KALINA POWER LIMITED
AND ITS CONTROLLED ENTITIES

ACN 000 090 997
Annual report to Shareholders for the year ended 30 June 2025

CORPORATE DIRECTORY

Directors:

Mr Stephen White	Chairman
Mr Ross MacLachlan	CEO
Mr Tim Horgan	Executive Director
Mr Matthew Jenkins	Executive Director
Dr Malcolm Jacques	Non-executive Director
Mr Peter Littlewood	Non-executive Director

Company Secretary: Mr Kesh Thurairasa

Registered Office and Principal Place of Business

Suite 6, 795 Glenferrie Road
Hawthorn VIC 3122
Telephone: + 61 3 9236 2800
Facsimile: + 61 38 9818 3656

Share Registry:

Computershare Registry Services Pty Limited
Yarra Falls, 452 Johnston Street,
Abbotsford, Vic, Australia, 3067
Telephone: + 61 3 9415 5000

Bankers:

Commonwealth Bank of Australia
385 Bourke Street
Melbourne VIC 3000

Auditors:

HLB Mann Judd
Level 9, 550 Bourke Street
Melbourne VIC 3000
Telephone: + 61 3 9606 3888
Facsimile: + 61 3 9606 3800

Solicitors:

Gadens Lawyers
Level 13 Collins Arch
447 Collins Street
Melbourne VIC 3000

Stock Exchange: The Company is listed in the Australian Stock Exchange. ASX code: KPO

Other Information: KALINA POWER LIMITED, incorporated and domiciled in Australia, is a publicly listed company limited by shares.

Corporate Governance: The Company's Corporate Governance Statement was released to the ASX on 30 September 2025 and can be found on the Company's website at

www.kalinapower.com

Our Mission

Our mission is to deliver cost effective power projects that address burgeoning AI Data Centre demand for reliable and affordable electricity. Our projects are all developed with the option to incorporate technologies to generate constant baseload electricity with a low carbon footprint.

The Company's 100% owned Canadian subsidiary, KALiNA Distributed Power ("KDP") is developing a portfolio of multiple, 170 MW natural gas-fired combined cycle power plants with the option to incorporate Carbon Capture and Sequestration ("Power-CCS") in Alberta, Canada.

Our Vision

To establish a commercial foundation on which to provide energy solutions at scale aligned with the transition to Net-Zero Economies globally.

Our ESG Values

Our Project development and Technology arms are developing innovative and sustainable energy solutions. We are proud to offer technologies that contribute to the global shift away from reliance on carbon intensive energy production. Our project development arm's ~$4 billion portfolio of ~170 MW CC-CCS projects have the option to be effectively near-zero emissions baseload projects whereby ~95% of CO_2 generated is captured and sequestered in authorized deep aquifers.

We are deeply committed to the principles of environmental, social and governance in our operations. Our processes contribute to the reduction of emissions by displacing less efficient and more carbon intensive generation. We take care of the environment in which we operate through applying best in class waste heat to power technology that reduces our carbon footprint.

On a social level, we focus on regions where rising electricity prices and energy security issues are evident, thereby providing energy access to underserved areas and communities. Our investment in these regions also leads to job creation and diversification of the local economy, as well as the leveraging of energy infrastructure.

Our governance is maintained through clearly defined project execution plans and effective risk management strategies. We also manage our supply chains in a highly strategic manner in order to minimise both costs and risks. Our focus on regions where governments mandate for energy efficiency further reduces the risks of operation.

We are committed to undertaking our activities in a sustainable manner, and caring for the environment, ourselves, and the communities in which we operate. These principles are foundational to what we do and will therefore continue to guide us as we move forward into the next stage of development and expansion in 2025.

Chairman's Letter

Dear Fellow Shareholders,

I am pleased to present the Annual Report for KALiNA Power Limited for the year ended 30 June 2025.

2025 has been an important year during which we continued to develop our power projects in Alberta. These projects collectively have capacity to deploy up to ~1.7 GW of natural gas-fired combined cycle power projects with the option to incorporate Carbon Capture and Sequestration (CC-CCS). This multi-billion dollar program includes projects that are in various stages of development across five separate locations. Each is strategically located near key electrical transmission and gas infrastructure, fibre networks and CO_2 sequestration hubs.

Our business model and the value of our projects have been significantly enhanced over the last year by the rapid rise in demand for power from AI Data Centre companies looking to locate in Alberta. The province is seeking to become "a global leader in AI data centre operations due to its competitive tax rates, business-friendly regulatory environment" and to leverage the cold climate for cooling and the abundance of affordable natural gas, all necessary to attract large-scale AI Data Centres, co sited with reliable power projects.

Demand from AI companies looking to establish themselves in Alberta has led to an extraordinary increase in applications for firm power. Recent large load applications primarily from AI related entities have now reached over 16 GW. This demand exceeds the total current peak load capacity of the Alberta grid of ~12GW and cannot possibly be met without the development of significant new power generation.

As an interim measure, the Alberta Electric System Operator (the AESO) announced it would only be able to provide an interim allocation of 1.2 GW of grid connection for availability in 2027/2028. The 1.2 GW allocation was made available to a handful of the more advanced applications in the que that collectively represented about 4.1 GW and included an allocation of 180 MW to KDP. The remaining large load applications were placed in a queue and advised that any service would largely be dependent upon having on-site power generation to match their load and only have access to the grid for temporary back-up power access.

KDP's allocation of 180 MW represented about 15% of the total allocation and was disproportionately larger than others because its applications for load were integrated with applications for generation as well. Because KDP's projects involve 'behind the meter' power projects and do not require access to grid interconnection until 2029/2030 KDP negotiated the transfer of its 180 MW assignment to a third party. Pursuant to the conditional transfer agreement, KDP received a non-refundable deposit of C$1m. If the third-party elects to execute a demand transmission service (DTS) contract with the AESO by early October 2025, KDP may receive additional funds for the transferred MWs.

Looking forward to FY26 growth in demand for power from AI related companies looks set to continue with significant interest by hyperscalers and cloud data center developers, alike. For example, Amazon announced in 2024 its plans to invest C$4.3B to develop a large facility in Alberta, creating 950 jobs by 2037. It is clear there is insufficient current supply to meet significant AI data center demand and that AI companies wishing to set up in Alberta will need to secure their own power and not rely on the Alberta grid. Alberta's Premier has publicly stated that data center companies should *"Bring your own electricity, bring your own generation. Partner with a generating company."*

As such, with our portfolio potential now up to ~1.7 GW of natural gas-fired projects, Kalina is ideally positioned to service the data centre demand in the province. Taking advantage of our early mover advantage in a sector for which demand is increasing dramatically is the Company's priority during FY2026. To do this it is essential we are adequately capitalized and ensure capital formation is achieved in the most accretive manner for shareholders.

During the period KDP worked for several months with a New York investment bank, PEI Global Partners along with a Western Canadian investment bank, Moneta Securities who both conducted extensive due diligence and strategic planning that led to their recent engagement to co-lead a financing to fund the Pre-Financial Investment Decision (Pre-FID) development capital needs of KDP's portfolio. Their activity in financing in the Power, Energy and Data Centre sectors as well as Infrastructure transactions positions them to seek the required capital and attract strategic partners.

The PEI / Moneta engagement to finance KDP together with our initiatives for the potential sale of one or more of our project sites along with the potential proceeds from the transfer and sale of our AESO MW allocation are collectively part of our overall goal to secure adequate capital for our Company in the most accretive manner possible. Successful completion of one or more of these capital formation initiatives will govern the number and timing of projects that will be developed over the next several years.

During FY 2026 Kalina will seek to further progress development of its co-sited priority projects with US based AI Data Centre Company, Crusoe Energy. Since signing our initial MOU and Framework agreement, Crusoe's US business has expanded exponentially. In spite of their committed activity in the USA, they have recently confirmed that they remain interested in Alberta, while acknowledging progress on our priority projects has not proceeded at the pace originally anticipated. In recent discussions both parties confirmed efforts to advance the process of documenting a Project Development Agreement Template intended to form the potential contracting basis on each specific project.

We are confident in the value of our portfolio and anticipate FY 2026 will be a breakout year for Alberta in attracting major AI data centre investments that in turn, will increase demand for our sites and enhance our ability to attract the necessary financing for their development.

I'd like to take this opportunity to thank our shareholders for their ongoing support of KALiNA's strategic objective to deliver innovative and sustainable energy solutions with which to address burgeoning AI Data Centre demand for reliable and affordable electricity in Alberta. We believe 2026 will be an extremely significant year for the Company.

Yours Faithfully,

Stephen White

Chairman

Directors' report

The directors of KALiNA Power Limited ('the Company') present their annual financial report of the Company and its controlled entities ('the Group' or 'the Consolidated Entity') for the year ended 30 June 2025.

Review of Operations

KALiNA Power Limited is pleased to provide its operational summary for the year ended 30 June 2025, a period in which it successfully achieved a number of key operational objectives.

The total loss of the consolidated entity attributable to the owners of the parent for the year ended 30 June 2025 was $4.673m (2024: loss of $4.078m). This equates to a basic loss per share of 0.2 cents for the year ended 30 June 2025 (2024: loss of 0.2 cents).

During the year the Group's operating cash outflow amounted to $3.463m. Of this $1.967m was related to Alberta project development and $0.111m related to non-Alberta project development and international technology support. The remaining were comprised of $0.096m for project and corporate financing and $1.289m for administration.

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

- Continued development of KDP projects
- Transfer of assigned megawatts allocated to KDP under AESO's Limit Assignment Process
- Appointment of advisors to seek pre-Financial Investment Decision development funding for KDP
- 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;

Continued development of KDP projects

During the year 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. A summary of our portfolio is set out below.

Portfolio Overview

Project	Lone Pine	Alsike	Myers	Clairmont	Gilby
Location	Crossfield, Alberta	Warburg, Alberta	Lacombe, Alberta	Grande Prairie, Alberta	Gilby, Alberta
Total Capacity(5)	510 MW	340 MW	340 MW	170 MW	340 MW
Configuration	3 x 170 MW	2 x 170 MW	2 x 170 MW	1 x 170 MW	2 x 170 MW
Land	~320 Acres	~160 acres	~65 acres(6)	~160 acres	~80 acres(7)
Site Control	100%	100%	100%	100%	100%
Transmission Infrastructure	Tie-in to three adjacent, 240 kV existing circuits	Tie-in to two adjacent, existing 240 kV circuits	Tie-in to two adjacent, 240 kV existing circuits	~3 km new 144 kV to existing switchyard	Tie-in to two adjacent, existing 240 kV circuits
Natural Gas Infrastructure	~10 km new pipeline to NGTL	~3 km new pipeline to NGTL	~30 km new pipeline to NGTL	~40 km new pipeline to NGTL	~12 km new pipeline to NGTL
CO_2 Sequestration Infrastructure	~10 km new pipeline to a proposed CO_2 sequestration hub	~10 km new pipeline to a proposed CO_2 sequestration hub	~20 km new pipeline to Alberta Carbon	~20 km new pipeline to a proposed CO_2 sequestration hub	~45 km pipeline to tie project CO_2 with the Myers project

Directors' report (cont'd)

Looking forward to FY 2026 we intend to continue development of our priority co-located sites at Myers Energy Park, Alsike Energy Park and Lone Pine Energy Park. Investor capital will be deployed to support remaining Pre-FEED development costs, SG&A and equipment deposits. The number of projects being developed and the timing of the Pre-FEED work completed will largely be determined by the amount of capital secured.

As with all development stage projects it will be essential to obtain the required funding to permit continued development progress. For example due to lack of sufficient funding, KDP did not participate in the recent NGTL bidding process for pipeline gas at any of its locations. While our experience of previous NGTL auctions suggest further gas auctions for supply may occur, there is no certainty or a guarantee of when further gas may be made available. While future NGTL availability may be constrained, it is worth noting that gas supply at Clairmont and Saddle Hills is not constrained and is available.

Transfer of assigned megawatts

KDP was assigned 180 MW of the AESO's recent 1.2GW's interim allocation for grid connection.

KDP has negotiated transfer of its 180 MW assignment to a third party. Pursuant to the transfer agreement, KDP received a non-refundable deposit of C$1m. If the third-party elects to execute a demand transmission service (DTS) contract with the AESO by early October 2025, KDP may receive significant additional funds for the transferred MWs. A successful closing is expected to provide the Company with cash proceeds with which to advance the project development of its portfolio.

Appointment of advisors to seek pre-Financial Investment Decision development funding for KDP

KDP has appointed advisors Moneta Securities, a Vancouver-based boutique investment bank, and PEI Global Partners a boutique New York based investment bank specializing in Power, Energy and Infrastructure transactions to secure up to CAD100 million to fund pre-Financial Investment Decision development of up to five of its projects across Alberta and is targeted to close in Q4 2025.

Sales campaigns for project sites:

During the Period, TwelveSix was 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 process and is engaged with a select number of parties in the KDP data room who have expressed interest to acquire one or more of KDP's project sites.

Progress under the Framework Agreement with Crusoe:

During the period, Kalina entered a framework with data centre company Crusoe to jointly develop co-located power and data centres at the Lone Pine, Alsike and Myers projects under long-term power purchase agreements.

KDP continued discussions with Crusoe regarding prioritising 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.

Board and Management

Matt Jenkins, who joined our board on 1 May 2024 as a Non-Executive Director, agreed to take on an important and committed role as an executive director during the Period Mr. Jenkins was formerly the CEO of Macquarie Capital Markets Canada Ltd and has19 years of experience as a corporate finance, investment banker and power developer advising on over CA$10Bn in mergers, acquisitions and divestitures and raising CA$4Bn of equity.

Corporate

Loss for the year attributed to owners of the parent was $4.673m (2024: loss $4.078m).

