



Kiland Limited

ASX code: KIL

ABN 19 091 247 166

Quarterly Activities Report and Appendix 4C

For the quarter ended

31 March 2022

Quarterly Activities Report

For the quarter ended 31 March 2022

Highlights

Since last Appendix 4C Quarterly Report

- **Appointment of AAGIM as Property Manager**
- **Return of Forestry Development Fund Grant**
- **Entitlement Offer**
- **Pontoon sale completed**

Appointment of property manager for agricultural estate

Following a public tender process, Kiland Limited (“Kiland”, “Company”) appointed AAGIM Investment Management Pty Ltd (“AAGIM”) as Property Manager for its Kangaroo Island agricultural estate in January 2022.

Kiland’s wholly owned subsidiary Kangaroo Island Land Assets Limited, which holds or will hold all of Kiland’s agricultural properties, entered into the Property Management Agreement with AAGIM.

During the first phase of the contract AAGIM will develop a Master Plan for Kangaroo Island Land Assets Limited to be approved by Kiland. The Master Plan includes a multi-year operational plan and detailed funding requirements. During the quarter approximately \$3m of reversion plant and equipment was acquired and Kiland expects reversion works to commence by July 2022.

Return of Forestry Development Fund Grant

Kiland announced it had secured a \$5 million Forestry Development Fund grant from the Australian Commonwealth Government on 22 December 2020. The grant was to support development of a biomass pellet mill on Kangaroo Island.

The change in Kiland’s strategy to revert its estate to an agricultural enterprise does not include the development of the pellet mill. Given this, the Australian Commonwealth Government informed the Company that its application no longer aligned with the requirements of the grant program and the \$2.6m funds received were to be repaid. Kiland repaid the \$2.6 million to the Australian Commonwealth Government in April 2022.

Entitlement Offer

On 29 March 2022, Kiland announced the launch of a \$32.4 million fully underwritten 7 for 11 accelerated non-renounceable entitlement offer at \$1.10 per share (the **Entitlement Offer**), to fund the reversion of Kiland’s estate from forestry to agriculture.

The Entitlement Offer was split into an Institutional and Retail component. The Institutional Entitlement Offer was successfully completed on 30 March 2022 and new shares were issued on 4 April 2022 raising \$24.7 million. The Retail Entitlement Offer is expected to raise approximately \$7.7 million.

Pontoon sale completed

After the quarter end, on 26 April 2022, the Company’s wholly owned subsidiary KI Seaport Pty Ltd completed the sale of its pontoon asset for cash proceeds of \$6.2 million less costs. In addition to normal transaction costs Kiland incurred approximately A\$0.35 million to comply with the requirement by the Vietnamese authorities that the Company relocate the pontoon in order to receive export clearance.

The carrying value of the pontoon asset was AUD\$5.8 million at 31 December 2021.

Quarterly Activities Report

For the quarter ended 31 March 2022

Payments to Related Parties

During the quarter ended 31 March 2022, the Company paid \$215,294 to related parties of the entity. This amount consisted of executive and non-executive Directors' fees of \$98,778 and payments to other key management personnel and their related parties of \$116,516.

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.

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 31 March 2022	46,275,226
Institutional element of the Entitlement Offer	22,497,165
At the date of this report	68,772,391

Appendix 4C

Appendix 4C, as required by Listing Rule 4.7B, for the quarter ending 31 March 2022 is attached to this report.

Cash and cash equivalents

The cash and cash equivalents at 31 March 2022 amounted to \$12,462,782.

Loan facilities

At 31 March 2022, the Company had no loan facilities.

Signed on authority of the Board of Kiland Limited



Ms Vicky Allinson
Company Secretary
Date: 29 April 2022

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")

31 MARCH 2022

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (9 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	310	1,210
1.2 Payments for		
(a) research and development	-	-
(b) product manufacturing and operating costs – plantation and harvesting costs	(327)	(2,956)
(c) advertising and marketing	-	-
(d) leased assets	-	-
(e) staff costs	(239)	(1,186)
(f) administration and corporate costs	(619)	(1,047)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	4	18
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
1.8 Other (provide details if material)		
Insurance Proceeds	-	-
Wharf Development	(537)	(660)
1.9 Net cash from / (used in) operating activities	(1,408)	(3,178)
2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) entities	-	-
(b) businesses	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
	(c) property, plant and equipment	(3,368)	(4,232)
	(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	-	30
	(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	(3,368)	(4,202)
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	-	(75)
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	-	(12,818)
3.10	Net cash from / (used in) financing activities	-	(12,893)

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 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	17,238	32,735
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(1,408)	(3,178)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(3,368)	(4,202)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	(12,893)
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	12,462	12,462

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	12,462	17,238
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)	12,462	17,238

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**

215

-

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 \$99k;
- KMP salaries and fees \$116k; and
- Other related parties \$Nil

6.2 payments relate to:

- Executive & Non-Executive Directors' fees \$Nil;
- KMP salaries and fees \$Nil; 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)	(1,408)
8.2 Cash and cash equivalents at quarter end (Item 4.6)	12,462
8.3 Unused finance facilities available at quarter end (Item 7.5)	-
8.4 Total available funding (Item 8.2 + Item 8.3)	12,462
8.5 Estimated quarters of funding available (Item 8.4 divided by Item 8.1)	9

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 April 2022

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.