

24 APRIL 2024

## ACTIVITIES REPORT FOR THE QUARTER ENDING 31 MARCH 2024

KALiNA Power Limited (“KALiNA” or the “Company”) (ASX: KPO) is pleased to provide this Quarterly Activities Report and Appendix 4C for the period ended 31 March 2024 (the ‘quarter’).

Quarterly operations were highlighted by the continued engagement with PricewaterhouseCoopers Corporate Finance Inc. (‘PwC CF’) as strategic advisor to KDP in a process to secure funding for KDP to complete the project development of its projects. This includes KDP’s ~200MW projects deploying natural gas-fired Combined Cycle Power Plants integrated with Carbon Capture and Sequestration (‘CC-CCS’) as well as potential investment at KDP’s Saddle Hills project.

### CC-CCS Projects:

A number of strategic and financial investors continue to conduct active diligence on the CCCC projects. During the Quarter considerable progress was continued by the KDP team and significant changes have occurred in the business and regulatory environment that have increased confidence and reduced risk, including:

- KDP is in advanced discussions with credit-worthy EPC partners
- KDP has made significant progress in the process to secure framework agreements (MOU’s, LOI’s) with several, reputable and credit worthy tolling partners.
- The federal Investment Tax Credit (“ITC”) legislation (bill C-59 2023) completed 2nd reading in Parliament on 18 March and is now in Committee stage. The 50% ITC (rebate) on carbon capture capex now has extra scope to include approximately 30% of the power island capex.
- The Alberta government has reiterated strong support for the development of new, gas fired power plants in the province. Alberta is adding a 12% grant in addition to the federal 50% investment tax credit which further improve the economics of the Projects resulting in an overall rebate of approximately 40% of the total capex on each project, representing nearly \$400 million in cost recovery.

To date, the PricewaterhouseCoopers Corporate Finance (“PwC”) team reports that the KDP portfolio has been generally well received by prospective investors with a select number of parties engaged in due diligence to consider an investment.

### Saddle Hills Peaker Project:

Plans for the Saddle Hills project are dependent on the final language in Canada’s Clean Electricity Regulations (“CER”). The federal government have indicated they are continuing to consider public input with a view to finalize the CER by November 2024. Accordingly, during the quarter KDP requested and received approval from the Alberta Utilities Commission to defer its plans for Saddle Hills until April 2025. KDP will defer its final configuration and sizing of the Saddle Hills project pending formal definition and timing of the CER legislation.

## **Management Commentary**

KALiNA's Managing Director, Ross MacLachlan, commented: *"We had positive engagement during the quarter and are advancing our project development in negotiations with multiple parties to arrange development funding to bring our projects through the regulatory and engineering process. Successful outcomes that can be structured to be accretive for our shareholders is of paramount importance. Our team is working diligently to engage with multiple parties whose interests can be aligned with ours in developing successful projects."*

## **Financials**

During the quarter KALiNA received \$300,000 by way of short-term loan to be off-set against the capital raising currently underway. KALiNA held \$370,000 in cash at the end of the quarter. Cash out flows from the Group's operating activities for the quarter amounted to \$853,000. Of this, \$563,000 was for Alberta project development, while non-Alberta project development was \$3,000. Patent maintenance of the KALiNA intellectual property portfolio was \$3,000. Corporate staff and investor relations totalled \$237,000 and general admin and lease payments amounted to \$48,000.

## **Payments to related parties**

During the quarter directors were paid \$168,000 for services rendered under normal commercial terms. Apart from this there were no other related party transactions during the quarter.

- ENDS -

This announcement was approved and authorised for release by: Ross MacLachlan, CEO.

## **For further information please contact:**

KALiNA Power Limited  
Tim Horgan  
Executive Director  
thorgan@KALiNApower.com  
+61 3 9236 2800

Ben Jarvis  
Six Degrees Investor Relations  
ben.jarvis@sdir.com.au  
+61 413 150 448

## Appendix 4C

### Quarterly cash flow report for entities subject to Listing Rule 4.7B

**Name of entity**

KALINA POWER LIMITED	
<b>ABN</b>	<b>Quarter ended ("current quarter")</b>
24 000 090 997	31 MARCH 2024

