

# Funding deal boosts Delorean

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Photo: David Henry



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Palisade is a private investment group focused on green infrastructure and technology opportunities.

Subject to completion of due diligence, it plans to fund 100 per cent of the project costs for Delorean’s bioenergy developments in South Australia and Victoria.

Together, they are estimated to cost about \$50 million.

Palisade also has a right of first offer to fund a further three bioenergy infrastructure projects, investing up to \$200 million.

In addition, Palisade will invest \$5 million in Delorean through two tranches of convertible notes.

Under the agreement, Delorean will design, construct and commission the bioenergy projects on “commercial margins”.

Once completed, Delorean will undertake operation and maintenance of the projects for a term of 25 years, also on commercial terms.

Palisade will receive a fixed preferential return set at 12 per cent per annum.

It will also receive an equity interest in Delorean’s projects “in excess of the preferred return”.

Delorean managing director and 40under40 award winner Joe Oliver said the funding partnership was a major milestone for the business.

“DEL listed on the ASX in April 2021 with the specific purpose of focusing on development and capitalisation of its own bioenergy infrastructure pipeline, to diversify the business beyond its already growing construction project portfolio and WA energy retail revenues,” he said.

“The partnership makes perfect sense for both Delorean and Palisade Impact.

“Palisade is a major Australian infrastructure investor which understands the bioenergy sector and has a solid track record backing winners and delivering solid investor returns and Delorean’s status as an award-winning ESG-focussed pioneer of the sector is a neat fit for its impact fund.”

Delorean’s financial advisor for the Funding Partnership is Planum Partners.

Delorean shares closed up 33.8 per cent today at 8.7 cents after touching a high of 9.4 cents during the day.

The jump followed a six-month decline in Delorean’s stock price over the past six months, having traded around 22 cents per share early this year.