

Appendix 4D

Half year report

1. Company details

Name of entity

Kalina Power Limited

ABN or equivalent company reference

Half year ended ('current period')

Half year ended ('previous period')

24 000 090 997	31 December 2022	31 December 2021
----------------	------------------	------------------

2. Results for announcement to the market

\$A

2.1 Revenues from ordinary activities	Down	0%	to	0
2.2 Loss from ordinary activities after tax attributable to members	Down	<9%	to	(2,145,992)
2.3 Net Loss for the period attributable to members	Down	<9%	to	(2,145,992)
2.4 Dividends	Amount per security		Franked amount per security	
Interim dividend declared	Nil ¢		Nil ¢	
2.5 +Record date for determining entitlements to the dividend.	Not applicable			
2.6 The total loss of the consolidated entity attributable to the owners of the parent for the half year ended 31 December 2022 was \$2,145,992.				

3. NTA backing

	Current period	Previous corresponding Period
Net tangible asset backing per ordinary security	0.01 c	0.33c

4.1 Control gained over entities

Name of entity (or group of entities)	n/a
Date control gained	n/a
Contribution of such entities to the reporting entity's profit/ (loss) from ordinary activities during the period (where material).	n/a
Profit (loss) from ordinary activities and extraordinary items after tax of the controlled entity (or group of entities) for the whole of the previous corresponding period.	n/a

4.2 Loss of control over entities

Name of entity (or group of entities)	n/a	
Date control lost	n/a	
Contribution of such entities to the reporting entity's profit/ (loss) from ordinary activities during the period (where material).	n/a	
Consolidated profit/(loss) from ordinary activities of the controlled entity (or group of entities) whilst controlled during the whole of the previous corresponding period (where material).	n/a	

5. Dividends

Individual dividends per security

		Date dividend is payable	Amount per security	Franked amount per security at 30% tax	Amount per security of foreign source dividend
	Interim dividend: Current year	Nil	¢	¢	¢
	Previous year	Nil	¢	¢	¢

6. Foreign entities

n/a

7. If the accounts are subject to audit dispute or qualification, details are described below

n/a

Sign here:



Date: 28 February 2023

Print name: Kesh Thurairasa, Company Secretary

KALINA POWER LIMITED

ABN 24 000 090 997

Half-year financial report for the half-year ended 31 December 2022

Contents

Corporate directory	3
Directors' report	4
Review of operations	4
Auditor's independence declaration.....	6
Independent auditor's review report	7
Directors' declaration	9
Consolidated statement of profit or loss and other comprehensive income for the half-year ended 31 December 2022	10
Consolidated statement of financial position as at 31 December 2022.....	11
Consolidated statement of changes in equity for the half-year ended 31 December 2022.....	12
Consolidated cash flow statement for the half-year ended 31 December 2022.....	13
Notes to the consolidated financial statements	14

CORPORATE DIRECTORY

Directors:	Mr Stephen White Mr Ross MacLachlan Mr Tim Horgan Mr Jeffrey Myers Dr Malcolm Jacques Mr Peter Littlewood	Chairman (Appointed 1 September 2022) Chief Executive Officer Executive Director Executive Director Non-executive Director Non-executive Director
Company Secretary:	Mr Kesh Thurairasa	
Registered Office:	Suite 6, 795, Glenferrie Road Hawthorn VIC 3122 Telephone: + 61 3 9236 2800 Facsimile: + 61 3 9818 3656	
Principal Place of Business:	Ground Floor Suite 6, 795 Glenferrie Road Hawthorn VIC 3122 Telephone: + 61 3 9236 2800 Facsimile: + 61 38 9818 3656	
Share Registry:	Computershare Registry Services Pty Limited Yarra Falls, 452 Johnston Street, Abbotsford, Vic, Australia, 3067 Telephone: 1800 564 6253	
Bankers:	Commonwealth Bank of Australia 385 Bourke Street Melbourne VIC 3000	
Auditors:	HLB Mann Judd Level 9, 550 Bourke Street Melbourne VIC 3000 Telephone: + 61 3 9606 3888 Facsimile: + 61 3 9606 3800	
Solicitors:	Gadens Lawyers Level 13, Collins Arch, 447 Collins Street Melbourne VIC 3000	
Stock Exchange:	The Company is listed on the Australian Stock Exchange. ASX code: KPO	
Other Information:	KALINA POWER LIMITED, incorporated and domiciled in Australia, is a publicly listed company limited by shares.	

