

DELOREAN CORPORATION LIMITED
ACN 638 111 127

PROSPECTUS

For an offer of 70,000,000 Shares at an issue price of \$0.20 per Share to raise \$14,000,000 (**Offer**).

Underwriters



IMPORTANT INFORMATION

This is an important document that should be read in its entirety. If you do not understand it you should consult your professional advisers without delay. **The Securities offered by this Prospectus should be considered speculative.**

Legal Advisor



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CORPORATE DIRECTORY

Directors

Hamish Jolly
Executive Chairman

Joseph Oliver
Managing Director

Steve Gostlow
Non-Executive Director

David McArthur
Non-Executive Director

Company Secretary

David McArthur

Investigating Accountant

RSM Corporate Australia Pty Ltd
Level 32
Exchange Tower
2 The Esplanade
PERTH WA 6000

Auditor

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

Proposed ASX code

DEL

Registered Office

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WEST PERTH WA 6005

Telephone: + 61 8 6147 7575

Email: info@deloreancorporation.com.au
Website: www.deloreancorporation.com.au

Share Registry*

Automic Group
Level 2
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PERTH WA 6000

Solicitors

Steinepreis Paganin
Level 4
The Read Buildings
16 Milligan Street
PERTH WA 6000

Underwriters

RM Corporate Finance Pty Ltd
AFSL 315 235
First Floor
1205 Hay Street
WEST PERTH WA 6005

Morgans Corporate Limited
AFSL 235 407
Level 2
22 Delhi Street
WEST PERTH WA 6005

* This entity is included for information purposes only. It has not been involved in the preparation of this Prospectus.

IMPORTANT NOTICE

This Prospectus is dated 4 March 2021 and was lodged with the ASIC on that date. The ASIC, the ASX and their officers take no responsibility for the contents of this Prospectus or the merits of the investment to which this Prospectus relates.

No Shares may be issued on the basis of this Prospectus later than 13 months after the date of this Prospectus.

No person is authorised to give information or to make any representation in connection with this Prospectus, which is not contained in the Prospectus. Any information or representation not so contained may not be relied on as having been authorised by the Company in connection with this Prospectus.

It is important that you read this Prospectus in its entirety and seek professional advice where necessary. The Shares the subject of this Prospectus should be considered as highly speculative.

Exposure Period

This Prospectus will be circulated during the Exposure Period. The purpose of the Exposure Period is to enable this Prospectus to be examined by market participants prior to the raising of funds. You should be aware that this examination may result in the identification of deficiencies in this Prospectus and, in those circumstances, any application that has been received may need to be dealt with in accordance with section 724 of the Corporations Act. Applications for Shares under this Prospectus will not be accepted by the Company until after the expiry of the Exposure Period. No preference will be conferred on applications lodged prior to the expiry of the Exposure Period.

No offering where offering would be illegal

The distribution of this Prospectus in jurisdictions outside Australia or New Zealand may be restricted by law and persons who come into possession of this Prospectus should seek advice on and observe any of these restrictions. Failure to comply with these restrictions may violate securities laws. Applicants who are resident in countries other than Australia or New Zealand should consult their professional advisers as to whether any governmental or other consents are required or

whether any other formalities need to be considered and followed.

This Prospectus does not constitute an offer in any place in which, or to any person to whom, it would not be lawful to make such an offer. It is important that investors read this Prospectus in its entirety and seek professional advice where necessary.

No action has been taken to register or qualify the Shares or the offer, or to otherwise permit a public offering of the Shares in any jurisdiction outside Australia or New Zealand. This Prospectus has been prepared for publication in Australia and New Zealand and may not be released or distributed in the United States of America.

Information for New Zealand Residents

The Offer to New Zealand investors is a regulated offer made under Australian and New Zealand law. In Australia, this is Chapter 8 of the Corporations Act and regulations made under that Act. In New Zealand, this is subpart 6 of Part 9 of the Financial Markets Conduct Act 2013 and Part 9 of the Financial Markets Conduct Regulations 2014.

The Offer and the content of this Prospectus are principally governed by Australian rather than New Zealand law. In the main, the Corporations Act and the regulations made under that Act set out how the Offer must be made.

There are differences in how financial products are regulated under Australian law. For example, the disclosure of fees for managed investment schemes is different under the Australian regime.

The rights, remedies, and compensation arrangements available to New Zealand investors in Australian financial products may differ from the rights, remedies, and compensation arrangements for New Zealand financial products.

Both the Australian and New Zealand financial markets regulators have enforcement responsibilities in relation to the Offer. If you need to make a complaint about the Offer, please contact the Financial

Markets Authority, New Zealand (<http://www.fma.govt.nz>). The Australian and New Zealand regulators will work together to settle your complaint.

The taxation treatment of Australian financial products is not the same as for New Zealand financial products. If you are uncertain about whether this investment is appropriate for you, you should seek the advice of an appropriately qualified financial adviser.

The Offer may involve a currency exchange risk. The currency for the financial products is not New Zealand dollars. The value of the financial products will go up or down according to changes in the exchange rate between that currency and New Zealand dollars. These changes may be significant.

If you expect the financial products to pay any amounts in a currency that is not New Zealand dollars, you may incur significant fees in having the funds credited to a bank account in New Zealand in New Zealand dollars.

If the financial products are able to be traded on a financial product market and you wish to trade the financial products through that market, you will have to make arrangements for a participant in that market to sell the financial products on your behalf. If the financial product market does not operate in New Zealand, the way in which the market operates, the regulation of participants in that market, and the information available to you about the financial products and trading may differ from financial product markets that operate in New Zealand.

US securities law matters

This Prospectus does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the US. In particular, the Shares have not been, and will not be, registered under the United States Securities Act of 1933, as amended (the **US Securities Act**), and may not be offered or sold in the US or to, or for the account or benefit of, US Persons (as defined in Regulation S under the US Securities Act) unless an exemption is available from the registration requirements of the US Securities Act.

Each applicant will be taken to have represented, warranted and agreed as follows:

- (a) it understands that the Shares have not been, and will not be, registered under the US Securities Act and may not be offered, sold or resold in the US, except in a transaction exempt from, or not subject to, registration under the US Securities Act and any other applicable securities laws;
- (b) it is not in the US;
- (c) it has not and will not send this Prospectus or any other material relating to the Offer to any person in the US; and
- (d) it will not offer or sell the Shares in the US or in any other jurisdiction outside Australia [or New Zealand] except in transactions exempt from, or not subject to, registration under the US Securities Act and in compliance with all applicable laws in the jurisdiction in which the Shares are offered and sold.

Electronic Prospectus

A copy of this Prospectus can be downloaded from the website of the Company at www.deloreancorporation.com.au. If you are accessing the electronic version of this Prospectus for the purpose of making an investment in the Company, you must be an Australian or New Zealand resident and must only access this Prospectus from within Australia or New Zealand.

The Corporations Act prohibits any person passing onto another person an Application Form unless it is attached to a hard copy of this Prospectus or it accompanies the complete and unaltered version of this Prospectus. You may obtain a hard copy of this Prospectus free of charge by contacting the Company by phone during office hours or by emailing the Company.

The Company reserves the right not to accept an Application Form from a person if it has reason to believe that when that person was given access to the electronic Application Form, it was not provided together with the electronic Prospectus and any relevant supplementary or

replacement prospectus or any of those documents were incomplete or altered.

Company Website

No document or other information available on the Company's website is incorporated into this Prospectus by reference.

No cooling-off rights

Cooling-off rights do not apply to an investment in Shares issued under the Prospectus. This means that, in most circumstances, you cannot withdraw your application once it has been accepted.

No Investment Advice

The information contained in this Prospectus is not financial product advice or investment advice and does not take into account your financial or investment objectives, financial situation or particular needs (including financial or taxation issues). You should seek professional advice from your accountant, financial adviser, stockbroker, lawyer or other professional adviser before deciding to subscribe for Shares under this Prospectus to determine whether it meets your objectives, financial situation and needs.

Risks

You should read this document in its entirety and, if in any doubt, consult your professional advisers before deciding whether to apply for Shares. There are risks associated with an investment in the Company. The Shares offered under this Prospectus carry no guarantee with respect to return on capital investment, payment of dividends or the future value of the Shares. Refer to Section B of the Investment Overview as well as Section 8 for details relating to some of the key risk factors that should be considered by prospective investors. There may be risk factors in addition to these that should be considered in light of your personal circumstances.

Forward-looking statements

This Prospectus contains forward-looking statements which are identified by words such as 'may', 'could', 'believes', 'estimates', 'targets', 'expects', or 'intends' and other similar words that involve risks and uncertainties.

These statements are based on an assessment of present economic and operating conditions, and on a number of assumptions regarding future events and actions that, as at the date of this Prospectus, are expected to take place.

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 the Company, the Directors and the Company's management.

The Company cannot and does not give any assurance that the results, performance or achievements expressed or implied by the forward-looking statements contained in this Prospectus will actually occur and investors are cautioned not to place undue reliance on these forward-looking statements.

The Company has no intention to update or revise forward-looking statements, or to publish prospective financial information in the future, regardless of whether new information, future events or any other factors affect the information contained in this Prospectus, except where required by law.

These forward-looking statements are subject to various risk factors that could cause the Company's actual results to differ materially from the results expressed or anticipated in these statements. These risk factors are set out in Section 7.

Continuous disclosure obligations

Following admission of the Company to the Official List, the Company will be a "disclosing entity" (as defined in section 111AC of the Corporations Act) and, as such, will be subject to regular reporting and disclosure obligations. Specifically, like all listed companies, the Company will be required to continuously disclose any information it has to the market which a reasonable person would expect to have a material effect on the price or the value of the Shares.

Price sensitive information will be publicly released through ASX before it is disclosed to Shareholders and market participants. Distribution of other information to Shareholders and market participants will also be managed through disclosure to

the ASX. In addition, the Company will post this information on its website after the ASX confirms an announcement has been made, with the aim of making the information readily accessible to the widest audience.

Clearing House Electronic Sub-Register System (CHES) and Issuer Sponsorship

The Company will apply to participate in CHES, for those investors who have, or wish to have, a sponsoring stockbroker. Investors who do not wish to participate through CHES will be issuer sponsored by the Company.

Electronic sub-registers mean that the Company will not be issuing certificates to investors. Instead, investors will be provided with statements (similar to a bank account statement) that set out the number of Shares issued to them under this Prospectus. The notice will also advise holders of their Holder Identification Number or Security Holder Reference Number and explain, for future reference, the sale and purchase procedures under CHES and issuer sponsorship.

Electronic sub-registers also mean ownership of securities can be transferred without having to rely upon paper documentation. Further monthly statements will be provided to holders if there have been any changes in their security holding in the Company during the preceding month.

Photographs and Diagrams

Photographs used in this Prospectus which do not have descriptions are for illustration only and should not be interpreted to mean that any person shown endorses the Prospectus or its contents or that the assets shown in them are owned by the Company. Diagrams used in this Prospectus are illustrative only and may not be drawn to scale.

Definitions and Time

Unless the contrary intention appears or the context otherwise requires, words and phrases contained in this Prospectus have the same meaning and interpretation as given in the Corporations Act and capitalised terms have the meaning given in the Glossary in Section 13.

All references to time in this Prospectus are references to Australian Western Standard Time.

Privacy statement

If you complete an Application Form, you will be providing personal information to the Company. The Company collects, holds and will use that information to assess your application, service your needs as a Shareholder and to facilitate distribution payments and corporate communications to you as a Shareholder.

The information may also be used from time to time and disclosed to persons inspecting the register, including bidders for your Shares in the context of takeovers, regulatory bodies including the Australian Taxation

Office, authorised securities brokers, print service providers, mail houses and the share registry.

You can access, correct and update the personal information that we hold about you. If you wish to do so, please contact the share registry at the relevant contact number set out in this Prospectus.

Collection, maintenance and disclosure of certain personal information is governed by legislation including the Privacy Act 1988 (as amended), the Corporations Act and certain rules such as the ASX Settlement Operating Rules. You should note that if you do not provide the information required on the application for Shares, the Company may not be able to accept or process your application.

Use of Trademarks

This Prospectus includes the Company's registered and unregistered trademarks.

All other trademarks, tradenames and service marks appearing in this Prospectus are the property of their respective owners.

Enquiries

If you are in any doubt as to how to deal with any of the matters raised in this Prospectus, you should consult with your broker or legal, financial or other professional adviser without delay. Should you have any questions about the Offer or how to accept the Offer please call the Company Secretary.

1. LETTER FROM THE CHAIR

Dear Investor,

As co-founder of Delorean Corporation Ltd (**Delorean**), and in my capacity as Executive Chair, I commend the opportunity to invest in the Company via this Prospectus.

Since setting up the first Delorean subsidiary, Biogass Renewables Pty Ltd, in 2014 and going on to commission the commercially-successfully Jandakot Bioenergy Plant in Western Australia in 2015, co-founder Joe Oliver and our team have put together Australia's leading builder and developer of bioenergy infrastructure and an emerging fast-growth retailer of electricity.

Delorean now has a strong five-year profit and growth history funded predominantly from internal cashflows. Investors will have the opportunity to be a part of the ongoing growth story through this Offer, with funds raised under the Offer directed principally toward the development of the Company's own infrastructure. As such, the Company is strongly positioned to transition into a major renewable energy infrastructure owner, operator and energy retailer (a 'gentailer') in Australia and New Zealand.

Delorean is operating in a commercial and regulatory market with some major emerging tailwinds. With its focus on bioenergy, the Company is leveraging off two significant shifts in the Australian waste management and energy sectors. Firstly, policies at national, state and local government levels have been focused to divert organic wastes from landfill in favour of recycling and energy recovery through the introduction of landfill levies, providing a base level from which to set gate fees for the delivery of organics into bioenergy facilities. Secondly, the increasing displacement of fossil fuels in the electricity and gas sectors by renewable, on-demand generation and gas supply provides a favourable environment for the rollout of bioenergy assets.

The Company is a recognised leader in the Australian bioenergy landscape with a tangible pipeline of renewable energy development projects, with two near-ready and poised for investment and construction.

Delorean's bioenergy projects can deliver a relatively high project internal rate of return compared to most renewable energy assets owing to the fact that revenues can be generated both from acceptance of organic waste streams and from sale of energy. The vertically-integrated structure of Delorean enables in-house delivery of projects from concept to ownership, operation and energy retail meaning project capital expenditure and operational expenditure can be reduced.

I am very proud of Delorean's strong environmental credentials and social license to operate. Our bioenergy projects reduce greenhouse gas emissions through avoidance of organic waste methane being discharged to atmosphere, and by the displacement of fossil fuels from the electricity and gas grid networks. Delorean is focused on being a sustainable player in the Australian economy and via capital raised through this IPO, will be able to fund additional bioenergy projects into the market, with associated environmental benefits.

Referencing the already-mature bioenergy infrastructure sectors in the UK, Europe and USA, Delorean recognises that Australia is at the very beginning of the growth curve in deployment and operation of renewable bioenergy assets in Australia and New Zealand and the Company is very well placed to capitalise on this opportunity.

We look forward to welcoming new shareholders to the register and continuing the fast-growth trajectory of the last five years.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Hamish Jolly', with a stylized flourish at the end.

Hamish Jolly
Executive Chair

2. INVESTMENT OVERVIEW

2.1 Timetable*

Lodgement of Prospectus with ASIC	4 March 2021
Expiry of Exposure Period	11 March 2021
Opening date of Offer	12 March 2021
Closing Date of Offer	19 March 2021
Closing Date of Secondary Offers	26 March 2021
Issue of Shares under the Offers	30 March 2021
Expected date for quotation of Shares on ASX	8 April 2021

*These dates are indicative only and may change without notice. The Company reserves the right to extend the Closing Date or close the Offer or the Secondary Offers early without notice. The Company also reserves the right not to proceed with the Offers at any time before the issue of the Shares. The Exposure Period may be extended by ASIC by not more than 7 days pursuant to section 727(3) of the Corporations Act. Applicants for Shares under this Prospectus will not be accepted or processed by the Company until after the expiry of the Exposure Period. No preference will be conferred on applications lodged prior to the expiry of the Exposure Period.

2.2 Key Offer Information

Key Offer Statistics

Public Offer Price	\$0.20
Shares offered under the Public Offer	70 million
Gross proceeds from the Public Offer	\$14 million
Existing Shares on issue	104.3 million
Total Shares on issue on completion of the Offer ¹	179.1 million
Indicative market capitalisation at Public Offer Price (undiluted) ²	\$35.9 million
Pro-forma net cash on hand on completion of the Offers ³	\$17.0 million
Indicative market capitalisation at Public Offer Price (fully diluted)	\$41.5 million
Enterprise value at Public Offer Price (undiluted) ⁴	\$18.9 million

Notes:

1. Includes Shares to be issued under the Secondary Offers, but excludes Options and Performance Shares on issue at listing and excludes the Corporate Advisory Fee payable to RM Corporate at completion of the RM Underwriting Agreement.
2. Based on the Offer Price and the total number of Shares on issue on completion of the Offer.
3. Pro Forma Net Cash is based on cash reserves of \$17.4 million and debt of \$0.4 million on completion of the Offer.
4. Enterprise value is calculated as market capitalisation at the Offer Price less pro forma Net Cash at completion of the Offer.

Key Financial Information¹

Year Ending 30 June	Pro Forma Forecast FY21	Statutory Forecast FY21
EBITDA	\$2.7 million	\$3.1 million
EBIT	\$2.3 million	\$2.7 million
Net Profit After Tax	\$1.7 million	\$1.9 million
EV/EBIT	8.2x	7 x
EV/EBITDA	7 x	6.1 x

Notes:

1. This table contains Forecast Financial Information and information derived from the Financial Information set out in Section 6. Forecast Financial Information is prepared on the basis of the Directors' best estimate assumptions set out in Section 6.11. It should be read in conjunction with the discussion of the Financial Information in Section 6.12, as well as the sensitivities set out in Section 6.13, and the risk factors set out in Section 8.
2. The Pro Forma Financial Forecasts comprise the actual results for the six months ended 31 December 2020 and the forecast results for the six months ending 30 June 2021, after adjusting for the pro forma adjustments. A reconciliation between the statutory forecast net profit and pro forma forecast net profit is set out in Section 6.3.
3. EBIT multiple is calculated by dividing the enterprise value by Delorean's earnings before interest and tax (EBIT). Enterprise value is calculated by subtracting the Group's pro forma net cash from its market capitalisation at completion of the Offer. FY21 Pro Forma Forecast EBIT is set out in Section 6.4.
4. EBITDA multiple is calculated by dividing the enterprise value by Delorean's earnings before interest, tax, depreciation and amortisation (EBITDA). Enterprise value is calculated by subtracting the Group's pro forma net cash from its market capitalisation at completion of the Offer. FY21 Pro Forma Forecast EBITDA is set out in Section 6.4.

2.3 Investment Overview

This section is a summary only and not intended to provide full information for investors intending to apply for Securities offered pursuant to this Prospectus. This Prospectus should be read and considered in its entirety.

Item	Summary	Further information
A. COMPANY		
Who is the Company?	Delorean Corporation Limited (ACN 638 111 127).	
Who is Delorean and what is its business?	<p>Delorean is Australia's leading builder and developer of bioenergy infrastructure and a retailer of electricity aiming to create its own pipeline of bioenergy infrastructure projects in Australia.</p> <p>Delorean currently operates businesses in:</p> <ul style="list-style-type: none"> (a) design, construction development and operation of renewable bioenergy generation assets, specialising in anaerobic digestion processes converting organic waste into renewable electricity, heat and biomethane. (b) retail of energy and gas; and (c) fabrication and installation of industrial-scale stainless steel tanks and associated 	Section 5.1

Item	Summary	Further information
	<p>infrastructure for itself as well as independent third parties.</p> <p>Delorean is positioned to utilise its market experience to extend its current services-based business into an energy infrastructure asset owner and operator, growing its revenues with additional annuity-based income streams from bioenergy generation infrastructure projects.</p> <p>Delorean operates both in the waste processing and renewable energy sectors by being a viable disposal option for organic waste for businesses needing a sustainable method of disposal, and then utilising that organic waste for the generation of renewable energy for sale.</p>	
<p>What is the Company's history?</p>	<p>The individual businesses comprised in the Delorean Group have operated as standalone enterprises for in excess of eight years. In December 2019, those individual entities were brought under the umbrella of Delorean and the Delorean Group was formed.</p> <p>Since that time, Delorean has achieved significant milestones in its business and in helping to develop the renewable energy sector in Australia and New Zealand. The business initially covered services-based work for third parties but more recently shifted its focus to the development of Delorean-owned and operated projects.</p> <p>Delorean's key achievements to date include:</p> <ul style="list-style-type: none"> (a) Jandakot Bioenergy Plant (WA): the development, design, construction (in collaboration with Principal), commissioning and operational support of the 2.4 MW capacity Jandakot Bioenergy Project which converts commercial and industrial organic waste streams to power generation. The facility, owned by national operator Richgro Garden Products in Western Australia, was successfully commissioned in 2015 and recognised as a showcase bioenergy project in Australia. (b) Establishment of CleanTech Energy: A successful energy retailer in Western Australia (the 4th largest privately owned retailer in FY2020), and now a market participant and licenced retailer in the National Electricity Market (NEM). In FY2020, Cleantech generated \$23.1 million in revenue with an underlying EBITDA of \$1.7 million, brokering third party energy sources to the retail energy market. (c) Blue Lake Milling (SA) Bioenergy Plant: Contracted for the turnkey EPC construction, commissioning and operation of a 1MW capacity plant (fuelled by organic milling by-products) supplying renewable power and heat to Blue Lake Milling (owned by CBH Group) in Bordertown, South Australia. Due for completion in Q2 2021. Contract value circa \$7.6m. (d) Ecogas/Pioneer New Zealand Bioenergy Plant: Contracted for the turnkey EPC construction, commissioning and operation 	<p>Section 5.1</p>

Item	Summary	Further information
	of a bioenergy facility taking food organics from the Auckland City Council collections with energy supplying a major greenhouse operation in New Zealand. Contract value circa NZD\$9.3m. Due for completion Q2 2022.	
What is the Company's core business?	<p>Delorean has a solid track record in the profitable development and construction of 3rd party renewable energy projects and energy retail. In addition is has identified a pipeline of infrastructure projects to grow its footprint in the renewable energy sector.</p> <p>Delorean's strategy is to continue to execute 3rd party renewable energy project contracts and operate its wholly-owned energy retailer Cleantech, while expanding its business to develop wholly or partially-owned renewable energy infrastructure to grow its revenue streams and footprint in the renewable energy sector. This will include establishing operations for the sourcing and acceptance of organic waste streams and participating in a merchant waste management market.</p>	Section 5.2
What are the Company's competitive strengths?	<p>Delorean enjoys a number of competitive advantages in the renewable energy and infrastructure development sector. These include:</p> <ul style="list-style-type: none"> (a) relatively high internal rates of return on bioenergy projects compared to other renewable energy generation such as wind and solar, owing to diversity of revenue including waste disposal revenues as well as energy generation revenues from utilising that same waste; (b) Delorean can develop and deliver projects 'all under the one roof' meaning infrastructure can be deployed with lower capex outlay compared to developments which are fully outsourced; (c) Delorean enjoys an early-mover advantage as a recognised pioneer in the bioenergy sector in Australia and New Zealand; (d) Delorean has an established pipeline of renewable energy projects across Australia and holds retail licenses ready for expansion into the National Energy Market; and (e) Delorean is well positioned to take advantage of a national drive towards zero organic waste to landfill which will increasingly require organic waste streams to be redirected and recycled into bioenergy infrastructure facilities of the kind developed by Delorean, generating renewable base load power and the option for renewable green gas. 	Section 5.8.4
What is the Company's business model and how does it generate revenue?	<p>Through its vertically-integrated business structure, Delorean is competitively placed to develop, own, operate and monetise renewable energy infrastructure projects in Australia and New Zealand, with a focus on bioenergy projects.</p> <p>Delorean currently generates revenue from:</p>	Section 5.5

Item	Summary	Further information
	<ul style="list-style-type: none"> (a) development of bioenergy assets which create income from: <ul style="list-style-type: none"> (i) gate fees for the acceptance of organic products and waste; and (ii) wholesale and retail sale of electricity, heat and gas; (b) entering into power purchase agreements with 3rd party renewable generation assets for supply of electricity to retail markets via CleanTech Energy; (c) design, construction, commissioning and operation of renewable energy infrastructure under contract to third parties; and (d) design, fabrication and installation of tanks, pipework and processing infrastructure under contract to third parties. 	
Who are the Company's customers?	<p>Currently, Delorean's revenue is predominantly derived from:</p> <ul style="list-style-type: none"> (a) electricity retail to diverse businesses, government agencies and commercial and residential buildings in Western Australia; (b) engineering, procurement, construction contracts for building and commissioning of bioenergy infrastructure in South Australia (CBH Group) and New Zealand (Ecogas); and (c) governments, local councils and businesses who have a need to dispose of organic waste. 	Section 5.6
Who are the Company's competitors?	<p>Different parts of Delorean's business have different competitors:</p> <ul style="list-style-type: none"> (a) Bioenergy in Australia is an emerging sector and Delorean is an established early-mover in the sector. While integrated renewable energy 'gentailers' are established in Australia and New Zealand, Delorean will be, upon execution of its business plan, the only identified vertically-integrated gentailer focused on anaerobic digestion bioenergy facilities which can deliver projects end-to-end and 'in-house' through the infrastructure development, construction, operation and sale of energy generated. (b) The construction and engineering parts of Delorean's capability can be delivered by project developers, engineering companies, fabrication companies and ECM businesses. (c) The energy retail business is in competition with other government-owned or controlled utilities and private energy suppliers. (d) In securing organic feedstock as fuel for bioenergy generation, Delorean sometimes (but not always) competes with businesses which accept organic waste streams such as landfill, composters and other waste management operators. 	

Item	Summary	Further information
What is Delorean's existing level of operations?	<p>Delorean is headquartered in offices in West Perth in Western Australia. It has 24 employees in addition to other contractors and sub-contractors in Adelaide and Melbourne.</p> <p>It has third-party EPC construction projects currently under construction in Bordertown in South Australia and Reparoa in New Zealand.</p> <p>Delorean has 2 projects 'near ready' in South Australia and Victoria.</p> <p>Through CleanTech Energy, Delorean is a significant retailer in the Western Australian Energy Market.</p>	Section 5.1
What is Delorean's proposed level of operations?	<p>The Company will continue to operate its energy retailing and EPC businesses, while post the closure of the Offer, the capital raised will be directed predominantly into construction of infrastructure assets in the Company's project development pipeline. Together with other financing strategies, this will unlock Delorean's capacity to own and operate its own assets, and generating new and sustainable revenues for the Company.</p> <p>The pathway to construction and operation of two current development projects, together with the completion of the two existing third party contracted builds would be expected to involve a scaling up of operations in South Australia, Queensland, Victoria and New Zealand with 10 additional permanent and project-based employees, as well as contractor roles on each of those projects.</p>	Section 5.7.2
B. KEY RISKS		
Activity in the Energy Sector	<p>Delorean is active in the generation, wholesale and retail of energy including electricity, heat and gas. The Company therefore has exposure to energy price fluctuations in the wholesale energy market in Western Australia and the national energy market in other States. As part of its business, the Company will build generation infrastructure with long asset life and may enter into long term energy contracts for the sourcing or supply into markets and to customers which may be impacted adversely by energy market changes, subject to normal hedging and risk mitigation strategies.</p>	Section 8
Activity in the Waste Management Sector	<p>Delorean's business will derive some of its bioenergy asset revenues from the waste management sector, through the receipt, processing and recycling of commercial, industrial and municipal organic waste. The economic returns on Delorean's bioenergy projects are therefore connected to sustained activity in the Australian and New Zealand waste management sector.</p> <p>The Company's business model assumes that waste generation rates in the Australian and New Zealand markets remain steady and there is not a significant reduction in economic activity. In addition, Delorean expects that an ongoing focus on the waste management sector, both from a regulatory and community expectations standpoint, will lead to a continued and increased emphasis on waste recycling, which is favourable to Delorean's Strategy</p>	

Item	Summary	Further information
New Technologies	New technologies that enable the generation of renewable energy cheaper or on a more energy efficient basis may impact on the Company's business, in particular where the Company is unable to modify or repurpose its infrastructure to make use or compete with those new technologies. However, the Company notes that the anerobic digestion method of energy generation is not a new technology and has competed successfully to date with other sources of energy generation, both renewable and non-renewable.	
Business Operating Risks	The performance of Delorean may be subject to conditions beyond the control of management which may reduce revenues and/or increase costs of both current and future operations. One of the most significant operating risks is the unplanned shutdown of generation assets for an extended period of time, whether due to a fire, flood or otherwise. Other operating risks beyond the control of management include changes in legislative requirements, variation in timing of regulatory approvals, abnormal or severe weather conditions, natural disasters, unexpected maintenance or technical problems, new technology failures and industrial disruption.	
Environmental Compliance Costs and Liabilities	Waste management activities are subject to significant environmental and other regulation. Key legislation that Delorean is required to comply with includes legislation relating to the environment and the protection of the environment. Unforeseen environmental issues may affect any of the bioenergy facilities developed by Delorean.	
Capital Costs and Planned Capital Projects	Delorean's forecasts are based on the best available information at the time and on certain assumptions in relation to cost and timing of planned development or expansion of facilities, receipt of design and development approvals and regulatory approvals and the level of capital expenditure required to undertake planned development and maintain the assets. Any significant unforeseen increases in the capital costs or delays in receipt of approvals associated with Delorean's projects and operations may adversely impact Delorean's future cash flow and profitability.	
Regulatory Risks	<p>Delorean may be exposed to changes in the regulatory conditions under which it operates in the various states of Australia and New Zealand. Such regulatory changes can include, for instance, changes in taxation laws and policies, transport legislation, accounting laws, policies, standards and practices, environmental laws and regulations that may impact upon the operations and processes of Delorean, and employment laws and regulations, including laws and regulations relating to occupational health and safety. Delorean's facilities have the benefit of approvals from Government Authorities in each jurisdiction in which it operates. These approvals may contain ambiguous conditions that require legal interpretation. There is a risk that Delorean may incorrectly interpret the conditions of any such approvals.</p> <p>This may cause Delorean to be at risk of adverse regulatory action by a Government Authority.</p>	

Item	Summary	Further information
	<p>Further, the ability of the Company to successfully carry out its business will depend on the ability to maintain and comply with the various approvals relating to each project that it operates. No guarantee can be given that such approvals will be maintained or granted, or if they are maintained or granted, that the Company will be in a position to comply with all conditions that are imposed.</p> <p>Environmental and planning licences and permits are subject to periodic renewal. There is no guarantee that current or future licences and permits for the Company's business operations will always be approved.</p>	
Growth Strategy and Funding	<p>Part of Delorean's growth strategy involves the ability to identify and acquire or develop suitable assets in the future. The success of this strategy will be dependent on a number of factors, including the availability of debt and equity funding and the suitability of the terms of such funding. Further, while the funds raised under the Public Offer are considered sufficient to meet the current objectives of Delorean, additional funding may be required in the event costs exceed Delorean's estimates, or if the current objectives are subject to change. Delorean may seek to raise further funds through equity or debt financing or other means.</p> <p>Failure to obtain sufficient financing for Delorean's activities may result in delay and indefinite postponement of development projects or potential acquisitions. There can be no assurance that additional finance will be available when needed or, if available, the terms of the financing might not be favourable to Delorean and might involve substantial dilution to Shareholders.</p>	
Reliance on Key Personnel	<p>The responsibility of overseeing the day-to-day operations and the strategic management of the Company depends substantially on its senior management and its key personnel. There can be no assurance given that there will be no detrimental impact on the Company if one or more of these employees cease their employment.</p>	
Construction Risk	<p>There is a risk that the development and construction of energy generation and associated assets is not completed on schedule, or that the construction cost exceeds the budget, or that significant problems in constructing the facility arise. The Company will also depend on third party contractors in the construction and there is a risk that one or more of these third-party contractors will not perform its contractual obligations properly or at all. Further, weather conditions are unpredictable and may also have a material adverse effect on construction of the facility.</p>	
C. DIRECTORS, COMPANY SECRETARY AND PROMOTERS		
Who are the Directors?	<p>The current directors of the Company are:</p> <p>(a) Hamish Jolly (Executive Chair);</p> <p>(b) Joseph Oliver (Managing Director);</p> <p>(c) Steve Gostlow (Non-Executive Director); and</p> <p>(d) David McArthur (Non-Executive Director).</p>	Section 9.1

