

31 October 2023

## ACTIVITIES REPORT FOR THE QUARTER ENDING 30 SEPTEMBER 2023

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 September 2023 (the ‘quarter’).

Quarterly operations were highlighted by the continued engagement with PricewaterhouseCoopers Corporate Finance Inc. (‘PwC CF’) as strategic advisor to KDP in a process to secure funding for KDP to complete the project development of its projects.

During the quarter KDP worked with PwC CF and engaged with a range of targeted investors to seek funding for the project development phase of KDP’s initial projects. A considerable number of strategic and financial investors have engaged and continue to conduct active diligence on the assets. Discussions around potential tolling agreements, EPC contracting and financial participation in the projects are ongoing. As well as engaging on KDP’s ~200MW projects deploying natural gas-fired Combined Cycle Power Plants integrated with Carbon Capture and Sequestration (‘CC-CCS’) diligence is also being conducted on potential investment at KDP’s Saddle Hills project to initially deploy gas turbines in Simple Cycle Peaker mode.

### **Management Commentary**

KALiNA’s Managing Director, Ross MacLachlan, commented: *“KALiNA continued during the September quarter to establish a commercial foundation to provide energy solutions at scale, that are aligned with the transition to net-zero economies globally. Our teams have worked extensively to seek funding that aligns with our portfolio development strategy. We would expect that a successful funding of KDP in this regard will position KPO as an attractive opportunity for those investors seeking direct investment exposure to the burgeoning power- carbon capture and sequestration (‘CCS’) sector.”*

### **Financials**

KALiNA held \$279,000 in cash held at the end of the quarter. Cash out flows from the Group’s operating activities for the quarter amounted to \$1,036,000. Of this, \$545,000 was for Alberta project development, while non-Alberta project development was \$115,000. Corporate staff, investor relations totalled \$216,000 and patent maintenance of the KALiNA intellectual property portfolio \$22,000.

### **Payments to related parties**

During the quarter directors were paid \$210,000 for services rendered under normal commercial terms. Apart from this there were no other related party transactions during the quarter.

- ENDS -

This announcement was approved and authorised for release by: Ross MacLachlan, CEO.

For further information please contact:

KALiNA Power Limited  
Tim Horgan  
Executive Director  
thorgan@KALiNApower.com  
+61 3 9236 2800

Ben Jarvis  
Six Degrees Investor Relations  
ben.jarvis@sdir.com.au  
+61 413 150 448

## Appendix 4C

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

**Name of entity**

KALINA POWER LIMITED	
<b>ABN</b>	<b>Quarter ended ("current quarter")</b>
24 000 090 997	30 SEPTEMBER 2023

<b>Consolidated statement of cash flows</b>	<b>Current quarter \$A'000</b>	<b>Year to date (3 months) \$A'000</b>
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) engineering and Alberta project development	(450)	(450)
(b) corporate staff costs related to Alberta project development	(95)	(95)
(c) non-Alberta project development and international technology support	(115)	(115)
(d) patent maintenance	(22)	(22)
(e) project finance		
(f) Investor relations	(16)	(16)
(g) corporate staff costs	(200)	(200)
(h) leased assets	(18)	(18)
(i) other administration and corporate costs	(121)	(121)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	1	1
1.5 Interest and other costs of finance paid	-	-
1.6 Withholding taxes paid	-	-
1.7 Government grants and tax incentives	-	-
1.8 Other	-	-
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(1,036)</b>	<b>(1,036)</b>

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

<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>Year to date (3 months) \$A'000</b>
	(c) property, plant and equipment	(4)	(4)
	(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)	-	-
<b>2.6</b>	<b>Net cash from / (used in) investing activities</b>	<b>(4)</b>	<b>(4)</b>

<b>3.</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
3.2	Proceeds from issue of convertible debt securities	612	612
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	-	-
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</b>	<b>Net cash from / (used in) financing activities</b>	<b>612</b>	<b>612</b>

<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	707	707
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(1,036)	(1,036)

<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>Year to date (3 months) \$A'000</b>
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(4)	(4)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	612	612
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>272</b>	<b>272</b>

<b>5.</b>	<b>Reconciliation of cash and cash equivalents</b> at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	<b>Current quarter \$A'000</b>	<b>Previous quarter \$A'000</b>
5.1	Bank balances	279	707
5.2	Call deposits	-	-
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>279</b>	<b>707</b>

<b>6.</b>	<b>Payments to related parties of the entity and their associates</b>	<b>Current quarter \$A'000</b>
6.1	Aggregate amount of payments to related parties and their associates included in item 1 **	210
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.</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 (placing facility with Long State Investments Ltd)	-	-
<b>7.4 Total financing facilities</b>	<b>-</b>	<b>-</b>
<b>7.5 Unused financing facilities available at quarter end</b>		<b>-</b>
<b>7.6</b> 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)	(1,036)
8.2 Cash and cash equivalents at quarter end (item 4.6)	279
8.3 Unused finance facilities available at quarter end (item 7.5)	-
8.4 Total available funding (item 8.2 + item 8.3)	279
<b>8.5 Estimated quarters of funding available (item 8.4 divided by item 8.1)</b>	<b>0.2</b>
<b>8.6</b> If item 8.5 is less than 2 quarters, please provide answers to the following questions:	
<b>8.6.1</b> 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: No. Alberta project development cost for the next two quarters is expected to be substantially less whilst the Company finalises project development funding.	
<b>8.6.2</b> 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: In addition to the Company's marketing campaign to finance KDP's project development requirements, the Company is engaging in discussions with selected shareholders regarding provision of finance to fund Company operations. The Company has supportive significant shareholders with a history of contributing to the Company's financing requirements and is confident it will be able to raise funds on this basis.	
<b>8.6.3</b> 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: 31 October 2023.....

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.