Directors' report

The directors of KALiNA Power Limited present the interim financial report of the company and its subsidiaries ("the consolidated entity" or "the group") for the half-year ended 31 December 2022. In order to comply with the provisions of the *Corporations Act 2001*, the directors report as follows:

The names of the directors of the company during or since the end of the half-year are:

Mr Stephen White (Chairman) (Appointed 1 September 2022)

Mr Ross MacLachlan (Chief Executive Officer)

Mr Tim Horgan (Executive Director)

Mr Jeffrey Myers (Executive Director)

Dr Malcolm Jacques (Non-executive Director)

Mr Peter Littlewood (Non-executive Director)

Review of operations

The total loss of the consolidated entity attributable to the owners of the parent for the half year ended 31 December 2022 was \$2,145,992 (2021: loss \$2,352,031). This equates to a basic loss per share of 0.14 cents (2021: basic loss per share of 0.19 cents).

During the period, Kalina continued to make solid progress in its two core business activities. Its Alberta based power project development arm continued to grow its portfolio of clean energy projects in the province with which it anticipates to attract significant capital investment. KALiNA's technology development arm continued to advance the f engineered solutions for priority applications of the KALiNA Cycle® that can be marketed globally by establishing a strategic network of supply chain partners.

The operating half was also highlighted by the appointment of Mr. Stephen White to the Board as Non-Executive Chairman (refer ASX Announcement 30 August 2022). A highly regarded figure in the North American Energy sector, Mr. White played an instrumental role in the success of Veresen Inc where he was CEO for 10 years and oversaw the growth of the company to a major North American energy business which was ultimately sold to Pembina Pipeline Corp in 2017 for ~A\$10.8 billion. With his knowledge of the sector and extensive networks in North American energy capital markets, Mr. White's addition to the Board is well-timed to the Company's ongoing pursuits of major growth opportunities within the North American clean energy transition.

Power Project Development:

KALiNA's wholly owned Canadian Development Company, Kalina Distributed Power ("KDP") made significant progress on developing its portfolio of clean project opportunities.

KDP is at the forefront of a major environmental transition. Recent policies adopted pursuant to Canada's 2050 net-zero roadmap include a progressive tax on carbon emissions increasing from \$65/ton in 2022 to \$170/ton by 2030, and a 50% Income Tax Credit for the capital cost of carbon capture and sequestration projects.

The adoption of carbon capture technology enabling gas fired power generation ("CC-CCUS") with effectively net zero emissions is a central theme of the Energy Transition in both the United States and Canada. KDP is among the early entrants to the CC-CCUS sector in Alberta.

During the period KDP advanced securing sites for a number of natural gas power plants utilizing carbon capture & sequestration, with the largest planned for up to 450 MW. The portfolio now represents over \$4 billion CAD in various stages of project development and contracting. KDP engaged with major vendors completing a competitive bidding process to select vendors for the power plant & carbon capture unit for both 450 MW and sub 200 MW configurations. KDP also engaged with large gas producers with positive interest in the tolling economics for the CC-CCUS projects.

Also, during the half the Company continued to review configurations for the Saddle Hills project. The project is fully permitted project to construct & operate up to 64MW that includes two combined cycle power plants each configured with a 22MW Siemens gas turbine and a 10MW KALiNA Cycle. The Company continued to consider several paths forward to advance the project in keeping with the pending legislative and regulatory framework as they become more certain. These considerations include a staged approach to initially operate the plant in 'Peaker' mode with potential to incorporate a Kalina Cycle and/or carbon capture for the project at a later date. The Company's expects to determine the appropriate configuration for Saddle Hills once draft legislation and budget is tabled (currently expected in April 2023) and the implications that these will have for small scale projects such as saddle Hills is better understood.

