



Kiland Limited (ASX: KIL)  
Non-renounceable rights issue  
Investor Presentation

29 March 2022

# Important information and disclaimer

This investor presentation (**Presentation**) has been prepared by Kiland Ltd (ACN 091 247 166) (**Kiland**) and is dated 29 March 2022. This Presentation has been prepared in relation to a proposed capital raising comprising a fully underwritten pro rata accelerated non-renounceable entitlement offer (**Entitlement Offer**) of new fully paid ordinary shares in Kiland (**New Shares**). The Entitlement Offer is to be made under section 708AA of the *Corporations Act 2001* (Cth) (**Corporations Act**) as modified by Australian Securities and Investments Commission (**ASIC**) Corporations (Non-Traditional Rights Issues) Instrument 2016/84. The Entitlement Offer will be made to:

- eligible institutional shareholders of Kiland and other eligible institutional investors (**Institutional Entitlement Offer**); and
- eligible retail shareholders of Kiland (**Retail Entitlement Offer**).

The following notice and disclaimer applies to this Presentation and you are therefore advised to read it carefully before reading or making any other use of this Presentation or any information contained in this Presentation. By accepting this Presentation, you represent and warrant that you are entitled to receive this Presentation in accordance with the restrictions, and agree to be bound by the limitations, contained within it.

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This Presentation contains summary information about Kiland and its subsidiaries (the **Group**) and their respective activities which is current as at the date of this Presentation. The information in this Presentation is of a general nature and does not purport to be complete, nor does it contain all the information which a prospective investor may require in evaluating a possible investment in Kiland or that would be required in a prospectus, product disclosure statement or other disclosure document prepared in accordance with the requirements of the Corporations Act. This Presentation should be read in conjunction with Kiland's other periodic and continuous disclosure announcements lodged with the ASX, which are available at [www.asx.com.au](http://www.asx.com.au).

## Market and industry data

Certain market and industry data used in connection with this Presentation may have been obtained from research, surveys or studies conducted by third parties, including industry or general publications. None of Kiland, its representatives or advisers have independently verified any such market or industry data provided by third parties or industry or general publications.

## Not an offer

This Presentation is for information purposes only and is not a prospectus, disclosure document, product disclosure statement or other offering document under Australian law or any other law (and will not be lodged with ASIC). This Presentation is not and should not be considered an invitation or offer to acquire New Shares or any other financial products.

The Retail Entitlement Offer will be made on the basis of the information to be contained in the retail offer booklet to be prepared for eligible retail shareholders in Australia and New Zealand (**Retail Offer Booklet**), and made available following its lodgement with ASX. Any eligible retail shareholder in Australia and New Zealand who wishes to participate in the Retail Entitlement Offer should consider the Retail Offer Booklet before deciding whether to apply under the Retail Entitlement Offer. Anyone who wishes to apply for New Shares under the Retail Entitlement Offer will need to apply in accordance with the instructions contained in the Retail Offer Booklet and the entitlement and application form.

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# Important information and disclaimer

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This Presentation does not constitute investment or financial product advice (nor tax, accounting or legal advice) nor any recommendation to acquire New Shares. Each recipient of the Presentation should make its own enquiries and investigations regarding all information in this Presentation including but not limited to the assumptions, uncertainties and contingencies which may affect future operations of Kiland and the impact that different future outcomes might have on the Group. Information in this Presentation is not intended to be relied upon as advice to investors or potential investors and has been prepared without taking account of any person's individual investment objectives, financial situation or particular needs. Before making an investment decision, prospective investors should consider the appropriateness of the information having regard to their own objectives, financial situation and needs and seek appropriate advice, including financial, legal, accounting and taxation advice appropriate to their jurisdiction. Kiland is not licensed to provide financial product advice in respect of the New Shares. Cooling off rights do not apply to the acquisition of New Shares under the Entitlement Offer.

## Investment risk

An investment in New Shares is subject to known and unknown risks, some of which are beyond the control of the Group. Kiland does not guarantee any particular rate of return or the performance of the Group, nor does it guarantee any particular tax treatment. Persons should have regard to the risk factors outlined in Appendix A of this Presentation.

## Financial data

All references to dollar values, cents, \$, AUD, or A\$ in this Presentation are to Australian dollars (**A\$**), unless otherwise stated.

This Presentation contains certain financial information as at 31 December 2021, being:

- the historical consolidated balance sheet as at 31 December 2021 (the **Historical Financial Information**); and
- the pro forma consolidated balance sheet as at 31 December 2021 assuming completion of the Offer (net of Kiland's associated after-tax transaction costs) (the **Pro Forma Historical Financial Information**).

The Historical Financial Information and the Pro Forma Historical Financial Information are collectively referred to as **Financial Information**. The Financial Information has been included in this Presentation in relation to the Entitlement Offer and should not be used for any other purpose.

The Historical Financial Information was derived from the consolidated financial statements of Kiland for the half year ended 31 December 2021, which were reviewed by the Company auditors, Grant Thornton Audit Pty Ltd in accordance with Australian Auditing Standards, and on which an unqualified opinion was issued. The Historical Financial Information has been prepared using the recognition and measurement requirements of Australian Accounting Standards (**AAS**).

The Pro Forma Historical Financial Information has been derived from the historical consolidated balance sheet as at 31 December 2021, and adjusted for pro forma adjustments relating to the Offer less associated after-tax transaction costs as if they had occurred as at 31 December 2021. The Pro Forma Historical Financial Information has been prepared by Kiland in accordance with the measurement and recognition requirements of AAS other than it includes adjustments which have been prepared in a manner consistent with AAS that reflect the impact of certain transactions as if they had occurred as at 31 December 2021.

The Financial Information is presented in an abbreviated form insofar as it does not include all the presentation and disclosures, statements or comparative information as required by the AAS, the International Financial Reporting Standards (including the interpretations of the International Financial Reporting Interpretations Committee) (**IFRS**) and other mandatory professional reporting requirements applicable to general purpose financial reports prepared in accordance with the Corporations Act. The Pro Forma Historical Financial Information provided in this presentation is for illustrative purposes only and is not represented as being indicative of Kiland's views on its, nor anyone else's, future financial condition and/or performance.

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# Important information and disclaimer

## **Effect of rounding**

Several figures, amounts, percentages, estimates and calculations of value in this Presentation are subject to the effect of rounding.

## **Forward-looking statements and forecasts**

This Presentation contains certain “forward-looking statements” that are based on management's beliefs, assumptions and expectations and on information currently available to management. Forward looking statements can generally be identified by the use of forward looking words such as, “expect”, “anticipate”, “likely”, “intend”, “should”, “could”, “may”, “predict”, “plan”, “propose”, “will”, “believe”, “forecast”, “estimate”, “target”, “outlook”, “guidance” and other similar expressions within the meaning of securities laws of applicable jurisdictions. Such forward looking statements include statements regarding the timetable, conduct and outcome of the Entitlement Offer and the use of proceeds thereof, statements about the plans, objectives and strategies of the management of the Group, statements about the markets in which the Group operates and statements about the future performance of the Group's businesses. Indications of, and guidance or outlook on, future earnings or financial position or performance, future earnings and distributions are also forward looking statements.