Item	Summary	Further information																				
	Backgrounds on each of the Directors are set out in Section 9.1.																					
What remuneration is being paid to the Directors?	<div>Remuneration</div> <table><tr><th>Director</th><th>Proposed base remuneration for the year ending 30 June 2021¹²</th></tr><tr><td>Hamish Jolly</td><td>\$275,000</td></tr><tr><td>Joseph Oliver</td><td>\$275,000</td></tr><tr><td>Steve Gostlow</td><td>\$60,000</td></tr><tr><td>David McArthur</td><td>\$60,000</td></tr></table> <div>Notes:<ol style="list-style-type: none">Base remuneration excludes superannuation.This is the director's annual remuneration at the execution of their respective executive services agreements part-way through FY21.</div>	Director	Proposed base remuneration for the year ending 30 June 2021 ¹²	Hamish Jolly	\$275,000	Joseph Oliver	\$275,000	Steve Gostlow	\$60,000	David McArthur	\$60,000	Section 9.3										
Director	Proposed base remuneration for the year ending 30 June 2021 ¹²																					
Hamish Jolly	\$275,000																					
Joseph Oliver	\$275,000																					
Steve Gostlow	\$60,000																					
David McArthur	\$60,000																					
What will the Director's interests in the Company?	<div>Securities</div> <table><tr><th>Director</th><th>Shares</th><th>Perf. Shares</th><th>Options</th></tr><tr><td>Hamish Jolly</td><td>44,750,000</td><td>6,835,857</td><td>Nil</td></tr><tr><td>Joseph Oliver</td><td>44,750,000</td><td>6,835,857</td><td>Nil</td></tr><tr><td>Steve Gostlow</td><td>500,000</td><td>Nil</td><td>6,000,000</td></tr><tr><td>David McArthur</td><td>300,000</td><td>Nil</td><td>250,000</td></tr></table>	Director	Shares	Perf. Shares	Options	Hamish Jolly	44,750,000	6,835,857	Nil	Joseph Oliver	44,750,000	6,835,857	Nil	Steve Gostlow	500,000	Nil	6,000,000	David McArthur	300,000	Nil	250,000	Section 9.3
Director	Shares	Perf. Shares	Options																			
Hamish Jolly	44,750,000	6,835,857	Nil																			
Joseph Oliver	44,750,000	6,835,857	Nil																			
Steve Gostlow	500,000	Nil	6,000,000																			
David McArthur	300,000	Nil	250,000																			
What is the capital structure of the Company following the Offers?	Refer to Section 3.5 for a pro forma capital structure following completion of the Offers.	Section 3.5																				
D. FINANCIAL INFORMATION																						
How has the Company been performing?	<div>The Company has a strong track record including profitability for the 5 consecutive years ending June 2020. Additionally, during this time, the Company has achieved strong revenue growth over the last 3 financial years.</div> <table><tr><th></th><th>30-Jun-18 \$'000</th><th>30-Jun-19 \$'000</th><th>30-Jun-20 \$'000</th></tr><tr><td>Revenue</td><td>\$6,051</td><td>\$18,822</td><td>\$31,233</td></tr><tr><td>EBITDA¹</td><td>\$981</td><td>\$1,468</td><td>\$3,651</td></tr><tr><td>NPAT²</td><td>\$733</td><td>\$859</td><td>\$2,599</td></tr></table>		30-Jun-18 \$'000	30-Jun-19 \$'000	30-Jun-20 \$'000	Revenue	\$6,051	\$18,822	\$31,233	EBITDA ¹	\$981	\$1,468	\$3,651	NPAT ²	\$733	\$859	\$2,599	Section 6.3				
	30-Jun-18 \$'000	30-Jun-19 \$'000	30-Jun-20 \$'000																			
Revenue	\$6,051	\$18,822	\$31,233																			
EBITDA ¹	\$981	\$1,468	\$3,651																			
NPAT ²	\$733	\$859	\$2,599																			

¹ Earnings Before Interest Tax Depreciation and Amortisation

² Net Profit After Tax

Item	Summary	Further information
	The Delorean Group's Statutory historical financial performance is as follows: Full financial information is set out in Section 6.3.	
What is the key financial information I need to know about the Company's financial position, performance and prospects?	<p>The Company has derived its strong historical growth and profitability from:</p> <ul style="list-style-type: none"> • contracts with third parties for the development of bioenergy projects; • the construction of bioenergy projects or consultancy works to bioenergy projects; and • the retail of energy to customers. <p>To date, the Company has generated sufficient cashflow to sustain rapid growth having procured only a small amount of traditional bank funding, and has a net-positive cash position prior to IPO. Given its demonstrated track record for growth combined with a strong pipeline of development projects the Company is in a solid position to transition to an infrastructure owner and 'gentailer'.</p>	Section 6
What is the financial outlook for the Company?	The Company expects a Statutory Forecast EBITDA of \$3.1 million adjusted for offer costs, listed company costs and non-cash share-based payments. Any further financial outlook of the Company is contingent upon the Company successfully implementing its business plan.	Section 6.3
What are the debt facilities in place?	The Company maintains a corporate finance facility with Commonwealth Bank of Australia which provides bank guarantee facilities to underpin prudential securities and performance bonds, together with some asset finance. The Company does not otherwise have material debt facilities in place.	
Does the Company have sufficient funds for its activities?	Upon completion of the Offer, the Company considers that it will have sufficient funds to execute its stated objectives and strategies outlined in this Prospectus.	Section 3.7
E. OFFERS		
What is being offered under the Offer and who is entitled to participate?	Under the Offer, the Company invites applications for 70,000,000 Shares at an issue price of \$0.20 per Share to raise \$14,000,000.	Section 3.1
Is the Offer underwritten?	The Offer is fully underwritten. Refer to Section 3.4 for a description of the structure of the underwriting between the Underwriters.	Section 3.4
Will there be a lead manager to the Public Offer?	The Underwriters are appointed as Underwriters and lead managers of the Offer.	Section 3.4
What are the Secondary Offers?	<p>The Prospectus also includes the following Secondary Offers:</p> <p>Advisor Offer</p> <p>(a) 14,000,000 Advisor Options to be issued to the Underwriters or their respective nominees; and</p> <p>(b) 4,267,566 Shares to be issued to RM Corporate or its nominees,</p>	Section 3.10

Item	Summary	Further information
	in consideration for underwriting and lead management services provided to the Company. Only specified persons will be entitled to participate in the Secondary Offers, all of whom will be approached directly by the Company.	
Will I be guaranteed a minimum allocation under the Offer?	No, the Company and Underwriter reserve the right to reject any application for Shares under to Offer. Shares will be issued under the Offer in accordance with the allocation policy set out in Section 3.9.	Section 3.9
What are the terms of the Securities offered under the Offer?	A summary of the material rights and liabilities attaching to the Shares offered under the Offer are set out in Section 11.2.	Section 11.2
Will the Shares be quoted?	Application for quotation of all Shares to be issued under this Prospectus will be made to ASX no later than 7 days after the date of this Prospectus.	Section 3.11
What are the key dates of the Offers?	The key dates of the Offers are set out in the indicative timetable in Section 2.1.	Section 2.1
What is the minimum investment size under the Public Offer?	Applications under the Public Offer must be for a minimum of \$2,000 worth of Shares (10,000 Shares) and thereafter, in multiples of \$500 worth of Shares (2,500 Shares).	Section 3.8
F. ADDITIONAL INFORMATION		
Is there any brokerage, commission or duty payable by Applicants?	No brokerage, commission or duty is payable by Applicants on the acquisition of Shares under the Offers.	Section 3.15
What are the tax implications of investing in Shares?	Holders of Shares may be subject to Australian tax on dividends and possibly capital gains tax on a future disposal of Shares subscribed for under this Prospectus. The tax consequences of any investment in Shares depend upon an investor's particular circumstances. Applicants should obtain their own tax advice prior to deciding whether to subscribe for Shares offered under this Prospectus.	Section 3.16
What are the corporate governance principles and policies of the Company?	To the extent applicable, in light of the Company's size and nature, the Company has adopted The Corporate Governance Principles and Recommendations (4th Edition) as published by ASX Corporate Governance Council (Recommendations). The Company's main corporate governance policies and practices as at the date of this Prospectus are outlined in Section 9.7. In addition, the Company's full Corporate Governance Plan is available from the Company's website (www.deloreancorporation.com.au). Prior to listing on ASX, the Company will announce its main corporate governance policies and practices and the Company's compliance and departures from the Recommendations.	Section 9.5

Item	Summary	Further information
Where can I find more information?	<p>(a) By speaking to your sharebroker, solicitor, accountant or other independent professional adviser.</p> <p>(b) By reviewing the Company's public announcements, which will be accessible from ASX's website at www.asx.com.au under the ASX code "DEL".</p> <p>(c) By visiting the Company's website at www.deloreancorporation.com.au.</p> <p>(d) By contacting Bryce Gould of RM Corporate Finance at bgould@rmcf.com.au or +61 8 6380 9200</p>	

3. DETAILS OF THE OFFERS

3.1 The Offer

Pursuant to this Offer, the Company invites applications for 70,000,000 Shares at an issue price of \$0.20 per Share to raise \$14,000,000.

The Shares offered under this Offer will rank equally with the existing Shares on issue. Refer to Section 11.2 for a summary of the terms of the Shares.

3.2 Minimum subscription

If the minimum subscription to the Offer of \$14,000,000 has not been raised within 4 months after the date of this Prospectus, the Offers will not proceed and no Securities will be issued pursuant to this Prospectus.

If this occurs, the Company will repay all application monies received by it in connection with this Prospectus within the time prescribed under the Corporations Act, without interest.

3.3 Oversubscriptions

No oversubscriptions will be accepted by the Company.

3.4 Underwriters

The Company has appointed RM Corporate Finance Pty Ltd (AFSL 315 235) (**RM Corporate**) and Morgans Corporate Limited (AFSL 235 407) as several underwriters of the Offer. Together they are referred to as the **Underwriters**.

The terms of the Underwriting Agreements (including the fees payable to the Underwriters) and the obligations of the Underwriters are summarised in Section 10.1.

3.5 Capital Structure

The capital structure of the Company following completion of the Offers is summarised below:

Shares¹

	Number
Shares currently on issue	104,285,714
Shares to be issued pursuant to the Public Offer	70,000,000
Employee Shares to be issued ²	525,000
Shares to be issued pursuant to the RM Offer ³	4,267,566
Total Shares on completion of the Offers⁴	179,078,280

Options⁵

	Number
Options currently on issue	6,250,000
Options to be issued pursuant to the Advisor Offer	14,000,000
Total Options on completion of the Offers	20,250,000

Performance Shares

	Number
Performance Shares on issue as at the date of this Prospectus	Nil
Performance Shares to be issued to Messrs Hamish Jolly and Joe Oliver ⁶	13,671,714
Total Performance Shares on completion of the Offers	13,671,714

Notes to capital structure:

1. The rights attaching to the Shares are summarised in Section 11.2 of this Prospectus.
2. Prior to the Company listing on ASX, the Company intends to issue up to 525,000 Shares to existing employees of the Company. This issue will comprise the issue of 25,000 to 21 separate employees of the Company under the Company's employee incentive program. None of these employees are related parties of the Company.
3. This amount comprises a success fee equal to 2% of the Company's Shares on issue at the date of quotation on ASX, which equals 3,567,566 Shares plus an additional 700,000 Shares for corporate advisory services provided over the 6 months period prior to the lodgement of the Prospectus.
4. In addition to the Shares outlined in the table above, it is a term of the RM Mandate between the Company and RM Corporate that it will issue to RM Corporate 600,000 Shares six months after the Company is listed on ASX in lieu of a monthly corporate advisory fee of \$20,000 per month. This number of Shares is calculated as \$20,000 multiplied by 6 months, divided by the Offer price of \$0.20.
5. The terms of the various classes of Options on issue are set out in Section 11.3 of this Prospectus.
6. The terms of these Performance Shares are set out in Section 11.4 of this Prospectus.

3.6 Substantial Shareholders

Those Shareholders holding 5% or more of the Shares on issue both as at the date of this Prospectus and on completion of the Offers (assuming full subscription) are set out in the respective tables below.

As at the date of the Prospectus

Shareholder	Shares	Performance Shares	% (undiluted)	% (fully diluted)
Hamish Jolly ¹	44,750,000	Nil	43%	40.5%
Joseph Oliver ¹	44,750,000	Nil	43%	40.5%

Note:

1. These shares are held in family trusts that are controlled by the above nominated shareholder.

On completion of the Offers (assuming the maximum subscription is met and no existing substantial Shareholder subscribes and receives additional Shares pursuant to the Offers)

Shareholder	Shares	Performance Shares	% (undiluted)	% (fully diluted)
Hamish Jolly ¹	44,750,000	6,835,857	25%	24.2%
Joseph Oliver ¹	44,750,000	6,835,857	25%	24.2%

Note:

1. These shares are held in family trusts that are controlled by the above nominated shareholder.

The Company will announce to the ASX details of its top-20 Shareholders (following completion of the Offers) prior to the Shares commencing trading on ASX.

3.7 Use of Funds

The Company intends to apply funds raised from the Offer, together with existing cash reserves, over the first two years following admission of the Company to the official list of ASX as follows:

Funds available	Maximum Subscription (\$'000)	Percentage of Funds
Existing cash reserves	\$4,772	25.4%
Funds raised from the Offer	\$14,000	74.6%
Total	\$18,772	100%
Allocation of funds		
DEVO Project development and investment ¹	\$13,400	71.4%
Working Capital	\$4,032	21.5%
Costs of the Offers ³	\$1,340	7.1%
Total	\$18,772	100%

Notes:

- As set out in Section 5, the Company intends to use these funds for the costs of development of the Company's existing identified near-ready Victorian DEVO Project (refer to Section 5.6.2 for details). The Company presently has sufficient funds generated from its existing operations to meet its ongoing expenses and ensuring the Company can continue as a going concern.
- Refer to Section 11.10 for details on the costs of the Offer.

The above table is a statement of current intentions as of the date of this Prospectus. As with any budget, intervening events (including trial success or failure) and new circumstances have the potential to affect the manner in which the funds are ultimately applied. The Board reserves the right to alter the way funds are applied on this basis.

On completion of the Offer, the Board believes the Company will have sufficient working capital to carry out its stated objectives. It should however be noted that an investment in the Company is speculative and investors are encouraged to read the risk factors outlined in Section 8.

3.8 Applications

3.8.1 How to apply under the Offer

Applications for Securities under the Offer must be made either online or by using the Offer Application Form.

Applications for Shares must be for a minimum of 10,000 Shares and thereafter in multiples of 2,500 Shares and payment for the Shares must be made in full at the issue price of \$0.20 per Share.

Online Application Form with BPAY® or EFT

Applicants in Australia may apply for Securities by applying online by following the instructions at <https://investor.automic.com.au/#/ipo/deloreancorporation> and completing a BPAY® or EFT payment. If payment is not made via BPAY® or EFT, the Application will be incomplete and will not be accepted. The online Application Form and BPAY® or EFT payment must be completed and received by no later than the Closing Date.

For online applications, investors can apply online with payment made electronically via BPAY® or EFT. Investors applying online will be directed to use an online Application Form and make payment by BPAY® or EFT.

An Applicant must comply with the instructions on the website. An Applicant will be given a BPAY® biller code and a customer reference number (CRN) or the payment instructions unique to the online Application once the online Application Form has been completed.

BPAY® payments must be made from an Australian dollar account of an Australian financial institution. Using these BPAY® details, you must:

- (a) access your participating BPAY® financial institution either through telephone or internet banking;
- (b) select to use BPAY® and follow the prompts;
- (c) enter the supplied biller code and unique customer reference number;
- (d) enter the total amount to be paid which corresponds to the value of Securities you wish to apply for under each Application;
- (e) select which account you would like your payment to come from;
- (f) schedule your payment to occur on the same day that you complete your online Application Form. Applications without payment will not be accepted; and
- (g) record and retain the BPAY® receipt number and date paid.

You should be aware that your own financial institution may implement earlier cut-off times with regard to BPAY® or other electronic payments and you should therefore take this into consideration when making payment. It is your responsibility to ensure that funds submitted through BPAY® or other electronic payments are received by 2.00 pm (WST) on the Closing Date.

If you require assistance in completing an online Application Form, please contact the Share Registry.

Paper Application

Complete the hard copy of the Application Form accompanying the hard copy of this Prospectus and mail or hand deliver the completed Application Form with cheque or bank draft to the Share Registry at the relevant address shown on the Application Form so it is received before 5.00pm (WST) on the Closing Date.

Payment must be in full and in Australian currency by cheque in accordance with the instructions set out in the Application Form

By post to:	Delivered to:
Delorean Offer c/- Automic GPO Box 5193 SYDNEY NSW 2001	Delorean Offer c/- Automic Level 5 126 Phillip Street SYDNEY NSW 2000

An original, completed and lodged Application Form, whether online or in hard copy, together with payment for the Application Monies, constitutes a binding and irrevocable offer to subscribe for the number of Shares specified in the Application Form. The Application Form does not need to be signed to be valid.

If the Application Form is not completed correctly or if the accompanying payment is for the wrong amount, it may be treated by the Company as valid. The Directors' decision as to whether to treat such an Application as valid and how to construe amend or complete the Application Form is final.

If your cheque, BPAY® or EFT payment for the Application Money is different to the amount specified in your Application Form then the Company may accept your Application for the amount of Application Money provided.

The Offers may be closed at an earlier date and time at the discretion of the Directors, without prior notice. Applicants are therefore encouraged to submit their Application Forms as early as possible. However, the Company reserves the right to extend the Offers or accept late Applications.

No brokerage, stamp duty or other costs are payable by Applicants.

It is the responsibility of Applicants outside Australia to obtain all necessary approvals for the allotment and issue of Securities pursuant to this Prospectus. The return of a completed Application Form with the requisite Application Monies (if applicable) will be taken by the Company to constitute a representation and warranty by the Applicant that all relevant approvals have been obtained and that the Applicant:

- (a) agrees to be bound by the terms of the relevant Offer;
- (b) declares that all details and statements in the Application Form are complete and accurate;
- (c) declares that, if they are an individual, they are over 18 years of age and have full legal capacity and power to perform all its rights and obligations under the Application Form;
- (d) authorises the Company and its respective officers or agents, to do anything on their behalf necessary for the Securities to be issued to them, including to act on instructions of the Company's Share Registry upon using the contact details set out in the Application Form;
- (e) acknowledges that the information contained in, or accompanying, the Prospectus is not investment or financial product advice or a recommendation that Securities are suitable for them given their investment objectives, financial situation or particular needs; and
- (f) acknowledges that the Securities have not, and will not be, registered under the securities laws in any other jurisdictions outside Australia and

accordingly, the Securities may not be offered, sold or otherwise transferred except in accordance with an available exemption from, or in a transaction not subject to, the registration requirements of applicable securities laws.

By completing an Application Form, whether online or using the paper-based form, you will be taken to have declared that all details and statements made by you are complete and accurate and that you have personally received the Application Form together with a complete and unaltered copy of the Prospectus.

3.9 Allocation Policy

The Company retains an absolute discretion to allocate Shares under the Offer and reserves the right, in its absolute discretion, to issue to an Applicant a lesser number of Shares than the number for which the Applicant applies or to reject an Application Form. If the number of Shares issued is fewer than the number applied for, surplus application money will be refunded without interest as soon as practicable.

No Applicant under the Offer has any assurance of being allocated all or any Shares applied for. The allocation of Shares by Directors, in consultation with the Underwriters, will be influenced by the following factors:

- (a) the number of Shares applied for;
- (b) the overall level of demand for the Offer;
- (c) the desire for a spread of investors, including institutional investors; and
- (d) the desire for an informed and active market for trading Shares following completion of the Offer.

The Company will not be liable to any person not allocated Shares or not allocated the full amount applied for.

The Company's decision on the number of Shares to be allocated to an Applicant will be final. The Company will not be liable to any person not allocated Shares or not allocated the full amount applied for.

3.10 Secondary Offers

In addition to the Offer, this Prospectus contains offers to specific parties, or parties invited to apply by the Company or the Underwriters. These offers are made to ensure compliance with statutory obligations and to ensure that any Shares issued under those offers or upon the conversion of Options under those offers satisfy all future requirements relating to the secondary sale or disposal of those Shares.

You should not apply for securities under either of these offers unless instructed to do by the Company or the Underwriters.

In addition to the Offer, this Prospectus includes the offer of:

- (a) 14,000,000 Advisor Options, to be issued for nil cash consideration pursuant to the terms of the Underwriting Agreements (**Underwriter Offer**); and
- (b) 4,267,566 Shares to be issued for nil cash consideration pursuant to the Underwriting Agreement with RM Corporate (**RM Offer**).

The Advisor Options issued under the Underwriter Offer will be issued on the terms and conditions set out in Section 11.3.

The Shares offered under the RM Offer will be issued on the same terms and conditions as all other Shares on issue in the Company.

The Advisor Options will not be quoted, but the Company will apply for quotation of all Shares issued upon exercise of the Advisor Options.

Only the Underwriters or parties nominated by the Underwriters should apply for Advisor Options under the Underwriter Offer or Shares under the RM Offer. A personalised Application Form in relation to the Underwriter Offer and the RM Offer will be issued to nominated applicants together with a copy of this Prospectus.

3.11 ASX listing

Application for Official Quotation by ASX of all Shares offered pursuant to this Prospectus will be made within 7 days after the date of this Prospectus.

If the Shares are not admitted to Official Quotation by ASX before the expiration of 3 months after the date of issue of this Prospectus, or such period as varied by the ASIC, the Company will not issue any Shares and will repay all application monies for the Shares within the time prescribed under the Corporations Act, without interest.

The fact that ASX may grant Official Quotation to the Shares is not to be taken in any way as an indication of the merits of the Company or the Shares now offered for subscription.

3.12 Issue

Subject to the minimum subscription to the Offer being reached and ASX granting conditional approval for the Company to be admitted to the Official List, issue of Shares offered by this Prospectus will take place as soon as practicable after the Closing Date.

Pending the issue of the Shares or payment of refunds pursuant to this Prospectus, all application monies will be held by the Company in trust for the Applicants in a separate bank account as required by the Corporations Act. The Company, however, will be entitled to retain all interest that accrues on the bank account and each Applicant waives the right to claim interest.

The Directors will determine the recipients of the issued Shares in their sole discretion. The Directors reserve the right to reject any application or to allocate any applicant fewer Shares than the number applied for. Where the number of Shares issued is less than the number applied for, or where no issue is made, surplus application monies will be refunded without any interest to the Applicant as soon as practicable after the Closing Date.

3.13 Restricted Securities

By an in-principle decision received from ASX prior to the date of this Prospectus, the Company has been advised that the ASX does not intend to apply escrow to any of the existing securities on issue in the Company. ASX has discretion to revoke this decision and impose its own escrow conditions at any time prior to listing.

No escrow conditions will be required by the ASX in relation to the securities issued under the Offer.

The founding shareholders, entities associated with Hamish Jolly and Joe Oliver, have advised the Company that they will voluntarily agree to a trading holding lock on 75% of their respective securities, subject to compliance with all ASIC and Corporations Act requirements of 12 months from the date of listing.

The Company's "free float" (being the percentage of Shares not subject to escrow and held by Shareholders that are not related parties of the Company, or their associates) at the time of admission will be greater than 20%.

3.14 Applicants outside Australia

This Prospectus does not, and is not intended to, constitute an offer in any place or jurisdiction, or to any person to whom, it would not be lawful to make such an offer or to issue this Prospectus. The distribution of this Prospectus in jurisdictions outside Australia may be restricted by law and persons who come into possession of this Prospectus should seek advice on and observe any of these restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws.

No action has been taken to register or qualify the Securities or otherwise permit a public offering of the Shares the subject of this Prospectus in any jurisdiction outside Australia. Applicants who are resident in countries other than Australia should consult their professional advisers as to whether any governmental or other consents are required or whether any other formalities need to be considered and followed.

If you are outside Australia it is your responsibility to obtain all necessary approvals for the issue of the Securities pursuant to this Prospectus. The return of a completed Application Form will be taken by the Company to constitute a representation and warranty by you that all relevant approvals have been obtained.

3.15 Commissions payable

The Company reserves the right to pay a commission of up to 6% (exclusive of goods and services tax) of amounts subscribed through any licensed securities dealers or Australian financial services licensee in respect of any valid applications lodged and accepted by the Company and bearing the stamp of the licensed securities dealer or Australian financial services licensee. Payments will be subject to the receipt of a proper tax invoice from the licensed securities dealer or Australian financial services licensee.

3.16 Taxation

The acquisition and disposal of Securities will have tax consequences, which will differ depending on the individual financial affairs of each investor.

It is not possible to provide a comprehensive summary of the possible taxation positions of all potential applicants. As such, all potential investors in the Company are urged to obtain independent financial advice about the consequences of acquiring Securities from a taxation viewpoint and generally.

To the maximum extent permitted by law, the Company, its officers and each of their respective advisors accept no liability and responsibility with respect to the taxation consequences of subscribing for Securities under this Prospectus.

No brokerage, commission or duty is payable by Applicants on the acquisition of Securities under the Offers.

3.17 Withdrawal of Offers

The Offers may be withdrawn at any time. In this event, the Company will return all application monies (without interest) in accordance with applicable laws.

4. INDUSTRY OVERVIEW

4.1 Overview

The Delorean Group operates and will seek to continue to operate in the bioenergy sector in Australia and New Zealand.

The bioenergy sector is made up of various components, some of which the Company is presently active in, with the intention to use the Offer to gain additional exposure to the industry.

'Bioenergy' is a term used to describe renewable energy that is derived from the use of organic matter as a source of energy, known as biomass. It covers a variety of fuels that can be used in power generation, heating systems and or transport.³

To understand the Company's business, potential investors should read the industry overview outlined below, the summary of the Company's business operations in Section 5 together with the Company's historical and short term forecast financial information (and accompanying assumptions) in Section 6.

The industry sectors underpinning bioenergy are:

- Energy Sector – supply of electricity and gas. Delorean specifically operates in the renewable energy sector.
- Waste Management Sector – specifically organic waste which provides the fuel for bioenergy facilities.

The bioenergy sector is reasonably described as shown in the diagram below.

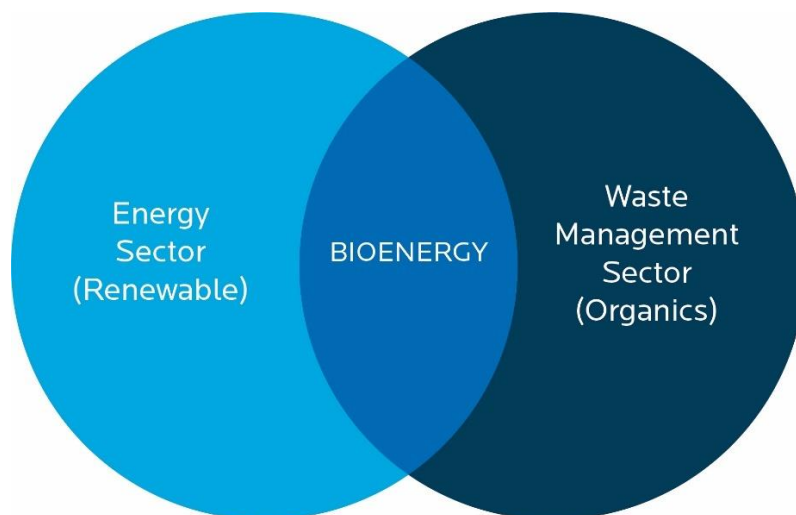


Figure 1: Breakdown of Bioenergy sector

4.1.1 Australian Energy Sector

(a) Overview of Electricity Sector in Australia

Australia has two major wholesale electricity markets, The National Electricity Market (**NEM**), which operates in eastern and south-eastern

³ www.energy.vic.gov.au/renewable-energy/bioenergy

States, and the Wholesale Electricity Market (**WEM**), which operates in Western Australia.

Three regulatory bodies oversee the energy markets across the WEM and NEM. The Economic Regulatory Authority (ERA) in the WEM, Australian Energy Regulator (AER) in NSW/ACT, Tas, Qld and SA, and the Essential Services Commission (ESC) in Victoria. Each body regulates through a combination of legislation, licences, guidelines, and codes. As a licenced market participant, regulators review and audit performance against published expectations to ensure the economic efficient delivery of services, consumer protection and the long-term interests of energy customers.

The National Electricity Market is the major wholesale electricity market in Australia in which six state and territory jurisdictions participate - Queensland, New South Wales, Australian Capital Territory (ACT), Tasmania, South Australia, and Victoria. While each market operates as a separate market to determine regional price, the NEM is interconnected both physically by transmission infrastructure and financially through a range of energy contracts between participants.

The Australian Energy Market Operator (**AEMO**) is responsible for the operation of these two energy market systems that oversee the generation, transmission, distribution, and financial settlement of energy in each state/territory's market.

Wholesale electricity trading is conducted through a wholesale market where supply and demand are simultaneously matched in real time through a process managed by AEMO.

The generation mix in the NEM and the WEM has undergone significant transformation. Thermal power, generated through the burning of fossil fuels, is being steadily displaced by renewable sources as renewables continue to grow market share.

Year 2019/20 the annual total generation fuel mix⁴:

Generation Fuel Source	NEM	WEM
Fossil Fuel Sources	76%	65%
Renewable (incl. battery)	24%	35%

The NEM provides an interconnected transmission network through five separate state-based networks that are linked by cross border interconnectors.

As at 2020, the NEM had over 9 million customers consuming 200 TWh annually. The WEM has more than one million customers and an annual consumption of 17.5 TWh.

(b) Overview of Gas Sector in Australia

Most wholesale gas is sold under bilateral arrangements between producers, retailers and major users. AEMO operates a number of

⁴ AEMO National Energy Market Fact Sheet July 2020

wholesale markets including the Declared Wholesale Gas Market (DWGM) in Victoria, Short Term Trading Market (STTM) hubs in Sydney, Brisbane and Adelaide, the Gas Supply Hub (GSH) in Wallumbilla and Moomba, and a pipeline capacity auction and trading platform that supports secondary trading and encourages gas and pipelines to be used efficiently.

In addition to the wholesale gas markets, Australia also has retail gas markets, which promote competition between retailers and allow consumers to choose their gas provider.

The gas retail markets allow energy retailers to sell gas to residential and business customers. They provide the framework for retailers to sell gas to customers; they facilitate competition between retailers (referred to as 'retail contestability') by offering consumers a choice of provider; and they allow gas usage to be allocated to retailers.

In 2018, there were 5.2 million gas supply connections, with 123,000 being new gas connections.

(c) Biogas

Biogas is produced from the anaerobic (oxygen free) digestion of organic matter. It can be made from a large variety of organic resources, including industrial waste, agricultural waste, energy crops, sludge from wastewater treatment and biowaste (co-digestion or mono-digestion of food waste and other types of biowaste).

In addition to energy production, anaerobic digestion also produces digestate – the material remaining after anaerobic digestion of biodegradable feedstocks. Digestate is a nutrient-rich material that can be used as a fertiliser and applied on agricultural land instead of chemical fertilisers.

Biogas is a source of energy that can be converted into heat or electricity. Biogas can also be upgraded into biomethane: a gas with a chemical composition very similar to natural gas. Biomethane can be injected into the gas grid and serve several uses for consumers such as heating, industrial purposes or fuel for gas vehicles.

Bioenergy assets generate revenue streams from:

- (i) accepting municipal organic waste (FOGO) as well as commercial and industrial organic waste.
- (ii) sale of renewable electricity, heat and gas.
- (iii) future opportunities for sale of biofertilizer, CO₂ and hydrogen.

The figure below outlines the multiple revenue streams associated with the commercial operation of anaerobic digestion infrastructure.

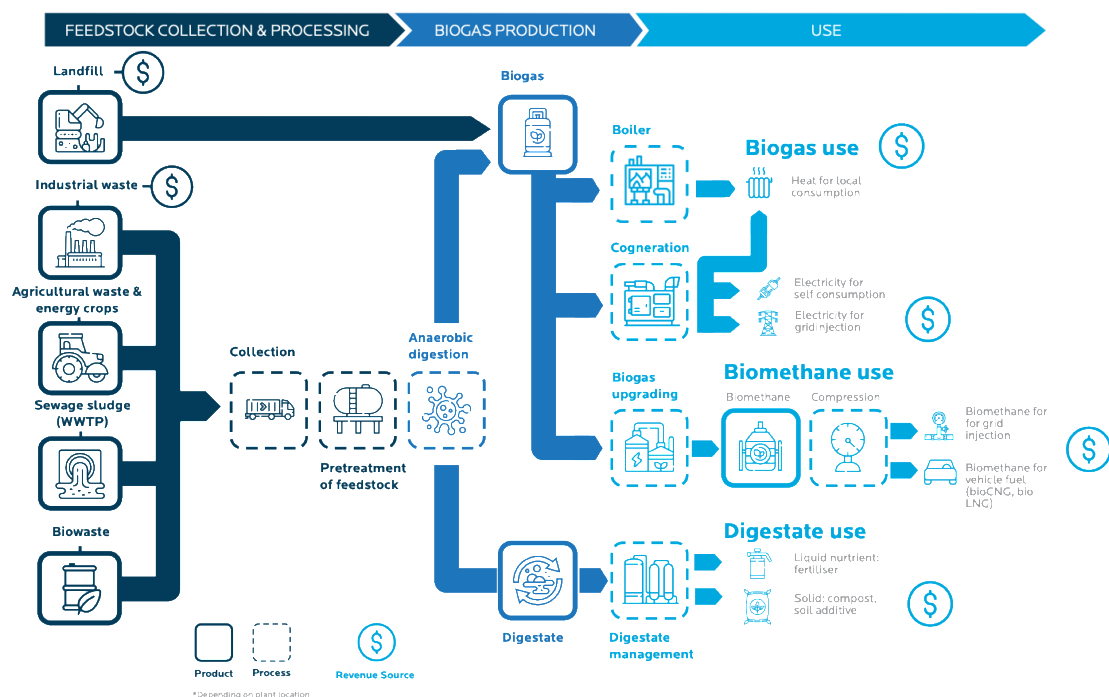


Figure: X Revenue streams associated with the commercial operation of anaerobic digestion infrastructure.

Bioenergy plants contribute significantly to the reduction of greenhouse gas emissions by diverting organic waste from landfill (avoiding emission of methane to atmosphere) and displacing the use of fossil fuels in electricity and gas networks. Hence bioenergy projects can qualify for renewable energy incentives including Large Scale Generation Certificates under Australia's Renewable Energy Target initiatives, as well as Australian Carbon Credit Units (ACCUs).

4.1.2 The Drive for Renewable Electricity and Gas

In 2018-2019, 19.7% of Australia's total electricity generation was from renewable energy sources, including wind (6.7%), solar (large and small scale) (5.6%) and hydro (6%) and bioenergy 1.3%. Large-scale solar generation has grown from negligible levels before 2016 to 2% of all Australian electricity generation in 2019, representing a nine-fold growth rate over the three year period.

