
kiland

Kiland Ltd
2022 Annual General Meeting

24 November 2022

Important information and disclaimer

This presentation (**Presentation**) has been prepared by Kiland Ltd (ACN 091 247 166) (**Kiland**) for information purposes for Kiland shareholders in connection to the annual general meeting and is dated 24 November 2022. 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.

Summary Information

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.

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 advice and not an offer

The Information in this Presentation is not investment, tax, accounting, financial product or legal advice and does not take account your individual situation, position, objectives or needs. This letter is based on opinions and beliefs held by Kiland and is subject to assumptions, qualifications and limitations. You must not act on the basis of any matter contained in this Presentation, but must make your own independent assessment, investigations and analysis of the information contained in this Presentation and obtain any professional advice you require before making an investment decision based on its investment objectives. You should conduct your own independent review, investigations and analysis of Kiland and of the information contained, or referred to, in this Presentation.

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 Shares in Kiland or any other financial products.

Forward looking statements

This Presentation contains certain "forward looking statements". Forward looking statements include those containing words such as: "anticipate", "estimate", "should", "will", "expect", "plan", "target", "could", "may", "intends", "guidance", "potential", "project", "outlook", "predict", "propose", "forecast", "likely", "believe" and other similar expressions. Any forward looking statements, opinions and estimates provided in this Presentation are based on assumptions and contingencies which are subject to change without notice and involve known and unknown risks and uncertainties and other factors which are beyond the control of Kiland and its shareholders, affiliates, related bodies corporate, directors, officers, partners, employees, advisors and agents ("**Representatives**"). Any forward looking statements are a general guide only, not a guarantee of future performance and must not be relied upon. Kiland assumes no obligation to update these forward looking statements for any reason.

Not for release or distribution in the United States

The release, publication or distribution of this Presentation (including an electronic copy) outside Australia may be restricted by law. This Presentation and its contents must not be distributed, transmitted or viewed by any person in the United States or any jurisdiction where the distribution, transmission or viewing of this Presentation would be unlawful under the securities or other laws of that or any other jurisdiction. If you are reading or attempting to access this Presentation, you should observe such restrictions and should seek your own advice on such restrictions.

Disclaimer

No other entity, other than Kiland, has authorised, permitted or caused the publication of this Presentation. To the maximum extent permitted by law, Kiland its Representatives make no representation or warranty, express or implied, as to the currency, accuracy, reliability or completeness of information in this Presentation. To the maximum extent permitted by law, neither Kiland nor any of its Representatives are liable for any loss, cost, expenses or damage (including direct, indirect or consequential loss and damage, including without limitation, under contract, tort, statute or otherwise) arising under or in connection with: (i) any reliance by you, or any of your Representatives on the information contained in this Presentation; (ii) any errors in or omissions from the Presentation; (iii) any liability arising from negligence under contract, tort, equity or otherwise; (iv) any misrepresentation; or (v) any lack of accuracy, completeness, currency or reliability of any statement, opinion or information contained in this Presentation.

You agree, irrevocably and unconditionally, to submit to the laws of New South Wales in respect of any disputes, actions, suits or proceedings arising out of or relating to this Presentation.

2022 Annual General Meeting

Agenda

- 1) Consideration of accounts
- 2) Consideration of resolutions.
- 3) Business update – Group
- 4) Business update – Kangaroo Island Land Assets (agricultural strategy)
- 5) Business update – Nobrac (carbon removal strategy)
- 6) Questions



Consideration of Accounts

To receive and consider the Kiland Limited's ("the Company") audited financial report together with the Directors' Report (including the Remuneration Report) and the auditor's report for the period ending 30 June 2021.

The Reports are placed before the shareholders for discussion and shareholders will be given the opportunity to ask questions and make comments on the Reports; **no voting** is required on this matter.

Consideration of resolutions (by poll)

Resolution 1

Adoption of the Remuneration Report

“That, for the purpose of Section 250R(2) of the Corporations Act and for all other purposes, approval is given for the adoption of the Remuneration Report as contained in the Company’s annual financial report for the financial year ended 30th June 2021.

Note: the vote on this Resolution is advisory only and does not bind the Directors or the Company under section 250R(3) of the Corporations Act. If the ‘No’ votes are greater than 25% then there are potentially serious consequences, see the Explanatory Memorandum contained within the 2022 Notice of Annual General Meeting for details.

Proxy Summary:

Proxy Summary	For		Against		Discretionary		Abstain
Votes	23,231,045	99.7%	43,763	0.2%	20,000	0.1%	13,639,871

Consideration of resolutions (by poll)

Resolution 2

Re-election of Director, Mr Mitch Taylor

“That, Mr Mitch Taylor, who retires by rotation in accordance with rule 5.1 of the Company’s Constitution, and being eligible, be re-elected as a Director of the company.”

Proxy Summary	For		Against		Discretionary		Abstain
Votes	39,712,299	99.9%	41,308	0.1%	20,000	0.1%	

End of Resolutions Please ensure you have cast your votes on the 2 resolutions.

A year of transition

In August 2021 Kiland decided on a new agricultural strategy to remove the treecrop and convert its Kangaroo Island land for more traditional agricultural use – primarily sheep meat production

Over the past 15 months significant progress has been made:

Legacy Agreements and Issues

- Termination of forestry Property Management Agreement with PFOlsen
- Sale of pontoon in Vietnam with proceeds to Kiland of US\$4.3m
- Settlement of treecrop insurance payout with final proceeds of \$3.5m and no further obligation to Kiland
- Termination of Pellet Mill proposal with \$2.6m federal government grant money returned
- Numerous other consulting and commercial arrangements discontinued

Capital Management Initiatives

- On-market buy-back of 5.62m shares and Off-market buy back of 4.56m shares provided liquidity in the context of the change in strategy
- \$32.4m entitlement offer to fund the reversion programme on the estate
- Net cash at 30 June 2022 of \$48.3m
- Advanced discussions on significant bank funding – likely a term facility and equipment finance facility to fund Kangaroo Island Land Assets' reversion operations

