did not involve reviewing or auditing the auditor's own work, acting in a management or decision-making capacity for the Company, acting as an advocate for the Company or jointly sharing risks and rewards.

Details of the amounts paid or payable to the auditor for non-audit services provided during the financial year by the auditor are outlined in note 32 to the financial statements.

### Proceedings on Behalf of the Company

No person has applied to the Court under section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the Company, or to intervene in any proceedings to which the Company is a party, for the purpose of taking responsibility on behalf of the Company for all or part of those proceedings.



## Directors' Report (continued)

### Remuneration Report - Audited

The Directors present the Consolidated Entity's 2023 Remuneration Report prepared in accordance with the Corporations Act 2001 and its regulations. The Report sets out the detailed remuneration information for Non-Executive Directors, Executive Directors and other Key Management Personnel (**KMP**) of the Consolidated Entity.

The report contains the following sections:

- (a) Remuneration governance
- (b) Remuneration consultants
- (c) Executive remuneration strategy and framework
- (d) Board and management changes
- (e) Service contracts
- (f) Non-executive director remuneration
- (g) Key management personnel remuneration
- (h) Analysis of bonuses included in remuneration
- (i) Other KMP disclosures

#### (a) Remuneration governance

The remuneration of Directors and KMP is the responsibility of the Remuneration and Nomination Committee.

#### (b) Remuneration consultants

Future People Strategies was engaged to conduct a review of remuneration against industry benchmarks during the prior year, with their work continuing into this year. The scope of works extended to the Chief Operating Officer but not members of the Board.

#### (c) Executive remuneration strategy and framework

Remuneration is referred to as compensation throughout this report.

Compensation levels for KMP of the Company are set to attract, retain and motivate appropriately qualified and experienced Directors and Executives.



## Directors' Report (continued)

### Remuneration Report – Audited (continued)

#### (c) Executive remuneration strategy and framework (continued)

As the Company's principal activities during the year were renewable energy asset investment, development, construction, tank and infrastructure fabrication and the retail of energy (focused on renewables), measurement of remuneration policies against financial performance is considered relevant. The measurement of remuneration policies considers a range of factors including budget performance, delivery of results and timely completion of development programmes.

The objective of the Company's reward framework is to ensure that remuneration policies and structures are fair and competitive. The Board ensures that remuneration satisfies the following criteria for reward:

- competitiveness and reasonableness;
- transparency;
- attracts and retains high calibre executives; and
- rewards capability and experience.

#### **Executive remuneration mix**

The remuneration of the Executive Directors and other KMP is structured as a mix of fixed remuneration and variable "at risk" remuneration through short-term and long-term incentive components.

#### **Fixed compensation**

Fixed compensation consists of base compensation plus employer contributions to superannuation funds (unless otherwise stated). Compensation levels are reviewed annually by the Board through a process that considers individual and overall performance of the Consolidated Entity and compares compensation to ensure it is comparable and competitive within the market in which the Consolidated Entity operates.

Fixed compensation is not "at risk" but is appropriately benchmarked and set with reference to role, responsibilities, skills, and experience.

#### **Performance-linked compensation**

Performance-linked compensation can consist of both short-term and longer-term remuneration.

#### **Long-term incentive**

Long-term incentives (LTI) can comprise share options and/or performance rights (PR), which are granted from time to time to encourage sustained performance in the realisation of strategic outcomes and growth in shareholder value.



## Directors' Report (continued)

### Remuneration Report – Audited (continued)

#### (c) Executive remuneration strategy and framework (continued)

##### Consequences of performance on shareholder wealth

The overall level of KMP compensation takes into account the performance of the Company over a number of years.

The below table sets out Delorean's financial performance in respect of the current financial year and the previous three financial years in respect of key financial metrics:

Shareholder returns	2023	2022	2021	2020
Total Comprehensive (Loss) / Profit for year (\$)	(10,219,216)	(10,696,390)	(3,209,145)	2,598,902
Basic EPS (cents)	(4.64)	(5.83)	(3.75)	2.85
Share price at year end (cents)	3.2	8.7	21	N/A*
Market capitalisation (\$)	6,903,069	18,767,720	37,606,439	N/A*
Net tangible assets (\$)	95,578	9,077,067	14,361,778	4,029,425
NTA Backing (cents)	0.04	4	8	39,015**

\* Share price not available prior to the Company listed on the ASX in April 2021

\*\* Low number of ordinary shares due to the Company being a private company prior to 11 January 2021.

#### (d) Board and management changes

There have been no changes since the last reporting date and up to the date that the financial report was authorised for issue.



## Directors' Report (continued)

### Remuneration Report – Audited (continued)

#### (e) Service contracts

On appointment to the Board, all Non-Executive Directors enter into a letter of appointment with the Company specifying their functions and duties as a director.

Executive remuneration and other terms of contractual employment are formalised in service agreements. The service agreements outline the components of compensation paid to Executives and KMP but do not prescribe how compensation levels are modified year by year. Compensation levels are reviewed each year to take into account cost of living changes, any change in the scope of the role performed by KMP and any changes required to meet the principles of the compensation policy. The major provisions of the agreement relating to remuneration are set out below.

Name	Term of agreement	Employee notice period	Employer notice period	Remuneration <sup>(i)</sup>	Termination Benefit <sup>(ii)</sup>
Joe Oliver	Ongoing from 01/11/2020	3 months	12 months	\$338,875	\$303,875
Hamish Jolly	Ongoing from 01/11/2020	3 months	12 months	\$338,875	\$303,875
Martin Lodge	Ongoing from 25/10/2021	3 months	1 month	\$254,150	\$21,179

(i) Remuneration noted is inclusive of superannuation and allowances and quoted for the year ended 30 June 2023;

(ii) Termination benefits are payable upon early termination by the Company, other than for gross misconduct. They are equal to remuneration for the notice period including superannuation, but excluding allowances.

#### (f) Non-Executive Director Remuneration

Non-Executive Directors have been appointed to hold office until the next Annual General Meeting at which time the Non-Executive Directors must resign and be re-appointed. At any time before the Annual General Meeting, Non-Executive Directors may resign by providing reasonable forewarning in writing.

Total compensation for all Non-Executive Directors was set at \$500,000 by shareholders on 24 November 2020. The base fee for all Non-Executive Directors, for the year ended 30 June 2023 was \$60,000 (exclusive of superannuation) per annum and includes fees for sub-committee representation. Fees and payments to Non-Executive Directors reflect the demands which are made on, and the responsibilities of, the Directors. Non-Executive Directors' fees and payments are reviewed by the Remuneration and Nomination Committee and they do not receive cash performance related compensation.

In addition to their base fees, Non-Executive Directors may also receive payment for consultancy services at \$2,000 per day plus reimbursable expenses for days worked over and above those expected to be worked in consideration of Non-Executive Directors fees.





## Directors' Report (continued)

### Remuneration report – audited (continued)

(g) Key management personnel remuneration 2023

Name	Short-term employee benefits			Total	Post-employment benefits		Share based payments			Performance Related
	Salary and fees <sup>(A)</sup>	Cash bonus	Non-Monetary benefits <sup>(B)</sup>		Super	Shares	Options <sup>(C)</sup>	Performance Rights <sup>(C)</sup>	Total	
	\$	\$	\$	\$	\$	\$	\$	\$	\$	%
<b>Executive Directors</b>										
Hamish Jolly	\$283,552	-	\$43,616	<b>\$327,168</b>	\$29,794	-	-	\$140,251	<b>\$497,213</b>	28.21%
Joe Oliver	\$303,125	-	\$20,221	<b>\$323,346</b>	\$32,550	-	-	\$140,252	<b>\$496,148</b>	28.27%
<b>Non-Executive Directors</b>										
David McArthur	\$60,000	-	\$20,221	<b>\$80,221</b>	\$12,225	-	\$4,554	-	<b>\$97,000</b>	4.70%
Steve Gostlow	\$60,000	-	\$20,221	<b>\$80,221</b>	\$6,300	-	\$109,300	-	<b>\$195,821</b>	55.82%
<b>Other Key Management Personnel</b>										
Martin Lodge	\$218,814	\$27,720	-	<b>\$246,534</b>	\$25,886	-	-	-	<b>\$272,420</b>	-
<b>Total key management personnel</b>	<b>\$925,491</b>	<b>\$27,720</b>	<b>\$104,279</b>	<b>\$1,057,490</b>	<b>\$106,755</b>	-	<b>\$113,854</b>	<b>\$280,503</b>	<b>\$1,558,602</b>	25.30%



## Directors' Report (continued)

### Remuneration report – audited (continued)

#### (g) Key management personnel remuneration 2022

Name	Short-term employee benefits			Post-employment benefits	Share based payments			Total	Performance Related
	Salary and fees <sup>(A)</sup>	Non-Monetary benefits <sup>(B)</sup>	Total	Super	Shares	Options <sup>(C)</sup>	Performance Rights <sup>(C)</sup>		%
	\$	\$	\$	\$	\$	\$	\$	\$	%
<b>Executive Directors</b>									
Hamish Jolly	\$282,051	\$46,684	<b>\$328,735</b>	\$27,500	-	-	\$140,252	<b>\$496,487</b>	28.25%
Joe Oliver	\$324,167	\$20,077	<b>\$344,244</b>	\$31,500	-	-	\$140,253	<b>\$515,997</b>	27.18%
<b>Non-Executive Directors</b>									
David McArthur	\$60,000	\$20,077	<b>\$80,077</b>	-	-	\$4,554	-	<b>\$84,631</b>	5.38%
Steve Gostlow	\$60,000	\$20,077	<b>\$80,077</b>	\$6,000	-	\$109,300	-	<b>\$195,377</b>	55.94%
<b>Other Key Management Personnel</b>									
Martin Lodge*	\$128,788	-	<b>\$128,788</b>	\$12,879	-	-	-	<b>\$141,667</b>	-
<b>Total key management personnel</b>	<b>\$855,006</b>	<b>\$106,915</b>	<b>\$961,921</b>	<b>\$77,879</b>	-	<b>\$113,854</b>	<b>\$280,505</b>	<b>\$1,434,159</b>	27.50%

\* Represents remuneration from 25 October 2021 to 30 June 2022



## Directors' Report (continued)

### Remuneration report – audited (continued)

#### (g) Key management personnel remuneration (continued)

##### Notes in relation to the table of Directors' remuneration (2022 & 2023)

- (A) Includes movements in annual leave accrual for Executive Director.
- (B) Comprises Directors and Officers insurance premiums and motor vehicle lease.
- (C) The fair value of options granted to Directors has been estimated using a trinomial option pricing model with separate barriers taking into account share price vesting conditions at grant date. Share-based payments expense for financial year ended 30 June 2023 is related to amortisation of the share-based payment transaction in the financial year ended 30 June 2021. No options were issued to Non-Executive Directors during 2023 (2022: none).

The fair value of performance rights was determined utilising the prevailing share price at grant date. Share-based payments expense for financial year ended 30 June 2023 is related to amortisation of the share-based payment transaction in the financial year ended 30 June 2021. No performance rights were issued to Executive Directors during 2023 (2022: none).

#### (h) Analysis of bonuses included in remuneration

No short-term incentive cash bonuses have been awarded as remuneration to Directors of the Company for year ended 30 June 2023 (2022: nil).

#### (i) Other KMP disclosures

All options refer to options over ordinary shares of Delorean Corporation Limited, which are exercisable on a one-for-one basis under the Employee Share Option Scheme.

During the reporting period certain key management personnel invoiced for commercial, arms-length consulting services in addition to duties required as Directors. The total quantum of these transactions as disclosed in note 26 to the consolidated financial statements was:

- David McArthur \$nil (2022: \$24,000)

#### Options over equity instruments granted as compensation

During the reporting period, no options were issued to key management personnel of the Company (2022: nil).

#### Exercise of options granted as compensation

During the reporting period, no shares were issued on the exercise of options previously granted as compensation (2022: nil).

#### Performance rights over equity instruments granted as compensation

During the reporting period, no performance rights were issued to key management personnel of the Company (2022: nil). The performance rights were granted to Executive Directors on 1 April 2021 and convert to shares upon the achievement of the following milestones:



## Directors' Report (continued)

### Remuneration report – audited (continued)

#### (i) Other KMP disclosures (continued)

- a. Class A Milestone: \$5,000,000 in Underlying EBITDA (2,278,619 shares each);
- b. Class B Milestone: \$10,000,000 in Underlying EBITDA (2,278,619 shares each);
- c. Class C Milestone: \$12,500,000 in Underlying EBITDA (2,278,619 shares each).

The performance rights are valid and expire with the release of the financial results relating to the period ending 30 June 2026.

#### Vesting and conversion of performance rights granted as compensation

During the reporting period, no shares were issued on the vesting and conversion of performance rights previously granted as compensation (2022: nil).

