KALINA POWER LIMITED
AND ITS CONTROLLED ENTITIES
ABN 24 000 090 997
APPENDIX 4E
PRELIMINARY FINAL REPORT
FINANCIAL YEAR ENDED 30 JUNE 2021

Results for Announcement to the Market	**31 August 2021**
Current Period:	**1 July 2020 to 30 June 2021**
Previous corresponding period:	**1 July 2019 to 30 June 2020**

Results				AUD$
Revenues from ordinary activities		0%	to	nil
Loss from ordinary activities after tax attributable to members *	Up	73.9%	to	7,865,582
Net loss for the period attributable to members (* As per attached preliminary results)	Up	73.9%	to	7,865,582

Dividends	Amount per security	Franked amount per security
Final dividend – no dividend is proposed	n/a	n/a
Previous corresponding period – no dividend declared	n/a	n/a

Dividend reinvestment plan	n/a	n/a
+Record date for determining entitlements to the dividend, (in the case of a trust, distribution) *(see item 15.2)*	n/a	

Net Tangible Assets per security	Current Period	Previous Period
Net tangible asset backing per ordinary security	(0.14) cents	(0.32) cents

Control gained over entities	Current Period	Previous Period
Klamath Hills Geothermal LLC	51.1%	-l

Associates and Joint venture entities	n/a	n/a

Audit of Financial Report

This Appendix 4E is based on accounts that are in the process of being audited. The Company anticipates that the Independent Auditors Report in the Audited Accounts may include an Emphasis of Matter with regard to its Going Concern note to the Accounts. This Going Concern note is expected to be similar to that set out in Note 1 below.

This announcement was approved for release by Ross MacLachlan, CEO

Consolidated statement of profit and loss and other comprehensive income
for the financial year ended 30 June 2021

	Note	Consolidated 2021 $	2020 $
Revenue		-	-
Cost of Sales		-	-
Gross profit/(loss)		-	-
Other income	4(a)	220,915	405,170
Finance income	4(a)	3,637	1,413
Employee benefits expenses	4(b)	(1,514,939)	(1,632,183)
Share-based payments		(1,548,675)	(618,339)
Administration expenses		(336,289)	(318,993)
Depreciation and amortisation expenses	4(b)	(6,594)	(4,889)
Travel expenses		(36,181)	(170,836)
Gain/(loss) on revaluation of financial assets fair valued through profit and loss		-	1,287
Legal and professional fees		(4,031,055)	(1,979,151)
Patent costs		(636,250)	(275,150)
Foreign exchange gain/(loss)	4(a,b)	(59,112)	11,908
Finance costs	3	(124,827)	(134,869)
Loss before tax		(8,069,370)	(4,714,632)
Income tax benefit/(expense)			-
Loss for the year		(8,069,370)	(4,714,632)
Attributed to:			
Owners of the parent		(7,865,582)	(4,523,365)
Non-controlling interest		(203,788)	(191,267)
		(8,069,370)	(4,714,632)
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss			
Exchange reserve arising on translation of foreign operations		159,978	(43,964)
Other comprehensive income for the period net of tax		159,978	(43,964)
Total comprehensive income/(loss) for the period		(7,909,392)	(4,758,596)
Total comprehensive income/(loss) attributable to:			
Owners of the parent		(7,741,917)	(4,297,511)
Non-controlling interest		(167,475)	(461,085)
		(7,909,392)	(4,758,596)
(Loss) per share			
From continuing and discontinued operations:			
Basic (cents per share)	12	(0.7)	(0.6)
Diluted (cents per share)	12	(0.7)	(0.6)

