



Australia's future in bioenergy and renewables

Interim Financial Report for the half-year ended 31 December 2022

**Delorean Corporation Limited
ACN 638 111 127**

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Vision Statement

To be recognised as Australia and New Zealand’s leading emerging renewable energy generator and retailer, led by its fast-growing bioenergy infrastructure footprint.

Mission Statement

To build, own and operate the largest portfolio of commercially successful renewable energy infrastructure in Australia and New Zealand, measured by value of developed assets and quantity of renewable electricity, heat and gas produced.



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Appendix 4D

1. Company details

Name of entity:	Delorean Corporation Limited
ABN:	62 638 111 127
Reporting period:	For the half-year ended 31 December 2022
Previous period:	For the half-year ended 31 December 2021

2. Results for announcement to the market

Revenues from ordinary activities	up	2% to	18,077,591
Loss from ordinary activities after tax attributable to the owners of Delorean Corporation Limited	up	51% to	(1,123,471)
Loss for the half-year attributable to the owners of Delorean Corporation Limited	up	51% to	(1,123,471)

Comments

The loss for the consolidated entity after providing for income tax and non-controlling interest amounted to \$1,123,471 (31 December 2021: Loss \$2,289,645).

Refer to the Review of Operations section included within the Directors' Report of the attached Financial Report for the half-year ended 31 December 2022.

3. Net tangible assets

	Reporting period Cents	Previous period Cents
Net tangible assets per ordinary security	5.03	7.93

4. Control gained over entities

Not applicable.



5. Loss of control over entities

Not applicable.

6. Details of associates and joint venture entities

Not applicable.

7. Audit qualification or review

Details of review dispute or qualification (if any):

The financial statements were subject to a review by the auditors and the review report is attached as part of the Interim Financial Report.

8. Attachments

Details of attachments (if any):

The Interim Financial Report of Delorean Corporation Limited for the half-year ended 31 December 2022 is attached.

9. Signed

Hamish Jolly
Executive Chairman

24 February 2023
Perth, Western Australia

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Corporate Directory

Directors

Mr Hamish Jolly
Mr Joseph Oliver
Mr David McArthur
Mr Steve Gostlow

Company Secretary

Mr David McArthur

Contact Details

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PERTH WA 6000

Bank

Commonwealth Bank of Australia
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Share Registry

Automic Group
Level 5, 191 St Georges Terrace
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Telephone: 1300 288 664

ASX Code

Shares: DEL

Legal Form of Entity

Public Company

Country of Incorporation and Domicile

Australia



Image 1: Ecogas Bioenergy Project

Half-year ended 31 December 2022 at a glance

- Revenue for 1H FY2023 was \$18.078m (excluding R&D tax offset and other income).
- Completion and settlement of Palisade Impact's \$5m Convertible Note subscription as part of a proposed multi-project development funding partnership with Delorean, using funds managed by Palisade Impact (signed in October 2022).
- Continued Progress on Palisade Impact's final due diligence to complete Final Investment Decision (FID) to 100% fund Delorean's two immediate projects, SA1 and VIC1 (investment circa \$50m).
- Ecogas project in New Zealand reached substantial completion. Plant has commenced processing of feedstock and production of gas with final close out works being completed.
- Blue Lake Milling project achieved practical completion in September 2022, and is powering Blue Lake Milling's site with surplus electricity exported to the grid.
- Continued progress in co-development of NSW1 project in landmark collaboration with Brickworks Building Products.
- Commenced detailed design on \$45m Yarra Valley Water waste to energy project.
- Implementation of second price reset in Energy Retail Division's customer book to protect margin. Western Australian retail book actively tailed down to confine Energy Retail activities to Delorean's renewable generation assets from January 2023, with the objective of de-risking energy market exposure.
- Significant ongoing demand for Delorean's renewable gas (biomethane) product in a market where availability of renewable gas is scarce.
- Delorean's SA1 project pre-approved for inclusion in pilot for Australia's first renewable natural gas certification scheme.
- Delorean received a joint commendation award (with Blue Lake Milling) in the South Australian Government Premier's Awards: Energy and Mining (Environment) Category for the Blue Lake Milling bioenergy project which was completed in Q1 FY2023.
- Current cash balance of \$6.193m as at 31 December 2022, comprising \$2.095m in term deposits supporting cash-backed prudential and contract bonds and \$4.098m in available cash for working capital.

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Chairman's Address



“The first half of FY2023 saw Delorean Corporation deliver on key project and corporate milestones that underpin the Company as Australia’s leading bioenergy infrastructure developer, builder, owner and emerging operator, in an environment where demand for renewable natural gas is already massive and continues to grow.”

In the six months to December 2022, Delorean reached completion milestones on both of its major bioenergy construction projects in South Australia and in New Zealand, while securing a binding agreement to form a proposed multi-project development funding partnership with funds managed by Palisade Impact Pty Ltd (Palisade Impact), subject to the satisfaction of certain conditions precedent.

Taken together, this positions Delorean as the only company to have successfully built and commissioned three commercial-scale bioenergy infrastructure assets in the Australasian region, with an advanced deal now in place to finance and build its own bioenergy infrastructure development pipeline with an initial \$50m in projects (SA1 and VIC1) slated to go into full construction in Q4 FY2023, subject to completion of final due diligence and Final Investment Decision (FID).

New bioenergy construction projects are on foot. In the first half, the Company commenced detailed design on its \$45m bioenergy project under contract to Victoria’s fourth biggest water utility Yarra Valley Water, now awaiting Notice to Proceed to commence construction. This is Yarra Valley Water’s second bioenergy plant following the commercial success of its first facility and is a testament to the commercial viability of an anaerobic digestion technology for waste processing and energy production at scale in Australia. Start of construction on this project will also progress the transition and replacement of Delorean’s former energy retail revenues with construction revenues and margins.

Including the Yarra Valley Water project, by the end of the 2023 financial year, Delorean can expect to be in build for three bioenergy facilities together worth circa \$95m subject to DEL’s own SA1 and VIC1 projects achieving FID.

Additionally, under Delorean’s national partnership with Australian brick and tile manufacturer Brickworks (market cap ~\$3.65B), the fully funded development continues on a jointly-owned bioenergy plant in NSW. The plant will supply renewable gas to Brickworks’ manufacturing operations, with the further intent to roll out plants at Brickworks sites nationally.

In the first half of FY2023, Delorean reinforced its infrastructure development strategy by refining and simplifying its core business with the orderly tailing down of its Western Australian electricity retail book, confining its energy retail activities to Delorean’s own renewable generation assets from January 2023. With this strategic shift, the Company retains its vertically-integrated capability to monetise renewable electricity and gas from its own bioenergy assets at escalating prices, while avoiding direct wholesale exposure to the current volatility in energy markets.



At a corporate level, the Company has a healthy current cash balance (circa \$6.2m as at 31 December 2022 with circa \$4.1m in available cash for working capital) following completion and settlement of Palisade Impact's \$5m Convertible Note subscription as part of a proposed multi-project development funding partnership.

As Australia's major industrial gas consumers embrace decarbonisation, biomethane from bioenergy is already competitive against fossil fuel gas. Biomethane is a direct substitute for natural gas as it can be produced at the same specification and can also be distributed utilising existing gas networks. Delorean Corporation is currently the only ASX-listed company focused on renewable biomethane supply, with projects in construction and well advanced in development.