#### Options over equity instruments

The movement during the reporting period, by number of options over ordinary shares of the Company held, directly, indirectly or beneficially, by each key management personnel, including their related parties, is as follows:

	Held at 1 July 2022	Granted	Expired / lapsed	Balance upon appointment / resignation	Held at 30 June 2023	Vested and exercisable 30 June 2023
<b>Executive Directors</b>						
Joe Oliver	-	-	-	-	-	-
Hamish Jolly	-	-	-	-	-	-
<b>Non-executive Directors</b>						
David McArthur	250,000	-	-	-	250,000	83,333
Steve Gostlow	6,000,000	-	-	-	6,000,000	2,000,000
<b>Other key management personnel</b>						
Martin Lodge	-	-	-	-	-	-



## Directors' Report (continued)

### Remuneration report – audited (continued)

#### (i) Other KMP disclosures (continued)

##### Performance Rights

The movement during the reporting period in the number of performance rights of the Company, held directly, indirectly or beneficially, by each key management personnel, including their related parties is as follows:

	Held at 1 July 2022	Granted	Expired / Lapsed	Balance upon appointment / resignation	Held at 30 June 2023
<b>Executive Directors</b>					
Joe Oliver	6,835,857	-	-	-	6,835,857
Hamish Jolly	6,835,857	-	-	-	6,835,857
<b>Non-executive Directors</b>					
David McArthur	-	-	-	-	-
Steve Gostlow	-	-	-	-	-
<b>Other key management personnel</b>					
Martin Lodge	-	-	-	-	-

##### Movements in shares

The movement during the reporting period in the number of ordinary shares in the Company held, directly, indirectly or beneficially, by each key management personnel, including their related parties, is as follows:

	Held at 1 July 2022	Additions	Disposals	Balance upon appointment / resignation	Held at 30 June 2023
<b>Executive Directors</b>					
Joe Oliver	44,926,470	-	-	-	44,926,470
Hamish Jolly	44,926,470	-	-	-	44,926,470
<b>Non-executive Directors</b>					
David McArthur	476,470	-	-	-	476,470
Steve Gostlow	676,470	-	-	-	676,470
<b>Other key management personnel</b>					
Martin Lodge	-	-	-	-	-

#### (j) Voting and comments made at the Company's 2022 Annual General Meeting ('AGM')

At the 2022 AGM, 79.04% of the votes received supported the adoption of the remuneration report for the year ended 30 June 2022. The Company did not receive any specific feedback at the AGM regarding its remuneration practices.

**THIS IS THE END OF THE REMUNERATION REPORT – AUDITED.**





## Directors' Report (continued)

### Auditor's Independence Declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out immediately after this directors' report.

This Directors' Report is made in accordance with a resolution of the Directors pursuant to section 298(2)(a) of the Corporations Act 2001.

**JOSEPH OLIVER**  
Managing Director

Signed at Perth, Western Australia this 31<sup>st</sup> day of August 2023.

**RSM Australia Partners**

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**AUDITOR'S INDEPENDENCE DECLARATION**

As lead auditor for the audit of the financial report of Delorean Corporation Limited for the year ended 30 June 2023, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

- (i) The auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- (ii) Any applicable code of professional conduct in relation to the audit.



**RSM AUSTRALIA PARTNERS**



**MATTHEW BEEVERS**  
Partner

Perth, WA  
Dated: 31 August 2023



# Consolidated Statement of Profit or Loss and Other Comprehensive Income

FOR THE YEAR ENDED 30 JUNE 2023

	Note	2023 \$	2022 \$
Revenue	4	19,254,796	39,327,294
Other income	5	453,145	1,663,864
<b>Expenses</b>			
Cost of sales	6	(23,664,780)	(46,095,045)
Occupancy expenses		(99,037)	(68,700)
Employee benefits expenses	6	(2,386,276)	(2,813,156)
Administrative expenses		(673,921)	(919,293)
Depreciation and amortisation	6	(388,477)	(562,115)
Share based payment expense	22	(394,357)	(394,359)
Finance costs	6	(610,215)	(260,717)
Other expenses		(1,547,333)	(650,740)
<b>Loss before income tax expense</b>		<b>(10,056,455)</b>	<b>(10,772,967)</b>
Income tax benefit / (expense)	7	37,650	(115,044)
<b>Loss profit after income tax expense for the year</b>		<b>(10,018,805)</b>	<b>(10,888,011)</b>
<b>Other comprehensive income</b>			
Exchange differences on translation of foreign operations		(200,411)	191,621
<b>Total comprehensive loss for the year</b>		<b>(10,219,216)</b>	<b>(10,696,390)</b>
<b>Loss per share (cents per share)</b>			
Basic (cents per share)	23	(4.64)	(5.83)
Diluted (cents per share)	23	(4.64)	(5.83)

The above consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.



# Consolidated Statement of Financial Position

AS AT 30 JUNE 2023

	Note	2023 \$	2022 \$
<b>Assets</b>			
Cash and cash equivalents	8	1,003,797	3,124,648
Trade and other receivables	9	1,706,507	4,898,218
Contract assets	10	-	186,776
Income tax receivables	16	21,311	-
Other current assets	11	416,406	1,435,409
<b>Total current assets</b>		<b>3,148,021</b>	<b>9,645,051</b>
Property, plant and equipment	12	10,539,105	9,220,333
Right-of-use assets	13	2,154,898	2,425,672
Deferred tax assets	7	2,047,146	2,767,984
Intangible assets		25,995	36,746
<b>Total non-current assets</b>		<b>14,767,144</b>	<b>14,450,735</b>
<b>Total assets</b>		<b>17,915,165</b>	<b>24,095,786</b>
<b>Liabilities</b>			
Trade and other payables	14	5,014,998	6,747,696
Provisions	15	306,396	1,185,308
Income tax	16	-	229,411
Lease liabilities	17	65,617	303,560
Borrowings	18	5,532,751	231,360
Contract liabilities	19	2,639,545	705,595
<b>Total current liabilities</b>		<b>13,559,307</b>	<b>9,402,930</b>
Deferred tax liabilities	7	162,534	720,838
Lease liabilities	17	2,024,603	2,090,221
<b>Total non-current liabilities</b>		<b>2,187,137</b>	<b>2,811,059</b>
<b>Total liabilities</b>		<b>15,746,444</b>	<b>12,213,989</b>
<b>Net assets</b>		<b>2,168,721</b>	<b>11,881,797</b>
<b>Equity</b>			
Share capital	20	20,492,994	20,492,994
Accumulated losses		(20,033,201)	(10,014,396)
Reserves	21	1,708,928	1,403,199
<b>Total equity</b>		<b>2,168,721</b>	<b>11,881,797</b>

The above consolidated statement of financial position should be read in conjunction with the accompanying notes.



# Consolidated Statement of Changes in Equity

FOR THE YEAR ENDED 30 JUNE 2023

	Share capital	Share based payments reserve	Other reserves	Accumulated losses	Total
	\$	\$	\$	\$	\$
Balance as at 1 July 2022	20,492,994	2,144,912	(741,713)	(10,014,396)	<b>11,881,797</b>
<b>Total comprehensive income for the year</b>					
Loss after income tax expense for the year	-	-	-	(10,018,805)	<b>(10,018,805)</b>
<b>Other comprehensive income for the year</b>					
Foreign exchange translation difference on foreign operations	-	-	(200,411)	-	<b>(200,411)</b>
Total other comprehensive income for the year	-	-	<b>(200,411)</b>	-	<b>(200,411)</b>
<b>Total comprehensive income for the year</b>	-	-	<b>(200,411)</b>	<b>(10,018,805)</b>	<b>(10,219,216)</b>
<b>Transactions with owners, recorded directly in equity:</b>					
Share based payment	-	394,357	-	-	<b>394,357</b>
Equity component of convertible (Note 18)	-	-	111,783	-	<b>111,783</b>
<b>Total transactions with owners</b>	-	<b>394,357</b>	<b>111,783</b>	-	<b>506,140</b>
<b>Balance as at 30 June 2023</b>	<b>20,492,994</b>	<b>2,539,269</b>	<b>(830,341)</b>	<b>(20,033,201)</b>	<b>2,168,721</b>

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.





# Consolidated Statement of Changes in Equity

FOR THE YEAR ENDED 30 JUNE 2022

	Share capital	Share based payments reserve	Other reserve	Retained Earnings / (Accumulated Losses)	Total
	\$	\$	\$	\$	\$
Balance as at 1 July 2021	14,578,801	1,750,553	(933,334)	873,615	16,269,635
<b>Total comprehensive income for the year</b>					
Loss after income tax expense for the year	-	-	-	(10,888,011)	(10,888,011)
<b>Other comprehensive income for the year</b>					
Foreign exchange translation difference on foreign operations	-	-	191,621	-	191,621
Total other comprehensive income for the year	-	-	191,621	-	191,621
<b>Total comprehensive income for the year</b>	-	-	191,621	(10,888,011)	(10,696,390)
<b>Transactions with owners, recorded directly in equity:</b>					
Share based payment	-	394,359	-	-	394,359
Private Placement	4,500,000	-	-	-	4,500,000
Issue of shares in lieu of corporate advisory fee	120,000	-	-	-	120,000
Share purchase plan	1,627,275	-	-	-	1,627,275
Capital raising costs	(333,082)	-	-	-	(333,082)
<b>Total transactions with owners</b>	<b>5,914,193</b>	<b>394,359</b>	-	-	<b>6,308,552</b>
<b>Balance as at 30 June 2022</b>	<b>20,492,994</b>	<b>2,144,912</b>	<b>(741,713)</b>	<b>(10,014,396)</b>	<b>11,881,797</b>

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.



# Consolidated Statement of Cash Flows

FOR THE YEAR ENDED 30 JUNE 2023

	Note	2023 \$	2022 \$
<b>Cash flows from operating activities</b>			
Receipts from customers		25,731,567	37,592,649
Payments to suppliers and employees		(30,973,478)	(49,235,762)
Interest received		2,092	770
Income tax (paid) / refunded		(57,163)	87,417
Interest paid		(62,509)	(212,943)
<b>Net cash used in operating activities</b>	8	<b>(5,359,491)</b>	<b>(11,767,869)</b>
<b>Cash flows from investing activities</b>			
Payments for purchase of plant and equipment		(1,438,276)	(3,437,778)
<b>Net cash used in investing activities</b>		<b>(1,438,276)</b>	<b>(3,437,778)</b>
<b>Cash flows from financing activities</b>			
Proceeds from issue of shares		-	6,127,275
Proceeds from issue of convertible notes		5,000,000	-
Proceeds from borrowings		1,633,922	-
Payment of capital raising costs		-	(333,082)
Repayment of borrowings		(1,619,679)	(99,154)
Repayment of lease liabilities		(336,678)	(431,377)
<b>Net cash from financing activities</b>		<b>4,677,565</b>	<b>5,263,662</b>
<b>Net decrease in cash and cash equivalents</b>			
Cash and cash equivalents at the beginning of the financial year		3,124,648	13,066,631
Effects of exchange rate changes on cash and cash equivalents		(649)	2
<b>Cash and cash equivalents at the end of financial year</b>	8	<b>1,003,797</b>	<b>3,124,648</b>

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.



# Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 30 JUNE 2023

## 1. General information

The Company is a for-profit, listed public company domiciled in Australia. The Company's registered office is located at Ground Floor, 1205 Hay Street, West Perth, WA, 6005.

The Consolidated Entity operates primarily as both a builder and developer of bioenergy infrastructure within Australia and New Zealand, a tank and infrastructure manufacturer, and an electricity retailer.

The consolidated financial statements as at and for the year ended 30 June 2023 comprise the Company and its subsidiaries (together referred to as the "Consolidated Entity" and individually as "Group entities") and were authorised for issue by the Board of Directors on 31<sup>st</sup> August 2023. The financial statements are general purpose financial statements which:

- have been prepared in accordance with the requirements of the Corporations Act 2001, Australian Accounting Standards ("AASBs") and other authoritative pronouncements of the Accounting Standards Board ("ASB"). The consolidated financial statements comply with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB");
- have been prepared on a historical cost basis, except for share-based payments and financial assets which are measured at fair value. The basis of measurement is discussed further in the individual notes; and
- are presented in Australian Dollars, being the Company's functional currency.

The principal accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, unless otherwise stated.

### Going Concern

The financial statements have been prepared on a going concern basis, which contemplates continuity of normal business activities and the realisation of assets and settlement of liabilities in the normal course of business.

For the year ended 30 June 2023, the Consolidated Entity incurred a loss after income tax of \$10,018,805 and had net cash outflows from operating activities and investing activities of \$5,359,491 and \$1,438,276 respectively. The Consolidated Entity has a net current liability position of \$10,411,286, which includes repayment of the A\$5m convertible note, due in April 2024.

These factors indicate a material uncertainty which may cast significant doubt as to whether the Consolidated Entity will continue as a going concern and therefore whether it will realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial report.

The Directors believe that there are reasonable grounds to believe that the Consolidated Entity will be able to continue as a going concern, after consideration of the following factors:

- Discussions are underway with several funders in relation to the development and construction of the SA1 and VIC1 Projects, which the existing convertible note has funded to this point. Management expect that the financing package negotiated for the completion of these projects will extinguish the convertible note debt ahead of its repayment date;
- The Company has the capacity to raise additional funds via access to capital markets;



## FOR THE YEAR ENDED 30 JUNE 2023

### 1. General information (continued)

#### Going Concern (continued)

- The Company has access to other funding opportunities, such as debt and other hybrid funding instruments;
- The ability of the directors and management to continue to manage its cash flows and cash reserves to successfully execute its contracted projects and win new work while operating within the Group's budget; and
- To reduce or defer discretionary expenditure and/or new projects, to manage cashflow.

Accordingly, the Directors believe that the Consolidated Entity will be able to continue as a going concern and that it is appropriate to adopt the going concern basis in the preparation of the financial report.