Technology Development

During the period, the team continued to engage with Baker Hughes in completing metallurgical studies and finalising specifications for a marketable high temperature KALiNA cycle package such as the one planned for Saddle Hills.

The team advanced its work toward engineered solutions for priority applications of the KALiNA Cycle® that can be marketed globally by establishing a network of supply chain and strategic partners. Applications are being prioritized in light of both competitive markets and new regulatory and policy drivers. This included advancing development of Kalina Cycle designs for low temperature applications, Klamath Hills Geothermal project, Ocean Thermal Energy Conversion ('OTEC') projects and the KALiNA Carnot Battery (long term thermal energy storage).

The team is continuing its prioritization of KALiNA Cycle® designs pursuant to its MOU with Baker Hughes in which they will be a strategic preferred vendor.

Corporate

The loss for the half year attributed to owners of the parent was \$2,145,992 (2021: loss \$2,352,031). Included in this loss, is an amount of \$900,896 related to Alberta project development expenses.

Subsequent events

On 9 February 2023, the company announced that it has commenced a process to appoint qualified financial advisors with expertise in power markets, infrastructure funding and the capital markets to secure direct investment into KALiNA's wholly owned Canadian project development company, Kalina Distributed Power ('KDP'). It was further announced that Company has been engaged with advisors regarding debt and equity for individual projects in Alberta. The Company intends to leverage these and other contacts to appoint suitably qualified financial advisors who can guide and assist the Company in achieving two primary objectives:

- Secure CA\$~25million-\$50 million in direct investment for up to 50% of KDP to fund the project development costs of its portfolio; and,
- To establish a comprehensive, long-term funding mechanism to access both project debt and equity for each project.

Except for the above, no other matters or circumstances have arisen since the end of the financial half year which significantly affected or could significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial years.

Auditor's independence declaration

The auditor's independence declaration is included on page 6 of the half-year financial report.

Signed in accordance with a resolution of directors made pursuant to *S.306(3) of the Corporations Act 2001*.

On behalf of the Directors



Tim Horgan
Director
Melbourne, 28 February 2023

Auditor's independence declaration

As lead auditor for the review of the interim consolidated financial report of Kalina Power Limited for the half-year ended 31 December 2022, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

- (a) the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- (b) any applicable code of professional conduct in relation to the review.

This declaration is in respect of Kalina Power Limited and the entities it controlled during the period.

HLB Mann Judd

**HLB Mann Judd
Chartered Accountants**

Melbourne
28 February 2023

A handwritten signature in black ink, appearing to read 'M Gummery', with a stylized flourish at the end.

**Michael Gummery
Partner**

Independent Auditor's Review Report to the Members of Kalina Power Limited

Report on the Half-Year Financial Report

Conclusion

We have reviewed the half-year financial report of Kalina Power Limited ("the Company"), which comprises the consolidated interim statement of financial position as at 31 December 2022, the consolidated interim statement of profit or loss and other comprehensive income, the consolidated interim statement of changes in equity and the consolidated interim statement of cash flows for the half-year ended on that date, a summary of significant accounting policies and other explanatory information, and the directors' declaration, for the Group comprising the company and the entities it controlled at the half-year end or from time to time during the half-year.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of the Group does not comply with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the Group's financial position as at 31 December 2022 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Material Uncertainty Related to Going Concern

We draw attention to Note 1 Going Concern in the interim financial report, which indicates that the Group incurred a loss before tax of \$2,279,455 for the 6-month period ended 31 December 2022 (2021: loss of \$2,582,031) and incurred a net cash outflow from operations of \$2,428,604 (2021: outflow of \$2,672,769). As stated in Note 1 Going Concern, these events or conditions indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our conclusion is not modified in respect of this matter.

Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

hlb.com.au

HLB Mann Judd (VIC Partnership) ABN 20 696 861 713

Level 9, 550 Bourke Street, Melbourne VIC 3000 | GPO Box 2850, Melbourne VIC 3001

T: +61 (0) 3 9606 3888 F: +61 (0) 3 9606 3800 E: mailbox@hlbvic.com.au

Liability limited by a scheme approved under Professional Standards Legislation.

Responsibility of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility for the Review of the Half Year Financial Report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2022 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

HLB Mann Judd

HLB Mann Judd
Chartered Accountants

Melbourne
28 February 2023

A handwritten signature in black ink, appearing to read 'M Gummery', with a stylized flourish at the end.

Michael Gummery
Partner

Directors' declaration

In accordance with a resolution of the directors of KALiNA Power Limited, the directors of the Company declare that:

1. The Financial Statements and notes as set out on pages 10 to 17 are in accordance with the *Corporations Act 2001* and the Corporations Regulations 2001 including:
 - a. Complying with Accounting Standard AASB 134: *Interim Financial Reporting*; and
 - b. Giving a true and fair view of the consolidated entity's financial position as at 31 December 2022 and of its performance for the half year ending on that date.
2. In the directors' opinion and based on the factors outlined in Note 1 Going Concern, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

On behalf of the Directors



Tim Horgan
Director
Melbourne, 28 February 2023

**Consolidated statement of profit or loss and other comprehensive income
for the half-year ended 31 December 2022**

	Consolidated	
	Half-year ended 31 Dec 2022 \$	Half-year ended 31 Dec 2021 \$
Continuing operations		
Revenue	-	-
Cost of sales	-	-
Gross profit/(loss)	-	-
Other revenue	16,588	319,864
Finance income	46,051	64
Employee benefits expenses	(648,070)	(727,021)
Share-based payments	-	(40,714)
Administration expenses	(204,550)	(170,820)
Depreciation and amortisation expense	(6,844)	(4,547)
Travel expenses	(50,893)	(22,008)
Engineering and professional fees	(1,060,711)	(1,425,135)
Legal fees	(245,709)	(224,483)
Patent costs	(77,436)	(219,647)
Foreign exchange gain/(loss)	17,192	(5,819)
Finance costs	(65,073)	(61,765)
Loss before tax	(2,279,455)	(2,582,031)
Income tax benefit/(expense)	-	-
Loss for the period	(2,279,455)	(2,582,031)
Other comprehensive income/(loss), net of income tax		
Items that may be reclassified subsequently to profit or loss		
Exchange reserve arising on translation of foreign operations	(20,023)	(95,462)
Other comprehensive gain for the period, net of income tax	(20,023)	(95,462)
Total comprehensive income/(loss) for the period	(2,299,478)	(2,677,493)
Profit/(Loss) attributed to:		
Owners of the parent	(2,145,992)	(2,352,031)
Non-controlling interests	(133,463)	(230,000)
	(2,279,455)	(2,582,031)
Total comprehensive profit/(loss) attributed to:		
Owners of the parent	(2,160,607)	(2,433,870)
Non-controlling interests	(138,871)	(243,623)
	(2,299,478)	(2,677,493)
Earnings/(loss) per share		
From continuing and discontinued operations:		
Basic (cents per share)	(0.14)	(0.19)
Diluted (cents per share)	(0.14)	(0.19)

Notes to the consolidated financial statements are included on pages 14 to 17.