For the first half year FY2023 Delorean reported consolidated underlying revenue of \$18.3m (comparative 1H FY2022 \$18.3m) with an underlying EBITDA loss of \$1.38m (comparative 1H FY2022 EBITDA profit \$337k). This reflects compressed margins on Delorean's Energy Retail electricity contracts in Western Australia prior to closing out the customer book, and final construction cost escalations impacting EPC project margins in Delorean's Engineering Division. These issues are not expected to recur as DEL no longer has any material exposure to the wholesale electricity market, and forward EPC contracts have been repriced to reflect the current economic environment for the constructions sector, with contract escalations negotiated where appropriate.

As Delorean continues to build out its own bioenergy infrastructure with the VIC1 and SA1 projects, together with its wider \$500m+ project pipeline, the Company expects to grow a stream of free cashflows through infrastructure ownership, which cashflows are expected to augment the current energy retail and construction revenues and further stabilise and uplift earnings from FY2024.

The second half of FY2023 is expected to be significant in the growth of the Company as the VIC1 and SA1 projects achieve FID, and with the support of Palisade Impact move into build, and siteworks commence on construction of the Yarra Valley Water project.

We continue to believe that gas reliant industries in Australia on the pathway to decarbonisation will increasingly recognise the critical role that biomethane can play right now in Australia's renewable energy mix, and that the already significant demand for renewable gas will continue to escalate.

Delorean Corporation is incredibly well placed to capitalise on this major and long-term structural change in gas demand.

Yours sincerely,

Hamish Jolly
Executive Chair & Co-Founder



Directors' Report

The Directors present their report together with the financial statements of Delorean Corporation Limited ("Delorean" or "the Company" or "DEL") and its subsidiaries ("the Consolidated Entity") for the half year ended 31 December 2022 and the auditor's report thereon.

Our Board

Delorean's Board comprises a balance of strong and committed executive leadership through its Co-founders, Executive Chair Hamish Jolly and Managing Director Joseph Oliver, matched with Steve Gostlow's deep experience and company growth track record in the Australian waste sector with Tox Free Solutions Ltd, and David McArthur's decades of experience in the complexities of ASX-listed businesses. The Board functions well with the Non-Executive Directors providing guidance on finance, performance management and M&A strategy. Together, the Directors hold 42.18% of DEL's issued capital and are motivated to guide the Company to meet its growth and profitability targets and realise the Company's vision.

Strong Leadership



Hamish Jolly
Executive Chair & Co-Founder

Hamish is a seasoned executive and holds a Bachelor of Business (Business Law and Accounting) and is a Member of the Institute of Chartered Accountants in Australia and New Zealand. He is a former Director of Strategy and Ventures at Bankwest, and former CEO of Greening Australia, one of Australia's largest environmental NGO's.



Joseph Oliver
Managing Director & Co-Founder

Joe has 15 years' experience in engineering, power generation and renewable energy across both Australasia and Europe. Prior to Delorean, Joe worked for Edina Ltd, specialising in power generation. Joe has been involved in developing the UK Anaerobic Digestion sector, delivering over 10 facilities nationwide through both Farmgen Ltd and Monsal Ltd.



Steve Gostlow
Non-Executive Director

Steve has over 20 years' experience in the waste management industry. He was Managing Director of Tox Free Solutions Ltd (Toxfree) for 16 years where he developed Toxfree into one of Australia's largest waste management companies. Steve has formal governance qualifications as a Graduate of the Australian Institute of Company Directors.



David McArthur
Non-Executive Director & Company Secretary

David is a Chartered Accountant, with over 30 years' experience. David has recently sat on the board of a number of listed companies including Lodestar Minerals Ltd (ASX:LSR), Xstate Resources Ltd (ASX:XST) as well as Harvest Technology Ltd (ASX:HTC). Additionally, he was the Chair of the Audit and Risk Management Committee for all three.



Directors' Report (continued)

Operating and Financial Review

Principal Activities

Delorean is a leading builder and developer of bioenergy infrastructure, and a retailer of electricity throughout Australia. The principal activities of the Consolidated Entity during the financial year were:

- Renewable energy asset investment
- Development
- Construction
- Tank and infrastructure fabrication
- Energy retail, focused on renewable energy

Investment Strengths

Proposed fully funded development partnership with Palisade Impact

- Proposed funding partnership with Palisade Impact will, subject to the satisfaction of certain conditions, provide the capitalisation and fast-tracking of Delorean's own renewable energy infrastructure

Track record of deliverability

- Ability to deliver innovative and successful Australasian bioenergy projects across the Agricultural, Commercial & Industrial (C&I) and Municipal Organic Waste sectors to ISO compliance

Strong ESG credentials

- Multiple certifications and awards, in addition to alignment with global ESG standards including Task Force on Climate Related Financial Disclosures (TCFD), formal sustainability reporting and government accredited programs

Strategy

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

Delorean's proposed finance partnership with Palisade Impact is pivotal in the delivery of this vision. In addition, Delorean currently constructs bioenergy projects for third parties in Australia and New Zealand and maintains licenses for the retailing of electricity and gas. From January 2023 the Company's energy retail activities will be confined to the energy from bioenergy assets constructed or developed, owned and operated by Delorean.

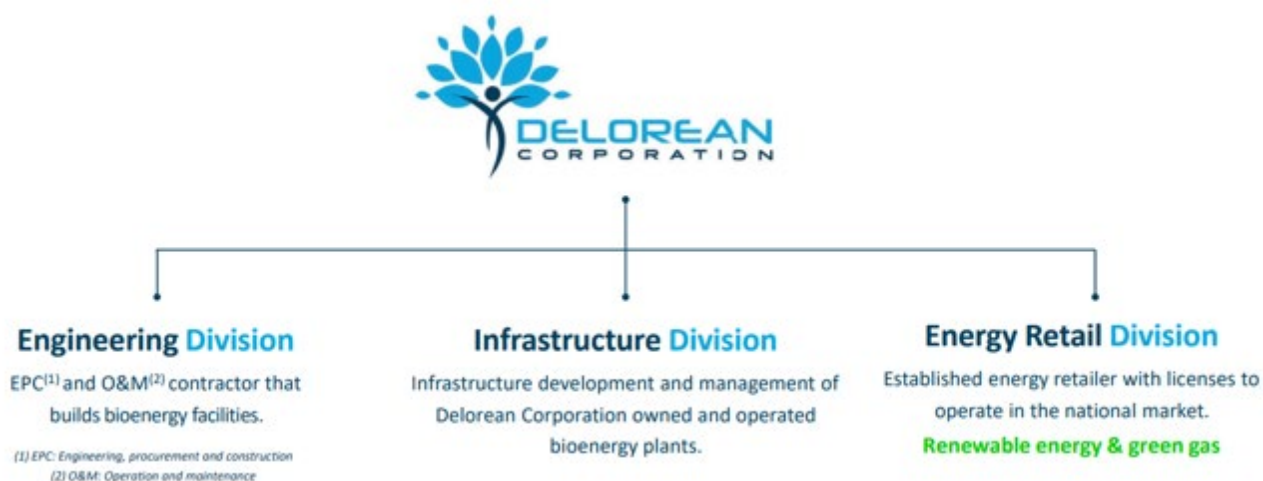


Directors' Report (continued)