Group restructure into two main assets

High-quality agricultural land

- All agricultural land and equipment are in Kiland subsidiary Kangaroo Island Land Assets Ltd (KILA)
- Capitalised separately with sufficient funds to undertake the reversion process
- In late stages of securing Bank facilities

Fire-affected timber

- Established Nobrac to undertake world's largest biochar project
- Successfully received commitments in excess of \$6m from external investors at a \$50m pre-money valuation

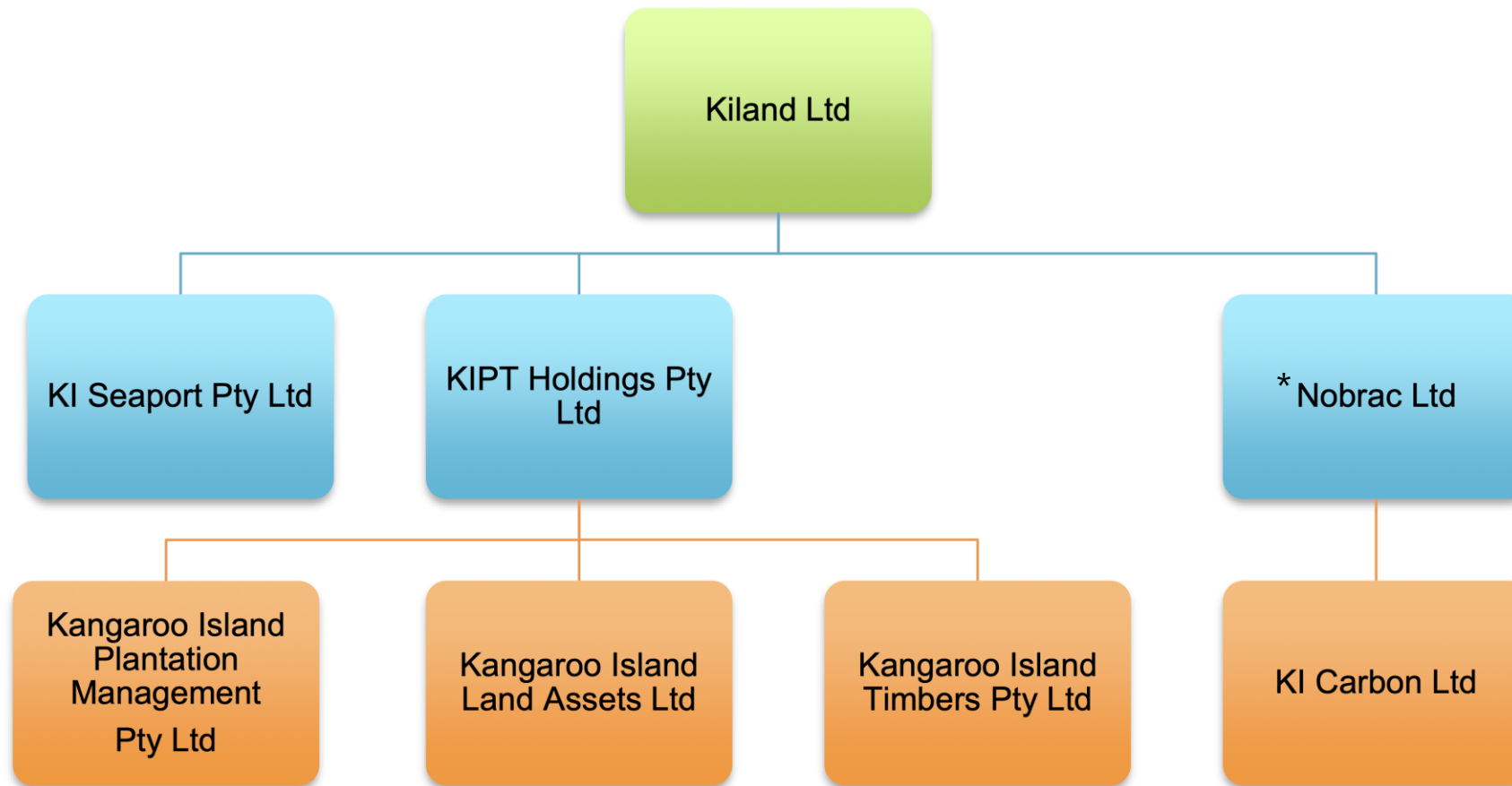
Both businesses will operate on a largely outsourced and variable cost operating model.

Contingent on Nobrac's continued success and market conditions, we will continue to assess the strategic direction of Kiland's Nobrac interest, including the best ownership structure which could include a potential restructure, sell-down, demerger or other strategic transaction. Any such future transaction would be subject to Board and, if applicable, shareholder approval.



Business update - Group

Kiland Group wholly owned subsidiaries



*Nobrac Ltd is currently 100% owned by Kiland. Kiland's ownership percentage will change upon completion of Nobrac's capital raise.

Business Update
Kangaroo Island Land Assets Ltd – Agricultural Strategy

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 7th 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.

