

Company Presentation

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

The Company shall be delivering the Presentation 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

KALiNA Power Limited

(KPO: ASX)

Compelling ESG investment opportunity in the growing Waste Heat To Power (“WHP”) sector

August 2020

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- This presentation contains certain forward-looking statements that have been based on current expectations about future acts, events and circumstances
- These forward-looking statements are, however, subject to risks, uncertainties and assumptions that could cause those acts, events and circumstances to differ materially from the expectations described in such forward-looking statements
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Company Highlights

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.

- Established (“WHP”) alternative to incumbent Organic Rankine Cycle (ORC)
- Uses waste heat from industrial processes to produce zero-emissions power
- KPO’s Canadian subsidiary plans to build multiple, 30 MW power plants to address a market opportunity for distributed power generation in Alberta expected to deliver KPO considerable revenue
- 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.
 - Reimbursement of development costs at FNTF: ~\$4.6m
 - Half of 4% Development Fee at FNTF for initial two projects: \$3m
 - Half of 4% development fee at COD end Q4 2022: \$3m
 - Annual Royalties once each plant is operational: ~300k per plant
 - Waterfall Returns based on a share of project rates of return

Capital Overview

Financial Profile	
Share Price ¹	AU\$0.024
Shares Outstanding ¹	~820.5M
Market Cap ¹	AU\$20.5M
Debt ²	N/A
Cash ³	AU\$440k
Financing Options	None
Incentive Options ⁵	70M

Top Shareholders ⁴	
Top 10 Shareholders	29.3%
<i>Carpe Diem Asset Mgmt (HNW)</i>	7.1%
<i>HSBC Custody Nominees (HNW)</i>	5.3%
<i>KEO Projects (HNW)</i>	3.2%
<i>Ross MacLachlan (MD & CEO)</i>	2.8%
Board & Management	~9%

Recent Corporate Capital Raises	
AU\$3.2M	Private Placement – Completed October 2019
AU\$2.2M	Rights Issue – Completed April 2019
AU\$0.5M	Private Placement – Completed March 2019

1. As of July 17th, 2020 | 2. As of December 31st, 2019
 3. As of June 30th, 2020 | 4. As of June 11th, 2020
 5. Company intends to issue (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

Share Price and Trading Volume¹



Investment Highlights



Timely Technology: KALINA Cycle Zero-Emissions Technology (“KCT”)

- Established Waste Heat to Power (“WHP”) alternative to incumbent Organic Rankine Cycle (ORC)
- US\$38 Billion US Market for Industrial Waste Heat to Power and the market is growing globally
- 337 International patents: Comprehensive Intellectual Property Portfolio across applications, processes and designs



Exceptional Team of Power Industry Professionals

- Experts in technology development and international commercialization
- Power industry veterans have successfully deployed over 50 Gigawatts of projects
- Connected, committed and determined to realize commercial success and global deployment



Project and Funding Strategy in Place to Deliver Profitability

- Implementing Build Own & Operate model with attractive margins, earning recurring royalties and economic interests in select N/A projects
- Implementing a monitored and strictly-controlled international licensing program for industrial users who can benefit by using their internally generated waste to reduce their cost of power and decrease their local carbon footprint



Establishing a portfolio of its own projects in North America

- Partnership in place with Akira Partners to fund the Company’s Alberta Distributed Power Generation Program
- Growing and significant pipeline of other opportunities being pursued

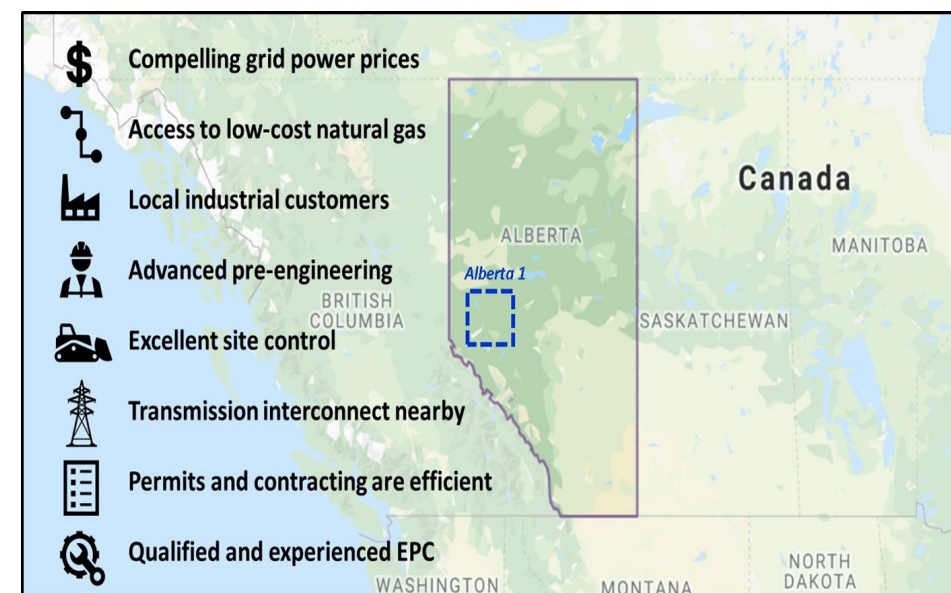
Blue-Chip Industry Team – Directors & Senior Executives