Operating and Financial Review (continued)

Vertically Integrated Renewable Energy Business

The business comprises three interoperable divisions:



EPC Projects progressing with DEL-owned Project Development and Build Pipeline

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

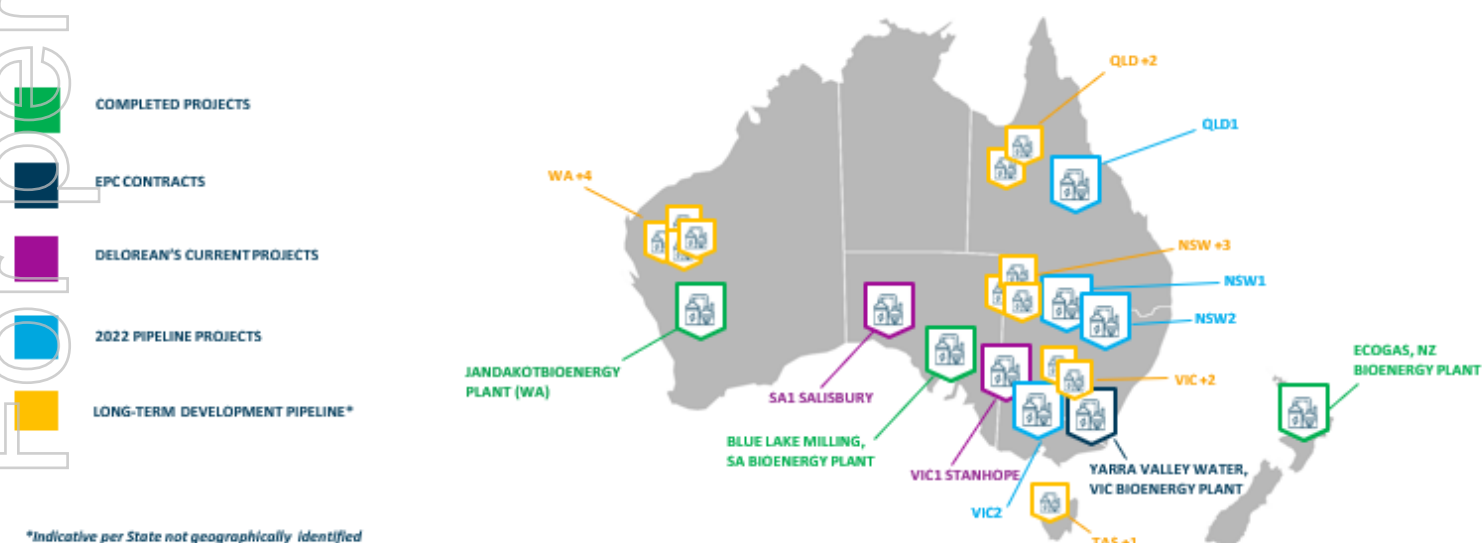


Image 2: Delorean Corporation Projects across Australia and New Zealand

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Directors' Report (continued)

Operating and Financial Review (continued)

Overview

Delorean Corporation's activities in the half year ending December 2022 continued to support and refine the Company's strategic direction and ongoing growth. Delorean is committed to shaping a cleaner energy future through its vertically integrated renewable energy model. During the first half of FY2023 Delorean continued to advance the Company's mission through the achievement of several key milestones.

With a pipeline of projects in early-stage engagement, feasibility, development and construction, and funding in advanced stages for the immediate priority South Australian and Victorian projects, the Company is entering into an active period of growth.

Although there have been challenges brought about by the broader global financial environment, Delorean is pleased to have achieved continued progress with these significant milestones.

Delorean Engineering Division

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

Ecogas, NZ Bioenergy Plant

Project Background

Location: Reparoa, New Zealand - \$10.1M contract value

Delorean Corporation's Engineering Division was contracted for the design, turnkey build and commissioning of this bioenergy project in Reparoa, New Zealand. The completed project for Ecogas/Pioneer is taking food organics from Auckland City Council collections and utilising the process of anaerobic digestion (AD) to create clean energy that will supply a major local greenhouse operation.

Project Update

Delorean achieved Substantial Completion on the Ecogas project, with the plant successfully generating biogas. The facility has been processing commercial, industrial and municipal food waste organics over the past 3 months whilst the facility has been commissioned.



Image 3: Ecogas Bioenergy Plant



Directors' Report (continued)

Operating and Financial Review (continued)

Blue Lake Milling, SA Bioenergy Plant

Project Background

Location: Bordertown, South Australia - \$7.8M contract value

Delorean Corporation's Engineering Division was contracted for the design, turnkey EPC and commissioning of this world-first grain milling operation bioenergy plant. The plant supplies renewable electricity, heat and biofertiliser from ground out milled feed.

Project Update

The AD facility for Blue Lake Milling achieved practical completion on 29 September 2022, and is powering Blue Lake Milling's site, with surplus electricity exported to the grid. The project is operated by the client and continues to produce green electricity and biofertiliser.

Delorean received a joint commendation award (with Blue Lake Milling) in the South Australian Premier's Awards: Energy and Mining (Environment) Category for the Blue Lake Milling bioenergy project.



Image 4: Blue Lake Milling Project



Directors' Report (continued)

Operating and Financial Review (continued)

Yarra Valley Water, VIC Bioenergy Plant

Project Background

Location: Lilydale, Victoria – circa \$45.0M contract value

Delorean Corporation's Engineering Division has been awarded a ~\$45M project contract. The Yarra Valley Water contract includes the design, build, operation and maintenance of a waste to energy facility at its Lilydale Sewage Treatment site in Victoria.

Yarra Valley Water is the largest of three Victorian Government owned water corporations, serving over 2 million people and over 58,000 businesses in the northern and eastern suburbs of Melbourne. The new facility will be one of the largest food waste to energy facilities of its kind in Victoria, diverting approximately 50,000 tonnes of food waste from landfill each year and generating 33,000 kilowatt-hours of electricity.

Project Update

Following completion of pre-construction development and planning and initial phase works to de-risk the overall project budget, in November 2022 Delorean moved into the Detailed Design stage of the project under its EPC contract with Yarra Valley Water. Ministerial approval for the project has been secured and subject to the final completion of planning and regulatory approvals, the project is now awaiting Notice to Proceed into full construction, enabling mobilisation, order of long lead items and siteworks to commence.



Image 5: Yarra Valley Water Bioenergy Plant Render



Directors' Report (continued)

Operating and Financial Review (continued)

Delorean Infrastructure Division

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

Palisade Impact – Multi Project Development Funding Partnership

In October 2022, Delorean entered into an agreement to form a multi-project development funding partnership with funds managed by Palisade Impact Pty Ltd (Palisade Impact), subject to the satisfaction of certain conditions precedent.

Under the terms of the proposed funding partnership, Palisade Impact will:

- Subject to completion of final due diligence and receipt of investment committee approval required for each project's Final Investment Decision, fund 100% of the project costs (including full reimbursement to Delorean of the development costs incurred) to deliver Delorean's SA1 and VIC1 bioenergy projects (Immediate Projects) under separate preferred funding agreements for each project. These agreements will give Palisade Impact a fixed preferential return set at 12% per annum. Palisade will also receive equal ordinary equity interest in the Immediate Projects, together with Delorean, in excess of the preferred return.
- Have a right of first offer to fund a further three bioenergy infrastructure projects in Delorean's project pipeline through the Funding Partnership.
- Invest \$5m in Delorean to support the Company's working capital requirements, including to progress the detailed design work on the Immediate Projects. This investment is by way of Convertible Notes. The Convertible Notes were issued in two tranches of \$2.4m and \$2.6m in Q2 FY2023, with final funds settled in December 2022.