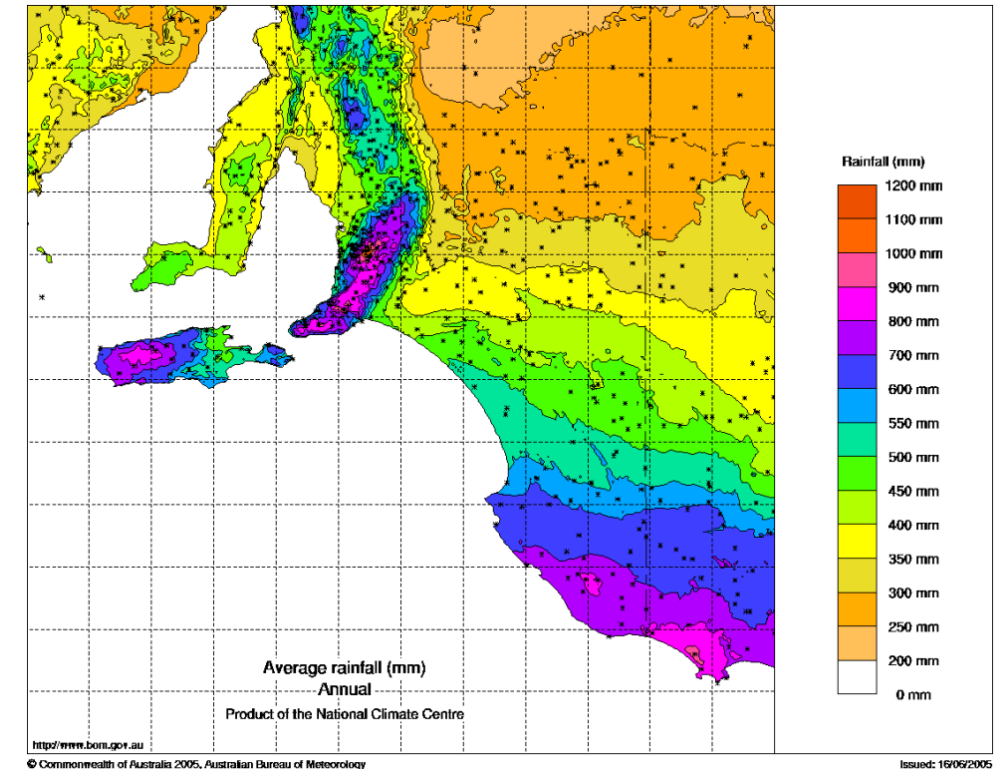
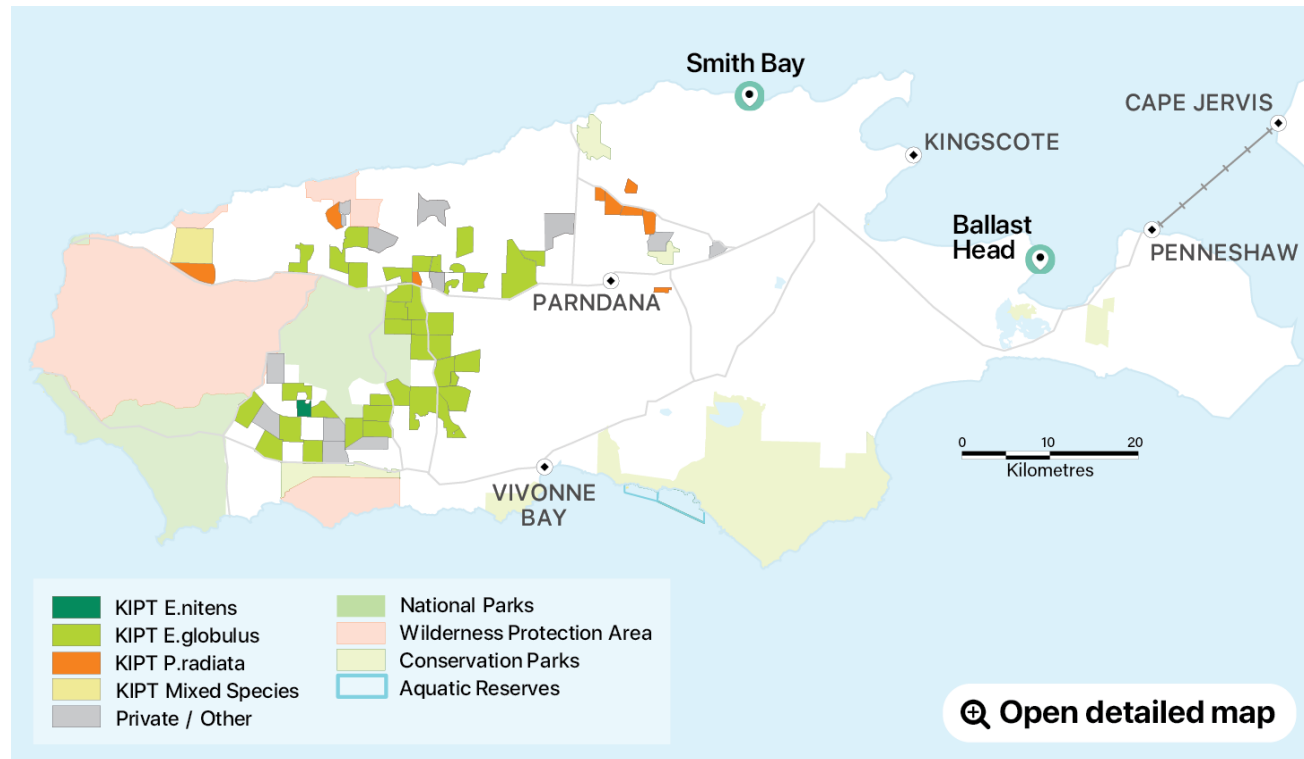


Intensive sheep meat production on AAGIM remediated land in Western Victoria. Standing blue gum from neighbouring property shown in the background.



Kiland's core asset

Kiland's Kangaroo Island landholding is unique in its scale and rainfall, comprising 18,662 hectares of arable land with >750ml 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.

