

# NEWSLETTER

## VOLUME 1

Delorean Corporation Ltd

### IN THIS EDITION

- Overview of the Year by Joe Oliver
- Palisade Impact - How the partnership will benefit investors
- Delorean's ESG commitment for a sustainable future
- Greenpower - Delorean contributes to a cleaner, greener Australia
- Australia's long-term emissions reduction plan
- Success story – Delorean's World First AD Plant
- Staff Achievement - Delorean Engineering Division's feedstock breakthrough
- FY 2023 Outlook

## Overview of the Year by Joe Oliver

As we approach the end of 2022, I would like to reflect on the year that has passed. It has been both challenging and rewarding to continue to navigate Delorean through the ongoing growth and development of the business. A great deal of time was invested in bringing to fruition the project financing agreement with Palisade Impact, arranged through Planum Partners and I am extremely pleased that this has been achieved.

This agreement incorporates a multi-project development funding partnership with Palisade Impact. It will accelerate Delorean's priority projects in South Australia and Victoria, as well as the pipeline of projects beyond these immediate priorities. The partnership will deliver direct value to shareholders and take Delorean into a new and exciting phase of growth.

The year also featured several highlights for which we are extremely proud. Early in the year Delorean was awarded Yarra Valley Water's \$45 million waste to energy construction project. This project will be one of the largest facilities of its kind in Australia and emphasises the increasing importance of bioenergy across not just private, but also government utility sectors. Delorean's collaboration with industry giant Brickworks also moved into the Development Phase.

It has been highly encouraging to witness the new Labor Government increase their commitment to net zero. Bioenergy is anticipated to play an increasingly important role in the energy transition and Delorean is very well positioned to capitalise on this shift. This was evident in the Company's South Australia Project, SA1, being selected for pre-approval in the Greenpower Renewable Gas Pilot Program.

Delorean was also extremely proud to have been named as a Top 5 Australasian Leader in the inaugural Australian Financial Review Sustainability Awards. This award was a worthy reflection of the Company's core and ongoing commitment to sustainability.

As the year draws to a close practical completion has been achieved at the innovative BLM Project, and the Ecogas Project in New Zealand is also approaching substantial completion. With two major client projects being completed in 2022, project finance secured for Delorean's own pipeline of projects, and a new contract with Yarra Valley Water, Delorean is extremely well positioned for a strong and exciting 2023.





# Palisade Impact

## HOW THE DEAL WILL BENEFIT INVESTORS

Delorean has entered into a binding agreement to form a multi-project development funding partnership ("funding partnership") with infrastructure impact investors Palisade Impact (Palisade). This funding partnership is a major milestone for Delorean's business that will deliver direct benefits to our shareholders.

Delorean will now focus on fast tracking the development and capitalisation of the company's own bioenergy infrastructure pipeline. This can be achieved without having to raise public capital to finance its foreseeable infrastructure assets. This partnership also enables the Company to diversify the business beyond its fast-growing construction business.

Palisade Impact has a proven track record in investing in high quality environmental assets. They target solutions to environmental and social challenges while delivering strong risk-adjusted returns to shareholders. Delorean's status as an award-winning ESG-focused pioneer of the sector was well aligned for the fund.

Palisade's investment enables Delorean to take the infrastructure development and operation business forward with great confidence. Palisade has sufficient binding equity commitments from investors to fund 100% of Delorean's SA1 and VIC1 bioenergy projects, with a right of first offer for a further three development projects.

The funding allows Delorean to accelerate its business growth and lock in the construction, operation and maintenance revenues and margins associated with our infrastructure projects.

The funding partnership with Palisade Impact funding has catalysed a new era for Delorean and its shareholders.

## Palisade Partnership Benefits



**Increased ROI**



**Reduced risk**



**Faster project completion**



**Backing from leading ESG investment fund**

 PlanumPartners



## Delorean's ESG commitment for a sustainable future

Investors are increasingly demanding that companies demonstrate commitment to Environment, Social and Governance (ESG) principles and sustainability directives. In September 2022, Delorean published our first ESG Report and Framework.