Finalisation of project and transaction agreements and satisfaction of relevant conditions precedents will deliver the following outcomes:

- Delorean will receive an upfront cash payment representing DEL's costs of developing the Immediate Projects prior to each respective financial close.
- Delorean will design, construct and commission the Immediate Projects under arms-length Engineer, Procure and Construct contracts on commercial margins.
- From practical completion of these projects, Delorean will undertake Operation and Maintenance of the Immediate Projects on arms-length terms and commercial margins for a proposed term of 25 years.
- Delorean will also provide services to each project under separate Revenue Management Services agreements.



Directors' Report (continued)

Operating and Financial Review (continued)

- Delorean will retain an underlying ownership in the Immediate Projects (up to 50% of ordinary equity in the project entities which will rank behind Palisade Impact's preferred return equity).

Palisade Impact recently reached a first close on its inaugural investment fund and received binding equity commitments of over \$400m, which will provide sufficient funding to fund its initial investment, and could also be made available to fund Delorean's broader pipeline of investments.

VIC1 Stanhope Bioenergy Plant

Project Background

Location: Stanhope, Victoria

In Stage 1, this facility will process 54,000TPA of organic waste. It will generate 15,400 MWh per annum of green electricity and contribute to emissions reduction of 69,400tCO₂e per annum. **This is equivalent to powering 3,850 homes with green energy every year.**

Project Update

Delorean's Infrastructure Division has progressed geotechnical and site accommodation upgrade work and long lead items have been ordered. Final design work is now being completed and the necessary final approvals required for construction are being progressed.



Image 6: VIC1 Stanhope Bioenergy Plant Render



Directors' Report (continued)

Operating and Financial Review (continued)

SA1 Salisbury Bioenergy Plant

Project Background

Location: Salisbury, South Australia

This project will be one of Australia's first to create green gas to mains utilising commercial and industrial organic waste.

In Stage 1 it will process 70,000TPA of organic waste, generating 200 TJs of biomethane per annum. This will contribute to 92,200 tonnes per annum emissions reduction, **the equivalent of powering 5,120 homes with green energy per year.**

Project Update

Detailed design work is being completed and connection agreements are being finalised for construction to progress.



Image 7: SA1 Salisbury Bioenergy Plant Render



Directors' Report (continued)

Operating and Financial Review (continued)

Brickworks

Project Background

Brickworks Building Products (ASX: BKW) and Delorean have signed a landmark collaboration agreement to build and operate bioenergy facilities that will be co-located at Brickworks' brick manufacturing sites. The facilities will convert organic waste to green gas and electricity for use in Brickworks' operations.

The collaboration has commenced with Brickworks' Horsley Park brick manufacturing site in NSW, and if successful there is the potential for the model to be rolled out on a national basis.

Project Update

In Q1 FY2023, Brickworks Building Products and Delorean completed the Concept Stage of their Master Services Agreement (**MSA**) and formally progressed to the Development Stage. The MSA is derived from the Memorandum of Understanding (**MOU**) between the two companies in a collaboration to build and operate bioenergy plants. The completed project(s) will convert organic waste to green gas and electricity for use in Brickworks' NSW brick manufacturing operations.

The Development Stage of the collaboration includes Brickworks retaining Delorean to undertake the feasibility study for the initial NSW plant(s). The feasibility study will address the key prerequisites for developing a model for commercially viable and sustainably driven bioenergy facilities. The results of this study will inform the next stage of FID.

Progress on the Development Stage has been positive and the development work is materially on track.



Image 8: NSW1 Bioenergy Plant Render



Directors' Report (continued)

Operating and Financial Review (continued)

QLD1 Bioenergy Plant

Project Background

At full capacity, this site will process approximately 130,000TPA of organic waste with the primary energy output being either biomethane or green electricity. The facility is likely to be developed with a staged approach, with Stage 1 seeing 70,000TPA of waste accepted. **This is equivalent to powering 9,000 homes with green energy every year (based on full capacity).**

Project Update

The project team is currently reviewing the approvals process to better understand the most viable option for energy generation (green gas vs. electricity) and is consulting with Australian Gas Infrastructure Group (AGIG) regarding any potential mains injection limits.

The project is expected to be FID-ready later in CY2023.



Image 9: QLD1 Bioenergy Plant Render



Directors' Report (continued)

Operating and Financial Review (continued)

Delorean Energy Retail Division

During the December quarter, Delorean Corporation's Energy Retail Division reviewed and strategically consolidated its participation in the Western Australian electricity market.

Delorean's core strategy is to develop and build out bioenergy infrastructure for the generation of renewable electricity and supply of renewable natural gas. This strategy is reaffirmed by the proposed multi-project development funding partnership with Palisade Impact. Under the Company's vertically integrated business model, Delorean retains the capability to develop and build bioenergy projects, as well as licenses to retail electricity and gas including (inter alia) electricity retail licenses in the National Electricity Market and Western Australian Wholesale Electricity Market.

Delorean's Energy Retail Division activities have been confined (except for one customer) entirely to business customers in the Western Australian electricity retail market. The aggregate electricity demand to service this customer book outstripped the available sources of electricity supply from bioenergy in WA, requiring DEL to 'top up' its electricity requirements via bilateral contracts with energy wholesalers and from the wholesale electricity market.

While energy pricing in the WA electricity market is less volatile than the National Energy Market, and Delorean maintained hedge protections against wholesale energy price increases in the form of bilateral wholesale contracts and other positions, during the quarter the WA market continued to experience abnormal uplifts in energy and Large Scale Generation Certificate prices.

In July 2022, Delorean undertook allowable Material Adverse Event pricing resets under its WA customer contracts to protect electricity retail margins. This resulted in an approximate 10% reduction in its customer book by volume of electricity sold. Delorean undertook a further price reset in October 2022, resulting in a further circa 35% reduction in its customer book by volume.

In October, the Company undertook a strategic review of its Western Australian energy retail operations and formed the view that to align with its infrastructure roll-out strategy, Delorean should confine its retail operations to the monetisation of energy exclusively from its own bioenergy projects (either constructed for third parties or owned by Delorean), as those projects continue to come online.

From October 2022, the Company ceased to engage new customers within the Western Australian electricity market and undertook an orderly winding down of its Western Australian energy client book. Delorean was successful in this process and by natural churn and orderly transfer of customers to other retailers, the Company had only one remaining retail customer in the WA energy market by the end of December 2022.

Ceasing to provide Western Australian energy retail services at this time and in the current circumstances is expected to be both earnings and cashflow positive for the Company, freeing up cash-backed prudential and contract securities and reducing the Company's exposure to risk in the WA electricity market.

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



Directors' Report (continued)

Operating and Financial Review (continued)

Delorean Corporate

Environment, Social and Governance

Delorean remains proud to be advancing its commitment to sustainability and ESG principles through the formal development of its ESG Strategy.