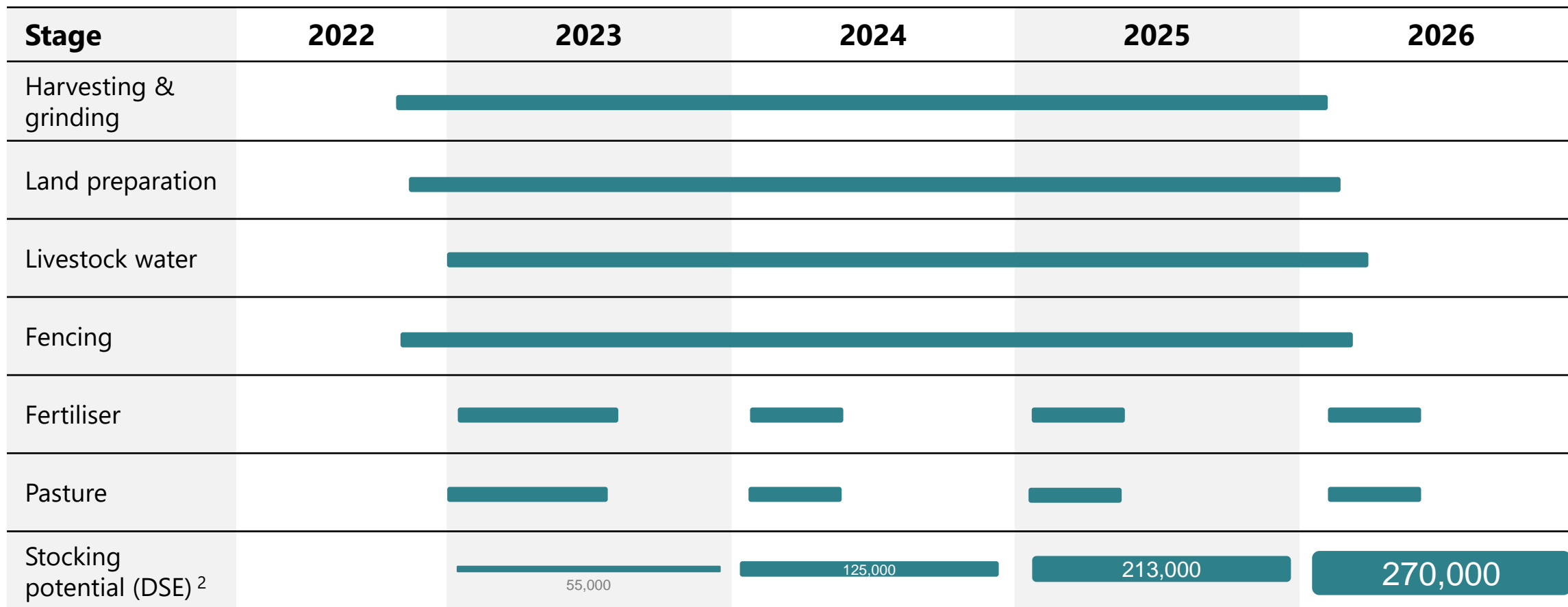
Location: Western Victoria.

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 timeline¹

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



¹ Timetable is indicative only and subject to change.

² 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 ¹	
		\$m	\$/DSE ²
Harvest, biomass removal and land preparation	<ul style="list-style-type: none"> Harvest of damaged tree crop utilising traditional harvesting methods Removal of stumps by stump grinding supported by high-resolution drone mapping and auto-steering grinders Cultivation of land with forestry rakes and discs to create a level seed bed Responsible disposal of biomass 	16	59
Land improvement	<ul style="list-style-type: none"> Site preparation for agricultural activity including additional secondary cultivation Seeding, fertilising for the establishment of crop and pasture 	36	133
Development of going concern sheep meat farm enterprise	<ul style="list-style-type: none"> Develop farm infrastructure including fencing, stock yards, sheds and housing Acquire and operate traditional farm equipment Develop additional water infrastructure and shelterbelts capable of increasing land carrying capacity 	13	50
Indicative Subtotal³		65	242
Initial sheep meat enterprise establishment costs	<ul style="list-style-type: none"> Purchase of heavy equipment Stocking of large scale sheep meat enterprise Initial operating costs for a large scale sheep meat enterprise 	26	
Indicative Total³		91	

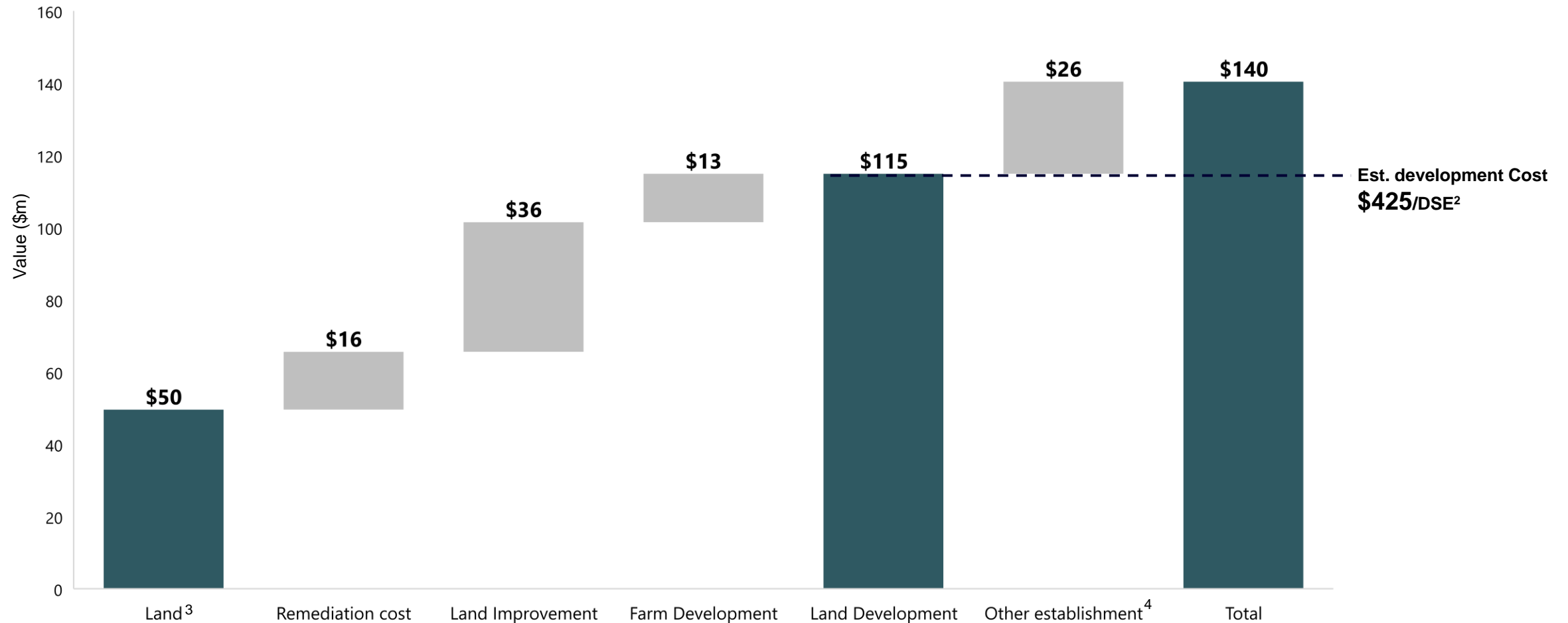
¹ These figures are current indicative estimates only and remain subject to change. Actual gross funding requirements may vary significantly. Assumes no debt or HPR finance. Estimate based on total capital requirement, including anticipated cash outflows from start-up expenses.

