

ACTIVITIES REPORT FOR THE QUARTER ENDING 30 JUNE 2025

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 June 2025 (the ‘quarter’).

During the quarter the Company continued to advance its portfolio of projects being developed to address AI Data Centre demand for reliable and affordable electricity. The projects are being developed by the Company’s 100%-owned Canadian subsidiary, KALiNA Distributed Power Limited (“KDP”) and is comprised of multiple sites to co-locate data centres with KDP’s ~170 MW natural gas-fired combined cycle power plants incorporating Carbon Capture and Sequestration (“Power-CCS”). Five sites are secured with potential to generate up to ~1,700 MW (1.7 GW) in total.

During the quarter the Company engaged in several important strategic initiatives:

- Transfer of assigned megawatts allocated to KDP under the Alberta Electric System Operator’s (“AESO”) Limit Assignment Process
- Sales Campaign initiated to sell KDP’s 60 MW Saddle Hills project site and one or more of KDP’s 170 MW Power-CCS project sites
- Continued data centre co-siting planning and documentation with Crusoe;

Transfer of assigned megawatts

On 4 June 2025 the AESO announced its Phase 1 Limit Assignment Process to address the exceedingly high level of demand for firm power service in Alberta, primarily from data centres. Large load applications have risen to over 16 GW while Alberta’s peak load is currently just over 12 GW.

The AESO’s Limit Assignment Process provides an interim allocation limit of 1,200 MW, which represents the maximum additional large load capacity the grid can serve without negatively impacting grid reliability. This assignment provides grid connection and firm service availability in 2027/2028 and applies to load projects equal to or greater than 75 MW that do not require new transmission system reinforcements or upgrades.

The interim limit of 1,200 MW is eligible for assignment to the most advanced projects that collectively have applications for power service totalling ~4,800 MW. KDP has three of its projects in the queue with applications for power, representing a total load of 840 MW. The AESO assigned to KDP a limit of up to 180 MW in this process.

After satisfying certain criteria of the AESO, an applicant qualifies for its assigned MWs and may then either contract with the AESO by entering into a demand transmission service (DTS) contract or elect to transfer all or part of its assigned MWs.

KDP's business model for its three primary projects involves co-locating its natural gas-fired combined cycle power plants with data centres, resulting in "behind the fence" generation with grid access for back-up power and surplus power sales to the grid. KDP's three primary projects are planning to come online in the 2029/2030 timeframe and do not require this access to grid interconnection in 2027/2028. With this in mind, KDP has taken steps to fully qualify for its 180 MW assignment and negotiated the transfer of its assignment to a third party.

Just after the quarter, KDP entered into a transfer agreement setting out the terms of a proposed transfer to a third party ("**Transfer Agreement**"). Pursuant to the Transfer Agreement, KDP has received a non-refundable deposit of CAD 1 million. If the third-party elects to execute a DTS agreement on the KDP transferred MWs, KDP may receive an additional bonus for the transferred MWs.

Any amount payable under the Transfer Agreement will ultimately depend on the AESO's acceptance of KDP's transfer of the MWs to the third party and the execution of a DTS contract by said third party.

It is the intention of the parties to complete the transfer of the MWs, however, there is no assurance that such transfer will take place and that any additional amounts will be payable to KDP.

The AESO has indicated that participants within the Limit Assignment Process and transfers to third parties are not being publicly disclosed and will not be disclosed until a DTS is signed. Under the Transfer Agreement, the parties are bound by specific confidentiality and disclosure provisions and will only provide updates when further disclosure is appropriate.

Sales campaigns for project sites

As previously advised, TwelveSix has been appointed to oversee the sale of non-core project sites including the Clairmont Energy Park, the Gilby Energy Park and the Saddle Hills Energy Park. These three sites are not included in the AI data centre Framework Agreement with Crusoe.

TwelveSix is a Calgary-based firm specializing in data centre financial assessment and site acquisition. Twelve Six has made solid progress with respect to the sales proceed and is engaged with a high number of parties in the KDP data room who have expressed interest in acquisition of one or more of KDP's project sites.

Importantly, KDP received a decision from the Alberta Utilities Commission to approve its application "*to extend the submission date of the amendment application until April 30, 2026, for the Kalina Energy Centre – Saddle Hills power plant*".