During Q1 FY2023, Delorean published its Environment, Social and Governance framework and its inaugural ESG Report 2022 and signed up to the UN Global Compact (UNGC).

This inaugural ESG report articulates Delorean's impact framework and prioritises Delorean's sustainability goals and focus areas. It explains how Delorean is going to achieve its ESG aspirations and how it plans to measure progress.

This report also includes formal alignment to the Task Force on Climate Related Financial Disclosures (TCFD) and our first Communication on Progress report to the UNGC.

During 1H FY2023 Delorean continued the underpinning activities to deliver on its ESG plan.

Planned Activity – 2H FY2023

Delorean has again achieved several major milestones in the second quarter FY2023 with its BLM and Ecogas construction projects reaching completion milestones, the Yarra Valley Water project in detailed design pending Notice to Proceed to move into construction, and SA1 and VIC 1 projects in the advanced stages of final due diligence towards Financial Investment Decision (subject to conditions).

In addition, the Company has improved its available working capital reserves through the completion of the issue of the \$5m in Convertible Notes to Palisade Impact.

With the orderly winding down of Delorean's Western Australian energy retail customer book, the company moves into calendar 2023 with a clear strategic focus on its core business of developing, constructing, owning and operating bioenergy plants across Australia.

Key Activities in 2H FY2023

In Q3 FY2023, Delorean's focus is in the following key areas:

- Having reached substantial completion, closing out of Delorean Engineering's Ecogas project in New Zealand.
- Advance the final due diligence with Palisade Impact towards Final Investment Decision on Delorean's SA1 and VIC1 projects.
- Advance Delorean Engineering's detailed design of the Yarra Valley Water project pending Notice to Proceed to commence siteworks, procurement and construction.
- Advance the development of the first NSW1 project in collaboration with Brickworks.



Directors' Report (continued)

Operating and financial review (continued)

Financial results and condition

The net loss for the half-year ended 31 December 2022 after income tax was \$1,123,471 (2021: Loss \$2,289,645) with an actual underlying EBITDA loss performance of \$1,383,460 (2021: Profit \$337,461) as summarised in the below table.

Summary of results

EBITDA is a financial measure which is not prescribed by Australian Accounting Standards.

Underlying EBITDA is defined by the Company as earnings before interest, taxes, depreciation and amortisation adjusted to eliminate one-off gains or losses that are unlikely to reoccur, and are not part of the Consolidated Entity's day to day business operations.

	2022 \$	2021 \$
Underlying EBITDA	(1,383,460)	337,461
EBITDA Adjustments:		
Costs of the IPO offer ⁽¹⁾	-	(120,000)
Share-based payments ⁽²⁾	(197,179)	(198,332)
LGC Shortfall Strategy ⁽³⁾	-	(596,004)
Ecogas project ⁽⁴⁾	(85,558)	(969,243)
YVW project ⁽⁵⁾	(237,109)	-
Allowance for liquidated damages ⁽⁶⁾	-	(627,500)
Allowance for liquidated damages ⁽⁷⁾	(202,358)	-
Project earth costs ⁽⁸⁾	(177,333)	-
Infrastructure costs to be recouped ⁽⁹⁾	(32,366)	-
EBITDA	(2,315,363)	(2,173,618)
EBITDA add backs:		
Interest & financing costs	(107,348)	(95,359)
Interest income	5,631	563
Income tax benefit	1,499,660	218,917
Depreciation	(206,051)	(240,148)
Loss after income tax expense:	(1,123,471)	(2,289,645)

There were a number of timing adjustments made to the statutory accounts which have been adjusted when calculating Underlying EBITDA.

(1) Costs related to DEL's April 2021 IPO that are not reoccurring or ongoing.

(2) Non-cash share-based payments as detailed in the Company's Prospectus.



Directors' Report (continued)

Operating and financial review (continued)

Financial results and condition (continued)

Summary of results (continued)

(3) This amount is expected to be returned in full as other income in FY24 until such time as the contracts are settled and upon satisfaction of the refund clause and relates to optimising returns against Delorean's Large-scale Generation Certificates ("LGC") commitment but recorded as an expense in the Income Statement.

(4) Difference in expected progress compared to actual progress on the Ecogas project for the financial year and represents a timing delay. These costs have not yet been imposed by the Consolidated Entity's vendors and subcontractors.

(5) Difference in expected progress compared to actual progress on the Yarra Valley Water project for the financial year and represents a timing delay. These costs have not yet been imposed by the Consolidated Entity's vendors and subcontractors.

(6) This amount represents a provision for potential liquidated damages (LD) relating to an EPC contract on foot. LD's have not been imposed by the contract principal and the parties are in discussions regarding extensions of time under the contract and contributory factors attributed to delays which include COVID impacts, feedstock composition and other factors. Both parties recognise the unique nature of this project being a global first and complexities around processing the feedstock and ramping up the biology to process. The Company expects that ultimately no LD will accrue on this project. The Company is working with the principal to mediate a solution and expects this amount to be written back upon contract completions.

(7) This amount represents a provision for potential liquidated damages (LD) relating to an EPC contract on foot. LD's have been imposed by the contract principal and the Company is working with the principal to mediate a solution.

(8) Project earth costs relate to the costs incurred pursuant to an infrastructure finance deal between the Company and Planum Partners.

(9) Infrastructure costs to be recouped once the infrastructure financing described in note (8) above is closed out and the entity structure under this deal is effected.

The Company remains acutely aware of the current economic climate and continues to assess potential cost-reduction measures across the business.



Directors' Report (continued)

Operating and financial review (continued)

Financial results and condition (continued)

Summary of results (continued)

The Consolidated Entity comprises three operating segments being the Energy Retail Division, Engineering Division and Infrastructure Division. Unallocated balances include the Consolidated Entity's corporate balances. A summary of the associated segment results is set out below:

Energy Retail Division

	1HY23	2HY22	1HY22
	\$	\$	\$
Revenue	15,398,683	19,262,115	16,136,698
Underlying EBITDA	(213,648)	(651,454)	571,238

Energy Retail discontinued substantially all its operation in December 2022, and retained all of its existing energy retail licenses in WA and the Eastern States to underpin its bioenergy infrastructure asset pipeline.

Engineering Division

	1HY23	2HY22	1HY22
	\$	\$	\$
Revenue	2,719,992	2,099,796	1,463,663
Underlying EBITDA	86,809	(1,847,560)	(378,210)

1H FY2022 underlying EBITDA reflects margin impacts on the Engineering Division's EPC contracts relating to border controls and site access issues associated with COVID, as well as shipping delays caused by global shipping congestion. Key impacts are from shipping routes being limited due to COVID causing higher price, and delay for items arriving on site, difficulty and delay in securing on-site labour and upfront shipping cost not claimable from client as claims are based on installation being complete.



Directors' Report (continued)

Operating and financial review (continued)

Financial results and condition (continued)

Summary of results (continued)

Infrastructure Division

	1HY23	2HY22	1HY22
	\$	\$	\$
Revenue	161,344	263,368	101,654
Underlying EBITDA	92	185,307	20,380

1H FY2023 revenue relates to the Brickworks development contract and in the previous comparable period related revenue was a Sustainability Victoria grant. The majority of expenditure in this Division is capitalised to the Bioenergy portfolio of assets in the Infrastructure pipeline.

Complete details of our operating segments is disclosed in the financial statements Note 2: Operating Segments.