Directors' report (cont'd)

The names and particulars of the directors of the Company during or since the end of the financial year and up to the date of this report are:

Name, qualifications	Particulars
Mr Stephen White Executive Management Program - Queens University Wintec	Mr White is the former President and CEO of Veresen Inc; a major developer of pipeline, midstream gas processing and power assets which was sold to Pembina in 2017 for CAD $9.7 billion. Mr White was co-founder, President and Chief Financial Officer of Veresen Inc from 1997 to 2002 and its President and Chief Executive Officer until 2012. Under his leadership, Veresen grew to a 200+ employee business engaged in pipeline transportation, an ownership interest in a world-class natural gas liquids extraction facility near Chicago and a successful power business in Canada and the United States. Veresen was sold in 2017 to Pembina Pipeline Corp for ~A$10.8 billion. He was also Co-Founder, Vice President Finance and Chief Financial Officer of Western Oilsands Inc from 1999 to 2000 which was subsequently sold in 2007 to Marathon Oil for ~A$9 billion. Mr White was a director of Petrus Resources Ltd from 2015 to 2021 and an advisory board member to a Multinational Investment Bank sponsored Private Equity Fund since 2015. Mr White has been directly engaged with the Group's seasoned project development team regarding project structure and execution as well as tolling and project financing.
Mr Ross MacLachlan	Mr. MacLachlan has been involved in technology development and commercialization as an active venture capital investor and executive for over 32 years. He has worked and invested with technology companies in a range of industries especially those in the conventional and alternative energy sectors. He has a strong competency in corporate finance, business development and the strategic management of developing companies; including intellectual property management and technology commercialization. Mr. MacLachlan was an early investor and became an independent director of Canadian independent power producers, Pristine Power and Swift Power where he also played an important role in the sale of each company to Veresen in 2010 and 2011. Mr. MacLachlan has been a speaker and panel participant relating to public policy and development of the cleantech industry, providing advice to provincial and federal governments in Canada.
Mr Timothy Horgan *BA (Hons), L.L.B*	Mr. Horgan is a qualified lawyer and business executive with over 20 years experience in Europe, Africa, Asia and Australia. Mr. Horgan practiced law with Minter Ellison in Australia before moving to London where he acted as Counsel for S & P 100 Company, The Gillette Company. He sat on Gillette's Africa, Middle East and Europe Operational Committee overseeing annual sales in excess of USD 1.2 Billion. Mr. Horgan also has extensive licensing experience having overseen licensing of the 2002 and 2006 FIFA world cup broadcast rights. Mr Horgan has acted as founder, director and advisor to numerous Mining and Energy Companies. His recent experience includes listing South African Coal Company Universal Coal Plc on the ASX and Hungarian Energy Company Wildhorse Energy PLC on AIM.
Mr Peter Littlewood *MA in Engineering, Cambridge University*	As one of Asia-Pacific's leading sector professionals, Mr. Littlewood was formerly the Group Director of Operations at CLP Group ("China Light and Power") and was responsible for developing and implementing power projects across China, Hong Kong, India, and other Asia-Pacific countries. He was a member of the Group Executive Committee and Investment Committee, and a Director for numerous China Light and Power subsidiaries and has over 40 years of experience in the energy and power sector. Over a 37 year career with China Light and Power in Hong Kong, Mr. Littlewood was responsible for engineering, project management, construction, operations and fuel supply for the entire power generation portfolio with Mr. Littlewood being instrumental in the development of multiple projects using coal, natural gas, nuclear, hydro, wind, solar and biomass technologies. During his tenure, China Light and Power became the largest international investor in the Asia-Pacific power market and is the largest external investor in the mainland

Directors' report (cont'd)

	China power market. It is a significant international investor in the conventional and renewable power sectors and holds significant investments, joint ventures and operations across China, Hong Kong, India, Thailand, Taiwan, and Australia including 100% ownership of Australian subsidiary, Energy Australia. Mr. Littlewood was a member of the Advisory Board for Bloomberg New Energy Finance. He holds a Master's Degree in Engineering (first class honours) from the University of Cambridge and has completed the Harvard Business School Advanced Management Program.
Mr. Matthew Jenkins Bachelor of Commerce	Mr Jenkins was CEO, Macquarie Capital Markets Canada Ltd and has 19 years of experience as a corporate finance and investment banker, principal investor, and power developer. Mr Jenkins has advised within Canada and internationally for over CA$10Billion in mergers, acquisitions and divestitures and CA$10Billion of equity; all within the power, energy infrastructure, natural gas, oil, and midstream sectors.
Dr. Malcolm Jacques *Ph.D. Chemical Engineering*	Dr. Jacques is an independent energy consultant, focusing on the Renewable and Clean Energy sectors, with special emphasis on technical and regulatory issues associated with the integration of distributed and renewable energy sources into existing power grids. Dr Jacques maintains close working relationships with policy makers, regulators, financial organisations and consultants in the energy sectors in Europe and the USA. Dr. Jacques' international career has embraced research, development and implementation of numerous energy technologies in both the public and private sectors. He has worked with several well-known companies and organizations including BP Ventures (UK), The Energy Laboratory, MIT (Cambridge, USA), Strategic Research Foundation (Australia) and has played key roles in the establishment and management of public and private energy technology companies in Australia and North America.

Directorships of other listed companies

Directorships of other listed companies held by directors in the 3 years immediately before the end of the financial year are as follows:

Name	Company	Period of directorship
Ross MacLachlan	Lions Bay Capital Inc (Canada)	2010 – Present

Shareholdings

The following table sets out key management personnel's relevant interests in shares and options of the Company as at the date of this report.

Directors and senior management	Fully paid ordinary shares Number	Options Number
Directors		
Stephen White	36,757,903	23,125,000
Ross MacLachlan	129,584,874	45,500,000
Tim Horgan	16,081,581	34,010,417
Matthew Jenkins	8,740,640	29,370,320
Peter Littlewood	21,575,309	14,687,500
Malcolm Jacques	12,234,846	15,014,113

Directors' report (cont'd)

Since the end of the financial year nil share options (2024: nil) were granted to Directors and officers of the company as part of their remuneration.

Directors' meetings

The number of Directors' meetings and resolution (including meetings of Committees of Directors) and the number of meetings attended by each of the Directors of the Company held during the financial year are shown below. During the financial year, 27 Board meetings, 2 Audit and Finance Committee meetings and 1 Remuneration Committee meeting were held.

	Board of Directors		Audit and Finance Committee		Remuneration Committee	
Name	Held	Attended	Held	Attended	Held	Attended
Stephen White	27	27	2	2	1	1
Ross MacLachlan	27	27	-	-	-	-
Tim Horgan	27	27	-	-	-	-
Malcolm Jacques	27	27	2	2	1	1
Matthew Jenkins	27	27	-	-	1	1
Peter Littlewood	27	26	2	2	-	-

Company secretary

The name and particulars of the Company secretary during or since the end of the financial year are:

Name	
Kesh Thurairasa	Mr Kesh Thurairasa was appointed to the position of Company Secretary on 11 October 2019. Mr Thurairasa has experience in listed companies over 32 years both in energy and mining. Mr Thurairasa holds an MBA and is a member of CPA Australia and Fellow member of Governance Institute of Australia.

Directors' report (cont'd)

Principal activities

The principal activity of the consolidated entity during the year was the continued management of its projects and investments.

Business Risks

The following is a summary of material business risks that could adversely affect our financial performance and growth potential in future years and how we propose to mitigate such risks.

The Group monitors risks and uncertainties on an ongoing basis in relation to its business objectives and operating environment. The following are deemed material risks to the business:

Future capital requirements and Subsidiary or Associate Business Model. The Group's strategy of developing relationships with major industry partners will reduce its future need for capital. The Group will seek to meet the reduced future funding requirements through the delivery of services to customers and equity and debt financing. However, if the services of the Group and the Group's ability to secure equity or debt financing are not sufficient for the capital which will still be required, the Group may not be able to implement its business plan. The Group has currently established, or may in the future establish, subsidiaries or associates to further the business of the KALiNA Group. Regulatory, commercial, environmental or political risks may impact on the ability of the Group to establish and/or continue to operate subsidiaries or associates in various global jurisdictions. These factors may also impact on the ability of the subsidiary or associate companies to raise or generate capital on their own account. While the Group will seek to continue to operate existing subsidiaries or associates and to form new subsidiaries or associates, there is a risk that if those subsidiaries or associates fail to become self-funding or cannot secure the necessary capital which will still be required, the Group may not be able to implement its business plan.

Project Development, Technology and Trade Risks

All development stage projects contain regulatory, financing and supply and demand risks which can impact the financial returns, timelines or ability to proceed with a particular project. These factors may include ability to obtain gas, electrical interconnections and many other regulatory and supply issues. Technology factors such as disruptive advances in Artificial Intelligence Processing may also impact demand for Electricity from end users in the Provence of Alberta. Trade disputes with foreign jurisdictions may impact the ability and demand from foreign companies to establish operation in Alberta.

Foreign Exchange: Foreign exchange risk is relatively high due to the global nature of the Group's core business. Foreign exchange risk arises as it is likely to receive payment for services in currencies other that the Group's functional currency. In addition the value of its investments, assets and liabilities in foreign jurisdictions will be affected by currency movements.

Significant changes in state of affairs

There has not been any significant changes in the affairs of the consolidated entity during or since the year end.

- During the year the company issued 253,599,750 ordinary shares at 1.0 cent to raise $2,539,997 before costs.
- During the year the Company issued 192,975,966 ordinary shares at 0.8 cents to raise $1,543,807 before costs and further 25,971 ordinary shares at 2.0 cents as a result of exercise of options.
- Further, during the year the Company issued 403,287,869 options exercisable at 2.0 cents. Of these 51,799,875 options expire on 5 May 2026, 95,000,000 expire on 7 April 2026, 10,000,000 expire on 22 October 2026, 13,000,000 expire on 22 October 2027, 96,462,023 expire on 9 October 2026 and 62,000,000 expire on 28 November 2027. Additionally, 39,307,000 options expired and 75,000,000 lapsed during the year.

Directors' report (cont'd)

Subsequent events

Except as noted below, there has not been any matter or circumstance that has arisen since the end of the financial period, that has significantly affected, or may significantly affect, the operations of the company, the results of those operations, or the state of affairs of the company in future financial periods.

- On 4 July 2025, the Company announced its wholly owned subsidiary Kalina Distributed Power (KDP) entered into a transfer agreement with a third part to transfer 180MW assigned by Alberta Electricity System Operator (AESO) Pursuant to the transfer agreement KDP received a non-refundable deposit of C$1m. If the third-party elects to execute demand transmission service (DTS) contract may receive an additional bonus for the transferred MWs

Likely developments and expected results of operations

Disclosure of information regarding likely developments in the operations of the consolidated entity in future years and the expected results of those operations may result in unreasonable prejudice to the consolidated entity and therefore have not been disclosed in this report.

Environmental issues

The consolidated entity's operations are subject to environmental regulation under both Commonwealth, State and various country legislation. There have been no significant known breaches of these regulations by the consolidated entity.

Dividends

No dividends have been paid or declared since the start of the year (2024: Nil).

Shares under option or issued on exercise of options

Details of unissued shares or interest under option as at the date of this report:

Issuing Entity	Number of shares under option	Class of shares	Exercise price of option	Expiry date of options
KALiNA Power Limited	95,000,000	Ordinary	2.0 cents	7 April 2026
KALiNA Power Limited	51,799,875	Ordinary	2.0 cents	5 May 2026
KALiNA Power Limited	37,800,000	Ordinary	1.0 cents	19 September 2026
KALiNA Power Limited	96,462,023	Ordinary	2.0 cents	9 October 2026
KALiNA Power Limited	10,000,000	Ordinary	2.0 cents	22 October 2026
KALiNA Power Limited	85,000,000	Ordinary	1.0 cents	12 November 2026
KALiNA Power Limited	13,000,000	Ordinary	2.0 cents	22 October 2027
KALiNA Power Limited	62,000,000	Ordinary	2.0 cents	28 November 2027

Details of shares issued during or since the end of the financial year as a result of exercise of an option.

Issuing Entity	Number of shares	Class of shares	Exercise price of option	Expiry date of options
KALiNA Power Limited	25,971	Ordinary	25,971	9 October 2026

Directors' report (cont'd)

Proceedings on behalf of the company

No person has applied to the Court under section 237 of the *Corporations Act 2001* for leave to bring proceedings on behalf of the company, or to intervene in any proceedings to which the company is a party for the purpose of taking responsibility on behalf of the company for all or part of those proceedings.

Indemnification of officers and auditors

The Company has entered into agreements to indemnify all the Directors and Officers named in this report against all liabilities to persons (other than the Company), which arise out of the Directors and Officers conduct unless the liability relates to conduct involving a lack of good faith or is otherwise prohibited by law. The Company has agreed to indemnify the Directors and Officers against all costs and expenses incurred in defending an action that falls within the scope of the indemnity and any resulting payments.

In accordance with common commercial practice, the insurance policy prohibits disclosure of the nature of the liability insured against and the amount of the premium.

The Company has not, during or since the end of the financial year, indemnified or agreed to indemnify the auditor of the Company or any related entity against a liability incurred by the auditor.
During the financial year, the company has not paid a premium in respect of a contract to insure the auditor of the Company or any related entity.

Non-audit services

Details of the amounts paid or payable to the auditor for non-audit services provided during the financial year by the auditor are outlined in note 24 to the financial statements.

Auditor's independence declaration

The auditors' independence declaration is included on page 17 of the annual report.

The directors are satisfied that the provision of non-audit services during the financial year, by the auditor (or by another person or firm on the auditor's behalf), is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001*.
The directors are of the opinion that the services as disclosed in note 24 to the financial statements do not compromise the external auditor's independence requirements of the *Corporations Act 2001* for the following reasons:

- all non-audit services have been reviewed and approved to ensure that they do not impact the integrity and objectivity of the auditor; and
- none of the services undermine the general principles relating to auditor independence as set out in APES 110 Code of Ethics for Professional Accountants issued by the Accounting Professional and Ethical Standards Board, including reviewing or auditing the auditor's own work, acting in a management or decision-making capacity for the company, acting as advocate for the company or jointly sharing economic risks and rewards.

Directors' report (cont'd)

Remuneration report – audited

This remuneration report, which forms part of the directors' report, sets out information about the remuneration of KALiNA Power Limited's directors and its senior management for the financial years ended 30 June 2025 and 2024. The prescribed details for each person covered by this report are detailed below under the following headings:

- directors and senior management personnel
- remuneration policy
- relationship between the remuneration policy and Company performance
- remuneration of directors and senior management
- key terms of employment contracts.

