

29 January 2021

## QUARTERLY ACTIVITIES REPORT FOR THE QUARTER ENDING 31 December 2020

Industrial Waste Heat to Power (“WHP”) technology leader **KALiNA Power Limited (“KALiNA” or the “Company”)** (ASX: KPO), is pleased to provide its Quarterly Activities Report and Appendix 4C for the period ended 31 December 2020.

The Company continued to advance its projects under development in Alberta, Canada, and significant progress was made on a number of fronts including site development, grid interconnection, engineering and commercial negotiations for gas supply.

### **Alberta Projects Overview**

KALiNA’s Canadian subsidiary, Kalina Distributed Power Ltd, (“KDP”) is well advanced in its program to deploy multiple KALiNA Combined Cycle power plants in Alberta to address a unique opportunity resulting from the legislated shut down of over 5GW of coal fired power generation.

In December, the Company secured site control at a second new location in Alberta, in addition to the first that was secured in April 2020 (see ASX Announcement dated 9 April 2020).

Both sites are located in the north-west section of the province (see Figure 1) and have been secured under 25-year Option to Lease agreements. Importantly, the two sites represent the capacity to generate 60 MW of power (30 MW per site). KDP strategically selected these locations based on local demand for power, available electrical capacity at nearby substations, access to existing electrical distribution wires, and proximity to natural gas pipelines.

Favourable conditions exist at each location that will enable KDP to provide power to local industry and improve local electrical reliability and voltage stability.

Establishing site control to build 60 MW of generation also positions the Company to engage in meaningful contracting discussions with gas suppliers for the two initial plants and additional projects are expected to follow in due course.

Furthermore, the Company continued to work during the quarter with Enerflex Ltd. (EFX:TO) (“Enerflex”) an international engineering, design, fabrication, construction, and commissioning company. Enerflex continued its work to complete a Class 3 cost-estimate for the total installed costs of the initial plants. Enerflex is currently reviewing the details in conjunction with the KALiNA team and Power Engineers (KDP’s owner’s engineer for the projects) with a view to confirm the final design considerations and specifications that will be used in its official class 3 estimate.

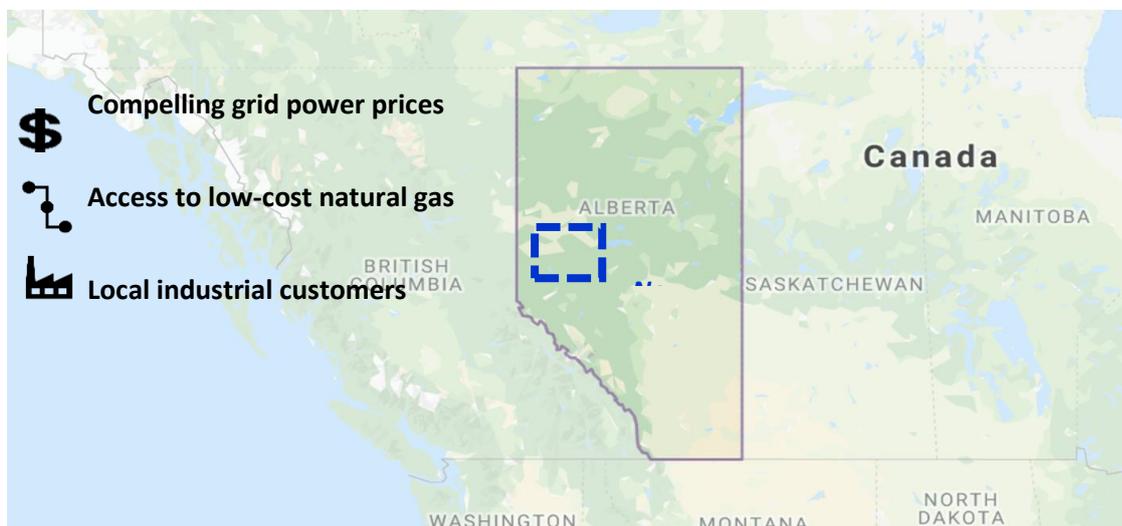


Figure 1: Acquired Site Location in Alberta

### **Financials**

Cash out flow from operating activities for the quarter amounted to \$1,294,000. Of this \$756,000 was for Alberta project development and \$187,000 was for patent maintenance of the KALiNA intellectual property portfolio.

### **Payments to related parties**

During the quarter directors were paid \$131,000 for services rendered under normal commercial terms. Apart from this there were no other related party transactions during the quarter.