From the company's early beginnings Delorean Corporation was founded on key ESG principles. Pioneering Australia's diversion of organics from landfill and delivering renewable gas, electricity and heat means that Delorean directly delivers on climate action and the clean energy transition.

Our ESG Report and Framework takes this commitment even further. These documents articulate and quantify our ongoing dedication to ESG principles and align us with leading global standards such as the Task Force on Climate Related Financial Disclosures (TCFD).

Delorean continues to support Australia's path to decarbonization, whilst maintaining our focus of delivering benefits to investors.



## Greenpower - Delorean contributes to a cleaner, greener Australia

Businesses across the world are increasing their commitments to reduce emissions in order to achieve net-zero targets.

Natural gas is a large contributor to greenhouse gas emissions however there is currently no mechanism for consumers to support renewable gas production.

In Australia, GreenPower, a government managed national renewable energy accreditation scheme, has launched a pilot program to help establish a market for renewable gases.

The Gas Vision 2050 Report showed that a decarbonised energy system that continues to utilise existing gas infrastructure is a more cost-effective option than full electrification and decommissioning of the existing gas network.

The pilot program will enable network-connected commercial and industrial gas customers to offset their gas use with Renewable Gas Certificates (RGCs). Eligible green gas producers will be able to sell these certificates, and this will potentially provide additional margins for companies like Delorean that are generating renewable gas.

Delorean is proud that the Company's SA1 Project has been pre-approved for GreenPower's Renewable Gas Certification Pilot.

The certification with GreenPower confirms Delorean's established leadership in the Australian bioenergy landscape. The Pilot Program demonstrates the importance that renewable gas will have in reducing emissions. It also provides evidence of the Government's commitment to expanding the scope of renewable energy, and specifically renewable gas, in Australia's energy mix.

Delorean is pleased to have been selected and approved for certification in this important pilot program that will help support Government and businesses in their transition to net zero.