Directors and senior management personnel

The following persons acted as directors of the Company during or since the end of the financial year:

Executive Directors

Ross MacLachlan
Matthew Jenkins (Appointed 1 December 2024)
Tim Horgan

Non-executive Directors

Stephen White
Malcolm Jacques
Peter Littlewood
Matthew Jenkins (Ceased 30 November 2024)

The term 'senior management' is used in this remuneration report to refer to the following key management personnel. Except as noted, the named key management personnel held their current position during or since the end of the financial year:

Robert Rosine (General Manager – KALiNA Distributed Power Limited)
Kesh Thurairasa (Company Secretary and Financial Controller – KALiNA Power Limited)

Remuneration policy

The Board's policy for determining the nature and amount of key management personnel and other remuneration is agreed by the Board of Directors.

The terms 'remuneration' and 'compensation' are used interchangeably throughout this report.

Key management personnel have authority and responsibility for planning, directing and controlling the activities of the Company. Key management personnel comprise the directors of the Group and senior management of the Group.

Compensation levels for key management personnel and other employees of the Company are competitively set to attract and retain appropriately qualified and experienced directors and senior management.

The compensation structures explained below are designed to attract and retain suitably qualified candidates, reward the achievement of strategic objectives, and achieve the broader outcome of creation of value for shareholders. The compensation structures take into account:

- the capability and experience of key management personnel and other employees; and
- the ability of key management personnel and other employees to control areas of their respective responsibilities

Senior Executive Remuneration

Compensation packages for the Executive Directors and senior management include a mix of fixed and incentive based compensation.

The Board regularly reviews the policy regarding the appropriate mix of fixed and incentive based compensation for senior executives, having regard to industry practice to ensure the Group attracts and retains the best people.

Fixed compensation

Fixed compensation consists of base compensation (which is calculated on a total cost basis and includes any FBT charges related to employee benefits including motor vehicles if any), as well as employer contributions to superannuation funds.

Fixed compensation levels are reviewed annually by the Board through a process that considers individual contributions and overall performance of the Group, as well as market relativity. A senior executive's compensation is also reviewed on promotion.

Directors' report (cont'd)

Remuneration report – audited (cont'd)

Incentive based compensation

The Group does not currently operate a short-term incentive scheme and, in 2025, no cash awards were made to the executives apart from disclosed in the remuneration report. The Board did not operate a short-term incentive scheme for the 2025 financial year, however, will review this in the context of the formal review of the group's broader executive remuneration policy to be undertaken during the 2025 financial year.

In the 2025 financial year, 180,000,000 (2024: 132,800,000) options were granted to directors, employees and third party. In the current period, the board introduced vesting conditions in two tranches for the options issued to directors and employees. 75,000,000 options expired on 30 April 2025 as the first hurdle was not achieved. Current approach of not having time-based vesting is considered appropriate due to the size of the Company. The Board will continue to review the appropriateness of the time-based vesting conditions for future grants of options. There is no condition other than period of service for granting options. The company considers the issue of options sufficiently aligns the interest of the entity with the incentive given to key management personnel.
All options expire earlier of their expiry date or termination of the individual's employment.

Non-Executive Director Remuneration

Non-Executive Director fees are paid within an aggregate limit which must not exceed $250,000 (excluding mandatory superannuation) per annum or such other maximum as determined by the Company in a general meeting.

The cash fees paid to each Independent Non-executive Director, excluding the Chairman, for the 2025 financial year were $40,000 (2024: $40,000) per annum, plus statutory superannuation if applicable. The cash fees paid to independent non-executive Chairman was C$96,000 (2024: C$88,000).

All Non-Executive Directors are eligible to participate in the options granted.

All Non-Executive Directors are also entitled to be reimbursed for all reasonable travel, accommodation and other expenses incurred in attending meetings of the Board, committees or shareholders or while engaged on other KALiNA Power Limited business.

All remuneration paid/payable to key management personnel is valued at the cost to the company and expensed. Key management personnel or closely related partners of key management personnel are prohibited from entering into hedging arrangements that would have the effect of limiting the risk exposure relating to their remuneration.

In addition, the board's remuneration policy prohibits key management personnel from using the company's shares as collateral in any financial transactions, including margin loan arrangements.

Relationship between the remuneration policy and Group performance

The achievement of Group strategic objectives is the key focus of the efforts of the Group, and it is the leadership of the directors and senior management which makes the achievement of this aim possible. As indicated above, over the course of the 2025 financial year, the Board reviewed the Group's executive remuneration policy to ensure the remuneration framework remained focused on driving and rewarding executive performance, while being closely aligned to the achievement of Group strategic objectives and the creation of shareholder value.

Shareholder returns are primarily measured by the movement in share price from the start to the end of each financial year. No dividends have been declared in the past five financial years or the current financial year. As the Group remains in the growth phase of its life cycle, shareholder returns do not correlate with revenues and losses reported in any of the recent financial years. Shareholder returns are more dependent on the future expectation of Group performance rather than Group earnings.

Directors' report (cont'd)

Remuneration report – audited (cont'd)

The table below sets out summary information about the consolidated entity's earnings and movement in shareholder wealth for the five years to 30 June 2025.

	30 June 2025	30 June 2024	30 June 2023	30 June 2022	30 June 2021
Revenue	-	-	-	-	-
Net profit/(loss) before tax	(4,703,048)	(4,146,846)	(4,923,689)	(5,062,804)	(8,069,370)
Net profit/(loss) after tax	(4,703,048)	(4,146,846)	(4,923,689)	(5,062,804)	(8,069,370)
Share price at start of year ($)	0.003	0.009	0.018	0.031	0.029
Share price at end of year ($)	0.005	0.003	0.009	0.018	0.031
Dividends paid (cents)	-	-	-	-	-
Basic (loss)/profit per share (cents)	(0.2)	(0.2)	(0.3)	(0.3)	(0.7)
Diluted (loss)/profit per share (cents)	(0.2)	(0.2)	(0.3)	(0.3)	(0.7)

Remuneration of directors and senior management – audited.

		Short-term employment benefits			Post-employment		Share-based payment		
		Salary & Fees	Other payments	Non-monetary	Superannuation	Other long-term benefits	Options and rights	Value of options as proportion of total remuneration	Total
Executive Directors		$	$	$	$	$	$	%	$
Ross MacLachlan	2025	280,000	-	9,138	32,200	-			321,338
	2024	280,000	-	9,380	30,100	-	70,486	18	389,966
Tim Horgan	2025	200,000	-	-	23,000	-			223,000
	2024	200,000	-	-	22,000	-	60,044	21	282,044
Matthew Jenkins (i)	2025	135,428	-	-	-	-			135,428
	2024	6,666	-	-	-	-	-		6,666
Non-executive directors									
Stephen White	2025	105,751	-	-	-	-			105,751
	2024	108,200	-	-	-	-	39,159	27	147,359
Malcolm Jacques	2025	40,000	-	-	-	-			40,000
	2024	40,000	-	-	-	-	26,106	39	66,106
Peter Littlewood	2025	40,000	-	-	-	-			40,000
	2024	40,000	-	-	-	-	26,106	39	66,106
Senior Management									
Robert Rosine	2025	298,216	-	-	-	-			298,216
	2024	289,335	-	-	-	-	46,156	14	335,491
Kesh Thurairasa	2025	161,000	-	-	28,550	-			189,550
	2024	161,200	-	-	27,500	-	16,155	8	204,855
TOTAL	**2025**	**1,260,395**	**-**	**9,138**	**83,750**	**-**	**-**	**-**	**1,353,283**
TOTAL	**2024**	**1,155,601**	**-**	**9,380**	**79,600**	**-**	**310,318**	**19**	**1,554,899**

(i) Matthew Jenkins was appointed on 1 May 2024 as non-executive and on 1 December 2024 appointed as executive

None of the key management personnel remuneration in the current year or in previous year was linked to performance.

Directors' report (cont'd)
Remuneration report – audited (cont'd)

Equity instruments

Options

During the financial year 136,000,000 options were granted to Directors and key management personnel.

Modification of terms of equity-settled share-based payment transactions

No terms of equity-settled share-based payment transactions (including options granted as compensation to key management personnel) have been altered or modified by the issuing entity during the reporting period or prior period.

Analysis of options over equity instruments granted as compensation

Directors received 124,000,000 options and 12,000,000 options were granted to key management personnel as part of remuneration provided certain vesting conditions were met. However, 75,000,000 of these options lapsed during the year due to vesting conditions not being met.
Apart from the above, during the financial year there were no other share-based payment arrangements in existence.

Key management personnel equity holdings

Fully paid ordinary shares of KALiNA Power Limited

	Balance at 1 July 2024 No.	Granted as compensation No.	Received on exercise of options No.	Net other change No.	Bal at 30 June 2025 No.	Balance held nominally No.
2025						
Directors						
S White	33,007,903	-	-	3,750,000	36,757,903	-
R MacLachlan	117,084,874	-	-	12,500,000	129,584,874	-
T Horgan	16,060,747	-	-	20,834	16,081,581	-
M. Jacques	9,706,620	-	-	2,528,226	12,234,846	-
M Jenkins	-	-	-	8,740,640	8,740,640	-
P Littlewood	19,700,309	-	-	1,875,000	21,575,309	-
Senior Management						
Robert Rosine	-	-	-	-		-
K. Thurairasa	3,096,896	-	-	403,104	3,500,000	-

	Balance at 1 July 2023 No.	Granted as compensation No.	Received on exercise of options No.	Net other change No.	Bal at 30 June 2024 No.	Balance held nominally No.
2024						
Directors						
S White	3,096,591	-	-	29,911,312	33,007,903	-
R MacLachlan	30,219,996	-	-	86,864,878	117,084,874	-
T Horgan	12,263,406	-	-	3,797,341	16,060,747	-
M. Jacques	4,438,575	-	-	5,268,045	9,706,620	-
M Jenkins	-	-	-	-	-	
P Littlewood	12,496,826	-	-	7,203,483	19,700,309	-
Senior Management						
Robert Rosine	-	-	-	-	-	-
K. Thurairasa	2,327,999	-	-	768,897	3,096,896	-

Directors' report (cont'd)

Remuneration report – audited (cont'd)

Share options of KALiNA Power Limited

	Balance at 1 July 2024 No.	Granted as compensation No.	Value $	Exercised/ Expired No.	Net other change No.	Bal at 30 June 2025 No.	Bal vested at 30 June 2025 No.	Vested but not exercisable No.	Vested and exercisable No.	Rights vested during year No.
2025										
Directors										
S White	20,000,000	12,500,000		(11,250,000)	1,875,000	23,125,000	16,875,000	-	16,875,000	-
R. MacLachlan	33,537,500	24,500,000		(18,787,500)	6,250,000	45,500,000	33,250,000	-	33,250,000	-
T. Horgan	31,855,000	22,000,000		(19,855,000)	10,417	34,010,417	23,010,417	-	23,010,417	-
M. Jacques	10,817,500	7,500,000		(4,567,500)	1,264,113	15,014,113	11,264,113	-	11,264,113	-
M Jenkins (ii)	-	50,000,000		(25,000,000)	4,370,320	29,370,320	4,370,320	-	4,370,320	-
P Littlewood	12,452,500	7,500,000		(6,202,500)	937,500	14,687,500	10,937,500	-	10,937,500	-
Senior Management										
Robert Rosine	14,000,000	8,000,000		(8,000,000)	-	14,000,000	10,000,000	-	10,000,000	-
K. Thurairasa	4,317,500	4,000,000		(2,817,500)	201,526	5,701,526	3,701,526	-	3,701,526	-

	Balance at 1 July 2023 No.	Granted as compensation No.	Value $	Exercised/ Expired No.	Net other change No.	Bal at 30 June 2024 No.	Bal vested at 30 June 2024 No.	Vested but not exercisable No.	Vested and exercisable No.	Rights vested during year No.
2024										
Directors										
S White	5,000,000	15,000,000	39,159	-	-	20,000,000	20,000,000	-	20,000,000	
R. MacLachlan	6,537,500	27,000,000	70,486	-	-	33,537,500	33,537,500	-	33,537,500	-
T. Horgan	8,855,000	23,000,000	60,044	-	-	31,855,000	31,855,000	-	31,855,000	-
M. Jacques	817,500	10,000,000	26,106	-	-	10,817,500	10,817,500	-	10,817,500	-
M Jenkins (ii)	-	-	-	-	-	-	-	-	-	-
P Littlewood	2,452,500	10,000,000	26,106			12,452,500	12,452,500		12,452,500	-
Senior Management										
Robert Rosine	4,000,000	10,000,000	46,156	-	-	14,000,000	14,000,000	-	14,000,000	
K. Thurairasa	817,500	3,500,000	16,155	-	-	4,317,500	4,317,500	-	4,317,500	-

Directors' report (cont'd)
Remuneration report – audited (cont'd)

Other transactions with key management personnel of the Group

Details of key management personnel compensation are disclosed in note 22 to the financial statements.

i. Loans to key management personnel

No loans were granted to key management personnel during the year.

ii. Other transactions with key management personnel of the Group and/or their related entities

During the year the directors advanced the company $350,250 for working capital management, which was paid back by the company on 7 November 2024 with $8,383 Interest at 14% per annum. Details of the loan received, and interest paid are as follows. Ross MacLachlan $100,000, interest $2,493, Stephen White $30,000, interest $748, Matthew Jenkins $100,250, interest $2,442, Tim Horgan $100,000, interest $2,148, Peter Littlewood $10,000, interest $276, Malcolm Jacques $10,000, Interest 276.

At year end an amount of $216,537 was owed to directors by way of unpaid fees. Details of the amount owing are as follows. Ross MacLachlan $70,000, Stephen White $26,707, Matthew Jenkins $49,830, Tim Horgan $50,000, Peter Littlewood $10,000, Malcolm Jacques $10,000.

Key terms of employment contracts

The remuneration and other terms of employment for the Executive Directors and Senior Management are set out in service letters. These letters make provision for a fixed remuneration component, and options as a long-term incentive. The material terms of the service letters are set out below.