Significant changes in the state of affairs

There were no significant changes in the state of affairs of the Consolidated Entity during the financial year.

Environmental Regulation

Waste management activities are subject to significant environmental and other regulation. Key legislation that the Consolidated Entity is required to comply with includes legislation relating to the environment and the protection of the environment.



Directors' Report (continued)

Share Options

Unissued shares under options

At the date of this report unissued ordinary shares of the Company under option are:

Expiry date	Exercise price (cents)	Number of options
31-03-25	20	6,250,000
12-04-25	25	14,000,000

All unissued shares are ordinary shares of the Company. These options do not entitle the holder to participate in any share issue of the Company. Further details in relation to the share-based payments to directors are included in the Remuneration Report.

Shares issued on exercise of options

During the half-year, no shares were issued as a result of the exercise of options. Since the end of the half-year, no options have been converted.

Auditor's Independence Declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out immediately after this directors' report.

This Directors' Report is made in accordance with a resolution of the Directors, pursuant to section 306(3)(a) of the Corporations Act 2001.

On behalf of the directors

JOSEPH OLIVER
Managing Director

Signed at Perth, Western Australia this 24th day of February 2023.



RSM Australia Partners

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AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the review of the interim financial report of Delorean Corporation Limited for the half-year ended 31 December 2022, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- (ii) any applicable code of professional conduct in relation to the review.

RSM AUSTRALIA PARTNERS

MATTHEW BEEVERS
Partner

Perth, WA
Dated: 24 February 2023

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Consolidated Statement of Profit or Loss and Other Comprehensive Income

FOR THE HALF-YEAR ENDED 31 DECEMBER 2022

		31 December 2022 \$	31 December 2021 \$
Revenue	3	18,077,591	17,702,015
Other income	4	2,449,710	944,906
Expenses			
Cost of sales		(20,337,325)	(18,863,901)
Occupancy expenses		(37,919)	(35,289)
Employee benefits expenses		(1,362,160)	(1,169,504)
Administrative expenses		(406,855)	(218,749)
Depreciation and amortisation		(206,051)	(240,148)
Share based payment expense		(197,179)	(198,332)
Other expenses		(602,943)	(429,560)
Loss before income tax benefit		(2,623,131)	(2,508,562)
Income tax benefit		1,499,660	218,917
Loss after income tax benefit for the year		(1,123,471)	(2,289,645)
Other comprehensive income			
Exchange differences on translation of foreign operations		(178,556)	4,645
Total comprehensive loss for the year		(1,302,027)	(2,285,000)
(Loss) / earnings per share (cents per share)			
Basic (cents per share)	10	(0.52)	(1.28)
Diluted (cents per share)	10	(0.52)	(1.28)

The above consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.



Consolidated Statement of Financial Position

AS AT 31 DECEMBER 2022

		31 December 2022	30 June 2022
	Note	\$	\$
Assets			
Cash and cash equivalents	5	6,193,275	3,124,648
Trade and other receivables	6	2,321,353	4,898,218
Contract assets		393,877	186,776
Other current assets		701,971	1,435,409
Income tax		1,720,147	-
Total current assets		11,330,623	9,645,051
Property, plant and equipment		9,773,909	9,220,333
Right of use assets		2,314,401	2,425,672
Deferred tax assets		3,546,776	2,767,984
Intangible assets		31,326	36,746
Total non-current assets		15,666,412	14,450,735
Total assets		26,997,035	24,095,786
Liabilities			
Trade and other payables	7	6,269,960	6,747,696
Provisions		287,312	1,185,308
Income tax		-	229,411
Borrowings		1,309,067	231,360
Lease liabilities		197,443	303,560
Contract liabilities		1,098,576	705,595
Total current liabilities		9,162,358	9,402,930
Convertible loan notes	8	4,888,216	-
Deferred tax liabilities		-	720,838
Lease liabilities		2,057,728	2,090,221
Total non-current liabilities		6,945,944	2,811,059
Total liabilities		16,108,302	12,213,989
Net assets		10,888,733	11,881,797
Equity			
Share capital	9	20,492,994	20,492,994
Accumulated losses		(11,137,867)	(10,014,396)
Reserves		1,533,606	1,403,199
Total equity		10,888,733	11,881,797

The above consolidated statement of financial position should be read in conjunction with the accompanying notes.



Consolidated Statement of Changes in Equity

FOR THE HALF-YEAR ENDED 31 DECEMBER 2022

	Share capital	Share based payments reserve	Other reserve	Retained Earnings	Total
	\$	\$	\$	\$	\$
Balance as at 1 July 2021	14,578,801	1,750,553	(933,334)	873,615	16,269,635
Total comprehensive income for the half-year					
Loss after income tax benefit for the half-year	-	-	-	(2,289,645)	(2,289,645)
Other comprehensive income for the half-year					
Foreign exchange translation difference on foreign operations	-	-	4,645	-	4,645
Total other comprehensive income for the half-year	-	-	4,645	(2,289,645)	(2,285,000)
Transactions with owners, recorded directly in equity					
Share based payment	-	198,332	-	-	198,332
Issue of shares in lieu of corporate advisory fee	120,000	-	-	-	120,000
Total transactions with owners	120,000	198,332	-	-	318,332
Balance as at 31 December 2021	14,698,801	1,948,885	(928,689)	(1,416,030)	14,302,967



Consolidated Statement of Changes in Equity (continued)

FOR THE HALF-YEAR ENDED 31 DECEMBER 2022

	Share capital	Share based payments reserve	Other reserve	Retained Earnings	Total
	\$	\$	\$	\$	\$
Balance as at 1 July 2022	20,492,994	2,144,912	(741,713)	(10,014,396)	11,881,797
Total comprehensive income for the half-year					
Loss after income tax benefit for the half-year	-	-	-	(1,123,471)	(1,123,471)
Other comprehensive income for the half-year					
Foreign exchange translation difference on foreign operations	-	-	(178,556)	-	(178,556)
Total other comprehensive income for the half-year	-	-	(178,556)	(1,123,471)	(1,302,027)
Transactions with owners, recorded directly in equity					
Equity component of convertible note (Note 6)	-	-	111,784	-	111,784
Share based payment	-	197,179	-	-	197,179
Balance as at 31 December 2022	20,492,994	2,342,091	(808,485)	(11,137,867)	10,888,733

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.



Consolidated Statement of Cash Flows

FOR THE HALF-YEAR ENDED 31 DECEMBER 2022

	31 December 2022	31 December 2021
Note	\$	\$
Cash flows from operating activities		
Receipts from customers	22,260,814	15,985,476
Payments to suppliers and employees	(24,820,484)	(22,868,418)
Interest received	-	563
Income tax refunded	-	87,417
Interest paid	(101,930)	(79,180)
Net cash (used in) operating activities	(2,661,600)	(6,874,142)
Cash flows from investing activities		
Payments for purchase of plant and equipment	(295,372)	(1,899,578)
Net cash (used in) investing activities	(295,372)	(1,899,578)
Cash flows from financing activities		
Proceeds from issue of convertible notes	5,000,000	-
Proceeds from borrowings	1,226,882	-
Repayment of lease liabilities	(201,283)	(248,281)
Net cash from / (used in) financing activities	6,025,599	(248,281)
Net increase / (decrease) in cash and cash equivalents	3,068,627	(9,022,001)
Cash and cash equivalents at the beginning of the financial half-year	3,124,648	13,066,631
Effects of exchange rate changes on cash and cash equivalents	-	13,077
Cash and cash equivalents at the end of financial half-year	6,193,275	4,057,707

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.