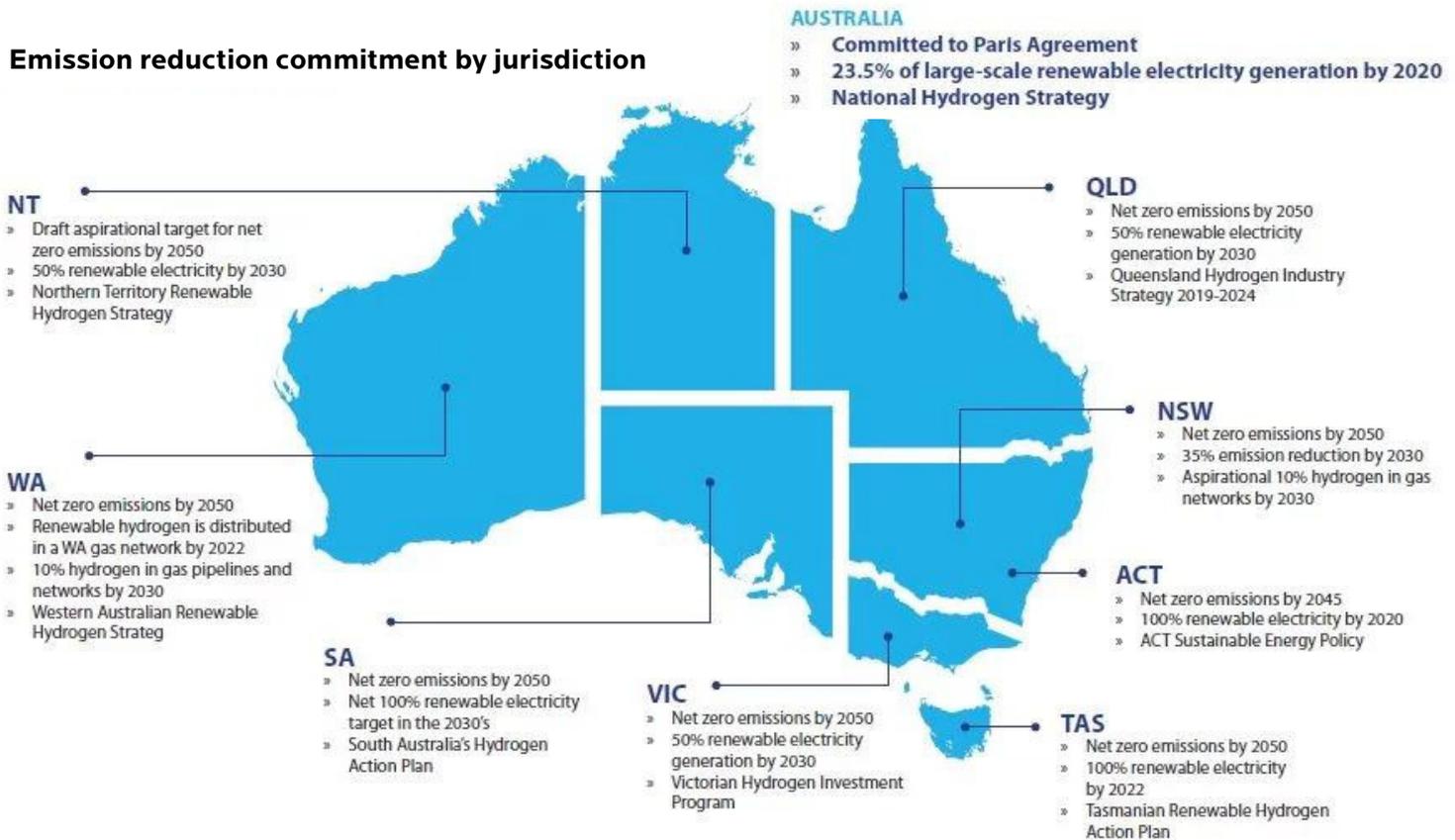


# Australia's long-term emissions reduction plan

Australia aims to reach net zero by 2050, primarily through technology-led sustainability strategies. Achieving Australia's emissions reduction targets will require fundamental and sweeping changes to the energy sector.

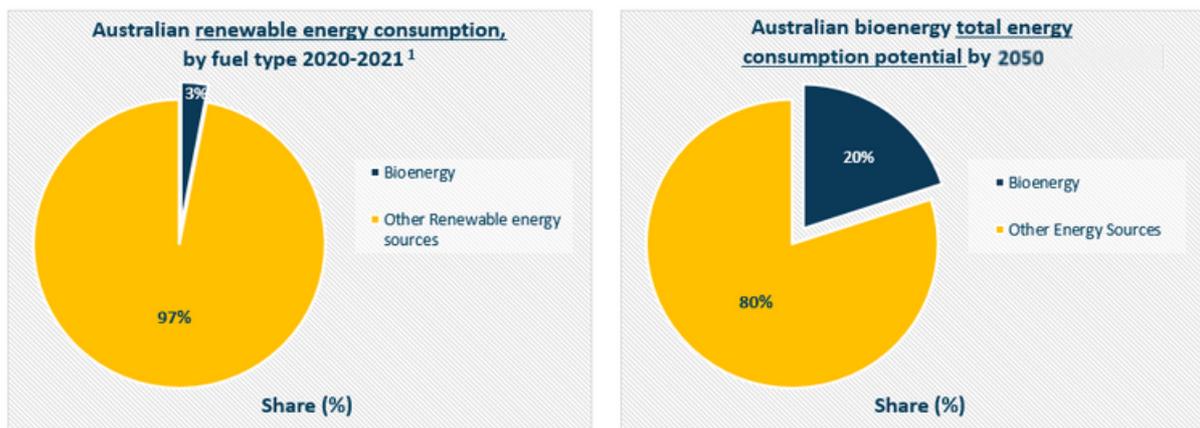
Under the Australian Government's Powering Australia plan, the Government is aiming to drive at least \$76 billion of new investment by 2030. This will be achieved by working with state and territory governments, research institutions and the private sector. The investment is expected to create 604,000 new jobs by 2030. The plan will support innovation in existing industries as well as create new industries. In addition, the Government is providing more than \$50 million in grants to accelerate priority gas infrastructure projects and to support investment in carbon capture and storage infrastructure.