Term	Conditions	Position
Duration of contract	Ongoing until notice is given by either party	Executive Directors/Company Secretary/Senior Management
Voluntary termination (i.e. termination by executive by giving notice)	6 months' notice	Executive Directors/Company Secretary/Senior Management
Termination by Company without cause	12 months' fixed compensation or payment in lieu	Executive Directors
Termination by Company without cause	6 months' fixed compensation or payment in lieu	Company Secretary
Termination by Company for cause	Employment may be terminated immediately without notice if the executive commits any act or omission justifying summary dismissal at common law.	Executive Directors/Company Secretary/Senior Management

During the year the Company did not engage the services of a remuneration consultant.

End of Remuneration report.

Signed in accordance with a resolution of the directors made pursuant to section 298(2)(a) of the *Corporations Act 2001*.

On behalf of the Directors

Timothy Horgan
Executive Director
Melbourne, 30 September 2025

HLB MANN JUDD
ADVISORY AND ACCOUNTING

AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the audit of the consolidated financial report of Kalina Power Limited for the year ended 30 June 2025, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

(a) the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and

(b) any applicable code of professional conduct in relation to the audit.

This declaration is in relation to the Kalina Power Limited and the entities it controlled during the period.

HLB Mann Judd

HLB Mann Judd
Chartered Accountants

Nick Walker
Partner

Melbourne
30 September 2025

hlb.com.au

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Consolidated statement of profit and loss and other comprehensive income
for the financial year ended 30 June 2025

	Note	Consolidated 2025 $	Consolidated 2024 $
Revenue		-	-
Cost of Sales		-	-
Gross profit/(loss)		-	-
Other income	5(a)	36,143	31,638
Finance income	5(a)	6,250	3,814
Employee benefits expenses	5(b)	(1,281,467)	(1,441,973)
Administration expenses		(273,045)	(288,558)
Depreciation and amortisation expenses	5(b)	(5,173)	(9,670)
Travel expenses		(69,729)	(113,649)
Engineering and professional fees		(2,397,454)	(1,952,931)
Fair value of equity investment impaired		(9,200)	-
Legal fees		(235,938)	(59,712)
Loss of control of subsidiary		(324,851)	-
Patent costs		(131)	(160,657)
Foreign exchange gain/(loss)	5(a)	(7,415)	(4,189)
Finance costs	4	(141,038)	(150,959)
Loss before tax		(4,703,048)	(4,146,846)
Income tax benefit/(expense)	6	-	-
Loss for the year		(4,703,048)	(4,146,846)
Attributed to:			
Owners of the parent	17	(4,673,227)	(4,077,989)
Non-controlling interest	16.5	(29,821)	(68,857)
		(4,703,048)	(4,146,846)
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss			
Exchange reserve arising on translation of foreign operations		(44,073)	18,083
Other comprehensive income for the period net of tax		(44,073)	18,083
Total comprehensive income/(loss) for the period		(4,747,121)	(4,128,763)
Total comprehensive income/(loss) attributable to:			
Owners of the parent		(4,708,376)	(4,064,111)
Non-controlling interest		(38,745)	(64,652)
		(4,747,121)	(4,128,763)
(Loss) per share			
From continuing and discontinued operations:			
Basic (cents per share)	25	(0.2)	(0.2)
Diluted (cents per share)	25	(0.2)	(0.2)

The financial statements should be read in conjunction with the accompanying notes.

	Note	2025 $	2024 $
Current assets			
Cash and cash equivalents	20	1,523,927	255,209
Other receivables	7	153,069	185,710
Total current assets		**1,676,996**	**440,919**
Non-current assets			
Investments	8	-	9,200
Property, plant and equipment	9	9,172	10,981
Total non-current assets		**9,172**	**20,181**
Total assets		**1,686,168**	**461,100**
Current liabilities			
Trade and other payables	10	1,058,823	449,869
Other liabilities	11	1,118,217	-
Provisions	12	333,199	303,551
Total current liabilities		**2,510,239**	**753,420**
Non-current liabilities			
Other payables	13	2,606,993	2,423,074
Total non-current liabilities		**2,606,993**	**2,423,074**
Total liabilities		**5,117,232**	**3,176,494**
Net assets/(liabilities)		**(3,431,064)**	**(2,715,394)**
Equity/(net deficiency)			
Issued capital	14	132,676,369	130,719,800
Reserves	16	9,837,801	8,122,108
Accumulated losses	17	(134,589,764)	(129,916,537)
Total equity attributable to equity holders of the company		7,924,406	8,925,371
Non-controlling interest	16.5	(11,355,470)	(11,640,765)
Total equity/(net deficiency)		**(3,431,064)**	**(2,715,394)**

The financial statements should be read in conjunction with the accompanying notes.

	Issued capital and contributed equity	Foreign currency translation reserve	Share based payments reserve	Other reserves	Treasury Shares	Accumulated losses	Attributable to owners of the parent	Non-controlling interest	Total
	$	$	$	$	$	$	$	$	$
Balance at 1 July 2023	**127,281,526**	**3,434,444**	**14,641,945**	**(9,939,836)**	**(450,800)**	**(125,838,548)**	**9,128,731**	**(11,576,113)**	**(2,447,382)**
Profit/(loss) for the year	-	-	-	-	-	(4,077,989)	(4,077,989)	(68,857)	(4,146,846)
Movement in foreign exchange values	-	13,878	-	-	-	-	13,878	4,205	18,083
Total comprehensive income for the period	-	13,878	-	-	-	(4,077,989)	(4,064,111)	(64,652)	(4,128,763)
Issue of shares (note 14.1)	3,770,873	-	-	-	-	-	3,770,873	-	3,770,873
Value of options issued	-	-	422,477	-	-	-	422,477	-	422,477
Share issue cost (note 14.1)	(332,599)	-	-	-	-	-	(332,599)	-	(332,599)
Balance at 30 June 2024	**130,719,800**	**3,448,322**	**15,064,422**	**(9,939,836)**	**(450,800)**	**(129,916,537)**	**8,925,371**	**(11,640,765)**	**(2,715,394)**
Balance at 1 July 2024	**130,719,800**	**3,448,322**	**15,064,422**	**(9,939,836)**	**(450,800)**	**(129,916,537)**	**8,925,371**	**(11,640,765)**	**(2,715,394)**
Profit/(loss) for the year	-	-	-	-	-	(4,673,227)	(4,673,227)	(29,821)	(4,703,048)
Movement in foreign exchange values	-	(35,149)	-	-	-	-	(35,149)	(8,924)	(44,073)
Total comprehensive income for the period	-	(35,149)	-	-	-	(4,673,227)	(4,708,376)	(38,745)	(4,747,121)
Issue of shares (note 14.1)	4,079,805	-	-	-	-	-	4,079,805	-	4,079,805
Value of options issued	(1,473,493)	-	1,750,145	-	-	-	276,652	-	276,652
Options Exercised	519	-	-	-	-	-	519	-	519
Value of options exercised	114	-	(114)	-	-	-	-	-	-
Loss of control of a subsidiary	-	811	-	-	-	-	811	324,040	324,851
Share issue cost (note 14.1)	(650,376)	-	-	-	-	-	(650,376)	-	(650,376)
Balance at 30 June 2025	**132,676,369**	**3,413,984**	**16,814,453**	**(9,939,836)**	**(450,800)**	**(134,589,764)**	**7,924,406**	**(11,355,470)**	**(3,431,064)**

The financial statements should be read in conjunction with the accompanying notes.

	Note	Consolidated 2025 $	Consolidated 2024 $
Cash flows from operating activities			
Receipts from management fees		74,755	-
Payments to suppliers and employees		(3,529,959)	(3,864,438)
Interest paid		(8,383)	-
Net cash provided by/(used in) operating activities	20(i)	(3,463,587)	(3,864,438)
Cash flows from investing activities			
Interest received		6,243	4,018
Payment for plant and equipment		(3,364)	(3,497)
Non refundable deposit received		1,107,340	-
Net cash provided by/(used in) investing activities		1,110,219	521
Cash flows from financing activities			
Proceeds from issue of shares and options before costs		4,080,323	3,122,313
Proceeds from convertible notes		-	612,500
Capital raising costs		(458,237)	(322,348)
Net cash provided by/(used in) financing activities		3,622,086	3,412,465
Net (decrease) / increase in cash and cash equivalents		1,268,718	(451,452)
Cash and cash equivalents at the beginning of the financial year		255,209	706,661
Cash and cash equivalents at the end of the financial year	20	1,523,927	255,209

The financial statements should be read in conjunction with the accompanying notes.

Notes to the financial statements
for the financial year ended 30 June 2025

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1. General information

KALiNA Power Limited (KPL) is a company limited by shares, incorporated and domiciled in Australia. The principal activities of the company and its subsidiaries ('the Group or the consolidated entity') is the deployment of the KALiNA Cycle technology internationally and the continued management of their projects and investments. KPL's registered office and its principal place of business are as follows:

Registered office
Suite 6, 795 Glenferrie Road
Hawthorn VIC 3122

Principal place of business
Suite 6, 795 Glenferrie Road
Hawthorn VIC 3122

2. Material accounting policy information

Basis of preparation

The financial report is a general purpose financial report which has been prepared in accordance with the *Corporations Act* 2001, Australian Accounting Standards and Interpretations, and complies with other requirements of the law.

The financial statements comprise the consolidated financial statements of the Group. For the purposes of preparing the consolidated financial statements, the company is a for-profit entity.

Accounting Standards include Australian Accounting Standards. Compliance with Australian Accounting Standards ensures that the financial statements and notes of the company and the Group comply with International Financial Reporting Standards ('IFRS').

Historical cost convention

The financial report has been prepared on the basis of historical cost, except for where appropriate the revaluation of certain non-current assets and financial instruments that are measured at revalued amounts or fair values as explained in the accounting policies below. Cost is based on the fair values of the consideration given in exchange for assets. All amounts are presented in Australian dollars, unless otherwise noted.

The financial statements were authorised for issue by the directors on 30 September 2025.

Going concern

As at 30 June 2025, the Group had cash reserves of $1,523,927, and an excess of current liabilities over current assets of $833,243 (30 June 2024: excess of current liabilities over current assets of $312,501). The consolidated entity incurred an operating loss for the year ended 30 June 2025 of $4,703,048 (30 June 2024: loss of $4,146,846) and incurred an operating cash outflow of $3,463,587 (30 June 2024: $3,864,438). At the date of this report, the Directors have considered the above factors and the additional funds required to accomplish its business objectives and are of the opinion that the consolidated entity will be able to continue as a going concern and will be able to pay its debts as and when they fall due, based on forecasted cash flows through to September 2026 which includes receipt of funds from a third party when it executes a demand transmission service (DTS) contract with Alberta Electricity Systems Operator (AESO) by 3 October 2025.

The above statement is underpinned by certain key assumptions including:

- On 4 July 2025, the Company announced its wholly owned subsidiary Kalina Distributed Power (KDP) entered into a transfer agreement with a third party to transfer 180 MW that had been assigned to KDP by the Alberta Electricity System Operator (AESO). Pursuant to the transfer agreement, KDP received a non-refundable deposit of C$1m. If the third-party elects to execute a demand transmission service (DTS) contract with the AESO by October 3, KDP is expected to receive additional funds for the transferred MWs. A successful closing is expected to provide the Company with cash proceeds with which to advance the project development of its portfolio.

- TwelveSix has been engaged to sell one or more of KDP's project sites; 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 the sales process and has a select number of parties in the KDP data room who have expressed interest in acquiring one or more of the three referenced project sites. A successful sale of one or more of KDP's project sites is expected to provide the Company with cash proceeds with which to advance the project development of its larger portfolio.

- KDP has recently engaged both a Canadian and US investment bank to jointly raise the remaining Pre-FID development funding for KDP's portfolio of projects. The market rate compensation is based on a success-fee rate structure without a monthly retainer. A number of their strategic and financial investors are conducting active diligence on the portfolio. A successful outcome is expected to provide KDP with funds with which to advance its portfolio through to FID.

- The Company has 122.8m options outstanding which are exercisable at $0.01 and believes some of the outstanding options may be exercised which would add to the Company's working capital requirement

2. **Material accounting policy information (Cont'd)**

In the event that the company is unable to meet some of its objectives as above, there is material uncertainty whether the consolidated entity will continue as a going concern. If the consolidated entity is unable to continue as a going concern it may be required to realise its assets and discharge its liabilities other than in the normal course of business.

The financial report does not include any adjustments relating to the recoverability and classification of recorded asset amounts or the amounts and classification of liabilities that might be necessary should the consolidated entity not continue as a going concern.

Critical accounting estimates and judgements

In the application of the Group's accounting policies, management is required to make judgments, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

The directors evaluate estimates and judgements incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Consolidated Entity.

The key critical accounting estimates and judgments are:

- The fair value of share options granted by the Company have been valued using a Black-Scholes pricing model (Note 16.3 & 26) which takes into account the terms and conditions upon which the options are granted. The accounting estimates and assumptions relating to equity-settled share-based payments would have no impact on the carrying amounts of assets and liabilities within the next annual reporting period but may impact profit or loss and equity. Refer to note 26 for further information.

- *Lease term*

  The Consolidated Entity has lease arrangements in place that qualify for the short-term lease exemption under AASB 16. As such, no right of use asset or lease liabilities are recognised on the consolidated statement of financial position. These arrangements include extension options, that are not yet probable to be exercised.

  The lease term is a significant component in the measurement of both the right-of-use asset and lease liability. Judgement is exercised in determining whether there is reasonable certainty that an option to extend the lease or purchase the underlying asset will be exercised, or an option to terminate the lease will not be exercised, when ascertaining the periods to be included in the lease term. In determining the lease term, all facts and circumstances that create an economic incentive to exercise an extension option, or not to exercise a termination option, are considered at the lease commencement date. Factors considered may include the importance of the asset to the consolidated entity's operations; comparison of terms and conditions to prevailing market rates; incurrence of significant penalties; existence of significant leasehold improvements; and the costs and disruption to replace the asset. The consolidated entity reassesses whether it is reasonably certain to exercise an extension option, or not exercise a termination option, if there is a significant event or significant change in circumstances.