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There can be no assurance that actual outcomes will not differ materially from these forward looking statements. Several important factors could cause actual results or performance to differ materially from the forward looking statements, including (without limitation) the risks and uncertainties associated with the ongoing impacts of COVID-19, the war in Ukraine and associated global sanctions, the Australian and global economic environment and capital market conditions and other risk factors set out in this Presentation. Other risks may materially affect the future performance of Kiland and the price of Kiland's shares. Additional risks and uncertainties not presently known to management or that management currently believe not to be material may also affect Kiland's business. Accordingly, no assurances or guarantees of future performance, profitability, distributions, or returns of capital are given by Kiland or any other person. Investors should consider the forward looking statements contained in this Presentation in light of those risks and disclosures. The forward looking statements are based on information available to Kiland as at the date of this Presentation.

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## **Past performance**

This Presentation contains a pro forma consolidated historical balance sheet. Past performance and pro forma historical financial information given in this Presentation is given for illustrative purposes only and should not be relied upon as (and is not) an indication of the Group's views on its future financial performance or condition. Investors should note that past performance, including past share price performance, of Kiland cannot be relied upon as an indicator of (and provides no guidance as to) future Kiland performance including future share price performance. The historical financial information contained in this Presentation is, or is based on, information that has previously been released to the market.

The information in this Presentation has been obtained from or based on sources believed by Kiland to be reliable.

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## Disclaimer

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The Underwriter and its advisers, and their respective Beneficiaries, make no recommendations as to whether you or your related parties should participate in the Entitlement Offer nor do they make any representations or warranties to you concerning the Entitlement Offer. You represent, warrant and agree that you have not relied on any statements made by the Underwriter, its advisers, or any of their respective Beneficiaries in relation to the Entitlement Offer. You further expressly disclaim that you are in a fiduciary relationship with any of Kiland, the Underwriter or their advisers or any of their respective Beneficiaries.

To the maximum extent permitted by law, you agree to release and indemnify Kiland, the Underwriter and their respective advisers from and against all claims, actions, damages, remedies or other matters, whether in tort, contract or under law or otherwise, arising from or which may arise from or in connection with the provision of, or any purported reliance on, this Presentation and you covenant that no claim or allegations will be made against any of them in relation to this Presentation.

You acknowledge and agree that determination and eligibility of investors for the purposes of all or any part of the Entitlement Offer is determined by reference to a number of several matters, including legal and regulatory requirements and the discretion of Kiland and the Underwriter. You further acknowledge and agree that Kiland and the Underwriter and their respective Beneficiaries exclude and expressly disclaim any duty or liability (including for negligence) in respect of the exercise of that discretion, to the maximum extent permitted by law.

The Underwriter may have interests in the securities of Kiland, including by providing corporate advisory services to Kiland. Further, the Underwriter may act as market maker or buy or sell those securities or associated derivatives as principal or agent. The Underwriter may receive fees for acting in its capacity as underwriter to the Entitlement Offer.

Statements made in this Presentation are made only as at the date of this Presentation. Neither the Underwriter, nor any of its or Kiland's respective advisers nor any of their respective Beneficiaries have any obligation to update statements in this Presentation. The information in this Presentation remains subject to change without notice.

Kiland reserves the right to withdraw the Entitlement Offer or vary the timetable for the Entitlement Offer without notice. All references to time are to AEST, unless otherwise indicated.

## Acknowledgement and representation and warranty

By attending or receiving this Presentation you acknowledge and agree that you understand the contents of this notice and that you agree to abide by its terms and conditions. By attending or receiving this Presentation you further agree, irrevocably and unconditionally, to submit to the non-exclusive jurisdiction of the courts of New South Wales, in respect of any disputes, actions, suits or proceedings arising out of, or relating to, this Presentation.

# Capital raise rationale

Kiland is undertaking an underwritten equity raising of \$32.4m via an accelerated pro-rata non-renounceable entitlement offer. Proceeds will be used to fund a forestry to agriculture reversion development on Kangaroo Island.

- On 11 August 2021, Kiland announced a new agricultural strategy to remove the treecrop and convert its Kangaroo Island land for more traditional agricultural use. Also on 11 August 2021, Kiland announced James Davies would transition to the role of Executive Chairman to oversee the new strategy.
- Since adopting the agricultural strategy, Kiland has bought-back 10,205,133 ordinary shares and is pleased to have provided liquidity to shareholders in light of the change of strategy away from forestry.
- Following a public tender process, Kiland appointed AAGIM Investment Management Pty Ltd ("AAGIM") as Property Manager for its Kangaroo Island estate on 7 January 2022. Kiland is delighted to partner with AAGIM and consequently will now develop its Kangaroo Island landholding into a top tier institutional-grade agricultural estate.
- Since appointment, AAGIM and other independent consultants have prepared various options for the development of Kiland's Kangaroo Island estate.
- The capital required to implement these options varied based on factors including time to reversion, extent of reversion, stocking considerations, farm infrastructure requirements, and the relative value of utilising sub-contractors with leased equipment or purchasing equipment and operating outright.
- Upon consideration and consultation with AAGIM, the Board has determined to undertake a more capital intensive reversion strategy focused on high intensity sheep meat production. The Board believes this offers superior economics and a more desirable risk / reward.
- Upon completion of the capital raise, the Kiland Board expects Kiland to have sufficient liquidity to fund the anticipated equity component of this strategy. Additional debt funding is also being sought from Australian banks (see slide 14).



# Agricultural strategy

Kiland is developing its Kangaroo Island estate into a high rainfall, large-scale agricultural enterprise.