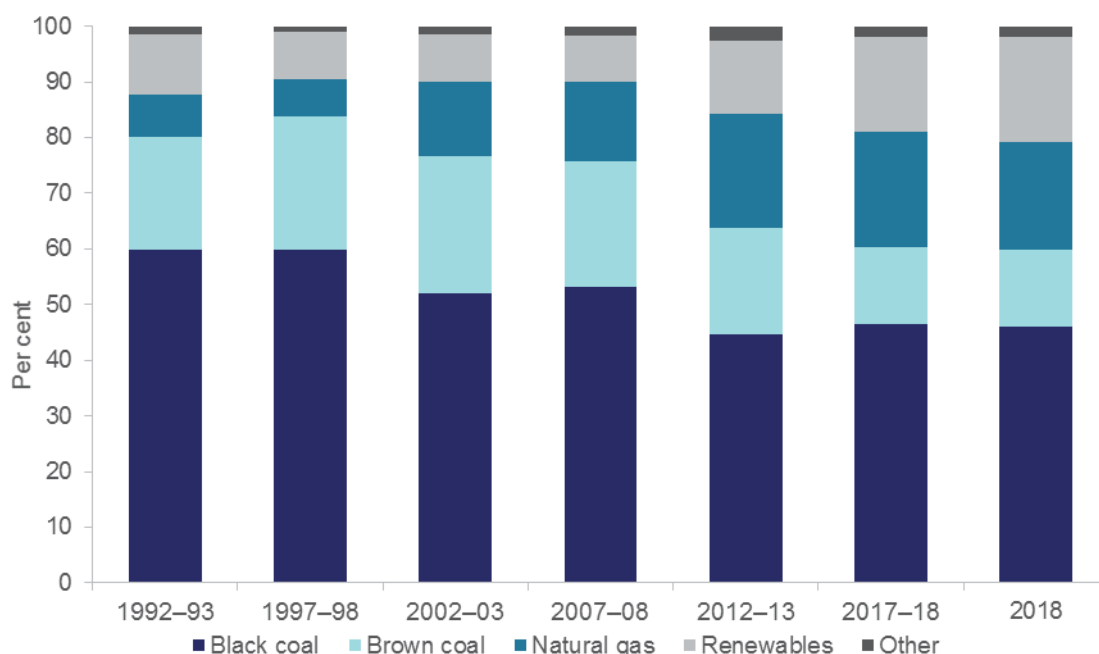


Figure 3: Australian electricity generation by fuel type (Source: Department of the Environment and Energy (2019) *Australian Energy Statistics*)⁵

Australia's fossil fuel electricity generation is being displaced by renewable sources of energy with investment in renewables reflecting this shift.

4.2 Market Size – Bioenergy for Electricity Generation

According to a report compiled by ENEA Consulting for Bioenergy Australia in March 2019⁶ (Biogas Opportunities in Australia), the total estimated biogas potential in Australia is 103 TWh (371 PJ), which is comparable with current biogas production in Germany.

Australia's biogas potential is equivalent to almost 9 per cent of Australia's total energy consumption of 4,247 PJ in 2016-2017.⁷ Considering the current average size of biogas units in Australia, this could represent up to 90,000 biogas units.

Moreover, the investment opportunity for new bioenergy and energy from waste projects is estimated at \$A3.5 to \$5.0 billion, with the potential to avoid up to 9 million tonnes of CO₂e emissions each year.⁸

4.3 Government Policy Support For Shift to Renewables

The shift towards renewables is supported by active Federal and State Government action by way of policy, market-based instruments, subsidies, grants and concessional finance. These include:

(a) Energy Policy Framework and Renewable Energy Targets

Delorean is favoured by mandatory renewable energy targets (MRET) set by both Commonwealth and State governments. The current MRET target

⁵ <https://www.energy.gov.au/publications/australian-energy-update-2020>

⁶ Source: <https://www.enea-consulting.com/en/biogas-opportunities-for-australia-publications/>

⁷ Source: <https://www.enea-consulting.com/en/biogas-opportunities-for-australia-publications/>

⁸ Source: <https://www.enea-consulting.com/en/biogas-opportunities-for-australia-publications/>

is 45,000 gigawatt-hours of new renewable generation by 2020 and for that target to be maintained until 2030.

(b) **Renewable Energy Certificates**

Delorean is an active participant in the generation and trading of Large-Scale Generation Certificates under the Australian Government's Renewable Energy Certificate scheme, subsidising Delorean's generation asset revenues.

(c) **ARENA**

The Federal Government's Australian Renewable Energy Agency (ARENA) is established to improve the competitiveness of renewable energy technologies and increase the supply of renewable energy through innovation that benefits Australian consumers and businesses.

(d) **Clean Energy Finance Corporation**

The Clean Energy Finance Corporation (CEFC) is an Australian Government-owned Green Bank that was established to facilitate increased flows of finance into the clean energy sector. As a leader in bioenergy in Australia, Delorean maintains a good working relationship with and is in discussions regards co-investment in projects with CEFC.

4.3.2 Renewable Gas Generation and the Positive Impact of Reducing Greenhouse Gas Emissions

In 2030, on current estimates there would be a gap of around 93 MtCO₂e per annum and growing between the proposed policy scenarios published by Government and Australia's Paris Target of below 26%.

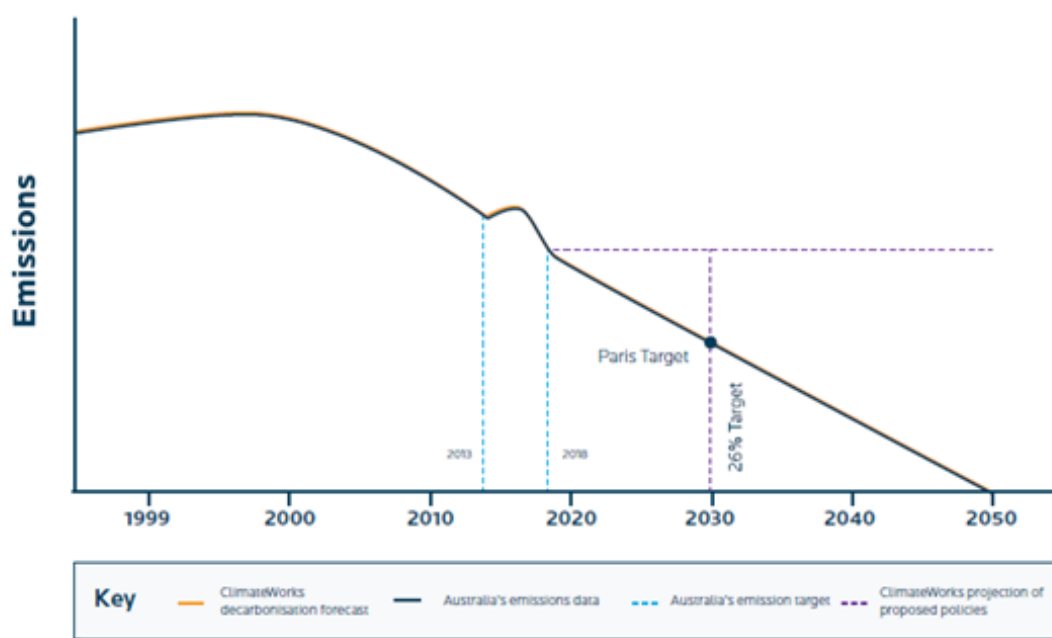


Figure 4: Source: Climate Works Australia Tracking Progress Report 2018.

Closing the gap will require emissions reduction across all sectors of the economy, not just electricity.

In September 2020, through Energy Networks Australia, the Australian gas industry outlined its pathway for decarbonising gas in Australia with Gas Vision 2050⁹ (the vision was endorsed by the Australian Gas Infrastructure Trust (AGIT), Australian Pipelines and Gas Association (APGA), Australian Petroleum Production and Exploration Association (APPEA), Gas Appliance Manufacturers Association of Australia (GAMAA) and Gas Energy Australia). Gas Vision 2050 describes how a combination of technologies will allow Australia to continue to reap the social and economic benefits of gas and allows Australia to continue to gain the economic returns from its investment in the gas distribution networks.

Renewable biogas production was specifically named in the three transformational technologies that will lead to the decarbonisation of gas in Australia.

Beyond Australia, other countries have acknowledged the role that the production and use of renewable gases will play in achieving zero emissions by 2050 and many have begun implementing policies that encourage the development of new technologies and industries.

The Australian gas sector is actively seeking opportunities for offtake of renewable gas to decarbonise the gas network.

4.3.3 Corporate Australia's Rapid Shift to Renewable Energy

Australia is experiencing a significant ramping up of corporate demand for clean energy. A rush is now on for major corporations to announce pathways to using 100% clean energy. All of the major Australian breweries have made the shift, as have Telstra, Bunnings, Officeworks and Aldi among others. In December 2020, Australia's largest retailer Woolworths committed to wind and solar to meet all its electricity needs by 2025. This combines with the international RE100 initiative, which has seen over 265 of the world's largest companies make 100% renewable commitments. RE100 members in Australia include the big four banks, all the major tech giants, IKEA, Unilever, Mars, L'Oreal and many more¹⁰.

The significance of these moves cannot be underestimated. Not only are the businesses in question some of Australia's most highly trusted brands – Bunnings, Woolworths and Aldi are three of the top four – but they also account for significant energy use. The story is now one of trusted, smart Australian businesses moving rapidly to 100% renewable energy — which is also accelerating demand for new build renewables.

4.4 Organic Waste Sector

In 2016–17, 30 million tonnes of organic waste was generated in Australia, across all waste streams, with around 14 million tonnes arising within the key waste streams of municipal solid waste (MSW), commercial and industrial waste (C&I waste) and construction and demolition waste (C&D waste).

The organic waste within these three waste streams amounted to about 581 kilograms per person per year, of which 52 per cent was reported as recycled.

Food waste makes up a substantial proportion of the organics waste stream. In Australia in 2016–17, around 4.3 million tonnes of food waste was reported as being generated. There is a strong push to recover organic materials – including

⁹ Source: <https://www.energynetworks.com.au/projects/gas-vision-2050/>

¹⁰ Source: <https://independentaustralia.net/environment/environment-display/major-corporations-rush-towards-clean-energy-commitment,14535>

food waste – across all levels of government. In 2017, the Australian Government released the National food waste strategy, which aims to halve Australia's food waste by 2030¹¹.

Organics recycling delivers environmental benefits, including lower greenhouse emissions (when compared to landfill), and can produce valuable outputs such as bioenergy. The recycling of organics represents a significant opportunity to increase overall material recovery rates because of the relatively high volume of organic material available for recovery. Furthermore, organics recycling provides a good example of a closed-loop system.

4.4.1 Favourable Shifts in Organic Waste Recycling Policy

The National Waste Policy Action Plan 2019¹² prepared by the Australian Government, state and territory governments and the Australian Local Government Association includes a target to halve the amount of organic waste sent to landfill for disposal by 2030 (Target 6). Delorean reasonably expects this policy to increase the urgency for local government authorities to divert organics to bioenergy.

All States have in place a landfill levy which favours diversion of organics to recycling in bioenergy facilities.

Across Australia, food and garden organics (FOGO) make up about half of kerbside garbage. However, currently only 22% of Australian local governments offer a kerbside garden organics bin service, while 16% provide some form of kerbside FOGO collection service.

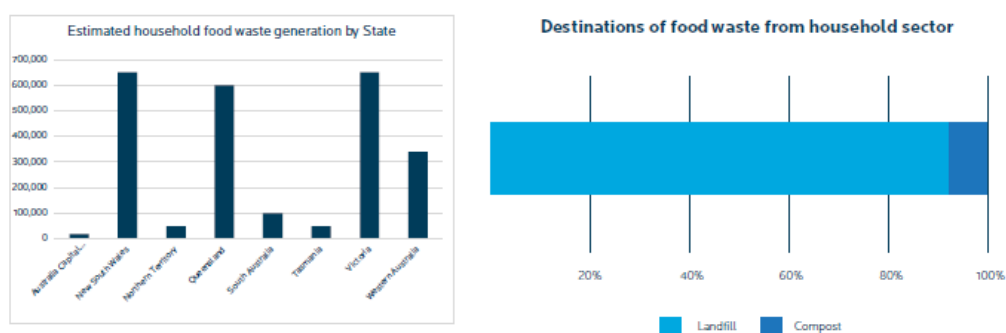


Figure 5 & 6: Estimated household food waste generation by State, Destination of food waste from household sector (Source: National Food Waste Baseline , Final Assessment Report, 29 March 2019)

4.5 Rising Landfill Levies Driving Diversion to Bioenergy

Waste or landfill levies are a key regulatory tool used to improve recycling and fund environmental liabilities from waste generation. They have a significant effect on both the commercial environment of nearly every waste and recycling business, and community behaviour.

They are usually levied at the gate of landfill facilities owned and/or operated by either the private sector and local government and remitted to State governments.

¹¹ Source: Position statement on FOGO collection systems: Getting our Waste Sorted August 2020 – Waste Authority WA

¹² <https://www.environment.gov.au/protection/waste/publications/national-waste-policy-action-plan>

In all States of Australia (except Tasmania where a levy is proposed), landfill levies continue to trend upwards, delivering an incentive to divert waste (including organic waste) from landfill. By way of example, the figure below shows the increase in landfill levy in South Australia since a levy was introduced in 2003.

SOUTH AUSTRALIA – levy rate (\$/t) vs. year

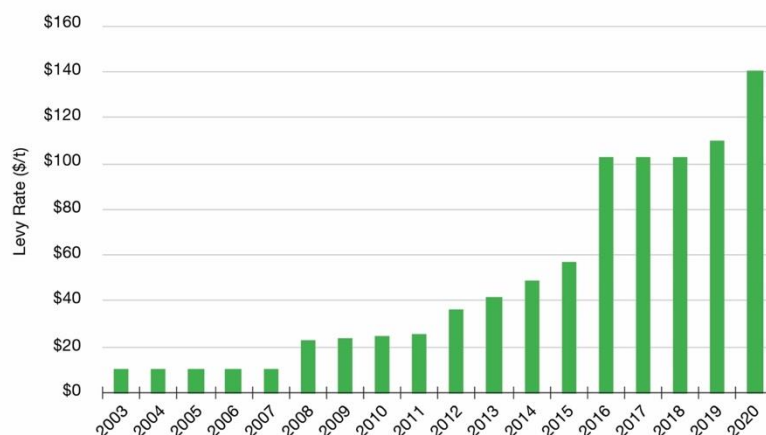
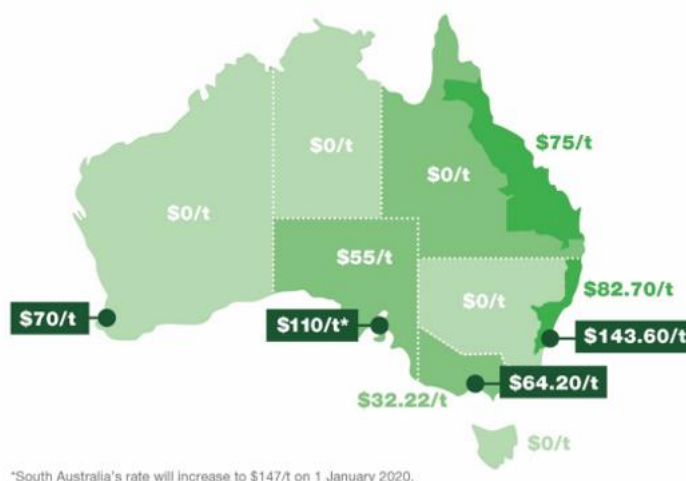


Figure 8: Current landfill levies by State.

The landfill levy does not apply to the acceptance of organic waste by a bioenergy facility, meaning these facilities can maintain a competitive pricing advantage over landfills.

The increasing landfill levy trend will reasonably be expected to lead to increased supply of organics to these facilities.

The figure below sets out current landfill levies for the urban and regional zones in Australian States and Territories.



[1] Source: www.nwric.com.au/wp-content/uploads/2019/10/NWRIC-White-Paper-Review-of-Waste-levies-9Oct19.pdf

4.6 The Opportunity (Perfect Storm) for Bioenergy

The advance in uptake of renewable energy combined with the mandatory shift towards increased recycling of organics, offers a significant opportunity for first movers in the bioenergy sector.

Biogas bioenergy assets built by Delorean for third parties, and those the Company proposes to build and own, can deliver a secure, continuous and dispatchable source of energy that contributes to reducing carbon emissions and increasing renewable energy (decarbonisation) within the electricity and gas networks.

The Australian Government recognised this in March 2020 with the announcement of its Bioenergy Roadmap, which specifically identifies the role that the bioenergy sector can play in accelerating Australia's energy transition, stimulating regional development, enhancing energy security and helping Australia further reduce our emissions. The Roadmap is due for release early in 2021.

The Australian biogas industry is still emerging and has major growth potential.

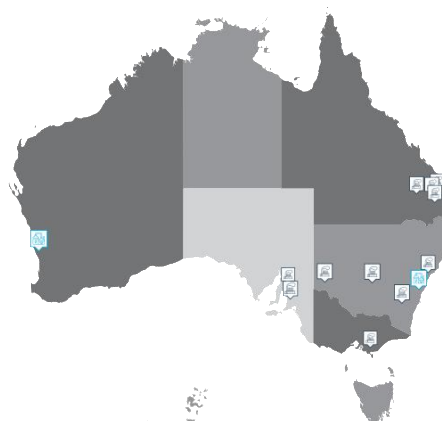
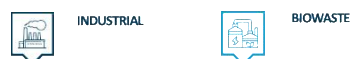
In 2016-17, electricity generation from biogas was about 1,200 GWh¹ (4,320 TJ), or 0.5 per cent of the national electricity generation.

In 2017, there were 242 biogas plants in the country, half of which were landfills collecting landfill gas. Roughly half of this landfill gas was not used as an energy source and was flared. With the shift to divert organics from landfill, growth in biogas production in Australia is instead expected to be driven by in-vessel anaerobic digestions systems of the kind developed by Delorean.

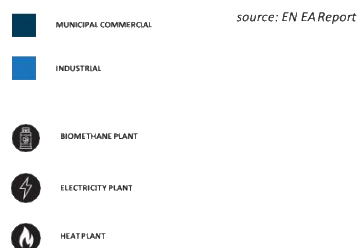
While the biogas sector is emerging in Australia, biogas production in other countries has enjoyed massive growth driven by leading countries including Germany, the United Kingdom, the United States and China.

By way of example, in the United Kingdom there are now 579 operational anaerobic digestion plants, including 88 biomethane-to-grid plants, and a further 331 anaerobic digestion projects under development.¹³

AUSTRALIA: ANAEROBIC DIGESTION PLANTS²



UNITED KINGDOM: ANAEROBIC DIGESTION PLANTS³



1. Source: Biogas opportunity for Australia EN EA Consulting; March 2019
2. Source: Australian Renewable Energy Mapping Infrastructure
3. Source: Anaerobic Digestion and Biogas Association

¹³ Anaerobic digestion deployment in the United Kingdom (Seventh Annual Edition) April 2020

As a result of this, it is not unreasonable to suggest that Australia is at the beginning of a substantial growth curve for the deployment of commercial-scale bioenergy operations to meet both the demand for renewable energy and the need to meet the targets established by Government.





5. COMPANY AND BUSINESS OVERVIEW

5.1 Overview

The Delorean entities originally operated as separate service companies in the renewable energy industry. In December 2019, Delorean Corporation Limited was incorporated to act as the parent company and to bring each of those entities under a single group.



Within the Delorean Group, the subsidiaries are responsible for:

 Delorean Energy Pty Ltd	Delorean Energy is the entity through which the Delorean Group holds its interest in its pipeline of infrastructure projects. Within the group, it is the Infrastructure development and management company specialising in bioenergy plants using mature technology anaerobic digestion systems.
 Cleantech Energy Pty Ltd	CleanTech is the entity through which the Delorean Group conducts all retailing of energy. It is an established electricity retailer in the Western Australian energy market with licences to operate in the national market.
 Biogass Renewables Pty Ltd	Biogass Renewables is Delorean's Engineer, Procure, Construct (EPC) and Operate and Maintain (O&M) contractor that builds bioenergy facilities.
 TekPro Pty Ltd	Tekpro operates closely with Biogass Renewables to deliver structural engineering and fabrication for large storage vessels, steel structures and installation of steel pipework.

The Delorean Group has been engaged in the bioenergy sector since 2013, specifically in developing and building bioenergy plants for clients, as well as being active in the energy retailer business.

However, in 2019/20, the Company extended its strategy to expand engagement in this growing sector.

Delorean currently employs approximately 24 staff, together with additional contractors and sub-contractors, with those staff and contractors engaged in the businesses of:

- construction of third party projects in South Australia and New Zealand (through Biogass);
- retail sales of electricity (through CleanTech); and
- preparations for the management of operations of currently under construction and proposed projects described further in this Prospectus.

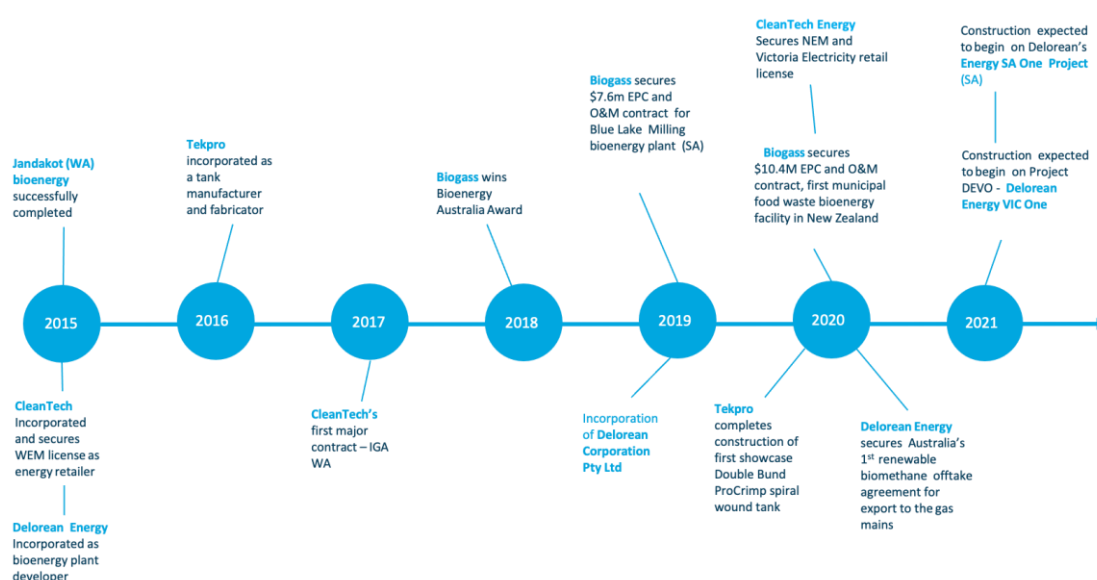
The Company's historical financial performance is shown in Section 6, however a snapshot of the statutory historical financial performance is shown below:

	30-Jun-18 \$'000	30-Jun-19 \$'000	30-Jun-20 \$'000
Revenue	\$6,051	\$18,822	\$31,233
EBITDA	\$981	\$1,468	\$3,651
NPAT	\$733	\$859	\$2,599

To date, Delorean has specialised in bioenergy infrastructure using mature technology in-vessel anaerobic digestion systems.

5.2 Key milestones to date

The timeline below shows the key milestones in the Delorean Group to date:



5.3 Company strategy

The Company's operational history as a constructor and retailer has provided the Company with significant experience in the process from construction of renewable energy projects and knowledge of the energy markets for the potential sale of electricity and gas generated from those projects.

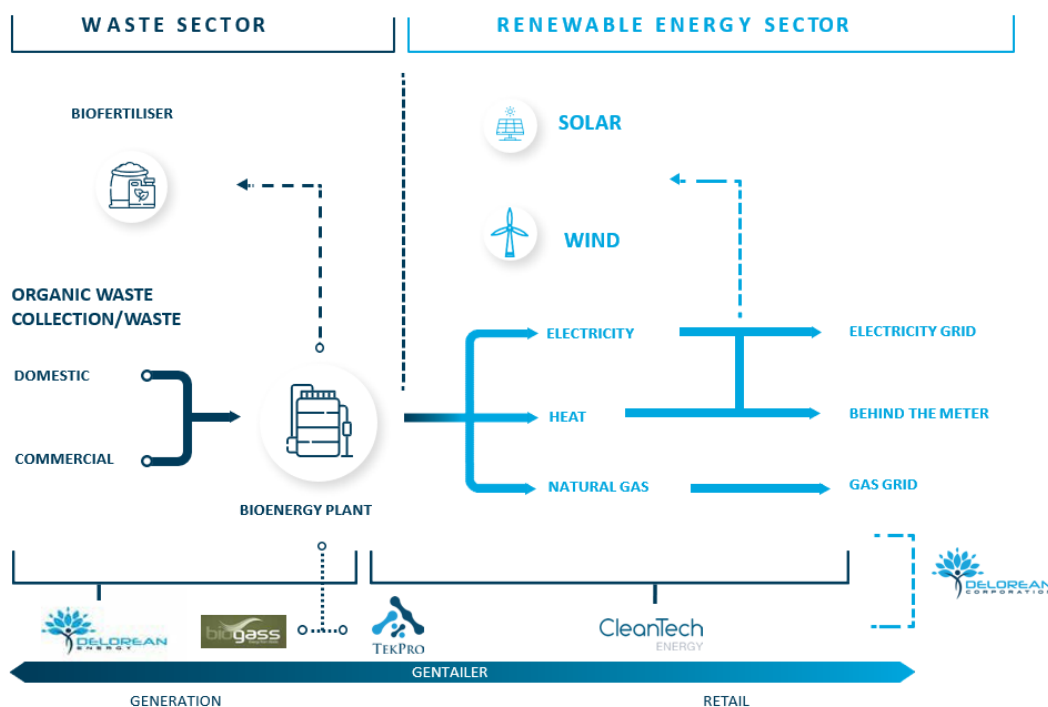
Utilising this experience in the bioenergy sector, Delorean's strategy is now to expand its operations toward becoming a vertically integrated renewable energy generation and retail company (known as a 'Gentailer') focused on investing in its own pipeline of bioenergy infrastructure projects in Australia.

A 'gentailer' is a party engaged in the generation and subsequent sale of a product, in this case electricity and gas. This strategy involves:

- (a) the development of its own bioenergy assets;
- (b) the acquisition of waste materials for the purpose of generating electricity and gas using the anerobic digestion system described above;
- (c) the sale of electricity and gas into the relevant networks; and
- (d) utilising its experience and in-house capabilities to offer its services to develop and operate bioenergy projects for third parties.

After the Offer and listing on ASX, Delorean believes it will be positioned to extend its current services-based business to execute this strategy.

The image below illustrates the execution of this strategy and shows how the Delorean Group can operate together to achieve this stated strategy:



5.4 Biogas – project delivery

Delorean's flagship project to date has been the design, development and construction of the 2.4 MW capacity Jandakot Bioenergy Project which processes commercial and industrial organic waste streams to power generation for national operator, Richgro Garden Products, in Western Australia. This project was successfully commissioned in 2015 and recognised as a showcase bioenergy project in Australia.



Image: Delorean's first completed bioenergy project developed in Western Australia

Delorean managed the construction of this Jandakot Bioenergy Project for the owner and has managed the retail sales of electricity generated from this Jandakot Bioenergy Project since commissioning in 2015.

In addition to the Jandakot Bioenergy Project, the Company is also presently engaged in the construction of the following two bioenergy projects:

Blue Lake Milling (SA) Bioenergy Plant

Delorean Subsidiary, Biogass has been contracted for the turnkey EPC construction, commissioning and operation of this 1MW capacity plant, to be fuelled by organic milling by-products derived from the owner's milling operations at its operation in Bordertown, South Australia to supply renewable power and heat for its operations.

Completion of this project is presently expected during the second quarter of 2021.

Ecogas/Pioneer New Zealand Bioenergy Plant

Biogass has also been contracted for the turnkey EPC construction, commissioning and operation of a bioenergy facility taking food organics from the Auckland City Council collections, with the energy derive from the facility to be used to supply a major greenhouse operation in New Zealand.

Completion of this project is presently expected during the second quarter of 2022.

5.5 CleanTech Energy – energy retailer

The Company's subsidiary, CleanTech Energy Pty Ltd (**CleanTech**), is a successful energy retailer in Western Australia, becoming the 4th largest privately owned retailer in Western Australia in FY20, and now a market participant and licenced retailer in the National Electricity Market.

In FY2020, Cleantech generated \$22.7 million in revenue and EBITDA of \$1.7 million, brokering third party energy sources to the retail and wholesale markets.

CleanTech's role in the Delorean Corporation is to act as offtake partner for Delorean projects, selling into wholesale markets or directly to retail customers, and also under long-term agreements with investment grade counterparties. In addition, CleanTech also brokers third party energy sources.

In relation to the Jandakot Bioenergy Project referred to in Section 5.4 above, CleanTech has been engaged in the sales of energy to the retail markets.

CleanTech's growth strategy is to expand geographically east into the National Energy Market, replicating a proven formula by securing beach-head generation and building out its retail customer base from this foundation energy supply. Delorean's future (expected) bioenergy assets will secure offtake agreements with CleanTech, growing its own retail customer base in each State.

CleanTech has embedded experience and know-how in its pricing, billing and forecasting systems to run a competitive, low overhead energy retailer.

CleanTech manages commercial and prudential risk principally by:

- (a) Establishing bilateral agreements with market participants (purchase/sale);
- (b) Participating in non-standard market price requests for new asset developers, enhancing forecast ability;
- (c) Actively trading in the Short-Term Energy Market (STEM – that is, a day-ahead market) and the Balancing Market (real time) to manage exposure/opportunities; and
- (d) Entering into retail energy supply agreements, predominantly for periods of 24 months.

5.6 The future – developing Delorean Projects

5.6.1 Salisbury Bioenergy Facility (DESAO)

In addition to the above, Delorean has been involved in the development of the Salisbury Bioenergy Facility (**DESAO**) north of Adelaide in South Australia to a final investment decision.



Image: Concept design of the DESAO Project in South Australia upon completion

As at the date of this Prospectus, this development has involved:

- (a) land acquisition;
- (b) local authority development approvals;
- (c) network connection;

- (d) project finance; and
- (e) securing the investment into Stage 1 of this DESAO Project by its joint venture partner, Clean Peak Energy Pty Ltd (**Clean Peak**).

Pursuant to the terms of the joint venture agreement with Clean Peak, the estimated capital expenditure for the DESAO Project of \$25.3 million is to be committed by Clean Peak, with the ownership interests following completion to be:

- Clean Peak – 70%
- Delorean – 30%

Clean Peak's commitment to the DESAO Project is subject to a final investment decision, which is expected in the second quarter of 2021.

The DESAO Project is ready subject to the receipt of final investment decision. An offtake arrangement for the biomethane gas to be generated from the DESAO Project has been negotiated with Origin Energy. A summary of this DESAO Project is provided below:

Project Name	Delorean Energy South Australia One
Location	South Australia
CAPEX	Circa \$25.3m
Description	<ul style="list-style-type: none"> • First green gas to mains project in Australia (150TJ biomethane to mains via Origin Energy/AGIG) • 70% owned by Clean Peak Energy subject to FID • Clawback provisions for recovery of 100% ownership by Delorean Energy if Clean Peak Energy doesn't complete FID
Project Stage	Project Stage 1 is near ready pending FID
Waste Collection	60,000 tonnes per annum
Gate Fees	\$1,916,719 per annum
Energy Output	150TJ/Annum capacity Biomethane output 2.0MW capacity electricity generation
Energy Sales (inc LGC's and ACCU's)	\$2,840,000 per annum
Greenhouse Gas Equivalency	9,429,000 kg CO ₂ -e per annum

5.6.2 Stanhope Bioenergy Facility (DEVO)

Funds raised under the Offer are mainly intended to be allocated toward the Company's expenditures associated with the development of the Stanhope Bioenergy Facility (**DEVO**) west of Shepparton, Victoria.

Upon completion, the Company will hold a 90% interest in the DEVO Project, through its 90% shareholding in Delorean Energy Victoria One Pty Ltd. The Company will be solely responsible for the management and operation of the DEVO Project once completed.

As at the date of this Prospectus, the Company has:

- (a) Secured a leasehold interest in the land upon which the project will be developed for 25-years, with a right to extend the term for a further 25-years;
- (b) secured all of the necessary development approvals to enable the DEVO Project to be commenced upon completion of the Offer;
- (c) acquired the relevant works approvals to ensure that the DEVO Project can be commenced upon completion of the Offer; and
- (d) undertaken the cost analysis to budget and outline the capital outflows required to complete the DEVO Project.



Image: Concept image of the DEVO Project in Shepparton, Victoria once completed

A summary of the DEVO Project is outlined below:

Project Name	Delorean Energy Victoria One
Location	Victoria
CAPEX	Circa \$13.4m
Description	<ul style="list-style-type: none"> (a) Project acquired by Delorean Corporation from Waranga Green Energy (b) 90% owned by Delorean (c) Delorean to complete build, commissioning and operation
Project Stage	Project Stage 1 is near ready pending FID
Estimated Waste Collection	40,000 tonnes per annum
Estimated Gate Fees	\$2,244,780 per annum
Energy Output	1.2MW capacity electricity generation
Estimated Energy Sales (inc LGC's and ACCU's)	\$533,000 per annum
Greenhouse Gas Equivalency	10,370,000 kg CO ₂ -e per annum

Project Name	Delorean Energy Victoria One
Estimated Project Unlevered Internal Rate of Return	12-16%

The final investment decision on this DEVO Project is awaiting the completion of the Offer and the listing of the Company on ASX, and is therefore estimated to be received in the second quarter of 2021. 100% of the funding for this DEVO Project is committed by the Company from the funds raised under the Offer.

Therefore, upon completion of the Offer, the Company reasonably expects that it will as soon as practicable:

- secure the final issue of building permits to enable work to commence by the Company in the construction of the new plant;
- negotiate and enter into a new electricity and grid connection with network operator, Powercor; and
- complete the design and commence construction of the plant.

5.6.3 Project pipeline

In addition to the DESAO Project and the DEVO Project that are near ready and which the Company expects to see development of shortly after its listing on ASX, the Company has identified additional project opportunities.

The development of these project opportunities will be dependant upon the Company's ability to complete the DESAO Project and the DEVO Project and to leverage its interest in those projects to secure the debt funding to develop these new opportunities.

Therefore, in addition to the DESAO Project and the DEVO Project, Shareholders can reasonably expect to see the Company continue to grow its project footprint around Australia in the years after listing on ASX upon the successful implementation of the Company's strategy outlined in this Prospectus.

5.7 Business plan

Delorean's business model post listing on ASX is focused on the development, ownership and operation of renewable generation assets for the production of renewable electricity, heat and biomethane where it can use its historical sales experience to sell those products to wholesale and retail customers under a district energy ('behind the meter') offtake or via Australia's interconnected electricity and gas networks.

In addition, Delorean will continue to utilise its skills in the design, construction and operation of renewable energy assets (particularly bioenergy) for third party customers, which has been a very profitable business historically and is continuing to grow.