- *Recognition of assigned Megawatt from the Alberta Electric System Operator*

  During the year, KALiNA Distrbuted Power Limited (KDP), a subsidiary incorporated in Canada, was assigned 180 MW under the Alberta Electric System Operator's Limit Assignment Process. Under the Limit Assignment Process, KDP would have needed to post a financial security of CAD 26,442,000 to secure the allocation. The value of the assignment has not been recognised as a third party posted the security to secure the allocation for themselves. For this reason, financial security has not been recognised as a liability.

  As described under the "going concern" sub-heading, KDP has entered into an agreement to sell the allocation to another party. As part of this arrangement, a third party has provided the necessary security and for this reason, the financial security has not been recognised as a commitment.

- *Contract liabilities*

  As described under the "going concern" sub-heading and disclosed in note 11, the Group received a non-refundable deposit of $1,118,217 (CAD 1,000,000). Management have recognised the deposit as a contract liability as the transfer agreement was completed subsequent to year end,

2. Material accounting policy information (cont'd)

- *Recognition of land acquisition options*
  As described in note 18, the Group hold several options to acquire land requiring schedule payments so that the options may be retained. It is management's judgement that these payments should be expensed as the Group is not obligated to exercise the options at year end. Future payments have been disclosed as commitments as the land acquisitions forms a key part of the Group business strategy.

Standards and interpretation adopted with no effect in the financial statements

New Accounting Standards and Interpretations not yet mandatory or early adopted

The Australian Accounting Standards Board ('AASB') has issued new and amended Accounting Standards and Interpretations that have mandatory application dates for future reporting periods. The directors have decided against early adoption of these Standards but does not expect the adoption of these standards to have any material impact on the reported position or performance of the Consolidated Entity.

Adoption of new and revised accounting standards

The Consolidated Entity has adopted all of the new or amended Accounting Standards and Interpretations issued by the AASB that are mandatory for the current reporting period. There were no significant impact to the consolidated entity.

(a) Principles of consolidation

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of KALiNA Power Limited ('company' or 'parent entity') as at 30 June 2025 and the results of all subsidiaries for the year then ended. KALiNA Power Limited and its subsidiaries together are referred to in these financial statements as the 'consolidated entity 'or "the Group".

Subsidiaries are all those entities over which the consolidated entity has control. The consolidated entity controls an entity when the consolidated entity is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the consolidated entity. They are de-consolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains on transactions between entities in the consolidated entity are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the consolidated entity.

The acquisition of subsidiaries is accounted for using the acquisition method of accounting. A change in ownership interest, without the loss of control, is accounted for as an equity transaction, where the difference between the consideration transferred and the book value of the share of the non-controlling interest acquired is recognised directly in equity attributable to the parent.

Non-controlling interest in the results and equity of subsidiaries are shown separately in the statement of profit or loss and other comprehensive income, statement of financial position and statement of changes in equity of the consolidated entity. Losses incurred by the consolidated entity are attributed to the non-controlling interest in full, even if that results in a deficit balance.

Where the consolidated entity loses control over a subsidiary, it derecognises the assets including goodwill, liabilities and non-controlling interest in the subsidiary together with any cumulative translation differences recognised in equity. The consolidated entity recognises the fair value of the consideration received and the fair value of any investment retained together with any gain or loss in profit or loss.

(b) Borrowing costs

All borrowing costs, except to the extent that they are directly attributable to the acquisition, construction or production of qualifying assets, are recognised in profit or loss in the period in which they are incurred.

(c) Cash and cash equivalents

Cash comprises cash on hand, cash at call and short-term deposits with maturity periods less than 90 days. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

2. Material accounting policy information (cont'd)

(d) Investments and other financial assets

Investments and other financial assets are initially measured at fair value. Transaction costs are included as part of the initial measurement, except for financial assets at fair value through profit or loss. Such assets are subsequently measured at either amortised cost or fair value depending on their classification. Classification is determined based on both the business model within which such assets are held and the contractual cash flow characteristics of the financial asset unless, an accounting mismatch is being avoided.

Financial assets at fair value through profit or loss

Financial assets not measured at amortised cost or at fair value through other comprehensive income are classified as financial assets at fair value through profit or loss. Typically, such financial assets will be either: (i) held for trading, where they are acquired for the purpose of selling in the short-term with an intention of making a profit, or a derivative; or (ii) designated as such upon initial recognition where permitted. Fair value movements are recognised in profit or loss.

Financial assets at fair value through other comprehensive income

The consolidated entity recognises a loss allowance for expected credit losses on financial assets which are either measured at amortised cost or fair value through other comprehensive income. The measurement of the loss allowance depends upon the consolidated entity's assessment at the end of each reporting period as to whether the financial instrument's credit risk has increased significantly since initial recognition, based on reasonable and supportable information that is available, without undue cost or effort to obtain.

Where there has not been a significant increase in exposure to credit risk since initial recognition, a 12-month expected credit loss allowance is estimated. This represents a portion of the asset's lifetime expected credit losses that is attributable to a default event that is possible within the next 12 months. Where a financial asset has become credit impaired or where it is determined that credit risk has increased significantly, the loss allowance is based on the asset's lifetime expected credit losses. The amount of expected credit loss recognised is measured on the basis of the probability weighted present value of anticipated cash shortfalls over the life of the instrument discounted at the original effective interest rate.

For financial assets measured at fair value through other comprehensive income, the loss allowance is recognised within other comprehensive income. In all other cases, the loss allowance is recognised in profit or loss.

Impairment of financial assets

The Group assesses on a forward looking basis the expected credit losses associated with its debt instruments carried at amortised cost and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk. Note 21 details how the group determines whether there has been a significant increase in credit risk.

For trade receivables, the Group applies the simplified approach permitted by AASB 9, which requires expected lifetime losses to be recognised from initial recognition receivables.

Financial assets at fair value through other comprehensive income include equity investments which the consolidated entity intends to hold for the foreseeable future and has irrevocably elected to classify them as such upon initial recognition.

<u>Interest and dividends</u>

Interest and dividends are classified as expenses or as distributions of profit consistent with the balance sheet classification of the related debt or equity instruments. Borrowings are classified as financial liabilities, which are measured at amortised cost.

2. Material accounting policy information (cont'd)

(e) Financial liabilities and equity instruments issued by the Company

Trade and other payables

These amounts represent liabilities for goods and services provided to the consolidated entity prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

Borrowings

Loans and borrowings are initially recognised at the fair value of the consideration received, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method.

Issued capital

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

(f) Foreign currency

For the purpose of the consolidated financial statements, the results and financial position of each entity are expressed in Australian dollars ("$"), which is the functional currency of KALiNA Power Limited, and the presentation currency for the consolidated financial statements.

In preparing the financial statements of the individual entities, transactions in currencies other than the entity's functional currency (foreign currencies) are recorded at the rates of exchange prevailing on the dates of the transactions. At each balance sheet date, monetary items denominated in foreign currencies are retranslated at the rates prevailing on the balance sheet date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences are recognised in profit or loss in the period in which they arise. For the purpose of presenting consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated into Australian dollars using exchange rates prevailing at the end of the reporting period. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuated significantly during that period, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity (attributed to non-controlling interests as appropriate).

(g) Impairment of tangible assets

At each reporting date, the Group reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication of impairment exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When the asset does not generate cash flows that are independent from other assets, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of the asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount and an impairment loss is recognised in the profit or loss statement.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash generating unit) in prior years. A reversal of an impairment loss is recognised in profit or loss statement.

2. Material accounting policy information (cont'd)

(h) Income taxes

Current tax is calculated by reference to the amount of income taxes payable or recoverable in respect of the taxable profit or tax loss for the period. It is calculated using tax rates and tax laws that have been enacted or substantively enacted by reporting date. Current tax for current and prior periods is recognised as a liability (or asset) to the extent that it is unpaid (or refundable).

Deferred tax

Deferred tax is accounted for using the balance sheet liability method. Temporary differences are differences between the tax base of an asset or liability and its carrying amount in the balance sheet. The tax base of an asset or liability is the amount attributed to that asset or liability for tax purposes.

In principle, deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised to the extent that it is probable that sufficient taxable amounts will be available against which deductible temporary differences or unused tax losses and tax offsets can be utilised. However, deferred tax assets and liabilities are not recognised if the temporary differences giving rise to them arise from the initial recognition of assets and liabilities (other than as a result of a business combination) which affects neither taxable income nor accounting profit. Furthermore, a deferred tax liability is not recognised in relation to taxable temporary differences arising from the initial recognition of goodwill.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries, branches and associates, and interests in joint ventures except where the Group is able to control the reversal of the temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with these investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period(s) when the asset and liability giving rise to them are realised or settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by reporting date. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same taxation authority and the Company/Group intends to settle its current tax assets and liabilities on a net basis.

Current and deferred tax for the period

Current and deferred tax is recognised as an expense or income in the income statement, except when it relates to items credited or debited directly to equity, in which case the deferred tax is also recognised directly in equity, or where it arises from the initial accounting for a business combination, in which case it is taken into account in the determination of goodwill or excess.

(i) Property, plant and equipment

Plant and equipment

Plant and equipment are stated at cost less accumulated depreciation and impairment. Cost includes expenditure that is directly attributable to the acquisition of the item. In the event that settlement of all or part of the purchase consideration is deferred, cost is determined by discounting the amounts payable in the future to their present value as at the date of acquisition.

Depreciation

Depreciation is provided on property, plant and equipment. Depreciation is calculated on a straight line basis so as to write off the net cost of each asset over its expected useful life to its estimated residual value. The estimated useful lives, residual values and depreciation method are reviewed at the end of each annual reporting period, with the effect of any changes recognised on a prospective basis.

The useful lives used for each class of depreciable assets are:

Plant and equipment	4-12 years

2. Material accounting policy information (cont'd)

(j) Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at reporting date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

(k) Revenue

Revenue from contracts with customers

Revenue is recognised at an amount that reflects the consideration to which the consolidated entity is expected to be entitled in exchange for transferring goods or services to a customer. For each contract with a customer, the consolidated entity: identifies the contract with a customer; identifies the performance obligations in the contract; determines the transaction price which takes into account estimates of variable consideration and the time value of money; allocates the transaction price to the separate performance obligations on the basis of the relative stand-alone selling price of each distinct good or service to be delivered; and recognises revenue when or as each performance obligation is satisfied in a manner that depicts the transfer to the customer of the goods or services promised.

Variable consideration within the transaction price, if any, reflects concessions provided to the customer such as discounts, rebates and refunds, any potential bonuses receivable from the customer and any other contingent events. Such estimates are determined using either the 'expected value' or 'most likely amount' method. The measurement of variable consideration is subject to a constraining principle whereby revenue will only be recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur. The measurement constraint continues until the uncertainty associated with the variable consideration is subsequently resolved. Amounts received that are subject to the constraining principle are initially recognised as deferred revenue in the form of a separate refund liability.

Sale of goods

Revenue from the sale of goods is recognised at the point in time when the customer obtains control of the goods, which is generally at the time of delivery.

Rendering of services

Revenue from a contract to provide services is recognised over time as the services are rendered based on either a fixed price or an hourly rate.

Interest

Interest revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

Other revenue

Other revenue is recognised when it is received or when the right to receive payment is established.

2. Material accounting policy information (cont'd)

(l) Goods and services tax

Revenues, expenses and assets are recognised net of the amount of goods and services tax ('GST'), except:

i. where the amount of GST incurred is not recoverable from the Australian Taxation Office, it is recognised as part of the cost of acquisition of an asset or as part of an item of expense; or
ii. for receivables and payables with are recognised inclusive of GST.

The net amount of GST recoverable from, or payable to, the Australian Taxation Office is included as part of receivables or payables.

Cash flows are included in the cash flow statement on a gross basis. The GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the Australian Taxation Office is classified as operating cash flows.

(m) Investments in associates

An associate is an entity over which the Group has significant influence and that is neither a subsidiary nor an interest in a joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

The results and assets and liabilities of associates are incorporated in these financial statements using the equity method of accounting, except when the investment is classified as held for sale, in which case it is accounted for in accordance with AASB 5 'Non-current Assets Held for Sale and Discontinued Operations'. Under the equity method, investments in associates are carried in the consolidated balance sheet at cost as adjusted for post-acquisition changes in the Group's share of the profit or loss and other comprehensive income of the associate, less any impairment in the value of individual investments.

Losses of an associate in excess of the Group's interest in that associate (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate) are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate.

Any excess of the cost of acquisition over the Group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities of the associate recognised at the date of the acquisition is recognised as goodwill. The goodwill is included within the carrying amount of the investment and is assessed for impairment as part of that investment. Any excess of the Group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities over the cost of the acquisition, after reassessment, is recognised immediately in profit or loss.

Where a group entity transacts with an associate of the Group, profits and losses are eliminated to the extent of the Group's interest in the relevant associate.

(n) Share-based payments

Equity-settled share-based payments with employees and others providing similar services are measured at the fair value of the equity instrument at the grant date. Fair value is measured by use of Black-Scholes model. The expected life used in the model has been adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions, and behavioural considerations.

The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Group's estimate of equity instruments that will eventually vest.
At each reporting date, the Group revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in profit or loss over the remaining vesting period, with corresponding adjustment to the equity-settled employee benefits reserve.

Equity-settled share-based payment transactions with other parties are measured at the fair value of the goods and services received, except where the fair value cannot be estimated reliably, in which case they are measured at the fair value of the equity instruments granted, measured at the date the entity obtains the goods or the counterparty renders the service.

For cash-settled share-based payments, a liability equal to the portion of the goods or services received is recognised at the current fair value determined at each reporting date.

(o) Earnings per share

The Group presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares.

2. Material accounting policy information (cont'd)

(p) Lease liabilities

The Consolidated Entity has lease arrangements in place that qualify for the short-term lease exemption under AASB 16. As such, no right of use asset or lease liabilities are recognised on the consolidated statement of financial position. These arrangements include extension options, that are not yet probable to be exercised. A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the consolidated entity's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down.

(q) Employee benefits

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave and long service leave when it is probable that settlement will be required and they are capable of being measured reliably.