	Note	2021 $	2020 $
Current assets			
Cash and cash equivalents		1,093,470	440,600
Trade and other receivables	5	121,397	98,101
Other financial assets		-	2,573
Total current assets		**1,214,867**	**541,274**
Non-current assets			
Investments accounted for using the equity method	6	9,200	9,200
Property, plant and equipment		25,095	19,707
Total non-current assets		**34,295**	**28,907**
Total assets		**1,249,162**	**570,181**
Current liabilities			
Trade and other payables	7	663,625	974,110
Provisions	8	190,252	291,703
Total current liabilities		**853,877**	**1,265,813**
Non-current liabilities			
Other payables	9	1,900,294	1,881,133
Provision	8	39,583	38,673
Total non-current liabilities		**1,939,877**	**1,919,806**
Total liabilities		**2,793,754**	**3,185,619**
Net assets/(liabilities)		**(1,544,592)**	**(2,615,438)**
Equity/(net deficiency)			
Issued capital	10	117,937,371	113,804,238
Reserves		7,889,212	2,918,442
Accumulated losses	11	(116,515,834)	(108,650,252)
Total equity attributable to equity holders of the company		9,310,749	8,072,428
Non-controlling interest		(10,855,341)	(10,687,866)
Total equity/(net deficiency)		**(1,544,592)**	**(2,615,438)**

	Issued capital and contributed equity $	Foreign currency translation reserve $	Share based payments reserve $	Other reserves $	Treasury Shares $	Accumulated losses $	Attributable to owners of the parent $	Non-controlling interest $	Total $
Balance at 1 July 2019	**110,666,415**	**3,283,216**	**9,064,396**	**(9,939,836)**	**(450,800)**	**(104,126,887)**	**8,496,504**	**(10,226,781)**	**(1,730,277)**
Profit/(loss) for the year	-	-	-	-	-	(4,523,365)	(4,523,365)	(191,267)	(4,714,632)
Movement in foreign exchange values	-	225,854	-	-	-	-	225,854	(269,818)	(43,964)
Total comprehensive income for the period	-	225,854	-	-	-	(4,523,365)	(4,297,511)	(461,085)	(4,758,596)
Value of options issued	-	-	735,612	-	-	-	735,612	-	735,612
Issue of shares	3,292,000	-	-	-	-	-	3,292,000	-	3,292,000
Share issue cost	(154,177)	-	-	-	-	-	(154,177)	-	(154,177)
Balance at 30 June 2020	**113,804,238**	**3,509,070**	**9,800,008**	**(9,939,836)**	**(450,800)**	**(108,650,252)**	**8,072,428**	**(10,687,866)**	**(2,615,438)**
Balance at 1 July 2020	**113,804,238**	**3,509,070**	**9,800,008**	**(9,939,836)**	**(450,800)**	**(108,650,252)**	**8,072,428**	**(10,687,866)**	**(2,615,438)**
Profit/(loss) for the year	-	-	-	-	-	(7,865,582)	(7,865,582)	(203,788)	(8,069,370)
Movement in foreign exchange values	-	123,665	-	-	-	-	123,665	36,313	159,978
Total comprehensive income for the period	-	123,665	-	-	-	(7,865,582)	(7,741,917)	(167,475)	(7,909,392)
Value of options issued	-	-	4,847,105	-	-	-	4,847,105	-	4,847,105
Issue of shares	5,008,015	-	-	-	-	-	5,008,015	-	5,008,015
Share issue cost	(874,882)	-	-	-	-	-	(874,882)	-	(874,882)
Balance at 30 June 2021	**117,937,371**	**3,632,735**	**14,647,113**	**(9,939,836)**	**(450,800)**	**(116,515,834)**	**9,310,749**	**(10,855,341)**	**(1,554,592)**