The financial report does not include any adjustments relating to the amounts or classification of recorded assets or liabilities that might be necessary if the Consolidated Entity does not continue as a going concern.

#### New or amended accounting standards and interpretations adopted

The Consolidated Entity has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

#### Principles of consolidation

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Delorean Corporation Ltd ('Company' or 'parent entity') as at 30 June 2023 and the results of all subsidiaries for the year then ended. Delorean Corporation Ltd and its subsidiaries together are referred to in these financial statements as the 'Consolidated Entity'.

Subsidiaries are all those entities over which the Consolidated Entity has control. The Consolidated Entity controls an entity when the Consolidated Entity is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Consolidated Entity. They are de-consolidated from the date that control ceases.

# Notes to the Consolidated Financial Statements



## FOR THE YEAR ENDED 30 JUNE 2023

### 1. General information (continued)

#### Principles of consolidation (continued)

The pooling interest method of accounting is used to account for business combinations by the Consolidated Entity. Intercompany transactions, balances and unrealised gains on transactions between entities in the Consolidated Entity are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Consolidated Entity.

Non-controlling interest in the results and equity of subsidiaries are shown separately in the statement of profit or loss and other comprehensive income, statement of financial position and statement of changes in equity of the Consolidated Entity. Losses incurred by the Consolidated Entity are attributed to the non-controlling interest in full, even if that results in a deficit balance.

Where the Consolidated Entity loses control over a subsidiary, it derecognises the assets including goodwill, liabilities and non-controlling interest in the subsidiary together with any cumulative translation differences recognised in equity. The Consolidated Entity recognises the fair value of the consideration received and the fair value of any investment retained together with any gain or loss in profit or loss.

Interests in subsidiaries are accounted for at cost, less any impairment, in the parent entity. Dividends received from subsidiaries are recognised as other income by the parent entity and its receipt may be an indicator of an impairment of the investment.

#### Foreign currency translation

The primary economic environment in which the Consolidated Entity operates is Australia. The consolidated financial statements are therefore presented in Australian dollars.

#### *Foreign currency transactions*

Foreign currency transactions are translated into Australian dollars using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at financial year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

#### *Foreign operations*

The assets and liabilities of foreign operations are translated into Australian dollars using the exchange rates at the reporting date. The revenues and expenses of foreign operations are translated into Australian dollars using the average exchange rates, which approximate the rates at the dates of the transactions, for the period. All resulting foreign exchange differences are recognised in other comprehensive income through the foreign currency reserve in equity.

The foreign currency reserve is recognised in profit or loss when the foreign operation or net investment is disposed of.



# Notes to the Consolidated Financial Statements



## FOR THE YEAR ENDED 30 JUNE 2023

### 1. General information (continued)

#### Investments and other financial assets

Investments and other financial assets are initially measured at fair value. Transaction costs are included as part of the initial measurement, except for financial assets at fair value through profit or loss. Such assets are subsequently measured at either amortised cost or fair value depending on their classification. Classification is determined based on both the business model within which such assets are held and the contractual cash flow characteristics of the financial asset unless an accounting mismatch is being avoided.

Financial assets are derecognised when the rights to receive cash flows have expired or have been transferred and the Consolidated Entity has transferred substantially all the risks and rewards of ownership. When there is no reasonable expectation of recovering part or all of a financial asset, its carrying value is written off.

#### *Financial assets at fair value through profit or loss*

Financial assets not measured at amortised cost or at fair value through other comprehensive income are classified as financial assets at fair value through profit or loss. Typically, such financial assets will be either: (i) held for trading, where they are acquired for the purpose of selling in the short-term with an intention of making a profit, or a derivative; or (ii) designated as such upon initial recognition where permitted. Fair value movements are recognised in profit or loss.

#### *Financial assets at fair value through other comprehensive income*

Financial assets at fair value through other comprehensive income include equity investments which the Consolidated Entity intends to hold for the foreseeable future and has irrevocably elected to classify them as such upon initial recognition.

#### *Impairment of financial assets*

The Consolidated Entity recognises a loss allowance for expected credit losses on financial assets which are either measured at amortised cost or fair value through other comprehensive income. The measurement of the loss allowance depends upon the consolidated entity's assessment at the end of each reporting period as to whether the financial instrument's credit risk has increased significantly since initial recognition, based on reasonable and supportable information that is available, without undue cost or effort to obtain.

Where there has not been a significant increase in exposure to credit risk since initial recognition, a 12-month expected credit loss allowance is estimated. This represents a portion of the asset's lifetime expected credit losses that is attributable to a default event that is possible within the next 12 months. Where a financial asset has become credit impaired or where it is determined that credit risk has increased significantly, the loss allowance is based on the asset's lifetime expected credit losses. The amount of expected credit loss recognised is measured on the basis of the probability weighted present value of anticipated cash shortfalls over the life of the instrument discounted at the original effective interest rate.

For financial assets mandatorily measured at fair value through other comprehensive income, the loss allowance is recognised in other comprehensive income with a corresponding expense through profit or loss. In all other cases, the loss allowance reduces the asset's carrying value with a corresponding expense through profit or loss.

# Notes to the Consolidated Financial Statements



## FOR THE YEAR ENDED 30 JUNE 2023

### 2. Critical accounting judgements and estimates

In preparing these consolidated financial statements, management has made judgements, estimates and assumptions that affect the application of the Consolidated Entity's accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively. Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the consolidated financial statements and information about assumptions and estimation uncertainties that have a significant risk of resulting in material adjustment are included in the following notes:

#### Judgements

*Note 9 Trade and other receivables*

#### Estimates and assumptions

*Note 4 Revenue*

*Note 7 Recovery of deferred tax assets*

*Note 12 Property, plant and equipment*

*Note 17 Lease Term*

*Note 18 Convertible notes valuation*

*Note 22 Share-based payments*

#### New Accounting Standards and Interpretations not yet mandatory or early adopted

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the Consolidated Entity for the annual reporting period ended 30 June 2023. The Consolidated Entity has not yet assessed the impact of these new or amended Accounting Standards and Interpretations.

### 3. Operating segments

#### Identification of reportable operating segments

The consolidated entity is organised into four operating segments based on products and services provided being:

- Infrastructure
- Engineering
- Energy Retail
- Corporate

## Notes to the Consolidated Financial Statements



### FOR THE YEAR ENDED 30 JUNE 2023

#### 3. Operating segments (continued)

These operating segments are based on the internal reports that are reviewed and utilised by the Board of Directors who are identified as the Chief Operating Decision Makers (**CODM**) in assessing performance of the Consolidated Entity and in determining the allocation of resources. There is no aggregation of operating segments.

Other segment represents the holding company of the Consolidated Entity.

The CODM reviews EBITDA (earnings before interest, tax, depreciation and amortisation). The accounting policies adopted for internal reporting to the CODM are consistent with those adopted in the financial statements.

The information provided to the CODM is on a monthly basis. There have been no changes to the basis of segmentation or the measurement basis for the segment profit or loss since 30 June 2022.

#### *Types of products and services*

The principal products and services of each of these operating segments are as follows:

- Infrastructure                    the infrastructure asset investment and development division
- Engineering                    the construction of site-specific anaerobic digestion plants division
- Energy retail<sup>(1)</sup>                the electricity sale division
- Corporate                        the corporate division

<sup>(1)</sup> Energy Retail division substantially reduced its operation in December 2022.

These segments have been renamed in the current reporting period to align with the rebranding strategy to provide a clear framework for further growth and expansion of the business.

2023	Infrastructure \$	Engineering \$	Energy Retail \$	Corporate \$	Total \$
<b>Revenue</b>					
Sales to external customers	385,588	3,138,787	15,730,421	-	19,254,796
Intersegment sales	-	-	-	-	-
<b>Total segment revenue</b>	<b>385,588</b>	<b>3,138,787</b>	<b>15,730,421</b>	-	<b>19,254,796</b>
Other income	(100,000)	10,122	535,038	-	445,160
Intersegment eliminations	-	-	-	-	-
Unallocated revenue:					
Interest income	-	784	7,201	-	7,985
<b>Total</b>	<b>285,588</b>	<b>3,149,693</b>	<b>16,272,660</b>	-	<b>19,707,941</b>
<b>EBITDA</b>	(24,949)	(4,827,819)	(526,662)	(3,686,318)	(9,065,748)
Depreciation / amortisation	(95,738)	(202,963)	(77,187)	(12,589)	(388,477)
Interest income	-	784	7,201	-	7,985
Finance costs	(26,255)	(73,967)	(140,724)	(369,269)	(610,215)
<b>Loss before income tax</b>	<b>(146,942)</b>	<b>(5,103,965)</b>	<b>(737,372)</b>	<b>(4,068,176)</b>	<b>(10,056,455)</b>
Income tax benefit					37,650
<b>Loss after income tax</b>	<b>(146,942)</b>	<b>(5,103,965)</b>	<b>(737,372)</b>	<b>(4,068,176)</b>	<b>(10,018,805)</b>

# Notes to the Consolidated Financial Statements



## FOR THE YEAR ENDED 30 JUNE 2023

### 3. Operating segments (continued)

2023	Infrastructure \$	Engineering \$	Energy Retail \$	Corporate \$	Total \$
<b>Assets</b>					
Segment assets	13,531,220	3,554,023	83,537	9,701,371	26,870,151
Intersegment eliminations	(1,542,638)	-	-	(7,412,348)	(8,954,986)
<b>Total assets</b>	<b>11,988,582</b>	<b>3,554,023</b>	<b>83,537</b>	<b>2,289,023</b>	<b>17,915,165</b>
<b>Liabilities</b>					
Segment liabilities	2,243,519	4,672,484	2,638,261	6,192,180	15,746,444
Intersegment eliminations	-	-	-	-	-
<b>Total liabilities</b>	<b>2,243,519</b>	<b>4,672,484</b>	<b>2,638,261</b>	<b>6,192,180</b>	<b>15,746,444</b>

2022	Infrastructure \$	Engineering \$	Energy Retail \$	Corporate \$	Total \$
<b>Revenue</b>					
Sales to external customers	365,022	3,563,459	35,398,813	-	39,327,294
Intersegment sales	-	-	-	-	-
<b>Total segment revenue</b>	<b>365,022</b>	<b>3,563,459</b>	<b>35,398,813</b>	<b>-</b>	<b>39,327,294</b>
Other income	-	-	718,750	944,344	1,663,094
Intersegment eliminations	-	-	-	-	-
Unallocated revenue:					
Interest income	-	224	546	-	770
<b>Total</b>	<b>365,022</b>	<b>3,563,683</b>	<b>36,118,109</b>	<b>944,344</b>	<b>40,991,158</b>
<b>EBITDA</b>	145,404	(8,158,313)	(248,607)	(1,689,389)	(9,950,905)
Depreciation / amortisation	(104,632)	(262,277)	(106,276)	(88,930)	(562,115)
Interest income	-	224	546	-	770
Finance costs	(26,473)	(54,435)	(178,321)	(1,488)	(260,717)
<b>Loss before income tax</b>	<b>14,299</b>	<b>(8,474,801)</b>	<b>(532,658)</b>	<b>(1,779,807)</b>	<b>(10,772,967)</b>
Income tax expense	-	-	-	-	(115,044)
<b>Loss after income tax</b>	<b>14,299</b>	<b>(8,474,801)</b>	<b>(532,658)</b>	<b>(1,779,807)</b>	<b>(10,888,011)</b>
<b>Assets</b>					
Segment assets	12,282,302	3,143,293	7,374,702	10,249,150	33,049,447
Intersegment eliminations	(1,541,313)	-	-	(7,412,348)	(8,953,661)
<b>Total assets</b>	<b>10,740,989</b>	<b>3,143,293</b>	<b>7,374,702</b>	<b>2,836,802</b>	<b>24,095,786</b>
<b>Liabilities</b>					
Segment liabilities	2,329,246	3,599,952	5,021,378	1,263,413	12,213,989
Intersegment eliminations	-	-	-	-	-
<b>Total liabilities</b>	<b>2,329,246</b>	<b>3,599,952</b>	<b>5,021,378</b>	<b>1,263,413</b>	<b>12,213,989</b>



### 4. Revenue

#### Accounting Policy

The Consolidated Entity recognises revenue as follows:

##### Revenue from contracts with customers

Revenue is recognised at an amount that reflects the consideration to which the Consolidated Entity is expected to be entitled in exchange for transferring goods or services to a customer. For each contract with a customer, the Consolidated Entity: identifies the contract with a customer; identifies the performance obligations in the contract; determines the transaction price which takes into account estimates of variable consideration and the time value of money; allocates the transaction price to the separate performance obligations on the basis of the relative stand-alone selling price of each distinct good or service to be delivered; and recognises revenue when or as each performance obligation is satisfied in a manner that depicts the transfer to the customer of the goods or services promised.

Variable consideration within the transaction price, if any, reflects concessions provided to the customer such as discounts, rebates and refunds, any potential bonuses receivable from the customer and any other contingent events. Such estimates are determined using either the 'expected value' or 'most likely amount' method. The measurement of variable consideration is subject to a constraining principle whereby revenue will only be recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur. The measurement constraint continues until the uncertainty associated with the variable consideration is subsequently resolved. Amounts received that are subject to the constraining principle are recognised as a refund liability.