Liabilities recognised in respect of employee benefits expected to be settled within 12 months, are measured at their nominal values using the remuneration rate expected to apply at the time of settlement.

Liabilities recognised in respect of employee benefits which are not expected to be settled within 12 months are measured as the present value of the estimated future cash outflows to be made by the Group in respect of services provided by employees up to reporting date.

(r) Fair value measurement

When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principal market; or in the absence of a principal market, in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interests. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Assets and liabilities measured at fair value are classified into three levels, using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. Classifications are reviewed at each reporting date and transfers between levels are determined based on a reassessment of the lowest level of input that is significant to the fair value measurement.

For recurring and non-recurring fair value measurements, external valuers may be used when internal expertise is either not available or when the valuation is deemed to be significant. External valuers are selected based on market knowledge and reputation. Where there is a significant change in fair value of an asset or liability from one period to another, an analysis is undertaken, which includes a verification of the major inputs applied in the latest valuation and a comparison, where applicable, with external sources of data.

3. Operating segment information

AASB 8 requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the chief operating decision maker in order to allocate resources to the segment and to assess its performance.

Information reported to the Group's Executive Chairman for the purposes of resource allocation and assessment of performance is focused on key business segments. The Group's reportable segments under AASB 8 are therefore as follows:

- Investments
- Power and technology development business

The Investments segment provides administration support and is responsible for the investment activities of the group. The power business segment located in the US, Canada and UK manages the power business of the group.

Information regarding these segments is presented below.

(i) The following is an analysis of the Group's revenue and results by reportable operating segments:

	Segment other income		Segment profit/(loss)	
	2025	**2024**	**2025**	**2024**
	$	**$**	**$**	**$**
Continuing operations				
Investments	40,689	35,439	(1,791,944)	(1,902,127)
Power and technology development business	1,704	13	(2,911,104)	(2,244,719)
Total of all Segments	42,393	35,452	(4,703,048)	(4,146,846)
Exchange reserve arising on translation of foreign operations			(44,073)	18,083
Company tax			-	-
Total comprehensive income/(loss) for the period			**(4,747,121)**	**(4,128,763)**

The segment income reported above represents other income recognised during the period. There were no intersegment sales in the current year (2024: nil).

The accounting policies of the reportable segments are the same as the Group's accounting policies described in note 2. Segment loss represents the loss incurred by each segment without the allocation of share of losses of associate. This is the measure reported to the chief operating decision maker for the purpose of resource allocation and assessment of segment performance.

(ii) Segment assets

	2025	**2024**
	$	**$**
Investments	491,686	357,245
Power and technology development business	1,194,482	103,855
Total assets	1,686,168	461,100

(iii) Segment liabilities

Investments	732,228	602,896
Power and technology development business	4,385,004	2,573,598
Total liabilities	5,117,232	3,176,494

3. Operating segment information (cont'd)

(iv) Geographical information

The group operates in these principal geographical areas. Australia (country of domicile), Canada and the USA.

	Non-current assets	
	2025	20243
	$	$
Australia	8,311	17,517
Canada	861	2,232
USA	-	432
	9,172	**20,181**

(v) Other segment information

	Depreciation and amortisation	
	2025	2024
	$	$
Investments	3,370	3,437
Power business development	1,803	6,233
	5,173	**9,670**

4. Finance costs

	Consolidated	
	2025	2024
	$	$
Interest –other payables	141,038	150,959
	141,038	**150,959**

Weighted average rate of funds borrowed is 10% (2024 – 10%)

5. Loss for the year

(a) Gains and losses

Loss for the year has been arrived at after crediting/(charging) the following gains and losses:

	Consolidated	
	2025 $	2024 $
Management fee	21,875	31,638
Gain on creditors no longer payable	14,268	-
Other income	36,143	31,638
Interest income	6,250	3,814
Net foreign exchange gains/(losses)	(7,415)	(4,189)

(b) Other expenses

Loss for the year includes the following expenses:

	Consolidated	
	2025 $	2024 $
Operating lease charges	56,458	80,271
Depreciation of plant and equipment	5,173	9,670
Employee benefit expense:		
Defined contribution plans	87,092	82,527
Share based payments	-	264,162
Salaries and wages	1,194,375	1,095,284
	1,281,467	1,441,973

6. Income taxes

The prima facie income tax expense on pre-tax accounting loss from operations reconciles to the income tax expense in the financial statements as follows:

	Consolidated	
	2025 $	2024 $
(Loss) before tax from continuing operations	(4,703,048)	(4,146,846)
Income tax (benefit) calculated at 30%	(1,410,914)	(1,244,054)
Effect of expenses that are not deductible in determining taxable income	104,930	131,757
Effect of temporary differences	(51,903)	(52,598)
Effect of deferred tax losses not brought to account	1,357,887	1,164,895
Income tax expense recognised in profit or loss	-	-

The tax rate used in the above reconciliation is the corporate tax rate of 30% payable by Australian corporate entities on taxable profits under Australian tax law. There has been no change in the corporate tax rate when compared with the previous reporting period.

Unrecognised deferred tax balances	Consolidated	
	2025 $	2024 $
The following deferred tax assets have not been brought to account:		
- tax losses – revenue	21,149,888	19,433,070
- tax losses - capital	6,552,578	6,552,578
- temporary differences	1,664,661	1,657,882
	29,367,127	**27,643,530**

The deductible temporary differences and tax losses do not expire under current tax legislation. Deferred tax assets have not been recognised in respect of these items because it is not yet probable that future tax profit will be available against which the group can utilise the benefits there from.

The following deferred tax balances have not been brought to account	Consolidated	
	2025 $	2024 $
Deferred tax assets		
- Investments	1,533,243	1,530,483
- Provisions	99,960	91,065
- Provision for bad debts and accrued expenses	31,458	36,334
	1,664,661	**1,657,882**

7.Other receivables: current

	Consolidated 2025 $	Consolidated 2024 $
Goods and services tax recoverable	47,518	31,070
Other receivables	105,551	154,640
	153,069	**185,710**

The average credit period for trade receivables is 30 days after the end of the month in which the invoice is raised.

8. Investments

	Consolidated 2025 $	Consolidated 2024 $
Reconciliation of movement in investments:		
Balance at 1 July	9,200	9,200
Impairment	(9,200)	-
Balance at 30 June	-	**9,200**

Name of entity	Country of incorporation	Principal activity	Ownership interest 2025 %	Ownership interest 2024 %
Associates				
Exergy Inc	USA	Investment	46.0%	46.0%

Dividends received from associates

No dividends were received during the year (2024: Nil) from its associate.

9. Property, plant and equipment

	Consolidated Plant and equipment at cost $	Total $
Gross carrying amount		
Balance at 1 July 2023	61,995	61,995
Assets written off	(2,646)	(2,646)
Additions	3,496	3,496
Balance at 30 June 2024	62,845	62,845
Assets written off	(4,351)	(4,351)
Additions	3,364	3,364
Balance at 30 June 2025	61,858	61,858
Accumulated depreciation		
Balance at 1 July 2023	44,840	44,840
Assets written off	(2,646)	(2,646)
Depreciation expenses	9,670	9,670
Balance at 30 June 2024	51,864	51,864
Assets written off	(4,351)	(4,351)
Depreciation expense	5,173	5,173
Balance at 30 June 2025	52,686	52,686
Net book value		
As at 30 June 2024	**10,981**	**10,981**
As at 30 June 2025	**9,172**	**9,172**

10. Trade and other payables – current

	Consolidated	
	2025	2024
	$	$
Unsecured:		
Trade payables (i)	1,058,823	449,869
	1,058,823	**449,869**

(i) Payment terms for the Group during the current year and comparative period is an average of 30 days.

11. Other liabilities – current

	Consolidated	
	2025	2024
	$	$
Unsecured:		
Current liability - Deposit received (i)	1,118,217	-
	1,118,217	**-**

(i) Relates to deposit received which became non-refundable on 3 July 2025 after all conditions were fulfilled on account of transfer of 180MW assigned to Kalina Distributed Power Ltd. Refet to note 2 under the "critical accounting estimates and judgements" sub-heading

12. Provisions: current

	Consolidated	
	2025	2024
	$	$
Employee benefits (i)	**333,199**	**303,551**
	333,199	**303,551**

(i) Relate to accrued annual and long service leave payable.

13. Other payables: non-current

	Consolidated	
	2025	2024
	$	$
Other payables - unsecured (i)	2,606,993	2,423,074
	2,606,993	**2,423,074**

(i) Relates to amounts owing to key outside shareholders of New Energy Asia (NEA), on account of expenses incurred and payable under the loan agreement only when NEA has adequate funds to meet one year's working capital requirements after payment of this amount. Interest accrues at 10% per annum on the original principal amount.

14. Issued capital

	Consolidated 2025 $	Consolidated 2024 $
Fully paid ordinary shares	**132,676,369**	**130,719,800**

	2025 No.	2025 $	2024 No.	2024 $
14.1 Ordinary shares				
Balance at beginning of year	2,486,394,012	130,719,800	1,515,195,786	127,281,526
Exercise of options	25,971	633	-	-
Issue of shares	446,575,716	2,606,312	971,198,226	3,770,872
Share issue costs	-	(650,376)	-	(332,598)
Balance at end of financial year	**2,932,995,699**	**132,676,369**	**2,486,394,012**	**130,719,800**

The ordinary shares carry one vote per share and carry the right to dividends.

Movements in ordinary share capital
2025

Details	**Date**	**Shares**	**Issue Price**	**$**
Balance	1 July 2024	2,486,394,012		130,719,800
Issue of shares	8 October 2024	150,000,000	1.0 cent	788,856
Issue of shares	6 November 2024	103,599,750	1.0 cent	637,388
Issue of share	12 March 2025	148,750,000	0.8 cents	904,906
Issue of shares	10 April 2025	5,475,966	0.8 cents	31,773
Issue of shares	7 May 2025	38,750,000	0.8 cents	243,389
Options exercised	18 June 2025	25,971	2.0 cents	633
Share issue costs		-		(650,376)
Balance	30 June 2025	2,932,995,699		132,676,369

Movements in ordinary share capital
2024

Details	**Date**	**Shares**	**Issue Price**	**$**
Balance	1 July 2023	1,515,195,786		127,281,526
Conversion of notes	5 December 2023	189,867,042	0.34 cents	645,548
Issue of shares	5 December 2023	200,858,399	0.40 cents	803,433
Issue of shares	13 December 2023	304,206,784	0.40 cents	1,216,827
Issue of shares	24 April 2024	49,325,308	0.40 cents	197,301
Issue of shares	6 May 2024	226,940,693	0.40 cents	907,763
Share issue costs		-		(332,598)
Balance	30 June 2024	2,486,394,012		130,719,800

Capital Management
The Management controls the capital of the Group in order to ensure that the Group can fund its operations and continue as a going concern. Management manages the Group's capital by assessing the Group's financial risks and adjusting the capital structure in response to changes in these risks and in the market.

15. Options

	2025 No	2024 No
Balance at beginning of the year	162,107,000	54,852,000
Grant of options	403,287,869	132,800,000
Exercise of options	(25,971)	-
Options lapsed	(75,000,000)	(16,945,000)
Options expired	(39,307,000)	(8,600,000)
Balance at end of financial year	**451,061,898**	**162,107,000**

The following Options were on issue at 30 June 2025:

Tranche	Number	Exercise Price	Expiry Date
Tranche 1 (granted on 20 September 2023)	37,800,000	1.0 cents	19 September 2026
Tranche 2 (granted on 13 November 2023)	85,000,000	1.0 cents	12 November 2026
Tranche 3 (granted on 8 October 2024)	95,000,000	2.0 cents	7 April 2026
Tranche 4 (granted on 23 October 2024)	10,000,000	2.0 cents	22 October 2026
Tranche 5 (granted on 6 November 2024)	51,799,875	2.0 cents	5 May 2026
Tranche 6 (granted on 23 October 2024)	13,000,000	2.0 cents	22 October 2027
Tranche 6 (granted on 29 November 2024)	62,000,000	2.0 cents	28 November 2027
Tranche 6 (granted on 12 March 2025)	74,349,029	2.0 cents	9 October 2026
Tranche 6 (granted on 10 April 2025)	2,737,994	2.0 cents	9 October 2026
Tranche 6 (granted on 7 May 2025)	19,375,000	2.0 cents	9 October 2026
Total	451,061,898		

The following Options were on issue at 30 June 2024:

Tranche	Number	Exercise Price	Expiry Date
Tranche 1 (granted on 10 August 2020)	11,644,500	4.4 cents	9 August 2024
Tranche 2 (granted on 27 November 2020)	18,662,500	4.4 cents	26 November 2024
Tranche 3 (granted on 26 February 2020)	5,000,000	5.0 cents	25 February 2025
Tranche 4 (granted on 5 May 2020)	4,000,000	5.0 cents	4 May 2025
Tranche 5 (granted on 20 September 2023)	37,800,000	1.0 cents	19 September 2025
Tranche 6 (granted on 13 November 2023)	85,000,000	1.0 cents	12 November 2025
Total	162,107,000		

16. Reserves

	Consolidated	
	2025 $	2024 $
Treasury shares	(450,800)	(450,800)
Foreign currency translation reserve	3,413,984	3,448,322
Share based payment reserve	16,814,453	15,064,422
Other reserve	(9,939,836)	(9,939,836)
	9,837,801	**8,122,108**

16. Reserves (cont'd)

16.1 Treasury shares

	Consolidated	
	2025	**2024**
	$	**$**
Value of shares in KALiNA Power Limited (i)	(450,800)	(450,800)
	(450,800)	**(450,800)**

(i) The above represents the value of KALiNA Power Limited shares held by Exergy Inc an associate.

16.2 Foreign currency translation reserve

	Consolidated	
	2025	**2024**
	$	**$**
Balance at beginning of year	3,448,322	3,434,444
Exchange differences arising on translating the net assets of foreign operations (i)	(34,338)	13,878
Balance at end of year	**3,413,984**	**3,448,322**

(i) Exchange differences relating to the translation of the net assets of the Group's foreign operations from their functional currencies to the Group's presentation currency (i.e. Australian dollars) are recognised directly in other comprehensive income and accumulated in the foreign currency translation reserve. Exchange differences previously accumulated in the foreign currency translation reserve are reclassified to profit or loss on the disposal or partial disposal of the foreign operation.