**Consolidated statement of financial position
as at 31 December 2022**

		Consolidated	
		31 Dec 2022	30 Jun 2022
		\$	\$
Current assets			
Cash and cash equivalents		1,019,302	2,948,798
Financial assets	4	1,900,000	2,400,000
Trade and other receivables		228,563	110,788
Total current assets		3,147,865	5,459,586
Non-current assets			
Investments accounted for using the equity method		9,200	9,200
Property, plant and equipment		22,095	20,275
Total non-current assets		31,295	29,475
Total assets		3,179,160	5,489,061
Current liabilities			
Trade and other payables		445,536	536,988
Provisions		248,945	230,043
Total current liabilities		694,481	767,031
Non-current liabilities			
Other payables	5	2,225,777	2,155,489
Provisions		32,499	42,543
Total non-current liabilities		2,258,276	2,198,032
Total liabilities		2,952,757	2,965,063
Net assets/(liabilities)		226,403	2,523,998
Equity			
Issued capital		127,281,526	127,279,244
Reserves		7,691,431	7,706,445
Accumulated losses		(123,326,005)	(121,180,013)
Total equity attributable to equity holders of the company		11,646,952	13,805,676
Non-controlling interest		(11,420,549)	(11,281,678)
Total equity/net deficiency		226,403	2,523,998

Notes to the consolidated financial statements are included on pages 14 to 17.

**Consolidated statement of changes in equity
for the half-year ended 31 December 2022**

	Consolidated								
	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 2021	117,937,371	3,632,735	14,647,113	(9,939,836)	(450,800)	(116,515,834)	9,310,749	(10,855,341)	(1,544,592)
Movement in foreign currency Profit/(Loss) for the period	-	(81,839)	-	-	-	-	(81,839)	(13,623)	(95,462)
Total comprehensive loss for the period	-	(81,839)	-	-	-	(2,352,031)	(2,352,031)	(230,000)	(2,582,031)
New share issue	9,940,000	-	-	-	-	-	(2,433,870)	(243,623)	(2,677,493)
Options Issued	-	-	40,714	-	-	-	9,940,000	-	9,940,000
Capital raising costs	(695,923)	-	-	-	-	-	40,714	-	40,714
Balance at 31 December 2021	127,181,448	3,550,896	14,687,827	(9,939,836)	(450,800)	(118,867,865)	16,161,670	(11,098,964)	5,062,706

	Consolidated								
	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 2022	127,279,244	3,454,737	14,642,344	(9,939,836)	(450,800)	(121,180,013)	13,805,676	(11,281,678)	2,523,998
Movement in foreign currency Profit/(Loss) for the period	-	(14,615)	-	-	-	-	(14,615)	(5,408)	(20,023)
Total comprehensive loss for the period	-	(14,615)	-	-	-	(2,145,992)	(2,145,992)	(133,463)	(2,279,455)
Options exercised	1,883	-	-	-	-	-	(2,160,607)	(138,871)	(2,299,478)
Value of options exercised	399	-	(399)	-	-	-	1,883	-	1,883
Balance at 31 December 2022	127,281,526	3,440,122	14,641,945	(9,939,836)	(450,800)	(123,326,005)	11,646,952	(11,420,549)	226,403

Notes to the consolidated financial statements are included on pages 14 to 17.

**Consolidated cash flow statement
for the half-year ended 31 December 2022**

	Consolidated	
	Half-year ended 31 Dec 2022	Half-year ended 31 Dec 2021
	\$	\$
Cash flows from operating activities		
Receipts from customers	12,183	14,609
Payments to suppliers and employees	(2,471,929)	(2,964,589)
Other income	-	277,147
Interest received	31,142	64
	(2,428,604)	(2,672,769)
Net cash (used in)/generated by operating activities		
Cash flows from investing activities		
Payments for financial assets	(1,900,000)	(3,000,000)
Payment for fixed assets	(2,775)	(2,781)
	(1,902,775)	(3,002,781)
Net cash (used in)/generated by investing activities		
Cash flows from financing activities		
Proceeds from issue of shares and options	1,883	9,940,000
Capital raising costs	-	(674,277)
	1,883	9,265,723
Net cash (used in)/generated by financing activities		
Net increase/(decrease) in cash and cash equivalents	(4,329,496)	3,590,173
Cash and cash equivalents at the beginning of the period	5,348,798	1,093,470
	1,019,302	4,683,643
Cash and cash equivalents at the end of the period		

Notes to the consolidated financial statements are included on pages 14 to 17.