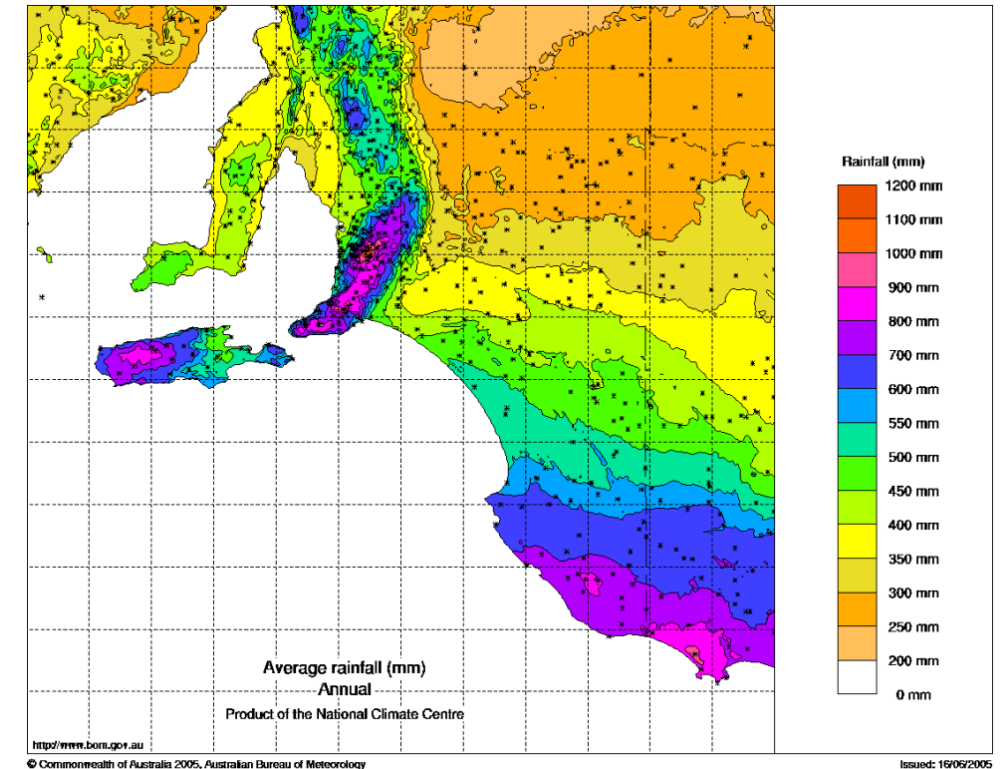
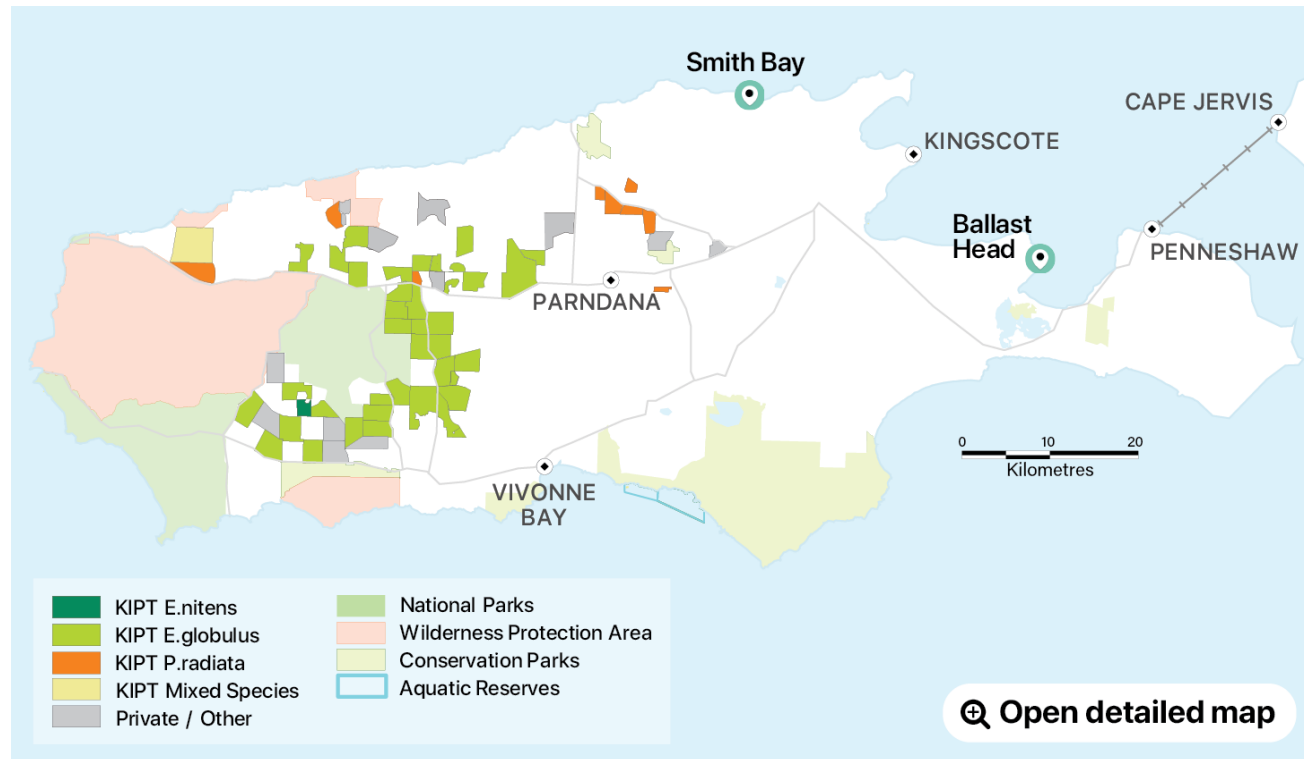
- Following the announcement of this new strategy, Kiland conducted a public tender process to: remove the current tree crop; dispose of biomass; design and develop farm infrastructure; and operate as an agricultural enterprise.
- The Kiland Board considers forestry reversion as tried and tested. Since 2008, an estimated 250,000 Ha of former Australian forestry plantations have been reverted to agriculture.
- Approximately 50 parties responded to the tender, offering a range of capabilities. AAGIM was appointed as manager on 7<sup>th</sup> January 2022. Key terms of AAGIM's incentive arrangements accompanied that announcement.
- Founded in 1997, AAGIM is a leading private account and direct investment manager focussed on the Australian farmland sector. Over the past 11 years AAGIM have managed the reversion of over 100,000 hectares of forestry-to-agriculture farmland improvement including harvest, land improvement, farm design and management of ongoing agricultural operations.
- Initial reversion preparation is currently underway. Major redevelopment activities are expected commence by July 2022, with the support of funds raised pursuant to this capital raising.



AAG  
Investment  
Management

# Kiland's core asset

Kiland's Kangaroo Island landholding is unique in its scale and rainfall, comprising 18,662 hectares of arable land with >750mm average annual rainfall and significant carrying capacity.



- 14,433 Ha of land currently under plantation forestry, the overwhelming majority of which was severely impacted by fire in early 2020 and is uncommercial. 4,229 hectares of further arable land.
- 6,932 hectares of native vegetation.



# Development opportunity

Kiland is proposing to develop the estate into a sheep meat farming enterprise of global significance. Kiland aims to produce a large scale, high rainfall and high productivity farm with unique Kangaroo Island provenance.