##### Revenue from construction activities

For long-term service contracts and projects for constructing, manufacturing or developing an asset the customer value is created over time during the contract period and it is accounted for as a single performance obligation or multiple performance obligations that are satisfied over time. As the performance either creates or enhances an asset (for instance, a work in progress) that the customer controls as the asset is created or enhanced, the performance does not create an asset with an alternative use to the entity, and the entity has an enforceable right to payment for performance compensation, the customer simultaneously receives and consumes the benefits of the entity's performance in processing each transaction as and when each transaction is processed. The revenue is recognised over time by using the input method.

For the input method, income is recognized based on the inputs made toward fulfilling a performance obligation, such as the resources used, labor hours put in, and costs incurred, in comparison to the total expected inputs toward fulfilling that duty.

If there is any variable consideration included in the transaction price, it represents any discounts, rebates, or refunds given to the customer as well as any prospective bonuses that may be due from them in the future as well as any other contingent occurrences. These estimations are made using the "expected value" or "most likely amount" method, respectively. Revenue will only be recognized to the degree that it is extremely expected that a major reversal in the amount of cumulative revenue recognized will not occur when measuring variable consideration, according to a restricting principle. Until the following resolution of the related uncertainty with the variable under examination, the measurement limitation remains in place. A return liability is recognized for amounts received that are subject to the restricting principle.



### 4. Revenue (continued)

#### Accounting Policy

##### **Sale of goods**

Revenue from the sale of goods is recognised at the point in time when the customer obtains control of the goods, which is generally at the time of delivery.

##### **Rendering of services**

Revenue from a contract to provide services is recognised over time as the services are rendered based on either a fixed price or an hourly rate.

##### **Other revenue**

Other revenue is recognised when it is received or when the right to receive payment is established.

##### **Government grants**

Government grants relating to development, construction, energy retail or other business-related activities are recognised as revenue. All other government grants are recognised as other income.

#### **Estimates and assumptions**

##### ***Revenue recognised over time***

Assessing the satisfaction of performance obligations over time requires judgment and the consideration of many criteria that should be met to qualify such as whether the customer presently is obligated to pay for an asset, whether the customer has legal title, whether the entity has transferred physical possession of the asset, whether the customer has assumed the significant risks and rewards of ownership of the asset, and whether the customer has accepted the asset. Events and circumstances frequently do not occur as expected. Even if the events anticipated under the assumptions occur, actual results are still likely to be different from the estimates since other anticipated events frequently do not occur as expected and the variation may be material.

##### ***Determination of variable consideration***

Judgement is exercised in estimating variable consideration which is determined having regard to past experience with respect to the goods returned to the consolidated entity where the customer maintains a right of return pursuant to the customer contract or where goods or services have a variable component. Revenue will only be recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised under the contract will not occur when the uncertainty associated with the variable consideration is subsequently resolved.





## FOR THE YEAR ENDED 30 JUNE 2023

### 4. Revenue (continued)

	2023	2022
	\$	\$
Energy retail	15,730,421	35,398,813
Construction income	3,138,787	3,563,459
Consulting revenue	385,588	365,022
	<b>19,254,796</b>	<b>39,327,294</b>
<i>Geographical regions</i>		
Australia	17,482,463	35,391,202
New Zealand	1,772,333	3,936,092
	<b>19,254,796</b>	<b>39,327,294</b>
<i>Timing of revenue recognition</i>		
Services transferred at a point in time	15,730,421	35,398,813
Services transferred over time	3,524,375	3,928,481
	<b>19,254,796</b>	<b>39,327,294</b>

Operating revenues of \$1,772,333 or 9% (2022: \$3,936,093 or 10%) are derived from a single external party.

### 5. Other Income

#### Accounting Policy

##### **Interest income**

Interest income is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

##### **Government grants**

Government grants relating to costs are deferred and recognised in profit or loss over the period necessary to match them with the costs that they are intended to compensate.

	2023	2022
	\$	\$
Interest received	7,985	770
LGC trade	-	718,750
R&D grant	-	944,344
Other income	445,160	-
	<b>453,145</b>	<b>1,663,864</b>



## FOR THE YEAR ENDED 30 JUNE 2023

### 6. Expenses

#### Accounting Policy

##### **Employee benefits**

##### *Short-term employee benefits*

Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled wholly within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled.

##### *Other long-term employee benefits*

The liability for annual leave and long service leave not expected to be settled within 12 months of the reporting date are measured at the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on corporate bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

##### *Defined contribution superannuation expense*

Contributions to defined contribution superannuation plans are expensed in the period in which they are incurred.

	2023	2022
	\$	\$
Profit before income tax from continuing operations includes the following specific expenses:		
<i>Cost of sales</i>		
Cost of sales	23,664,780	46,095,045
<i>Depreciation and amortisation</i>		
Plant and equipment	176,230	211,016
Right-of-use assets	201,499	243,009
Intangible assets	10,748	108,090
	<b>388,477</b>	<b>562,115</b>
<i>Finance costs</i>		
Interest and finance charges paid/payable on borrowings	577,097	212,942
Interest and finance charges paid/payable on lease liabilities	33,118	47,775
Finance costs expensed	<b>610,215</b>	<b>260,717</b>



FOR THE YEAR ENDED 30 JUNE 2023

6. Expenses (continued)

	2023	2022
	\$	\$
<i>Including with the total employee benefit expense is:</i>		
Defined contribution superannuation expense	183,470	365,902
Total superannuation expense	183,470	365,902
<i>Net foreign exchange (gain) / loss</i>		
Net foreign exchange loss	(163,069)	149,882

7. Income tax expense

**Accounting Policy**

The income tax expense or benefit for the period is the tax payable on that period’s taxable income, based on the applicable income tax rate for each jurisdiction, adjusted by the changes in deferred tax assets and liabilities attributable to temporary differences, unused tax losses and any adjustments recognised for prior periods, where applicable.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to be applied when the assets are recovered or liabilities are settled, based on those tax rates that are enacted or substantively enacted, except for:

- When the deferred income tax asset or liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting nor taxable profits; or
- When the taxable temporary difference is associated with interests in subsidiaries, associates or joint ventures, and the timing of the reversal can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

The carrying amount of recognised and unrecognised deferred tax assets are reviewed at each reporting date. Deferred tax assets recognised are reduced to the extent that it is no longer probable that future taxable profits will be available for the carrying amount to be recovered. Previously unrecognised deferred tax assets are recognised to the extent that it is probable that there are future taxable profits available to recover the asset.

Deferred tax assets and liabilities are offset only where there is a legally enforceable right to offset current tax assets against current tax liabilities and deferred tax assets against deferred tax liabilities; and they relate to the same taxable authority on either the same taxable entity or different taxable entities which intend to settle simultaneously.



### 7. Income tax expense (continued)

#### *Estimates and assumptions*

#### *Income tax expense*

The Consolidated Entity is subject to income taxes in the jurisdictions in which it operates. Significant judgement is required in determining the provision for income tax. There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. The Consolidated Entity recognises liabilities for anticipated tax audit issues based on the consolidated entity's current understanding of the tax law. Where the final tax outcome of these matters is different from the carrying amounts, such differences will impact the current and deferred tax provisions in the period in which such determination is made.

#### *Recovery of deferred tax assets*

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

#### (a) Amounts recognised in profit or loss

	2023	2022
	\$	\$
Current period tax	(200,184)	944,310
Deferred tax	162,534	(829,266)
Total income tax (benefit) / expense reported	<b>(37,650)</b>	<b>115,044</b>

#### (b) Reconciliation of effective tax rate

Loss for the year	(10,056,445)	(10,772,967)
Income tax using the Consolidated Entity's domestic tax rate of 25% (2022: 25%)	(2,514,111)	(2,693,242)
<i>Tax effect of:</i>		
Non-deductible expenses	621,788	447,125
Changes in tax rate	-	17,354
Temporary differences not recognised	1,854,673	2,427,078
Items recognised in equity	-	(83,271)
Income tax (benefit) / loss	<b>(37,650)</b>	<b>115,044</b>

## Notes to the Consolidated Financial Statements

### FOR THE YEAR ENDED 30 JUNE 2023



#### 7. Income tax expense (continued)

##### (c) Deferred tax assets and liabilities

Deferred tax assets (DTAs) and liabilities relate to the following:

	2023	2022
	\$	\$
Allowance for expected credit losses	10,244	-
Contract liabilities	193,360	176,399
Tax losses	149,099	676,249
R&D tax incentive	1,214,882	838,017
Unrealised foreign exchange	(6,549)	33,429
Section 40-880 costs	328,134	370,225
Right-of-use assets	-	(531,574)
Lease Liabilities	21,967	546,516
Accrued expenses	52,861	47,708
Provisions	76,599	78,609
Prepayments	(1,519)	(2,899)
Plant & Equipment	(154,466)	(185,533)
<b>Net deferred tax asset</b>	<b>1,884,612</b>	<b>2,047,146</b>

Presented in the statement of financial position as follows:

Deferred tax assets	2,047,146	2,767,984
Deferred tax liabilities	(162,534)	(720,838)
<b>Net balance</b>	<b>1,884,612</b>	<b>2,047,146</b>

Potential deferred tax assets attributable to tax losses and other temporary differences of \$13,738,850 have not been brought to account at 30 June 2023 (2022: \$4,071,989) because the directors do not believe it is appropriate to regard realization of the deferred tax assets as probable at this point in time.

The benefit for tax losses will only be obtained if:

- (i) The Consolidated Entity derives future assessable income in Australia of a nature and amount sufficient to enable the benefit from the deductions for the losses to be realised;
- (ii) The Consolidated Entity continues to comply with the conditions for deductibility imposed by tax legislation in Australia; and
- (iii) There are no changes in tax legislation in Australia which will adversely affect the Consolidated Entity in realising the benefit from the deductions for the losses.



## FOR THE YEAR ENDED 30 JUNE 2023

### 8. Cash and cash equivalents

#### *Accounting Policy*

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of twelve months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. For the statement of cash flows presentation purposes, cash and cash equivalents also includes bank overdrafts, which are shown within borrowings in current liabilities on the statement of financial position.

#### *Cash on deposit*

Cash held in relation to contractual securities, prudential securities or other securities provided to third parties by way of bank guarantee.

	2023	2022
	\$	\$
Cash at bank and in hand	371,087	1,153,900
Cash on deposit	632,710	1,970,748
	<b>1,003,797</b>	<b>3,124,648</b>

The Consolidated Entity has \$632,710 (2022: \$1,970,748) cash held in trust in the bank accounts, which is not available for use in the ordinary course of business.



# Notes to the Consolidated Financial Statements

## FOR THE YEAR ENDED 30 JUNE 2023



### 8. Cash and cash equivalents (continued)

#### Reconciliation of loss to net cash from operating activities

Loss after income tax expense for the year	(10,018,805)	(10,888,011)
<i>Adjustments for:</i>		
Bad debts	82,602	5,951
Depreciation and amortisation	388,477	562,115
Employee benefits	-	67,742
Net loss on disposal of non-current assets	8,885	-
Share based payments	394,357	394,359
Non-refundable R&D tax offset	-	(944,344)
Non-cash listing expense	-	120,000
<i>Change in operating assets and liabilities:</i>		
Trade and other receivables	3,109,109	(2,453,394)
Contract assets	286,776	766,877
Deferred tax assets	720,838	32,473
Other assets	528,287	526,624
Trade and other payables	(1,373,090)	660,422
Contract liabilities	1,933,950	(1,685,319)
Deferred tax liabilities	(558,304)	73,854
Provisions	(878,912)	905,365
Provision for income tax	16,339	87,417
<b>Net cash used in operating activities</b>	<b>(5,359,491)</b>	<b>(11,767,869)</b>



### 9. Trade and Other Receivables

#### Accounting Policy

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. They are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for expected credit losses. Trade receivables are generally due for settlement within 30 days.

The Consolidated Entity has applied the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance. To measure the expected credit losses, trade receivables have been grouped based on days overdue.

The expected loss rates are based on the payment profiles of sales over a period of 36 months before 30 June 2023 and the corresponding historical credit losses experience within this period.

Other receivables are recognised at amortised cost, less any allowance for expected credit losses.

#### **Critical judgements – Expected Credit Losses**

The allowance for expected credit losses assessment requires a degree of estimation and judgement. It is based on the lifetime expected credit loss, grouped based on days overdue, and makes assumptions to allocate an overall expected credit loss rate for each group. These assumptions include recent sales experience, historical collection rates and forward- looking information that is available. The allowance for expected credit losses is calculated based on the information available at the time of preparation. The actual credit losses in future years may be higher or lower.

#### **Accrued Income**

Accrued income relates to non-invoiced trade receivables as at 30 June 2023.

	2023	2022
	\$	\$
Trade debtors	1,571,056	1,674,815
Less: Allowance for expected credit losses	(38,256)	-
	1,532,800	1,674,815
Accrued income	173,707	2,909,153
GST receivable	-	314,250
Total trade and other receivables	<b>1,706,507</b>	<b>4,898,218</b>

#### **Allowance for expected credit losses**

The Consolidated Entity has recognised a loss of \$38,256 (2022: \$nil) in profit or loss in respect of the expected credit losses for the year ended 30 June 2023.

