



Kiland Limited

ASX code: KIL

ABN 19 091 247 166

Quarterly Activities Report and Appendix 4C

For the quarter ended

30 September 2021

Quarterly Activities Report

For the quarter ended 30 September 2021

Highlights

Since last 4C quarterly

- **Board changes**
- **Agricultural strategy / change of name and ASX code**
- **Performance rights plan / Directors' incentive scheme**
- **Share buy-back**

Board Changes

On 13 July 2021 the Company appointed two new non-executive directors to the Board, Mr James Davies and Mr Mitch Taylor. The appointment of Mr Davies and Mr Taylor was approved by shareholders at the 25 October 2021 Annual General Meeting.

Mr Gregory Boulton AM resigned as a director, effective 21 September 2021.

Ms Shauna Black resigned as an Executive Director, effective 30 September 2021 and retired from the Board at the 2021 Annual General Meeting on 25 October 2021.

Managing Director Mr Keith Lamb retired from the Company Board at the conclusion of the 2021 Annual General Meeting on 25 October 2021 and retired as a company officer on 29 October 2021.

Mr James Davies was appointed as Executive Chairman, effective at the conclusion of the 2021 Annual General Meeting on 25 October 2021. Former Chairman, Mr Paul McKenzie remains on the Board as a Non-Executive Director.

Agricultural strategy / change of name and ASX code

On 11 August 2021, the Company announced a strategy to remove the tree crop and convert its land for more traditional agricultural use. The directors see no prospect of recovering the losses on the tree-crop but will continue to pursue any salvage harvest opportunities, particularly for the softwood plantations, if the contribution to tree removal and site clean-up presents an attractive risk adjusted return to shareholders.

Reflecting the change in strategy, at the 25 October 2021 Annual General Meeting, shareholders approved a change in the name of the company from Kangaroo Island Plantation Timbers Ltd to Kiland Limited.

On 27 October 2021 the Company's ASX ticker changed to "KIL" from "KPT".

The new strategy has resulted in several material changes to company activities.

During August 2021, Group Executives involved with the approvals and construction of the proposed seaport at Smith Bay, Mr Lockett and Mr Braggs, together with Mr Heathcote who oversaw the forestry operations (including harvesting) ceased to be employed by the Company.

On 12 August, the Company issued a termination notice to property manager PF Olsen due to the change in business circumstances. The termination notice is subject to a (maximum) six-month work-out period.

On 27 August 2021, the Company issued redundancies to eight island employees, as the forestry work was discontinued.

Quarterly Activities Report

For the quarter ended 30 September 2021

On 31 August 2021 the salvage of softwood (pine) was discontinued and a variation issued to the harvest contractor to commence felling to waste certain areas of the hardwood estate that had received fire in 2018 and in 2020.

On 31 August 2021 the Company posted a Request for Proposals – Agriculture Opportunity, for interested parties to register their interest for the following work:

- clearing 14,500 hectares of timberlands;
- disposal or removal of timber and biomass;
- site preparation including pasture, water infrastructure and fencing; and
- development and / or operation of agricultural operations.

The Request for Proposals closed on 17 September 2021. The Company received a large number of responses, which it is currently assessing.

On 21 September 2021, the Federal and State Governments announced that the Construction Softwood Transport Assistance Program would be made available to salvage logs from Kangaroo Island capable of producing structural timber. The amount available is \$15.1 million and is available for sea freight and land transport. The funding is directed towards domestic sawmills, in South Australia and potentially other states, as a rebate against logs procured from Kangaroo Island. The Company is now engaging with prospective customers that could potentially access the funding arrangement. The financial impact to the Company is currently unclear but could be modestly positive.

Performance rights plan / Directors' Incentive Scheme

On 13 September 2021, the Company announced that the Board had determined that the Performance Rights Plan approved by Shareholders on 21 November 2019 be withdrawn. The Performance Rights approved by Shareholders on 28 October 2020 and issued on 1 July 2021 therefore lapsed with immediate effect.

At the 25 October 2021 Annual General Meeting, shareholders approved a new Directors' Incentive Scheme and the issue of new performance rights for the three-year period ending 30 June 2024 to Mr James Davies and Mr Paul McKenzie.

Share buy-back

On 12 August 2021, the Company issued an on-market share buy-back notification for up to 10% of the Company's issued share capital, being 5,648,035 shares, under the ASX 10/12 rule. The buy-back commenced on 27 August 2021 and closed on 20 September 2021. The total number of shares bought back was 5,647,022 for \$6,710,343. The shares were cancelled on 28 September 2021.