This business plan utilises the historical profit-generating business model of the Company and aims to enhance it by adding the additional revenue opportunities of owning and operating the Company's own bioenergy generating projects around Australia.

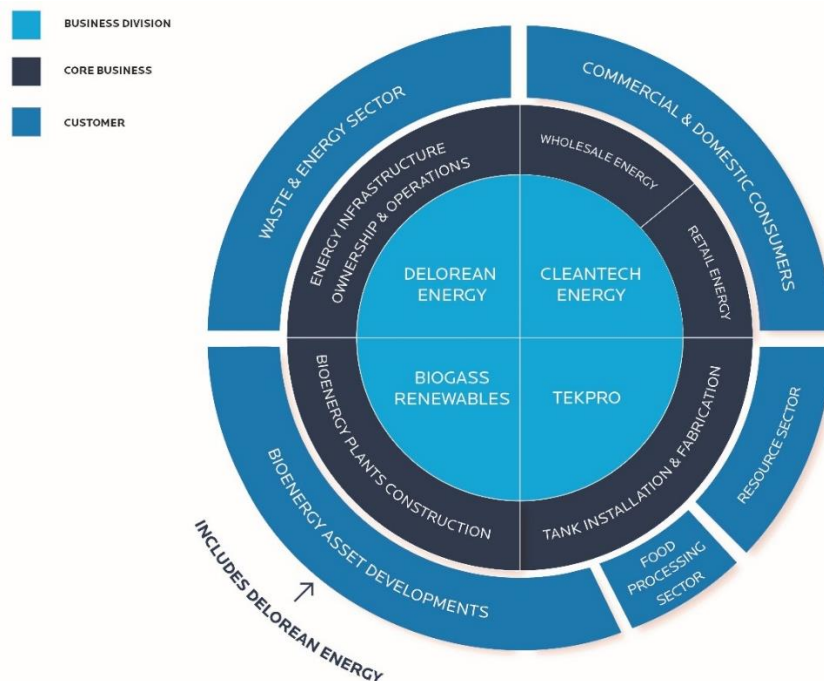


Figure 7: The industries Delorean operates in and the customers it serves

With a solid track record in profitable development and construction of renewable generation and energy retail, and a pipeline of projects in construction and under development across Australia and New Zealand, the Company is poised for capitalisation to invest directly into its pipeline of infrastructure projects, advancing its strategy to own and operate renewable energy projects and the monetisation of electricity, heat and gas into national energy markets.

5.7.1 Key Features of Business Model

Delorean currently generates revenues from:

- (a) development of bioenergy assets;
- (b) entering into power purchase agreements with 3rd party renewable generation assets for supply of electricity to into retail markets (via its subsidiary CleanTech Energy);
- (c) design, construction, commissioning and operation of renewable energy infrastructure under contract to third parties (via its subsidiary Biogas Renewables); and
- (d) design, fabrication and installation of tanks, pipework and processing infrastructure under contract to third parties (via its subsidiary Tekpro).

Bioenergy projects can produce advantageous financial yields owing to a diversity of revenue streams including gate fees for the acceptance of organic wastes (fuel for bioenergy) as well as the sale of energy. These yields are further augmented by subsidisation through Renewable Energy Certificate schemes operating in Australia to encourage the use of renewable energy sources.

Delorean's capability to undertake projects on an end-to-end basis 'in-house' from development, fabrication, construction, operation and monetisation of energy, means that Delorean can establish infrastructure at a lower overall cost and capex, leading to higher project yields (with 10% to 17% unleveraged project internal rates of return expected for its pipeline projects).

Additionally, over the last 8 years, Delorean has helped pioneer the bioenergy sector and now has projects completed, under construction and in its development pipeline across Australia and in New Zealand. As an emerging national renewable energy 'Gentailer', Delorean enjoys an early mover advantage in the specialist area of bioenergy. Bioenergy has its advantages over other sources of renewable energy as it delivers dispatchable (on demand) energy compared to intermittent or variable renewable sources such as wind and solar.

Having established projects and a renewable energy generation pipeline in Western Australia, Victoria, South Australia and New Zealand, and now holding retail licenses enabling participation in markets across Australia, Delorean is well-positioned to become a major integrated renewable energy infrastructure owner and energy retailer across Australia.

As well as leveraging opportunities afforded by the rapid transition to renewable energy in Australia, Delorean can take advantage of a key favourable shift in the Australian waste sector. That is, a national drive towards zero organic waste to landfill which will increasingly require organic waste streams to be redirected and recycled into bioenergy infrastructure facilities of the kind developed by Delorean.

5.7.2 Financing Strategy

Delorean currently has a corporate facility in place with Commonwealth Bank of Australia which is used to support bank guarantees for prudential securities in the CleanTech business, and performance bonds in the Biogas Renewables business, as well as some equipment finance.

As set out in this Prospectus, the Company intends to use funds raised under the Offer for the development of its Victorian DEVO Project through to the completion of that project.

The Company's existing administrative costs will continue to be met from existing cashflows generated within the Company.

As new projects come online, the Company expects to be able to utilise the interest in those projects to refinance and leverage those assets to further develop its new projects, with the aim and intention of growing its footprint and expanding its revenue pipeline.

Specifically, new projects are expected to be funded predominantly through recycling of debt and equity, extension of Delorean's current corporate debt facility with Commonwealth Bank of Australia into project and asset finance, through retained earnings, and potentially with additional support from Agencies such as Clean Energy Finance Corporation or ARENA (inclusive of available State and Federal grants), with a back stop of further value-accretive capital raising where required.

5.8 Revenue generation

Immediately after listing, Delorean's revenue is expected to continue to be derived from its existing business operations.

However, after the completion of the DESAO Project and DEVO Project, the Company expects that its revenue streams will increase to include:

- (a) electricity retail to diverse businesses, government agencies and commercial and residential buildings in Western Australia;
- (b) wholesale of renewable gas to energy retailer Origin in South Australia from the DESAO project;
- (c) engineering, procurement and construction contracts for building and commissioning of bioenergy infrastructure in South Australia (CBH Group) and New Zealand (Ecogas); and
- (d) contracts with governments, local government authorities and private businesses who dispose of organic waste.

5.8.2 Key factors to achieve business plan

The key factors in successful commercial development and operation of bioenergy assets using in-vessel anaerobic digestion technology are:

- (a) Continuous supply of volumes of suitable organic waste streams sourced from the commercial and municipal waste sectors and/or agricultural sectors – securing feedstock is a fundamental part of project development, and is therefore part of the project development phase. Delorean expects to manage this by engaging directly with feedstock sources in an appropriate geographic catchment to confirm available feedstock volumes in multiples of the volumes required for commercial operation of the project, subsequently securing documentation (binding and non-binding feedstock supply agreements, term sheets and letters of intent) to the satisfaction of the Company's Investment Committee.
- (b) Pathways for the offtake and monetisation of renewable electricity, heat and gas to grid/mains or supplied on a behind-the-meter basis to nearby industry.
- (c) Pathways for the disposal or sale of organic 'digestate' by-product for use as compost additive, biofertiliser or as trade waste.

5.8.3 Key Steps and Approvals

Delorean has a track record in development of in-vessel bioenergy plants including securing of the necessary approvals.

The timeline for completing the development and approvals process is approximately 12 months, with a further 15 months from final investment decision for construction and commissioning of the infrastructure.

The key steps in project development are:

- (a) securing access to a suitable site on long term tenure (purchase or lease of land);
- (b) securing planning and development approvals including environmental approvals and building permits, as well as operating approvals and licences. The process for securing relevant licenses and approvals is different from State-to-State in Australia;

- (c) securing commercially viable renewable energy offtake agreements for the project;
- (d) business case development for FID approval by the relevant investment committee;
- (e) construction and commissioning of the project asset; and
- (f) ongoing commercial and physical operation and maintenance of the facility.

By way of example, the diagram below shows the status of each of these steps in relation to the DEVO Project:

	Completed	In progress	To be completed
Secure access to suitable site	×		
Secure planning and development approval	×		
Secure offtake agreements	×		
Final Investment Decision		×	
Construction and commissioning			×
Operation and maintenance			×

5.8.4 Competitive Advantages

Delorean enjoys a number of competitive advantages in the renewable energy and infrastructure development sector. These include:

- (a) relatively high internal rates of return on bioenergy projects compared to other renewable energy generation such as wind and solar, owing to diversity of revenue including waste disposal revenues;
- (b) Delorean can develop and deliver projects 'all under the one roof' meaning infrastructure can be deployed with lower capex outlay compared to developments which are fully outsourced;
- (c) Delorean enjoys an early-mover advantage as a recognised pioneer in the bioenergy sector in Australia and New Zealand;
- (d) Delorean has an established pipeline of renewable energy projects across Australia and holds retail licenses ready for expansion into the National Energy Market; and
- (e) Delorean is well positioned to take advantage of a national drive towards zero organic waste to landfill which will increasingly require organic waste streams to be redirected and recycled into bioenergy infrastructure facilities of the kind developed by Delorean. By avoiding landfill and landfill levies, the management of organic waste through renewable

energy infrastructure (such as that being built by Delorean) is a lower cost option than landfill.

5.8.5 Key Contracts

As part of its business, the Company and its subsidiaries, have entered into various contracts for the operation of its existing business and future business described in this Prospectus. Outlined below a list of the various operational contracts that the Company and its subsidiaries have entered into for the operation of the business described in this Prospectus.

(a) Biogas Renewables

Document	Agreement Detail	Counterpart
EPC Agreement – Blue Lake Milling	Engineer, Procure and Construct Agreement for construction of bioenergy facility in Bordertown, South Australia	Blue Lake Milling Pty Ltd (a CBH Group company)
O&M Agreement – Blue Lake Milling	Operation and Maintenance Agreement for operation of maintenance of bioenergy facility in Bordertown, South Australia.	Blue Lake Milling Pty Ltd (a CBH Group company)
EPC Agreement – Pioneer Energy (NZ)	Engineer, Procure and Construct Agreement for construction of the Ecogas bioenergy facility in Reparoa, New Zealand	Pioneer Energy Limited
O&M Agreement – Pioneer Energy (NZ)	Operation and Maintenance Agreement for construction of the Ecogas bioenergy facility in Reparoa, New Zealand	Pioneer Energy Limited

(b) Delorean Energy Pty Ltd

Document	Agreement Detail	Counterpart
SA Renewable Technology Fund Grant	Grant agreement in relation to the DESAO Project developed by Delorean Energy in Edinburgh Parks, South Australia.	South Australian Government
DESAO Investment Agreements	Subscription and Shareholders Agreements with Enwave Australia (now transferred to Clean Peak Energy) in relation to ownership and investment in the DESAO developed by Delorean Energy in Edinburgh Parks, South Australia.	Clean Peak Energy Pty Ltd

Document	Agreement Detail	Counterpart
Delorean Energy SA One Pty Ltd – Biomethane Offtake	Master Bilateral Agreement for offtake of biomethane.	Origin Energy
Delorean Energy Victoria One Pty Ltd – Project Acquisition Agreements	Heads of Agreement for Share Transfer Deed and Lease Agreements associated with the Waranga Green Energy Project in Stanhope, Victoria.	Multiple Parties

(c) **Clean Tech Energy Pty Ltd**

Document	Agreement Detail	Counterpart
Western Power ETAC	Electricity Transfer Access Contract Deed of Variations No.1 to Electricity Access Contract	Electricity Networks Corporation
Richgro	Various agreements in relation to the control and acquisition of energy from the Richgro Jandakot Bioenergy Facility for sale	A.Richards Pty Ltd
Synergy Supply Agreement	Bilateral Trade Agreement for Electricity (Standard Products)	Electricity Generation and Retail Corporation trading as Synergy
Electricity Master Bilateral Trade Agreement	Electricity Bilateral Trade Agreement	Electricity Generation and Retail Corporation trading as Synergy
Synergy Bilateral Executed trade	CT001 - Confirmation To The Bilateral Trade Agreement CT002 - Confirmation To The Bilateral Trade Agreement CT003 - Confirmation To The Bilateral Trade Agreement CT004 - Confirmation To The Bilateral Trade Agreement	All Confirmations: Electricity Generation and Retail Corporation trading as Synergy

5.8.6 Growth through Energy Asset Ownership and Operation

With a track record of successful projects completed and commissioned on time and on budget for third parties, Delorean has two major third-party projects currently under construction (including in New Zealand) and a pipeline of Delorean development projects across Australia. Delorean is now positioned to invest in its own pipeline of bioenergy assets and to capitalise on favourable environmental policies in the waste and renewable energy sectors.

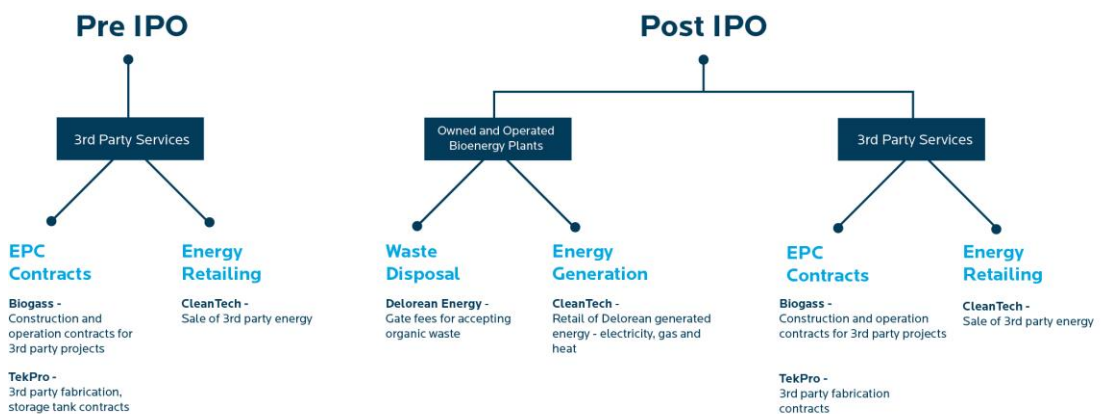


The purpose of the proposed listing on the ASX is to capitalise the Company to build and own its own clean energy generation infrastructure and geographically expand its energy retail operations beyond Western Australia, leveraging these assets.

5.8.7 Revenue Model Moving to Owner Operator

As the Company moves into asset ownership, it will grow and diversify its revenue streams to include annuity-based income derived from the free cashflows from Company-owned bioenergy assets.

The figure below outlines the additional sources of income from waste disposal and energy generation which will become available to Delorean as an asset owner.



6. FINANCIAL INFORMATION

6.1 Financial Information

This section contains the historical financial information and Directors' forecasts for the Company (the **Financial Information**) that the Directors consider relevant to investors. The Financial Information in this section contains the following:

- (a) Statutory and pro forma historical consolidated income statements and cash flow statements of the Company for the years ended 30 June 2018, 2019 and 2020;
- (b) Statutory and pro forma historical consolidated statement of financial position as at 30 June 2020,

(together, the **Historical Financial Information**); and

- (c) Statutory and pro forma forecast consolidated income statements and cash flow statements of the Company for the financial year ending 30 June 2021 (the **Forecast Financial Information**).

In addition, this section 6 summarises:

- (a) the basis of preparation and presentation of the Financial Information (section 6.2);
- (b) information regarding certain non-IFRS financial measures (section 6.2.4);
- (c) the pro forma adjustments to the statutory historical financial information (sections 6.3, 6.4 and 6.8);
- (d) information regarding liquidity and capital resources (section 6.9);
- (e) information regarding the Company's contractual obligations, commitments and contingent liabilities (section 6.10);
- (f) the Directors' best estimate general and specific assumptions underlying the Forecast Financial Information (section 6.11) and key sensitivities in respect of the Forecast Financial Information (section 6.13);
- (g) management's discussion and analysis of the Historical Financial Information and the Forecast Financial Information (section 6.12); and
- (h) a description of Delorean's significant accounting policies (section 6.14).

The Historical Financial Information and the Forecast Financial Information have been prepared by management and adopted by the Directors. The Directors are responsible for the inclusion of the Financial Information in this Prospectus.

All amounts disclosed in this section are presented in Australian dollars and, unless otherwise noted, are rounded to the nearest thousand dollars. Some numerical figures in this Prospectus have been subject to rounding adjustments. Any differences between totals and sums of components in figures or tables contained in this Prospectus are due to rounding.

6.2 Basis of preparation and presentation of the Financial Information

6.2.1 Overview

The Historical Financial Information included in this Prospectus is intended to present potential investors with information to assist them in understanding the underlying historical financial performance, cash flow and financial position of Delorean.

Delorean Corporation Limited was incorporated on 17 December 2019 and acquired the entire issued share capital of Delorean Energy Pty Ltd, Biogas Renewables Pty Ltd, CleanTech Energy Pty Ltd and TekPro Pty Ltd in January 2020. The Historical Financial Information has been prepared using the 'pooling of interests' method, and therefore presents Delorean's consolidated income statement, cash flow statement and financial position as if the Company had existed and held 100% of the issued shares in these other companies since 1 July 2017.

The statutory historical financial information has been prepared in accordance with the recognition and measurement principles of Australian Accounting Standards (**AAS**) adopted by the Australian Accounting Standards Board (**AASB**), which are consistent with International Financial Reporting Standards (**IFRS**) issued by the International Accounting Standards Board and the Company's accounting policies. Delorean's significant accounting policies are set out in section 6.14.

The pro forma historical financial information has been prepared in accordance with the recognition and measurement principles of AAS other than that it includes certain adjustments which have been prepared in a manner consistent with AAS, that reflect certain transactions as if they had occurred on or before 30 June 2020. In order to present the Financial Information on a consistent basis, the pro forma historical financial information has been prepared in accordance with the AAS which are applicable to the financial year ending 30 June 2021, including AASB 15 *Revenue from Contracts with Customers* and AASB 16 *Leases*, which were first adopted for statutory reporting purposes in the year ended 30 June 2020.

The pro forma historical financial information does not reflect the actual financial results and cash flows of the Company for the periods indicated, however the Directors believe that it provides useful information as it permits investors to examine the underlying financial performance and cash flows of the business presented on a consistent basis and adjusted for material abnormal and one-off items.

The Prospectus includes Forecast Financial Information which is based on the best estimate assumptions of the Directors. The Forecast Financial Information is unaudited. The basis of preparation and presentation of the Forecast Financial Information, to the extent possible, is consistent with the basis of preparation and presentation of the Historical Financial Information unless otherwise noted.

The Financial Information is presented in an abbreviated form and does not contain all the presentation and disclosures, statements or comparative information required by AAS and other mandatory professional reporting requirements applicable to general purpose financial reports prepared in accordance with the *Corporations Act 2001*.

The Financial Information has been reviewed by RSM Corporate Australia Pty Ltd in accordance with the Australian Standard on Assurance Engagements ASAE 3450 *Assurance Engagements involving Corporate Fundraisings and/or*

Prospective Financial Information, as stated in its Independent Limited Assurance Report set out in Section 7. Investors should note the scope and limitations of the Independent Limited Assurance Report.

6.2.2 Preparation of the Historical Financial Information

The Historical Financial Information has been presented on both a statutory and pro forma basis.

The statutory historical financial information for Delorean has been derived from the Company's audited consolidated general purpose financial statements for the financial year ended 30 June 2020 and its consolidated special purpose financial statements for the years ended 30 June 2018 and 2019. The financial statements for each of these years were audited by RSM Australia Partners in accordance with Australian Auditing Standards. RSM Australia Partners issued unmodified audit opinions on those financial statements.

The pro forma historical financial information has been prepared for the purpose of inclusion in this Prospectus. It has been derived from the statutory historical financial information and adjusted for the effect of the pro forma adjustments.

A reconciliation between the statutory and pro forma historical income statements is set out in section 6.3, including details of the pro forma adjustments.

Section 6.6 sets out a reconciliation between the statutory historical cash flow statements and the pro forma historical cash flow statements, including details of the pro forma adjustments which were made to reflect the cash impact of the pro forma adjustments made to the statutory historical income statements.

Section 6.8 sets out the pro forma adjustments to the statutory historical statement of financial position and a reconciliation of the statutory historical statement of financial position to the pro forma historical statement of financial position as at 30 June 2020. Pro forma adjustments were made by the Directors to reflect the impact of the pre-IPO capital raising, the Offers and associated transactions as if they had occurred at 30 June 2020.

Investors should note that past results are not a guarantee of future performance.

The Historical Financial Information has been prepared on a going concern basis, which contemplates continuity of normal business activities and the realisation of assets and discharge of liabilities in the normal course of business. The Directors believe that there are reasonable grounds to conclude that Delorean will be able to continue as a going concern following the receipt of the proceeds of the Offer.

6.2.3 Preparation of the Forecast Financial Information

The Forecast Financial Information has been prepared and presented on both a statutory and pro forma basis.

The statutory forecast financial information for the year ending 30 June 2021 has been prepared on the basis of Delorean's actual financial performance for the six months ended 31 December 2020 and the Directors' best estimate assumptions with respect to its expected financial performance in the six months ending 30 June 2021. The Directors do not consider that they have a reasonable basis for the inclusion of forecast financial information for any period subsequent to 30 June 2021.

The pro forma forecast financial information has been derived from the statutory forecast financial information after adjusting for the pro forma adjustments. A reconciliation between the statutory forecast financial information and the pro forma forecast financial information is set out in section 6.3 (income statement) and section 6.6 (cash flow).

The Forecast Financial Information has been prepared by the Directors based on an assessment of current economic and operating conditions and best estimate assumptions regarding future events and actions as set out in section 6.11. The Forecast Financial Information is subject to the risks set out in section 8. The inclusion of these assumptions and these risks is intended to assist investors in assessing the reasonableness and likelihood of the assumptions occurring and is not intended to be a representation that the assumptions will occur.

Investors should be aware that the timing of actual events and the magnitude of their impact may differ from that assumed in preparing the Forecast Financial Information, and that this may have a material positive or negative effect on Delorean's actual financial performance and/or position. In addition, the assumptions upon which the Forecast Financial Information is based are, by their very nature, subject to significant uncertainties and contingencies, many of which will be outside the control of Delorean, its Directors and Management, and are not reliably predictable. Accordingly, neither Delorean, the Directors, nor any other person can give investors any assurance that the outcomes presented in the Forecast Financial Information will arise.

The Forecast Financial Information should be read in conjunction with the general assumptions set out in section 6.11.1, the specific assumptions set out in section 6.11.2, the sensitivity analysis in section 6.13, the risk factors set out in section 8 and other information contained within this Prospectus.

Delorean has no intention to update or revise the Forecast Financial Information or other forward-looking statements, or to publish prospective financial information in the future, regardless of whether new information, future events or any other factor affect the information contained in this Prospectus, except where required by law to do so.

6.2.4 Explanation of certain non-IFRS financial measures

To assist in the evaluation of the performance of Delorean, certain measures are used to report on the Company that are not recognised under AAS or IFRS. These measures are collectively referred to in this Prospectus and under Regulatory Guide 230 *Disclosing Non-IFRS Financial Information* published by ASIC as "non-IFRS financial measures". The principal non-IFRS financial measures that are referred to in this Prospectus are:

- (a) **EBITDA** is earnings before interest income, interest expense, income tax expense, depreciation and amortisation, but includes R&D tax incentive offset income (which is disclosed as other income in the income statement) and share of net profit from associates;
- (b) **EBIT** is earnings before interest income, interest expense and taxation, but includes R&D tax incentive offset income (which is disclosed as other income in the income statement) and share of net profit from associates;
- (c) **Net Cash/Debt** is cash and cash equivalents less interest-bearing borrowings; and

- (d) **Capital Expenditure** is expenditure on constructing, acquiring, upgrading and improving fixed assets such as land, buildings and plant and equipment.

Although the Directors believe that these measures provide useful information about the financial performance and financial position of Delorean, they should be considered as supplements to the measures that have been presented in accordance with AAS and IFRS and not as a replacement for them. As these non-IFRS financial measures are not based on AAS or IFRS, they do not have standard definitions, and the way Delorean calculates these measures may differ from similarly titled measures used by other companies. Investors and other readers of this Prospectus should therefore not place undue reliance on these non-IFRS financial measures.

6.3 Statutory Historical and Forecast Income Statements

The following table provides a summary of the statutory historical consolidated income statements of the Company for the financial years ended 30 June 2018, 2019 and 2020 and the statutory forecast consolidated income statement for the financial year ending 30 June 2021, together with a reconciliation to the pro forma income statements set out in section 6.4.

\$000	Note	FY18 Statutory Actual	FY19 Statutory Actual	FY20 Statutory Actual	FY21 Statutory Forecast
Revenue		6,051	18,822	31,233	30,206
Cost of sales		(3,940)	(15,182)	(25,805)	(26,313)
Gross profit		2,111	3,640	5,428	3,893
Other income	1	4	-	1,215	2,220
Operating expenses:					
Employment expenses		(741)	(1,262)	(2,210)	(1,909)
Administrative expenses		(263)	(693)	(480)	(320)
Occupancy expenses		(79)	(162)	(111)	(10)
Costs of the Offer		-	-	-	(347)
Share-based payments expense	2	-	-	-	(314)
Other expenses		(51)	(55)	(191)	(96)
EBITDA		981	1,468	3,651	3,117
Depreciation and amortisation		(63)	(39)	(182)	(406)
EBIT		918	1,429	3,469	2,711
Net interest income/(expense)		(11)	(16)	(90)	(158)
Profit before income tax		907	1,413	3,379	2,553
Income tax expense		(174)	(554)	(780)	(652)
Net profit after tax		733	859	2,599	1,901
Adjustments:					
AASB 16 lease accounting:	3				
Occupancy expenses		87	87	-	-

\$000	Note	FY18 Statutory Actual	FY19 Statutory Actual	FY20 Statutory Actual	FY21 Statutory Forecast
Depreciation		(83)	(83)	-	-
Interest expense		(13)	(13)	-	-
COVID-19 stimulus income	4	-	-	(468)	(352)
IRCR cost accruals	5	-	-	(612)	-
Offer costs	6	-	-	-	347
Management remuneration	7	(290)	(290)	(290)	(97)
Listed company costs	8	(370)	(370)	(370)	(278)
Income tax effect	9	182	182	305	189
Pro forma net profit after tax		246	372	1,164	1,710

Notes:

1. FY21 forecast other income includes an amount of \$1.87 million, being the estimated R&D incentive offset amount relating to eligible R&D expenditure incurred in FY20.
2. The forecast share-based payment expense of \$314,000 relates to the Performance Shares to be issued to the executive directors, the Options to be issued to non-executive directors and the Shares to be issued to the Company's eligible employees at or around the time of the Company's admission to the ASX.
3. The Company adopted AASB 16 Leases with effect from 1 July 2019 in accordance with Australian Accounting Standards (see section 6.14 – Significant accounting policies). A pro forma adjustment has therefore been made to present the pro forma income statements as if the Company had adopted this accounting standard for all periods presented, i.e. with effect from 1 July 2017.
4. During FY20 and in the current financial year the Company has received federal government COVID-19 stimulus income in the form of Cash Boost and JobKeeper payments, which amounted to \$468,000 in FY20 and \$352,000 in FY21. These amounts have been adjusted in presenting the pro forma income statement, on the basis that they represent one-off income.
5. In FY20 the Company recorded a gain of \$612,000 relating to the reversal of a provision for Individual Reserve Capacity Requirement (IRCR) liabilities which was established in the prior year. Payment of these amounts was not required by AEMO owing to a change in the basis of invoicing of IRCR charges to electricity retailers. No pro forma adjustment has been made in FY19 as these amounts would ordinarily have been payable in that period. This was a market-wide position AEMO took and therefore the Company's competitors were afforded the same benefit.
6. A portion of the costs associated with the Offer and the listing of the Company on the ASX will be recognised as an expense in Delorean's consolidated income statement for FY21. As these costs are one-off in nature, they have been added back in presenting the pro forma forecast income statement.
7. In November 2020 the remuneration of each of the Executive Directors was increased from \$150,000 per annum to \$275,000 per annum (plus superannuation) in line with a market-based salary for their roles. An adjustment (including oncosts) has been made to present the pro forma income statements as if the increased level of remuneration had been payable throughout the period presented.
8. From completion of the Offer, Delorean will incur incremental costs associated with being a publicly listed company, which the Directors have estimated at \$370,000 per annum. This includes costs associated with non-executive directors, ASX annual fees, audit and legal costs, share registry fees and other costs. A pro forma adjustment has therefore been made to present the pro forma income statements as if the Company had been listed on the ASX throughout the period presented.
9. An adjustment has been made to reflect the tax effect of the above adjustments, using an effective tax rate of 27.5% for FY18, FY19 and FY20, and 26.0% for FY21, being the corporate income tax rates applicable to the Group for the respective periods.

6.4 Pro Forma Historical and Forecast Income Statements

The following table provides a summary of the pro forma historical consolidated income statements of the Company for the financial years ended 30 June 2018, 2019 and 2020 and the pro forma forecast consolidated income statement for the financial year ending 30 June 2021.

A reconciliation from the statutory historical and forecast income statements to the pro forma historical and forecast income statements, including details of the pro forma adjustments, is set out in section 6.3.

\$000	FY18 Pro forma Actual	FY19 Pro forma Actual	FY20 Pro forma Actual	FY21 Pro forma Forecast
Revenue	6,051	18,822	31,233	30,206
Cost of sales	(3,940)	(15,182)	(25,805)	(26,313)
Gross profit	2,111	3,640	5,428	3,893
Share of net profit of associates	-	-	-	
Other income	4	-	135	1,868
Operating expenses:				
Employment expenses	(1,031)	(1,552)	(2,500)	(2,006)
Administrative expenses	(633)	(1,063)	(850)	(598)
Occupancy expenses	8	(75)	(111)	(10)
Share-based payments expense	-	-	-	(314)
Other expenses	(51)	(55)	(191)	(96)
EBITDA	408	895	1,911	2,737
Depreciation and amortisation	(146)	(122)	(182)	(406)
EBIT	262	773	1,729	2,331
Net interest income/(expense)	(24)	(29)	(90)	(158)
Profit before income tax	238	744	1,639	2,173
Income tax expense	8	(372)	(475)	(463)
Net profit after tax	246	372	1,164	1,710
Revenue growth	n/a	211.1%	65.9%	(3.3)%
EBITDA growth	n/a	119.9%	113.5%	43.2%
EBIT growth	n/a	196.2%	123.5%	34.9%
EBITDA margin	6.7%	4.8%	6.1%	9.1%
EBIT margin	4.3%	4.1%	5.5%	7.7%

6.5 Segment Information

In accordance with AASB 8 *Operating Segments*, Delorean has determined that its reporting segments comprise:

- (a) Energy retail – the retailing of electricity.
- (b) Construction – the construction of anaerobic digestion plants.

- (c) Development – the development, ownership and operation of anaerobic digestion plants.

In accordance with AASB 8 *Operating Segments*, these segments are those in which the chief operating decision-maker received information for the purpose of resource allocation and assessment of segment performance.

The table below sets out the statutory revenue and results by operating segment for the years ended 30 June 2018, 2019 and 2020, and the statutory forecast revenue and results by operating segment for the year ending 30 June 2021.

\$000	FY18 Statutory Actual	FY19 Statutory Actual	FY20 Statutory Actual	FY21 Statutory Forecast
Revenue				
Energy retail	5,177	17,721	22,742	23,126
Construction	625	831	7,224	14,092
Development	450	613	1,267	50
Intersegment eliminations ¹	(201)	(343)	-	(7,062)
Total Revenue	6,051	18,822	31,233	30,206
EBITDA				
Energy retail	569	1,380	1,731	1,709
Construction	190	18	1,174	2,740
Development	222	70	746	65
Intersegment eliminations ¹	-	-	-	(1,161)
Other	-	-	-	(236)
Total EBITDA	981	1,468	3,651	3,117
EBITDA margin				
Energy retail	11.0%	7.8%	7.6%	7.4%
Construction	30.4%	2.2%	16.3%	19.4%
Development	49.3%	11.4%	58.9%	n/a
Total EBITDA margin	16.2%	7.8%	11.7%	10.3%
Net Assets				
Energy retail	672	1,623	2,568	n/a
Construction	103	40	796	n/a
Development	160	79	721	n/a
Other	-	-	(2)	n/a
Total Net Assets	935	1,742	4,083	n/a

Note:

- Intersegment revenue and EBITDA relates to the development and construction of the Stanhope plant by the construction division. This project will be owned and operated by a 90% owned subsidiary of the Company and the revenue and internal profit of this project has therefore been eliminated in the consolidated FY21 forecast.

6.6 Statutory Historical and Forecast Cash Flow Statements

The following table provides a summary of the statutory historical consolidated cash flow statements of the Company for the financial years ended 30 June 2018, 2019 and 2020 and the statutory forecast consolidated cash flow statement for the financial year ending 30 June 2021, together with a reconciliation to the pro forma cash flow statements set out in section 6.7.

