

30 April 2025

ACTIVITIES REPORT FOR THE QUARTER ENDING 31 MARCH 2025

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 2025 (the ‘quarter’).

During the quarter the Company continued to advance its portfolio of projects being developed to address AI Data Centre demand for reliable and affordable electricity. The projects are being developed by the Company’s 100%-owned Canadian subsidiary, KALiNA Distributed Power Limited (“KDP”) and is comprised of multiple ~170 MW natural gas-fired combined cycle power plants incorporating Carbon Capture and Sequestration (“Power-CCS”). Five sites are secured with potential to generate up to ~1,700 MW (1.7 GW) in total.

During the quarter the Company engaged in several important strategic initiatives:

- Selling KDP’s 60 MW Saddle Hills project site
- Selling one or more of KDP’s 170 MW Power-CCS project sites
- Strategic AI co-siting planning and documentation with Crusoe Energy
- Third party financing of KDP to fund project development milestones of the portfolio
- Negotiations with various companies with strategic interests in KDP’s portfolio

Appointment of sector specialist TwelveSix to progress sales campaigns for project sites

KDP has been in active discussions with agents representing data centre companies seeking project sites as well as several potential commercial counterparties. KDP engaged TwelveSix during the quarter to optimize and manage these discussions and subsequent negotiations in conjunction with their list of qualified strategic buyers through a competitive sale process.

These project sites include the Clairmont Energy Park, the Gilby Energy Park and the Saddle Hills Energy Park. These three sites are not included in the AI data centre Framework Agreement with Crusoe Energy.

TwelveSix is a Calgary-based firm specializing in data centre financial assessment and site acquisition. More recently, they have successfully brokered multiple site acquisitions for project development by data centre companies. This included a key role in Bitdeer Technologies Group’s recent C\$21.7m acquisition of a fully permitted site to construct a 101 MW gas-fired power plant to power a Bitcoin mining data centre.

Progress under the Framework Agreement with Crusoe

Following the Company’s recently announced Framework Agreement with Crusoe, KDP has continued discussions with Crusoe regarding prioritization of site locations, additional lands, scope of the projects and timelines for commercial development. The parties are in the process of documenting a Project Development Agreement Template intended to form the potential contracting basis on each specific project.

Expansion of strategic commercial and financing activity

During the quarter KDP continued to engage in discussions and negotiations with a number of companies that have strategic interest in KDP's power portfolio.

These parties include several data centre companies, power companies, oil and gas midstream companies and others who have all expressed an interest in project site acquisitions and/or project development opportunities. Some of these companies are notably active in site acquisitions and have multiple applications in process for grid access in Alberta.

KDP is also in negotiation with multiple carbon hub operators who have proximity to one or more of KDP's five project sites. Negotiations include considerations for the custody, transportation and sequestration of CO₂ captured by KDP's Power-CCS projects.

During the period the Company also continued to engage with a number of advisory firms with respect to securing direct equity and/or debt for KDP and/or its projects to finance near-term project development requirements.

Financing

During and subsequent to the quarter KPO conducted a placement to sophisticated, professional and institutional investors ("**Placement**") of 187.5 million shares with an offer price of \$0.008 (0.8 cents) per share and one (1) free attaching option for every two (2) New Shares issued, to raise gross proceeds of \$1.5 million (before expenses).

The Company also conducted a pro-rata non-renounceable entitlement offer ("**Entitlement Offer**") on the same terms pursuant to which the Company received valid applications for 5,475,966 New Shares, representing \$43,807 of gross proceeds from Eligible Shareholders.

Gross proceeds received during the quarter from the Placement was \$1.19m. The balance of \$310,000 is to be received following the Company's EGM on 28 April 2025.

Net proceeds from the Entitlement Offer and Placement will be used for the Company's working capital requirements and achieving the Company's strategy plans.

