

29 January 2026

ACTIVITIES REPORT FOR THE QUARTER ENDING 31 DECEMBER 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 31 December 2025 (the ‘quarter’).

During the quarter the Company continued to advance its portfolio of projects being developed by its 100%-owned Canadian subsidiary, KALiNA Distributed Power Limited (“KDP”). The portfolio is positioned to capitalise on the accelerating demand for electricity in Alberta by AI Data Centres, which now represents ~20 GW of load applications to the Alberta Electrical System Operator (“AESO”). These load applications greatly exceed the current dispatchable capacity in Alberta, and as a result, the AESO and the government are engaged in processes to change how to address this demand which are consistent with the approach adopted by KDP.

KDP has a portfolio of five projects in Alberta that have been developed to provide data centres with co-located, behind the metre (‘BTM’) electricity from KDP’s planned natural gas-fired power plants. These projects are being developed in proximity to infrastructure including gas pipelines, grid access and resources to integrate carbon capture & sequestration (CCS) in the future. The current portfolio has the potential and physical footprint to build out in phases up to ~1.7 GW of total capacity.

During the quarter KDP was primarily engaged in responding to opportunities stemming from the AESO’s Phase 1 Limit Assignment Process of a total of 1.2 GW. In addition, KDP participated in the AESO’s working group as they develop Phase 2 of its recommendations for a revised Large Load Allocation Process. KDP was selected to engage in the working group along with some of the largest market participants in Alberta and future load allocations will be governed by the results from this engagement taking into account the highlights below:

- Previously, KDP had been allocated 180 MW of load from the AESO for availability in 2027/2028 under AESO’s Phase 1 Limit Assignment Process. Given the KDP projects do not require load until 2030, KDP sold its allocation to a global data centre developer and user which is a customer of Alberta-based Greenlight Electricity Centre Limited Partnership (“Greenlight”).
- The transfer of MW sale was completed during the quarter. Together with the original C\$1 million deposit, KDP received a total of C\$18,000,000.
- The sale of KDP’s 180 MW has not impaired KDP’s current load applications that total 840 MW for the 2030 timeframe.
- With only 1.2 GW allocated by the AESO in Phase 1, and a current backlog of approximately 20 GW, it is expected that the AESO’s final recommendations for a revised Large Load Allocation Process will include strict compliance for data centres and large industrial loads to either co-locate with power generators and/or contract to enable remote new power generation to match the volume of load applications from each individual data centre. KDP’s projects conform with both outcomes.

- It is anticipated that AESO will publish its revised Large Load Allocation Process in the March/April 2026 time frame.

Fundamental to developing substantial controllable (dispatchable) gas-fired power projects is the requirement to secure substantial volumes of natural gas. In addition to the “regulated sources” of supply, such as Alberta’s NGTL system, KDP has over the past year been actively pursuing alternative sources of supply from well-established gas producers, mid-streamers and trading companies. These types of “unregulated sources” of gas represent opportunities to aggregate large and strategically located supplies.

This includes:

- Investigating specific locations where either “regulated” and or “unregulated” supplies of gas can be secured in sufficient volumes to be contracted for KDP’s projects.
- Negotiating commercial terms and logistics for access to such “unregulated” supplies.

The Company confirms that KDP is advancing negotiations with several counter parties in this regard.

Other priorities during the quarter included the following:

- The Province of Alberta and the Canadian government announced a significant Memorandum of Understanding (MOU) that, among other things, includes important initiatives that would positively impact KDP and its projects. The deal calls for the terms of the MOU to be negotiated into a formal agreement for ratification in April 2026.
- Prior to the MOU and under the current Clean Electricity Regulations (“CER”), gas-fired power plants can co-locate with data centres. However, any new gas fired power plants that wish to put any of its generation on the grid are required to abate emissions with CCS beyond 2035, or they will be required to shut down
- The MOU has included the immediate suspension of the CER which would result in the following:
 - Under the MOU, such power plants are not required to abate emissions with CCS, instead plants can either pay the carbon tax or choose to add CCS.
 - The MOU includes a compromise cap on the carbon tax of \$130/tonne. Should the MOU terms become ratified it is anticipated that KDP projects can proceed with or without CCS and add it later or simply pay the carbon tax .
 - Should the terms of the MOU not become ratified and the CER remains in place or re-introduced in the future, KDP projects are well situated to implement CCS
 - The forgoing will be subject to final terms agreed to by the Alberta and the Canadian federal government in April 2026.
- The Canadian government has offered to provide a further 5-year extension beyond 2035 for the deadlines to maximize the cash back rebates for funds invested in CCS.
- If these headline terms of the MOU are ratified, KDP projects will have substantially more latitude in the timing of deployment for its projects and importantly will be able to sell its generation onto the grid. Noting that the current CER would limit such sales after 2035 without such amendments.
- This additional latitude reduces the risk profile and significantly increases the commercial optionality for each project that is expected to enhance the PEI funding process underway.
- The engagement with investment bankers, PEI Global Partners and Moneta Securities to arrange financing to fund the Pre-Financial Investment Decision (Pre-FID) development capital needs of KDP’s portfolio:
 - Investor meetings and presentations continued throughout the recent quarter and into the new year.