\$000	Note	FY18 Statutory Actual	FY19 Statutory Actual	FY20 Statutory Actual	FY21 Statutory Forecast
Cash flows from operating activities					
Receipts from customers		3,567	17,258	31,850	27,665
Receipts from government grants		450	438	112	50
Payments to suppliers and employees		(2,598)	(18,948)	(27,070)	(27,622)
Interest received		2	11	22	12
Income tax paid		(1)	(214)	(387)	(889)
Borrowing costs		(13)	(28)	(112)	(46)
Net cash from (used in) operating activities		1,407	(1,483)	4,415	(832)
Cash flows from investing activities					
Payments for purchase of plant and equipment	1	(179)	(59)	(1,173)	(7,673)
Net cash used in investing activities		(179)	(59)	(1,173)	(7,673)
Cash flows from financing activities					
Proceeds from the issue of shares	2	-	-	-	14,887
Proceeds from loans and other borrowings		186	561	-	-
Repayment of loans and other borrowings		-	(148)	(535)	(370)
Dividend paid		-	(50)	(258)	-
Net cash from/(used in) financing activities		186	363	(793)	14,517
Net increase/(decrease) in cash and cash equivalents		1,414	(1,179)	2,449	6,012
Net cash flow (before financing)		1,228	(1,542)	3,242	(8,505)
Adjustments:					
COVID-19 stimulus income	3	-	-	(468)	(352)
Management remuneration	4	(290)	(290)	(290)	(97)
Listed company costs	5	(370)	(370)	(370)	(278)
Income tax effect	6	182	182	305	189
Pro forma net cash flow (before financing)		750	(2,020)	2,419	(9,043)

Notes:

1. This includes \$5.9 million relating to development and construction costs for the Stanhope plant and \$1.8 million relating to the purchase of other plant and equipment.
2. This comprises the gross proceeds of the pre-IPO capital raising (\$2 million) and of the IPO (\$14 million), less capital raising costs.
3. During FY20 and in the current financial year the Company has received federal government COVID-19 stimulus income in the form of Cash Boost and JobKeeper payments, which amounted to \$468,000 in FY20 and \$352,000 in FY21. These amounts have been adjusted in presenting the pro forma cash flow statement, on the basis that they represent one-off income.
4. In November 2020 the remuneration of each of the Executive Directors was increased from \$150,000 per annum to \$275,000 per annum (plus superannuation) in line with a market-based salary for their roles. An adjustment (including oncosts) has been made to present the pro forma cash flow statements as if the increased level of remuneration had been payable throughout the period presented.
5. An adjustment has been made for all periods to include the estimated incremental costs of \$370,000 per annum associated with Delorean being a publicly listed company.
6. An adjustment has been made to reflect the tax effect of the income statement adjustments, using an effective tax rate of 27.5% for FY18, FY19 and FY20, and 26.0% for FY21, being the corporate income tax rates applicable to the Group for the respective periods.

6.7 Pro Forma Historical and Forecast Cash Flow Statements

The following table provides a summary of the pro forma historical consolidated cash flow statements of the Company for the financial years ended 30 June 2018, 2019 and 2020 and the pro forma forecast consolidated cash flow statement for the financial year ending 30 June 2021.

A reconciliation from the statutory historical and forecast cash flow statements to the pro forma historical and forecast cash flow statements, including details of the pro forma adjustments, is set out in section 6.6.

\$000	FY18 Pro forma Actual	FY19 Pro forma Actual	FY20 Pro forma Actual	FY21 Pro forma Forecast
Cash flows from operating activities				
Receipts from customers	3,567	17,258	31,382	27,313
Receipts from government grants	450	438	112	50
Payments to suppliers and employees	(3,258)	(19,608)	(27,730)	(27,997)
Interest received	2	11	22	12
Income tax paid	180	(32)	(82)	(700)
Borrowing costs	(13)	(28)	(112)	(46)
Net cash from/(used in) operating activities	928	(1,961)	3,592	(1,370)
Cash flows from investing activities				
Payments for purchase of plant and equipment	(179)	(59)	(1,173)	(7,673)
Net cash used in investing activities	(179)	(59)	(1,173)	(7,673)
Cash flows from financing activities				
Proceeds from the issue of shares	-	-	-	14,887

\$000	FY18 Pro forma Actual	FY19 Pro forma Actual	FY20 Pro forma Actual	FY21 Pro forma Forecast
Proceeds from loans and other borrowings	187	561	-	-
Repayment of loans and other borrowings	-	(148)	(535)	(370)
Dividend paid	-	(50)	(258)	-
Net cash from/(used in) financing activities	187	363	(793)	14,517
Net increase/(decrease) in cash and cash equivalents	936	(1,657)	1,626	5,474
Net cash flow (before financing)	750	(2,020)	2,419	(9,043)

6.8 Statutory and Pro Forma Historical Statement of Financial Position

The table below sets out the statutory historical consolidated statement of financial position of the Company as at 30 June 2020 and the pro forma adjustments that have been made to prepare the pro forma historical consolidated statement of financial position as at that date. These adjustments take into account the effect of certain events which have occurred subsequent to 30 June 2020, the proceeds and expenses of the pre-IPO capital raising and the Offer and other pro forma adjustments as if they had occurred at 30 June 2020.

The pro forma historical statement of financial position is provided for illustrative purposes only and is not represented as being necessarily indicative of Delorean's view of its financial position upon completion of the Offer or at any future date. Further information on the sources and uses of the funds from the Offer is contained in section 3.7.

As at 30 June 2020 \$000	Note	Actual Audited	Subsequent events Unaudited	Offer adjustments Unaudited	Pro forma Unaudited
Current assets					
Cash and cash equivalents	1, 2	2,912	1,860	12,660	17,432
Trade and other receivables		2,304	-	-	2,304
Other current assets		701	-	-	701
Contract assets		817	-	-	817
Total current assets		6,734	1,860	12,660	21,254
Non-current assets					
Plant and equipment		1,086	-	-	1,086
Right of use assets		675	-	-	675
Intangible assets		54	-	-	54
Total non-current assets		1,815	-	-	1,815
Total assets		8,549	1,860	12,660	23,069
Current liabilities					
Trade and other payables		2,671	-	-	2,671

As at 30 June 2020 \$000	Note	Actual Audited	Subsequent events Unaudited	Offer adjustments Unaudited	Pro forma Unaudited
Provision		82	-	-	82
Income tax		897	-	-	897
Lease liabilities		293	-	-	293
Total current liabilities		3,943	-	-	3,943
Non-current liabilities					
Lease liabilities		495	-	-	495
Deferred tax liabilities		28	-	-	28
Total non-current liabilities		523	-	-	523
Total liabilities		4,466	-	-	4,466
NET ASSETS		4,083	1,860	12,660	18,603
Equity					
Issued capital	1, 2, 3, 4	934	1,860	11,670	14,464
Retained earnings	2	4,083	-	(347)	3,736
Reserves	4	(934)	-	1,337	403
TOTAL EQUITY		4,083	1,860	12,660	18,603

Notes:

1. A pro forma adjustment has been made to account for the net proceeds of the pre-IPO capital raising of \$1.86 million, being gross proceeds of \$2.0 million less associated costs of \$140,000, which was completed in January 2021.
2. A pro forma adjustment has been made to account for the net proceeds of the Public Offer of \$12.66 million, comprising gross proceeds of \$14.0 million less cash costs of the Public Offer of \$1.34 million.
3. A pro forma adjustment has been made to account for the issue of 3,556,851 Advisor Shares to the Underwriters in connection with the Public Offer, and a further 700,000 Advisor Shares to RM Corporate Finance for corporate advisory services provided to the Company.
4. A pro forma adjustment has been made to account for the issue of 14,000,000 Advisor Options to the Underwriters in connection with the Public Offer. The Advisor Options have been valued at \$0.0955 per Option (\$1.34 million in total) using a standard trinomial model and adopting the following assumptions:

	Advisor Options
Exercise price	\$0.25
Term	4 years
Stock price	\$0.20
Volatility	75%
Dividends	0%
Risk-free rate	0.38%

6.9 Liquidity and capital resources

Following completion of the Offer, the Company's principal sources of funds will be its existing cash balances, the net proceeds of the Public Offer and cash flow from operations. The Directors expect the Company to have sufficient cash to meet its short and medium term operational requirements and other business needs.

A summary of the planned use of the proceeds of the Public Offer is set out in section 3.7.

6.10 Contractual obligations, commitments and contingent liabilities

As at 30 June 2020 Delorean had lease commitments under non-cancellable leases totalling \$229,109, relating to the lease on its head office premises which expires in March 2023. The liability with respect to this lease and the related right-of-use asset are included in the statutory and pro forma statement of financial position as at 30 June 2020.

Delorean uses bank guarantee facilities to guarantee performance obligations with respect to its projects. These guarantees can be called upon only if the Company fails to meet its obligations under the relevant contract and are therefore reported as a contingent liability. The total amount of bank guarantees outstanding as at 30 June 2020 was \$4.0 million and at 31 December 2020 was \$3.1 million.

Other than as stated above, the Company had no other material contingent liabilities as at 30 June 2020 or at 31 December 2020.

6.11 Assumptions underlying the Forecast Financial Information

The Forecast Financial Information includes actual results for the six months ended 31 December 2020 and a forecast for the six months ending 30 June 2021.

The Forecast Financial Information has been prepared in accordance with the significant accounting policies adopted by Delorean, which are in accordance with Australian Accounting Standards and are disclosed in section 6.14. It is assumed that there will be no changes to accounting standards, the Corporations Act or other financial reporting requirements that may have a material effect on Delorean's accounting policies during the period covered by the Forecast Financial information.

The Forecast Financial Information is based upon various best estimate assumptions concerning future events, including those set out below. In preparing the Forecast Financial Information, the Directors have had regard to Delorean's current operating performance and expectations with respect to future events and circumstances, including the timing of new development projects. The Directors believe that the Forecast Financial Information has been prepared with due care and attention and consider all assumptions when taken as a whole to be reasonable at the time of preparing this Prospectus, including each of the general assumptions set out in section 6.11.1.

However, actual results are likely to vary from those forecast and any variation may be materially positive or negative. The assumptions upon which the Forecast Financial Information is based are, by their nature, subject to significant uncertainties and contingencies, many of which are outside the control of the Company and its Directors, and are not reliably predictable.

Accordingly, none of Delorean, its Directors or any other person can give any assurance that the Forecast Financial Information or any prospective statement contained in this Prospectus will be achieved. Events and outcomes may differ in amount and timing from the assumptions, with a material consequential impact on the Forecast Financial Information.

The assumptions set out below should be read in conjunction with the sensitivity analysis set out in section 6.13, the risk factors set out in section 8 and the Independent Limited Assurance Report included in section 7.

6.11.1 General assumptions

In preparing the Forecast Financial Information, the following general best estimate assumptions have been adopted:

- (a) no material changes in the competitive or operating environments in which Delorean operates;
- (b) no significant deviation from current market expectations of Australian and international economic conditions which impact Delorean and/or its current and future customers;
- (c) no material adverse impact of the ongoing COVID-19 global pandemic on Delorean's operations or the market in which it operates;
- (d) no changes in applicable Australian Accounting Standards, other mandatory professional reporting requirements or the Corporations Act which would have a material effect on the Company's reported financial performance or cash flows, financial position, accounting policies, financial reporting and/or disclosures;
- (e) no material changes in key management and other personnel;
- (f) Delorean is able to recruit and retain the personnel required to support forecast growth;
- (g) no material industrial strikes, employee relations disputes or other disturbances, environmental costs, contingent liabilities or legal claims arise or are settled to the detriment of the Company;
- (h) no material adverse impact in relation to litigation;
- (i) no material acquisitions, disposals, restructuring or investments (other than as noted in the Specific assumptions);
- (j) no material changes to Delorean's corporate or funding structure other than as set out in, or contemplated by, this Prospectus;
- (k) no significant disruptions to the continuity of Delorean's operations or other material changes in its business;
- (l) no material changes in the waste management, renewable power or electricity retailing markets that would have a material impact on the demand for or prices of Delorean's services;
- (m) no material amendment to any material contract, agreement or arrangement relating to the Company's business;
- (n) none of the risks listed in section 8 has a material adverse impact on Delorean's operations; and
- (o) the Offer proceeds to completion in accordance with the timetable set out in the Indicative Dates in Section 2.1 of this Prospectus.

6.11.2 Specific assumptions

The details of the specific assumptions that have been used in the preparation of the Forecast Financial Information are set out below.

(a) **Revenue and gross profit**

Forecast revenue for the energy retailing business is based on contracted prices and historical usage for existing customers, and assumes that 55% of customers renew when their contractual period (generally two years) expires.

Revenue for the construction business relates to the EPC contracts for the BLM and Ecogas projects and assumes that these projects both progress in accordance with agreed timetables and project plans. The forecast gross margin is based on the expected margin for each contract, having regard to the contract price, costs incurred to date and expected further costs to complete.

The DEVO project has been forecast to commence in March 2021. However, no revenue or profit has been included in the consolidated forecast for this internal project, as the costs incurred on the project are capitalised in accordance with applicable accounting standards.

(b) **Other income**

Other income includes an expected R&D incentive amount of \$1.87 million, which the Company expects to receive by way of a tax offset. This amount relates to the FY20 tax year and is based on an initial assessment of eligible R&D expenditure undertaken by the Company's accountants.

(c) **Employee benefits expense**

The forecast employee benefits expense is based on the actual remuneration levels of current employees (including oncosts), adjusted for other roles which are expected to be filled prior to 30 June 2021.

Share-based payments expense has been shown separately and is calculated on the basis of the assessed fair value of Shares, Options and other instruments to be issued to directors and employees in connection with the IPO, and the expected vesting period.

The forecast assumes that \$1.3 million (42%) of the total employee benefits expense of \$3.2 million will be capitalised as being attributable to internal development and construction projects, based on the proportion of time spent by each individual on these projects.

(d) **Administrative expenses**

Administrative expenses have been forecast on the basis of current levels of expenditure, adjusted as required for any known one-off expenditure and/or expected changes in the level of such costs. Management has assumed that no significant travel will be undertaken prior to 30 June 2021, in view of travel restrictions related to COVID-19.

(e) **Income tax expense**

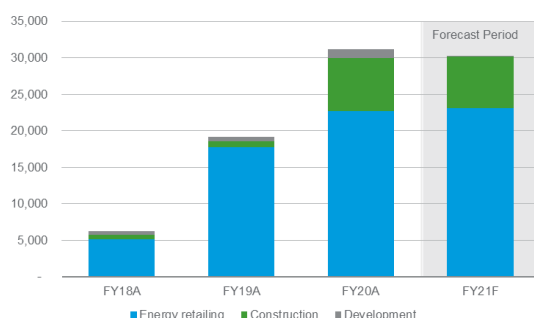
The Company and its wholly-owned subsidiaries comprise a tax consolidated group. The income tax expense has been calculated on the basis of the forecast taxable profit of the tax-consolidated group and the applicable FY21 statutory rate of 26%.

6.12 Management discussion and analysis of the statutory historical and forecast financial information

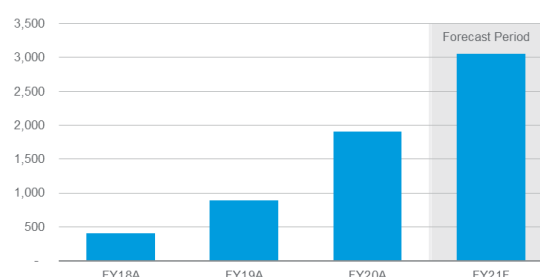
This section includes a discussion of key factors that have affected the operating and financial performance of Delorean over the period of the Historical Financial Information and key factors which are forecast to affect its operating and financial performance during the year ending 30 June 2021.

The discussion in this section focuses on the statutory historical and forecast financial information. The discussion of these general factors is intended to provide a brief summary only and does not detail all factors that affected the Company's historical operating and financial performance or are forecast to affect its future operating and financial performance. The information in this section 6.12 should be read in conjunction with the risk factors set out in section 8 and other information contained in this Prospectus.

Revenue



Pro forma EBITDA



(a) **Revenue and gross profit**

Over the period FY18 to FY20, the Group's revenue increased from \$6.1 million to \$31.2 million, and is forecast to decrease slightly to \$30.2 million in FY21, due in large part to the Company's increased focus on the development of its own internal projects. A breakdown of revenue and EBITDA by division is provided in section 6.5. Prior to FY21, Delorean generated revenue principally as an electricity retailer and as a consultant and EPC contractor, designing and constructing renewable energy projects for third parties.

In FY21, Delorean has continued to operate in these sectors, whilst increasing its focus on the development of internal renewable energy projects under the build-own-operate model. For these projects, no revenue or profit is recognised during the development and construction phase, as the Group will only start recognising revenue once each plant is operational.

Electricity retailing

The majority of the Group's revenue prior to FY21 was derived by its electricity retailing business, Cleantech Energy, which accounted for 72.8% of total revenue in FY20. Over the period FY18 to FY20, revenue for

this business grew from \$5.2 million to \$22.7 million, principally through an increase in its customer base. Electricity retailing revenue in FY21 is forecast to increase slightly to \$23.1 million. In April of 2020 Cleantech had a large customer's contract come to an end and not be renewed. While overall revenue continues to grow month-on-month the impact of this large customer's contract termination in April 2020 skews the revenue growth between FY20 and FY21. Cleantech expects revenue to continue to grow as it has done historically and has implemented a strategy where the customer book is more diversified so as to mitigate the impact of any such contract terminations in the future.

Construction business

The construction business accounted for 23.1% (\$7.2 million) of total revenue in FY20 and is forecast to generate revenue of \$7.0 million in FY21. This revenue is expected to be derived principally from:

- (i) the EPC contract for the Blue Lake Milling project, which commenced in July 2019 and is expected to be completed in the second calendar of quarter of 2021; and
- (ii) the EPC contract for the Ecogas project in New Zealand, which commenced in September 2020 and is expected to be completed in the second calendar quarter of 2022.

Prior to FY20, this business derived revenue principally from the provision of consulting services, which generated revenue of \$0.6 million and \$0.8 million in FY18 and FY19 respectively.

Development business

The development business accounted for 4.1% (\$1.3 million) of total revenue in FY20 and is forecast to generate income of \$50,000 in FY21. The reduction in revenue is attributable to the Company's strategy to focus on the development and construction of internal projects. Under Australian Accounting Standards, the development and construction costs for internal projects are capitalised, and revenue and profits are only recognised once the projects become operational.

(b) Other income

Delorean engages in various research and development activities associated with renewable energy and recognises R&D tax incentive income within "other income" as permitted by Australian Accounting Standards. In FY20, other income included a R&D incentive cash rebate of \$127,000, whilst the FY21 forecast income statement includes a R&D tax incentive amount of \$1.87 million. As the Group exceeded the \$20 million aggregate turnover threshold in FY20, the incentive amount for that year (and included in the FY21 forecast) will not be paid as a cash rebate, but rather will be offset against the Group's income tax liability.

In FY19 Delorean accrued for amounts expected to be payable in the ordinary course of business in connection with its IRCR liability with AEMO. Following a change in the payment arrangements by the market operator, these amounts were not ultimately payable and the liability was reversed, resulting in other income of \$612,000 being recognised in FY20. This amount has been adjusted for in the FY20 pro forma income statement as it represents one-off income.

Other income also includes COVID-19 government stimulus income in the form of Cash Boost and JobKeeper payments, which totalled \$468,000 in FY20 and \$352,000 in FY21. As these amounts are one-off in nature, this income has been excluded from the pro forma income statements. As a result of the COVID-19 pandemic, the Company experienced project delays, however no adjustments for the financial impact of such delays have been made in presenting the pro forma financial information set out in this section.

(c) **Employee benefits expense**

Employee benefits expense includes the wages and salaries of all Delorean employees (including directors), in addition to superannuation and payroll tax, as well as recruitment fees and other employee-related costs.

Employee costs have increased year-on-year as a result of increases in headcount in line with the expansion of the business.

Total employee costs in FY21 are forecast to be \$3.2 million, an increase of 46% on the prior year, of which \$1.3 million is forecast to be capitalised as work-in-progress in connection with internal development projects. No employee costs were capitalised in prior years as the Company's development activities primarily related to third party projects.

(d) **Administrative expenses**

Administrative expenses include permits and licences, insurance, legal and professional fees, travel costs and motor vehicle expenses, as well as other office and administration costs.

General administrative expenses have increased in line with the growth of the business. However, the cost of permits and licences amounted to \$148,000 and \$401,000 in FY18 and FY19 respectively, reducing significantly to only \$6,000 in FY20. For the most part, these costs relate to AEMO market fees that in future years are recharged to customers and classified as cost of goods sold.

In FY21, administrative expenses are forecast to reduce from the prior year, with the most significant saving relating to travel costs, as a result of the travel restrictions associated with the COVID-19 pandemic. FY21 forecast administrative expenses are stated net of \$164,000 of costs attributed to internal development projects, which are forecast to be capitalised.

(e) **Income tax expense**

During FY18, FY19 and FY20 Delorean has been subject to a statutory corporate income tax rate of 27.5%, which will reduce to 26% in FY21.

(f) **Capital expenditure**

Capital expenditure of \$1.2 million in FY20 related to plant and equipment, with the major item being a crimping machine used by Tekpro in the fabrication of tanks. In prior years, capital expenditure was limited to motor vehicles, office and computer equipment.

In FY21 Delorean has forecast capital expenditure of \$5.9 million to be incurred in connection with the development and construction of the Stanhope plant, which is expected to commence in April 2021.

6.13 Sensitivity Analysis

The Forecast Financial Information is based on certain economic and business assumptions about future events. A summary of the key best estimate assumptions underlying the forecast is set out in section 6.11.

The Forecast Financial Information is sensitive to a number of key assumptions. A summary of the likely impact of movements in certain key assumptions on the pro forma forecast net profit after tax is presented in the table below. However, the changes in the key assumptions set out below are not intended to be indicative of the complete range of variations that may occur and are not intended as any indication of potential changes considered likely by the Directors.

Sensitivity	NPAT Impact \$M	NPAT Impact %
Electricity retailing revenue (+/- 10%)	+/- \$77,000	+/- 4.5%
Construction project revenue (+/- 10%)	+/- \$138,000	+/- 8.1%
Employee costs (+/- 10%)	+/- \$69,000	+/- 4.0%

Care should be taken in interpreting these sensitivities. The estimated impact of changes in each of the variables has been calculated in isolation from changes in other variables. It is possible that more than one variable may move at any one point in time, giving rise to cumulative effects, which are not reflected in the above analysis.

6.14 Significant accounting policies

(a) Principles of consolidation

In January 2020 Delorean Corporation Pty Ltd acquired all of the issued share capital of Tekpro Pty Ltd, Delorean Energy Pty Ltd, Biogas Renewables Pty Ltd, Cleantech Energy Pty Ltd and Cleantech Corporation Pty Ltd.

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 recognised in the consolidated financial information at book value without revaluation.

The consolidated financial information in this section 6 therefore combines the financial information of the Company and the commonly controlled entities (subsidiaries) as at 30 June 2020 and their results for the three years then ended. The Company and its subsidiaries together are referred to 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.

Intercompany transactions, balances and realised 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.

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the Company.

(b) Foreign currency translation

The Financial Information in this Prospectus is presented in Australian dollars, which is the Company's functional and presentation currency.

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.

(c) Revenue recognition

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.

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.

Interest

Interest revenue 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.

Other revenue

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

(d) Government grants

R&D tax incentive income is accounted for as a government grant and is recognised as other income, whether received as a cash rebate or as an offset against the Group's income tax liability. Cash rebates are recognised on receipt, whereas R&D tax incentive offsets are recognised at the time of lodgement of the Delorean Group's income tax return.

Other 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.

(e) Income tax

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, adjusted by the changes in deferred tax assets and liabilities attributable to temporary differences, unused tax losses and the adjustment 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:

- (i) 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
- (ii) 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.

(f) Cash and cash equivalents

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 three 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.

(g) Trade and other receivables

Trade receivables 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.

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

(h) Contract assets

Contract assets are recognised when the consolidated entity has transferred goods or services to the 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.

(i) **Investments and other financial assets**

Investments and other financial assets, other than interests in subsidiaries or associates, 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 amortised cost

A financial asset is measured at amortised cost only if both of the following conditions are met: (i) it is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and (ii) the contractual terms of the financial asset represent contractual cash flows that are solely payments of principal and interest.

Financial assets at fair value through profit and 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.

(j) Plant and equipment

Plant and equipment is 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 straight-line basis to write off the net cost of each item of plant and equipment over their expected useful lives as follows:

- (i) Leasehold improvements - 3-10 years; and
- (ii) Plant and equipment - 3-7 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 unexpired period of the lease or the estimated useful life of the assets, whichever is shorter.

An item of 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 profits.

(k) Project development costs

Development and construction costs incurred with respect to internal projects are capitalised. Such costs include the portion of employee costs and administrative expenses which is attributable to internal projects. Once construction and commissioning have been completed and the asset commences operations, depreciation is recognised over the expected useful life of the asset.

In the event that an internal project does not proceed, the capitalised amounts are written off immediately to profit and loss.

(l) Right-of-use assets

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 unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the consolidated entity expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of use assets are subject to impairment or adjusted for any remeasurement of lease liabilities.

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.

(m) **Intangible assets**

Intangible assets acquired as part of a business combination, other than goodwill, are initially measured at their fair value at the date of the acquisition. Intangible assets acquired separately are initially recognised at cost. Indefinite life intangible assets are not amortised and are subsequently measured at cost less any impairment. Finite life intangible assets are subsequently measured at cost less amortisation and any impairment. The gains or losses recognised in profit or loss arising from the derecognition of intangible assets are measured as the difference between net disposal proceeds and the carrying amount of the intangible asset. The method and useful lives of finite life intangible assets are reviewed annually. Changes in the expected pattern of consumption or useful life are accounted for prospectively by changing the amortisation method or period.

Significant costs associated with software are deferred and amortised on a straight-line basis over the period of their expected benefit, being their finite life of 5 years.

(n) **Contract liabilities**

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.

(o) **Trade and other payables**

These amounts represent liabilities for goods and services provided to the consolidated entity prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

(p) **Borrowings**

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.

(q) **Finance costs**

Finance costs attributable to qualifying assets are capitalised as part of the asset. All other finance costs are expensed in the period in which they are incurred.

(r) **Provisions**

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.

(s) **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.

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.

Share-based payments

Equity-settled transactions are awards of Shares, performance shares, rights or options over Shares that have been provided in exchange for the rendering of services.

The cost of equity-settled transactions is measured at fair value on grant date. Fair value for options and similar instruments is determined using a trinomial or Black-Scholes option pricing mode that takes into account the exercise price, the term of the option, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk-free interest rate for the term of the option.

The cost of equity-settled transactions is recognised as an expense, with a corresponding increase in equity over the vesting period. The cumulative charge to profit and loss is calculated based on the grant date fair value of the award, the best estimate of the number of awards that are likely to vest and the expired portion of the vesting period, less amounts already recognised in previous periods.

(t) **Lease liabilities**

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.

(u) **Fair value measurement**

When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principal market; or in the absence of a principal market, in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interests. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

(v) **Issued capital**

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

(w) **Dividends**

Dividends are recognised when declared during the financial year and no longer at the discretion of the company.

(x) **Goods and Services Tax (GST) and other similar taxes**

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the tax authority is included in other receivables or other payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the tax authority, are presented as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the tax authority.



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4 March 2021

The Directors
Delorean Corporation Limited
Ground Floor, 1205 Hay Street
WEST PERTH WA 6005

Dear Directors

Independent Limited Assurance Report on the Historical and Forecast Financial Information of Delorean Corporation Limited

Introduction

We have been engaged by Delorean Corporation Limited (the “Company”) to report on the statutory and pro forma historical financial information of the Company for the three years ended 30 June 2020, and the statutory and pro forma forecast financial information of the Company for the year ending 30 June 2021 for inclusion in a prospectus (the “Prospectus”) of the Company to be dated on or about 4 March 2021. The Prospectus is in connection with the Company’s initial public offering and listing on the Australian Securities Exchange (“ASX”), pursuant to which the Company is offering 70 million ordinary shares at an issue price of \$0.20 per share, to raise \$14 million before costs (the “Offer”).

Expressions and terms defined in the Prospectus have the same meaning in this report.

The nature of this report is such that it can only be issued by an entity which holds an Australian Financial Services Licence (“AFSL”) under the *Corporations Act 2001*. RSM Corporate Australia Pty Ltd holds such a licence, being AFSL No. 255847.

Background

Delorean Corporation Limited is the parent entity of a group of companies engaged in the renewable energy industry, specifically providing bioenergy infrastructure and asset development services (Delorean Energy), anaerobic digestion plant construction and operation (Biogass), stainless steel tank and pipework fabrication (TekPro) and retailing of electricity (CleanTech Energy).

Delorean Corporation Pty Ltd was incorporated on 17 December 2019 and subsequently acquired 100% of the issued share capital of Delorean Energy Pty Ltd, Biogass Renewables Pty Ltd, Cleantech Energy Pty Ltd and Tekpro Pty Ltd by way of a corporate restructure. The financial information in Section 6 of the Prospectus is presented on a consolidated basis as if those entities had always been wholly-owned subsidiaries of the Company.

In January 2021 the Company completed a pre-IPO capital raising, raising gross proceeds of \$2.0 million.

THE POWER OF BEING UNDERSTOOD **AUDIT | TAX | CONSULTING**

RSM Corporate Australia Pty Ltd is beneficially owned by the Directors of RSM Australia Pty Ltd. RSM Australia Pty Ltd is a member of the RSM network and trades as RSM. RSM is the trading name used by the members of the RSM network. Each member of the RSM network is an independent accounting and consulting firm which practices in its own right. The RSM network is not itself a separate legal entity in any jurisdiction.

RSM Corporate Australia Pty Ltd ABN 82 050 508 024 Australian Financial Services Licence No. 255847

Scope

Statutory Historical Financial Information

You have requested RSM to review the following statutory historical financial information of the Company included in Section 6 of the Prospectus:

- the statutory consolidated income statements of the Company for the three years ended 30 June 2020 set out in Section 6.3 of the Prospectus;
- the statutory consolidated cash flow statements of the Company for the three years ended 30 June 2020 set out in Section 6.6 of the Prospectus; and
- the statutory consolidated statement of financial position as at 30 June 2020 set out in Section 6.8 of the Prospectus;

(together, the “Statutory Historical Financial Information”).

The Statutory Historical Financial Information has been prepared in accordance with the stated basis of preparation, being the recognition and measurement principles contained in Australian Accounting Standards and the Company’s adopted accounting policies. The Statutory Historical Financial Information has been extracted from the consolidated financial statements of the Company for the years ended 30 June 2018, 30 June 2019 and 30 June 2020, which were audited by RSM Australia Partners in accordance with Australian Auditing Standards. RSM Australia Partners issued an unmodified audit opinion on the financial statements for each of those periods.

Pro Forma Historical Financial Information

You have requested RSM to review the following pro forma historical financial information of the Company included in Section 6 of the Prospectus:

- the pro forma consolidated income statements of the Company for the three years ended 30 June 2020, after adjustments made to reflect the operating and capital structure following completion of the Offer as if it had been in place throughout that period, set out in Section 6.4 of the Prospectus; and
- the pro forma consolidated cash flow statements of the Company for the three years ended 30 June 2020, after adjustments made to reflect the operating and capital structure following completion of the Offer as if it had been in place throughout that period, set out in Section 6.7 of the Prospectus;
- the Company’s pro forma consolidated statement of financial position as at 30 June 2020, including the pro forma adjustments applied to the Statutory Historical Financial Information of the Company to illustrate the events and transactions related to the pre-IPO capital raising, the Offer and associated transactions as if they had occurred at that date, set out in Section 6.8 of the Prospectus; and

(together, the “Pro Forma Historical Financial Information”),

The Pro Forma Historical Financial Information has been compiled by the Company on the basis of Statutory Historical Financial Information after adjusting for the effects of the pro forma adjustments described in Sections 6.3, 6.6 and 6.8 of the Prospectus.

The stated basis of preparation of the Pro Forma Historical Financial Information is the recognition and measurement principles contained in Australian Accounting Standards applied to the Statutory Historical Financial Information of the Company and the events or transactions to which the pro forma adjustments relate, as described in Sections 6.3, 6.6 and 6.8 of the Prospectus. The pro forma historical statement of financial position has been prepared as if those events or transactions had occurred as at 30 June 2020. The pro forma historical income statement and the pro forma historical cash flow statements have been prepared as if the Offer had occurred at 1 July 2017 and the Company had been listed on the ASX since that date.

Due to its nature, the Pro Forma Historical Financial Information does not represent the Company’s actual or prospective financial position, financial performance or cash flows.

The Statutory Historical Financial Information and the Pro Forma Historical Financial Information are presented in an abbreviated form, insofar as they do not include all of the presentation and disclosures required by Australian Accounting Standards and other mandatory professional reporting requirements applicable to general purpose financial reports prepared in accordance with the *Corporations Act 2001*.

Statutory and Pro Forma Forecast Financial Information

You have requested RSM to review the Statutory and Pro Forma Forecast Financial Information of the Company for the year ending 30 June 2021, which is included in Section 6 of the Prospectus.

The Statutory Forecast Financial Information comprises:

- the Company's consolidated forecast income statement for the year ending 30 June 2021, set out in Section 6.3 of the Prospectus; and
- the Company's consolidated forecast cash flow statement for the year ending 30 June 2021, set out in Section 6.6 of the Prospectus.

The Pro Forma Forecast Financial Information comprises:

- the Company's pro forma consolidated forecast income statement for the year ending 30 June 2021, set out in Section 6.4 of the Prospectus; and
- the Company's pro forma consolidated forecast cash flow statement for the year ending 30 June 2021, set out in Section 6.7 of the Prospectus.

The Statutory Forecast Financial Information and the Pro Forma Forecast Financial Information are together referred to in this report as the "Forecast Financial Information".

The stated basis of preparation of the Forecast Financial Information is the recognition and measurement principles contained in Australian Accounting Standards and the Company's adopted accounting policies applied to the forecast and the events or transactions to which the pro forma adjustments relate, as described in Sections 6.3 and 6.6 of the Prospectus, as if those events or transactions had occurred as at 1 July 2020.

The directors' best-estimate assumptions, on which the Forecast Financial Information is based, are set out in Section 6.11 of the Prospectus.

The Pro Forma Forecast Financial Information has been derived from the Statutory Forecast Financial Information for the year ending 30 June 2021, after making the pro forma adjustments set out in Sections 6.3 and 6.6, as if they had occurred prior to 1 July 2020. Due to its nature, the Pro Forma Forecast Financial Information does not represent the Company's actual prospective financial performance or cash flows for the year ending 30 June 2021.

Directors' responsibility

The Directors of the Company are responsible for:

- the preparation and presentation of the Statutory Historical Financial Information and the Pro Forma Historical Financial Information, including the selection and determination of pro forma adjustments made to the Statutory Historical Financial Information and included in the Pro Forma Historical Financial Information; and
- the preparation of the Forecast Financial Information, including the best-estimate assumptions underlying the Forecast Financial Information and the selection and determination of the pro forma adjustments made to the Statutory Forecast Financial Information and included in the Pro Forma Forecast Financial Information.

This includes responsibility for such internal controls as the Directors determine are necessary to enable the preparation of Pro Forma Historical Financial Information and Forecast Financial Information that are free from material misstatement, whether due to fraud or error.