Management Commentary

***KALiNA's Managing Director, Ross MacLachlan, commented:** "Interest has expanded rapidly in our portfolio of some of the best available sites in Alberta for data centres that can be readily energised by affordable power. The catalysts to realise value and deliver meaningful funding to the Company are growing. These catalysts include potential for site sales, joint venture agreements, portfolio funding from private equity interests and other financiers, and of course the progress we are making with Crusoe under the Framework Agreement. The appointment of TwelveSix has added further impetus to the advancement of our stated commercialisation strategy, and we look forward to providing further updates as discussions progress."*

Financials

Cash out flows from the Group's operating activities for the quarter amounted to \$826,000. Of this, \$487,000 was for Alberta project development, while non-Alberta project development was \$19,000. Corporate staff and investor relations totalled \$135,000 and general admin amounted to \$185,000.

Payments to related parties in the quarter

No payments were made to Directors during the quarter. The Directors participated in total \$210,000 in the private placement.

Clarification relating to announcement dated 10 February 2025

Pursuant to ASX Compliance Update no. 02/25, the Company wishes to provide the following further information to its announcement of 10 February 2025 (“**Land Update Announcement**”) in which it announced it had formally secured site control at two new locations in the Crossfield and Clairmont areas of Alberta by way of an option to purchase each site until the end of 2027 and 2028, respectively (each an “**Option Agreement**”).

With respect to each of the Option Agreements, the Company confirms:

1. that it does not consider the identity of the counterparties to each of the Option Agreements to be information that a reasonable person would expect to have a material effect on the price or value of KPO’s securities;
2. the Land Update Announcement contains all material information relevant to assessing the impact of the Option Agreements on the price or value of KPO’s securities, and is not misleading by omission; and
3. as noted in the Land Update Announcement, the counterparties to each of the Option Agreements are as follows:
 - a. Crossfield Option Agreement: an independent third-party individual land owner residing near the City of Airdrie in the Province of Alberta; and
 - b. Clairmont Option Agreement: an independent third-party corporation land owner incorporated under the laws of the Province of Alberta.

- 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 MARCH 2025

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (9 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	-	75
1.2 Payments for		
(a) engineering and Alberta project development	(487)	(1,341)
(b) corporate staff costs related to Alberta project development	--	(139)
(c) non-Alberta project development and international technology support	(19)	(78)
(d) patent maintenance	-	-
(e) project finance	-	-
(f) Investor relations	(45)	(74)
(g) corporate staff costs	(90)	(525)
(h) leased assets	-	(4)
(i) other administration and corporate costs	(188)	(530)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	3	5
1.5 Interest and other costs of finance paid	-	(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	(826)	(2,619)

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
2.	Cash flows from investing activities		
2.1	Payments to acquire or for:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	-	(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)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	1,190	3,726
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)
3.7	Transaction costs related to loans and borrowings	(93)	(327)
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	Net cash from / (used in) financing activities	(1,097)	3,399

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	763	255
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(826)	(2,619)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	-	(1)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	1,097	3,399
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	1,034	1,034

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	1,034	763
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)	1,034	763

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 **	nil
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-
<i>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.</i>		

** 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
<p><i>Note: the term "facility" includes all forms of financing arrangements available to the entity.</i></p> <p><i>Add notes as necessary for an understanding of the sources of finance available to the entity.</i></p>		
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		-
<p>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>		
<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)	(826)
8.2 Cash and cash equivalents at quarter end (item 4.6)	1,034
8.3 Unused finance facilities available at quarter end (item 7.5)	-
8.4 Total available funding (item 8.2 + item 8.3)	1,034
8.5 Estimated quarters of funding available (item 8.4 divided by item 8.1)	1.2
<p>8.6 If item 8.5 is less than 2 quarters, please provide answers to the following questions:</p>	
<p>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>	
<p>Answer: Yes.</p>	
<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>	
<p>Answer: In addition to the Company's ongoing marketing campaign to finance KDP's project development requirements, the Company is conducting an active process for the potential sale of one or more of KDP's project sites which based upon comparable recent sales has the potential to raise significant sums and reduce KPO's ongoing cash requirements.</p> <p>In addition the Company has a number of supportive significant shareholders with a history of contributing to the Company's financing requirements.</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: 30 April 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.