	Name & PositionE	Biography
	Ross MacLachlan <i>Managing Director & CEO</i>	<ul style="list-style-type: none"> Former Director and early investor with Pristine Power (Canada's fastest growing Independent Power Producer prior to its sale to Veresen) 40 years of experience in technology development, commercialization, project funding and major US & Canadian government funding Raised over US\$100M in both the conventional and alternative energy sectors and engaged in over US\$400M worth of M&A and financings
	Jeffry Myers <i>Executive Director</i>	<ul style="list-style-type: none"> Currently a Senior Operating Partner at Stonepeak Infrastructure Partners (US\$23B AUM infrastructure fund) Co-founder and former Chairman, President and CEO of Pristine Power Over 30 years of experience in the development, financing, execution and operation of over 6 GW of independent power projects
	Peter Littlewood <i>Director</i>	<ul style="list-style-type: none"> Former Group Director of Operations at China Light and Power Group (CLP) Asia-Pacific region (market capitalization: US\$25.3Bn) Development and implementation of projects across Asia-Pacific using coal, natural gas, nuclear and several renewable energy technologies Advisory Board for Bloomberg New Energy Finance
	Malcolm Jacques <i>Director</i>	<ul style="list-style-type: none"> Independent energy consultant on technical and regulatory issues associated with grid integration of distributed and renewable energy. International career in commercializing numerous energy technologies and working with organizations such as BP Ventures (UK), MIT (USA), and Strategic Research Foundation (Australia)
	Timothy Horgan <i>Executive Director - International Licensing</i>	<ul style="list-style-type: none"> Lawyer and business executive / 20+ years of international experience, including the US\$1B broadcast rights of '02 & '06 FIFA World Cup Former Counsel for The Gillette Company / Operational Committee for Africa, Middle East and Europe - annual sales in excess of US\$1.2B Experience in China with South China Resources and Kalahari Minerals on a GBPE651M takeover by China Guangdong Nuclear Power Corp
	Mark Mirolli <i>Chief Technology Officer</i>	<ul style="list-style-type: none"> The leading international expert on the KALiNA Cycle® system with over 35 years of experience in thermal power generation system design and construction Former Director of Technology Development for ABB Combustion Engineering, responsible for R&D engineering functions relating to utility steam generation technology Over 35 major published papers on power plant design
	Ray McKay P.Eng. MBA <i>General Manager</i>	<ul style="list-style-type: none"> Over 34 years of experience in thermal and renewable energy development, construction, and operations Completed over \$3B in generation development and acquisitions Former Vice President, Business Development at ENMAX Corporation Commercial experience includes energy contracting, equipment procurement, construction agreements, and joint ventures.
	Nigel Chea <i>President Greater China</i>	<ul style="list-style-type: none"> Former Chief Operating Officer and President - Greater China of Meiya Power overseeing 17 GW portfolio Senior management experience across corporate strategy, operations development, as well as China State Owned Enterprises in the Asian power and energy sector Formerly the Vice Chairman of the China Investment Association

Key Drivers for KALiNA in Alberta

Deploying Distributed Power Plants to Capitalize on the Opportunities in Alberta

- Legislated retirement of 5.7 GW of baseload coal fired power
- No clear visibility on how to replace ~40% of capacity and energy
- Rising Power Prices: tripled since 2017, with an average of over CAD\$50 per MWh in 2020 despite COVID19 and commodity price impacts, forwards are currently over CAD\$50
- One of highest industrial demands of any North American grid
- Alberta power market is well understood by KALiNA team:
 - Former team and founders of Calgary based Pristine Power
 - Former ENMAX executive serving as KALiNA General Manager.



Strategic Partners In Place

ENERFLEX

- **Enerflex:** (EFX:TO), Stage gated process to deliver cost effective, modularization of KALiNA Cycle plants
 - Detailed engineering and cost estimating underway with the goal to conditionally provide a lump-sum turnkey EPFC contract
 - Strategic interest in working with KALiNA in Alberta, other markets in North America and internationally
- **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 based on the agreed capital cost of a project 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