- The PEI process has prioritised a number of well qualified major investors who have indicated qualified interest in KDP's portfolio. Some are waiting for clarity on the revised AESO Large Load Allocation Process and ratification of final terms arising from the Alberta and Canadian government MOU. Others are waiting to see indicative commercial terms on gas supply contracts and/or indicative terms for offtakes with either data centre companies and/or industrial counterparties.
- Meetings continued with Crusoe during the quarter including face-to-face engagement in their Denver office in which they requested KDP to develop a plan to illustrate how quickly KDP can take one of our key projects through a staged process to deliver up to 600 MW. This plan will be completed subsequent to the quarter and provided to Crusoe for their review with a view to also canvas the interest of key Crusoe customers on the scope and timing of making commitments to our projects in Alberta.
- Sales campaign to sell the 60 MW Saddle Hills project and one or more of KDP's 200 MW sites:
 - Activity continued during the quarter and into the new year that included the receipt of non-binding offers to purchase Saddle Hills. Negotiations continue in this regard
 - Given the recent MOU between Alberta and the Canadian government, KDP is considering several commercial opportunities that have the prospect to significantly increase the size and value of Saddle Hills and all of KDP's project sites

Management Commentary

KALiNA's Managing Director, Ross MacLachlan, commented: "The receipt of ~A\$20m has transformed our balance sheet and resulted in a significantly enhanced negotiating hand for our commercial discussions. We are committed to obtaining the best deal for KPO shareholders whether this relates to securing project development monies from the PEI process or the potential sale of any of our sites. We are preserving the cash we have received and prioritising only essential spend on our projects until more funds are raised through the PEI process or sale of one or more of our project sites.

We anticipate the next uplift for our shareholders will come in the form of transactions which enhance the value of our projects and accelerate their development which will further enhance our cash position or from securing gas supplies for our projects. We look forward to updating shareholders on our progress on these developments in the coming months."

Financials

During the quarter remaining C\$17m plus 5% GST of C\$900k (A\$19.545m) was received from the 180 MW transfer agreement and \$29,000 for management services rendered. Cash out flows from the Group's operating activities for the quarter amounted to \$1,524,000. Alberta project development for the quarter amounted to \$843,000, while non-Alberta project development was \$28,000. Corporate staff cost amounted to \$394,000 investor relations \$34,000 and general admin amounted to \$264,000. Net interest received during the quarter amounted to \$39,000.

Payments to Related Parties in the Quarter

Directors were paid \$485,000 for services rendered under normal commercial terms. This payment includes services rendered in the quarter and previous 30 September quarter as no payments were made for the September 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

24 000 090 997

Quarter ended ("current quarter")

31 DECEMBER 2025

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (6 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	19,559	19,574
1.2 Payments for		
(a) engineering and Alberta project development	(655)	(1,302)
(b) corporate staff costs related to Alberta project development	(188)	(264)
(c) non-Alberta project development and international technology support	(28)	(85)
(d) patent maintenance	-	-
(e) project finance	-	-
(f) Investor relations	(34)	(34)
(g) corporate staff costs	(394)	(552)
(h) leased assets	-	-
(i) other administration and corporate costs	(264)	(402)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	40	40
1.5 Interest and other costs of finance paid	(1)	(1)
1.6 Withholding taxes paid	-	-
1.7 Government grants and tax incentives	-	-
1.8 Other	-	-
1.9 Net cash from / (used in) operating activities	18,035	16,974

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 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)
	(d) investments	-	-
	(e) intellectual property	-	-
	(f) other non-current assets	-	-
2.2	Proceeds from disposal of:		
	(g) entities	-	-
	(h) businesses	-	-
	(i) property, plant and equipment	-	-
	(j) investments	-	-
	(k) intellectual property	-	-
	(l) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (deposit paid)	-	(3)
2.6	Net cash from / (used in) investing activities	-	(5)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
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	-	-
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)	-	-
3.10	Net cash from / (used in) financing activities	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 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	458	1,524
4.2	Net cash from / (used in) operating activities (item 1.9 above)	18,035	16,974
4.3	Net cash from / (used in) investing activities (item 2.6 above)	-	(5)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	-
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	18,493	18,493

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	136	458
5.2	Call deposits	18,357	-
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)	18,493	458

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 **	485
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-
<i>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.</i>		

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

7.	Financing facilities <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>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
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)	18,035
8.2	Cash and cash equivalents at quarter end (item 4.6)	18,493
8.3	Unused finance facilities available at quarter end (item 7.5)	-
8.4	Total available funding (item 8.2 + item 8.3)	18,493
8.5	Estimated quarters of funding available (item 8.4 divided by item 8.1)	N/A
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: N/A	
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: N/A	
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. N/A.	

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: 29 January 2026.....

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.