



ASX Announcement

28th August 2024

DELOREAN'S FIRST BUILD/OWN/OPERATE BIOENERGY INFRASTRUCTURE PROJECT TO COMMENCE AFTER SECURING \$30M CORPORATE LENDING FACILITY

HIGHLIGHTS:

- Delorean has executed a binding Term Sheet with Tanarra Restructuring Partners ("Tanarra"), part of the broader Tanarra Group, for the provision of a 3-year term corporate finance facility package of up to \$30m.
- The Tanarra facilities will enable Delorean to commence construction of the first of its shovel-ready build, own, operate bioenergy infrastructure projects, which has the potential to add significant shareholder value.
- The funds are to be deployed to fund construction of the SA1 Project, expected to commence in Q4 2024 subject to Delorean's Final Investment Decision.
- The facility is flexible to enable Delorean to progress the construction of its second shovel ready project VIC1 in parallel to SA1.
- Delorean has also entered into a binding Deed of Settlement with Palisade Impact for the redemption of Palisade Impact's convertible notes.
- The facility is subject to completion of conditions precedent and execution of definitive binding legal documents, with financial close expected in September 2024.

Delorean Corporation Limited (ASX: DEL) ("Delorean" or "the Company") is pleased to announce that it has entered into a binding Term Sheet with Tanarra for the provision of a 3-year term corporate finance facility package of up to \$30m.

The corporate facility will be deployed in two tranches as follows:

- Facility A: \$5m towards working capital including refinancing and redeeming Delorean's existing convertible notes to settle the Company's liability and discharge associated securities.
- Facility B: \$25m to fund Delorean's capital contributions to the SA1 project enabling this project to commence construction, subject to Delorean's Final Investment Decision. Within the 3-year term, this Facility B can be redeployed into Delorean's existing follow-on development projects, subject to refinancing the SA1 project post-construction around December 2025.

DEL's Managing Director Joe Oliver said "The completion of this finance facilities deal is significant for Delorean, essentially unlocking the Company's pathway to implement its strategy to roll out Delorean-owned, Delorean-built and Delorean-operated bioenergy infrastructure projects across Australia."

The commencement of these projects coincides with major positive shifts in organic waste management and massive ongoing demand for renewable gas in this country. The re-deployable nature of the debt means we can commence construction of shovel-ready projects straight away, and as they are commissioned over the next 12 months, recycle capital into the next round of projects as they come onstream. "

The facility is subject to completion of normal commercial conditions precedent and execution of definitive binding legal documents, expected in September 2024.

The facility represents a critical step for Delorean, in that it unlocks the construction of Delorean's shovel-ready build/own/operate bioenergy projects SA1 and VIC1 and allows for reinvestment of the facility to also build the Company's near-term infrastructure project pipeline.

The key terms of the finance package are as follows:

	Facility A	Facility B
Amount of Facility	\$5,000,000	\$25,000,000
Interest Payments: Cash	BBSY + 3.00% pa with BBSY floor of 4.00% pa to be paid quarterly	BBSY + 6.00% pa with BBSY floor of 4.00% pa to be paid quarterly.
Interest Payments: Capitalised	5% pa capitalised quarterly, payable in cash at Delorean's discretion	5% pa capitalised quarterly, payable in cash at Delorean's discretion. For first 12 months, Delorean may elect to capitalise cash interest up to a cap of 10% in aggregate interest.
Commitment Fee on Undrawn Funds	Nil	2.35%
Blended Interest Rate across Facility A and Facility B at Current BBSY	13-15%	

As part of the material debt contribution, Tanarra will be entitled to 23,968,991 Equity Options (being 10% of Delorean's issued capital on a fully diluted basis) on financial close of the facility issued at a strike price per share equal to the higher of:

- A 15% premium to the volume weighted average price for the 7 days prior to financial close, or
- Floor price of 6.8c per DEL share.

The options will be valid for 4 years from issue and exercisable at any time by the financier, and subject to issue under Delorean's available placement capacity.

The facility is flexible to support Delorean's options for sourcing additional investment into its projects, allowing for non-recourse finance arrangements and the refinancing of projects on completion. The funds can also be re-deployed into additional shovel-ready projects in Delorean's pipeline, and Tanarra have signalled their intention to support the development of Delorean's broader project pipeline under the terms of the facility.