<b>Consolidated statement of cash flows</b>	<b>Current quarter \$A'000</b>	<b>Year to date (9 months) \$A'000</b>
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) engineering and Alberta project development	(498)	(1,359)
(b) corporate staff costs related to Alberta project development	(65)	(254)
(c) non-Alberta project development and international technology support	(3)	(193)
(d) patent maintenance	(3)	(174)
(e) project finance	-	-
(f) Investor relations	(21)	(61)
(g) corporate staff costs	(216)	(619)
(h) leased assets	(5)	(37)
(i) other administration and corporate costs	(43)	(381)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	1	3
1.5 Interest and other costs of finance paid	-	-
1.6 Withholding taxes paid	-	-
1.7 Government grants and tax incentives	-	-
1.8 Other	-	-
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(853)</b>	<b>(3,075)</b>

<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) businesses	-	-

<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>Year to date (9 months) \$A'000</b>
	(c) property, plant and equipment	-	(4)
	(d) investments	-	-
	(e) intellectual property	-	-
	(f) other non-current assets	-	-
2.2	Proceeds from disposal of:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) intellectual property	-	-
	(f) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (Deposits)	-	-
<b>2.6</b>	<b>Net cash from / (used in) investing activities</b>	<b>-</b>	<b>(4)</b>

<b>3.</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	2,017
3.2	Proceeds from issue of convertible debt securities	-	612
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	(61)	(187)
		-	-
3.5	Proceeds from borrowings	300	300
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
<b>3.10</b>	<b>Net cash from / (used in) financing activities</b>	<b>239</b>	<b>2,742</b>

<b>4.</b>	<b>Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1	Cash and cash equivalents at beginning of period	984	707
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(853)	(3,075)

<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>Year to date (9 months) \$A'000</b>
4.3	Net cash from / (used in) investing activities (item 2.6 above)	-	(4)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	239	2,742
4.5	Effect of movement in exchange rates on cash held	-	-
<b>4.6</b>	<b>Cash and cash equivalents at end of period</b>	<b>370</b>	<b>370</b>

<b>5.</b>	<b>Reconciliation of cash and cash equivalents</b> at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	<b>Current quarter \$A'000</b>	<b>Previous quarter \$A'000</b>
5.1	Bank balances	370	984
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
<b>5.5</b>	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>370</b>	<b>984</b>

<b>6.</b>	<b>Payments to related parties of the entity and their associates</b>	<b>Current quarter \$A'000</b>
6.1	Aggregate amount of payments to related parties and their associates included in item 1 **	164
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-

*Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.*

\*\* Fees paid to directors under normal commercial terms

<b>7. Financing facilities</b>	<b>Total facility amount at quarter end \$A'000</b>	<b>Amount drawn at quarter end \$A'000</b>
<i>Note: the term "facility" includes all forms of financing arrangements available to the entity.</i>		
<i>Add notes as necessary for an understanding of the sources of finance available to the entity.</i>		
7.1 Loan facilities	300	300
7.2 Credit standby arrangements	-	-
7.3 Other (placing facility with Long State Investments Ltd)	-	-
<b>7.4 Total financing facilities</b>	<b>300</b>	<b>300</b>
<b>7.5 Unused financing facilities available at quarter end</b>		-
7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		

<b>8. Estimated cash available for future operating activities</b>	<b>\$A'000</b>
8.1 Net cash from / (used in) operating activities (item 1.9)	(853)
8.2 Cash and cash equivalents at quarter end (item 4.6)	370
8.3 Unused finance facilities available at quarter end (item 7.5)	-
8.4 Total available funding (item 8.2 + item 8.3)	370
<b>8.5 Estimated quarters of funding available (item 8.4 divided by item 8.1)</b>	0.4
8.6 If item 8.5 is less than 2 quarters, please provide answers to the following questions:	
8.6.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
Answer: No. Alberta project development cost for the next quarter is expected to be substantially less whilst the Company finalises project development funding.	
8.6.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
Answer: On 22 March 24, the Company announced a fully underwritten capital raising of \$1.105m. In addition the Company's marketing campaign to finance KDP's project development requirements is ongoing, completion of which would significantly reduce KPO's cash requirements. Further the Company has supportive significant shareholders with a history of contributing to the Company's financing requirements. The Company is confident it will be able to raise additional funds if required.	
8.6.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?	
Answer: Yes. See 8.6.2	

## Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: 24 April 2024.....

Authorised for release by: Ross MacLachlan - CEO  
.....

### Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.