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	Note	Consolidated 2021 $	Consolidated 2020 $
Cash flows from operating activities			
Receipts from management fees		205,991	100,737
Interest and finance costs paid		(5,890)	-
Payments to suppliers and employees		(6,592,188)	(4,017,027)
Government cash flow boost		-	50,000
Net cash provided by/(used in) operating activities	13	(6,392,087)	(3,866,290)
Cash flows from investing activities			
Interest received		3,637	1,413
Payment for plant and equipment		(12,035)	(9,098)
Proceeds from investment held for trade		9,552	147,827
Receipts/(payment) for deposits		(16,586)	10,191
Net cash provided by/(used in) investing activities		(15,432)	150,333
Cash flows from financing activities			
Proceeds from issue of shares and options		7,673,851	3,292,000
Capital raising costs		(613,462)	(163,681)
Net cash provided by/(used in) financing activities		7,060,389	3,128,319
Net (decrease) / increase in cash and cash equivalents		652,870	(587,638)
Cash and cash equivalents at the beginning of the financial year		440,600	1,028,238
Cash and cash equivalents at the end of the financial year		1,093,470	440,600

Notes to the preliminary final report

1.Basis of preparation

This preliminary final report has been prepared in accordance with ASX Listing Rule 4.3A and the disclosure requirements of ASX Appendix 4E.

The accounting policies adopted in the preparation of the preliminary final report are consistent with those adopted and disclosed in the annual financial report at 30 June 2020, and as disclosed in the interim financial report at 31 December 2020.

Going concern

The consolidated entity's operating loss for the year ended 30 June 2021 amounted to $8,069,370 (30 June 2020: loss of $4,714,632).

The consolidated entity had net current assets as at 30 June 2021 of $360,990 (30 June 2020: net current liabilities $724,539). At the date of this report, the Directors have considered the above factors and the additional funds required to accomplish its business objectives and are of the opinion that the consolidated entity will be able to continue as a going concern and will be able to pay its debts as and when they fall due, based on forecasted cash flows through to September 2022.

The above statement is underpinned by certain key assumptions including:

- The Company has a $8m equity placement facility with Long State Investment Limited. Under the terms of the facility, the Company at its discretion, place new ordinary shares in the Company with Long State up to a total of $8m over the next 9 months to 6 July 2022. This facility allows the Company to draw in tranches of $400,000 in any period of 20 trading days.
- The Company is targeting to reach "Full Notice to Proceed" stage in the fourth quarter 2021, at which stage the Company would expect to receive approximately $8.2m (C$7.5m) by way of reimbursement of development costs and a development fee.
- The ability to source additional equity funding, for which the company has a history of successful capital raisings and;
- The ability to source additional debt funding, for which the company has a history of success.

In the event that the consolidated entity is unsuccessful in certain of the matters set out above, there is material uncertainty whether the consolidated entity will continue as a going concern. If the consolidated entity is unable to continue as a going concern it may be required to realise its assets and discharge its liabilities other than in the normal course of business.

The financial report does not include any adjustments relating to the recoverability and classification of recorded asset amounts or the amounts and classification of liabilities that might be necessary should the consolidated entity not continue as a going concern.

Notes to the preliminary final report

2. Segment information

(i) The following is an analysis of the Group's revenue and results by reportable operating segments:

	Segment other income		Segment profit/(loss)	
	2021	2020	2021	2020
	$	$	$	$
Continuing operations				
Investments	223,355	298,677	(2,542,980)	(1,421,397)
Power business		107,906	(5,526,390)	(3,293,235)
Total of all Segments	223,355	406,583	(8,069,370)	(4,714,632)
Unallocated items				
Share of loss of associate			-	-
Total loss before tax			(8,069,370)	(4,714,632)
Exchange reserve arising on translation of foreign operations			159,978	(43,964)
Company tax			-	-
Total comprehensive income for the period			**(7,909,392)**	**(4,758,596)**

The segment income reported above represents other income recognised during the period. There were no intersegment sales in the current year (2020: nil).

Segment loss represents the loss incurred by each segment without the allocation of share of losses of associate. This is the measure reported to the chief operating decision maker for the purpose of resource allocation and assessment of segment performance.