Our responsibility

Our responsibility is to express a limited assurance conclusion on the Statutory and Pro Forma Historical Financial Information and the Statutory and Pro Forma Forecast Financial Information based on the procedures performed and the evidence we have obtained. We conducted our engagement in accordance with the Australian Standard on Assurance Engagements ASAE 3450 *Assurance Engagements involving Corporate Fundraisings and/or Prospective Financial Information*.

A limited assurance review consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A limited assurance review engagement is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain reasonable assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Our engagement did not involve updating or re-issuing any previously issued audit or review report on any financial information used as a source of the Statutory Historical Financial Information.

Our procedures included:

Statutory and Pro Forma Historical Financial Information

- A review of work papers, accounting records and other documents, including those dealing with the extraction of financial information from the audited financial statements;
- Consideration of the appropriateness of the pro forma adjustments described in Sections 6.3, 6.6 and 6.8 of the Prospectus;
- Enquiry of Directors, management, personnel and advisors of the Company;
- The performance of analytical procedures applied to the Statutory and Pro Forma Historical Financial Information;
- A review of audit workpapers;
- A review of the accounting policies adopted for consistency of application; and
- A check of the application of the stated basis of preparation to the Statutory and Pro Forma Historical Financial Information.

Statutory and Pro Forma Forecast Financial Information

- Enquiries, including discussions with management and Directors, as to the factors considered in determining the best estimate assumptions;
- Analytical and other review procedures which we considered necessary including examination, on a test basis, of evidence supporting the assumptions, amounts and disclosures in the Statutory and Pro Forma Forecast Financial Information;
- Review of the accounting policies adopted and used in the preparation of the Statutory and Pro Forma Forecast Financial Information; and
- Consideration of the pro forma adjustments applied to the Statutory Forecast Financial Information in preparing the Pro Forma Forecast Financial Information.

Conclusions

Statutory and Pro Forma Historical Financial Information

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the Statutory Historical Financial Information and the Pro Forma Historical Financial Information, as set out in Sections 6.3 to 6.8 of the Prospectus, is not presented fairly in all material respects, in accordance with the stated basis of preparation.

Statutory and Pro Forma Forecast Financial Information

Based on our limited assurance review, which is not an audit, nothing has come to our attention that causes us to believe that:

- a) the Directors' best-estimate assumptions used in the preparation of the Statutory and Pro Forma Forecast Financial Information do not provide reasonable grounds for the Statutory and Pro Forma Forecast Financial Information.
- b) in all material respects, the Statutory and Pro Forma Forecast Financial Information:
 - (i) is not prepared on the basis of the Directors' best estimate assumptions, as described in Section 6.11 of the Prospectus; and
 - (ii) is not presented fairly in accordance with the stated basis of preparation, being the recognition and measurement principles contained in Australian Accounting Standards and the Company's adopted accounting policies, applied to the forecast and the pro forma adjustments as if the events and transactions to which those adjustments had occurred as at 1 July 2020; or that
- c) the Statutory and Pro Forma Forecast Financial Information itself is unreasonable.

Important information in relation to the Forecast Financial Information

The Forecast Financial Information has been prepared by management and adopted by the Directors in order to provide prospective investors with a guide to the potential financial performance of the Company for the financial year ending 30 June 2021. There is a considerable degree of subjective judgement involved in preparing forecasts since they relate to events and transactions that have not yet occurred and may not occur. Actual results are likely to be different from the Forecast Financial Information since anticipated events or transactions frequently do not occur as expected and the variation may be material.

The Directors' best-estimate assumptions, on which the Forecast Financial Information is based, relate to future events and/or transactions that management expects to occur and actions that management expects to take, and are also subject to uncertainties and contingencies, which are often outside the control of the Company.

Evidence may be available to support the Directors' best-estimate assumptions on which the Forecast Financial Information is based, however such evidence is generally future-orientated and therefore speculative in nature. We are therefore not in a position to express a reasonable assurance conclusion on those best-estimate assumptions, and accordingly, we provide a lesser level of assurance on the reasonableness of the Directors' best-estimate assumptions. However, as stated above, based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the Directors' best-estimate assumptions used in the preparation of the Forecast Financial Information do not provide reasonable grounds for the Forecast Financial Information. The limited assurance conclusion expressed in this report has been formed on the above basis.

Prospective investors should be aware of the material risks and uncertainties relating to an investment in the Company, which are detailed in Section 8 of the Prospectus, and the inherent uncertainty relating to the Forecast Financial Information. Accordingly, prospective investors should have regard to the company-specific, industry-specific and general risks described in Sections 8.2, 8.3 and 8.4 respectively, and the sensitivities set out in Section 6.13 of the Prospectus, which demonstrates the impact on the Forecast Financial Information of changes in certain key assumptions. We express no opinion as to whether the Forecast Financial Information will be achieved.

We have assumed and relied on representations from the management of the Company, that all material information concerning the prospects and proposed operations of the Company has been disclosed to us and that the information provided to us for the purpose of our work is true, complete and accurate in all respects. We have no reason to believe that those representations are false.

Restriction on Use

Without modifying our conclusions, we draw attention to Section 6.2 of the Prospectus, which describes the purpose of the Statutory and Pro Forma Historical Financial Information and the Forecast Financial Information, being for inclusion in the Prospectus. As a result, the Statutory and Pro Forma Historical Financial Information and the Forecast Financial Information may not be suitable for use for another purpose.

Consent and Liability

RSM Corporate Australia Pty Ltd has consented to the inclusion of this limited assurance report in the Prospectus in the form and context in which it is included. RSM Corporate Australia Pty Ltd has not authorised the issue of the Prospectus. Accordingly, we make no representation regarding, and take no responsibility for, any other documents or material in, or omissions from, the Prospectus.

Disclosure of Interest

RSM Corporate Australia Pty Ltd does not have any interest in the outcome of the Offer, other than the preparation of this report and participation in the due diligence procedures, for which normal professional fees will be received.

RSM Australia Partners is the auditor of the Company.

Financial Services Guide

We have attached our Financial Services Guide as an Appendix to this Independent Limited Assurance Report. The Financial Services Guide is designed to assist retail investors in their use of any general financial product advice in our Independent Limited Assurance Report.

Yours faithfully



JUSTIN AUDCENT
Director

APPENDIX A – FINANCIAL SERVICES GUIDE

RSM Corporate Australia Pty Ltd ABN 82 050 508 024 (“we” or “us” or “ours” as appropriate) has been engaged to issue general financial product advice in the form of a report to be provided to you.

In the above circumstances we are required to issue to you, as a retail client, a Financial Services Guide (“FSG”). This FSG is designed to help retail clients make a decision as to their use of the general financial product advice and to ensure that we comply with our obligations as a financial services licensee.

This FSG includes information about:

- who we are and how we can be contacted;
- the financial services that we will be providing you under our Australian Financial Services Licence, Licence No. 255847;
- remuneration that we and/or our staff and any associates receive in connection with the financial services that we will be providing to you;
- any relevant associations or relationships we have; and
- our complaints handling procedures and how you may access them.

Financial services we will provide

For the purposes of the report and this FSG, the financial service we will be providing to you is the provision of general financial product advice in relation to securities.

We provide financial product advice by virtue of an engagement to issue a report in connection with a financial product of another person. Our report will include a description of the circumstances of our engagement and identify the person who has engaged us. You will not have engaged us directly but will be provided with a copy of the report as a retail client because of your connection to the matters in respect of which we have been engaged to report.

Any report we provide is provided on our own behalf as a financial services licensee authorised to provide the financial product advice contained in the report.

General Financial Product Advice

In our report we provide general financial product advice, not personal financial product advice, because it has been prepared without taking into account your personal objectives, financial situation or needs.

You should consider the appropriateness of this general advice having regard to your own objectives, financial situation and needs before you act on the advice. Where the advice relates to the acquisition or possible acquisition of a financial product, you should also obtain a product disclosure statement relating to the product and consider that statement before making any decision about whether to acquire the product.

Benefits that we may receive

We charge various fees for providing different financial services. However, in respect of the financial service being provided to you by us, fees will be agreed, and paid by, the person who engages us to provide the report and such fees will be agreed on either a fixed fee or time cost basis. You will not pay to us any fees for our services; the Company will pay our fees. These fees are disclosed either in the Report or elsewhere in the disclosure document which contains our report.

Except for the fees referred to above, neither RSM Corporate Australia Pty Ltd, nor any of its Directors, employees or related entities, receive any pecuniary benefit or other benefit, directly or indirectly, for or in connection with the provision of our report.

Remuneration or other benefits received by our employees

All our employees receive a salary.

Referrals

We do not pay commissions or provide any other benefits to any person for referring customers to us in connection with the reports that we are licensed to provide.

Associations and relationships

RSM Corporate Australia Pty Ltd is beneficially owned by the partners of RSM Australia, a large national firm of chartered accountants and business advisers. The directors of RSM Corporate Australia Pty Ltd are also partners of RSM Australia Partners.

From time to time, RSM Corporate Australia Pty Ltd, RSM Australia Partners, RSM Australia and/or their related entities may provide professional services, including audit, tax and financial advisory services, to financial product issuers in the ordinary course of their business.

Complaints resolution

Internal complaints resolution process

As the holder of an Australian Financial Services Licence, we are required to have a system for handling complaints from persons to whom we provide financial product advice. All complaints should be directed to The Complaints Officer, RSM Corporate Australia Pty Ltd, PO Box R1253, Perth, WA 6844.

When we receive a written complaint, we will record the complaint, acknowledge receipt of the complaint within 15 days and investigate the issues raised. As soon as practical, and not more than 45 days after receiving the written complaint, we will advise the complainant in writing of our determination.

Referral to External Dispute Resolution Scheme

A complainant not satisfied with the outcome of the above process, or our determination, has the right to refer the matter to the Australian Financial Complaints Authority ("AFCA"). AFCA is an external dispute resolution scheme for the financial services industry. Further details about AFCA are available at the AFCA website www.afca.org.au.

If you are not satisfied with our handling of your complaint, you may lodge a complaint with AFCA at the following:

Australian Financial Complaints Authority
GPO Box 3
Melbourne VIC 3001

Toll Free: 1800 931 678
Email: info@afca.org.au

Contact details

You may contact us using the details set out at the top of our letterhead on page 1 of this report.

8. RISK FACTORS

8.1 Introduction

The Company is subject to various risk factors. Some of these are specific to its business activities, while others are of a general nature. Individually, or in combination, these risk factors could have a material adverse impact on the Company's assets and liabilities, financial position and performance, profits and losses and prospects, and the value of Shares.

The principal risk factors are described below. The risks set out in this Section 8 are not an exhaustive list of the risks associated with the Company or the industry in which it operates, or an investment in Shares either now or in the future, and this information should be used as guidance only and read in conjunction with all other information presented in this Prospectus. There can be no guarantee that the Company will achieve its stated objectives or that any forward-looking statement or forecasts will eventuate. Before deciding whether to invest in the Company, you should read the entire Prospectus and satisfy yourself that you have a sufficient understanding of these potential risks and should consider whether an investment in the Company is suitable for you after taking into account your own investment objectives, financial circumstances and tax position.

If you are in any doubt as to anything in this Prospectus, you should consult your accountant, financial adviser, stockbroker, lawyer or other professional adviser.

8.2 Company specific

(a) Activity in the Energy Sector

Delorean is active in the generation, wholesale and retail of energy including electricity, heat and gas. The Company therefore has exposure to energy price fluctuations in the Wholesale Energy Market in Western Australia and the National Energy Market in other States. As part of its business, the company will build energy generation infrastructure with long asset life and may enter into long term energy contracts for the sourcing or supply into markets and to customers which may be impacted adversely by energy market changes, subject to normal hedging and risk mitigation strategies.

(b) Supply of Organic Waste

The Australian waste management sector generally operates on short-term commitments for commercial waste disposal, and while municipal waste collection and processing agreements have a longer tenure, the process of securing contracted volumes of municipal waste can be protracted (potentially taking many years). For this reason it is difficult to secure long-term agreements with 'take or pay' arrangements. To mitigate this risk, Delorean manages feedstock security in the project development phase by engaging directly with feedstock sources in an appropriate geographic catchment to confirm available feedstock volumes in multiples of the volumes required for commercial operation of the project, subsequently securing documentation (binding and non-binding feedstock supply agreements, term sheets and letters of intent) to the satisfaction of the Company's Investment Committee.

(c) **Business Operating Risks**

The performance of Delorean may be subject to conditions beyond the control of management which may reduce revenues and/or increase costs of both current and future operations. One of the most significant operating risks is the unplanned shutdown of generation assets for an extended period of time, whether due to a fire, flood or otherwise. Other operating risks beyond the control of management include changes in legislative requirements, variation in timing of regulatory approvals, abnormal or severe weather conditions, natural disasters, unexpected maintenance or technical problems, new technology failures and industrial disruption.

(d) **Environmental Compliance Costs and Liabilities**

Waste management activities are subject to significant environmental and other regulation. Key legislation that Delorean is required to comply with includes legislation relating to the environment and the protection of the environment. Unforeseen environmental issues may affect any of the bioenergy facilities developed by Delorean.

(e) **Capital Costs and Planned Capital Projects**

Delorean's forecasts are based on the best available information at the time and on certain assumptions in relation to cost and timing of planned development or expansion of facilities, receipt of design and development approvals and regulatory approvals and the level of capital expenditure required to undertake planned development and maintain the assets. Any significant unforeseen increases in the capital costs or delays in receipt of approvals associated with Delorean's operations may adversely impact Delorean's future cash flow and profitability.

(f) **Regulatory Risks**

Delorean may be exposed to changes in the regulatory conditions under which it operates in the various states of Australia. Such regulatory changes can include, for instance, changes in taxation laws and policies, transport legislation, accounting laws, policies, standards and practices, environmental laws and regulations that may impact upon the operations and processes of Delorean, and employment laws and regulations, including laws and regulations relating to occupational health and safety. Delorean's facilities have the benefit of approvals from Government authorities. These approvals may contain ambiguous conditions that require legal interpretation. There is a risk that Delorean may incorrectly interpret the conditions of any such approvals.

This may cause Delorean to be at risk of adverse regulatory action by a Government authority.

Further, the ability of the Company to successfully carry out its business will depend on the ability to maintain and comply with such approvals. No guarantee can be given that such approvals will be maintained or granted, or if they are maintained or granted, that the Company will be in a position to comply with all conditions that are imposed.

Environmental and planning licences and permits are subject to periodic renewal. There is no guarantee that current or future licences and permits for the Company's business operations will always be approved.

(g) **Growth Strategy and Funding**

Part of Delorean's growth strategy involves the ability to identify and acquire or develop suitable assets in the future. The success of this strategy will be dependent on a number of factors, including the availability of debt and equity funding and the suitability of the terms of such funding. Further, while the funds raised under the Offers are considered sufficient to meet the current objectives of Delorean, additional funding may be required in the event costs exceed Delorean's estimates, or if the current objectives are subject to change. Delorean may seek to raise further funds through equity or debt financing or other means.

The Company's capital requirements depend on numerous factors. Depending on the Company's ability to generate income from its operations, the Company may require further financing in addition to amounts raised under the capital raising. Any additional equity financing will dilute shareholdings, and debt financing, if available, may involve restrictions on financing and operating activities. If the Company is unable to obtain additional financing as needed, it may be required to reduce the scope of its operations and scale back its project development programmes as the case may be. There is however no guarantee that the Company will be able to secure any additional funding or be able to secure funding on terms favourable to the Company.

Failure to obtain sufficient financing for Delorean's activities may result in delay and indefinite postponement of development projects or potential acquisitions. There can be no assurance that additional finance will be available when needed or, if available, the terms of the financing might not be favourable to Delorean and might involve substantial dilution to Delorean Shareholders.

(h) **Process Risk**

Construction and operation of in-vessel anaerobic digestion bioenergy plants involves the design and implementation of engineered processes to convert organic waste into biogas for use as fuel using biological processes. While the underlying technology is mature, each processing system is bespoke and tailored to the type and source of feedstock streams. There is a risk that the process design does not satisfactorily deliver modelled biogas yields, or that the process design is not suitable for certain feedstocks and requires modification, potentially impacting on project capex, revenues and opex, or in the case of third party EPC contracts impacting on contracted construction costs, performance penalties and time delay penalties.

(i) **Reliance on Key Personnel**

The responsibility of overseeing the day-to-day operations and the strategic management of the Company depends substantially on its senior management and its key personnel. There can be no assurance given that there will be no detrimental impact on the Company if one or more of these employees cease their employment.

(j) **Construction Risk**

There is a risk that the development and construction of energy generation and associated assets is not completed on schedule, or that the construction cost exceeds the budget, or that significant problems in constructing the facility arise. The Company will also depend on third party contractors in the construction and there is a risk that one or more of these third-party contractors will not perform its contractual obligations properly or at all. Further, weather conditions are unpredictable and may also have a material adverse effect on construction of the Facility.

(k) **Asset Operating risks**

The performance of Delorean may be subject to conditions beyond the control of management, and these conditions may reduce sales of its services and/or increase costs of both current and future operations.

Operating risks beyond the control of management include, but are not limited to changes in legislative requirements, variation in timing of regulatory approvals, abnormal or severe weather or climatic conditions, natural disasters, unexpected maintenance or technical problems, new technology failures and industrial disruption.

These circumstances may adversely affect Delorean's reputation, profitability and growth.

(l) **Licensing**

The generation and wholesale sale of electricity and gas in Australia is regulated and businesses and companies require licensed granted by different government authorities in order to generate and sell electricity and gas generated from its facilities.

Upon the completion of its projects, should the Company be unable to secure the necessary licences to operate those facilities and/or to sell the electricity or gas into the Australian wholesale markets, the Company will be prevented from implementing its business plan.

(m) **Intellectual property risk**

A substantial part of the Company's commercial success will depend on its ability to maintain and protect its intellectual property, maintain trade secret protection and operate without infringing the proprietary rights of third parties.

No assurance can be given that employees or third parties will not breach confidentiality agreements, infringe or misappropriate the Company's intellectual property or commercially sensitive information, or that competitors will not be able to produce non-infringing competitive services. Competition in retaining and sustaining protection of technologies and the complex nature of technologies can lead to expensive and lengthy disputes for which there can be no guaranteed outcome. There can be no assurance that any intellectual property which the Company may have an interest in now or in the future will afford the Company commercially significant protection of technologies, or that any of the projects that may arise from technologies will have commercial applications.

(n) **Research and development risk**

Delorean's services are the subject of continuous research and development and will likely need to be substantially developed further in order to enable Delorean to remain competitive and improve the services' scalability. There are no guarantees that Delorean will be able to undertake such research and development successfully. Failure to successfully undertake such research and development, anticipate technical problems, or estimate research and development costs or timeframes accurately will adversely affect the Company's results and viability. The Company has claimed tax offsets for research and development and may seek to make further claims in the future. There is no guarantee that the current research and development tax concessions will continue or that the Company's research and development will continue to qualify for tax concessions.

8.3 Industry specific

(a) **Activity in the waste management sector**

Delorean currently operates in the waste management sector, focusing on the collection and recycling of waste in South Australia.

The continued performance and future growth of Delorean is dependent on continued activity and expansion in the South Australian waste management sector, and any new geographical markets in which Delorean operates from time to time.

The level of activity in the waste management sector may vary and be affected by prevailing or predicted economic activity. There can be no assurance that the current levels of activity in the waste management sector will be maintained in the future or that customers of Delorean will not reduce their activities, capital expenditure and requirements for waste management services in the future. Any prolonged period of low growth in the waste management industry would be likely to have an adverse effect on the business, financial condition and profitability of Delorean.

Located in South Australia, Delorean may be impacted by any decline in activity in the South Australian waste management industry more so than a company that had a diversified geographical presence.

(b) **Supplier arrangements**

Delorean has arrangements with a number of key suppliers to the business. However, should these arrangements come to an end at the instigation of a counterparty, there may be a time lag until Delorean has entered into new arrangements with an alternative supplier. An inability to secure ongoing supply of required goods and services at prices assumed within production targets could also potentially impact the results of Delorean's operations.

(c) **Regulatory risks**

Delorean may be exposed to changes in the regulatory conditions under which it operates in South Australia. Future changes in such policies or laws are unpredictable and beyond the control of Delorean. Such regulatory changes can include, for instance, changes in taxation laws

and policies, transport legislation, accounting laws, policies, standards and practices, environmental laws and regulations that may impact upon the operations and processes of Delorean, and employment laws and regulations, including laws and regulations relating to occupational health and safety.

Any changes required to be made to the business model of Delorean as a result of any legislative or regulatory changes may result in a material loss of revenue for Delorean and to the extent that fixed costs cannot be reduced and/or costs cannot be passed onto customers, could adversely impact the financial performance of Delorean.

(d) **Environmental compliance costs and liabilities**

Waste management activities are subject to significant environmental and other regulation. These regulations impact Delorean both from a site planning/development perspective and also at an operational level, seeking to minimise the impact of waste management activities on human health, the environment and public transport infrastructure.

Unforeseen environmental issues may affect any of the recycling facilities used by Delorean and there is a risk that a recycling facility may be contaminated now or in the future. If even a small amount of a prohibited or hazardous material is processed at a plant and contaminates a stockpile of waste and/or product material, the entire stockpile or product material could be deemed to be contaminated waste. There is also a risk that contaminated material originating from a Delorean recycling facility is transferred to the land of a customer or otherwise causes or contributes to a pollution incident. In these and other circumstances, environmental authorities may take regulatory action against Delorean. An environmental issue may also result in interruptions to the operations of a recycling facility.

(e) **Competition risk**

The market in which Delorean participates is competitive and characterised by rapid technological change. Delorean's potential inability to improve existing services and develop new technologies could have a material adverse effect on the Company's business.

The market share of Delorean's competitors may increase or decrease as a result of various factors such as securing major new contracts, developing new technologies, adopting pricing strategies specifically designed to gain market share and the emergence of disruptors or disruptive behaviours. These competitive actions may reduce the prices Delorean is able to charge for its services and products or reduce Delorean's activity levels, both of which would negatively impact the financial performance of Delorean.

To mitigate and maintain its technological innovation, Delorean must invest in research and development, and aggressively pursue cost reduction.

8.4 General risks

(a) Economic

General economic conditions, introduction of tax reform, new legislation, movements in interest and inflation rates and currency exchange rates may have an adverse effect on the Company's project development and construction activities, as well as on its ability to fund those activities.

(b) Market conditions

Share market conditions may affect the value of the Company's quoted securities regardless of the Company's operating performance. Share market conditions are affected by many factors such as:

- (i) general economic outlook;
- (ii) introduction of tax reform or other new legislation;
- (iii) interest rates and inflation rates;
- (iv) changes in investor sentiment toward particular market sectors;
- (v) the demand for, and supply of, capital; and
- (vi) terrorism or other hostilities.

The market price of securities can fall as well as rise and may be subject to varied and unpredictable influences on the market for equities in general and industrial stocks in particular. Neither the Company nor the Directors warrant the future performance of the Company or any return on an investment in the Company.

(c) COVID

There is a general risk that restrictions associated with the current and future COVID 19 pandemic response may cause delays in development and construction of infrastructure projects which may affect timing of revenues and profitability.

(d) Other Risks

The above list of risk factors ought not to be taken as exhaustive of the risks faced by the Company or by investors in the Company. The above factors, and others not specifically referred to above, may in the future materially affect the financial performance of the Company and the value of the Shares offered under this Prospectus

Therefore, the Shares to be issued pursuant to this Prospectus carry no guarantee with respect to the payment of dividends, returns of capital or the market value of those Shares.

Potential investors should consider that the investment in the Company is highly speculative and should consult their professional advisers before deciding whether to apply for Shares pursuant to this Prospectus.

9. DIRECTORS, MANAGEMENT AND CORPORATE GOVERNANCE

9.1 Directors and Senior Management

The Directors and senior management of the Company are:

(a) **Hamish Jolly (Executive Chair)**

Hamish Jolly is a co-founder of the Delorean Corporation group of companies and in that role has jointly led the Company from startup into its current profit generating status.

Hamish brings a wealth of experience and capability to the role as 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.

Hamish has formal governance qualifications as a member of the Australian Institute of Company Directors. In addition to his current nine Board roles in active companies in the renewable energy sector, he is a former Non-Executive Director of ASX listed Harvest Technology Group (ASX:HTG).

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.

Hamish is a former seven-year member of the Board of the Botanical Gardens and Parks Authority.

Hamish has served as the secretariat to the Executive Management Board of Bankwest in his capacity as Director of Strategy and Ventures (including M&A) at Bankwest.

His 25 years of professional services includes his role as a Consulting Director of global firm Ajilon Australia where he was part of the leadership team for one of the most successful professional services firms in Australia.

Hamish has served as the National Chief Executive Officer of Greening Australia, Australia's largest environmental NGO, having undertaken the role of Chief Executive Officer of Greening Australia Western Australia for 3 years to 2011.

His financial background and experience includes 4 years with Arthur Andersen in the management and administration of corporate affairs and corporate assets.

Hamish's 2014 TED Talk on science innovation was featured globally in a curated top-10 list on TED.com achieving over 2.5million views.

Hamish has a strong program/project management track record. Through SAGRIC International (now Coffey International), he has managed and directed large-scale multi-disciplinary projects in the USA, South East Asia and the Pacific, and in Australia. These include projects in natural resources, agriculture, environment, education, health and justice.

In 2006 Hamish was awarded in the WA Business News 40 Under 40 recognising the top 40 business leaders under 40 years of age.

(b) **Joseph Oliver (Managing Director)**

Joseph (Joe) is a Co-Founder of Delorean and has acted as an Executive Director of Delorean since its inception.

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.

He has served in a Board and Executive Director capacities for Delorean Corporation companies since 2015 and is a member of the Australian Institute of Company Directors.

Joe has a Higher National Diploma Conversion in Electrical and Electronic Engineering and has broad executive management experience, including:

- (i) management and business management of infrastructure development company specialising in bioenergy plants using mature-technology anaerobic digestion systems;
- (ii) technical management of infrastructure projects and business management and operation of leading Australian Anaerobic Digestion (AD) Technology Provider, specialising in Design, Construction, Operating and Managing of AD plants across Australia;
- (iii) business management and operation of an AEMO-registered Australian energy retailer actively operating in Western Australia Energy Market and with licenses to operate in the National Energy Market; and
- (iv) business management and operation of tank manufacture and plant infrastructure fabrication operations.

Prior to moving to Australia to join Biogas Renewables, Joe held Project Management and Engineering roles with Edina UK Ltd, the UK's leading power generation specialists, specialising in reciprocating engines fuelled by biogas, Farmgen Ltd, UK's leading on- farm anaerobic digestion company specialising in developing, managing and operating AD plants, and Monsal Ltd, a leading renewable process and technology provider specialising in AD and wastewater treatment industry.

Has not served as a Director of any other ASX listed company.

(c) **Steve Gostflow (Non-Executive Director)**

Steve has over 20 years' experience in the waste management industry.

Steve was Managing Director of Tox Free Solutions Ltd (Toxfree) for 16 years with overall responsibility for strategic growth, employees and operations. During Steve's tenure as Managing Director he developed Toxfree into one of Australia's largest waste management companies.

Toxfree was acquired by Cleanaway Waste Management Ltd (ASX CWY) for an enterprise value of \$831m in 2018. At the time of acquisition, Toxfree revenue was approximately \$500m and Earnings before Interest, Tax, Depreciation and Amortisation (EBITDA) were \$82M. Toxfree employed over 1500 employees across 80 sites across Australia.

Steve holds a Bachelor of Science (Environmental) and formal governance qualifications as a Graduate of the Australian Institute of Company Directors.

Steve has significant expertise in waste treatment, waste treatment technologies and regulatory compliance. Steve has worked as an Environmental Scientist in the mining sector as well as the State Government of Western Australia.

Steve is not presently a director of Australian listed entities.

(d) **David McArthur (Non-Executive Director)**

David McArthur is a Non-Executive Director and Company Secretary of the Company.

David has a Bachelor of Commerce Degree from the University of Western Australia and 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 company secretary of ASX listed entities, including as the Managing Director of Xstate Resources Limited, Non-Executive Director of Lodestar Minerals Limited, Sacgasco Limited, Dioro Exploration NL and Harvest Technology Limited.

David has also served as Chair of the audit and risk, and remuneration committees of various public companies.

9.2 Key Management Personnel

(a) **Ms Rebekha Hanna (Financial Controller)**

Rebekha is an experienced accountant with over 13 years spent in accounting and financial management roles.

During this time, she has gained experience in public practice, large listed groups and privately owned businesses. For the most part, Rebekha's commercial experience has been focused in the energy and resources sector and around construction and project accounting. She was with the CIMIG Group company UGL before joining Delorean

Rebekha holds a Bachelor of Business (Accounting/Business Management) and CPA membership. She is also about to graduate with a Master of Applied Finance (Corporate Finance/Financial Analysis).

Rebekha brings experience and capability in financial management, financial modelling and forecasting, project accounting as well as the preparation and analysis of financial information to support strategic decision making.

(b) **Mr Chris Wallace (General Manager – CleanTech Energy)**

Chris has worked in the energy industry for over 14 years and worked across energy wholesale & retail markets, utilities and data technology sectors. Chris has a Graduate Diploma Business Administration and Master of Business Administration and Management at Griffin University.

Chris worked for just over 5 years for AGL covering the gas and power markets on the east coast and over 5 years for Alinta Energy both in West and East Coast markets. His energy experience has been gained working across both the National Electricity Market and the WA Energy market.

Since leaving Alinta in 2016, Chris has worked at ATCO Australia as Business Development Manager, Energy Solutions, ran a consultancy as Director of CAW Energy Services and Managed A-PAC Markets at data management start-up, Ecocentric Energy.

He is a Committee Member of Sustainable Energy Now.

(c) **Mr Martin Dunne (General Manager – Biogas Renewables and Tekpro)**

Martin is an experienced engineer and manager with 12-years of experience in lead mechanical engineering, senior project management and engineering directorship roles.

This includes design, construction, dry & wet commissioning, operations supervision; process troubleshooting & optimisation spanning both the renewable energy and waste industries. His key strengths are problem solving, project planning and delivery of complex engineering solutions.

Martin holds a Bachelor of Engineering (Mechanical) with a specialisation in Design.

Prior to joining Delorean, Martin was the Engineering Director at Ogtex Engineering.

(d) **Mr Mick Hutt (Technical Director – Tekpro)**

Michael (Mick) Hutt is a professional tradesman and project engineer with over 20 years' experience across the marine, defence and oil and gas sectors. Mick is also a certified welder, fitter & machinist. Mick has completed a vast range of training covering commercial and defence skills, including defence protocol and procurement. He is currently managing the tank fabrication and associated assembly aspects of anaerobic digestion plants for Biogas Renewables. Mick has 6 years of High Speed Vessel Engineering Quality Assurance and Global Fleet Managers Experience.

9.3 Disclosure of Interests

Interests in Securities

As at the date of this Prospectus the Directors have relevant interests in Securities as follows:

Director	Shares	Performance Shares	Options
Hamish Jolly	44,750,000	Nil	Nil

Director	Shares	Performance Shares	Options
Joseph Oliver	44,750,000	Nil	Nil
Steve Gostlow	500,000	Nil	6,000,000
David McArthur	300,000	Nil	250,000

Notes:

1. These Shares are all held by entities associated with the Directors or nominated by the Directors.

Following the Company being admitted to the Official List, the relevant interest of each of the Directors in the Securities of the Company as at the date of this Prospectus is set out in the table below.

Director	Shares	Performance Shares ¹	Options
Hamish Jolly	44,750,000	6,835,857	Nil
Joseph Oliver	44,750,000	6,835,857	Nil
Steve Gostlow	500,000	Nil	6,000,000
David McArthur	300,000	Nil	250,000

Notes:

1. Prior to the commencement of trading on ASX, the Company will issue these Performance Shares to each of Hamish Jolly and Joseph Oliver on the terms set out in Section 11.4 (subject to ASX approval of those terms).

Remuneration

Details of the Directors' remuneration for financial year ending 30 June 2021 are set out in the table below:

Director	Proposed base remuneration for the year ending 30 June 2021 ¹
Hamish Jolly	\$275,000
Joe Oliver	\$275,000
Steve Gostlow	\$60,000
David McArthur	\$60,000

9.4 Agreements with Directors of Related Parties

The Company's policy in respect of related party arrangements is:

- (a) a Director with a material personal interest in a matter is required to give notice to the other Directors before such a matter is considered by the Board; and
- (b) for the Board to consider such a matter, the Director who has a material personal interest is not present while the matter is being considered at the meeting and does not vote on the matter.

9.4.1 Executive Services Agreement – Joseph Oliver

The Company has entered into an Executive Services Agreement (**ESA**) with Mr Oliver. A summary of the material terms and conditions of the ESA is set out below:

- (a) **(Position):** Mr Oliver is appointed as the Managing Director of the Company.
- (b) **(Term):** Mr Oliver's employment commences on the Commencement Date and will continue until the ESA is validly terminated in accordance with its terms.
- (c) **(Notice period):** The Company must give 12 months' notice to terminate the ESA other than for cause. Mr Oliver must give three (3) months' notice to terminate the ESA.
- (d) **(Remuneration):** The Company will pay Mr Oliver a base salary of \$275,000 per annum (plus statutory superannuation).
- (e) **(incentive schemes):** Subject to Shareholder approval Mr Oliver may be entitled to participate in any employee incentive scheme adopted by the Company after it is listed.
- (f) **(Expenses):** On provision of all documentary evidence reasonably required by the Company, the Company will reimburse Mr Oliver for all reasonable travelling intra/interstate or overseas, accommodation and general expenses incurred by Mr Oliver in the performance of all duties in connection with the business of the Company.

The agreement otherwise contains leave entitlements, termination and confidentiality provisions and general provisions considered standard for an agreement of this nature.

9.4.2 Executive Services Agreement – Hamish Jolly

The Company has entered into an Executive Services Agreement (**ESA**) with Mr Jolly. A summary of the material terms and conditions of the ESA is set out below:

- (a) **(Position):** Mr Jolly is appointed as the Executive Chair of the Company.
- (b) **(Term):** Mr Jolly's employment commences on the Commencement Date and will continue until the ESA is validly terminated in accordance with its terms.
- (c) **(Notice period):** The Company must give 12 months' notice to terminate the ESA other than for cause. Mr Jolly must give three (3) months' notice to terminate the ESA.
- (d) **(Remuneration):** The Company will pay Mr Jolly a base salary of \$275,000 per annum (plus statutory superannuation).
- (e) **(incentive schemes):** Subject to Shareholder approval Mr Jolly may be entitled to participate in any employee incentive scheme adopted by the Company after it is listed.
- (f) **(Expenses):** On provision of all documentary evidence reasonably required by the Company, the Company will reimburse Mr Jolly for all reasonable travelling intra/interstate or overseas, accommodation and

general expenses incurred by Mr Jolly in the performance of all duties in connection with the business of the Company.