**Left:** mature blue gum plantation.

**Right:** remediated paddock ready for first sowing, May 2020. Harvested November 2019, stumps ground March 2020.

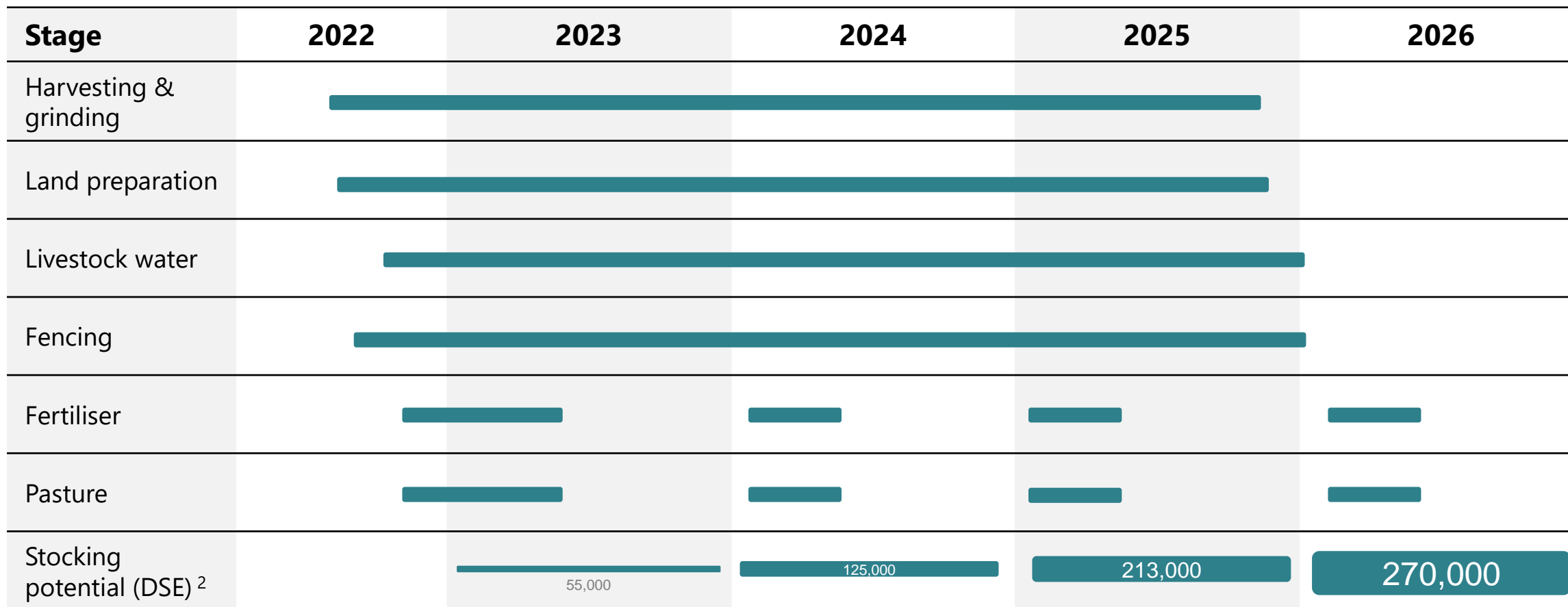
**Location:** Western Victoria.

This project was developed by Kiland's Property Manager AAGIM.

Kangaroo Island's historically high rainfall and reliable climate provides for attractive growing conditions. Soil, rain and weather analysis on Kiland's estate indicates an expected average carrying capacity of 13-16 Dry Sheep Equivalent ("DSE") per Ha across the end estate.

# Expected remediation timeline<sup>1</sup>

Progressive remediation is expected to result in agricultural productivity building over time.



<sup>1</sup> Timetable is indicative only and subject to change.

<sup>2</sup> Assumes total expected potential DSE capacity of 270,000 or 14.5 DSE/Ha across Kiland's 18,662Ha estate. Actual DSE capacity may vary significantly.

# Multi-operational Master Plan

Large scale reversion activities are expected to commence by July 2022 and last for 4-6 years. The redevelopment is expected to create 50 full time employment opportunities on Kangaroo Island.

Major Works Plan	Works Required	Estimate of indicative gross funding requirement <sup>1</sup>	
		\$m	\$/DSE <sup>2</sup>
Harvest, biomass removal and land preparation	<ul style="list-style-type: none"> <li>Harvest of damaged tree crop utilising traditional harvesting methods</li> <li>Removal of stumps by stump grinding supported by high-resolution drone mapping and auto-steering grinders</li> <li>Cultivation of land with forestry rakes and discs to create a level seed bed</li> <li>Responsible disposal of biomass</li> </ul>	16	59
Land improvement	<ul style="list-style-type: none"> <li>Site preparation for agricultural activity including additional secondary cultivation</li> <li>Seeding, fertilising for the establishment of crop and pasture</li> </ul>	36	133
Development of going concern sheep meat farm enterprise	<ul style="list-style-type: none"> <li>Develop farm infrastructure including fencing, stock yards, sheds and housing</li> <li>Acquire and operate traditional farm equipment</li> <li>Develop additional water infrastructure and shelterbelts capable of increasing land carrying capacity</li> </ul>	13	50
<b>Indicative Subtotal<sup>3</sup></b>		<b>65</b>	<b>242</b>
Initial sheep meat enterprise establishment costs	<ul style="list-style-type: none"> <li>Purchase of heavy equipment</li> <li>Stocking of large scale sheep meat enterprise</li> <li>Initial operating costs for a large scale sheep meat enterprise</li> </ul>	26	
<b>Indicative Total<sup>3</sup></b>		<b>91</b>	

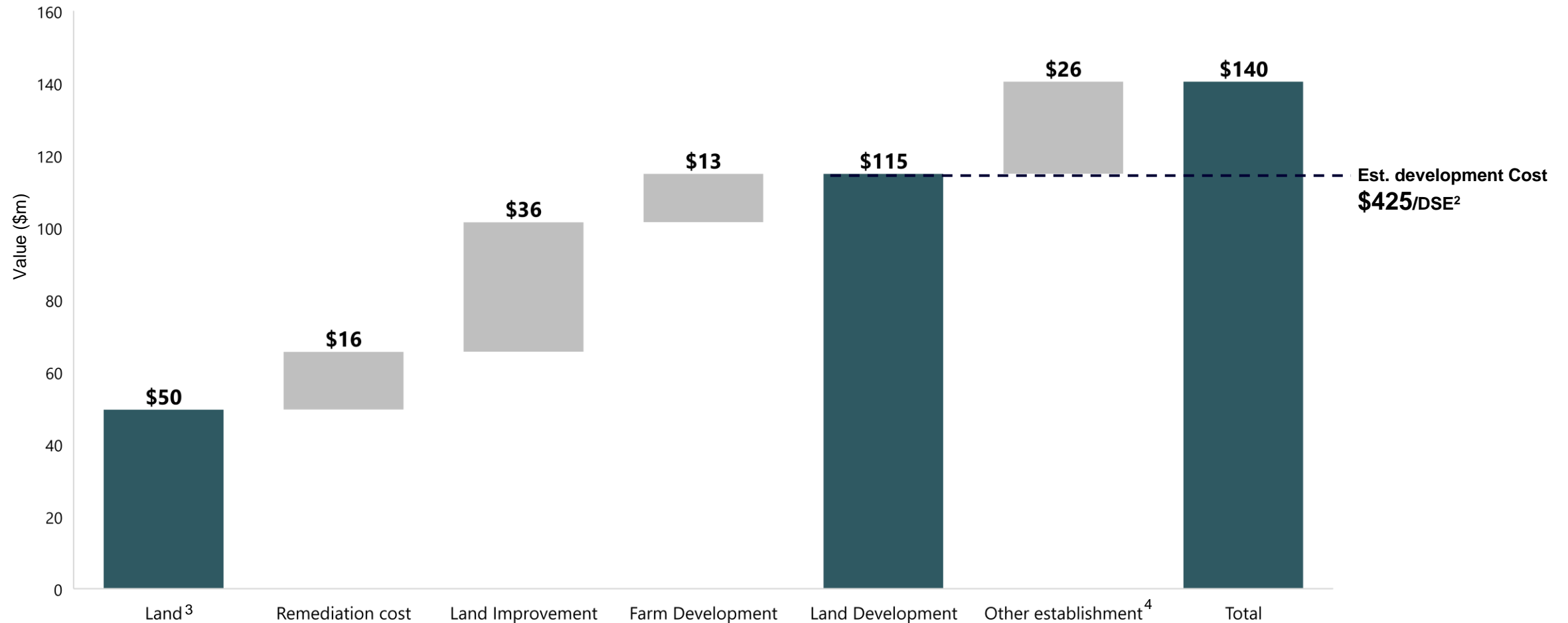
<sup>1</sup> These figures are current indicative estimates only and remain subject to change. Actual gross funding requirements may vary significantly. Assumes no debt or HPR finance. Estimate based on total capital requirement, including anticipated cash outflows from start-up expenses.