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

³ Excludes AAGIM management and fees and Kiland group overheads.

Kiland estate development - indicative cost waterfall¹

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



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

²Assumes 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.

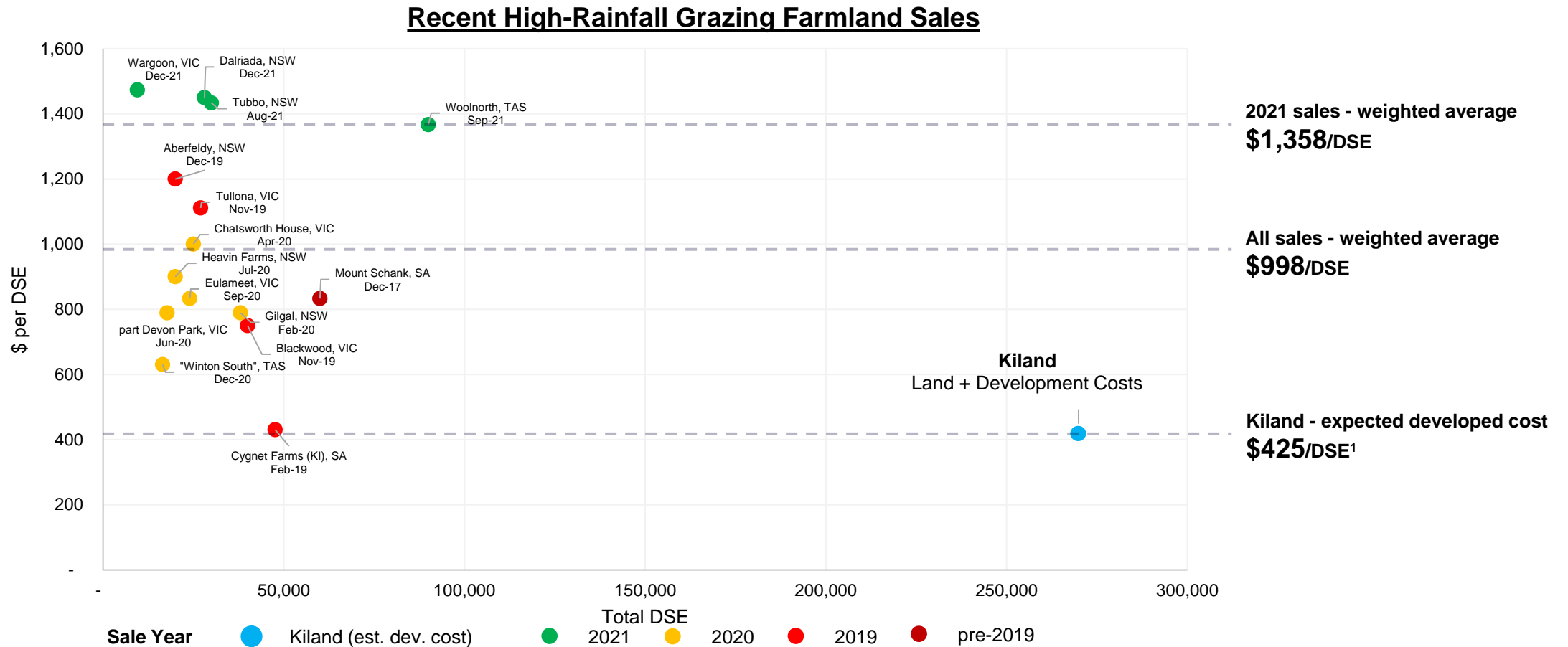
³Book value of Land at 31 Dec 2021

⁴Includes 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.



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

¹Assumes 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.

Business Update
Nobrac Ltd – Carbon Removal Strategy

The background of the slide is a close-up photograph of dark, irregularly shaped biochar particles. Some of these particles are glowing with a bright orange-red light, suggesting they are being heated or are part of a combustion process. The overall color palette is dark, with the glowing spots providing a strong contrast.

NOBRAC

Developing The World's Largest

BIOCHAR CARBON REMOVAL PROJECT

CONFIDENTIAL

Important Information and Disclaimer

This investor presentation (**Presentation**) has been prepared by Kiland Ltd (ACN 091 247 166) (**Kiland**) for information purposes for Kiland shareholders in relation to the proposed capital raising by Nobrac Limited (ACN 661 975 720) (**Nobrac**) and is dated 1 November 2022. This Presentation has been prepared in relation to a proposed investment in Nobrac Limited (ACN 661 975 720) (**Nobrac**) through the potential issue of new additional ordinary shares in Nobrac (**Shares**). 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.

Summary Information

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 Nobrac 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.

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 advice and not an offer

The Information in this Presentation is not investment, tax, accounting, financial product or legal advice and does not take account your individual situation, position, objectives or needs. This letter is based on opinions and beliefs held by Kiland and is subject to assumptions, qualifications and limitations. You must not act on the basis of any matter contained in this Presentation, but must make your own independent assessment, investigations and analysis of the information contained in this Presentation and obtain any professional advice you require before making an investment decision based on its investment objectives. You should conduct your own independent review, investigations and analysis of Nobrac and of the information contained, or referred to, in this Presentation.

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 Shares in Kiland or Nobrac or any other financial products.

