



Australia's future in bioenergy and renewables

Quarterly Activities Report

for the quarter ended
30 September 2023

Delorean Corporation Limited
ACN 638 111 127

2023



Q1 FY2024 Highlights

- **Snapshot:** The quarter was a pivot period for Delorean marking a stabilisation of the core business and an expected return to growth of the back of key contracts and refreshment of investor interest in Delorean's build/own/operate projects.
- **Yarra Valley Water:** Following receipt of Notice to Proceed last quarter on the \$53m Yarra Valley Water project, the company's fourth and largest bioenergy project to date, Delorean has commenced contract works, locking in key suppliers and ordering long-lead items in preparation for receiving site possession in the next quarter.
- **Settlement of legacy CER Creditor:** In July 2023, the company settled the historical creditor to the Clean Energy Regulator (CER) in relation DEL's legacy retail business (which was materially wound down in 2022) with a strategy in place to return over \$1.7m of cash that is current held by the CER.
- **SA1 and VIC1 Projects:** Palisade Impact's exclusivity period expired in August and with Palisade Impact's support Delorean is engaged with a shortlist of potential investors with the objective of securing an alternative investment partner for the SA1 and VIC 1 (investment circa \$60m). The undertaking of these build/own/operate projects remains subject to completion of this diligence and the FID being made to proceed.
- **Brickworks/NSW1 Project:** Ongoing co-development of NSW1 project in landmark collaboration with Brickworks Building Products, with work on the development application moving toward completion.
- **New Agricultural Project:** The company is progressing a new agreement to undertake feasibility work for a major organisation based on grain-based feedstocks, commencing with desktop studies in support of the potential development of a bioenergy facility processing similar agricultural residues to the BLM project for energy production.
- **Renewable Gas Demand:** Significant ongoing demand from both government and business sectors for Delorean's renewable gas (biomethane) product in a market where availability of renewable gas is scarce.
- **Cash Balance:** Current cash balance of \$4.6m as at 30 September 2023.





Q1 FY2024 Activities Report

Delorean Corporation Limited (ASX:DEL) is pleased to provide an overview of the September 2023 quarter (Q1 FY2024) activities and the associated cash flows and cash position in the Appendix 4C (attached).

Business Overview

Delorean Corporation is a vertically integrated business operating in two high growth investment sectors – renewable energy and waste management. Delorean is pioneering the Australian market with bioenergy and driving commercial production of mains-grade renewable gas. Delorean has the inhouse capability to deliver bioenergy projects across the full lifecycle, from project conception to completion; processing organic waste and generating and monetising renewable electricity, heat and gas.

The core focus of the business is to develop, construct, own and operate bioenergy infrastructure in Australia. Revenue is derived from the acceptance of organic waste and agricultural residues, the generation of renewable electricity and the production of renewable natural gas.

The business comprises three interoperable divisions:

- 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(inactive): Delorean retains licenses for retailing of energy (electricity and gas) generated only from Delorean projects.

Image 2: Blue Lake Milling Bioenergy Project



Pioneer and driver of the Australian bioenergy sector, positioned to become a critical part of Australia’s circular economy and energy transition efforts.

www.deloreancorporation.com.au



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, and formal sustainability reporting
- ✓ **Ideally positioned** to capitalise on the national drive towards zero organic waste to landfill and decarbonisation of energy

Decarbonizing the economy is the 'greatest investment opportunity of our lifetime'

- Larry Fink, CEO of Blackrock, the largest asset manager in the world



Image 3: Blue Lake Milling Bioenergy Project



Proven track record entering growth phase

Delorean has successfully delivered 3 award-winning bioenergy projects (Jandakot WA, Blue Lake Milling SA, Ecogas NZ) and is now in construction of its fourth and biggest project for Yarra Valley Water.

Delorean's pipeline of works will see Delorean delivering a greater number of projects of larger scale, consistent with the growth in Australia's bioenergy sector.



Image 4: Jandakot Bioenergy Project

Project Pipeline

Project Pipeline The following graphic sets out an overview of Delorean projects, completed, under construction, under development and in the pipeline.