The agreement otherwise contains leave entitlements, termination and confidentiality provisions and general provisions considered standard for an agreement of this nature.

9.4.3 Non-Executive Appointment Letters – Steve Gostlow and David McArthur

The Company has entered into non-executive appointment letters with each of Mr McArthur and Mr Gostlow pursuant to which each is appointed as a non-executive director of the Company and from then on, subject to the Constitution relating to retirement by rotation and re-election of directors.

Each of Mr McArthur and Mr Gostlow will be remunerated \$60,000 (exclusive of superannuation) for services rendered as non-executive directors.

9.4.4 Deeds of indemnity, insurance and access

The Company has entered into a deed of indemnity, insurance and access with each of its Directors. Under these deeds, our Company agrees to indemnify each officer to the extent permitted by the Corporations Act against any liability arising as a result of the officer acting as an officer of the Company. The Company is also required to maintain insurance policies for the benefit of the relevant officer and must also allow the officers to inspect board papers in certain circumstances.

9.5 ASX Corporate Governance Council Principles and Recommendations

The Company has adopted comprehensive systems of control and accountability as the basis for the administration of corporate governance. The Board is committed to administering the policies and procedures with openness and integrity, pursuing the true spirit of corporate governance commensurate with the Company's needs.

To the extent applicable, our Company has adopted *The Corporate Governance Principles and Recommendations (4th Edition)* as published by ASX Corporate Governance Council (**Recommendations**).

In light of the Company's size and nature, the Board considers that the current board is a cost effective and practical method of directing and managing the Company. As the Company's activities develop in size, nature and scope, the size of the Board and the implementation of additional corporate governance policies and structures will be reviewed.

The Company's main corporate governance policies and practices as at the date of this Prospectus are outlined below and the Company's full Corporate Governance Plan is available in a dedicated corporate governance information section of the Company's website www.deloreancorporation.com.au

Board of directors

The Board is responsible for corporate governance of the Company. The Board develops strategies for the Company, reviews strategic objectives and monitors performance against those objectives. The goals of the corporate governance processes are to:

- (a) maintain and increase Shareholder value;

- (b) ensure a prudential and ethical basis for the Company's conduct and activities; and
- (c) ensure compliance with the Company's legal and regulatory objectives.

Consistent with these goals, the Board assumes the following responsibilities:

- (a) developing initiatives for profit and asset growth;
- (b) reviewing the corporate, commercial and financial performance of the Company on a regular basis;
- (c) acting on behalf of, and being accountable to, the Shareholders; and
- (d) identifying business risks and implementing actions to manage those risks and corporate systems to assure quality.

The Company is committed to the circulation of relevant materials to Directors in a timely manner to facilitate Directors' participation in the Board discussions on a fully-informed basis.

Composition of the Board

Election of Board members is substantially the province of the Shareholders in general meeting.

Identification and management of risk

The Board's collective experience will enable accurate identification of the principal risks that may affect the Company's business. Key operational risks and their management will be recurring items for deliberation at Board meetings.

Ethical standards

The Board is committed to the establishment and maintenance of appropriate ethical standards.

Independent professional advice

Subject to the Chairman's approval (not to be unreasonably withheld), the Directors, at the Company's expense, may obtain independent professional advice on issues arising in the course of their duties.

Remuneration arrangements

The Company will not have a separate remuneration committee until such time as the Board is of a sufficient size and structure, and the Company's operations are of a sufficient magnitude for a separate committee to be of benefit to the Company. In the meantime, the full Board will carry out the duties that would ordinarily be assigned to that committee under the written terms of reference for that committee, including but not limited to, monitoring and reviewing any matters of significance affecting financial reporting and compliance, the integrity of the financial reporting of the Company, the Company's internal financial control system and risk management systems and the external audit function.

The remuneration of an executive Director will be decided by the Board, without the affected executive Director participating in that decision-making process.

The total maximum remuneration of non-executive Directors is initially set by the Constitution and subsequent variation is by ordinary resolution of Shareholders in general meeting in accordance with the Constitution, the Corporations Act and the ASX Listing Rules, as applicable. The determination of non-executive Directors' remuneration within that maximum will be made by the Board having regard to the inputs and value to the Company of the respective contributions by each non-executive Director. The current amount has been set at an amount not to exceed \$500,000 per annum.

In addition, a Director may be paid fees or other amounts (i.e. subject to any necessary Shareholder approval, non-cash performance incentives such as Options) as the Directors determine where a Director performs special duties or otherwise performs services outside the scope of the ordinary duties of a Director.

Directors are also entitled to be paid reasonable travelling, hotel and other expenses incurred by them respectively in or about the performance of their duties as Directors.

The Board reviews and approves the remuneration policy to enable the Company to attract and retain executives and Directors who will create value for Shareholders having consideration to the amount considered to be commensurate for a company of its size and level of activity as well as the relevant Directors' time, commitment and responsibility. The Board is also responsible for reviewing any employee incentive and equity-based plans including the appropriateness of performance hurdles and total payments proposed.

Trading policy

The Board has adopted a policy that sets out the guidelines on the sale and purchase of securities in the Company by its key management personnel (i.e. Directors and, if applicable, any employees reporting directly to the managing director). The policy generally provides that the written acknowledgement of the Chair (or the Board in the case of the Chairman) must be obtained prior to trading.

External audit

The Company in general meetings is responsible for the appointment of the external auditors of the Company, and the Board from time to time will review the scope, performance and fees of those external auditors.

Audit committee

The Company will not have a separate audit committee until such time as the Board is of a sufficient size and structure, and the Company's operations are of a sufficient magnitude for a separate committee to be of benefit to the Company. In the meantime, the full Board will carry out the duties that would ordinarily be assigned to that committee under the written terms of reference for that committee, including but not limited to, monitoring and reviewing any matters of significance affecting financial reporting and compliance, the integrity of the financial reporting of the Company, the Company's internal financial control system and risk management systems and the external audit function.

Diversity policy

The Board has adopted a diversity policy which provides a framework for the Company to achieve, amongst other things, a diverse and skilled workforce, a workplace culture characterised by inclusive practices and behaviours for the benefit of all staff, improved employment and career development opportunities

for women and a work environment that values and utilises the contributions of employees with diverse backgrounds, experiences and perspectives.

Departures from Recommendations

Under the ASX Listing Rules the Company will be required to provide a statement in its annual financial report or on its website disclosing the extent to which it has followed the Recommendations during each reporting period. Where the Company has not followed a Recommendation, it must identify the Recommendation that has not been followed and give reasons for not following it.

The Company's compliance and departures from the Recommendations will be announced to the ASX prior to the Company's commencement of trading on ASX.

10. MATERIAL CONTRACTS

Set out below is a brief summary of contracts between the Company and third parties which the Directors have identified as being material to the Company or are of such a nature that an investor may wish to have details of particulars of them when making an assessment of whether to apply for Shares.

To fully understand all rights and obligations of a material contract it would be necessary to review it in full and these summaries should be read with this in mind.

10.1 Underwriting Agreements

The Company has entered into separate underwriting agreements with each of RM Corporate and Morgans to underwrite the Offer. Under the Underwriting Agreements:

- (a) each Underwriter agrees to severally underwrite the Offer up to \$7 million (for each Underwriter the **Underwritten Amount**);
- (b) should Morgans terminate their Underwriting Agreement or otherwise fail to procure subscriptions for all of their Underwritten Amount, RM Corporate agrees to procure subscriptions for that portion of Morgan's Underwritten Amount; and
- (c) should RM Corporate terminate their Underwriting Agreement or otherwise fail to procure subscriptions for all of their Underwritten Amount, Morgans will have the first right (but not the obligation) to procure subscriptions for that shortfall.

Other than as outlined below, the key terms of the Underwriting Agreements are the same and are consistent with the terms expected in underwriting agreements of this nature.

10.1.1 RM Corporate Underwriting Agreement

Fees

- (a) 2% management fee on Underwritten Amount.
- (b) 4% underwriting fee on the Underwritten Amount.
- (c) Issue Shares equal to 2% of the undiluted Share capital at listing.
- (d) Issue the percentage of 14,000,000 Underwriter Options equal to amount Underwritten.
- (e) Reimbursement of expenses incidental to the Offer including Underwriter's reasonable legal expenses.

Termination events

- (a) a Court finds that there is a serious question to be tried as to whether a material statement in the Prospectus is untrue, misleading or deceptive or as to whether the Prospectus contains a material omission;
- (b) a Court grants an injunction in respect of the Prospectus pursuant to section 1324 or 1324B of the Corporations Act;

- (c) ASIC issues a stop order under section 739(1) or (3) of the Corporations Act or gives notice of intention to hold a hearing in relation to the Prospectus pursuant to section 739(2) of the Corporations Act, which stop order or notice of intention is not withdrawn within 28 days;
- (d) any person gives a notice under section 730 or section 733(3) of the Corporations Act in relation to the Prospectus;
- (e) when a supplementary or replacement Prospectus is required to be lodged under the Corporations Act and the Company fails to lodge such in a form acceptable to the Underwriter;
- (f) in the reasonable opinion of the Underwriter any material and adverse change occurs in the condition or financial position or prospects of the Company;
- (g) the Company or any of its subsidiaries (if any) breaches its Constitution;
- (h) any person breaches any of the material contracts which are referred to in the Prospectus (Material Contracts) (other than and expressly excluding the Morgans Underwriting Agreement) or any Material Contract is altered from the form presented in the Due Diligence Investigations;
- (i) without the prior consent of the Underwriter, a Material Contract is terminated (whether by breach or otherwise) or rescinded, or any such contract is found to be void, voidable or unenforceable (other than and expressly excluding the Morgans Underwriting Agreement) or is altered or amended;
- (j) the Company or any of its subsidiaries or any officer of the Company or a subsidiary is found by a Court to have contravened any provision of the Corporations Act, the Listing Rules or the Business Rules or any other legislation of the Commonwealth of Australia or any State or Territory of Australia in a manner that is materially adverse to the Underwriter;
- (k) a prescribed occurrence occurs in relation to the Company or any of the Company's subsidiaries;
- (l) the Company enters into any scheme of arrangement with its creditors or any class of them or indicates its intention of endeavouring to do so;
- (m) the Company suspends payment of its debts or is insolvent within the meaning of section 95A of the Corporations Act;
- (n) the Company is placed under official management or voluntary administration or into receivership or an official manager or administrator is appointed;
- (o) an inspector is appointed pursuant to the Corporations Act to investigate all or any part of the affairs of the Issuer;
- (p) the Company is in breach of any material provision of the Underwriting Agreement;
- (q) any warranty given by the Company under the Underwriting Agreement is not materially true or has ceased to be materially true;

- (r) any officer of the Company or any of its subsidiaries is charged with or convicted of any criminal offence involving fraudulent or dishonest conduct;
- (s) the Company alters, or announces an intention to alter, its capital structure or its constitution without the prior consent of the Underwriter (such consent not to be unreasonably withheld);
- (t) outside the ordinary course of business, the Company gives security in favour of any person who is not a security holder at the date of the Underwriting Agreement;
- (u) the Due Diligence Results contains information which is false or misleading in a material sense or there is a material omission from the Due Diligence Results;
- (v) any material information supplied at any time by or on behalf of the Company to the Underwriter in respect of any aspect of the Company or any of its subsidiaries or the Offer is or becomes misleading or deceptive in a material sense;
- (w) the Australian Government adopts or announces any change in fiscal or monetary or taxation policy which would materially and adversely affect companies generally or the Company in particular or investment in shares in Australia not including any change which is likely to materially affect interest rates;
- (x) a material adverse change in any statute or governmental or administrative requirement, policy or directive relevant to the Company or the Offer is made or announced;
- (y) twelve weeks or such other period agreed by the Underwriter elapses after the date of issue of the Prospectus without ASX granting permission for the Shares to be officially quoted on ASX;
- (z) any permission of ASX referred to in paragraph (y) is withdrawn, qualified or is made subject to any conditions other than the Standard Conditions;
- (aa) during the term of the Underwriting Agreement a breach of the restriction on public announcements occurs;
- (bb) the Company withdraws the Prospectus;
- (cc) there is a significant change to the composition of the senior executives of the Issuer or of its board of directors without the approval of the Underwriter (which approval may not be unreasonably withheld); or
- (dd) a judgement in the amount exceeding \$200,000 is obtained against the Company or any subsidiary and is not set aside or satisfied within 5 Business Days.

10.1.2 Morgans Underwriting Agreement

Fees

- (a) 2% management fee on Underwritten Amount.
- (b) 4% underwriting fee on the Underwritten Amount.

- (c) Issue the percentage of 14,000,000 Underwriter Options equal to amount Underwritten.
- (d) Reimbursement of expenses incidental to the Offer including Underwriter's reasonable legal expenses.

Termination events

- (a) the S&P/ASX Small Ordinaries Index published by ASX is at any time more than 7.5% below its level as at 5pm on the Business Day immediately preceding the date of this Agreement;
- (b) there is a Material Adverse Effect, or any development involving a prospective Material Adverse Effect, on any Group Member from that described in the Prospectus;
- (c) ASIC:
 - (i) makes an order or interim order under section 739 of the Corporations Act concerning the Prospectus;
 - (ii) applies for an order under Part 9.5 of the Corporations Act in relation to the Offer or the Prospectus;
 - (iii) holds, or gives notice of intention to hold, a hearing or investigation in relation to the Offer or the Prospectus under the Corporations Act or the Australian Securities and Investments Commission Act 2001 (Cth); or
 - (iv) prosecutes or gives notice of an intention to prosecute or commences proceedings against, or gives notice of an intention to commence proceedings against the Issuer or any of its officers, employees or agents in relation to the Offer or the Prospectus;
- (d) the Takeovers Panel makes a declaration that circumstances in relation to the affairs of the Company are unacceptable circumstances under Part 6.10 of the Corporations Act, or an application for such a declaration is made to the Takeovers Panel;
- (e) there is an event or occurrence, including any statute, order, rule, regulation, directive or request of any Governmental Agency, which makes it illegal for the Underwriter to satisfy a material obligation of this Agreement, or to market, promote or settle the Offer;
- (f) any person whose consent to the issue of the Prospectus or any Supplementary Prospectus is required by section 720 of the Corporations Act and who has previously consented to the issue of the Prospectus or any Supplementary Prospectus withdraws such consent;
- (g) any person gives a notice under section 733(3) of the Corporations Act;
- (h) any person (other than the Underwriter or RM Corporate Finance) who has previously consented to the inclusion of their name or any statement in the Prospectus or any Supplementary Prospectus withdraws that consent;
- (i) the Company withdraws the Prospectus or the Offer;
- (j) any circumstance arises after lodgement of the Prospectus that results in the Company either repaying the money received from persons who have

applied for Offer Shares or offering persons who have applied for Shares an opportunity to withdraw their application for Shares and be repaid their application money;

- (k) ASX indicates to the Company or the Underwriter that any necessary approval for the Issuer to list on ASX is not likely to be provided, or any such approval that has been provided is subsequently withdrawn;
- (l) any of the ASIC Waivers or ASX Waivers obtained are withdrawn, revoked or amended without the prior written approval of the Underwriter;
- (m) the Underwriter forms the view (acting reasonably) that:
 - (i) there is an omission from the Prospectus or any Supplementary Prospectus of material required by the Corporations Act to be included;
 - (ii) the Prospectus contains a statement which is untrue, inaccurate, misleading or deceptive or likely to mislead or deceive (whether by inclusion or omission); or
 - (iii) the Prospectus does not contain all information required to comply with all applicable laws;
- (n) the Company or any of its Directors or officers engages in any fraudulent, misleading or deceptive conduct or activity in connection with the Offer;
- (o) a person gives a notice to the Company under section 730 of the Corporations Act;
- (p) any member of the Delorean Group becomes Insolvent, or an act occurs or an omission is made which may result in a member of the Delorean Group becoming Insolvent;
- (q) a Certificate which is required to be furnished by the Company under the Underwriting Agreement is not furnished when required, or if furnished is untrue, incorrect or misleading or deceptive in any material respect (including by omission);
- (r) any authorisation which is material to anything referred to in the Prospectus is repealed, revoked or terminated or expires, or is modified or amended in a manner unacceptable to the Underwriter;
- (s) any expression of belief, expectation or intention, or statement relating to future matters (including any forecast or prospective financial statements, information or data) in the Prospectus is or becomes incapable of being met or, in the reasonable opinion of the Underwriter, unlikely to be met in the projected timeframe;
- (t) any event specified in the Timetable is delayed for more than 1 Business Day without the prior written approval of the Underwriter;
- (u) a Group Member breaches, or defaults under, any provision, undertaking, covenant or ratio of a material debt or financing arrangement or any related documentation to which that entity is a party which has, or may have, a Material Adverse Effect on the Group;

- (v) there occurs:
 - (i) an event of default;
 - (ii) a review event which gives a lender or financier the right to accelerate or require repayment of the debt or financing; or
 - (iii) any other similar event,
 under or with respect to any such debt or financing arrangement or related documentation of a Group Member;
- (w) a Director or any member of the Senior Management is charged with a criminal offence relating to any financial or corporate matter;
- (x) any Government Agency commences any public action against the Issuer, any of the Directors or any member of the Senior Management, or announces that it intends to take any such action;
- (y) any Director or the Chief Executive Officer of the Company is disqualified under the Corporations Act from managing a corporation; or
- (z) a Restriction Agreement:
 - (i) is terminated, void, avoided, illegal, invalid, unenforceable or materially limited in its effect, any condition precedent in the Restriction Agreement is not satisfied by its due date (or becomes incapable of satisfaction by its due date and is not waived), any party commits a material breach of the Restriction Agreement or any party has the right to, or purports in writing to, terminate, rescind or avoid all or a material part of the Restriction Agreement (or any person so alleges); or
 - (ii) is amended in any material respect without the prior written consent of the Underwriter.

In addition to the above, the Underwriter may at any time by notice given to the Company immediately, without cost or liability to itself, terminate this Agreement so that it is relieved of all its obligations under the Underwriting Agreement if any of the following events occurs before Completion:

- (a) the Company lodges a Supplementary Prospectus;
- (b) the Underwriter forms the view (acting reasonably) that a Supplementary Prospectus must be lodged with ASIC under the Corporations Act;
- (c) the Company fails to comply with any of its obligations under the Underwriting Agreement, or any representation or warranty by the Company in the Underwriting Agreement is or becomes incorrect;
- (d) a new circumstance arises which is a matter adverse to investors in Shares and which would have been required by the Corporations Act to be included in the Prospectus had the new circumstance arisen before the Prospectus was given to ASIC or ASX (as applicable);
- (e) in respect of any one or more of Australia, the United States of America, the United Kingdom, any member state of the European Union,

Indonesia, Japan, Russia, the People's Republic of China, North Korea, South Korea or the Middle East:

- (i) hostilities not presently existing commence (whether or not war has been declared);
 - (ii) a major escalation in existing hostilities occurs (whether or not war has been declared);
 - (iii) a declaration is made of a national emergency or war;
 - (iv) a terrorist act is perpetrated in any of those countries or a diplomatic, military, commercial or political establishment of any of those countries elsewhere in the world; or
 - (v) there is a material escalation of a pandemic or an epidemic such as novel coronavirus, a recurrence of severe acute respiratory syndrome or an outbreak of swine or avian influenza;
- (f) there is introduced, or there is a public announcement of a proposal to introduce, into the Parliament of the Commonwealth of Australia or any State or Territory of Australia a new law, or the Government of Australia, or any State or Territory of Australia, the Reserve Bank of Australia, or any Minister or other Government Agency of Australia or any State or Territory of Australia, adopts or announces a proposal to adopt a new law, policy or regulatory directive (other than a law, policy or regulatory directive which has been announced before the date of this Agreement);
- (g) any of the following occurs:
- (i) any material adverse change or disruption to the political conditions or financial markets of Australia, Japan, the United Kingdom, the United States of America or any member state of the European Union or the international financial markets or any change or development involving a prospective change in national or international political, financial or economic conditions;
 - (ii) a general moratorium on commercial banking activities in Australia, the United States of America, Japan, any member state of the European Union or the United Kingdom is declared by the relevant central banking authority in any of those countries, or there is a material disruption in commercial banking or security settlement or clearance services in any of those countries; or
 - (iii) trading in all securities quoted or listed on ASX, the London Stock Exchange or the New York Stock Exchange is suspended or limited in a material respect for one day on which that exchange is open for trading;
- (h) the Underwriter believes (acting reasonably) that an adverse change in the operations, assets, liabilities, financial position or performance, profits, losses or prospects of the Company or the Group (insofar as the position in relation to an entity in the Group affects the overall position of the Issuer) has occurred as a direct or indirect result of the coronavirus disease 2019 (COVID-19) or the transmission of the severe acute respiratory syndrome coronavirus 2 (SARS-CoV-2). This includes, without limitation, an

adverse change as a direct or indirect result of an outbreak of COVID-19 or the transmission of SARS-CoV-2 at any of the Group's project sites, or the temporary, complete or partial closure of or disruption to any of those project sites due to an outbreak of COVID-19, a transmission of SARS-CoV-2, a direction of a Governmental Agency, or otherwise;

- (i) a change in the Senior Management or the Directors occurs (other than in a manner described in the Prospectus), or a Director or any member of the Senior Management dies or becomes permanently incapacitated;
- (j) there is an adverse change, or an event occurs that is likely to give rise to an adverse change, in the business, assets, liabilities, financial position or performance, operations, management, outlook or prospects of the Issuer or the Group (in so far as the position in relation to any Group Member affects the overall position of the Issuer);
- (k) it transpires that any of the Due Diligence Results or any part of the Verification Materials was false, misleading or deceptive or that there was an omission from them, notwithstanding the fact that the Underwriter (or a representative of the Underwriter) signed off on the DDC Report;
- (l) a contravention by a Group Member of any provision of its constitution, the Corporations Act, the Listing Rules or any other applicable legislation or any policy or requirement of ASIC or ASX;
- (m) litigation, arbitration, administrative or industrial proceedings are after the date of this Agreement commenced against any Group Member, other than any claims disclosed in the Prospectus;
- (n) any person is appointed under any legislation in respect of companies to investigate the affairs of a Group Member;
- (o) any contract, deed or other agreement which is material to the making of an informed investment decision in relation to the Offer Shares is:
 - (i) terminated, rescinded, altered or amended without the prior written consent of the Underwriter (such consent not to be unreasonably withheld); or
 - (ii) found to be void or voidable;
- (p) without the prior written consent of the Underwriter (such consent not to be unreasonably withheld), the Company alters its share capital or the Constitution; or
- (q) a prescribed occurrence (as defined in the Underwriting Agreement) in respect of the Company occurs during the Offer period, other than as contemplated by this Agreement.

10.2 RM Corporate Mandate

On or about 20 October 2020, the Company and RM Corporate entered into a corporate advisory mandate pursuant to which RM Corporate offered to act as lead manager and/or underwriter of the Offer and to undertake services in relation to a mezzanine financing capital raising prior to the Offer (**Mandate**).

The Mandate has largely been superseded by the Underwriting Agreements, however the Company notes that in addition to the fees payable under the

Underwriting Agreement, RM Corporate is entitled to receive a further 600,000 Shares representing a corporate advisory fee of \$20,000 per month for six months after the listing of the Company on ASX.

10.3 Agreements with Directors and Related Parties

Refer to Section insert for summaries of agreements entered into with Directors and their related entities.

11. ADDITIONAL INFORMATION

11.1 Litigation

As at the date of this Prospectus, our Company is not involved in any legal proceedings and the Directors are not aware of any legal proceedings pending or threatened against our Company.

11.2 Rights attaching to Shares

The following is a summary of the more significant rights attaching to Shares. This summary is not exhaustive and does not constitute a definitive statement of the rights and liabilities of Shareholders. To obtain such a statement, persons should seek independent legal advice.

Full details of the rights attaching to Shares are set out in the Constitution, a copy of which is available for inspection at the Company's registered office during normal business hours.

(a) General meetings

Shareholders are entitled to be present in person, or by proxy, attorney or representative to attend and vote at general meetings of the Company.

Shareholders may requisition meetings in accordance with section 249D of the Corporations Act and the Constitution.

(b) Voting rights

Subject to any rights or restrictions for the time being attached to any class or classes of Shares, at general meetings of Shareholders or classes of Shareholders:

- (i) each Shareholder entitled to vote may vote in person or by proxy, attorney or representative;
- (ii) on a show of hands, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder has one vote; and
- (iii) on a poll, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder shall, in respect of each fully paid Share held by him, or in respect of which he is appointed a proxy, attorney or representative, have one vote for the Share, but in respect of partly paid Shares shall have such number of votes as bears the same proportion to the total of such Shares registered in the Shareholder's name as the amount paid (not credited) bears to the total amounts paid and payable (excluding amounts credited).

(c) Dividend rights

Subject to the rights of any preference Shareholders and to the rights of the holders of any shares created or raised under any special arrangement as to dividend, the Directors may from time to time declare a dividend to be paid to the Shareholders entitled to the dividend which shall be payable on all Shares according to the proportion that the

amount paid (not credited) is of the total amounts paid and payable (excluding amounts credited) in respect of such Shares.

The Directors may from time to time pay to the Shareholders any interim dividends as they may determine. No dividend shall carry interest as against the Company. The Directors may set aside out of the profits of the Company any amounts that they may determine as reserves, to be applied at the discretion of the Directors, for any purpose for which the profits of the Company may be properly applied.

Subject to the ASX Listing Rules and the Corporations Act, the Company may, by resolution of the Directors, implement a dividend reinvestment plan on such terms and conditions as the Directors think fit and which provides for any dividend which the Directors may declare from time to time payable on Shares which are participating Shares in the dividend reinvestment plan, less any amount which the Company shall either pursuant to the Constitution or any law be entitled or obliged to retain, be applied by the Company to the payment of the subscription price of Shares.

(d) **Winding-up**

If the Company is wound up, the liquidator may, with the authority of a special resolution of the Company, divide among the shareholders in kind the whole or any part of the property of the Company, and may for that purpose set such value as he considers fair upon any property to be so divided, and may determine how the division is to be carried out as between the Shareholders or different classes of Shareholders.

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

(e) **Shareholder liability**

As the Shares under the Prospectus are fully paid shares, they are not subject to any calls for money by the Directors and will therefore not become liable for forfeiture.

(f) **Transfer of Shares**

Generally, Shares are freely transferable, subject to formal requirements, the registration of the transfer not resulting in a contravention of or failure to observe the provisions of a law of Australia and the transfer not being in breach of the Corporations Act or the ASX Listing Rules.

(g) **Variation of rights**

Pursuant to section 246B of the Corporations Act, the Company may, with the sanction of a special resolution passed at a meeting of Shareholders vary or abrogate the rights attaching to Shares.

If at any time the share capital is divided into different classes of Shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class), whether or not the Company is being wound up, may be varied or abrogated with the consent in writing of the

holders of three-quarters of the issued shares of that class, or if authorised by a special resolution passed at a separate meeting of the holders of the shares of that class.

(h) **Alteration of Constitution**

The Constitution can only be amended by a special resolution passed by at least three quarters of Shareholders present and voting at the general meeting. In addition, at least 28 days written notice specifying the intention to propose the resolution as a special resolution must be given.

11.3 Options

11.3.1 Advisor Options

(a) **Entitlement**

Each Advisor Option entitles the holder to subscribe for one Share upon exercise of the Advisor Option.

(b) **Exercise Price**

Subject to paragraph (i), the amount payable upon exercise of each Advisor Option will be \$0.25 (**Exercise Price**).

(c) **Expiry Date**

Each Advisor Option will expire at 5:00 pm (WST) on the date which is 4 years from the date of issue (**Expiry Date**). An Advisor Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.

(d) **Exercise Period**

The Advisor Options are exercisable at any time on or prior to the Expiry Date (**Exercise Period**).

(e) **Notice of Exercise**

The Advisor Options may be exercised during the Exercise Period by notice in writing to the Company in the manner specified on the Advisor Option certificate (**Notice of Exercise**) and payment of the Exercise Price for each Advisor Option being exercised in Australian currency by electronic funds transfer or other means of payment acceptable to the Company.

(f) **Exercise Date**

A Notice of Exercise is only effective on and from the later of the date of receipt of the Notice of Exercise and the date of receipt of the payment of the Exercise Price for each Advisor Option being exercised in cleared funds (**Exercise Date**).

(g) **Timing of issue of Shares on exercise**

Within five Business Days after the Exercise Date, the Company will:

- (i) issue the number of Shares required under these terms and conditions in respect of the number of Advisor Options specified in the Notice of Exercise and for which cleared funds have been received by the Company;
- (ii) if required, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act, or, if the Company is unable to issue such a notice, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors; and
- (iii) if admitted to the official list of ASX at the time, apply for official quotation on ASX of Shares issued pursuant to the exercise of the Advisor Options.

If a notice delivered under (g)(ii) for any reason is not effective to ensure that an offer for sale of the Shares does not require disclosure to investors, the Company must, no later than 20 Business Days after becoming aware of such notice being ineffective, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors.

(h) **Shares issued on exercise**

Shares issued on exercise of the Advisor Options rank equally with the then issued shares of the Company.

(i) **Reconstruction of capital**

If at any time the issued capital of the Company is reconstructed, all rights of an Optionholder are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reconstruction.

(j) **Participation in new issues**

There are no participation rights or entitlements inherent in the Advisor Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Advisor Options without exercising the Advisor Options.

(k) **Change in exercise price**

An Advisor Option does not confer the right to a change in Exercise Price or a change in the number of underlying securities over which the Advisor Option can be exercised.

(l) **Transferability**

The Advisor Options are transferable subject to any restriction or escrow arrangements imposed by ASX or under applicable Australian securities laws.

11.3.2 Director Options

- (a) The Options will be unlisted.
- (b) The Options are exercisable at 20 cents each.
- (c) The Options are exercisable on or before 31 March 2025 (**Expiry Date**).
- (d) The options vest as follows:
 - (i) 1/3 of the options vest when the Company's shares trade on the ASX at a price of 30 cents or more for 5 consecutive trading days and the holder remains a Director of the Company.
 - (ii) 1/3 of the options vest when the Company's shares trade on the ASX at a price of 35 cents or more for 5 consecutive trading days and the holder remains a Director of the Company.
 - (iii) 1/3 of the options vest when the Company's shares trade on the ASX at a price of 40 cents or more for 5 consecutive trading days and the holder remains a Director of the Company.
- (e) Each Option exercised will entitle the holder to one Share in the capital of the Company.
- (f) The notice attached to the certificate has to be completed when exercising the Options (**Notice of Exercise**).
- (g) Options may be exercised by the holder completing and forwarding to the Company a Notice of Exercise and payment of the exercise price for each Option being exercised prior to the Expiry Date.
- (h) All Shares issued upon exercise of the Options will rank pari passu in all respects with the Company's then existing Shares.
- (i) Shares allotted and issued pursuant to the exercise of Options will be allotted and issued not more than 15 business days after the receipt of a properly executed Notice of Exercise and payment for the Exercise Price of each Option being exercised. The Company will apply for official quotation on ASX of Shares issued pursuant to the exercise of Options.
- (j) The holder of Options cannot participate in new issues of securities to holders of Shares unless the Options have been exercised and the Shares have been allotted and registered in respect of the Options before the record date for determining entitlements to the issue. The Company must give notice to the holder of the Options of any new issue before the record date for determining entitlements to the issue in accordance with the ASX Listing Rules. Options can only be exercised in accordance with these terms and conditions.
- (k) If the Company makes a pro rata bonus issue of Shares to holders of Shares (other than an issue in lieu or in satisfaction of dividends or by way

of dividend reinvestment) and no Shares have been allotted and registered in respect of the exercise of Options before the record date for determining entitlements to the bonus issue, then the number of Shares or other securities for which the holder of the Options is entitled to subscribe on exercise of the Options is increased by the number of Shares or other securities that the holder of the Options would have received if the Options had been exercised before the record date for the bonus issue. No change will be made to the Exercise Price.

If at any time the capital of the Company is reconstructed, all rights of an Option holder are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reconstruction.

11.4 Rights attaching to Performance Shares

Subject to approval by ASX, the Company has agreed proposed terms of Performance Shares to be issued to Hamish Jolly and Joe Oliver prior to the Company commencing trading on ASX. The Company has applied to ASX for approval of the terms of the Performance Shares under ASX Listing Rule 6.1. Where ASX requires any amendments to the terms of the Performance Shares in order for them to be approved, the Company will act in good faith with Messrs Jolly and Oliver to agree those amendments to retain the intent of the incentive and performance objectives contained in these terms.

Disclosure re Performance Shares

The following disclosures are made for the purposes of ASX in relation to the Performance Shares:

- (a) The Performance Shares are being issued to Messrs Jolly and Oliver as part of their respective remuneration packages, in order to link part of the remuneration payable to the recipients to specific performance milestones described below linked to the ongoing growth of the Company. The Performance Shares are being issued to incentivise the recipients as founders and key executives of the Company.
- (b) A summary of the executive services agreements for each of Messrs Jolly and Oliver are set out in Section 9.4 of the Prospectus. As executive directors of the Company, each of the recipients will play a key role in executing the Company's business strategy as described in this Prospectus, which is directly aligned with the performance milestones for the Performance Shares.
- (c) Details of the existing total remuneration package for the recipients is disclosed at Section 9.3 of the Prospectus.
- (d) Details of the security holdings of the Recipients (assuming completion of the Offer) are set out in Section 9.3 of the Prospectus.

The Performance Shares are being issued as part of the Recipients' remuneration packages, as detailed in Section 9.3 of the Prospectus.