16.3 Share based payments reserve

	Consolidated	
	2025	**2024**
	$	**$**
Balance at beginning of year	15,064,422	14,641,945
Value of options granted (i)	1,750,145	422,477
Value of options exercised	(114)	-
Balance at end of year	**16,814,453**	**15,064,422**

(i) The options are valued using Black-Scholes method

The share based payments reserve arises on the grant of options to directors, employees and consultants under the share plan. Amounts are recognised in accordance with note 2(n). Additionally, value of free options and warrants issued with shares and convertible notes are accounted for in this account. Amounts are transferred out of the reserve and into issued capital when the options are exercised. Further information about share based payment to employees is made in note 26 to the financial statements.

16.4 Other reserve

	Consolidated	
	2025	**2024**
	$	**$**
Balance at beginning of year	(9,939,836)	(9,939,836)
Movements during the year	-	-
Balance at end of year	**(9,939,836)**	**(9,939,836)**

The other reserves represent excess consideration paid in a previous year over the value of the non-controlling interest of KCT Power Ltd and the Company's share holding in New Energy Asia Ltd decreasing by 5.10% in prior years.

16. Reserves (cont'd)

16.5 Non-controlling interest

	Consolidated	
	2025	2024
	$	$
Balance at beginning of year	(11,640,765)	(11,576,113)
Share of profit/(loss) for the year	(29,821)	(68,857)
Movement in foreign exchange values	(8,924)	4,205
Loss of control of subsidiary	324,040	-
Balance at end of year	**(11,355,470)**	**(11,640,765)**

17. Accumulated losses

	Consolidated	
	2025	2024
	$	$
Balance at beginning of year	(129,916,537)	(125,838,548)
Net profit/(loss) attributable to members of the parent entity	(4,673,227)	(4,077,989)
Balance at end of year	**(134,589,764)**	**(129,916,537)**

18. Commitments

Capital commitments

Commitments on account of various site option payments in the next twelve months amounted to $1,070,312 and $447,287 (2024 $1,134,550).within the next two to five years. There are no commitments requiring after five years. The Group had no other capital commitments as at 30 June 2025 (2024: none)

19. Subsidiaries

		Ownership interest	
Name of entity	Country of incorporation	2025 %	2024 %
Parent entity			
KALiNA Power Limited	Australia		
Subsidiaries			
Enhanced Power Technologies Pty Limited (i)	Australia	100	100
Evolution Energy Pty Limited (i)	Australia	50	50
Klamath Hills Geothermal LLC (i)(iii)	USA	-	50.1
New Energy Asia Limited (i)	Cayman Island	75.6	75.6
Pacific Dynasty Limited (i) (ii)	Hong Kong	49.9	49.9
AWO (Shanghai) New Energy Technology Development Co Ltd (i)	China	100	100
KCT Power Limited (i)	United Kingdom	100	100
KALiNA Power North America LLC (i)	USA	100	100
Wasabi Investments UK Limited (i)	United Kingdom	100	100
KALiNA Distributed Power Limited	Canada	100	100
KALiNA Saddle Hills GP Inc. (i)	Canada	100	100
KALiNA Saddle Hills LP (i)	Canada	100	100
Imparator Green Energy Plc (i)	United Kingdom	100	100
Imparator Enerji Limited (i)	Turkey	100	100
Imparator Tuzla Jeotermal Enerji Uretim AS (i)	Turkey	100	100

(i) None of these entities are part of the tax consolidation group.

(ii) Despite holding less than 50% ownership, as NEA controls the board of Pacific Dynasty, NEA therefore controls the operations and dividend distribution of the company. Hence, Pacific Dynasty is considered a subsidiary and accordingly has been consolidated with the group.

(iii) Klamath Hills Geothermal LLC was wound up during the year

20. Cash and cash equivalents

	Consolidated	
	2025	2024
	$	$
Cash and bank balances	**1,523,927**	**255,209**

(i) Reconciliation of (loss)/profit for the period to net cash flows from operating activities

	Consolidated	
	2025	2024
	$	$
Profit/(loss) for the year	**(4,703,048)**	**(4,146,846)**
Equity settled share based payment	87,013	422,477
Depreciation of property, plant and equipment	5,175	9,670
Foreign exchange (gains)/losses	12,398	47,520
Interest income received and receivable	(6,250)	(3,801)
Fair value of equity investment impaired	9,200	-
Loss/(gain) from loss of control of subsidiary	324,851	
Changes in net assets and liabilities:		
(Increase) / decrease in assets:		
Trade and other receivables	34,607	(44,308)
Increase / (decrease) in liabilities:		
Trade and other payables	742,819	(165,476)
Provisions	29,648	16,326
Net cash from/(used in) operating activities	**(3,463,587)**	**(3,864,438)**

21. Financial instruments

Details of the material accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument are disclosed in note 2 to the financial statements.

The Group's capital structure consists of deposits with banks and loans from related parties or other entities.

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern, by maintaining a strong capital base sufficient to maintain future exploration and development of its projects. In order to maintain or adjust the capital structure, the Group may return capital to shareholders, issue new shares, re-negotiate intercompany loan arrangements with its parent or sell assets to provide cash flow.

The Group monitors capital on the basis of the gearing ratio. Neither the Company nor any of its subsidiaries are subject to externally imposed capital requirements.

Risk management policies and procedures are established with regular monitoring and reporting.

21. Financial instruments (Cont'd)

(b) Financial Risk Management

The Group has exposure to various risks from the use of financial instruments. The Group's principal financial instruments comprise cash, receivables, payables and borrowings. This note presents information about the Group's exposure to risk from the use of financial instruments. Further quantitative disclosures are included throughout this financial report.

Financial risks including credit risk, liquidity risk, and market risk (interest rate risk, commodity risk and foreign currency risk) are managed such to maintain an optimal capital structure. The Group does not enter into derivative transactions to manage financial risks.

(c) Credit risk management

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group has adopted a policy of only dealing with credit worthy counterparties and obtaining sufficient collateral, where appropriate. The Group's exposure to credit risk at balance date in relation to each class of financial assets is the carrying amount of the assets net of any impairment provision for those assets as indicated in the Statement of Financial Position. Cash and term deposits are only made with selected counterparties with a strong Standard & Poors long term rating. Adherence to the treasury policy is monitored on a monthly basis.

(d) Liquidity risk management

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to managing liquidity involves monthly cash flow forecasting such to ensure that sufficient funds are always available to undertake planned activities.

Maturity profile of financial instruments

The following tables detail the Company and Group's contractual maturity for its non-derivative financial assets and liabilities. The tables have been drawn up based on the undiscounted cash flows of financial assets and liabilities based on the earliest date on which the Group can be required to pay. The table includes both interest and principal cash flows.

Group

	Weighted Average Effective Interest Rate	Less than 1 month $	1 – 3 months $	3 months to 1 year $	1 -5 years $	5+ years $
2025						
Financial assets						
Other receivables	-	3,689	-	52,675	49,187	-
Financial liabilities						
Trade payables		747,198	128,842	39,715	143,068	-
Other liabilities-current		1,118,217	-	-	-	-
Other payables-non-current	10%	-	-	-	-	2,606,993
2024						
Financial assets						
Other receivables	-	7,914	4,005	94,991	47,728	-
Financial liabilities						
Trade payables		276,302	16,517	157,050		-
Other payables	10%	-	-	-	-	2,423,074

21. Financial instruments (cont'd)

(e) Fair value of financial instruments carried at amortised cost

The directors consider that the carrying amounts of financial assets and financial liabilities recognised at amortised cost in the financial statements approximate their fair values.

Interest rate sensitivity analysis

Financial assets

As at 30 June 2025, the Group held $1,523,927 (2024: $255,209) in cash, cash equivalents and term deposits with interest revenue of $6,250 (2024: $3,814) for the year then ended. A sensitivity of 1% (2024: 1%) has been selected as this is considered reasonable given the current interest rate and prior year movements of interest rate in the market. A 1% (2024: 1%) increase in the cash rate would have resulted in a $8,896 (2024: $4,815) increase in interest revenue and equity. A 1% (2024: 1%) decrease in the cash rate would have resulted in a $8,896 (2024: $4,815) decrease in interest revenue and equity.

Financial liabilities

As at 30 June 2025, the Group's interest bearing other payables amounted to $2,606,993 (2024: $2,423,074). No sensitivity analysis is analyzed as all interest bearing payables carry fixed rate interest.

(f) Foreign currency risk management.

Foreign exchange risk arises when future commercial transactions and recognised assets and liabilities are denominated in a currency that is not the entity's functional currency. The consolidated entity manages foreign currency risk by minimising the amounts of foreign currency required and buying foreign currency only at the time it is required. Trade payables and trade receivables, unsecured secured borrowings listed below are denominated in United States Dollars (USD) British Pounds (GBP) and Canadian Dollars (CAD). Average rate applied during the year $0.647 (2024: $0.656) and reporting date spot rate $0.655 (2024: $0.667) for USD and average rate applied during the year £0.500 (2024: £0.521) and reporting date spot rate £0.478 (2024: £0.527) for GBP, and average rate applied during the year $0.903 (2024: $0.888) and reporting date spot rate $0.894 (2024: $0. 912) for CAD.

Amounts of foreign currency in creditors and debtors	Consolidated	
	2025	**2024**
	$	**$**
Trade Payables (USD)	(4,485)	(8,434)
Other Payables (USD)	(2,606,989)	(2,423,074)
Trade Payable (GBP)	(13,704)	(16,320)
Trade and Other Payable (CAD)	(1,759,821)	(125,770)
Other Receivables (CAD)	56,786	29,996

Movement in USD, CAD and GBP against AUD	**-10%**	**-10%**	**+10%**	**+10%**
	2025	**2024**	**2025**	**2024**
	$	**$**	**$**	**$**
Change in gain/(loss) -USD	(290,165)	(270,169)	237,406	221,045
Change in gain/(loss) -GBP	(1,531)	(1,822)	1,238	1,476
Change in gain/(loss) -CAD	(189,225)	(10,640)	154,822	8,708

The sensitivity of 10% (2024-10%) has been selected as this considered reasonable given the current level of both short term and long term exchange movement for these currencies and the above analysis assumes all other variables remain constant.

22. Key management personnel compensation

Details of Key management personnel

Key management is defined as directors and senior management as referred to in the remuneration report.

i. Key management personnel compensation
The aggregate compensation made to directors and other members of key management personnel of the company and the Group is set out below:

	Consolidated	
	2025	**2024**
	$	**$**
Short-term employee benefits	1,260,395	1,164,981
Share based payment benefits	-	310,318
Post-employment benefits	92,888	79,600
	1,353,283	**1,554,899**

23. Related party transactions

(a) Equity interests in subsidiaries

Details of the percentage of ordinary shares held in subsidiaries are disclosed in note 19 to the financial statements.

(b) Equity interests in associates

Details of interests in associates are disclosed in note 8 to the financial statements.

(c) Transactions with key management personnel

i. Key management personnel compensation

Details of key management personnel compensation are disclosed in note 22 to the financial statements.

ii. Other transactions with key management personnel of the Group

S White, R MacLachlan, T Horgan, M. Jacques, P Littlewood, M Jenkins, R Rosine, K. Thurairasa, are key management personnel of KALiNA Power Ltd. Information regarding the individual key management personnel compensation is provided in the remuneration report section of the directors' report.

- During the year key management personnel participated in a total of $210,000 capital raising via a placement. The shares were issued at $0.008 per share with a free attaching option for every two shares issued. The options are exercisable at $0.02 over a period of 18 months. Details of the amount contributed were Ross MacLachlan $100,000, Stephen White $50,000, Matt Jenkins $30,000 Malcolm Jacques $15,000 and Peter Littlewood $15,000.

- During the year the directors advanced the company $350,250 for working capital management, which was paid back by the company on 7 November 2024 with $8,383 interest at 14% per annum. Details of the loan received, and interest paid are as follows:. Ross MacLachlan $100,000, interest $2,493, Stephen White $30,000, interest $748, Matthew Jenkins $100,250, interest $2,442, Tim Horgan $100,000, interest $2,148, Peter Littlewood $10,000, interest $276, Malcolm Jacques $10,000, interest 276

(d) Transactions with other related parties

Transactions between the Group and its related parties

During the financial year, the following transactions occurred between the Company and its other related parties:

- Mr Yu who is a director of New Energy Asia was owed $941,553 (2024: $877,830). Interest charged at 10% for the year amounted to $48,293 (2024: $47,420). (Note: 13)

(e) Parent entity

The parent entity in the Group is KALiNA Power Limited.

24 Remuneration of auditors

	Consolidated	
	2025 $	2024 $
Audit and review of the financial report HLB Mann Judd	93,080	89,500
Review and lodgment of tax return	10,815	10,500
	103,895	**100,000**

25. Earnings per share

	Consolidated	
	2025 Cents per share	2024 Cents per share
Basic earnings (loss) per share	(0.2)	(0.2)
Diluted earnings (loss) per share	(0.2)	(0.2)

Basic earnings per share

The earnings and weighted average number of ordinary shares used in the calculation of basic earnings per share are as follows:

	2025 $	2024 $
Net (loss)/profit (i)	(4,673,227)	(4,077,989)

(i) Net Loss is the same amount as loss after tax in the statement of comprehensive income attributable to owners of the parent.

	2025 No.	2024 No.
Weighted average number of ordinary shares for the purposes of basic and diluted earnings per share	2,714,060,877	1,945,126,892

Diluted Earnings (Loss) Per Share

The options held by option holders have not been included in the weighted average number of ordinary shares for the purposes of calculating diluted EPS as they do not meet the requirements for inclusion in AASB 133 "Earnings per Share". The options are non-dilutive as they do not reduce loss per share from continuing operations.