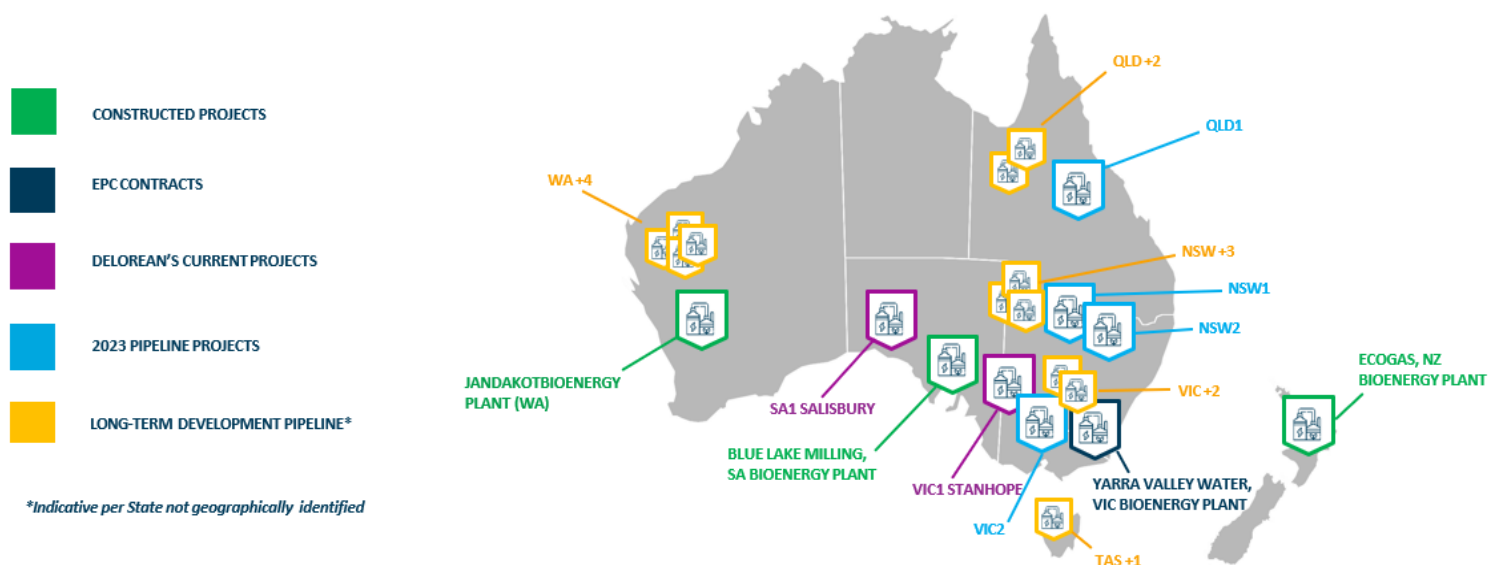


Image 4: Delorean Corporation Project Pipeline



Delorean Engineering Division

Delorean's Engineering Division delivers engineering design, construction and operation/maintenance services for third parties under contract, and for Delorean Infrastructure Division's build/own/operate projects.

During the quarter, Delorean's Engineering Division was primarily focussed on:

- Project commencement for Yarra Valley Water's Lilydale facility, with suppliers being contracted to deliver significant components of plant, and ordering of long lead items well underway. It is expected that site possession will be received from the client in the next month, subject to final regulatory approval.
- Progressing deliverables to enable a submission for Design Authority for the Brickworks Project (NSW1), which is expected in the next quarter.
- Desktop study and feasibility work for similar grain waste to the BLM project previously completed.
- Closing out minor defects associated with the Ecogas Bioenergy Project in Reparoa, New Zealand (following receipt of Practical Completion in June 2023).

Yarra Valley Water, VIC Bioenergy Plant

Project Background

Location: Lilydale, Victoria – circa \$53m + \$6.5m O&M contract value

Project Update

Delorean Corporation's Engineering Division has been 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 5: Yarra Valley Water Bioenergy Plant Render



WA Bioenergy Plant

Project Background

Location: WA – \$100,000 contract value

Project Update

Over the past 12 months, Delorean has been undertaking test work on a variety of feedstock available on site at key operational grain-handling assets. The next step is to undertake a Desktop Study and Design to enable the client to assess the feasibility of anaerobic digestion plants to offset on site power usage. Pending the outcome of that review, additional development and approvals may be conducted in 2024. This follows on from DEL's previous success in delivering the Blue Lake Milling project, which processes similar agricultural residues for energy production.