Notes to the Consolidated Financial Statements

FOR THE HALF-YEAR ENDED 31 DECEMBER 2022

Note 1. Significant accounting policies

These general purpose financial statements for the interim half-year reporting period ended 31 December 2022 have been prepared in accordance with Australian Accounting Standard AASB 134 'Interim Financial Reporting' and the Corporations Act 2001, as appropriate for for-profit oriented entities. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'.

These general purpose financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with the annual report for the year ended 30 June 2022 during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

The principal accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, unless otherwise stated.

The financial statements have been prepared on a going concern basis, which contemplates continuity of normal business activities and the realisation of assets and settlement of liabilities in the normal course of business.

As disclosed in the financial statements, the Consolidated Entity incurred a loss of \$1,123,471 and had net cash outflows from operating activities of \$2,661,600 for the period ended 31 December 2022.

The Directors believe that it is reasonably foreseeable that the consolidated entity will continue as a going concern and that it is appropriate to adopt the going concern basis in the preparation of the financial report after consideration of the following factors:

- The Company has prepared a cashflow forecast for the next 12 months which indicates that the Consolidated Entity expects to have sufficient funds to meet its operational and forecast capital expenditure.
- Subject to satisfactory completion of the due diligence process and investment committee approval, Palisade Impact will provide development funding support for the Consolidated Entity's South Australia and Victoria projects; and
- the Company has capacity to raise additional capital for current contracts and planned asset development projects through access to capital markets, pursuant to ASX Listing Rule 7.1 and 7.1A.

New or amended accounting standards and interpretations adopted

The Consolidated Entity has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.



Note 2. Operating segments

Identification of reportable operating segments

The Consolidated Entity is organised into four operating segments based on products and services provided being:

- Infrastructure
- Engineering
- Energy Retail
- Corporate

These operating segments are based on the internal reports that are reviewed and utilised by the Board of Directors (who are identified as the Chief Operating Decision Makers (**CODM**)) in assessing performance of the Consolidated Entity and in determining the allocation of resources. There is no aggregation of operating segments.

Other segment represents the holding company of the Consolidated Entity.

The CODM reviews EBITDA (earnings before interest, tax, depreciation and amortisation). The accounting policies adopted for internal reporting to the CODM are consistent with those adopted in the financial statements.

The information provided to the CODM is on a monthly basis. There have been no changes to the basis of segmentation or the measurement basis for the segment profit or loss since 30 June 2022.

Types of products and services

The principal products and services of each of these operating segments are as follows:

- | | |
|--------------------------------|---|
| • Infrastructure | the infrastructure asset investment and development division |
| • Engineering | the construction of site-specific anaerobic digestion plants division |
| • Energy retail ⁽¹⁾ | the electricity sale division |
| • Corporate | the corporate division |

⁽¹⁾ Energy Retail division substantially reduced its operation in December 2022.

These segments have been renamed in the current reporting period to align with the rebranding strategy to provide a clear framework for further growth and expansion of the business.

Notes to the Consolidated Financial Statements



FOR THE HALF-YEAR ENDED 31 DECEMBER 2022

Note 2. Operating segments (continued)

31 December 2022	Infrastructure \$	Engineering \$	Energy Retail \$	Corporate \$	Total \$
Revenue					
Sales to external customers	161,344	2,517,564	15,398,683	-	18,077,591
Intersegment sales	-	-	-	-	-
Total segment revenue	161,344	2,517,564	15,398,683	-	18,077,591
Other income	-	1,919,079	525,000	-	2,444,079
Intersegment eliminations	-	-	-	-	-
Unallocated revenue:					
Interest income	-	288	5,343	-	5,631
Total income	161,344	4,436,931	15,929,026	-	20,527,301
EBITDA	(32,274)	(438,216)	(213,648)	(1,631,225)	(2,315,363)
Depreciation / amortisation	(47,907)	(102,282)	(49,516)	(6,346)	(206,051)
Interest income	-	288	5,343	-	5,631
Finance costs	(13,263)	(30,111)	(60,999)	(2,975)	(107,348)
Loss before income tax	(93,444)	(570,321)	(318,820)	(1,640,546)	(2,623,131)
Income tax benefit	-	-	-	-	1,499,660
Loss after income tax	(93,444)	(570,321)	(318,820)	(1,640,546)	(1,123,471)
Assets					
Segment assets	12,797,969	4,583,110	4,902,950	13,667,992	35,952,021
Intersegment eliminations	(1,542,638)	-	-	(7,412,348)	(8,954,986)
Total assets	11,255,331	4,583,110	4,902,950	6,255,644	26,997,035
Liabilities					
Segment liabilities	2,325,456	3,452,395	4,913,880	5,416,571	16,108,302
Intersegment eliminations	-	-	-	-	-
Total liabilities	2,325,456	3,452,395	4,913,880	5,416,571	16,108,302

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Notes to the Consolidated Financial Statements



FOR THE HALF-YEAR ENDED 31 DECEMBER 2022

Note 2. Operating segments (continued)

31 December 2021	Infrastructure \$	Engineering \$	Energy Retail \$	Corporate \$	Total \$
Revenue					
Sales to external customers	101,654	1,463,663	16,136,698	-	17,702,015
Intersegment sales	-	-	-	-	-
Total segment revenue	101,654	1,463,663	16,136,698	-	17,702,015
Other income	-	-	-	944,343	944,343
Intersegment eliminations	-	-	-	-	-
Unallocated revenue:					
Interest income	-	43	520	-	563
Total income	101,654	1,463,706	16,137,218	944,343	18,646,921
EBITDA	20,380	(1,974,953)	(24,765)	(194,280)	(2,173,618)
Depreciation / amortisation	(50,728)	(130,233)	(55,380)	(3,807)	(240,148)
Interest income	-	43	520	-	563
Finance costs	(13,351)	(19,933)	(62,075)	-	(95,359)
Loss before income tax	(43,699)	(2,125,076)	(141,700)	(198,087)	(2,508,562)
Income tax benefit / (expense)	9,855	366,064	(414,436)	257,434	218,917
Loss after income tax	(33,844)	(1,759,012)	(556,136)	59,347	(2,289,645)
30 June 2022	Infrastructure \$	Engineering \$	Energy Retail \$	Corporate \$	Total \$
Assets					
Segment assets	12,282,302	3,143,293	7,374,702	10,249,150	33,049,447
Intersegment eliminations	(1,541,313)	-	-	(7,412,348)	(8,953,661)
Total assets	10,740,989	3,143,293	7,374,702	2,836,802	24,095,786
Liabilities					
Segment liabilities	2,329,246	3,599,952	5,021,378	1,263,413	12,213,989
Intersegment eliminations	-	-	-	-	-
Total liabilities	2,329,246	3,599,952	5,021,378	1,263,413	12,213,989