- (e) The Company considers it necessary and appropriate to further remunerate and incentivise the Recipients to achieve the applicable performance milestones for the following reasons:

- (i) the issue of Performance Shares to the Recipients will further align the interests of the Recipients with those of Shareholders after the listing of the Company;
 - (ii) the Performance Shares are unlisted, therefore the grant of the Performance Shares has no immediate dilutionary impact on Shareholders;
 - (iii) the issue of the Performance Shares is a reasonable and appropriate method to provide cost effective remuneration as the non-cash form of this benefit will allow the Company to spend a greater proportion of its cash reserves on its operations than it would if alternative cash forms of remuneration were given to the Recipients; and
 - (iv) it is not considered that there are any significant opportunity costs to the Company or benefits foregone by the Company in granting the Performance Shares on the terms proposed.
- (f) The number of Performance Shares to be issued to each of the Recipients was determined by the Board following arm's length negotiations with each of the Recipients, and having regard to:
- (i) current market standards and/or practices of other ASX listed companies of a similar size and stage of development to the Company;
 - (ii) the remuneration of the Recipients; and
 - (iii) incentives to attract and retain the service of the Recipients, who have the desired knowledge and expertise, while maintaining the Company's cash reserves.

The Board considers the number of Performance Shares to be appropriate and equitable for the following reasons:

- (i) the Performance Shares are consistent with ASX's policy regarding the base requirements for performance securities, which are detailed in section 9 of ASX Guidance Note 19;
- (iv) the number of Shares into which the Performance Shares will convert if the milestones are achieved is fixed (one for one) which allows investors and analysts to readily understand and have reasonable certainty as to the impact on the Company's capital structure if the milestones are achieved;
- (v) there is an appropriate link between the milestones and the purposes for which the Performance Shares are being issued and the conversion milestones are clearly articulated by reference to objective criteria;
- (vi) there is an appropriate link to the benefit of Shareholders and the Company at large through the achievement of the milestones, which have been constructed so that satisfaction of the milestones will be consistent with increases in the value of Company's business;

- (vii) the Performance Shares which are proposed to be issued represent a small proportion of the Company's issued capital upon listing (less than 10% of issued Share capital); and
- (viii) the Performance Shares have an expiry date by which the milestones are to be achieved and, if the milestones are not achieved by that date, the Performance Shares will lapse.

Definitions

ASIC means the Australian Securities and Investments Commission.

ASX means the Australian Securities Exchange operated by ASX Limited.

Calculation Date means, in respect of a Financial Year, the date that the Company's audited accounts are signed off and released to ASX.

Capital Reorganisation means a reorganisation, reconstruction, consolidation, sub-division, bonus issue or some other analogous action in respect of the ordinary share capital of the Company.

Change in Control Event means:

- (a) the occurrence of:
 - (i) the offeror under a takeover bid pursuant to Chapter 6 of the Corporations Act in respect of the Shares announcing that it has achieved acceptances in respect of more than 50% of all Shares; and
 - (ii) that takeover bid being, or having become or been declared, unconditional; or
- (b) the coming into effect, pursuant to section 411(10) of the Corporations Act, of the order of the court made under section 411(4)(b) of the Corporations Act in respect of a members scheme of arrangement under Part 5.1 of the Corporations Act under which all Shares are to be either cancelled or transferred to a third party (but not a scheme of arrangement for the purposes of a corporate restructure (including change of domicile, consolidation, sub-division, reduction or return) of the issued capital of the Company).

Company means Delorean Corporation Ltd (ACN 638 111 127).

Condition means the condition that the Holder (or executive related to the Holder where the Performance Shares are held by a nominee) remains employed or engaged with the Company as at the end of the Financial Year in which the Milestone is achieved.

Corporations Act means the *Corporations Act 2001* (Cth).

Expiry Date means 30 November 2026, being the date that is five months after the end of the last Financial Year, 30 June 2026 in which the Milestones may be achieved.

Financial Year means a financial year commencing on 1 July and ending on the following 30 June.

Holder means a holder of a Performance Share.

Milestone means the milestone that relates to each of the Class A Performance Shares, the Class B Performance Shares and the Class C Performance Shares, and **Milestones** means all of them.

Share means a fully paid ordinary share in the capital of the Company.

Shareholder means a holder of a Share.

Underlying EBITDA means the Company's earnings before interest, taxes, depreciation and amortisation for the Financial Year adjusted to eliminate one-off gains or losses that are unlikely to reoccur and are not part of the company's day to day business operations. These adjustments include the cost of share-based incentive payments as well as the non-recurring costs that may be associated with impairment of non-financial assets, acquisition related adjustments and restructuring and/or redundancy costs. For absolute clarity, Underlying EBITDA includes other income as defined in the Company's financial statements as well as any share of income in associates.

Rights attaching to the Performance Shares:

(a) **Performance Shares**

Each Performance Share is a share in the capital of the Company.

(b) **General meetings**

Each Performance Share confers on the Holder the right to receive notices of general meetings and financial reports and accounts of the Company that are circulated to Shareholders. Holders have the right to attend general meetings of Shareholders.

(c) **No voting rights**

A Performance Share does not entitle the Holder to vote on any resolutions proposed by the Company except as otherwise required by law.

(d) **No dividend rights**

A Performance Share does not entitle the Holder to any dividends.

(e) **No rights to return of capital**

A Performance Share does not entitle the Holder to a return of capital, whether in a winding up, upon a reduction of capital or otherwise.

(f) **Rights on winding up**

A Performance Share does not entitle the Holder to participate in the surplus profits or assets of the Company upon winding up.

(g) **Not transferable**

A Performance Share is not transferable.

(h) **Capital Reorganisation**

If at any time prior to the Expiry Date there is a Capital Reorganisation, all rights of a Holder will be equitably adjusted so as to ensure no relative benefit or detriment occurs to, or is conferred upon, the Holder, Shareholders or the Company as a result of the Capital Reorganisation and otherwise so as to comply with the applicable ASX Listing Rules at the time of the Capital Reorganisation.

(i) **Application to ASX and removal of trading restrictions**

- (i) The Performance Shares will not be quoted on ASX. However, if the Company is listed on ASX at the time of conversion of the Performance Shares into Shares, the Company must within 2 Business Days of conversion apply for the official quotation on ASX of the Shares arising from the conversion.
- (ii) At the time of issue of the Shares under (i) above, the Company must undertake all actions necessary to ensure that any trading restrictions imposed on the Shares under the Corporations Act are lifted by either:
 - (A) lodging with the ASX a cleansing notice (which complies with Section 708A(6) of the Corporations Act at the time of applying for the official quotation of the Shares arising from the conversion; or
 - (B) lodging a prospectus with the ASIC at the time of applying for the official quotation of the Shares arising from the conversion that satisfies the requirements of Section 708A(11) of the Corporations Act.

(j) **Participation in entitlements and bonus issues**

Without prejudice to paragraph 1(h), a Performance Share does not entitle a Holder (in their capacity as a holder of a Performance Share) to participate in new issues of capital offered to holders of Shares such as bonus issues and entitlement issues.

(k) **No other rights**

A Performance Share gives the Holder no rights other than those expressly provided by these terms and those provided at law where such rights at law have not been excluded by these terms.

Conversion of the Performance Shares:

(a) **Conversion**

Subject to the satisfaction of the Condition by a Holder, the Performance Shares held by a Holder will convert into Shares upon the confirmation of the achievement of the relevant milestone by the Calculation Date as set out below:

- (i) **Class A Performance Shares:** upon the Company achieving at least \$5,000,000 in Underlying EBITDA in any Financial Year (**Class A Milestone**).

- (ii) **Class B Performance Shares:** upon the Company achieving at least \$10,000,000 in Underlying EBITDA in any Financial Year (Class B Milestone).
- (iii) **Class C Performance Shares:** upon the Company achieving at least \$12,500,000 in Underlying EBITDA in any Financial Year (**Class C Milestone**).

(b) **Conversion on Change of Control Event**

- (i) Subject to paragraph 3(b)(ii), if prior to the Expiry Date a Change in Control Event occurs then each Performance Share outstanding at that time will convert into one (1) Share.
- (ii) The maximum number of Performance Shares that can be converted into Shares under paragraph 3(b)(i) upon a Change of Control Event must not exceed 10% of the issued Share capital of the Company (as at the date of the Change of Control Event).

(c) **Deferral of conversion if resulting in a prohibited acquisition of Shares**

If the conversion of a Performance Share under paragraph 3 would result in any person being in contravention of section 606(1) of the Corporations Act (**General Prohibition**) then the conversion of that Performance Share shall be deferred until such later time or times that the conversion would not result in a contravention of the General Prohibition.

(d) **Lapse of Performance Share**

Each Performance Share that has not been converted under paragraph 3 shall lapse on the Expiry Date. For the avoidance of doubt, a Performance Share will not lapse in the event that the Shares the subject of a conversion are deferred in accordance with paragraph 3(d) above.

(e) **Conversion procedure**

- (i) The Company will issue the Shares immediately upon conversion of the Performance Shares for no consideration and shall record the issue in the manner required by the Corporations Act.
- (ii) The Company will issue the Holder with a new holding statement for any Share issued upon conversion of a Performance Share within 5 Business Days following the Calculation Date.

(f) **Ranking upon conversion**

The Share into which a Performance Share may convert will rank pari passu in all respects with existing Shares.

11.5 Performance Rights and Option Plan

The Company adopted a Performance Rights and Option Plan (**PROP**) on 2 December 2020, the key terms of which are as follows:

(a) **Eligibility**

Participants in the PROP consist of:

- (i) a Director (whether executive or non-executive) of any Group Company;
- (ii) a full or part time employee of any Group Company;
- (iii) a casual employee or contractor of a Group Company to the extent permitted by the Class Order; or
- (iv) a prospective participant, being a person to whom the Offer is made but who can only accept the Offer if an arrangement has been entered into that will result in the person becoming an Eligible Participant under Rules (i), (ii) or (iii) above,

who is declared by the Board to be eligible to receive grants of Awards under the PROP.

(b) **Offer**

The Board may, from time to time, in its absolute discretion, make a written offer to any Eligible Participant (including an Eligible Participant who has previously received an offer) to apply for Awards, upon the terms set out in the PROP and upon such additional terms and conditions as the Board determines.

(c) **Limit on Offers**

Where the Company has relied or intends relying on the Class Order to make an Offer, the Company must have reasonable grounds to believe, when making an Offer, that the number of Shares to be received on exercise of Awards offered under an Offer, when aggregated with the number of Shares issued or that may be issued as a result of offers made in reliance on the Class Order at any time during the previous 3 year period under an employee incentive scheme covered by the Class Order or an ASIC exempt arrangement of a similar kind to an employee incentive scheme, will not exceed 5% of the total number of Shares on issue at the date of the Offer.

(d) **No Consideration**

- (i) Performance Rights granted under the PROP will be issued for nil cash consideration.
- (ii) Unless the Options are quoted on the ASX, Options issued under the PROP will be issued for no more than nominal cash consideration.

(e) **Exercise Price**

The Board may determine the Option exercise price (if any) for an Option offered under the Offer in its absolute discretion. To the extent the ASX Listing Rules specify or require a minimum price, the Option Exercise Price in respect of an Option offered under an Offer must not be less than any minimum price specified in the ASX Listing Rules.

(f) **Vesting Conditions**

An award may be subject to Vesting Conditions as determined by the Board in its discretion and as specified in the Offer for the Awards.

(g) **Lapse of an Award**

An award will lapse upon the earlier to occur of:

- (i) an unauthorised dealing in, or hedging of, the Award occurring;
- (ii) a vesting condition in relation to the Award is not satisfied by the due date, or becomes incapable of satisfaction, as determined by the Board in its absolute discretion, unless the Board exercises its discretion to waive the vesting condition and vest the Award;
- (iii) in respect of an unvested Award only, a Relevant Person ceases to be an Eligible Participant, unless the Board:
 - (A) exercises its discretion to vest the Award; or
 - (B) in its absolute discretion, resolves to allow the unvested Award to remain unvested after the Relevant Person ceases to be an Eligible Participant.
- (iv) in respect of a vested Award only, a Relevant Person ceases to be an Eligible Participant and, where required by the Board in its absolute discretion, the vested Performance Right is not exercised within a one (1) month period (or such other period as the Board determines) as notified by the Board to the Participant after the date the Relevant Person ceases to be an Eligible Participant;
- (v) the Board deems that an Award lapses due to fraud, dishonesty or other improper behaviour of the holder/Eligible Participant;
- (vi) the Company undergoes a change of control or a winding up resolution or order is made, and the Award does not vest; and
- (vii) the Expiry Date of the Award.

(h) **Not transferable**

Awards are only transferable:

- (i) in special circumstances or a change of control, in either case with the consent of the Board (which may be withheld in its absolute discretion); or
- (ii) by force of law upon death to the Participant's legal personal representative or upon bankruptcy to the Participant's trustee in bankruptcy.

(i) **Shares**

All Shares issued under the PROP will rank equally in all respects with the Shares of the same class for the time being on issue except as regards any rights attaching to such Shares by reference to a record date prior to the date of their issue.

(j) **Restriction of Dealing in Shares**

The Board may, in its discretion, determine at any time up until exercise of an Award, that a restriction period will apply to some or all of the Shares issued to a Participant on exercise of those Awards (**Restricted Shares**), up to a maximum of five (5) years from the Grant Date of the Awards (**Restriction Period**).

(k) **No participation rights**

There are no participation rights or entitlements inherent in the Awards and Participants will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Awards without exercising the Award.

(l) **Change in exercise price of number of underlying securities**

An Award does not confer the right to a change in Exercise Price or in the number of underlying Shares over which the Award can be exercised.

(m) **Reorganisation**

If, at any time, the issued capital of the Company is reorganised (including consolidation, subdivision, reduction or return), all rights of a Participant are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reorganisation.

(n) **Trust**

The Board may, at any time, establish a trust for the sole purpose of acquiring and holding Shares in respect of which a Participant may exercise, or has exercised, vested Awards, including for the purpose of enforcing the disposal restrictions and appoint a trustee to act as trustee of the trust.

The maximum number of Shares proposed to be issued under the PROP is the maximum permitted under the ASIC Class Order.

11.6 Incentive Share Plan

The Company also adopted an Incentive Share Plan (**Share Plan**) on 2 December 2020, the key terms of which are as follows:

The principle terms of the Share Plan are summarised below:

(a) **Eligibility**

Participants in the Share Plan consist of:

- (i) a Director (whether executive or non-executive) of any Group Company;
- (ii) a full or part time employee of any Group Company;
- (iii) a casual employee or contractor of a Group Company to the extent permitted by the Class Order; or
- (iv) a prospective participant, being a person to whom the Offer is made but who can only accept the Offer if an arrangement has

been entered into that will result in the person becoming and Eligible Participant under Rules (i), (ii) or (iii) above,

who is declared by the Board to be eligible to receive grants of Awards under the Share Plan.

(b) **Offer**

The Board may, from time to time, in its absolute discretion, make a written offer to any Eligible Participant (including an Eligible Participant who has previously received an Offer) to apply for up to a specified number of Plan Shares, upon the terms set out in the Share Plan and upon such additional terms and conditions as the Board determines (**Offer**).

In exercising its discretion to make an Offer, the Board may have regard to the following (without limitation):

- (i) the Eligible Participant's length of service with the Group;
- (ii) the contribution made by the Eligible Participant to the Group;
- (iii) the potential contribution of the Eligible Participant to the Group;
or
- (iv) any other matter the Board considers relevant.

For the avoidance of doubt, nothing in the Share Plan obliges the Company at any time to make an Offer, or further Offer, to any Eligible Participant.

(c) **Issue price**

The Issue Price of the Plan Shares offered under an Offer shall be determined by the Board in its absolute discretion, which may be a nominal or nil amount.

(d) **Vesting Conditions**

A Plan Share may be made subject to Vesting Conditions as determined by the Board in its discretion and as specified in the Offer for the Plan Shares.

(e) **Loan**

The Company may, in its absolute discretion, grant a Loan to a Participant for the purpose of purchasing Plan Shares under an Offer.

Where the Company decides to offer a Loan to a Participant to acquire Plan Shares, the Offer for the Plan Shares must include:

- (i) the maximum amount of the Loan (which must not exceed the Share Payment in respect of the Plan Shares offered under the Offer); and
- (ii) the Loan Repayment Date.

Where a Participant lodges an Acceptance Form agreeing to a Loan, and the Company accepts that Acceptance Form:

- (i) a loan agreement is deemed to arise between the Company and the Applicant on the terms and conditions in this Rule;
- (ii) the Company is deemed to loan the amount agreed in the Acceptance Form (**Loan Amount**) to the Applicant at the time the Company issues the Plan Shares to the Applicant; and
- (iii) the Applicant is deemed to direct the Company to apply the entire Loan Amount towards paying the Share Payment (in full or in part) in respect of the Plan Shares being acquired under the Offer.

(f) **Interest**

A Loan will be interest free unless the Company and the Applicant agree otherwise. The Company shall be responsible for any Fringe Benefits Tax, or any other tax liability which may accrue to the Eligible Participant, which arises from the interest arrangements for the Loan.

(g) **Repayment**

- (i) A Loan is repayable in full on the Loan Repayment Date specified in the Offer unless earlier repayment is otherwise required under the Share Plan.
- (ii) A Participant may repay all or part of its Loan to the Company at any time prior to the Loan Repayment Date.
- (iii) The Company shall have a lien over the Plan Shares in respect of which a Loan Amount is outstanding and the Company shall be entitled to sell those Plan Shares in accordance with the terms of this Plan.
- (iv) A Loan in respect of a Plan Share shall be repayable in full where:
 - (A) a Vesting Condition in relation to the Plan Share the subject of the Loan is not satisfied by the due date, or becomes incapable of satisfaction in the opinion of the Board, unless that Vesting Condition is not waived by the Board;
 - (B) the Participant (or, where the Participant is a Nominee of the Eligible Participant, that Eligible Participant) ceases to be an Eligible Participant and, at that time, there is a Vesting Condition in relation to the Plan Share that is unsatisfied or is incapable of satisfaction in the opinion of the Board (and that Vesting Condition is not waived by the Board); and
 - (C) the Participant suffers an Event of Insolvency;
 - (D) the Company notifies that the Plan Share is to be bought back; or
 - (E) the Participant breaches any condition of the Loan or the Share Plan.

- (v) A Participant may not transfer, assign, encumber or otherwise deal with a Plan Share until the Loan Amount in respect of that Plan Share has been fully repaid or otherwise forgiven in accordance with the Share Plan.

(h) **Forfeiture, Buyback and Cancellation**

Except as otherwise provided by the Share Plan, a Plan Share will be forfeited, and the Company must, subject to the Corporations Act and the ASX Listing Rules, buy back and cancel a Plan Share under Part 2J.1 of the Corporations Act where:

- (i) an unauthorised dealing in, or hedging of, the Plan Share occurs;
- (ii) a vesting condition in relation to the Plan Share is not satisfied by the due date, or becomes incapable of satisfaction, as determined by the Board in its absolute discretion, unless the Board exercises its discretion to waive the vesting condition or paragraph 11.6(h)(iii)(B) applies;
- (iii) a Participant ceases to be an Eligible Participant and, at that time, there is a vesting condition in relation to that Plan Share that is unsatisfied or is incapable of satisfaction in the opinion of the Board, unless the Board:
 - (A) exercises its discretion to waive that vesting condition; or
 - (B) in its absolute discretion, resolves to allow the vesting condition to continue to apply to the Plan Share after the Participant ceases to be an Eligible Participant;
- (iv) the Board deems that a Plan Share is forfeited due to fraud, dishonesty or other improper behaviour of the holder/Eligible Participant); or
- (v) the Company undergoes a change of control or a winding up resolution or order is made, and the Board does not waive the vesting condition.

(i) **Restriction on transfer**

Subject to the restriction on dealing in Plan Shares, there will be no transfer restrictions on Plan Shares issued under the Share Plan unless the sale, transfer or disposal by the Participant of the Plan Shares issued to them would require the preparation of a disclosure document (as that term is defined in the Corporations Act).

(j) **Power of Attorney**

The Participant irrevocably appoints each of the Company and each director of the Company severally as his or her attorney to do all things necessary to give effect to the buy back of the Participant's Plan Shares including executing all documents and seeking or providing all necessary approvals and the Participant acknowledges and agrees that the power of attorney is given for valuable consideration (in the form of the Plan Shares).

(k) **Limit on Offers**

The Company must have reasonable grounds to believe, when making an Offer, that the number of Shares offered under an Offer, when aggregated with the number of Shares issued or that may be issued as a result of offers made in reliance on the Class Order at any time during the previous 3 year period under an employee incentive scheme covered by the Class Order or an ASIC exempt arrangement of a similar kind to an employee incentive scheme, will not exceed 5% of the total number of Shares on issue at the date of the Offer.

(l) **Quotation on ASX**

If Shares of the same class as those issued under the Share Plan are quoted on the ASX, the Company will, subject to the ASX Listing Rules, apply to the ASX for those Plan Shares to be quoted on ASX within the later of 10 Business Days after:

- (i) the date the Plan Shares are issued; and
- (ii) the date any Restriction Period that applies to the Plan Shares ends.

(m) **Rights attaching to Plan Shares**

A Participant will, from and including the Issue Date, be the legal owner of the Plan Shares issued under the Share Plan and will be entitled to dividends and to exercise voting rights attached to the Plan Shares.

(n) **Appointment of Trustee**

The Board may, in its absolute discretion, on or before the time of making an Offer, determine that Plan Shares offered to an Eligible Employee must be held by a Trustee on trust for the benefit of the Participant.

The maximum number of Shares proposed to be issued under the Share Plan is the maximum permitted under the ASIC Class Order.

11.7 Interests of Directors

Other than as set out in this Prospectus, no Director holds, or has held within the 2 years preceding lodgement of this Prospectus with the ASIC, any interest in:

- (a) the formation or promotion of the Company;
- (b) any property acquired or proposed to be acquired by the Company in connection with:
 - (i) its formation or promotion; or
 - (ii) the Offers; or
- (c) the Offers,

and no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given to a Director:

- (d) as an inducement to become, or to qualify as, a Director; or

- (e) for services provided in connection with:
 - (i) the formation or promotion of the Company; or
 - (ii) the Offers.

11.8 Interests of Experts and Advisers

Other than as set out below or elsewhere in this Prospectus, no:

- (a) person named in this Prospectus as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Prospectus;
- (b) promoter of the Company; or
- (c) underwriter (but not a sub-underwriter) to the issue or a financial services licensee named in this Prospectus as a financial services licensee involved in the issue,

holds, or has held within the 2 years preceding lodgement of this Prospectus with the ASIC, any interest in:

- (d) the formation or promotion of the Company;
- (e) any property acquired or proposed to be acquired by the Company in connection with:
 - (i) its formation or promotion; or
 - (ii) the Offers; or
- (f) the Offers,

and no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given to any of these persons for services provided in connection with:

- (g) the formation or promotion of the Company; or
- (h) the Offers.

RSM Corporate Australia Pty Ltd has acted as Investigating Accountant and has prepared the Independent Limited Assurance Report which is included in Section 7 of this Prospectus. The Company estimates it will pay RSM Corporate Australia Pty Ltd a total of \$100,000 (excluding GST) for these services. During the 24 months preceding lodgement of this Prospectus with the ASIC, RSM has not received any fees from the Company for any other services.

RSM Australia Partners has acted as the auditor of the Delorean Group. During the 24 months preceding lodgement of this Prospectus with the ASIC, RSM Australia Partners has not received any fees from the Company for any services, other than as disclosed in Section 11.10.

Steinepreis Paganin has acted as the solicitors to the Company in relation to the Offers. The Company estimates it will pay Steinepreis Paganin \$120,000 (excluding GST) for these services. Subsequently, fees will be charged in accordance with normal charge out rates. During the 24 months preceding lodgement of this

Prospectus with the ASIC, Steinepreis Paganin has not received fees from the Company for any other services.

RM Corporate will act as an Underwriter to the Offer. Further details in respect of the Underwriting Agreement are summarised in Section 10.1. During the 24 months preceding lodgement of this Prospectus with the ASIC, RM Corporate has not received fees from the Company for any other services.

Morgans will act as an Underwriter to the Offer. Further details in respect of the Underwriting Agreement are summarised in Section 10.1. During the 24 months preceding lodgement of this Prospectus with the ASIC, Morgans has not received fees from the Company for any other services.

11.9 Consents

Chapter 6D of the Corporations Act imposes a liability regime on the Company (as the offeror of the Securities), the Directors, the persons named in the Prospectus with their consent as Directors, any underwriters, persons named in the Prospectus with their consent having made a statement in the Prospectus and persons involved in a contravention in relation to the Prospectus, with regard to misleading and deceptive statements made in the Prospectus. Although the Company bears primary responsibility for the Prospectus, the other parties involved in the preparation of the Prospectus can also be responsible for certain statements made in it.

Each of the parties referred to in this Section:

- (a) does not make, or purport to make, any statement in this Prospectus other than those referred to in this Section; and
- (b) in light of the above, only to the maximum extent permitted by law, expressly disclaim and take no responsibility for any part of this Prospectus other than a reference to its name and a statement included in this Prospectus with the consent of that party as specified in this Section.

RSM Corporate Australia Pty Ltd has given its written consent to being named as Investigating Accountant in this Prospectus and to the inclusion of the Independent Limited Assurance Report in Section 7 of this Prospectus in the form and context in which the information and report is included. RSM Corporate Australia Pty Ltd has not withdrawn its consent prior to lodgement of this Prospectus with the ASIC.

RSM Australia Partners has given its written consent to being named as the Delorean Group's Auditor in this Prospectus. RSM Australia Partners has not withdrawn its consent prior to lodgement of this Prospectus with the ASIC.

Steinepreis Paganin has given its written consent to being named as the solicitors to the Company in this Prospectus. Steinepreis Paganin has not withdrawn its consent prior to the lodgement of this Prospectus with the ASIC.

RM Corporate has given its written consent to being named as an Underwriter to the Company in this Prospectus. RM Corporate has not withdrawn its consent prior to the lodgement of this Prospectus with the ASIC.

Morgans has given its written consent to being named as an Underwriter to the Company in this Prospectus. Morgans has not withdrawn its consent prior to the lodgement of this Prospectus with the ASIC.

Automic has given its written consent to being named as the share registry to the Company in this Prospectus. Automic has not withdrawn its consent prior to the lodgement of this Prospectus with the ASIC.

11.10 Expenses of the Offers

The total expenses of the Offers (excluding GST) are estimated to be approximately \$1.34 million and are expected to be applied towards the items set out in the table below:

Item of Expenditure	Full Subscription (\$)
ASIC fees	\$5,000
ASX fees	\$105,000
Underwriter fees	\$840,000
Legal Fees	\$120,000
Audit Costs	\$145,000
Investigating Accountant's Fees	\$100,000
Printing and Distribution	\$5,000
Miscellaneous	\$20,000
TOTAL	\$1,340,000

* Broker commissions will only be paid on applications made through a licensed securities dealers or Australian financial services licensee and accepted by the Company (refer to section 3.15 of this Prospectus for further information). The amount calculated is based on 100% of applications being made in this manner. For those applications made directly to and accepted by the Company no broker commissions will be payable and the expenses of the Offers will be reduced and the additional funds will be put towards working capital.

11.11 Continuous disclosure obligations

Following admission of the Company to the Official List, the Company will be a "disclosing entity" (as defined in section 111AC of the Corporations Act) and, as such, will be subject to regular reporting and disclosure obligations. Specifically, like all listed companies, the Company will be required to continuously disclose any information it has to the market which a reasonable person would expect to have a material effect on the price or the value of the Company's securities.

Price sensitive information will be publicly released through ASX before it is disclosed to shareholders and market participants. Distribution of other information to shareholders and market participants will also be managed through disclosure to the ASX. In addition, the Company will post this information on its website after the ASX confirms an announcement has been made, with the aim of making the information readily accessible to the widest audience.

11.12 Electronic Prospectus

If you have received this Prospectus as an electronic Prospectus, please ensure that you have received the entire Prospectus accompanied by the Application Form. If you have not, please contact the Company and the Company will send you, for free, either a hard copy or a further electronic copy of this Prospectus or both. Alternatively, you may obtain a copy of this Prospectus from the website of the Company at www.deloreancorporation.com.au.

The Company reserves the right not to accept an Application Form from a person if it has reason to believe that when that person was given access to the electronic Application Form, it was not provided together with the electronic Prospectus and any relevant supplementary or replacement prospectus or any of those documents were incomplete or altered.

11.13 Clearing House Electronic Sub-Register System (CHES) and Issuer Sponsorship

The Company will apply to participate in CHES, for those investors who have, or wish to have, a sponsoring stockbroker. Investors who do not wish to participate through CHES will be issuer sponsored by the Company.

Electronic sub-registers mean that the Company will not be issuing certificates to investors. Instead, investors will be provided with statements (similar to a bank account statement) that set out the number of Shares issued to them under this Prospectus. The notice will also advise holders of their Holder Identification Number or Security Holder Reference Number and explain, for future reference, the sale and purchase procedures under CHES and issuer sponsorship.

Electronic sub-registers also mean ownership of securities can be transferred without having to rely upon paper documentation. Further monthly statements will be provided to holders if there have been any changes in their security holding in the Company during the preceding month.

11.14 Privacy statement

If you complete an Application Form, you will be providing personal information to the Company. The Company collects, holds and will use that information to assess your application, service your needs as a Shareholder and to facilitate distribution payments and corporate communications to you as a Shareholder.

The information may also be used from time to time and disclosed to persons inspecting the register, including bidders for your securities in the context of takeovers, regulatory bodies including the Australian Taxation Office, authorised securities brokers, print service providers, mail houses and the share registry.

You can access, correct and update the personal information that we hold about you. If you wish to do so, please contact the share registry at the relevant contact number set out in this Prospectus.

Collection, maintenance and disclosure of certain personal information is governed by legislation including the *Privacy Act 1988* (as amended), the *Corporations Act* and certain rules such as the ASX Settlement Operating Rules. You should note that if you do not provide the information required on the application for Shares, the Company may not be able to accept or process your application.

11.15 Statement of Directors

The Directors report that after due enquiries by them, in their opinion, since the date of the financial statements in the financial information in Section 6 of this Prospectus, there have not been any circumstances that have arisen or that have materially affected or will materially affect the assets the liabilities, financial position, profits or losses or prospects of the Company, other than as disclosed in this Prospectus.

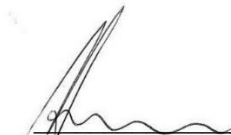
The Directors state that they have made all reasonable enquiries and on that basis have reasonable grounds to believe that any statements made by the Directors

in this Prospectus are not misleading or deceptive and that in respect to any other statements made in this Prospectus by persons other than Directors, the Directors have made reasonable enquiries and on that basis have reasonable grounds to believe that persons making the statement or statements were competent to make such statements, those persons have given their consent to the statements being included in this Prospectus in the form and context in which they are included and have not withdrawn that consent before lodgement of this Prospectus with the ASIC, or to the Director's knowledge, before any issue of Shares pursuant to this Prospectus.

12. DIRECTORS' AUTHORISATION

This Prospectus is issued by the Company and its issue has been authorised by a resolution of the Directors.

In accordance with Section 720 of the Corporations Act, each Director has consented to the lodgement of this Prospectus with the ASIC.

A handwritten signature in black ink, appearing to read 'Hamish Jolly', is written over a horizontal line.

Hamish Jolly
Executive Chair
For and on behalf of
DELOREAN CORPORATION LIMITED

13. GLOSSARY

Where the following terms are used in this Prospectus they have the following meanings:

\$ means an Australian dollar.

Advisor Offer means the offer set out in Section 3.10 for the offer of 14,000,000 Options on the terms set out in Section 11.3.1 to parties nominated by the Underwriters.

Advisor Options means the Options issued under the Advisor Offer on the terms as at Section 11.3.

Application Form means the application form attached to or accompanying this Prospectus relating to the Offers.

ASIC means Australian Securities & Investments Commission.

ASX means ASX Limited (ACN 008 624 691) or the financial market operated by it as the context requires.

ASX Listing Rules means the official listing rules of ASX.

Board means the board of Directors as constituted from time to time.

Closing Date means the closing date of the Offer as set out in the indicative timetable in the Investment Overview in section 2.3 of this Prospectus (subject to the Company reserving the right to extend the Closing Date or close the Offer early).

Company and **Delorean** means Delorean Corporation Limited (ACN 638 111 127).

Constitution means the constitution of the Company.

Corporations Act means the *Corporations Act 2001* (Cth).

Delorean Group means the Company and each of its subsidiaries.

Directors means the directors of the Company at the date of this Prospectus.

EBIT has the meaning given to that term in Section 6.2.4.

EBITDA has the meaning given to that term in Section 6.2.4.

EV means enterprise value.

EPC means engineering, procurement and construction.

Exposure Period means the period of 7 days after the date of lodgement of this Prospectus, which period may be extended by the ASIC by not more than 7 days pursuant to Section 727(3) of the Corporations Act.

FOGO means Food Organics Garden Organics.

FY means a financial year commencing on 1 July and ending on the following 30 June.

GWh means gigawatt hour.

Mandate means the mandate between the Company and RM Corporate dated 20 October 2020.

Morgans means Morgans Corporate Limited (ACN 010 539 607).

MW means megawatt.

NEM means the National Electricity Market.

Public Offer means the offer of Shares pursuant to this Prospectus as set out in Section 3 of this Prospectus.

Offers means the Public Offer and Secondary Offer.

Official List means the official list of ASX.

Official Quotation means official quotation by ASX in accordance with the ASX Listing Rules.

Option means an option to acquire a Share.

Optionholder means a holder of an Option.

Performance Share means a performance share issued on the terms as at Section 11.4.

Prospectus means this prospectus.

RM Corporate means RM Corporate Finance Pty Ltd (ACN 108 084 386).

Secondary Offers means the Advisor Offer and the Underwriter Offer.

Section means a section of this Prospectus.

Share means a fully paid ordinary share in the capital of the Company.

Shareholder means a holder of Shares.

TWh means a terawatt hour.

Underwriters means RM Corporate and Morgans.

Underwriting Agreements means the underwriting agreements entered into by the Company with the Underwriters.

Underwriter Offer means the offer set out in Section 3.10 for the issue of 4,267,566 Shares to RM Corporate or its nominees.

WEM means the Wholesale Electricity Market.

WST means Western Standard Time as observed in Perth, Western Australia.