Delorean Infrastructure Division

Delorean's Infrastructure Division is responsible for development, ownership and operation of commercial-scale anaerobic digestion bioenergy facilities in Australia.

During the quarter, Delorean's Infrastructure Division was predominantly focussed on:

- Development and due diligence activities on the Company's VIC1 and SA1 projects
- Collaborative development of Brickworks bioenergy plant in NSW
- Ongoing development of Delorean's infrastructure project pipeline

SA1 and VIC1 Project Development

During Q1 FY2024, Delorean was actively connecting with a shortlist of potential investors with whom the Company was previously 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.

Both projects are shovel ready for full construction pending project finance.



Image 6: VIC1 Bioenergy Plant Render



Image 7: SA1 Bioenergy Plant Render



Brickworks Bioenergy Project Development

Project Update

In Q1 FY2024, 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 7: NSW1 Bioenergy Plant Render

Delorean Infrastructure Project Pipeline Development

During Q1 FY2024 Delorean continued the active development of its bioenergy infrastructure project pipeline. The most advanced of these projects is the QLD1 Bioenergy Plant.

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.



Delorean Energy Retail Division

Delorean's Energy Retail Division is currently inactive, pending a future scale up of its retail operations as Delorean's Infrastructure assets come onstream.

Delorean intends to retain its WA and National retail electricity licenses on an ongoing basis in support of the Company's rollout of bioenergy infrastructure across Australia.

Delorean Corporate

Environment, Social and Governance

Delorean remains proud to be advancing its commitment to sustainability. In October 2023, Delorean published its second annual ESG Report.

This report provides our stakeholders a comprehensive analysis of the Group's Environmental, Social and Governance (ESG) performance, highlighting key sustainability milestones achieved during the Financial Year 2023. Additionally, it offers an update on our continued progress towards future sustainability goals.

Planned Activity – Q2 FY2024

In Q1 FY2024, Delorean's focus is in the following key areas:

- Secure Infrastructure Projects Investor and move Delorean's SA1 and VIC1 projects into construction.
- Receive approval to commence siteworks and construction on Delorean Engineering's Yarra Valley Water project.
- Progressing planning and development applications for the first NSW1 project in collaboration with Brickworks.
- Progress the development of its QLD1 project.



Additional Appendix 4C Disclosures

The following information is provided as required under ASX Listing Rule 4.7C that has not been disclosed in the body of the quarterly activities report.

Summary of Expenditure incurred on Projects

A summary of expenditure incurred in AUD excluding GST (accruals basis) for the quarter on our key projects and cost centres is as follows:

- Ecogas - \$27k
- Yarra Valley Water - \$2,434k
- Brickworks - \$422k
- South Australia One and Victoria One - \$5k
- Energy Retail - \$154k
- Operations & Maintenance - \$9k
- Overheads - \$669k

Payments made to Related Parties

Payments totalling \$170k made to related parties and their associates are for director salaries and superannuation of \$19k and payments for corporate services of \$18k. All payments were on normal commercial terms.



Disclaimer

This report has been prepared by Delorean Corporation Limited (**Delorean**). The material contained in this report is for information purposes only. This release is not an offer or invitation for subscription or purchase of, or a recommendation in relation to, securities in Delorean and neither this release nor anything contained in it shall form the basis of any contract or commitment.

This report may contain forward-looking statements. Forward-looking statements include, but are not limited to, statements concerning Delorean business plans, intentions, opportunities, expectations, capabilities, and other statements that are not historical facts. Forward-looking statements include those containing such words as could, plan, target, estimate, forecast, anticipate, indicate, expect, intend, may, potential, should or similar expressions. Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties, assumptions, and other important factors, many of which are beyond the control of Delorean, and which could cause actual results to differ from those expressed in this report. Because actual results might differ materially to the information in this report, Delorean does not make, and this report should not be relied upon as, any representation or warranty as to the accuracy, or reasonableness, of the underlying assumptions and uncertainties. Investors are cautioned to view all forward-looking statements with caution and to not place undue reliance on such statements.