## Emission reduction commitment by jurisdiction



Source: <https://www.energynetworks.com.au/resources/reports/2020-reports-and-publications/gas-vision-2050-delivering-a-clean-energy-future/>

Australia's latest emissions projections estimate the share of renewable generation will increase from 23% of total generation in 2020 to 61% by 2030. Australia's Bioenergy Roadmap models that by 2030, 33% of industrial heat, 23% of pipeline gas, and 8% of utility-scale/small-scale electricity generation could come from bioenergy infrastructure.



Delorean's bioenergy plants significantly reduce the amount of waste going to landfill, redirecting it towards the production of renewable gas, electricity, heat and biofertiliser. Delorean is directly delivering on climate action, sustainability and the clean energy transition with an economically successful model.

1 Source: Australian Energy Update 2022 Report

2.Source: <https://www.dceew.gov.au/about/news/projecting-australias-emissions-2021-report>

# Success story – Delorean's World First AD Plant



For over a century anaerobic digestion (AD) has been one of the key processes for renewable energy recovery from organic waste streams. Although AD technology is well proven, there is huge potential for these plants to become more high yielding.

Since developing the first fully closed-loop, commercial-scale bioenergy plant in Australia, Delorean Corporation has continued to pioneer the development of the industry in Australia.

The Blue Lake Milling Bioenergy Plant in Bordertown, designed and developed by Delorean, represents a ground-breaking new application for anaerobic digestion technology.

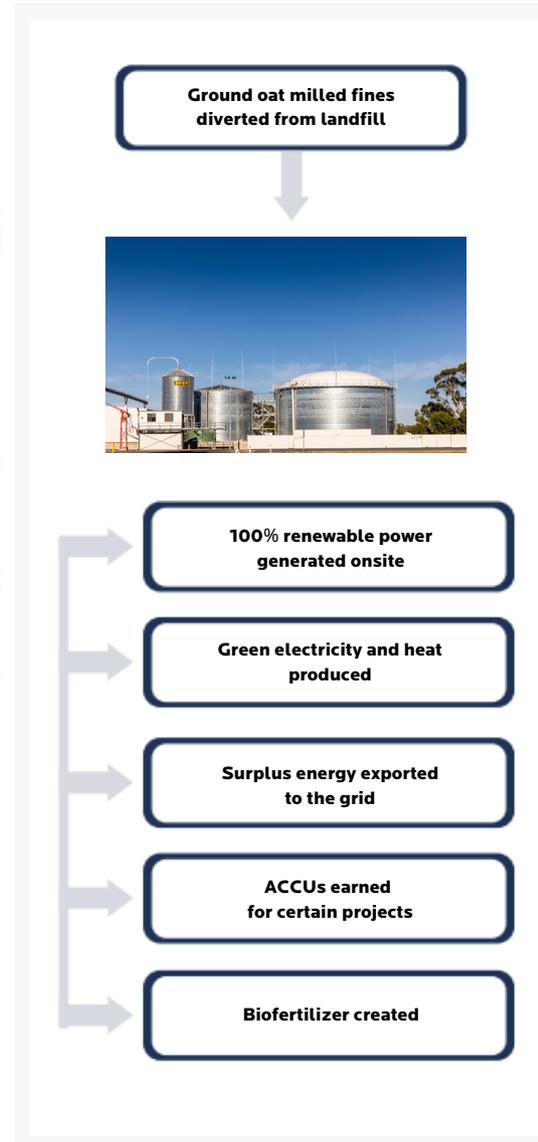
This project is the world's first commercial scale anaerobic digestion plant to use monoculture oat husk and dust as the feedstock.

A significant amount of time was invested in research and development to develop and refine the process, leading to a global breakthrough.