The ageing of the receivables and allowance for expected credit losses provided for the above are as follows:

## Notes to the Consolidated Financial Statements



### FOR THE YEAR ENDED 30 JUNE 2023

#### 9. Trade and other receivables (continued)

Consolidated	Expected credit loss rate		Carrying amount		Allowance for expected credit losses	
	2023	2022	2023	2022	2023	2022
	%	%	\$	\$	\$	\$
Not overdue	-	-	270,615	4,723,199	-	-
0-3 months overdue	-	-	1,412,915	140,878	-	-
3+ months overdue	100	-	22,977	34,141	38,256	-
	<b>100</b>	<b>100</b>	<b>1,706,507</b>	<b>4,898,218</b>	<b>38,256</b>	<b>-</b>

#### 10. Contract assets

##### Accounting Policy

Contract assets are recognised when the Consolidated Entity has transferred goods or services to a customer but where the Consolidated Entity is yet to establish an unconditional right to consideration. Contract assets are treated as financial assets for impairment purposes.

	2023	2022
	\$	\$
Contract assets	-	186,776
<i>Reconciliation</i>		
Reconciliation of the written down values at the beginning and end of the current and previous financial year are set out below:		
Opening balance	186,776	953,653
Written off	(100,000)	-
Cumulative catch-up adjustments	-	(162,223)
Additions	-	154,867
Transfer to trade receivables	(86,776)	(759,521)
	<b>-</b>	<b>186,776</b>

#### 11. Other current assets

	2023	2022
	\$	\$
Prepayments	259,044	1,308,355
Deposits	12,315	-
Electricity licences	125,332	125,332
Other	19,715	1,722
	<b>416,406</b>	<b>1,435,409</b>



### 12. Property, plant and equipment

#### Accounting Policy

Land is stated at fair value, based on periodic valuations by external independent valuers. Revaluations are performed with sufficient regularity such that the carrying amount does not differ materially from that which would be determined using fair values at the reporting date. The valuations are undertaken more frequently if there is a material change in the fair value relative to the carrying amount.

Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset. Increases in the carrying amounts arising on revaluation of land is credited in other comprehensive income through to a revaluation surplus reserve in equity. Any revaluation decrements are initially accounted for in other comprehensive income through the revaluation surplus reserve to the extent of any previous revaluation surplus for that same asset. Thereafter, the decrements are accounted for in profit or loss.

Equipment, motor vehicles, furniture and fittings and computer equipment are stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Depreciation is calculated on a diminishing balance basis to write off the net cost of each item of property, plant and equipment over their expected useful lives as follows:

Equipment	2 - 10 years
Motor vehicles	5 - 10 years
Furniture & fittings	5 - 20 years
Computer equipment	2 - 5 years

The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date.

Leasehold improvements are depreciated over the shorter period of the lease term and the estimated useful life of the assets.

An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the Consolidated Entity. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss. Any revaluation surplus reserve relating to the item disposed of is transferred directly to retained earnings / accumulated losses.

## Notes to the Consolidated Financial Statements

### FOR THE YEAR ENDED 30 JUNE 2023



#### 12. Property, plant and equipment (continued)

	Land	Equipment	Motor vehicles	Furniture & fittings	Computer Equipment	Works in progress	Total
	\$	\$	\$	\$	\$	\$	\$
Balance at 1 July 2021	1,250,000	815,005	52,586	108,034	25,689	3,725,470	5,976,784
Additions	-	17,629	-	28,173	47,747	3,366,278	3,459,827
Disposals	-	-	-	-	(4,695)	-	(4,695)
Depreciation expense	-	(162,713)	(5,605)	(18,163)	(24,535)	-	(211,016)
Disposals	-	1,413	(1,980)	-	-	-	(567)
Balance as at 30 June 2022	1,250,000	671,334	45,001	118,044	44,206	7,091,748	9,220,333
Additions	-	-	-	-	2,532	1,496,903	1,499,435
Depreciation expense	-	(129,533)	(7,954)	(15,401)	(23,342)	-	(176,230)
Reclassification	-	(17,355)	17,355	-	-	-	-
Transfer to right-of-use assets	-	-	(5,232)	-	-	-	(5,232)
Foreign exchange rate difference	-	-	833	(34)	-	-	799
Balance as at 30 June 2023	1,250,000	524,446	50,003	102,609	23,396	8,588,651	10,539,105
Fair value	1,250,000	-	-	-	-	-	1,250,000
Cost	-	1,041,863	53,463	179,287	131,541	7,091,748	8,497,902
Accumulated depreciation	-	(370,529)	(8,462)	(61,243)	(87,335)	-	(527,569)
Balance as at 30 June 2022	1,250,000	671,334	45,001	118,044	44,206	7,091,748	9,220,333
Fair value	1,250,000	-	-	-	-	-	1,250,000
Cost	-	1,025,986	89,651	179,253	134,072	8,588,651	10,017,613
Accumulated depreciation	-	(501,540)	(39,648)	(76,644)	(110,676)	-	(728,508)
Balance as at 30 June 2023	1,250,000	524,446	50,003	102,609	23,396	8,588,651	10,539,105

## Notes to the Consolidated Financial Statements

### FOR THE YEAR ENDED 30 JUNE 2023



#### 13. Right-of-use assets

##### Accounting Policy

A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Right-of-use assets are depreciated on a straight-line basis over the shorter period of the lease term and the useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use-asset reflects that the Consolidated Entity expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset.

The Consolidated Entity has elected not to recognise a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are expensed to profit or loss as incurred.

	Land	Equipment	Motor vehicles	Office lease	Total
	\$	\$	\$	\$	\$
Balance as at 1 July 2021	2,150,412	232,396	156,865	145,795	2,685,468
Additions	-	-	-	-	-
Depreciation expense	(86,594)	(46,479)	(26,620)	(83,316)	(243,009)
Disposals	-	-	(16,787)	-	(16,787)
Balance as at 30 June 2022	2,063,818	185,917	113,458	62,479	2,425,672
Additions	-	-	-	-	-
Depreciation expense	(86,594)	(37,183)	(15,243)	(62,479)	(201,499)
Disposals	-	-	(74,507)	-	(74,507)
Transfer from PPE	-	-	5,232	-	5,232
Balance as at 30 June 2023	1,977,224	148,734	28,940	-	2,154,898
Cost	2,164,844	300,512	230,710	312,421	3,008,487
Accumulated depreciation	(101,026)	(114,595)	(117,252)	(249,942)	(582,815)
Balance as at 30 June 2022	2,063,818	185,917	113,458	62,479	2,425,672
Cost	2,164,844	300,512	76,782	-	2,542,138
Accumulated depreciation	(187,620)	(151,778)	(47,842)	-	(387,240)
Balance as at 30 June 2023	1,977,224	148,734	28,940	-	2,154,898



## Notes to the Consolidated Financial Statements



### FOR THE YEAR ENDED 30 JUNE 2023

#### 14. Trade and other payables

##### Accounting Policy

Trade and other payables are carried at amortised cost and represent liabilities for goods and services provided to the Consolidated Entity prior to the end of the financial year that are unpaid and arise when the Consolidated Entity becomes obliged to make future payments in respect of the purchase of these goods and services. Due to their short-term nature, they are measured at amortised cost and are not discounted. The amounts are unsecured and usually paid within 30 days of recognition.

	2023	2022
	\$	\$
Trade creditors	3,153,118	1,742,502
GST Collected	270,574	-
Superannuation payable	75,698	100,258
PAYG withholding payable	70,373	218,393
Payroll tax payable	471,883	436,478
Accrued expenses	924,974	4,244,489
Fringe benefits tax	-	5,576
Other payables	48,378	-
	<b>5,014,998</b>	<b>6,747,696</b>

#### 15. Provisions

##### Accounting Policy

Provisions are recognised when the Consolidated Entity has a present (legal or constructive) obligation as a result of a past event, it is probable the consolidated entity will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation. If the time value of money is material, provisions are discounted using a current pre-tax rate specific to the liability. The increase in the provision resulting from the passage of time is recognised as a finance cost.

Provision is made for the onerous element of a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received from the contract. The provisions is measured at the present value of the lower of the expected cost of existing the contract and the net cost of fulfilling the contract. The cost of fulfilling the contract includes both the incremental costs of fulfilling that contract and an allocation of other costs that relate directly to fulfilling that contract.

	2023	2022
	\$	\$
Employee Entitlements	306,396	314,434
Provision for foreseeable losses	-	870,874
	<b>306,396</b>	<b>1,185,308</b>

# Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 30 JUNE 2023



## 16. Income tax receivables / (payables)

	2023	2022
	\$	\$
Income tax receivables / (payables)	21,311	(229,411)
	21,311	(229,411)

## 17. Lease liabilities

### Accounting Policy

A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the consolidated entity's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of-use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down.

### ***Judgements, estimates and assumptions***

#### ***Lease term***

The lease term is a significant component in the measurement of both the right-of-use asset and lease liability. Judgement is exercised in determining whether there is reasonable certainty that an option to extend the lease or purchase the underlying asset will be exercised, or an option to terminate the lease will not be exercised, when ascertaining the periods to be included in the lease term. In determining the lease term, all facts and circumstances that create an economical incentive to exercise an extension option, or not to exercise a termination option, are considered at the lease commencement date. Factors considered may include the importance of the asset to the Consolidated Entity's operations; comparison of terms and conditions to prevailing market rates; incurrence of significant penalties; existence of significant leasehold improvements; and the costs and disruption to replace the asset. The Consolidated Entity reassesses whether it is reasonably certain to exercise an extension option, or not exercise a termination option, if there is a significant event or significant change in circumstances.

# Notes to the Consolidated Financial Statements



## FOR THE YEAR ENDED 30 JUNE 2023

### 17. Lease liabilities (continued)

	2023 \$	2022 \$
Opening balance	2,393,781	2,777,384
Principal repayments	(336,678)	(431,378)
Interest expense	33,117	47,775
<b>Closing balance</b>	<b>2,090,220</b>	<b>2,393,781</b>
<b>Classification</b>		
Current liabilities	65,617	303,560
Non-current liabilities	2,024,603	2,090,221
	<b>2,090,220</b>	<b>2,393,781</b>

### 18. Borrowings

#### Accounting Policy

Loans and borrowings are initially recognised at the fair value of the consideration received, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method.

The component of the convertible notes that exhibits characteristics of a liability is recognised as a liability in the statement of financial position, net of transaction costs.

On the issue of the convertible notes the fair value of the liability component is determined using a market rate for an equivalent non-convertible bond and this amount is carried as a liability on the amortised cost basis until extinguished on conversion or redemption. The increase in the liability due to the passage of time is recognised as a finance cost. The remainder of the proceeds are allocated to the conversion option that is recognised and included in shareholders equity as a convertible note reserve, net of transaction costs. The carrying amount of the conversion option is not remeasured in the subsequent years. The corresponding interest on convertible notes is expensed to profit or loss.

	2023 \$	2022 \$
Insurance premium funding	284,927	231,360
Convertible notes (a)	5,247,824	-
<b>Borrowings</b>	<b>5,532,751</b>	<b>231,360</b>
(a) Convertible notes		-
Proceeds from issue of convertible notes	5,000,000	-
Convertible note reserve(equity)	(111,783)	-
Interest capitalised	359,607	-
	<b>5,247,824</b>	-

## Notes to the Consolidated Financial Statements



### FOR THE YEAR ENDED 30 JUNE 2023

#### 18. Borrowings (continued)

On 18 October 2022, the Company entered into an agreement ("Framework Deed") in relation to a secured convertible note facility with Impact DL Pty Ltd as trustee for Impact DL Holding Trust (Palisade Impact). The Company issued secured convertible notes in 2 tranches with a total face value of \$5,000,000.

The notes are convertible to ordinary shares of the Company, at option of the holder or repayable on 26 April 2024.

The notes have an interest rate of 12% per annum that will capitalise and will be convertible into the ordinary shares of the Company at a conversion price of \$0.1244 per share.

# Notes to the Consolidated Financial Statements



## FOR THE YEAR ENDED 30 JUNE 2023

### 19. Contract liabilities

#### Accounting Policy

Contract liabilities represent the consolidated entity's obligation to transfer goods or services to a customer and are recognised when a customer pays consideration, or when the consolidated entity recognises a receivable to reflect its unconditional right to consideration (whichever is earlier) before the consolidated entity has transferred the goods or services to the customer.

	2023	2022
	\$	\$
Contract liabilities	2,639,545	705,595
<i>Reconciliation</i>		
Reconciliation of the written down values at the beginning and end of the current and previous financial year are set out below:		
Opening balance	705,595	2,390,914
Payments received in advance	1,866,104	-
Cumulative catch-up adjustments	67,846	(2,458,760)
Liquidated damages accrued	-	773,441
	<b>2,639,545</b>	<b>705,595</b>

#### *Unsatisfied performance obligations*

The aggregate amount of the transaction price allocated to the performance obligations that are unsatisfied at the end of the reporting period was \$1,866,104 as at 30 June 2023 (\$67,846 as at 30 June 2022) and is expected to be recognised as revenue in future periods.

# Notes to the Consolidated Financial Statements

## FOR THE YEAR ENDED 30 JUNE 2023



### 20. Share capital

#### Accounting Policy

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares or share options are recognised as a deduction from equity, net of any tax effects.