<sup>2</sup> Assumes total DSE capacity of 270,000 or 14.5 DSE/Ha across Kiland's 18,662Ha estate.

<sup>3</sup> Excludes AAGIM management and fees and Kiland group overheads.

# Kiland estate development - indicative cost waterfall<sup>1</sup>

Opportunity to create a world class agricultural estate for less than \$500 per DSE.



<sup>1</sup>These figures are indicative estimates only and remain subject to change. Actual costs and charging capacity estimates may vary significantly.

<sup>2</sup>Assumes total DSE capacity of 270,000 or 14.5 DSE/Ha across Kiland's 18,662Ha estate. Cost and carrying capacity estimates subject to change.

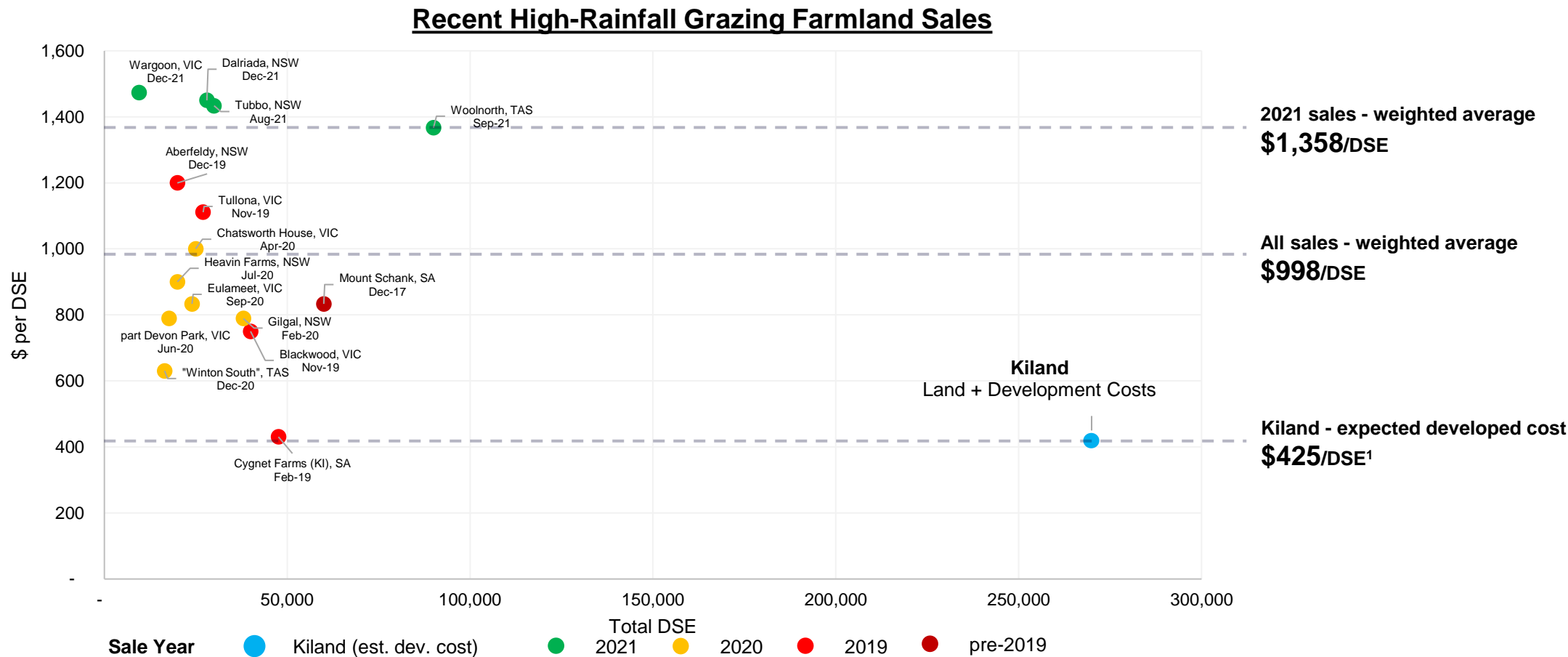
<sup>3</sup>Book value of Land at 31 Dec 2021

<sup>4</sup>Includes heavy machinery, stocking and initial operating expenses associated with sheep meat enterprise establishment.

Cost estimates are consistent with prior slide and remain subject to the same assumptions and qualification – excludes Kiland overheads and AAGIM fees.

# Development cost versus Australian farmland sales

Kiland’s proposed land development has potential for significant scale and places the estate at a lower cost base versus recent farmland sales.



Kanagroo Island farmland traditionally trades at a discount to comparable mainland properties. The agricultural development opportunity is attractive even if this discount persists.

<sup>1</sup>Assumes total DSE capacity of 270,000 or 14.5 DSE/Ha across Kiland’s 18,662Ha estate. Cost assumptions consistent with prior slides. These figures are indicative estimates only and remain subject to change. Actual costs and carrying capacity estimates may vary significantly.

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# Finance, ESG and other considerations

Traditional property development finance is available to partially fund reversion activities. Kiland acknowledges the importance of ESG and is investigating carbon abatement opportunities.

- Discussions are being held with Australian banks regarding term funding to support reversion activities. Kiland currently expects to raise approximately \$50 million in term funding incrementally on an as-needed basis. Initial non-binding indications have been received in respect of expected initial term debt funding of \$25m and equipment finance of \$5m.
- Kiland is conscious of the natural cyclicity of agriculture and risks inherent in property redevelopment. Accordingly, it intends to implement what it considers to be an appropriately conservative capital structure.
- Kiland intends that the reversion activities will incorporate emissions minimisation techniques.
- Kiland is currently investigating additional carbon abatement opportunities as well as farming techniques capable of minimising emissions.
- Kiland has agreed the conditional sale of its pontoon asset (book value \$5.9m). Over time, Kiland expects to explore the sale of non-core properties (book value \$1.8m). Subsequent asset and property sales may impact the total amount of debt required to support reversion activities.
- Kiland may consider other investment opportunities subject to availability of any surplus capital over time.