Progress under the Framework Agreement with Crusoe

KDP continued discussions with Crusoe regarding prioritization of site locations, additional lands, scope of the projects and timelines for commercial development. The parties are in the process of documenting a Project Development Agreement Template intended to form the potential contracting basis on each specific project.

Management Commentary

KALiNA's Managing Director, Ross MacLachlan, commented: "*The transfer process initiated by the AESO to address the unprecedented demand for power from data centres in Alberta validates KALiNA's business model. Developing co-located projects with data centres that provide 'behind the fence' power to service data centre demand is exactly what the Province of Alberta and the AESO*

want to become the standard. These events reinforce the value of each of our project sites and further position our Company to capitalize on this growth opportunity

Financials

As stated above during the quarter the group received \$1,107,000 (C\$1m) as non-refundable deposit. Cash out flows from the Group's operating activities for the quarter amounted to \$838,000. Alberta project development for the quarter amounted to 436,000, while non-Alberta project development was \$33,000. Corporate staff and investor relations totalled \$240,000 and general admin amounted to \$129,000. During the quarter the Group also received remaining \$310,000 from previous quarter private placement and \$44,000 from rights issue

Payments to related parties in the quarter

Directors were paid \$240,000 for services rendered under normal commercial terms. This payment relates to services rendered in the last quarter. No payments were made to directors for services rendered in the current quarter.

- ENDS -

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

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Appendix 4C

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

Name of entity

KALINA POWER LIMITED	
ABN	Quarter ended ("current quarter")
24 000 090 997	30 JUNE 2025

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (12 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	-	75
1.2 Payments for		
(a) engineering and Alberta project development	(309)	(1,650)
(b) corporate staff costs related to Alberta project development	(127)	(266)
(c) non-Alberta project development and international technology support	(33)	(111)
(d) patent maintenance	-	-
(e) project finance	-	-
(f) Investor relations	(22)	(96)
(g) corporate staff costs	(218)	(743)
(h) leased assets	-	(4)
(i) other administration and corporate costs	(130)	(660)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	1	6
1.5 Interest and other costs of finance paid	-	(8)
1.6 Withholding taxes paid	-	-
1.7 Government grants and tax incentives	-	-
1.8 Other	-	-
1.9 Net cash from / (used in) operating activities	(838)	(3,457)

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Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
2.	Cash flows from investing activities		
2.1	Payments to acquire or for:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	(2)	(3)
	(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 (Non-refundable deposit received)	1,107	1,107
2.6	Net cash from / (used in) investing activities	1,105	1,104

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	354	4,080
3.2	Proceeds from issue of convertible debt securities	-	-
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	-	350
3.6	Repayment of borrowings	-	(350)
3.7	Transaction costs related to loans and borrowings	(131)	(458)
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	Net cash from / (used in) financing activities	223	3,622

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Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	1,034	255
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(838)	(3,457)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	1,105	1,104
4.4	Net cash from / (used in) financing activities (item 3.10 above)	223	3,622
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	1,524	1,524

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	1,524	1,034
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	1,524	1,034

6.	Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1 **	240
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.

** This relate to fees paid to directors for services rendered for the last quarter and no payments were made to directors for services rendered during the current quarter. Fees paid were under normal commercial terms

7. Financing facilities	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
<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	-	-
7.4 Total financing facilities	-	-
7.5 Unused financing facilities available at quarter end		-
7.6 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.		

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (item 1.9)	(838)
8.2 Cash and cash equivalents at quarter end (item 4.6)	1,524
8.3 Unused finance facilities available at quarter end (item 7.5)	-
8.4 Total available funding (item 8.2 + item 8.3)	1,524
8.5 Estimated quarters of funding available (item 8.4 divided by item 8.1)	1.8
8.6 If item 8.5 is less than 2 quarters, please provide answers to the following questions:	
8.6.1 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: Yes	
8.6.2 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: The Company has reasonable prospects of obtaining further funds pursuant to the proposed transfer of KDP's allocation of MW's under AESO's Limit Assignment Process. In addition, the Company is conducting an active process for the potential sale of one or more of KDP's project sites which based upon comparable recent sales has the potential to raise significant sums and reduce KPO's ongoing cash requirements. The Company's also has an ongoing marketing campaign to finance KDP's project development requirements. In addition the Company has a number of supportive significant shareholders with a history of contributing to the Company's financing requirements.	

8.6.3 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: 04 July 2025.....

Authorised for release by: Ross MacLachlan CEO

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.

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