

Tear Sheet

Kalina Power Limited (ASX: KPO) (the **Company**) is pleased to release copies of a Tear Sheet that highlights the Company's progress on its Alberta power initiatives.

The Company shall be delivering the Tear Sheet to a variety of potential investors including clients introduced by its broker, Cove Capital.

Authorised by
Ross MacLachlan, CEO

For further information, please contact:

Tim Horgan
Executive Director
Ph: +61 3 9236 2800

Company Overview

- Compelling ESG investment opportunity in the growing Waste Heat To Power (“WHP”) sector
- Established (“WHP”) alternative to incumbent Organic Rankine Cycle (ORC)
- Proprietary KALiNA Cycle® Technology produces zero—emissions power from waste heat given off from energy intensive industrial processes such as gas turbines and petrochemical plants
- KPO’s Canadian subsidiary plans to build multiple, 30 MW power plants to address a market opportunity for distributed power generation in Alberta
- On track to complete milestones to achieve FNTF by the end of Q1 in 2021 for initial 2 plants
- **The company’s recent success combined with its commercial progress in Alberta is anticipated to represent a transformative breakthrough and serve as a platform for KALiNA to become a global, waste heat to power business.**

Top Shareholders

Top Shareholders⁴

Top 10 Shareholders	29.3%
Carpe Diem Asset Mgmt (HNW)	7.1%
HSBC Custody Nominees (HNW)	5.3%
KEO Projects (HNW)	3.2%
Ross MacLachlan (MD & CEO)	2.8%
Board & Management	~9%

Strategic Partnerships in Place

Enerflex: (EFX:TO), Stage gated process to deliver cost effective, modularization of KALiNA Cycle plants

- Strategic interest in working with KALiNA in Alberta, other markets in North America and internationally
- Detailed engineering and cost estimating underway with the goal to conditionally provide a lump-sum turnkey EPFC contract

Power Engineers: Engaged as KDP’s Owner’s Engineer and process design reviewer

- Global consulting engineering firm, ranked 4th in the Power Sector by Engineering News Record in 2019
- Experience in previous KALiNA Cycle projects and proposals; confirmed estimates and status of project engineering

Akira Partners

- Akira is a Calgary-based essential assets investment firm that sources, structures and manages investments in the clean energy & infrastructure sectors.
- Non-dilutive funding Partnership Agreement to provide project equity and to arrange project debt
- Akira will take a majority equity interest in each project with up to CAD\$70M in project equity for initial 2 plants
- KALiNA to receive reimbursement of costs, a 4% Development Fee and ongoing royalties
- Akira to receive a priority on various risk adjusted rates of return, depending on the contracted structure of each project, with waterfall returns to KDP

ENERFLEX



Financial Profile

Current Capital Table

Share Price ¹	\$0.025
Shares Outstanding ¹	~820.5M
Market Cap ¹	\$20.5M
Debt ²	N/A
Cash ³	\$440k
Financing Options	None
Incentive Options ⁵	70M

Recent Highlights

- Funding Partnership with Akira Partners to provide up to CAD\$70M in equity and arrange debt for initial 2 projects, totaling ~\$150m CAD
- Secured AUD\$8M equity facility with Long State Investment Ltd to be accessed as a backstop, at KALiNA’s discretion
- \$6.8m Non-Renounceable Rights Offering to fund initial 2 projects to FNTF for the Company through to construction and operation with no anticipated additional capital required at KPO corporate level to deliver multiple Alberta projects.
- Full Notice to Proceed (“FNTF”) for initial 2 plants scheduled for end of Q1 2021.
- **KPO development costs to be reimbursed : CAD~\$4.6m**
- **KPO to receive half of Development Fee:**
 - at FNTF for initial two projects: CAD\$3m
 - at commercial operation (Q4 2022) : CAD\$3m
- **KPO to receive ongoing annual royalties of ~CAD 300k per plant**

Share Price and Volume

Share Price and Trading Volume¹



Notes:

1. As of July 17th, 2020 | 2. As of December 31st, 2019 | 3. As of March 31st, 2020 | 4. As of June 11th, 2020

5. Company has issued (subject to shareholder consent) ~82 million options to Directors and key management personnel resulting in an option pool ownership of ~13.9% of basic shares outstanding

Projected Timeline & Initial Payments via the Akira Partnership

KALiNA has contracted with Akira to provide equity and arrange debt for projects in Alberta.

- The contract with Akira provides for:
 - Reimbursement of project development costs incurred by KALiNA
 - 4% Development Fee based on the agreed capital cost of project (50% at FNTF – 50% at COD)
 - Future Royalties
 - Future waterfall returns in excess of Akira's threshold priority returns:
- The initial 5 projects are in varying stages of development with the initial 2 projects scheduled to reach FNTF by end of Q1 2021

Initial Payments* to KALiNA excluding royalties and future waterfall returns from project returns:

- Projects 1 & 2
 - Reimbursement of costs to end Q1 2021 at FNTF = CAD\$4.6m
 - Half of 4% development fee on agreed capital cost at end Q1 2021 at FNTF = CAD\$3m
 - Half of 4% development fee Q4 2022 at COD = CAD\$3m
- Projects 3, 4 & 5
 - Reimbursement of costs to end Q1 2022 at FNTF = ~CAD\$2.2m
 - 4% Development fee at end Q1 2022 at FNTF = CAD\$9m

Contact Details

KALiNA Power

Suite 6, 795 Glenferrie
Road, Hawthorn, Victoria,
3122, Australia
www.KALiNAPower.com
+61 3 9236 2800

Tim Horgan
Executive Director
thorgan@kalinapower.com
+61 3 9236 2800
+61 449279880

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