Intensive sheep meat production on AAGIM remediated land (western Victoria) with standing blue gum on neighbouring property shown in the background



# Key details of the Offer

<b>Offer Structure</b>	<p>Underwritten <b>\$32.4m</b> equity raising (<b>Equity raising</b>) consisting of a 7 for 11 pro-rata non-renounceable entitlement offer (<b>Entitlement Offer</b>) to existing shareholders.</p> <ul style="list-style-type: none"> <li>• Eligible shareholders will be invited to subscribe for 7 new KIL shares for every 11 KIL shares held as at 7pm on 31 March 2022 (<b>Entitlement Offer Record Date</b>)</li> <li>• The Entitlement Offer is non renounceable and entitlements will not be tradeable or otherwise transferable</li> </ul> <p>Approximately 29,447,871 New Shares to be issued under the Offer representing approximately 64% of current issued capital.</p> <p>The Offer will be structured as an Institutional Offer followed by a Retail Offer for eligible KIL shareholders</p>
<b>Offer Pricing</b>	<p>The Equity Raising will be offered at a price of \$1.10 per new share (<b>Offer Price</b>)</p> <ul style="list-style-type: none"> <li>• 6% discount to the last close on 28 March 2022</li> <li>• 13% discount to the 3 month volume weighted average price traded on ASX</li> <li>• 10% discount to the 1 month volume weighted average price traded on ASX</li> </ul>
<b>Use of proceeds</b>	<p>The proceeds will be used to fund Kiland's forestry to agriculture reversion development on Kangaroo Island</p>
<b>Underwriting</b>	<p>The offer will be underwritten by Aitken Murray Capital Partners Pty Ltd. The Offer is sub-underwritten by two major shareholders – Samuel Terry Asset Management Pty Ltd as trustee for the Samuel Terry Absolute Return Active Fund and Washington H Soul Pattinson and Company Limited</p>
<b>Director participation</b>	<p>Directors will be free to participate in the Entitlement Offer</p>
<b>Other</b>	<p>New Shares will rank equally with existing KIL shares on issue in all aspects</p>

# Equity Raising Timetable

Event	Date
Trading halt	Tuesday, 29 March 2022
Institutional Entitlement Offer bookbuild	Tuesday, 29 March 2022
Announcement of details of the Entitlement Offer	Wednesday, 30 March 2022
Shares recommence trading on ASX	Thursday, 31 March 2022
Record date for Entitlement Offer (7:00pm Sydney time)	Thursday, 31 March 2022
Institutional Entitlement Offer Settlement Date	Friday, 1 April 2022
Institutional Entitlement Offer Allotment	Monday, 4 April 2022
Institutional Entitlement Offer Trading Date	Tuesday, 5 April 2022
Retail Entitlement Offer opens	Tuesday, 5 April 2022
Retail Entitlement Offer closes (5:00pm Sydney time)	Monday, 2 May 2022
Retail Entitlement Offer Allotment Date	Monday, 9 May 2022
Retail Entitlement Offer Trading Date	Tuesday, 10 May 2022

# Pro forma balance sheet

Kiland Limited pro-forma Consolidated Balance Sheet A\$ 000s	31 Dec 21 <sup>1</sup>	Net impact of the Offer	Pro-forma unaudited
<b>ASSETS</b>			
Cash and cash equivalents	17,238	<b>31,356</b>	48,594
Trade and other receivables	262	-	262
Other current assets	79	-	79
Assets classified as held for sale	5,865	-	5,865
<b>Total current assets</b>	<b>23,444</b>	<b>31,356</b>	54,800
Property, plant and equipment	51,887	-	51,887
Biological assets	-	-	-
Other non-current assets	4	-	4
<b>Total non-current assets</b>	<b>51,891</b>	-	<b>51,891</b>
<b>TOTAL ASSETS</b>	<b>75,335</b>	<b>31,356</b>	<b>106,691</b>
<b>LIABILITIES</b>			
Trade and other payables	3,832	-	3,832
Employee benefits	86	-	86
<b>Total current liabilities</b>	<b>3,918</b>	-	<b>3,918</b>
Deferred tax liabilities	454	-	454
<b>Total non-current liabilities</b>	<b>454</b>	-	<b>454</b>
<b>TOTAL LIABILITIES</b>	<b>4,372</b>	-	<b>4,372</b>
<b>NET ASSETS</b>	<b>70,963</b>	<b>31,356</b>	<b>102,319</b>
<b>Ordinary shares on issue (000s)</b>	<b>46,275</b>	<b>29,448</b>	<b>75,723</b>
<b>Net assets per ordinary share</b>	<b>\$1.53</b>		<b>\$1.35</b>

<sup>1</sup> Reviewed by auditor under AASB 134 Interim Financial Reporting and the Corporations Act 2001.  
See disclaimer on slide 3 in relation to this financial information

# Sources and uses

Net proceeds from the capital raise will be fully applied to fund Kiland's forestry to agriculture reversion development on Kangaroo Island.

Sources	A\$m	
Cash at bank and in hand	17.2	At 31 December 2021
Net proceeds from capital raise	31.4	Net of \$1m offer costs
Conditional proceeds from Pontoon sale	5.9	Book value at 31 December 21
<b>Subtotal</b>	<b>54.1</b>	Pro-forma cash at commencement of large-scale reversion
Term debt funding facility with local banks	50.0	Indicative non-binding funding offer received for initial debt requirements of \$25 million, additional incremental term debt funding will be sought from banks as and when required
HPR equipment funding	15.9	Indicative non-binding offer received of \$5 million.
<b>Total Sources</b>	<b>120.4</b>	
Uses		
Estimate of total reversion funding requirement	(90.8)	Refer to slide 11 <sup>1</sup>
Return of Forestry Development Fund grant	(2.6)	Legacy grant not applicable to agriculture strategy
Cash interest	(6.2)	Estimated cash interest on term debt and HPR during enterprise development state
AAGIM management fees	(3.9)	Estimated costs during enterprise development phase
Kiland corporate expenses	(5.6)	Estimated costs during enterprise development phase
Legacy matters and other corporate costs	(0.8)	
Contingency	(10.5)	
<b>Total Uses</b>	<b>120.4</b>	

<sup>1</sup>Actual funding requirements and carrying capacity estimates may vary significantly.