Forward looking statements

This Presentation contains certain "forward looking statements". Forward looking statements include those containing words such as: "anticipate", "estimate", "should", "will", "expect", "plan", "target", "could", "may", "intends", "guidance", "potential", "project", "outlook", "predict", "propose", "forecast", "likely", "believe" and other similar expressions. Any forward looking statements, opinions and estimates provided in this Presentation are based on assumptions and contingencies which are subject to change without notice and involve known and unknown risks and uncertainties and other factors which are beyond the control of Kiland and its shareholders, affiliates, related bodies corporate, directors, officers, partners, employees, advisors and agents ("**Representatives**"). Any forward looking statements are a general guide only, not a guarantee of future performance and must not be relied upon. Kiland assumes no obligation to update these forward looking statements for any reason.

Not for release or distribution in the United States

The release, publication or distribution of this Presentation (including an electronic copy) outside Australia may be restricted by law. This Presentation and its contents must not be distributed, transmitted or viewed by any person in the United States or any jurisdiction where the distribution, transmission or viewing of this Presentation would be unlawful under the securities or other laws of that or any other jurisdiction. If you are reading or attempting to access this Presentation, you should observe such restrictions and should seek your own advice on such restrictions.

Disclaimer

No other entity, other than Kiland, has authorised, permitted or caused the publication of this Presentation. To the maximum extent permitted by law, Kiland its Representatives make no representation or warranty, express or implied, as to the currency, accuracy, reliability or completeness of information in this Presentation. To the maximum extent permitted by law, neither Kiland nor any of its Representatives are liable for any loss, cost, expenses or damage (including direct, indirect or consequential loss and damage, including without limitation, under contract, tort, statute or otherwise) arising under or in connection with: (i) any reliance by you, or any of your Representatives on the information contained in this Presentation; (ii) any errors in or omissions from the Presentation; (iii) any liability arising from negligence under contract, tort, equity or otherwise; (iv) any misrepresentation; or (v) any lack of accuracy, completeness, currency or reliability of any statement, opinion or information contained in this Presentation.

You agree, irrevocably and unconditionally, to submit to the laws of New South Wales in respect of any disputes, actions, suits or proceedings arising out of or relating to this Presentation.

Corporate Summary

ANTICIPATED HIGH MARGIN REVENUE MODEL

CRCs + By-product direct biochar sales



Low-cost producer

Attractive economics owing to low-cost feedstock.



Near term cash flow

Cash flow anticipated within 12 months



Institutional scale

Anticipated to be the largest biochar project in the world. More than 2m CRCs anticipated over project life.



60m shares

On issue before anticipated share issue



A\$2m cash

A\$10m undrawn debt facility
Before anticipated share issue

- **Nobrac is currently 100% owned by Kiland Ltd.** Nobrac has 100% ownership of KI Carbon Ltd which owns the rights to the Flinders Biochar Project on Kangaroo Island, South Australia.
- KI Carbon Ltd has the contract with Kiland to acquire harvested biomass (Kiland to pay all harvesting costs) for a nominal fee of 1c per tonne of biomass delivered.

Nobrac Capitalisation Summary

Nobrac is expected to raise \$6-10m to finance the Flinders Biochar Carbon Removal Project

Nobrac Limited	A\$m
Current shares on issue	60m
Current cash at bank	\$2m
Drawn debt	\$0m
Pre-money valuation	\$50m
Issue price per share	\$0.83
Equity capital raise	\$6-10m
Shareholder loan from Kiland*	\$10m
New shares issued	7.2m - 12.0m
Post-money shares on issue	67.2m - 72.0m
Post-money equity value	\$56m - \$60m
Post-money cash and liquidity (inclusive of SH loan)	\$18m - \$22m

Settlement is anticipated to occur in early December 2022. Indicative dates and events and subject to change.
No guarantee of future performance or occurrence.

*Nobrac has entered into a binding shareholder loan with Kiland Limited. 3 year term maturing 5 December 2025. 7% annual Cash or PIK interest, payable quarterly.
Use of funds: general corporate purposes.



Investment Highlights

Developing the world's largest biochar project

Facilitating the emergence of an institutional-grade carbon developer



Anticipated near-term cash flow

Indicative forecast revenue from Carbon Removal Credits as well as by-product biochar sales



Meaningfully contributing to net-zero targets

Driving climate change action by permanently removing carbon from the atmosphere



Carbon Removal Emerging Market Opportunity

Governments and capital markets are generating deep demand development for carbon removal projects.



Intergovernmental Panel on Climate Change (IPCC) estimates global demand of 6 billion tonnes of annual CO2 removal by 2050.

This equates to a market equivalent in size to the current global semiconductor market¹.



Scale projects of institutional significance, utilising proven technologies, minimal capex and anticipated near-term cash flows are rare.



¹Exactly how much CO2 will need to be removed depends on how rapidly and by how much emissions can be reduced, but the IPCC estimates that by 2050 between 5–16 gigatonnes (Gt) of CO2 will have to be extracted annually across the planet. The median estimate across IPCC models is approximately six billion tonnes of annual CO2 removal by 2050. At \$100/t that equates to a market worth over \$600 Billion equivalent to the size of the global semiconductor market in 2022.

A Carbon Legacy Problem



In early January 2020,
an uncontained fire in the Flinders Chase National Park broke containment lines and devastated more than 210,000 hectares of Kangaroo Island.



The bushfire event damaged
>95% of Kiland's ~14,500 Ha
forestry plantation creating a major carbon emission legacy issue.