Notes to the consolidated financial statements

1. Summary of significant accounting policies

Basis of Preparation

These general purpose interim financial statements for the half-year reporting period ended 31 December 2022 have been prepared in accordance with requirements of the *Corporations Act 2001* and Australian Accounting Standard AASB 134: *Interim Financial Reporting*. The Group is a for-profit entity for financial reporting purposes under Australian Accounting Standards.

This interim financial report is intended to provide users with an update on the latest annual financial statements of KALiNA Power Limited and its controlled entities (referred to as the "Group"). These general purpose financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly these financial statements be read in conjunction with the annual financial statements of the Group for the year ended 30 June 2022, together with any public announcements made during the following half-year.

The same accounting policies and methods of computation have been followed in this interim financial report as were applied in the most recent annual financial statements. The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

The financial statements, except for the cash flow information, have been prepared on an accruals basis and are based on historical costs modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

COVID-19

The Covid-19 pandemic has caused a number of challenges, including restrictions on travel and meetings which would have otherwise taken place. Working together with various capital providers and engineering partners, management and its advisors have adapted to the situation and continued to be constructively engaged in moving the projects forward. Further these challenges have not had much impact in the fund raising process recently undertaken by the Company.

Whilst Covid-19 has not materially impacted the project development or funding process to date, there is still continued uncertainty as to the duration of and further impact of Covid-19 including (but not limited to) in relation to government, regulatory or health authority actions, work stoppages, lockdowns, quarantines, travel restrictions and the impact on the Australian, Canadian economy. If the risk of spread of Covid-19 continues, and/or the actions taken to combat Covid-19 persist, the Company's operational and financial performance could be impacted. This could also affect delivery of equipment where suppliers and their supply chains are adversely impacted by Covid-19, site specific activities related to site preparation and construction.

The Group did not receive any financial assistance from the government in the half year ended 31 December 2022.

There are currently known additional impacts on the Group.

These interim financial statements were authorised for issue by the board of directors on 28 February, 2023.

Accounting Policies

Adoption of new and revised accounting standards

The Group has adopted all standards which became effective for the first time during the half year to 31 December 2022. The adoption of these standards has not caused any material adjustments to the reported financial position, performance or cash flow of the Group.

Critical Accounting Estimates and Judgements

The directors evaluate estimates and judgements incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Consolidated Entity.

The key critical accounting estimates and judgements are:

Going concern

As at 31 December 2022, the Group has cash reserves of \$2,919,302 and an excess of current assets over current liabilities of \$2,453,384 (30 June 2022: \$4,692,555). The current half-year consolidated loss before tax was \$2,279,455 (2021: Loss \$2,582,031). Cash outflows from operating activities was \$2,428,604 (2021: \$2,672,769).

Going concern (cont'd)

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 February 2024.

The above statement is underpinned by certain key assumptions including:

- Subsequent to year end the Company announced that it has commenced a process to appoint qualified financial advisors with expertise in power markets, infrastructure funding and the capital markets to secure direct investment into KALiNA's wholly owned Canadian project development company, Kalina Distributed Power ('KDP').
- It was further announced that Company has been engaged with advisors regarding debt and equity for individual projects in Alberta to secure CA\$~25million-\$50 million in direct investment for up to 50% of KDP to fund the project development costs of its portfolio.
- Company has a track record of successful debt and equity fundraising and Management is confident that it can raise additional capital.

There is a material uncertainty related to these events that may cast significant doubt on the Group's ability to continue as a going concern. If the Group is not successful in these matters, the going concern basis may not be appropriate, with the result that the Group may have to realise its assets and extinguish its liabilities, other than in the ordinary course of business and at amounts different from those stated in the financial report. No allowance for such circumstances has been made in the financial report.