## General

- You should be aware that there are risks involved with participating in the Entitlement Offer and/or holding Kiland shares.
- The risks set out in this section are not listed in order of importance and do not constitute an exhaustive list of all risks involved with an investment in Kiland. Other risks may materially affect the future performance of Kiland and the value of Kiland shares. Additional risks and uncertainties not presently known to management or that management currently believe not to be material may also affect Kiland's business. Accordingly, no assurances or guarantees of future performance, profitability, distributions, or returns of capital are given by Kiland or any other person.
- The risks set out in this section may change after the date of this Presentation and other risks relevant to Kiland and Kiland shares may emerge which may have an adverse impact on Kiland and the value of Kiland shares. In particular, investors should note that the unprecedented uncertainties and risks posed by the COVID-19 pandemic could materially change Kiland's risk profile at any point after the date of this Presentation and adversely impact the financial position and prospects of the Group in the future.
- Before investing in Kiland you should be aware that a number of risks and uncertainties involved with participating in the Entitlement Offer and/or holding Kiland shares, which are both specific to an investment in Kiland and of a more general nature, may adversely affect the future operating and financial performance of Kiland and the value of Kiland shares. You should note that the occurrence or consequence of many of the risks described in this section are partially or completely outside of the control of Kiland, its directors and senior management.
- Before investing in Kiland shares, you should carefully consider the risk factors and your personal circumstances. Potential investors should consider publicly available information on Kiland (such as that available on the ASX website), and consult their stockbroker, solicitor, accountant or other professional advisor before making an investment decision.
- Nothing in this Presentation is financial product advice and this Presentation has been prepared without taking into account your investment objectives or personal circumstances.

## Kiland Risks

- **Primary Industry/Agriculture Risk**

- The Australian bushfires of January 2020 had a direct impact on Kiland. The main impact of these bushfires was on the trees that Kiland owned directly which were destroyed. The potential ongoing impact on Kiland from a weakening of Australia's economic growth and consumer demand as a result of the bushfires more generally is difficult to reliably forecast.
- Kiland's land is a key asset and is subject to many risks including seasonality risk, fire, frost, drought, other acts of God, disease, pests, technological advances, government imposts and regulations and general economic and international issues.
- Implementation of the reversion strategy is also dependent upon the price and availability (on commercially and economically reasonable terms) of various inputs including machinery, farm supplies, livestock and other raw materials.

- **Construction and development risk**

- The ability of Kiland to benefit from development of its strategic development assets will depend on, among other things, receipt of necessary planning and other third party approvals including approvals from relevant planning authorities. There can be no certainty that these approvals will be received in a time frame or form acceptable to Kiland which could result in a reduction in the value of the strategic development assets. These risks in respect of the reversion strategy will be managed with AAGIM.

- **Early Stage projects**

- Kiland is currently pursuing a reversion strategy which is at an early stage of its development and implementation. Any prospective development opportunities in which Kiland is, or may become, involved are subject to risks. This early stage project is subject to additional risks, including that the reversion strategy will not be completed within budget, within the agreed timeframe and specifications or that amendments may be required to respond to changes in domestic or global demand, conditions or government regulation. There is no guarantee that the reversion strategy will be economically viable as for example, unanticipated financial, operational or political events, cost overruns, equipment and labour shortages, technical concerns, extended delays, environmental impacts including climatic conditions, increases in operating cost structures, community or industrial actions and any other circumstances which results in the delay, suspension or termination of the reversion strategy. Each of these risks may adversely affect the commerciality and economics of a prospective development opportunity.

- **Low Liquidity**

- Given the fact that a small number of shareholders hold a large proportion of Kiland's shares, there may be relatively few potential buyers or sellers of Kiland's Shares. This may increase the volatility of the market price of Kiland's Shares.



# Appendix A – Key risks

## Kiland Risks

- **Competitive Position and Market Trends**

- Kiland operates in a competitive market. There can be no assurance that the actions of competitors or changes in customers will not adversely affect Kiland's performance. Increased competition could result in changes in the carrying value of assets, the value of agricultural land, under-utilisation of personnel, reduced profit margins and loss of market share. Any of these could adversely affect Kiland's operating and financial performance.

- **Actual and potential acquisitions**

- As part of its business strategy, Kiland may contemplate making further acquisitions of, or significant investments in complementary assets, companies, products or technologies. Any such future transactions would be accompanied by the risks commonly encountered in making acquisitions of assets, companies, products and technologies.

- **Key personnel**

- Kiland is exposed to the risk of non-availability of key staff and contractors. If there were a material or prolonged dispute between Kiland's businesses and its workforce (including in relation to decisions made by Kiland and its contractors as a result of the COVID-19 pandemic), this could disrupt operations which may have a material adverse effect on future financial performance and position.

- **Stock market fluctuations**

- Further, share market conditions in Australia and around the world may affect the value of Kiland's quoted securities regardless of Kiland's operating performance. Share market conditions are affected by many factors such as: (a) general economic outlook; (b) interest rates and inflation rates; (c) currency fluctuations; (d) changes in investor sentiment toward particular market sectors; (e) the demand for, and supply of, capital; (f) political developments and global sanctions; (g) terrorism, war or other hostilities; and (h) pandemics or other events which have profound impacts on a local or global scale.

- **Regulatory effects**

- Kiland's operations and profitability are likely to be affected by regulatory decisions, by changes in applicable regulation or standards or by the application of, or changes to, environmental legislation, regulation and standards.

- **Litigation**

- From time to time, Kiland may become involved in litigation and disputes. If Kiland becomes involved in material protracted litigation, this could adversely affect Kiland's expenditures against budget and there is a further risk that liability could be imposed in respect of any such litigation.

## Kiland Risks

- **General economic conditions**
  - Both Australian and world economic conditions may negatively affect Kiland's performance. Any protracted slow-down in economic conditions or factors such as the level of production in the relevant economy, inflation, currency fluctuation, interest rates supply and demand and industrial disruption may have a negative impact on Kiland's costs and revenue. These changes could adversely affect Kiland's operations and earnings.
- **Impact of commodity cycles on business growth**
  - Kiland's businesses are exposed, through their customers, to global demand for commodities including (historically) forestry products and on an ongoing basis, agricultural products.
  - Commodity prices may be adversely affected by slower than expected levels of GDP growth in key export markets for Kiland, as well as by the ongoing trade tensions. Factors which may contribute to slower levels of growth in demand for commodities might include slower or flattened economic growth, the COVID-19 pandemic, unsuccessful economic reforms, government policies that affect commodities markets, reduced urbanisation or industrialisation and a slowing expansion of the middle class.
- **Taxation**
  - There is a risk that changes in tax law (including goods and services taxes and stamp duties), or changes in the way tax laws are interpreted in the various jurisdictions in which Kiland operates, may impact the tax liabilities of Kiland. In addition, the ability of Kiland to obtain the benefit of existing tax losses and claim other beneficial tax attributes will depend on future circumstances and may be adversely affected by changes in ownership, business activities, levels of taxable income and any other conditions relating to the use of the tax losses or other attributes in the jurisdictions in which Kiland operates. There is a possibility that the increased government expenditure in response to the COVID-19 could result in increased taxes in the future.
- **Occupational health and safety**
  - If there were to be a failure by Kiland to comply with the applicable occupational health and safety legislative requirements across the jurisdictions in which Kiland operates, or a failure by Kiland to take adequate steps to protect its workforce, including from sustained harm caused by the COVID-19 pandemic, there is a risk that non-compliance may result in fines, penalties and/or compensation for damages as well as reputational damage. Kiland's ability to mitigate these risks and effectively respond to health and safety incidents may be also impaired by restrictions on the movement of products and personnel relating to the COVID-19 pandemic.