Notes to the Consolidated Financial Statements



FOR THE HALF-YEAR ENDED 31 DECEMBER 2022

Note 3. Revenue

	31 December 2022	31 December 2021
	\$	\$
Energy retail	15,398,683	16,136,698
Construction revenue	2,502,564	1,463,663
Consulting revenue	176,344	101,654
	18,077,591	17,702,015
<i>Geographical regions</i>		
Australia	16,188,882	15,960,864
New Zealand	1,888,709	1,741,151
	18,077,591	17,702,015
<i>Timing of revenue recognition</i>		
Services transferred at a point in time	15,398,683	16,136,698
Services transferred over time	2,678,908	1,565,317
	18,077,591	17,702,015

Note 4. Other Income

	31 December 2022	31 December 2021
	\$	\$
Interest received	5,631	563
R&D grant	1,919,079	944,343
Other income	525,000	-
	2,449,710	944,906

Note 5. Cash and cash equivalents

	31 December 2022	30 June 2022
	\$	\$
Cash at bank and in hand	4,098,704	1,153,900
Cash on deposit (restricted in use)*	2,094,571	1,970,748
	6,193,275	3,124,648

*Out of the \$2,094,571, \$1,994,571 are Term Deposits at call, held as security for bank guarantees on issue. These bank guarantees are due for cancellation/expiry by 31 March 2023. The remaining \$100,000 on Term Deposit is held as security for the Consolidated Entity's Credit Card facility and expires on 27 October 2023.

Notes to the Consolidated Financial Statements



FOR THE HALF-YEAR ENDED 31 DECEMBER 2022

Note 6. Trade and other receivables

	31 December 2022	30 June 2022
	\$	\$
Trade debtors	1,990,018	1,674,815
Less: Allowance for expected credit losses	-	-
	1,990,018	1,674,815
Accrued income	331,335	2,909,153
GST receivable	-	314,250
Total trade and other receivables	2,321,353	4,898,218

Note 7. Trade and other payables

	31 December 2022	30 June 2022
	\$	\$
Trade creditors	1,066,257	1,742,502
GST collected	434,007	-
PAYG withholding payable	85,409	218,393
Payroll tax	504,147	436,478
Superannuation payable	98,816	100,258
Accrued expenses	4,071,576	4,244,489
Other payable	9,748	
Fringe benefits tax	-	5,576
	6,269,960	6,747,696

Notes to the Consolidated Financial Statements

FOR THE HALF-YEAR ENDED 31 DECEMBER 2022

Note 8. Convertible notes



	31 December 2022	30 June 2022
	\$	\$
Non-Current		
Proceeds from issue of convertible notes	5,000,000	-
Convertible note reserve (equity)	(111,784)	-
Carrying amount at 31 December 2022	4,888,216	-

On 18 October 2022, the Company entered into an agreement (“Framework Deed”) in relation to a secured convertible note facility with Impact DL Pty Ltd as trustee for Impact DL Holding Trust (Palisade Impact). The Company issued secured convertible notes in 2 tranches with a total face value of \$5,000,000.

The notes are convertible to ordinary shares of the Company, at the option of the holder or repayable on 26 April 2024.

The notes have an interest rate of 12% per annum that will capitalise and will be convertible into the ordinary shares of the Company at a conversion price of \$0.1244 per share.

Note 9. Share capital

	Number of shares		Amount in \$	
	31 December 2022	30 June 2022	31 December 2022	30 June 2022
Ordinary shares	215,720,915	215,720,915	20,492,994	20,492,994
	215,720,915	215,720,915	20,492,994	20,492,994

Movements in ordinary shares on issue

Date	Details	No. of Shares	\$
1 July 2021	Shares on issue	179,078,280	14,578,801
25 November 2021	Lead manager placement	600,000	120,000
8 April 2022	Private placement	26,470,588	4,500,000
9 May 2022	Share purchase plan	9,572,047	1,627,275
	Capital raising costs	-	(333,082)
30 June 2022	Shares on issue	215,720,915	20,492,994
31 December 2022	Shares on issue	215,720,915	20,492,994

Notes to the Consolidated Financial Statements



FOR THE HALF-YEAR ENDED 31 DECEMBER 2022

Note 10. Loss per share

	31 December 2022	31 December 2021
	\$	\$
Net loss for the half-year attributable to ordinary shareholders	(1,123,471)	(2,289,645)
Weighted average number of ordinary shares used in the calculation of basic loss per share	215,720,915	179,195,671
Diluted weighted average number of ordinary shares at 31 December	215,720,915*	179,195,671*
Basic loss per share (cents per share)	(0.52)	(1.28)
Diluted loss per share (cents per share)	(0.52)	(1.28)

* Options are anti-dilutive as the average share price during the period was lower than the exercise price of the options.

Notes to the Consolidated Financial Statements



FOR THE HALF-YEAR ENDED 31 DECEMBER 2022

Note 11. Contingent liabilities

The Consolidated Entity has given bank guarantees as at 31 December 2022 of \$2,025,312 (30 June 2022: \$3,902,680) to various customers and suppliers.

Other than the above there were no material contingent liabilities or assets at 31 December 2022 and 30 June 2022.

Note 12. Commitments

The Consolidated Entity has entered into agreements for the purchase of Large-scale Generation Certificates of \$191,250. These agreements are committed as at the reporting date but not recognised as liabilities (30 June 2022: \$721,250).

Other than the above there were no material commitments at 31 December 2022 and 30 June 2022.

Note 13. Events after the reporting period

The impact of the Coronavirus (COVID-19) pandemic is ongoing, and it is not practicable to estimate the potential impact, positive or negative, after the reporting date. The situation is rapidly developing and is dependent on measures imposed by the Australian Government and other countries, such as maintaining social distancing requirements, quarantine, travel restrictions and any economic stimulus that may be provided.

Other than the above, there has been no other matter or circumstance that has arisen since 31 December 2022 that has significantly affected, or may significantly affect, the operations of the Consolidated Entity, the results of those operations, or the state of affairs of the Consolidated Entity.



Directors' Declaration

In the directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, Australian Accounting Standard AASB 134 'Interim Financial Reporting', the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes give a true and fair view of the Consolidated Entity's financial position as at 31 December 2022 and of its performance for the financial half-year ended on that date; and
- there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of directors made pursuant to section 303(5)(a) of the Corporations Act 2001.

On behalf of the directors

JOSEPH OLIVER

Managing Director

Dated at Perth, Western Australia this 24th day of February 2023.



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INDEPENDENT AUDITOR'S REVIEW REPORT
To the Members of Delorean Corporation Limited

Report on the Interim Financial Report

Conclusion

We have reviewed the accompanying interim financial report of Delorean Corporation Limited which comprises the consolidated statement of financial position as at 31 December 2022, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the half-year end or from time to time during the half-year.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the interim financial report of Delorean Corporation Limited is not in accordance with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2022 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and *Corporations Regulations 2001*.

Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the Auditor's Responsibilities for the Review of the Financial Report section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (including Independence Standards) (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Delorean Corporation Limited, would be in the same terms if given to the directors as at the time of this auditor's report.

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Directors' Responsibility for the Interim Financial Report

The directors of the Delorean Corporation Limited are responsible for the preparation of the interim financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the interim financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility for the Review of the Financial Report

Our responsibility is to express a conclusion on the interim financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the interim financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2022 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of an interim financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain 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.

RSM

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A handwritten signature in blue ink, appearing to read 'M. Beevers'.

Perth, WA
Dated: 24 February 2023

MATTHEW BEEVERS
Partner