2. Segment information

The following is an analysis of the Group's revenue and results by reportable operating segments for the periods under review:

	Revenue		Segment profit/(loss)	
	Half-year ended		Half-year ended	
	31 Dec 2022	31 Dec 2021	31 Dec 2022	31 Dec 2021
	\$	\$	\$	\$
Continuing operations				
Investments	-	-	(622,303)	(48,233)
Power business	-	-	(1,657,152)	(2,533,798)
Consolidated segment revenue				
Revenue for the period	-	-	-	-
Profit/(loss) for the period	-	-	(2,279,455)	(2,582,031)

Segment loss represents the loss incurred by each segment with the allocation of interest revenue, finance costs and income tax expense. This is the measure reported to the chief operating decision maker for the purpose of resource allocation and assessment of segment performance.

The following is an analysis of the Group's assets by reportable operating segment

	Consolidated	
	31 Dec 2022	30 Jun 2022
	\$	\$
Investments	2,941,542	5,378,604
Power business	237,618	110,457
Total segment assets	3,179,160	5,489,061
Unallocated assets	-	-
Total assets	3,179,160	5,489,061

3. Investments accounted for using the equity method

Name of entity	Country of incorporation	Principal activity	Ownership interest	
			31 Dec 2022 %	31 Dec 2021 %
Associates				
Exergy Inc	USA	Investment	46.0	46.0
			Consolidated	
			31 Dec 2022	30 Jun 2021
			\$	\$
Reconciliation of movement in investment accounted for using the equity method:				
Balance at start of period			9,200	9,200
Balance at end of period			9,200	9,200

Dividends received from associates.

No dividends were received during the half year (31 December 2021: Nil) from the associates.

4. Financial Assets

	31 Dec 2022	30 June 2022
Financial assets (i)	1,900,000	2,400,000
	<u>1,900,000</u>	<u>2,400,000</u>

(i) Relates to cash held on call deposits with maturity terms greater than 3 months.

5. Other payables

	31 Dec 2022	30 June 2022
Other payables (i)	2,225,777	2,155,489
	<u>2,225,777</u>	<u>2,155,489</u>

(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.

6. Contributed equity

	31 Dec 2022	30 June 2022
Ordinary Shares	<i>No. Shares</i>	<i>No. Shares</i>
Fully paid		
Movement during the half year		
Opening Balance	1,515,152,985	1,143,629,832
Exercise of options	42,801	3,375,000
Issue of shares	-	368,148,153
	<u>1,515,195,786</u>	<u>1,515,152,985</u>

During the half year 42,801 options were exercised.

7. Dividends

No dividends have been paid or declared since the start of the interim period.

8. Contingent liability

The Company supported its subsidiary New Energy Asia by way of financial guarantees of certain liabilities amounting to approximately RMB5,500,000 including in part those related to the building of the Sinopec Hainan plant. The Company has been advised that the Bank of East Asia has obtained a judgement against Shanghai Shenghe New Energy Resources Science & Technology Co Ltd (SSNE) the Kalina Cycle licensee for China, Macau, Taiwan and Hong Kong, through proceedings in China for repayment of the Loan. The Company is not a party to these proceedings. It has been agreed with SSNE that the Bank of East Asia loan will be repaid from the payments anticipated to be made by Sinopec. If there are delays in this payment being made to Bank of East Asia the Company may be required to respond to potential proceedings. The directors believe they have grounds to defend possible claims under the guarantees provided and will contest any claim made.

There are no other known contingencies as at 31 December 2022.

9. Subsequent events

On 9 February 2023, the Company announced that it has commenced a process to appoint qualified financial advisors with expertise in power markets, infrastructure funding and the capital markets to secure direct investment into KALiNA's wholly owned Canadian project development company, Kalina Distributed Power ('KDP'). It was further announced that Company has been engaged with advisors regarding debt and equity for individual projects in Alberta. The Company intends to leverage these and other contacts to appoint suitably qualified financial advisors who can guide and assist the Company in achieving two primary objectives:

- Secure CA\$~25million-\$50 million in direct investment for up to 50% of KDP to fund the project development costs of its portfolio; and,
- To establish a comprehensive, long-term funding mechanism to access both project debt and equity for each project.

Except for the above, no other matters or circumstances have arisen since the end of the financial half year which significantly affected or could significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial years.