The Delorean team worked hard to determine the monoculture trace elements that enable the different nutritional value to break down and keep the system balanced. In addition, refinements were required in the pre-processing method to enable this complex feedstock with varying particle sizes to be processed through anaerobic digestion.

The innovation that was achieved at this power station opens a new market for processing grain waste. It also opens other high energy yield agricultural waste streams for bioenergy feedstock, an important outcome given the vast size of Australia's agricultural industry.

The intellectual property and knowledge accrued through this project has positioned Delorean for future success in both this sector and for other complex organic feedstocks. It is a credit to the entire team who worked on bringing this plant to such a successful outcome.



# Staff Achievement - Delorean Engineering Division's feedstock breakthrough

By Xiaowan Meng

The Practical Completion of the BLM Project marks a significant milestone in Delorean's achievements. The successful delivery of this project is a strong testimonial of Delorean's ability to again deliver a first of its kind system in Australia. This bioenergy plant can digest oat husk waste and generate energy from its conversion – a global first in bioenergy innovation.

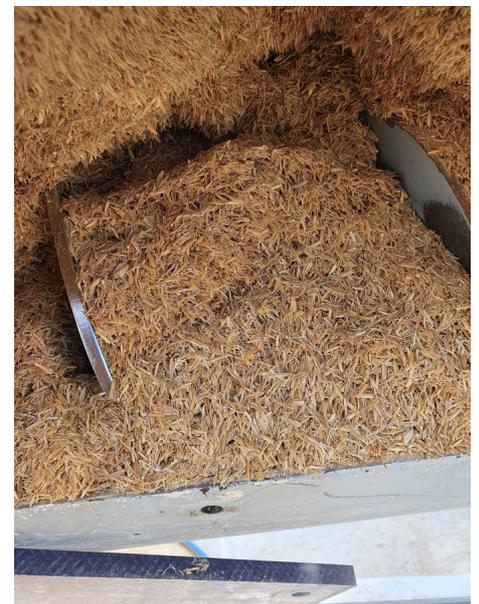
Faced with ever-evolving requirements and the uncertainties of producing an innovation in an energy system, the Engineering Team at Delorean has achieved incredible success. The team designed and built a robust system that has the capacity to handle and treat a feedstock that was more challenging and complex than originally thought. Incredibly, the innovative solution was devised without having to add or revise any key equipment.

To overcome the challenges associated with inconsistent raw material quality and the limited information of past project reference available, the Delorean team undertook a number of laboratory experiments and testing procedures to establish the key parameters.

The team utilised an integrated engineering approach by optimising the design in terms of in-situ mechanical modification and treatment process design. A massive and thorough data analysis and simulation was established to achieve the desired outcome.

The key factors contributing to the success of BLM project include a Leadership Team with a strong commitment to innovation and quality, a coherent Engineering Team with solid technical experience and expertise, and a consistent mind-set to learn and implement from the best practice.

With this strong track record, the team at Delorean looks forward to more exciting opportunities for future innovation.



## Xiaowan Meng

Senior Mechanical & Process Engineer

Xiaowan is the Senior Mechanical and Process Engineer at Delorean Corporation. Xiaowan has specialist experience in environmental, waste management and water industries.

Her areas of particular interest are in treatment process design using a wide variety of technologies and filtration plants including Reverse Osmosis (RO), Ultrafiltration (UF) and other membrane technologies.

## FY2023 Outlook

### Infrastructure

- Project Financing Agreement completed for SA1 & VIC1 Projects
- VIC1 & SA1 projects commence construction
- Advance Brickworks collaboration towards FID

### Engineering

- Yarra Valley Water detailed design completed and commence construction
- Completion of Ecogas Project (H1 FY23)
- Structural improvement of project management systems and processes

### Energy Retail

- Energy Retail book to be confined to renewable energy generated from Company projects. Revenues replaced with engineering construction income.
- This strategy is expected to be earnings and cash flow positive

### Corporate

- Investment in human capital - continue to invest in technical and management expertise to underpin the Company's growth trajectory



***"The future will be green or not at all."***  
***- Jonathon Porritt***



**Delorean Corporation Ltd**