

31 January 2025

ACTIVITIES REPORT FOR THE QUARTER ENDING 31 DECEMBER 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 December 2024 (the ‘quarter’).

During the quarter, the Company continued to negotiate with Crusoe Energy (Crusoe) to progress the previously announced MOU towards a formal relationship to jointly develop co-sited Crusoe data centres powered by Kalina Distributed Power’s (KDP’s) Power-CCS plants. KALiNA has made solid progress in these negotiations and anticipates being able to update the market shortly.

The Company also continued to engage with its advisors and a number of strategic and financial investors to conduct ongoing due diligence for the purpose of funding KDP’s portfolio of projects. As an important part of this effort, Matthew Jenkins increased his engagement with the Company to that of an Executive Director.

Also, during the quarter, KDP filed the Systems Access Service Requests (“SASR”) for electrical interconnection at all of its projects.

With ever increasing interest and investment in the data centre sector, particularly in North America and specifically Alberta, the Company is witnessing a surge of interest in KDP’s power projects from data centre companies as well as gas producers interested in tolling their gas through KDP’s projects. KALiNA also noted several sales transactions in Alberta for various sites in comparable stages of development to those in KDP’s portfolio. The Company began preliminary discussions with a Calgary-based firm active in such transactions regarding the potential near-term sale of KDP project sites which are not part of current negotiations with Crusoe. These investigations are continuing to better inform the Company of the realizable values that may be achievable to fund KDP’s project development portfolio.

Management Commentary

KALiNA’s Managing Director, Ross MacLachlan, commented: “This has been an extremely busy quarter for the Company with our primary focus being on progressing the relationship with Crusoe to a formal status as well as placing considerable effort to gain access to additional land that will enhance the value of KDP’s project development portfolio. KALiNA is in strong position and operating in a sector where there is substantial investment activity. We are confident our projects can deliver exceptional value for shareholders.”

Financials

During the period, KALiNA completed an underwritten rights offer to raise \$1.03m and \$1.5m by way of placement before costs. KALiNA held \$746,000 in cash at the end of the quarter. Cash out flows from the Group’s operating activities for the quarter amounted to \$1,279,000. Of this, \$671,000 was for Alberta project development, while non-Alberta project development was \$19,000. Corporate staff and investor relations totalled \$369,000 and general admin amounted to \$253,000.

Payments to related parties in the quarter

Directors were paid \$326,000 for services rendered under normal commercial terms. Company also repaid \$358,000 on account of loan received from directors. Included in this was \$8,000 interest. Apart from this there were no other related party transactions during the quarter.

- ENDS -

This announcement was approved and authorised for release by: Board

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Appendix 4C

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

Name of entity

KALINA POWER LIMITED	
ABN	Quarter ended ("current quarter")
24 000 090 997	31 DECEMBER 2024

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (6 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	40	75
1.2 Payments for		
(a) engineering and Alberta project development	(587)	(854)
(b) corporate staff costs related to Alberta project development	(84)	(139)
(c) non-Alberta project development and international technology support	(19)	(59)
(d) patent maintenance	-	-
(e) project finance	-	-
(f) Investor relations	(20)	(29)
(g) corporate staff costs	(349)	(435)
(h) leased assets	-	(4)
(i) other administration and corporate costs	(254)	(342)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	2	2
1.5 Interest and other costs of finance paid	(8)	(8)
1.6 Withholding taxes paid	-	-
1.7 Government grants and tax incentives	-	-
1.8 Other	-	-
1.9 Net cash from / (used in) operating activities	(1,279)	(1,793)

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

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
	(c) property, plant and equipment	(1)	(1)
	(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)	-	-
2.6	Net cash from / (used in) investing activities	(1)	(1)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	2,361	2,536
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	-
3.5	Proceeds from borrowings	-	350
3.6	Repayment of borrowings	(350)	(350)
3.7	Transaction costs related to loans and borrowings	(234)	(234)
		-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	Net cash from / (used in) financing activities	(1,777)	2,302

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	266	255
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(1,279)	(1,793)

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(1)	(1)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	1,777	2,302
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	763	763

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	763	266
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	763	266

6.	Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1 **	326
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 including arrears paid to directors under normal commercial terms

7. Financing facilities	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
<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	-	-
7.2 Credit standby arrangements	-	-
7.3 Other	-	-
7.4 Total financing facilities	-	-
7.5 Unused financing facilities available at quarter end		-
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.		
<p>The loan facility was provided by the directors for working capital requirements. Interest payable at 14% per annum on the capital advanced. The lender may set-off all or part of the principal together with any accrued but unpaid interest against the subscription monies payable by the lender to the borrower pursuant to the capital raising including in connection with any underwriting commitment.</p>		

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (item 1.9)	(1,278)
8.2 Cash and cash equivalents at quarter end (item 4.6)	763
8.3 Unused finance facilities available at quarter end (item 7.5)	-
8.4 Total available funding (item 8.2 + item 8.3)	763
8.5 Estimated quarters of funding available (item 8.4 divided by item 8.1)	0.5
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?	
<p>Answer: Yes.</p>	
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?	
<p>Answer: In addition to the Company's ongoing marketing campaign to finance KDP's project development requirements, the Company has recently commenced discussions with advisors for the potential sale of one or more of KDP's project sites which could significantly reduce KPO's ongoing cash requirements.</p> <p>In addition 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 funds on this basis.</p>	

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: XX January 2025.....

Authorised for release by: Board.....

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.