## Kiland Risks

- **Environmental risk**
  - National and local environmental laws and regulations may affect the operation of Kiland's businesses. Standards are set by these laws and regulations regarding certain aspects of health and environmental quality, and they provide for penalties and other liabilities if such standards are breached, and establish, in certain circumstances, obligations to remediate and rehabilitate current and former facilities and locations where operations are, or were, conducted. Kiland's businesses incur costs to comply with these environmental laws and regulations and in respect of violations of them, and changes to such laws and regulations, including changes to operating licence conditions, could result in penalties and other liabilities, which may have a material adverse effect on future financial performance and position.
  - Kiland's ability to mitigate these risks and effectively respond to any environmental incidents may be also impaired by restrictions on the movement of products and personnel relating to the COVID-19 pandemic.
- **Cyber risk**
  - The failure of Kiland's information technology systems and/or security could result in financial loss, disruption or damage to the reputation of the business. This risk may be escalated as a result of COVID-19 and the increase in remote working by our staff and contractors, notwithstanding Kiland's efforts to mitigate this threat.
- **Government policy and regulation**
  - The operations of Kiland's businesses depend on access to infrastructure including ports, terminals and associated infrastructure which is subject to government policy and legal and regulatory oversight including: access, accreditation, operational, security, tax (direct and indirect), environmental and industrial (including occupational health and safety) regulation. Changes in government policy and legal and regulatory oversight may have a material adverse effect on future financial performance and position.
- **Implementation of the reversion strategy by AAGIM**
  - Kiland has engaged a contractor, AAGIM, to manage the implementation of the reversion strategy. While this remains subject to oversight by Kiland Board, AAGIM is responsible for the implementation of the reversion strategy and may be subject to unanticipated financial, operational or political events, cost overruns, equipment and labour shortages, technical concerns, extended delays and environmental impacts.

## Offer Risks

- **Risk of dilution**

- You should also note that if you do not take up all of your entitlement under the Entitlement Offer, then your percentage security holding in Kiland will be diluted by not participating to the full extent in the Entitlement Offer. Investors may also have their investment diluted by future capital raisings by Kiland. Kiland may issue new securities in the future to finance acquisitions or pay down debt which may, under certain circumstances, dilute the value of an investor's interest.

- **Trading price of Kiland shares and general risks associated with investments in equity capital**

- There are risks associated with any share market investment. It is important to recognise that share prices and dividends might fall or rise. Factors affecting the operating and financial performance of Kiland and the ASX trading price of Kiland shares include domestic and international economic conditions and outlook, changes in government fiscal, monetary and regulatory policies, changes in interest rates and inflation rates, the announcement of new technologies and variations in general market conditions, the impact of COVID-19, including on health of the workforce, the industry, customers, supply chains and travel and/or other conditions including market conditions which are specific to a particular industry, all of which could be unrelated to the financial and operating performance of Kiland, and over which Kiland and its directors have limited or no control.
- There have been significant fluctuations and volatility in the prices of equity securities in recent months, which may have been caused by general rather than company-specific factors, including the general state of the economy, the response to the COVID-19 pandemic, investor uncertainty, geo-political matters, and global hostilities and tensions. In particular, the COVID-19 pandemic has resulted in significant market falls and volatility both in Australia, China, the US and elsewhere overseas, including in the prices of equity securities. As detailed above, there continues to exist considerable uncertainty as to the further impact of COVID-19 on the Australian and global economy and share markets including in relation to governmental action, work stoppages, university and school stoppages, lockdowns, quarantines, travel restrictions and the impact on the economy and share markets. Any of these events and resulting fluctuations may materially adversely impact the market price of Kiland shares.
- Investors should also note that the historic share price performance of Kiland shares provide no guidance as to its future share price performance.

## Offer Risks – Underwriting Risks

- The Entitlement Offer is subject to a range of conditions and termination events set out in the underwriting agreement entered into by Kiland and the Underwriter on 29 March 2022 (**Underwriting Agreement**).
- If certain conditions are not satisfied or certain events occur, then the Underwriter may terminate the Underwriting Agreement. Termination of the Underwriting Agreement may have an adverse impact on the ability of Kiland to proceed with the Entitlement Offer and the quantum of funds raised as part of the Entitlement Offer. If the Underwriting Agreement is terminated by the Underwriter, there is no guarantee that the Entitlement Offer will continue in its current form or continue at all. Failure to raise sufficient funds under the Entitlement Offer (as a result of it not proceeding or otherwise) could materially adversely affect Kiland's business, cash flow, financial condition and results of operations.
- **Key Terms of Underwriting Agreement**
  - Kiland and the Underwriter have given certain representations, warranties and undertakings in connection with (among other things) the Entitlement Offer;
  - Kiland has agreed, subject to certain carve-outs, to indemnify the Underwriter, its related bodies corporate, and its respective directors, officers, employees, agents, advisors and contractors against certain loss in applicable circumstances;
  - the Underwriter may (in certain circumstances, having regard to the materiality of the relevant event) terminate the Underwriting Agreement and be released from its obligations under it on the occurrence of certain events. A summary of these termination events is to be set out in the Retail Offer Booklet;
  - the Underwriter will receive an underwriting fee of 2.4% and a management fee of 0.8% of the gross proceeds of the Entitlement Offer;
  - the Underwriter may appoint sub-underwriters in its absolute discretion and on whatever terms it thinks fit, provided that any fees payable to sub-underwriters are paid by the Underwriter, and any sub-underwriter is an Institutional Investor; and
  - the Underwriter will also be reimbursed for certain expenses.

# Appendix B – International Selling Restrictions

## Offer – International Selling Restrictions

This document does not constitute an offer of new ordinary shares (New Shares) of the Company in any jurisdiction in which it would be unlawful. New Shares may not be offered or sold in any country outside Australia except to the extent permitted below.

- **New Zealand**

- This document has not been registered, filed with or approved by any New Zealand regulatory authority under the Financial Markets Conduct Act 2013 (the **FMC Act**). The New Shares are not being offered to the public within New Zealand other than to existing shareholders of the Company with registered addresses in New Zealand to whom the offer of these securities is being made in reliance on the FMC Act and the Financial Markets Conduct (Incidental Offers) Exemption Notice 2021.
- Other than in the entitlement offer, the New Shares may only be offered or sold in New Zealand (or allotted with a view to being offered for sale in New Zealand) to a person who:
  - is an investment business within the meaning of clause 37 of Schedule 1 of the FMC Act;
  - meets the investment activity criteria specified in clause 38 of Schedule 1 of the FMC Act;
  - is large within the meaning of clause 39 of Schedule 1 of the FMC Act;
  - is a government agency within the meaning of clause 40 of Schedule 1 of the FMC Act; or
  - is an eligible investor within the meaning of clause 41 of Schedule 1 of the FMC Act.