

29 July 2022

## ACTIVITIES REPORT FOR THE QUARTER ENDING 30 JUNE 2022

Waste Heat to Power (“WHP”) technology leader, KALiNA Power Limited (“KALiNA” or the “Company”) (ASX: KPO) is pleased to provide this Quarterly Activities Report and Appendix 4C for the period ended 30 June 2022 (the ‘Quarter’).

The Quarter was highlighted by two major developments:

- Baker Hughes and KALiNA signed a significantly important Memorandum of Understanding (“MOU”) that provides a framework by which the parties can provide modularized packaged solutions for markets that are in transition to zero-emissions and energy efficient power.
- KALiNA’s Saddle Hills project received its key environmental permit to proceed with the development of its 64MW combined-cycle power plant utilizing the Kalina Cycle® zero-emissions technology.

### ***MoU with Baker Hughes***

Announced on May 17, the MOU with Baker Hughes followed a competitive evaluation and bidding process. From that process Baker Hughes vapor (steam) turbines and turbo-expander generators were assessed by KALiNA as being scalable and able to be used with the Kalina Cycle® for small-scale, combined cycle projects, as well as for a range of Kalina Cycle® applications.

The MOU sets out the basic principles that will govern the co-operation between the parties in connection with the development of modularized packages for a range of applications using Baker Hughes products. Highlights include:

- Baker Hughes to be a preferred vendor of vapor turbines & turbo-expander generators for KALiNA projects.
- KALiNA’s Saddle Hills project to award Baker Hughes with initial vapor turbine contract.
- KALiNA’s Klamath Hills project to award Baker Hughes with initial turboexpander contract.
- Baker Hughes to be a preferred vendor of gas turbines in the development of KALiNA’s small-scale, combined cycle power packages (7-24MW) configured with the Baker Hughes NovaLT line of gas turbines using the Kalina Cycle® and Baker Hughes vapor turbines.

### ***Environmental Permit for Saddle Hills***

During the Quarter, the Company announced a major regulatory development after its flagship Saddle Hills project was granted approval under the Environmental Protection and Enhancement Act (“EPEA Approval”) from Alberta Environment & Parks.

The approval provides the Company with regulatory authorisation to proceed with the development of its 64MW gas-fired combined cycle facility, equipped with dry-low NOx emission controls and utilising the KALiNA Cycle® zero-emissions technology.

The approval marks the second major permit for Saddle Hills received by the Company's Canadian subsidiary, KALiNA Distributed Power Limited ('KDP'). As previously announced, an October 2021 ruling from the Alberta Utilities Commission ("AUC") granted KDP approval to sell electricity generated at Saddle Hills into the Alberta electricity market with interconnection on ATCO Electric Ltd's distribution system.

### **Financials (\$A'000)**

KALiNA held \$5,348 in cash held at the end of the quarter to advance commercial developments at Saddle Hills and other project opportunities.

Cash spent on operating activities during the quarter was (\$1,152). Cash outflows primarily related to Alberta project development (\$547), other project development (\$60), patent maintenance (\$138), Investor relations and project finance (\$87) and corporate general and administration (\$320).

### **Payments to related parties**

During the quarter directors were paid \$182 for services rendered under normal commercial terms. Apart from this there were no other related party transactions during the quarter.

### **Management Commentary**

KALiNA's Managing Director, Ross MacLachlan, commented: *"The June quarter marked a particularly important period of development for our Company. The environmental permit for Saddle Hills has provided the project with the operational certainty of an established regulatory pathway that will be critical for financing. With the engagement with Baker Hughes in place, we are working together on modifications to improve cost efficiencies for our Saddle Hills project that can enhance project financial returns. The MOU has also increased our profile and led to numerous business enquiries from across the globe, confirming the growing addressable markets for our zero-emissions power technology. In keeping with our mission to deploy the Kalina Cycle® at an industrial scale, our focus in the coming months is to work with supply chain partners such as Baker Hughes to position us with packaged designs to address the priority applications that have significant, growing addressable markets."*

- 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

**ABN**

24 000 090 997

**Quarter ended ("current quarter")**

30 JUNE 2022

<b>Consolidated statement of cash flows</b>	<b>Current quarter \$A'000</b>	<b>Year to date (12 months) \$A'000</b>
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	15	39
1.2 Payments for		
(a) engineering and Alberta project development	(463)	(2,354)
(b) staff costs related to Alberta project development	(84)	(400)
(c) non-Alberta project development and international technology support	(60)	(301)
(d) Patent maintenance	(138)	(477)
(e) leased assets	(5)	(35)
(f) Corporate staff costs	(190)	(786)
(g) Investor relations and project finance	(87)	(272)
(h) administration and corporate costs	(143)	(667)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	2	5
1.5 Interest and other costs of finance paid	-	-
1.6 Withholding taxes paid	-	(51)
1.7 Government grants and tax incentives	-	-
1.8 Other	1	278
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(1,152)</b>	<b>(5,021)</b>

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (12 months) \$A'000
<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) businesses	-	-
(c) property, plant and equipment	-	(5)
(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)	(15)	(15)
<b>2.6 Net cash from / (used in) investing activities</b>	<b>(15)</b>	<b>(20)</b>

<b>3. Cash flows from financing activities</b>		
3.1 Proceeds from issues of equity securities (excluding convertible debt securities)	-	9,940
3.2 Proceeds from issue of convertible debt securities	-	-
3.3 Proceeds from exercise of options	52	52
3.4 Transaction costs related to issues of equity securities or convertible debt securities	-	(696)
3.5 Proceeds from borrowings	-	-
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 Net cash from / (used in) financing activities</b>	<b>52</b>	<b>9,296</b>

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (12 months) \$A'000
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<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	6,463	1,093
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(1,152)	(5,021)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(15)	(20)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	52	9,296
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>5,348</b>	<b>5,348</b>

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	448	463
5.2	Call deposits	4,900	6,000
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>5,348</b>	<b>6,463</b>

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 **	182
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. 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 (placing facility with Long State Investments Ltd)	-	-
<b>7.4 Total financing facilities</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)	(1,152)
8.2 Cash and cash equivalents at quarter end (item 4.6)	5,348
8.3 Unused finance facilities available at quarter end (item 7.5)	-
8.4 Total available funding (item 8.2 + item 8.3)	5,348
<b>8.5 Estimated quarters of funding available (item 8.4 divided by item 8.1)</b>	4.6
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: n/a	
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: n/a	
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: 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 July 2022.....

Authorised for release by: Ross MacLachlan CEO  
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## 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.