	Number of shares		Amount in \$	
	2023	2022	2023	2022
<b>Movements in ordinary shares on issue</b>				
On issue as at 1 July	215,720,915	179,078,280	20,492,994	14,578,801
Private placement	-	26,470,588	-	4,500,000
Share purchase plan	-	9,572,047	-	1,627,275
Lead manager placement	-	600,000	-	120,000
Capital raising costs	-	-	-	(333,082)
<b>Balance as at 30 June</b>	<b>215,720,915</b>	<b>215,720,915</b>	<b>20,492,994</b>	<b>20,492,994</b>

The holders of ordinary shares are entitled to receive dividends as declared and are entitled to one vote per share at meetings of the Company. Option holders cannot participate in any new share issues by the Company without exercising their options.

In the event of a winding up of the Company, ordinary shareholders rank after all other shareholders and creditors and are fully entitled to any proceeds on liquidation.

All issued shares are fully paid.

#### Dividends

The Company's dividend policy considers free cash flow, working capital requirements, medium-term investment program and risks from short and medium-term economic market conditions. No dividend was declared for the current financial year (2022: \$nil).

The ability to utilise franking credits is dependent upon there being sufficient available profits to declare dividends. The amount of franking credits available for subsequent financial years at year end is \$158,165 (2022: \$158,165). The amount detailed above is adjusted for:

- franking credits that will arise from the payment of the amount of the provision for income tax at reporting date
- franking debits that will arise from the payment of dividends recognised as a liability at the reporting date





### 21. Reserves

#### Accounting Policy

##### **Share based payments reserve**

The options reserve represents the fair value of shares to be issued to directors, consultants and employees. This reserve will be transferred to capital once the shares have been issued or reversed through retained earnings if the options expire or are cancelled.

##### **Foreign currency translation reserve**

Exchange differences relating to the translation of the results and net assets of the Consolidated Entity's foreign operations from their functional currencies to the Consolidated Entity's presentation currency (i.e. Australian dollars) are recognised directly in other comprehensive income and accumulated in the foreign currency translation reserve. Exchange differences previously accumulated in the foreign currency translation reserve are reclassified to profit or loss on the disposal of the foreign operations.

##### **Common control reserve**

The pooling of interest method has been adopted to account for the combination as a business combination carried out under common control.

	2023 \$	2022 \$
Share based payment reserve (a)	2,539,269	2,144,912
Foreign currency translation reserve (b)	(8,384)	192,027
Common control reserve (c)	(933,740)	(933,740)
Convertible note reserve (Note 18)	111,783	-
<b>Balance as at 30 June</b>	<b>1,708,928</b>	<b>1,403,199</b>

##### **(a) Share based payment reserve**

	2023 \$	2022 \$
Options <sup>(i)</sup>	1,822,338	1,708,484
Performance rights <sup>(ii)</sup>	716,931	436,428
<b>Balance as at 30 June</b>	<b>2,539,269</b>	<b>2,144,912</b>

# Notes to the Consolidated Financial Statements

## FOR THE YEAR ENDED 30 JUNE 2023



### 21. Reserves (continued)

#### (i) Options reconciliation

	Number of options		\$	
	2023	2022	2023	2022
<b>Movements in options on issue</b>				
On issue as at 1 July	20,250,000	20,250,000	1,708,484	1,594,630
Director incentive options	-	-	-	-
Advisor options	-	-	-	-
Directors options (vesting expense recognised)	-	-	113,854	113,854
<b>Balance as at 30 June</b>	<b>20,250,000</b>	<b>20,250,000</b>	<b>1,822,338</b>	<b>1,708,484</b>

During the reporting period and since reporting period end, no options have expired (2022: nil).

During the reporting period and since reporting period end, no shares have been issued on exercise of options (2022: nil).

#### (ii) Performance rights reconciliation

	Number of rights		\$	
	2023	2022	2023	2022
<b>Movements in performance rights on issue</b>				
On issue as at 1 July	13,671,714	13,671,714	436,428	155,923
Director performance rights (vesting expense recognised)	-	-	280,503	280,505
<b>Balance as at 30 June</b>	<b>13,671,714</b>	<b>13,671,714</b>	<b>716,931</b>	<b>436,428</b>

During the reporting period and since reporting period end, no performance rights have expired (2022: nil).

During the reporting period and since reporting period end, no shares have been issued on vesting of performance rights (2022: nil).

#### (b) Foreign currency translation reserve

	2023	2022
	\$	\$
Foreign currency translation reserve	(8,384)	192,027
<b>Balance as at 30 June</b>	<b>(8,384)</b>	<b>192,027</b>



### 21. Reserves (continued)

#### (c) Common control reserve

In January 2020, Delorean Corporation Limited, a then newly formed entity, issued shares exclusively to the existing shareholders of Tekpro Pty Ltd, Delorean Energy Pty Ltd, Biogas Renewables Pty Ltd and Cleantech Energy Pty Ltd, so that the interest held by each shareholder was unchanged. Immediately upon this share issue, all shares in the common controlled entities were transferred to Delorean Corporation Limited for no consideration; and the shareholders were issued scrip shares to ensure they retained their shared, collective control over the combined entity.

The pooling of interest method has been adopted to account for the combination as a business combination carried out under common control. This means the assets and liabilities of the entities coming under common control have been transferred to the financial statements of Delorean Corporation Limited at book value without revaluation. There has been no consideration paid by Delorean Corporation Limited to acquire any of the entities, therefore the value of the combined assets is represented as an entry directly to equity with no impact on the Consolidated Statement of Profit or Loss and other Comprehensive Income, and no goodwill is recognised. This has given rise to the value stated in the common control reserve that continues to be carried forward.

	2023 \$	2022 \$
Common control reserve	(933,740)	(933,740)
<b>Balance as at 30 June</b>	<b>(933,740)</b>	<b>(933,740)</b>

#### (d) Convertible note reserve

The equity reserve holds the equity component of the convertible notes and is not remeasured from inception. This value will remain in the reserve until the convertible notes are converted or repaid.

	2023 \$	2022 \$
<b>Movements in convertible note reserve</b>		
Opening balance	-	-
Issue of convertible notes	111,783	-
<b>Balance as at 30 June</b>	<b>111,783</b>	-



### 22. Share-based payments

#### Accounting Policy

The Company has an Incentive Share Plan and a Performance Rights and Option Plan in place for all employees of the Consolidated Entity whereby employees receive rights to acquire shares of the Company. The grant date fair value of share-based payment awards granted to employees is recognised as a Share Based Payment expense, with a corresponding increase in equity, over the period that the employees unconditionally become entitled to the awards.

The Consolidated Entity additionally has the capacity to issue equity securities to suppliers under the ASX Listing Rules as an alternate method of payment for goods or services provided. The grant date fair value of share-based payment awards granted to suppliers is recognised as a separate expense, contained within *Share-based payments expenses*, with a corresponding increase in equity over the period that the supplier provides the service or becomes unconditionally entitled to the award. The Consolidated Entity entered into such share-based payment transactions by way of payment for advisory services received during the year. Given the nature of these services, they were not recognised as a share-based payment expense but rather as a reduction of Equity as they were directly related to equity raising activities.

The amount recognised as an expense is adjusted to reflect the number of awards for which the related service and non-market vesting conditions are expected to be met, such that the amount ultimately recognised as an expense is based on the number of awards that meet the related service and non-market performance conditions at the vesting date. For share-based payment awards with non-market vesting conditions, the grant date fair value of the share-based payment is measured to reflect such conditions and there is no true-up for difference between expected and actual outcomes.

#### *Estimates and assumptions*

##### **Share-based payment transactions**

The consolidated entity measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by using either the Binomial or Black-Scholes model taking into account the terms and conditions upon which the instruments were granted. The accounting estimates and assumptions relating to equity-settled share-based payments would have no impact on the carrying amounts of assets and liabilities within the next annual reporting period but may impact profit or loss and equity.

# Notes to the Consolidated Financial Statements

## FOR THE YEAR ENDED 30 JUNE 2023



### 22. Share-based payments

The share-based payments included within the consolidated financial statements can be broken down as follows:

	2023	2022
	\$	\$
<b>Expensed in profit and loss</b>		
<i>Expensed in share-based payments</i>		
Options issued to Directors	113,854	113,854
Performance rights issued to Directors	280,503	280,505
	<b>394,357</b>	<b>394,359</b>
<i>Expensed in other expenses</i>		
Lead manager shares*	-	120,000
	<b>-</b>	<b>120,000</b>

\*On 25 November 2021, 600,000 shares with fair value of \$0.20 per share were issued in satisfaction for corporate advisory services rendered.



## Notes to the Consolidated Financial Statements

### FOR THE YEAR ENDED 30 JUNE 2023

#### 22. Share-based payments (continued)

The Company adopted an Incentive Share Plan and Performance Rights and Option Plan, both effective 2 December 2020. Under these plans, the Company may grant over a period of 3 years the ability for employees to acquire securities up to a maximum of 5% of the Company's total issued ordinary shares at the date of the grant. The fair value of share options issued to consultants is estimated using the Black and Scholes option pricing model. The fair value of options issued to Directors has been estimated using a trinomial option pricing model with separate barriers taking into account share price vesting conditions in place. The value of shares and performance rights issued is based upon the share price as at grant date.

#### Options

The following table illustrates the share-based payment arrangements in place, and the number and weighted average exercise prices of and movements in, share options.

Grant date	Vesting date	Expiry date	Exercise price (cents)	Balance at start of year	Granted during year	Expiring during year	Balance at year end	Exercisable at year end
20-Oct-20	12-Apr-21	12-Apr-25	25	14,000,000	-	-	14,000,000	14,000,000
21-Feb-21	Partial*	31-Mar-25	20	6,250,000	-	-	6,250,000	2,083,333
<b>Total</b>				<b>20,250,000</b>	-	-	<b>20,250,000</b>	<b>16,083,333</b>
Weighted average exercise price (cents)				23.46	-	-	23.46	24.35
Weighted average remaining contractual life (years)				1.78	-	-	1.78	1.78

\* As at year end, the first third of these options have vested. The first of three separate vesting conditions was met on 16 April 2021 when the Company's intraday share price exceeded 30 cents for 5 consecutive days.

The options noted above have differing vesting criteria which dictates the amount of options the Company expects will vest. Fair value of these options is expensed over the expected vesting period. If no vesting criteria is present for a tranche of options, the fair value of the options is expensed in full upon allotment.

**2023:** The weighted average remaining contractual life of remaining options outstanding at the end of the financial year ended 30 June 2023 was 1.78 years (2022: 2.78 years)

## Notes to the Consolidated Financial Statements



### FOR THE YEAR ENDED 30 JUNE 2023

#### 22. Share-based payments (continued)

##### *Performance rights*

As at 30 June 2023, a summary of the Consolidated Entity performance rights issued but not yet vested are as follows:

Grant Date	End date for performance condition	Class	Balance at start of year	Granted during the year	Converted during the year	Balance at year end
1-Apr-21	30-Jun-26*	A	4,557,238	-	-	4,557,238
1-Apr-21	30-Jun-26*	B	4,557,238	-	-	4,557,238
1-Apr-21	30-Jun-26*	C	4,557,238	-	-	4,557,238

\* It is noted that the expiry date of the performance rights issued to Messrs Jolly and Oliver prior to IPO is 30 November 2026, this however sets 30 June 2026 as the end of the financial year in which the milestone can be achieved to satisfy the performance conditions.

Each performance right represents a right to be issued one ordinary share by the end of the performance period, with no exercise price payable, should the vesting conditions in each class be met:

##### *Class A*

- Achievement of at least \$5,000,000 underlying EBITDA in any financial year

##### *Class B*

- Achievement of at least \$10,000,000 underlying EBITDA in any financial year

##### *Class C*

- Achievement of at least \$12,500,000 underlying EBITDA in any financial year



## Notes to the Consolidated Financial Statements



### FOR THE YEAR ENDED 30 JUNE 2023

#### 22. Share-based payments (continued)

The Directors assess at each reporting date the likelihood the above vesting conditions will be met. To the extent a class of performance rights is considered probable, the Company will record an associated share-based payment expense based upon the fair value of the associated performance rights at grant date and the number of performance rights issued. Management has determined that based upon anticipated growth of the Company, each of the classes of performance rights are likely to vest.

The Consolidated Entity did not enter into any such share-based payment transactions during the financial year 2023.

#### 23. Loss per share

##### Accounting Policy

Earnings per share is calculated by dividing the profit attributable to the owners of Delorean Corporation Limited, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the financial year.

Diluted earnings per share adjusted the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

	2023	2022
	\$	\$
Net loss for the year attributable to ordinary shareholders	(10,018,805)	(10,888,011)
Weighted average number of ordinary shares used in the calculation of basic earnings per share	215,720,915	186,918,411
Diluted weighted average number of ordinary shares at 30 June	215,720,915	186,918,411
Basic loss per share (cents per share)	(4.64)	(5.83)
Diluted loss per share* (cents per share)	(4.64)	(5.83)

\* Performance rights and options are anti-dilutive as the average share price during the period was lower than the exercise price of the options.



### 24. Financial instruments

#### Accounting Policy

##### Recognition and derecognition

Financial assets and liabilities are recognised when the Consolidated Entity becomes a party to the contractual provisions of the financial instrument.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and substantially all the risks and rewards are transferred.

A financial liability is derecognised when it is extinguished, discharged, cancelled, or expires.