At the 25 October 2021 Annual General Meeting, shareholders approved an On-Market Buy-Back of up to 20% of securities on issue and an Off-Market Buy-Back of up to 20% of securities on issue.

Covid-19

As reported previously, while the Company acknowledges the trauma created by Covid-19 to the regional community of Kangaroo Island and national economy, neither the restrictions imposed by State and Federal governments nor the virus itself has adversely affected Company employees or operations. The Company continues to monitor government directives and health advice, and updates its protocols and procedures accordingly.

The Company's Covid-19 compliance plan extends to the construction and harvesting operations outlined above.

Quarterly Activities Report

For the quarter ended 30 September 2021

Securities on issue

At quarter end and as at the date of this report, the securities on issue included:

Ordinary Shares on issue

	Number of Ordinary Fully paid Shares
As at 30 June 2021	56,480,359
Share buy-back	(5,647,022)
At 30 September 2021 and at the date of this report	50,833,337

Payments to Related Parties

During the quarter ended 30 September 2021, the Company paid \$507,287 to related parties of the entity. This amount consisted of executive and non-executive Directors' fees of \$176,875 and payments to other key management personnel and their related parties of \$330,412.

Appendix 4C

Appendix 4C, as required by Listing Rule 4.7B, for the quarter ending 30 September 2021 is attached to this report.

Cash and cash equivalents

The cash and cash equivalents at 30 September 2021 amounted to \$24,898,000.

Loan facilities

At 30 September 2021, the Company had no loan facilities.

Signed on authority of the Board of Kiland Limited



Ms Vicky Allinson
Company Secretary
Date: 29 October 2021

Appendix 4C

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

Name of entity

KILAND LIMITED

ABN

19 091 247 166

Quarter ended ("current quarter")

30 SEPTEMBER 2021

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (3 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	495	495
1.2 Payments for		
(a) research and development	-	-
(b) product manufacturing and operating costs – plantation and harvesting costs	(1,390)	(1,390)
(c) advertising and marketing	-	-
(d) leased assets	-	-
(e) staff costs	(191)	(191)
(f) administration and corporate costs	(456)	(456)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	9	9
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid – R&D Refund	-	-
1.7 Government grants and tax incentives	1,443	1,443
1.8 Other (provide details if material)		
Insurance Proceeds	-	-
Wharf Development	(101)	(101)
1.9 Net cash from / (used in) operating activities	(191)	(191)

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
2.	Cash flows from investing activities		
2.1	Payments to acquire:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	(730)	(730)
	(d) investments	-	-
	(e) intellectual property	-	-
	(f) other non-current assets	-	-
2.2	Proceeds from disposal of:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) intellectual property	-	-
	(f) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	Net cash from / (used in) investing activities	(730)	(730)
3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	(9)	(9)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other - Share buy-back	(6,907)	(6,907)
3.10	Net cash from / (used in) financing activities	(6,916)	(6,916)

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	32,735	32,735
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(191)	(191)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(730)	(730)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(6,916)	(6,916)
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	24,898	24,898

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	24,898	32,735
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	24,898	32,735

6. Payments to related parties of the entity and their associates

- 6.1 Aggregate amount of payments to related parties and their associates included in item 1
- 6.2 Aggregate amount of payments to related parties and their associates included in item 2

Current quarter \$A'000
505
2

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments

6.1 payments relate to:

- Executive & Non-Executive Directors' fees \$177k;
- KMP salaries and fees \$328k; and
- Other related parties \$Nil

6.2 payments relate to:

- Executive & Non-Executive Directors' fees \$Nil;
- KMP salaries and fees \$2k; and
- Other related parties \$Nil

7. Financing facilities

Note: the term "facility" includes all forms of financing arrangements available to the entity.

Add notes as necessary for an understanding of the sources of finance available to the entity.

	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
7.1 Loan facilities	-	-
7.2 Credit standby arrangements	-	-
7.3 Other (please specify)	-	-
7.4 Total financing facilities	-	-

7.5 **Unused financing facilities available at quarter end** -

7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (Item 1.9)	(191)
8.2 Cash and cash equivalents at quarter end (Item 4.6)	24,898
8.3 Unused finance facilities available at quarter end (Item 7.5)	-
8.4 Total available funding (Item 8.2 + Item 8.3)	24,898
8.5 Estimated quarters of funding available (Item 8.4 divided by Item 8.1)	130

8.6 If Item 8.5 is less than 2 quarters, please provide answers to the following questions:

1. Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?

Answer: n/a see 8.5

2. Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?

Answer: n/a see 8.5

3. Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer: n/a see 8.5

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

29 October 2021

Date:

By authority of the Board

Authorised by:

(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – e.g. Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.