Projected Timeline & Initial Payments via the Akira Partnership

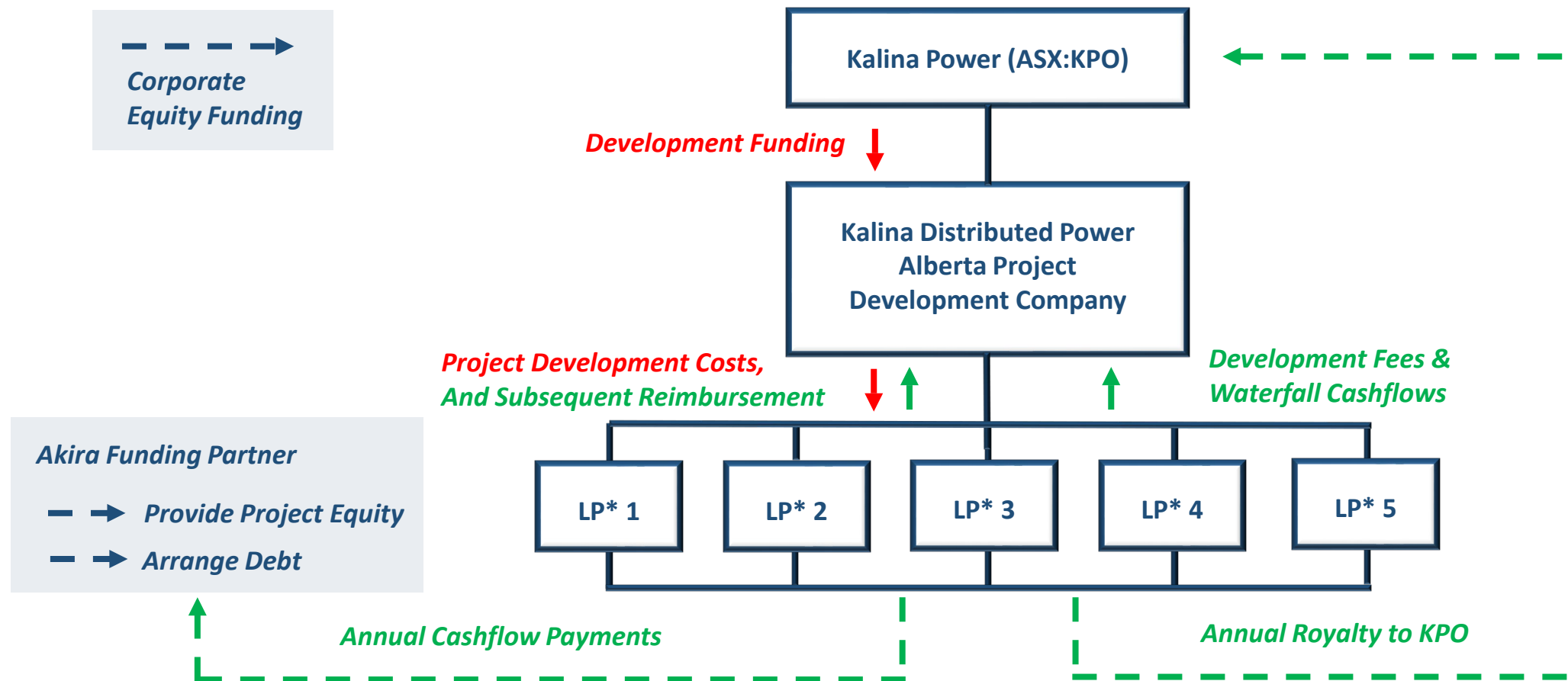
- KALiNA has contracted with Akira to provide equity and arrange debt for projects in Alberta.
 - The contract with Akira provides for:
 - Reimbursement of project development costs incurred by KALiNA
 - 4% Development Fee (50% at FNTF – 50% at COD)
 - Future Royalties
 - Future waterfall returns in 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\$4.5m
 - Half of 4% development fee 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

1. Payments subject to timing of FNTF for each project remaining as anticipated;

2. Payments subject to customary funding conditions for Akira and other third-party funders being met for each project to proceed. Please see Company prospectus dated 3 August 2020

Akira Partnership: Structure & Capital Movement



KALiNA Cycle® vs. Organic Rankine Cycle

Leading Organic Rankine Cycle (“ORC”) supplier, Ormat (NYSE: ORA), has grown its market capitalization to US\$3.5B today¹

Key Advantages of the KALiNA Cycle® vs Organic Rankine Cycle			
	ORC	KALiNA Cycle®	KALiNA Cycle® Advantages
Working Fluid (“WF”)	Pentane, butane, refrigerant chemicals	Variable mixture of water and ammonia	Ammonia is proven to be the most efficient refrigerant
Adjustable WF	✗	✓	Boiling temperature of the working fluid adjusted for variations in source temperature providing performance advantages
Non-Explosive WF	✗	✓	Working fluid is non-explosive and can be installed on sensitive industrial sites. Organic Rankine Cycle requires an oil loop, adding capital costs and lowering efficiency
Non ozone-depleting WF	✗	✓	Organic Rankine Cycle working fluids are ozone depleting. Ammonia used in the KALiNA Cycle® is not a greenhouse gas
Low Cost, Reliable, Green Energy	✓	✓	Sustainable process with zero emissions with similar low capital and operating costs

KALiNA Cycle® is competitive with ORC at all temperatures, and up to 40% more efficient at lower and variable heat temperatures

Contact Details

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



KALiNA Power

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