##### Classification and initial measurement of financial assets

Except for those trade receivables that do not contain a significant financing component and are measured at transaction price in accordance with AASB 15, all financial assets are initially measured at fair value adjusted for transaction costs (where applicable).

For subsequent measurement, financial assets, other than those designated and effective as hedging instruments, are classified into the following categories:

- amortised cost
- fair value through profit or loss (FVTPL)
- equity instruments at fair value through other comprehensive income (FVOCI)
- debt instruments at fair value through other comprehensive income (FVOCI)

All income and expenses relating to financial assets that are recognised in profit or loss are presented within finance costs, finance income or other financial items, except for impairment of trade receivables which is presented within other expenses.

The classification is determined by both:

- the entity's business model for managing the financial asset; and
- the contractual cash flow characteristics of the financial asset.

##### Subsequent remeasurement of financial assets

##### Financial assets at amortised cost

Financial assets are measured at amortised cost if the assets meet the following conditions (and are not designated as FVTPL):

- they are held within a business model whose objective is to hold the financial assets to collect their contractual cash flows; and
- the contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial recognition, these are measured at amortised cost using the effective interest method.

Discounting is omitted where the effect of discounting is immaterial. The Consolidated Entity's cash and cash equivalents, trade and other receivables fall into this category of financial instruments.



### 24. Financial instruments (continued)

#### **Impairment of financial assets**

The Consolidated Entity recognises a loss allowance for expected credit losses on financial assets which are either measured at amortised costs or fair value through other comprehensive income. The measurement of the loss allowance depends upon the Consolidated Entity's assessment at the end of each reporting period as to whether the financial instrument's credit risk has increased significantly since initial recognition, based on reasonable and supportable information that is available, without undue cost or effort to obtain.

Where there has not been a significant increase in exposure to credit risk since initial recognition, a 12-month expected credit loss allowance is estimated. This represents a portion of the asset's lifetime expected credit losses that is attributable to a default event that is possible within the next 12 months. Where a financial asset has become credit impaired or where it is determined that credit risk has increased significantly, the loss allowance is based on the asset's lifetime expected credit losses. The amount of expected credit loss recognised is measured on the basis of the probability weighted present value of anticipated cash shortfalls over the life of the instrument discounted at the original effective interest rate.

The Consolidated Entity makes use of a simplified approach in accounting for trade and other receivables and records the loss allowance as lifetime expected credit losses. These are the expected shortfalls in contractual cash flows, considering the potential for default at any point during the life of the financial instrument. In calculating, the Consolidated Entity uses its historical experience, external indicators and forward-looking information to calculate the expected credit losses using a provision matrix.

#### **Classification and measurement of financial liabilities**

The Consolidated Entity's financial liabilities include borrowings, trade and other payables and derivative financial instruments.

Financial liabilities are initially measured at fair value, and where applicable, adjusted for transaction costs unless the Consolidated Entity designated a financial liability at fair value through profit or loss.

Subsequently, financial liabilities are initially measured at amortised cost using the effective interest method except for derivatives and financial liabilities designation at FVTPL, which are carried subsequently at fair value with gains or losses recognised in profit or loss.

All interest-related charges and, if applicable, changes in an instrument's fair value that are reported in profit or loss are included within finance costs or finance income.

#### ***Derivative financial instruments***

Derivative financial instruments are accounted for at fair value through profit or loss (FVTPL).



#### 24. Financial instruments (continued)

##### **Capital risk management**

The Consolidated Entity manages its capital to ensure that entities in the Consolidated Entity will be able to continue as a going concern while maximising the return to shareholders through the optimisation of the debt and equity balance.

The Consolidated Entity's overall strategy remains unchanged from 2022.

The capital structure of the Consolidated Entity consists of cash and cash equivalents and equity attributable to equity holders of the parent, comprising issued capital, reserves and retained earnings.

The Consolidated Entity is subject to externally imposed capital requirements through their covenants with Commonwealth Bank.

Leverage ratios and current ratios are reviewed by the Board on a regular basis to ensure compliance with lending covenants imposed by Commonwealth bank.

##### **Financial risk management objectives**

The Consolidated Entity is exposed to market risk (including foreign currency exchange rate risk and interest rate risk), credit risk and liquidity risk.

The Consolidated Entity seeks to minimise the effect of these risks, by using derivative financial instruments to hedge these risk exposures.

The use of financial derivatives is governed by the Consolidated Entity's policies approved by the Board of Directors, which provide written principles on market risk, credit risk, liquidity risk and cash flow interest rate risk, the use of financial derivatives and non-derivative financial instruments, and the investment of excess liquidity.

Compliance with policies and exposure limits is reviewed by management on a continuous basis. The Consolidated Entity does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

##### **Market risk**

The Consolidated Entity's activities expose it primarily to the financial risks of changes in foreign currency exchange rates and interest rates.

The Consolidated Entity has the capacity to enter into a variety of derivative financial instruments to manage its exposure to foreign currency exchange including foreign exchange forward contracts to hedge the foreign currency exchange rates. There has been no change to the Consolidated Entity's exposure to foreign currency exchange rates or the manner in which it measures this risk from the previous period.

##### *Foreign currency exchange risk management*

The Consolidated Entity undertakes certain transactions denominated in foreign currencies, hence exposures to exchange rate fluctuations arise. Exchange rate exposures are managed within approved policy parameters utilising forward foreign exchange contracts when required to minimise exposure. The exposures to exchange rate fluctuations is not material to the Consolidated Entity.



#### 24. Financial instruments (continued)

##### *Foreign currency sensitivity analysis*

The sensitivity analyses below detail the Consolidated Entity's sensitivity to an increase/decrease in the Australian dollar against the New Zealand dollar. The sensitivity analysis includes only outstanding foreign currency denominated monetary items within the Consolidated Entity.

200 basis points is the sensitivity rate used when reporting foreign currency risk internally to management and represents management's assessment of the possible change in foreign exchange rates.

At balance date, if foreign exchange rates had been 200 basis points higher or lower and all other variables were held constant, the Consolidated Entity's loss would increase/decrease by \$71 (2022: Loss \$1,585).

The Consolidated Entity's sensitivity to foreign exchange has not changed significantly from the prior year.

##### *Interest rate risk management*

The Company and the Consolidated Entity are exposed to interest rate risk. Entities in the Consolidated Entity issue bank guarantees at fixed interest rates. Guarantees obtained at fixed rates expose the Consolidated Entity to fair value risk.

The Consolidated Entity's exposures to interest rate risk on financial assets and financial liabilities are detailed in the liquidity risk management section of this note.

##### *Interest rate risk sensitivity analysis*

The sensitivity analysis below has been determined based on the exposure to interest rates for both derivative and non-derivative instruments at the balance date and the stipulated change taking place at the beginning of the financial year and held constant throughout the reporting period.

A 200 basis point increase or decrease is used when reporting interest rate risk internally to management and represents management's assessment of the change in interest rates.

At balance date, in interest rates had been 200 basis points higher or lower and all other variables were held constant, the Consolidated Entity's loss would increase/decrease by \$165,358 (2022: Loss \$113,706).

The Consolidated Entity's sensitivity to interest rate risk has not changed significantly from the prior year.

##### *Credit risk management*

Credit risk is the risk that a counterparty fails to discharge an obligation to the Consolidated Entity. The Consolidated Entity is exposed to credit risk from financial assets including cash and cash equivalents held at banks and trade and other receivables.

The credit risk is managed on a group basis based under the Consolidated Entity's credit risk management policies and procedures.

The credit risk in respect of cash balances held with banks and deposits with banks are managed via diversification of bank deposits and are only with major reputable financial institutions.

## Notes to the Consolidated Financial Statements



### FOR THE YEAR ENDED 30 JUNE 2023

#### 24. Financial instruments (continued)

The Consolidated Entity continuously monitors the credit quality of customers based on a credit rating scorecard. The Consolidated Entity's policy is to deal only with creditworthy counterparties. The credit terms range between 30-90 days.

The credit terms for customers as negotiated with customers are subject to an internal approval process which considers the credit rating scorecard. The ongoing credit risk is managed through regular review of ageing analysis.

#### *Liquidity risk management*

Ultimate responsibility for liquidity risk management rests with the Board of Directors, who have built an appropriate liquidity risk management framework for the management of the Consolidated Entity's short, medium and long-term funding and liquidity management requirements.

The Consolidated Entity manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

#### Non-derivative financial liabilities

The following tables detail the Consolidated Entity's expected contractual maturity for its non-derivative financial liabilities.

These have been drawn up based on undiscounted contractual maturities of the financial liabilities based on the earliest date the Consolidated Entity can be required to repay.

The tables include both interest and principal cash flows for the Consolidated Entity.

	Weighted average interest rate %	Current \$	Non-Current \$	Total \$
<b>30 June 2023</b>				
<u><i>Non-interest bearing</i></u>				
Trade and other payables		5,014,998	-	5,014,998
Provisions		306,396	-	306,396
Contract Liabilities		2,639,545	-	2,639,545
		<b>7,960,939</b>	<b>-</b>	<b>7,960,939</b>
<u><i>Interest-bearing – fixed rate</i></u>				
Lease liabilities	3.15%	65,617	2,024,603	2,090,220
Borrowings	8.18%	5,532,751	-	5,532,751
		<b>5,598,368</b>	<b>2,024,603</b>	<b>7,622,971</b>

# Notes to the Consolidated Financial Statements

## FOR THE YEAR ENDED 30 JUNE 2023



### 24. Financial instruments (continued)

	Weighted average interest rate %	Current \$	Non-Current \$	Total \$
<b>30 June 2022</b>				
<i>Non-interest bearing</i>				
Trade and other payables		6,747,696	-	6,747,696
Provisions		1,185,308	-	1,185,308
Contract Liabilities		705,595	-	705,595
		<b>8,638,599</b>	<b>-</b>	<b>8,638,599</b>
<i>Interest-bearing – fixed rate</i>				
Lease liabilities	4.35%	303,560	2,090,221	2,393,781
Borrowings	1.5%	231,360	-	231,360
		<b>534,920</b>	<b>2,090,221</b>	<b>2,625,141</b>

The above amounts reflect the contractual undiscounted cash flows, which may differ to the carrying values of the liabilities at reporting date.

### 25. Fair value measurement

#### *Fair value hierarchy*

The following tables detail the consolidated entity's assets and liabilities, measured or disclosed at fair value, using a three level hierarchy, based on the lowest level of input that is significant to the entire fair value measurement, being:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly

Level 3: Unobservable inputs for the asset or liability

<b>Consolidated - 2023</b>	Level 1	Level 2	Level 3	Total
<i>Assets</i>				
Land	-	1,250,000	-	1,250,000
Total assets	-	1,250,000	-	1,250,000



# Notes to the Consolidated Financial Statements

## FOR THE YEAR ENDED 30 JUNE 2023



### 25. Fair value measurement (continued)

Consolidated - 2022	Level 1	Level 2	Level 3	Total
<i>Assets</i>				
Land	-	1,250,000	-	1,250,000
Total assets	-	1,250,000	-	1,250,000

There were no transfers between levels during the financial year.

The carrying amounts of trade and other receivables and trade and other payables are assumed to approximate their fair values due to their short-term nature.

The fair value of financial liabilities is estimated by discounting the remaining contractual maturities at the current market interest rate that is available for similar financial liabilities.

#### *Valuation techniques for fair value measurements categorised within level 2 and level 3*

The basis of the valuation of land is fair value. The land was last revalued on 30 June 2021 based on independent assessments by a member of the Australian Property Institute having recent experience in the location and category of land being valued. The directors do not believe that there has been a material movement in fair value since the revaluation date. Valuations are based on current prices for similar properties in the same location and condition.



### 26. Related parties

#### Accounting Policy

##### Key management personnel compensation

Key management personnel remuneration is expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Consolidated Entity has a present legal or constructive obligation to pay this amount because of past service provided by the employee and the obligation can be estimated reliably.

##### (a) Key management personnel compensation

	2023	2022
	\$	\$
Short-term employee benefits	1,057,490	961,921
Post-employment benefits	106,755	77,879
Share-based payments – options	113,854	113,854
Share-based payments – performance rights	280,503	280,505
	1,558,602	1,434,159

##### (b) Other key management personnel transactions

###### Transactions with related parties

The Consolidated Entity used financial reporting advisory services of Broadway Management (WA) Pty Ltd, a firm over which David McArthur exercises significant influence. The amounts billed relating to this service amount to \$nil (2022: \$24,000), based on normal market rates and was fully paid as of the reporting date.

###### Receivables from and payable to related parties

There were no outstanding balances at the reporting date in relation to transactions with related parties (2022: \$nil).

###### Loans to/from related parties

There were no loans to or from related parties at the reporting date (2022: \$nil).

## Notes to the Consolidated Financial Statements



### FOR THE YEAR ENDED 30 JUNE 2023

#### 27. Subsidiaries

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policy described in note 1.

Name of subsidiary	Place of incorporation	Equity interest	
		2023	2022
Tekpro Pty Ltd	Australia	100	100
Delorean Energy Pty Ltd	Australia	100	100
Delorean Energy SA One Pty Ltd	Australia	100	100
Biogass Renewables Pty Ltd	Australia	100	100
Biogass Renewables (NZ) Ltd	New Zealand	100	100
Cleantech Energy Pty Ltd	Australia	100	100
Delorean Energy Victoria One Pty Ltd	Australia	90	90
Delorean Energy Queensland One Pty Ltd	Australia	100	100

Balances and transactions between the Company and its subsidiaries have been eliminated on consolidation.