IN SOLVING THIS CARBON LEGACY ISSUE

Kiland Had To Choose



Do nothing

allowing the trees to rot and slowly release methane and CO2 into the atmosphere



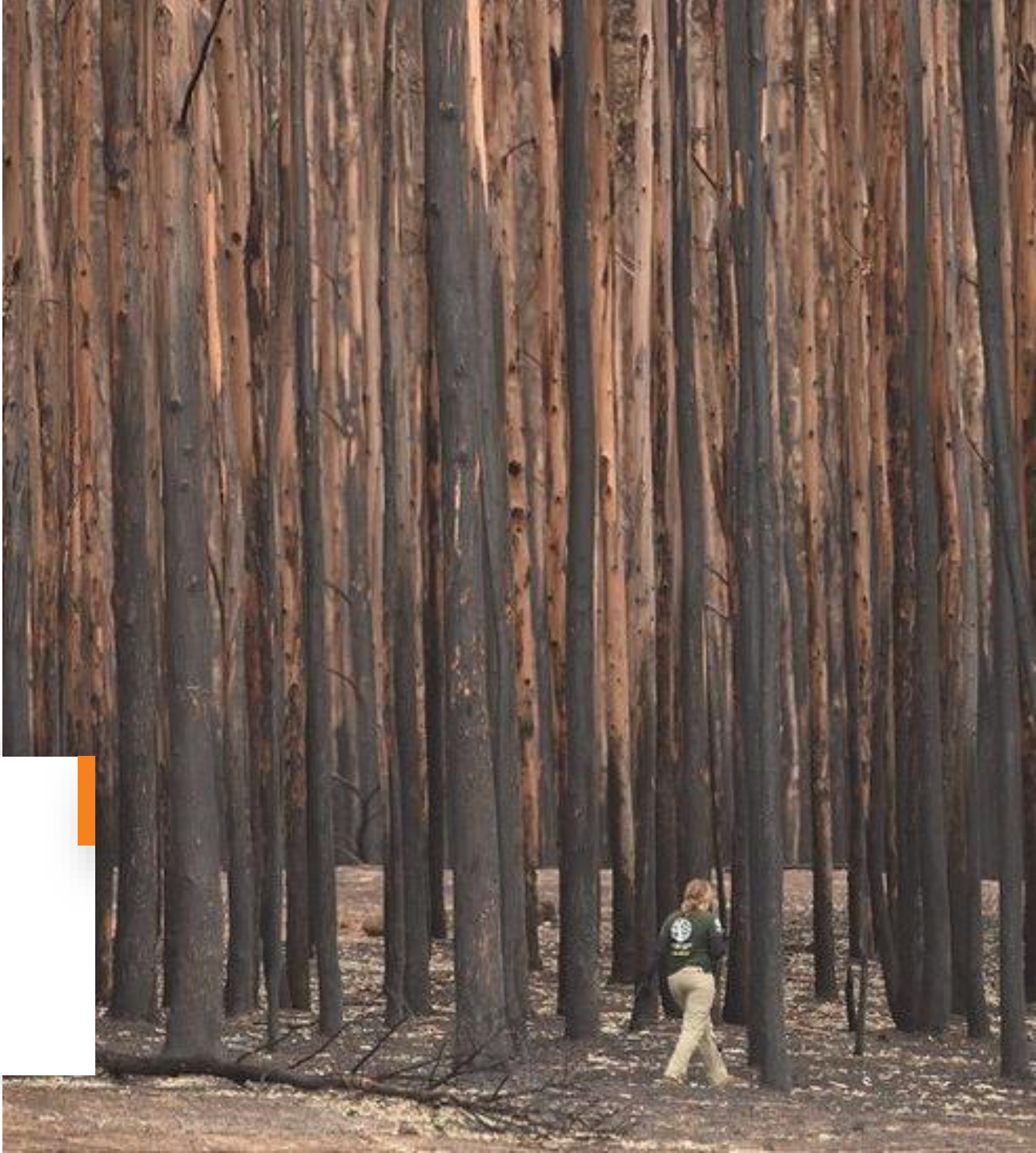
Harvest and burn the trees

releasing methane and CO2 into the atmosphere



Develop a process

to sequester the embodied carbon as **biochar**, permanently storing the carbon. Without carbon finance this option would not have been feasible.



What is Biochar?

Biochar is a charcoal-like substance produced by heating organic matter without oxygen in a process called pyrolysis.

Pyrolysis doesn't produce carbon dioxide as ordinary, oxygen-fuelled fire does. Instead, the carbon gets locked as charcoal-like matter.

Biochar production is an established industrial process which has been utilised for centuries.

Uses



Using biochar to bury carbon in the ground is a large-scale way to tackle global warming, and at the same time, significantly boost the productivity of the world's farms.



Improves soil quality and structure

When buried, biochar adds nutrients, fertilisers, water, and microorganisms, effectively conditioning the soil



Improves water quality

Due to biochar's porosity, it acts to remove contaminants and treat water in constructed wetlands



Reduces livestock methane emissions

As a feed additive, biochar reduces methane emissions in livestock (ranked #3 emitter)







Biochar production is expected to yield Carbon Removal Credits issued in the global voluntary market.



MARKET OPPORTUNITY


Carbon Removal Credits (CRCs)

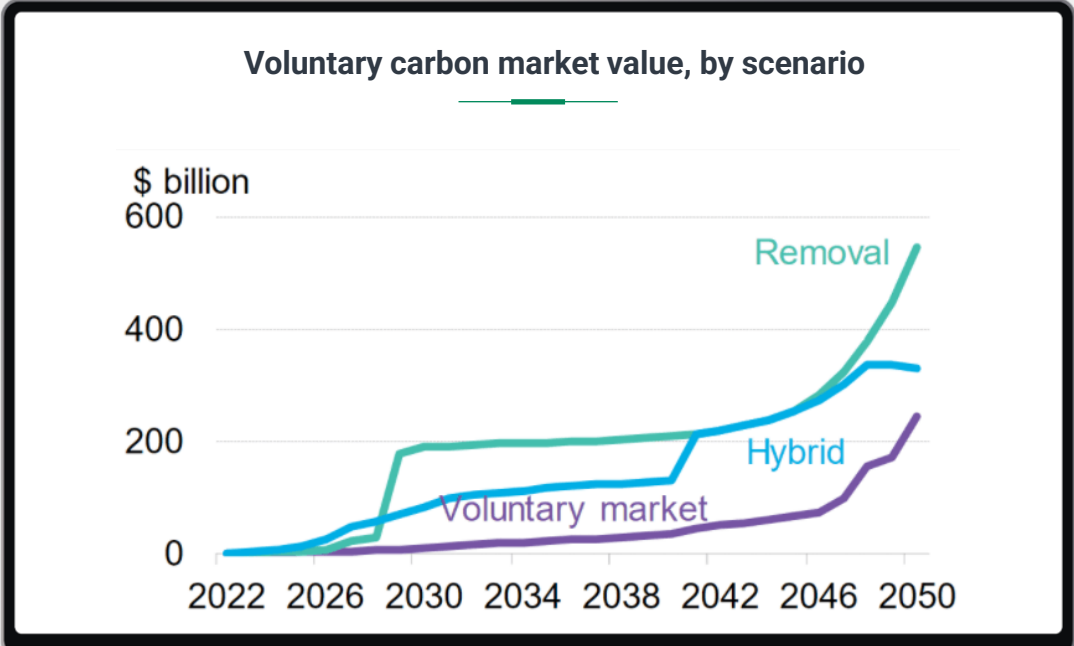
-  Avoidance-based carbon credits accounted for more than 90% of all credits issued in 2020. However less than 5% of offset credits actually remove CO2 from the atmosphere¹.
-  In contrast, Carbon Removal Credits (CRCs) reflect a permanent storage of carbon and are accordingly emerging as a large-scale market opportunity.
-  Analysis conducted by ClimateWorks in 2021², showed public and private funders **mobilised more than US\$6 billion for carbon removal**. The shift towards CRCs is expected to accelerate as global economies strive to meet net-zero ambitions.
-  **Demand for CRCs is emerging from blue chip entities** including Salesforce, Microsoft, Stripe, Alphabet, Meta, and Shopify. Other early movers include Mitsui, Mitsubishi, AES, Swiss Re³.