The report has been prepared by Delorean based on information available to it, including information from third parties, and has not been independently verified. No representation or warranty, express or implied, is made to the fairness, accuracy or completeness of the information or opinions contained in this report.

About Delorean Corporation Ltd (ASX:DEL)

Shares in Delorean Corporation Limited (ASX: DEL) are traded on the Australian Securities Exchange (ASX). For more information, please visit our website: www.deloreancorporation.com.au

Appendix 4C

Quarterly cash flow report for entities subject to Listing Rule 4.7B

Name of entity

Delorean Corporation Limited

ABN

62 638 111 127

Quarter ended ("current quarter")

30/09/2023

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (3 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	7,637	7,637
1.2 Payments for		
research and development	-	-
product manufacturing and operating costs	(4,023)	(4,023)
advertising and marketing	-	-
leased assets	(22)	(22)
staff costs	(856)	(856)
administration and corporate costs	(1,027)	(1,027)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received		
1.5 Interest and other costs of finance paid	(59)	(59)
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	-
1.8 Other (provide details if material)	-	-
1.9 Net cash from / (used in) operating activities	1,650	1,650

2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) Entities	-	-
businesses	-	-
property, plant and equipment	(157)	(157)
investments	-	-
intellectual property	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
	other non-current assets		
2.2	Proceeds from disposal of:		
	(a) entities	-	-
	businesses	73	73
	property, plant and equipment	31	31
	investments	-	-
	intellectual property	-	-
	other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	Net cash from / (used in) investing activities	(53)	(53)
3. Cash flows from financing activities			
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	(113)	(113)
3.5	Proceeds from borrowings	2,212	2,212
3.6	Repayment of borrowings	(127)	(127)
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	Net cash from / (used in) financing activities	1,972	1,972
4. Net increase / (decrease) in cash and cash equivalents for the period			
4.1	Cash and cash equivalents at beginning of period	1,004	1,004
4.2	Net cash from / (used in) operating activities (item 1.9 above)	1,650	1,650
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(53)	(53)

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
4.4	Net cash from / (used in) financing activities (item 3.10 above)	1,972	1,972
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	4,573	4,573

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	3,555	371
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (term deposits as security for CBA bank guarantees)	1,018	633
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	4,573	1,004

6.	Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	207
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-
Payments for directors' salaries and superannuation of \$189k.		
<i>Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.</i>		

7.	Financing facilities <i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
7.1	Loan facilities	-	-
7.2	Credit standby arrangements	10	0
7.3	Other (please specify)	8,400	7,212
7.4	Total financing facilities	8,410	7,212
7.5	Unused financing facilities available at quarter end		1,198
7.6	<p>Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.</p> <ul style="list-style-type: none"> • Unsecured CBA Credit Cards (17.99% interest rate), no maturity date • Convertible note subscription of \$5,000,000 from Palisade Impact received in 2 tranches (refer ASX Announcements on 19 October 2022 and 29 December 2022) • Corporate debt facility of \$3,400,000 from Roadnight Capital, with \$2,211,900 drawn down to date (refer ASX Announcement on 31 July 2023). <p>Not included in the above balances are equipment finance, insurance premium funding finance and bank guarantee facilities as they are not available to draw for working capital requirements.</p> <p>No additional financing facilities have been entered into after quarter end.</p>		

8.	Estimated cash available for future operating activities	(a)	\$A'000
8.1	Net cash from / (used in) operating activities (item 1.9)		1,650
8.2	Cash and cash equivalents at quarter end (item 4.6)		4,573
8.3	Unused finance facilities available at quarter end (item 7.5)		1,198
8.4	Total available funding (item 8.2 + item 8.3)		5,771
8.5	Estimated quarters of funding available (item 8.4 divided by item 8.1)		3.50
	<i>Note: if the entity has reported positive net operating cash flows in item 1.9, answer item 8.5 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.5.</i>		
8.6	If item 8.5 is less than 2 quarters, please provide answers to the following questions:		
	8.6.1	Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
		Answer: N/A	
	8.6.2	Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
		Answer: N/A	

8.6.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer: N/A

Note: where item 8.5 is less than 2 quarters, all of questions 8.6.1, 8.6.2 and 8.6.3 above must be answered.

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: 25 October 2023

Authorised by: By the Board

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.