# Notes to the Consolidated Financial Statements



## FOR THE YEAR ENDED 30 JUNE 2023

### 28. Parent company disclosures

#### Accounting Policy

The accounting policies of the parent entity, which has been applied in determining the financial information shown below, are the same as those applied in the consolidated financial statements, except for the following:

- Investments in subsidiaries are accounted for at cost, less any impairment, in the parent entity.
- Dividends received from subsidiaries are recognised as other income by the parent entity and its receipt may be an indicator of an impairment of the investment.

As at, and throughout the financial year ended 30 June 2023, the parent entity of the group was Delorean Corporation Limited.

	2023	2022
	\$	\$
<b>Result of the parent entity</b>		
Loss for the year	(10,219,221)	(9,812,304)
Total comprehensive loss for the year	(10,219,221)	(9,812,304)
<b>Financial position of parent entity at year end</b>		
Current assets	5,506,950	11,438,791
<b>Total assets</b>	<b>8,360,902</b>	<b>12,424,370</b>
Current liabilities	(6,192,181)	(542,573)
<b>Total liabilities</b>	<b>(6,192,181)</b>	<b>(542,573)</b>
<b>Total equity of the parent entity comprising:</b>		
Share capital	20,492,994	20,492,994
Accumulated losses	(20,975,330)	(10,756,109)
Reserves	2,651,057	2,144,912
<b>Total equity</b>	<b>2,168,721</b>	<b>11,881,797</b>



#### 29. Contingent liabilities

##### Accounting Policy

A contingent liability is a possible obligation arising from past events and whose existence will be confirmed only by occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Consolidated Entity. A contingent liability may also be a present obligation arising from past events but is not recognised on the basis that an outflow of economic resources to settle the obligation is not viewed as probable, or the amount of the obligation cannot be reliably measured.

When the Consolidated Entity has a present obligation, an outflow of economic resources can be assessed as probable and the Consolidated Entity can reliably measure the obligation, then a provision will be recognised.

The consolidated entity has given bank guarantees as at 30 June 2023 of \$493,127 (2022: \$3,902,680) to various customers and suppliers.

Other than the above there were no material contingent liabilities or assets at 30 June 2023.

#### 30. Commitments

The Consolidated Entity has entered into agreements for the purchase of Large-scale Generation Certificates of \$191,250. These agreements are committed as at the reporting date but not recognised as liabilities (30 June 2022: \$721,500).

Other than the above there were no material commitments at 30 June 2023.

#### 31. Subsequent events

On 28 July 2023, the company 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.

CleanTech Energy's payment to CER was supported by a corporate debt facility entered into between CleanTech Energy Pty Ltd and Roadnight Capital Pty Ltd ("RNC"). The facility has a funding limit of \$3,400,000 and is repayable in 24 months from 27<sup>th</sup> July 2023.

From October 2022, Delorean and Palisade Impact have been actively focused on completing the workstreams necessary for Palisade Impact's due diligence on the SA1 and VIC1 projects under a structured plan and process. During this time, Delorean was subject to certain exclusivity and conduct of business restrictions which were due to lift on 17th August 2023. In August 2023, the parties agreed not to extend the exclusivity period to enable Delorean to secure an alternative funding partner to take the projects forward. Palisade Impact has confirmed it will assist Delorean to secure such alternative funding partner.

Other than the above, there has been no other matter or circumstance that has arisen since the end of the financial year that has significantly affected, or may significantly affect, the operations of the consolidated entity, the results of those operations, or the state of affairs of the Consolidated Entity.

## Notes to the Consolidated Financial Statements



### FOR THE YEAR ENDED 30 JUNE 2023

#### 32. Auditor's remuneration

During the financial year the following fees were paid or payable for services provided by RSM Australia Pty Ltd, the auditor of the company, its network firms and unrelated firms:

	2023	2022
	\$	\$
<b>RSM Australia Partners</b>		
<i>Audit and other assurance services</i>		
Audit and review of financial reports – current period	151,000	145,000
<b>Total remuneration for audit and other assurance services</b>	<b>151,000</b>	<b>145,000</b>
<b>RSM Australia Pty Ltd</b>		
<i>Taxation services</i>		
Tax compliance services – current period	69,745	28,418
Research & development tax services	85,355	69,565
Transfer pricing review	54,075	-
<b>Total remuneration for taxation services</b>	<b>209,175</b>	<b>97,983</b>
<b>RSM New Zealand (Auckland)</b>		
<i>Taxation services</i>		
Tax compliance services – current period	27,471	-
<b>Total remuneration for taxation services</b>	<b>27,471</b>	<b>-</b>
<b>TOTAL REMUNERATION OF AUDIT FIRMS</b>	<b>387,646</b>	<b>242,983</b>



## Directors' Declaration

In the opinion of the Directors of Delorean Corporation Limited (the “**Company**”):

- the attached financial statements and notes comply with the Corporations Act 2001, the Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in note 1 to the financial statements;
- the attached financial statements and notes give a true and fair view of the consolidated entity's financial position as at 30 June 2023 and of its performance for the financial year ended on that date; and
- there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

The directors have been given the declarations required by section 295A of the Corporations Act 2001.

Signed in accordance with a resolution of directors made pursuant to section 295(5)(a) of the Corporations Act 2001.

On behalf of the directors

A handwritten signature in blue ink that reads "J. Oliver". The signature is written in a cursive, flowing style.

**JOE OLIVER**

Managing Director

Dated at Perth, Western Australia this 31<sup>st</sup> day of August 2023.



**RSM Australia Partners**

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## INDEPENDENT AUDITOR'S REPORT

### To the Members of Delorean Corporation Limited

#### Opinion

We have audited the financial report of Delorean Corporation Limited (Company) and its subsidiaries (Consolidated Entity), which comprises the consolidated statement of financial position as at 30 June 2023, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of the Consolidated Entity is in accordance with the *Corporations Act 2001*, including:

- (i) Giving a true and fair view of the Consolidated Entity's financial position as at 30 June 2023 and of its financial performance for the year then ended; and
- (ii) Complying with Australian Accounting Standards and the Corporations Regulations 2001.

#### Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Consolidated Entity in accordance with the auditor independence requirements of the Corporations Act 2001 and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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## Material Uncertainty Related to Going Concern

We draw attention to Note 1 in the financial report, which indicates that the Consolidated Entity incurred a loss of \$10,018,805 and had net cash outflows from operating activities and investing activities of \$5,359,491 and \$1,438,276, respectively, for the year ended 30 June 2023. As at 30 June 2023, the Consolidated Entity had net current liabilities of \$10,411,286. As stated in Note 1, these events or conditions, along with other matters as set forth in Note 1, indicate that a material uncertainty exists that may cast significant doubt on the Consolidated Entity's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

## Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the *Material uncertainty related to going concern* section of our report, we have determined the matters described below to be the key audit matters to be communicated in our report.

Key Audit Matter	How our audit addressed this matter
<p><b>Revenue Recognition</b> Refer to Note 4 in the financial statements</p>	
<p>As reported in the statement of profit or loss and other comprehensive income for the year ended 30 June 2023, the Consolidated Entity has recognised energy retail revenue and construction revenue of \$15,730,421 and \$3,138,787, respectively.</p> <p>We determined revenue recognition to be a key audit matter due to the following:</p> <ul style="list-style-type: none"> <li>The balance is material to the Consolidated Entity and there are risks associated with management judgements including the identification of contracts and performance obligations, determination of the transaction price and the timing of revenue recognition; and</li> <li>Revenue recognition is a presumed fraud risk under the Australian Auditing Standards.</li> </ul>	<p>Our audit procedures included:</p> <ul style="list-style-type: none"> <li>Assessing whether the Consolidated Entity's revenue recognition accounting policies are in accordance with Australian Accounting Standards;</li> <li>Obtaining a detailed understanding of each of the revenue streams and the process for determining and recognising revenue;</li> <li>For energy retail revenue, on a sample basis, testing revenue recognised to supporting documentation, including cash receipts;</li> <li>For energy retail revenue, testing transactions before and after year-end on a sample basis to supporting documentation to assess whether the revenue is recognised in the correct financial period;</li> <li>For projects relating to construction contracts with customers, reading contracts to obtain an understanding of the contractual arrangements;</li> <li>For construction projects, assessing management's assumptions in determining the stage of completion, total transaction price and total budgeted costs for each project;</li> <li>Discussing the progress of the construction projects with the management, including obtaining an understanding of any potential disputes, variation order claims, defects obligations, known technical issues or significant events that could impact the total transaction price or estimated contract costs;</li> <li>Obtaining and reading the practical completion certificates for projects completed during the year;</li> <li>Checking mathematical accuracy of construction revenue recognised during the year based on the stage of completion, including an assessment as to whether revenue has been recognised in the correct accounting period; and</li> <li>Assessing the appropriateness of the disclosures in the financial report.</li> </ul>

## **Other Information**

The directors are responsible for the other information. The other information comprises the information included in the Consolidated Entity's annual report for the year ended 30 June 2023 but does not include the financial report and the auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## **Responsibilities of the Directors for the Financial Report**

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporation Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Consolidated Entity to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Consolidated Entity or to cease operations, or have no realistic alternative but to do so.

## **Auditor's Responsibilities for the Audit of the Financial Report**

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: [http://www.auasb.gov.au/auditors\\_responsibilities/ar2.pdf](http://www.auasb.gov.au/auditors_responsibilities/ar2.pdf). This description forms part of our auditor's report.

## Report on the Remuneration Report

### *Opinion on the Remuneration Report*

We have audited the Remuneration Report included within the directors' report for the year ended 30 June 2023.

In our opinion, the Remuneration Report of Delorean Corporation Limited, for the year ended 30 June 2023, complies with section 300A of the Corporations Act 2001.

### *Responsibilities*

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.



RSM AUSTRALIA PARTNERS



MATTHEW BEEVERS  
Partner

Perth, WA  
Dated: 31 August 2023



## ASX Additional Information

The shareholder information set out below was applicable as at 25 August 2023:

### 1. Distribution of ordinary shares

Range	Total holders	Ordinary shares	% of issued capital
1 - 1,000	30	8,854	0.00
1,001 - 5,000	703	2,140,188	0.99
5,001 - 10,000	404	3,202,239	1.48
10,001 - 100,000	975	36,619,286	16.98
100,001 and over	229	173,750,348	80.54
Total	2,341	215,720,915	100.00

There were 1,382 holders of less than a marketable parcel of ordinary shares.

### 2. Substantial shareholders

The substantial shareholders in the Company are set out below:

Shareholders	Number held
Dunbar-Harper Pty Ltd / Antediluvian Pty Ltd <Jolly Family Super Fund A/C>	44,926,470
Joseph Oliver <The Geobay Family A/C>	44,926,470

### 3. Voting rights

#### Ordinary shares

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll, every member present or by proxy shall have one vote for every share held.

#### Options and rights

No voting rights.

### 4. Unlisted options

Grant date	Number	Number of holders	Expiry date	Exercise price (cents)
20-Oct-20	14,000,000	15	12-Apr-25	25
21-Feb-21	6,250,000	2	12-Apr-25	20
30-Nov-22	1,500,000	1	30-Nov-26	14



## 5. Performance rights

Grant date	Number	Number of holders	Expiry date
1-Apr-21	13,671,714	2	30-Nov-26

## 6. Twenty largest shareholders

Shareholders	Ordinary shares	
	Number held	% of issued shares
JOSEPH OLIVER <THE GEOBAY FAMILY A/C>	44,926,470	20.83%
DUNBAR-HARPER PTY LTD <JOLLY FAMILY A/C>	42,393,137	19.65%
MR SAMUEL JAMES BLAINEY	5,614,135	2.60%
COSTING & LOGISTICS <THE SYSTEM A/C>	4,117,647	1.91%
MR STEVEN JOHN BUTLER	2,955,866	1.37%
THE TRUSTEE FOR THE NLP SUPERANNUATION FUND	2,750,000	1.27%
ANTEDILUVIAN PTY LTD <JOLLY FAMILY SUPER FUND A/C>	2,533,333	1.17%
JON EDWARDS SUPER PTY LTD <JON EDWARDS SUPER FUND A/C>	2,100,000	0.97%
RHODIUM CAPITAL PTY LIMITED <RHODIUM INVESTMENT A/C>	2,076,470	0.96%
PRONTO INVESTMENT TRUST	2,000,000	0.93%
SUPERHERO SECURITIES LIMITED <CLIENT A/c>	1,621,142	0.75%
LUMINOUS VENTURES PTY LTD <CHRABDAN A/C>	1,346,153	0.62%
THE TRUSTEE FOR THE NLP SUPERANNUATION FUND	1,176,470	0.55%
MR DION MORRISON	1,100,000	0.51%
MR MACIEJ TOMCZAK	1,070,544	0.50%
MR ANDREW KEVIN MULDER	1,042,726	0.48%
MRS ELEJA ELNA ACKLING	1,000,000	0.46%
LOK INVESTMENTS PTY LTD <LOK FAMILY A/C>	936,470	0.43%
HERACO PTY LTD <D G ROBERTSON SUPER FUND A/C>	900,000	0.42%
MISS PAIGE SCATTERGOOD ESSERY	826,372	0.38%