(ii) Segment assets

	2021	2020
	$	$
Investments	1,144,574	458,824
Power business	104,588	111,357
Total segment assets	1,249,162	570,181
Unallocated assets	-	-
Total assets	1,249,162	570,181

(iii) Segment liabilities

Investments	398,984	795,548
Power business	2,394,770	2,390,071
Total liabilities	2,793,754	3,185,619

Notes to the preliminary final report

2. Segment information (cont'd)

(iv) Geographical information

The group operates in these principal geographical areas. Australia (country of domicile), UK, China, Canada and the USA.

	Non-current assets	
	2021	**2020**
	$	**$**
Australia	25,666	28,907
China	8,629	-
Canada	-	-
USA	-	-
	34,295	**28,907**

(v) Other segment information

	Depreciation and amortisation	
	2021	**2020**
	$	**$**
Investments	5,886	4,889
Power	708	-
	6,594	**4,889**

3. Finance costs

	Consolidated	
	2021	**2020**
	$	**$**
Interest and expenses – related parties	-	1,370
Interest – borrowings &other	124,827	133,499
	124,827	**134,869**

Weighted average rate of funds borrowed is 10% (2020 – 10%)

Notes to the preliminary final report

4. Loss for the year

(a) Gains and losses

Loss for the year has been arrived at after crediting/(charging) the following gains and losses:

	Consolidated	
	2021 $	2020 $
Management fee	70,118	91,171
Profit on sale of investments	-	156,093
Government cashflow boost/job keeper	149,600	50,000
Gain on creditors no longer payable		107,906
Sundry income	1,197	-
Other income	220,915	405,170
Interest income	3,637	1,413
Net foreign exchange gains	-	11,908

(b) Other expenses

Loss for the year includes the following expenses:

	Consolidated	
	2021 $	2020 $
Net foreign exchange losses	59,112	-
Operating lease charges	30,682	83,781
Depreciation of plant and equipment	6,594	4,889
Share based payments	1,548,675	618,339
Employee benefit expense:		
Defined contribution plans	71,930	73,494
Salaries and wages	1,443,009	1,558,689
	1,514,939	1,632,183

Notes to the preliminary final report

5. Trade and other receivables: current

	Consolidated	
	2021 $	2020 $
Trade receivables	16,408	1,253
Goods and services tax recoverable	58,111	46,929
Receivable from key management personnel	13,602	16,322
Other receivables	33,276	33,597
	121,397	**98,101**

The average credit period for trade receivables is 30 days after the end of the month in which the invoice is raised.

Credit risk
The group has no significant concentration of credit risk with respect to any single counterparty or group of counterparties.

6. Investments accounted for using the equity method

	Consolidated	
	2021 $	2020 $
Reconciliation of movement in investments accounted for using the equity method:		
Balance at 1 July	9,200	9,200
Balance at 30 June	**9,200**	**9,200**

			Ownership interest	
Name of entity	Country of incorporation	Principal activity	2021 %	2020 %
Associates				
Exergy Inc	USA	Investment	46.0%	46.0%

Dividends received from associates
No dividends were received during the year (2020: Nil) from its associate.

7. Trade and other payables – current

	Consolidated	
	2021 $	2020 $
Unsecured:		
Trade payables (i)	663,625	974,110
	663,625	**974,110**

(i) Payment terms for the Group during the current year and comparative period is an average of 30 days.

Notes to the preliminary final report

8. Provisions:

	Consolidated 2021 $	Consolidated 2020 $
Employee benefits	229,839	330,376
	229,839	**330,376**
Disclosed as current	190,252	291,703
Disclosed as non-current	39,583	38,673
	229,835	**330,376**

9. Trade and other payables: non-current

	Consolidated 2021 $	Consolidated 2020 $
Other payables - unsecured (i)	1,900,294	1,881,133
	1,900,294	**1,881,133**

(i) Relates to amounts owing to key outside shareholders of New Energy Asia (NEA), on account of expenses incurred and payable under the loan agreement only when NEA has adequate funds to meet one years working capital requirements after payment of this amount. Interest accrues at 10% per annum.