### **Management Commentary**

**Commenting on the Company's progress in the December Quarter, Managing Director Ross McLachlan said:** *"Our overarching focus has been to continue building our portfolio of sites, and securing our latest site during the quarter was another key milestone for the Company in our overall program for distributed power generation in Alberta. Overall, KALiNA is well positioned to carry out our program to deploy distributed power generation in key locations in Alberta.*

*"It should also not be lost on shareholders that KALiNA's sector is enjoying very strong support as demand for clean energy grows; driven primarily by industry seeking to lower their carbon footprint. Investors are placing much more focus on companies with solid ESG credentials and KALiNA is exceptionally well-positioned to benefit from this trend.*

*"We thank our shareholders for their ongoing support and look forward to updating the market on our progress."*

- ENDS -

This announcement was approved and authorised for release by: Ross MacLachlan, CEO  
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## Appendix 4C

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

**Name of entity**

KALINA POWER LIMITED
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**ABN**

24 000 090 997
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**Quarter ended ("current quarter")**

31 DECEMBER 2020
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<b>Consolidated statement of cash flows</b>	<b>Current quarter \$A'000</b>	<b>Year to date (6 months) \$A'000</b>
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	2	2
1.2 Payments for		
(a) engineering and Alberta project development	(647)	(1,874)
(b) staff costs related to Alberta project development	(109)	(306)
(c) Patent maintenance	(187)	(283)
(d) leased assets		
(e) Corporate staff costs	(201)	(392)
(f) Investor relations and project finance	(74)	(134)
(g) administration and corporate costs	(124)	(276)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	3	3
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	-
1.8 Other (provide details if material)	43	135
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(1,294)</b>	<b>(3,125)</b>

<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire:		
(a) entities	-	-
(b) businesses	-	-
(c) property, plant and equipment	(3)	(3)
(d) investments	-	-

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (6 months) \$A'000
(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	-	10
(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 Security deposit (provide details if material)	-	-
<b>2.6 Net cash from / (used in) investing activities</b>	<b>(3)</b>	<b>7</b>

<b>3. Cash flows from financing activities</b>		
3.1 Proceeds from issues of equity securities (excluding convertible debt securities)	114	7,642
3.2 Proceeds from issue of convertible debt securities	-	-
3.3 Proceeds from exercise of options	3	3
3.4 Transaction costs related to issues of equity securities or convertible debt securities	(45)	(613)
3.5 Proceeds from borrowings	-	500
3.6 Repayment of borrowings	-	(500)
3.7 Transaction costs related to loans and borrowings	-	-
3.8 Dividends paid	-	-
3.9 Other (provide details if material)	-	-
<b>3.10 Net cash from / (used in) financing activities</b>	<b>72</b>	<b>7,032</b>

<b>4. Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1 Cash and cash equivalents at beginning of period	5,579	440
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(1,294)	(3,125)

<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>Year to date (6 months) \$A'000</b>
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(3)	7
4.4	Net cash from / (used in) financing activities (item 3.10 above)	72	7,032
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>4,354</b>	<b>4,354</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	4,354	3,079
5.2	Call deposits	-	2,500
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>4,354</b>	<b>5,579</b>

**6. Payments to related parties of the entity and their associates**

6.1	Aggregate amount of payments to related parties and their associates included in item 1 **	131
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-

**Current quarter  
\$A'000**

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

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

**7. Financing facilities**

Note: the term "facility" includes all forms of financing arrangements available to the entity.

Add notes as necessary for an understanding of the sources of finance available to the entity.

	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
7.1 Loan facilities	-	-
7.2 Credit standby arrangements	-	-
7.3 Other (placing facility with Long State Investments Ltd))	8,000	0
<b>7.4 Total financing facilities</b>	<b>8,000</b>	<b>0</b>

7.5 **Unused financing facilities available at quarter end** 8,000

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)	(1,294)
8.2 Cash and cash equivalents at quarter end (Item 4.6)	4,354
8.3 Unused finance facilities available at quarter end (Item 7.5)	8,000
8.4 Total available funding (Item 8.2 + Item 8.3)	12,354
8.5 <b>Estimated quarters of funding available (Item 8.4 divided by Item 8.1)</b>	<b>9.5</b>

8.6 If Item 8.5 is less than 2 quarters, please provide answers to the following questions:

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: n/a.

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: n/a

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: n/a

## 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: 29 JANUARY 2021.....

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.