Tanarra Restructuring Partners Chief Investment Officer Michael Phillip said: "Tanarra Restructuring Partners looks forward to supporting Delorean through the next phase of its transition to owner and operator of bioenergy projects in Australia. We see this as an attractive opportunity to support Delorean's objectives to transition to a circular economy, diverting organic waste from landfill and converting it to valuable products and assisting decarbonization of Australian industry. Tanarra Restructuring Partners is a credit special situations investor seeking attractive risk adjusted returns – our partnership with Delorean also meets our strong ESG and commercial partnership criteria."

Under Delorean's build, own, operate strategy, the company expects to see significant value unlocked, particularly upon completion of SA1 construction through to operation at full capacity, expected in Q1 2026. The company also expects to refinance the Tanarra construction facility in full at the 3-year maturity, with terms in line with typical longer-term project financing solutions.

The Company expects to provide a further update on this financing arrangement upon completion of the due diligence process.

Binding agreement for Settlement of Convertible Notes

Delorean has entered into a binding Deed of Settlement with Palisade Impact for the early redemption of Palisade Impact's \$5.0m Convertible Notes in full.

The Notes were issued in two tranches in late 2022 to assist working capital demands and the detailed design work for Delorean's SA1 and VIC1 bioenergy projects. Total payments to Palisade Impact (including the agreed settlement) will be \$5.105m, which includes \$0.455m previously paid by Delorean in April 2024. Once redeemed, Palisade Impact will hold no Convertible Notes and Delorean will carry no convertible debt.

SA1 Edinburgh Parks Bioenergy Plant

The SA1 bioenergy plant is 100% Delorean Corporation owned and strategically located in the Northern Adelaide Food Park in Edinburgh Parks (metropolitan Adelaide) in South Australia on land owned by Delorean. The project is construction ready. Stage 1 of the project will process 70,000 tonnes per annum of organic waste streams for the nominal production of up to 210 TJ per annum of renewable natural gas (biomethane) exported to the gas



network. In Stage 2 (future expansion), there is the potential for extension to 125,000 tonnes per annum under the current development approval.

VIC1 Stanhope Bioenergy Plant

This bioenergy plant in Stanhope, Victoria is 90% Delorean Corporation owned. In Stage 1, the project will process up to 54,000 tonnes per annum of organic and agricultural waste streams for the generation of 1.2MW baseload renewable electricity exported to the grid. In Stage 2 (future expansion), there is the potential for extension to 71,000 tonnes per annum and upgrade to renewable natural gas exported to the grid.

About Tanarra Group

Tanarra Group is one of Australia's leading independent alternative asset investment firms with operations in Australia, New Zealand and Asia, led by well-known investor and business figure John Wylie. The Tanarra Group currently has funds in excess of AUD \$3.5 billion under management and mandates from some of the leading superannuation funds in Australia. Tanarra's activities cover a range of alternative asset classes including PE-style investing in public companies, growth private equity, venture capital, private credit and hybrid special situations investments.

Tanarra Restructuring Partners ("TRP") is jointly owned by Tanarra Group and TRP management. TRP is a credit special situation investor which manages over \$200 million in committed funds. TRP focuses on investing growth capital to create value in attractive and robust businesses that have complex financing requirements. TRP has a particular focus on investing in and partnering with high quality organisations to drive long term operational performance and value creation through active management and strategic involvement in its portfolio companies.

The Company, in conjunction with their advisors, is continuing to assess and progress potential financing options for the wider development portfolio.

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

For more information/interview please contact:

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About Delorean Corporation Limited

Delorean Corporation is a leading Australian bioenergy company. Delorean specialises in the design, build, ownership, and management of bioenergy



infrastructure. In addition to bioenergy power and renewable gas generation, Delorean also operates in the energy retail market. Delorean Corporation is a vertically integrated company positioned in two high growth industries; renewable energy and waste management.

Delorean Corporation comprises an Engineering Division, Infrastructure Division, and Energy Retail Division. Through these divisions Delorean Corporation has the inhouse capability to deliver bioenergy projects across the full lifecycle, from project conception to completion, processing organic waste, generating renewable energy, and monetising the sale of green electricity, heat, and gas.

DEL's projects produce renewable energy whilst reducing the volume of organic waste going to landfill, utilising a model that generates multiple revenue streams.