26. Share-based payments

For the unlisted options granted during the current financial year, the valuation model inputs used to determine the fair value at the grant date using Black-Scholes model are as follows:

Grant date	Expiry date	Share price at grant date	Exercise price	Expected volatility	Dividend yield	Risk free interest rate	Fair value at grant date $
23/10/2024	22/10/2026	1.1cents	2.0cents	197%	Nil	3.84%	87,013
8/10/2024	7/04/2026	1.3cents	2.0cent	193%	Nil	3.58%	189,639

During the financial year 30,000,000 options were issued to brokers external contractors with a total value of $276,6512.

The following reconciles the outstanding options granted to employees at the beginning and end of the financial year:

	2025		2024	
	Number of rights	Weighted average exercise price	Number of rights	Weighted average exercise price
		cents		cents
Balance at beginning of the financial year	162,107,000	1.0	54,852,000	4.5
Expired during the year	(39,307,000)	4.5	(25,545,000)	3.1
Lapsed during the year	(75,000,000)	2.0	-	-
Granted during the financial year	150,000,000	2.0	132,800,000	1.0
Exercised during the year	-	-	-	-
Balance at end of the financial year (i)	197,800,000	1.4	162,107,000	1.9
Exercisable at end of the financial year	122,800,000	1.0	162,107,000	1.9

(i) Balance at end of the financial year

The share options outstanding at the end of the financial year had an average exercise price of 1.4 cents (2024: 1.9 cents) and average remaining contractual life of 632 days (2024: 678 days).

27. Subsequent Events

Except as noted below, there has not been any matter or circumstance that has arisen since the end of the financial period, that has significantly affected, or may significantly affect, the operations of the company, the results of those operations, or the state of affairs of the company in future financial periods.

- On 4 July 2025, the Company announced its wholly owned subsidiary Kalina Distributed Power (KDP) entered into a transfer agreement with a third part to transfer 180MW assigned by Alberta Electricity System Operator (AESO) Pursuant to the transfer agreement KDP received a non-refundable deposit of C$1m. If the third-party elects to execute demand transmission service (DTS) contract may receive an additional bonus for the transferred MWs

28. Contingent liabilities

The Company supported New Energy Asia Ltd (NEA) by way of financial guarantees of certain liabilities amounting to approximately RMB5,500,000 including in part those related to the building of the Sinopec Hainan plant. The Company has been advised that the Bank of East Asia has obtained a judgement against Shanghai Shenghe New Energy Resources Science and Technology Co. Ltd (SSNE) through proceedings in China for repayment of the Loan. The Company is not a party to these proceedings. It has been agreed with SSNE that the Bank of East Asia loan will be repaid from the payments anticipated to be made by Sinopec. If there are delays in this payment being made to Bank of East Asia the Company may be required to respond to potential proceedings. The directors believe they have grounds to defend possible claims under the guarantees provided and will contest any claim made.

29. Parent entity information

The accounting policies of the parent entity, which have been applied in determining the financial information shown below, are the same as those applied in the consolidated financial statements.
Refer to note 2 for a summary of the material accounting policies relating to the Group.

Financial position

	2025	2024
	$	$
Assets		
Current assets	483,375	339,728
Non-current assets (i)	30,123,586	27,962,689
Total assets	30,606,961	28,302,417
Liabilities		
Current liabilities	732,228	602,896
Non-current liabilities	-	-
Total liabilities	732,228	602,896
Equity		
Issued capital	132,676,369	130,719,800
Accumulated losses	(118,627,482)	(117,096,095)
Reserves		
Equity settled benefits	15,825,846	14,075,816
Total equity	**29,874,733**	**27,699,521**

Financial performance

	Year ended 2025	Year ended 2024
	$	$
(Loss)/Profit for the year	(1,531,387)	(2,393,440)
Other comprehensive income	-	-
Total comprehensive income	**(1,531,387)**	**(2,393,440)**

(i) Relate to investment in and receivables from subsidiaries.

Contingent liabilities of the parent entity

The Company supported New Energy Asia Ltd (NEA) by way of financial guarantees of certain liabilities amounting to approximately RMB5,500,000 including in part those related to the building of the Sinopec Hainan plant. The Company has been advised that the Bank of East Asia has obtained a judgement against Shanghai Shenghe New Energy Resources Science and Technology Co. Ltd (SSNE) through proceedings in China for repayment of the Loan. The Company is not a party to these proceedings. It has been agreed with SSNE that the Bank of East Asia loan will be repaid from the payments anticipated to be made by Sinopec. If there are delays in this payment being made to Bank of East Asia the Company may be required to respond to potential proceedings. The directors believe they have grounds to defend possible claims under the guarantees provided and will contest any claim made.

Commitments for the acquisition of property, plant and equipment by the parent entity

There were no commitments to acquire any property, plant and equipment by the parent at the end of the financial year.

Kalina Power Limited

Consolidated entity disclosure statement as at 30 June 2025

Basis of preparation

This consolidated entity disclosure statement has been prepared in accordance with the s295(3A) of the *Corporations Act 2001* and includes the required information of Kalina Power Limited and the entities it controls in accordance with AASB 10 *Consolidated Financial Statements.*

Tax residency

S295(3A)(vi) of the *Corporations Act 2001* defines tax residency as having the meaning in the *Income Tax Assessment Act 1997.* The determination of tax residency may involve judgement as there are different interpretations that could be adopted and which could give rise to different conclusions regarding residency.

In determining tax residency, the consolidated entity has applied the following interpretations.

Australian tax residency

Current legislation and judicial precedent have been applied, including having regard to the Tax Commissioner's public guidance tax ruling TR 2018/15.

Foreign tax residency

Where appropriate, independent tax advisors have been engaged to assist in the determination of tax residency to ensure applicable foreign tax legislation has been complied with.

Trusts and partnerships

Australian tax law generally does not contain residency test for trusts and partnerships and these entities are typically taxed on a flow-through basis. Additional disclosures regarding the tax status of trusts and partnerships have been included where relevant.

Name of entity	Entity type	Trustee, partner, or participant in joint venture	Country of incorporation	% of share capital	Australian or foreign tax resident	Foreign jurisdiction of foreign residents
KALiNA Power Ltd	Body Corporate	n/a	Australia		Australian	n/a
Enhanced Power Technologies Pty Ltd	Body Corporate	n/a	Australia	100	Australian	n/a
Evolution Energy Pty Ltd	Body Corporate	n/a	Australia		Australian	n/a
New Energy Asia Ltd	Body Corporate	n/a	Cayman Island	75.6	Foreign	Cayman Island
Pacific Dynasty Ltd	Body Corporate	n/a	Hong Kong	49.9	Foreign	Hong Kong
AWO (Shanghai) New Energy Technology Development Co Ltd	Body Corporate	n/a	China	100	Foreign	China
KCT Power Ltd	Body Corporate	n/a	United Kingdom	100	Foreign	United Kingdom
KALiNA Power North America LLC	Body Corporate	n/a	USA	100	Foreign	USA
Wasabi Investments UK Ltd	Body Corporate	n/a	United Kingdom	100	Foreign	United Kingdom
KALiNA Distributed Power Ltd	Body Corporate	n/a	Canada	100	Foreign	Canada
KALiNA Saddle Hills GP Inc.	Body Corporate	n/a	Canada	100	Foreign	Canada
KALiNA Saddle Hills Limited Partnership	Partnership	Participant in JV	Canada	100	Foreign	Canada
Imparator Green Energy Plc	Body Corporate	n/a	United Kingdom	100	Foreign	United Kingdom
Imparator Enerji Ltd	Body Corporate	n/a	Turkey	100	Foreign	Turkey
Imparator Tuzla Jeotermal Enerji Uretim AS	Body Corporate	n/a	Turkey	100	Foreign	Turkey

Directors' declaration

The directors declare that:

(a) in the directors' opinion, there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable based on the factors outlined in note 2 going concern of the financial statements.

(b) in the directors' opinion, the attached financial statements are in compliance with International Financial Reporting Standards, as stated in note 2 to the financial statements.

(c) in the directors' opinion, the attached financial statements and notes thereto are in accordance with the *Corporations Act 2001*, including compliance with Australian Accounting Standards and giving a true and fair view of the financial position as at 30 June 2025, and performance of the consolidated entity for the year then ended, and

(d) the directors have been given the declarations required by s.295A of the *Corporations Act 2001* from the Chief Executive Officer and Chief Financial Officer.

(e) in the directors' opinion, the attached consolidated entity disclosure statement required by Section 295 (3A) of the *Corporations Act 2001* is true and correct.

Signed in accordance with a resolution of the directors made pursuant to s.295 (5)(a) of the *Corporations Act 2001*.

On behalf of the Directors

Timothy Horgan
Executive Director

Melbourne, 30 September 2025

HLB MANN JUDD
ADVISORY AND ACCOUNTING

Independent Auditor's Report to the Members of Kalina Power Limited

REPORT ON THE AUDIT OF THE FINANCIAL REPORT

Opinion

We have audited the financial report of Kalina Power Limited ("the Company") and its controlled entities ("the Group"), which comprises the consolidated statement of financial position as at 30 June 2025, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information, the consolidated entity disclosure statement and the directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

(a) giving a true and fair view of the Company's and the Group's financial position as at 30 June 2025 and of their financial performance for the year then ended; and

(b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Company and the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* ("the Code") that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report. s

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Regarding Going Concern

We draw attention to Note 2 *Going Concern* in the financial report, which indicates that as at 30 June 2025 the Group had an excess of current liabilities over current assets of $833,243. The Group also incurred an operating loss for the year ended 30 June 2025 of $4,703,048 and an operating cash outflow of $3,463,587. These events or conditions, along with other matters outlined in Note 2 *Going Concern*, indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

HLB MANN JUDD

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the *Material Uncertainty Related to Going Concern* section, we have determined the matters described below to be the key audit matters to be communicated in our report.

Key Audit Matter	How our audit addressed the key audit matter
Recognition of contract liability with respect to deposit received Refer to Notes 2 and 11 of the Financial Statements	
The Group received a deposit in relation to the planned transfer of Assigned Megawatts held by its Canadian-based subsidiary. In accordance with AASB 15 *Revenue from Contracts with Customers*, the Group identified a performance obligation associated with the deposit, resulting in its classification as a contract liability as at 30 June 2025. This matter was considered significant to our audit due to the materiality of the liability and the judgement involved in identifying and assessing the performance obligations under the agreement. There is a risk that the contract liability may have been incorrectly classified in the financial report.	Our procedures included but were not limited to: • Evaluating management's assessment of the agreement and the identification of performance obligations under AASB 15. • Reviewing the terms of the agreement to assess whether a performance obligation exists. • Confirming receipt of the deposit. • Assessing whether any identified performance obligations had been satisfied as at balance date. • Evaluating the appropriateness of the classification of the deposit as a contract liability at year end. • Assessing whether adequate financial statement disclosure had been made in accordance with the requirements of AASB 15.

Information Other than the Financial Report and Auditor's Report Thereon

The directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2025, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

HLB MANN JUDD

Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of:

(a) the financial report (other than the consolidated entity disclosure statement) that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001*; and
(b) the consolidated entity disclosure statement that is true and correct in accordance with the *Corporations Act 2001*, and

for such internal control as the directors determine is necessary to enable the preparation of:

(i) the financial report (other than the consolidated entity disclosure statement) that gives a true and fair view and is free from material misstatement, whether due to fraud or error; and
(ii) the consolidated entity disclosure statement that is true and correct and is free of misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's or Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company or the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

REPORT ON THE REMUNERATION REPORT

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 13-18 of the directors' report for the year ended 30 June 2025.

In our opinion, the Remuneration Report of the Group for the year ended 30 June 2025 complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

HLB Mann Judd

HLB Mann Judd
Chartered Accountants

Nick Walker
Partner

Melbourne
30 September 2025

Additional information required by the Australian Stock Exchange Listing Rules and not disclosed elsewhere in this report as at 26 September 2025.

Twenty largest Shareholders

	Shareholder		% of Issued Capital
1	SINALUNGA PTY LTD <THE SINALUNGA A/C>	*	16.05
2	MR JOHN ROSS MACLACHLAN		4.41
3	CARPE DIEM ASSET MANAGEMENT PTY LTD <LOWE FAMILY A/C>		2.25
4	PAN ANDEAN CAPITAL PTY LTD		1.78
5	WFC NOMINEES AUSTRALIA PTY LTD		1.73
6	INVIA CUSTODIAN PTY LIMITED <C J B & C HORGAN A/C>		1.70
7	INVIA CUSTODIAN PTY LIMITED <CORNELIUS J B HORGAN A/C>		1.63
8	THIRTY SIXTH VILMAR PTY LTD		1.61
9	CAVE GLEN PTY LTD <SANDRA WISE SUPER FUND A/C>		1.55
10	MR TIMOTHY PATRICK KEOGH + MRS LILIAN MAY KEOGH <KEOGH FAMILY A/C>		1.52
11	SASSEY PTY LTD <SASSEY A/C>		1.36
12	KEO PROJECTS PTY LTD <SUPERANNUATION FUND A/C>		1.35
13	LIGHTGLOW ENTERPRISES PTY LTD <PALOMA INVESTMENTS A/C>		1.31
14	MR BORIS PATKIN		1.26
15	MR STEPHEN WHITE		1.25
16	MR PATRICK ROMAN GALICKI		1.25
17	BNP PARIBAS NOMINEES PTY LTD <IB AU NOMS RETAILCLIENT>		1.13
18	CITICORP NOMINEES PTY LIMITED		1.11
19	FLUE HOLDINGS PTY LTD		1.07
20	MR MILES HENRY SCOTSON		1.02

* Significant Shareholder of the Company

Distribution of shareholdings

Range	Total holders	Units	% Units
1 - 1,000	1,904	291,226	0.01
1,001 - 5,000	173	364,157	0.01
5,001 - 10,000	37	287,443	0.01
10,001 - 50,000	328	8,849,178	0.30
50,001 - 100,000	168	13,293,423	0.45
100,001 Over	736	2,909,910,272	99.22
Total	**3,346**	**2,932,995,699**	**100.00**

The number of shareholders holding less than a marketable parcel is 2,382

Voting Rights

All shares carry one vote per share without restriction

On Market Buy-back

There is no current on market buy-back

Restricted Securities

The Company does not have any restricted securities on issue.