10. Issued capital

	Consolidated 2021 $	Consolidated 2020 $
Fully paid ordinary shares 30 June 2021: 1,143,629,832 (30 June 2020: 819,200,174)	**117,937,371**	**113,804,238**

	2021		2020	
	No.	$	No.	$
10.1 Ordinary shares				
Balance at beginning of year	819,200,174	113,804,238	725,143,031	110,666,415
Exercise of options	1,687,500	54,021	-	-
Issue of shares	322,742,158	4,953,994	94,057,143	3,292,000
Share issue costs		(874,882)		(154,177)
Balance at end of financial year	**1,143,629,832**	**117,937,371**	**819,200,174**	**113,804,238**

Ordinary shares carry one vote per share and carry the right to dividends.

Notes to the preliminary final report

10.1 Ordinary shares (cont'd)

Movements in ordinary share capital

Details	**Date**	**Shares**	**Issue Price**	**$**
Balance	1 July 2020	819,200,174		113,804,238
New Issue	7 July 2020	1,333,333	3.0 cents	40,000
New Issue	1 September 2020	141,405,615	2.5 cents	1,697,109
New Issue	9 September 2020	147,955,133	2.5 cents	2,811,147
New Issue	10 September 2020	10,807,142	2.5 cents	194,529
New Issue	27 November 2020	20,940,935	2.5 cents	209,409
New Issue	10 December 2020	300,000	2.5 cents	1,800
Options exercised	19 January 2021	1,687,500	1.3,1.8,2.3 &2.8 cents	54,021
Capital raising costs				(874,882)
Balance	30 June 2021	1,143,629,832		117,937,371

11. Accumulated losses

	Consolidated	
	2021 **$**	**2020** **$**
Balance at beginning of year	(108,650,252)	(104,126,887)
Net profit/(loss) attributable to members of the parent entity	(7,865,582)	(4,523,365)
Balance at end of year	**(116,515,834)**	**(108,650,252)**

Notes to the preliminary final report

12. Earnings per share

	Consolidated 2021 Cents per share	Consolidated 2020 Cents per share
Basic earnings (loss) per share	(0.7)	(0.6)
Diluted earnings (loss) per share	(0.7)	(0.6)

Basic earnings per share
The earnings and weighted average number of ordinary shares used in the calculation of basic earnings per share are as follows:

	2021 $	2020 $
Net (loss)/profit (i)	(7,865,582)	(4,523,365)

(i) Net Loss is the same amount as loss after tax in the statement of comprehensive income attributable to owners of the parent.

	2021 No.	2020 No.
Weighted average number of ordinary shares for the purposes of basic and diluted earnings per share	1,079,495,616	786,933,706

Diluted Earnings (Loss) Per Share
The options held by rights holders have not been included in the weighted average number of ordinary shares for the purposes of calculating diluted EPS as they do not meet the requirements for inclusion in AASB 133 “Earnings per Share”. The rights are non-dilutive as they do not increase loss per share from continuing operations.

13. Reconciliation of (loss)/profit for the period to net cash flows from operating activities

	Consolidated 2021 $	Consolidated 2020 $
Profit/(loss) for the year	(8,069,370)	(4,714,632)
Fair value (gains)/losses financial assets	-	(1,287)
(Profit)/loss from sale of financial assets	-	(156,093)
Equity settled share based payment	1,548,675	735,612
Depreciation of property, plant and equipment	6,594	4,889
Foreign exchange (gains)/losses	(2,342	15,925
Interest income received and receivable	(3,637)	(1,413)
Changes in net assets and liabilities:		
(Increase) / decrease in assets:		
Trade and other receivables	4,705	(28,368)
Increase / (decrease) in liabilities:		
Trade and other payables	223,830	282,797
Provisions	(100,542)	(3,720)
Net cash from/(used in) operating activities	**(6,392,087)**	**(3,866,290)**

14. Net Tangible Assets

	Consolidated 2021 $	Consolidated 2020 $
Net tangible asset backing per ordinary security	(0.14) cent	(0.32) cents