¹Source: TSVCM inventory analysis for 2022 via Bloomberg.
²Source: Funding trends 2021: Climate change mitigation philanthropy By Helene Desanlis, Elin Matsumae, Hannah Roeyer, Anthony Yazaki, Muniba Ahmad, and Surabi Menon. October 2021. ClimateWorks Global Intelligence.
³Source: "Major Technology Companies To Provide Nearly \$1 Billion Building Market Demand For CO2 Removal" Forbes. Apr 13, 2022. Felicia Jackson; and "Facility for technical carbon removals being launched by major corporations". 23 May 2022 by South Pole Press Release.

Biochar

A feasible way to generate CRCs

		
Biochar Existing technology available to produce CRCs cost-effectively and at scale	Mineralisation Early-stage feasibility and investment	CCS Not yet cost-effective



Bloomberg New Energy Finance projection for value of voluntary carbon markets over time. Scenarios are based on intersection of price, supply and demand and are not necessarily representation of how the market will evolve.

MARKET OPPORTUNITY

CRC Pricing Continues to Firm

Demand side target price
~US\$100 per CRC

Buyers indicate this pricing as “affordable at scale” (Frontier AMC)¹.

Predicted required pricing
Carbon prices need
to reach US\$147/t

CO2 equivalent by 2030 to meet a 1.5°C limit².

As the market is in infancy, Nobrac expects ongoing price volatility. Importantly, Nobrac's FID Feasibility shows project is economic at materially lower prices.

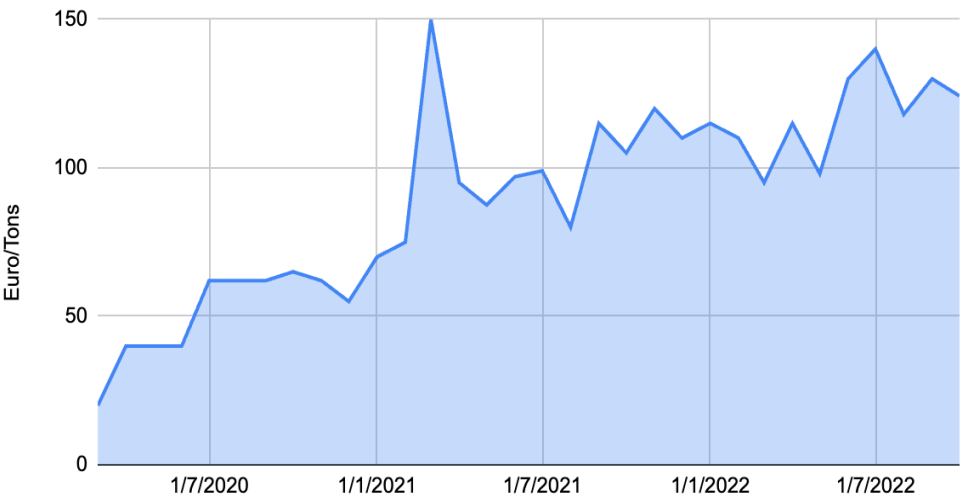
Nasdaq recently released the world’s first index to track CRCs: CORCHAR

As of October 2022, the spot price of the CO2 Removal Certificate Weighted Index Family (CORCCHAR) was reported €124.22 per tonne³. According to KraneShares Global Carbon Strategy ETF, which is benchmarked to IHS Markit’s Global Carbon Index, as of 8 November 2022 the global price of carbon was US\$42.36 per tonne of CO2.

Puro Spot Pricing of Biochar CRCs

Euro/tonne of CO2 equivalent

CORC Carbon Removal Price Index (CORCCHAR)



Source³: NASDAQ Carbon Removal Price Index

1. "Stripe, Alphabet, Shopify, Meta and McKinsey launch advance market commitment to buy US\$925M of carbon removal by 2030." <https://frontierclimate.com/writing/launch>

2. According to the OECD the carbon price needs to meet \$147 tCO2e by 2030 to reach net-zero carbon emissions by 2050. 6 OECD (2021). Effective Carbon Rates 2021

3. Source NASDAQ Carbon Removal Price Index FAQ: https://www.nasdaq.com/docs/2022/04/25/0996-Q22_Puro%20Index%20Launch%20FAQ%20EMS_0.pdf

ADDITIONAL MARKET OPPORTUNITY

By-product: Direct Biochar Sales

In addition to generating CRCs, biochar’s main bulk agricultural end markets are expected to be:



Soil conditioner
holds nutrients, fertilisers, water, and microorganisms which improve soil quality and structure.

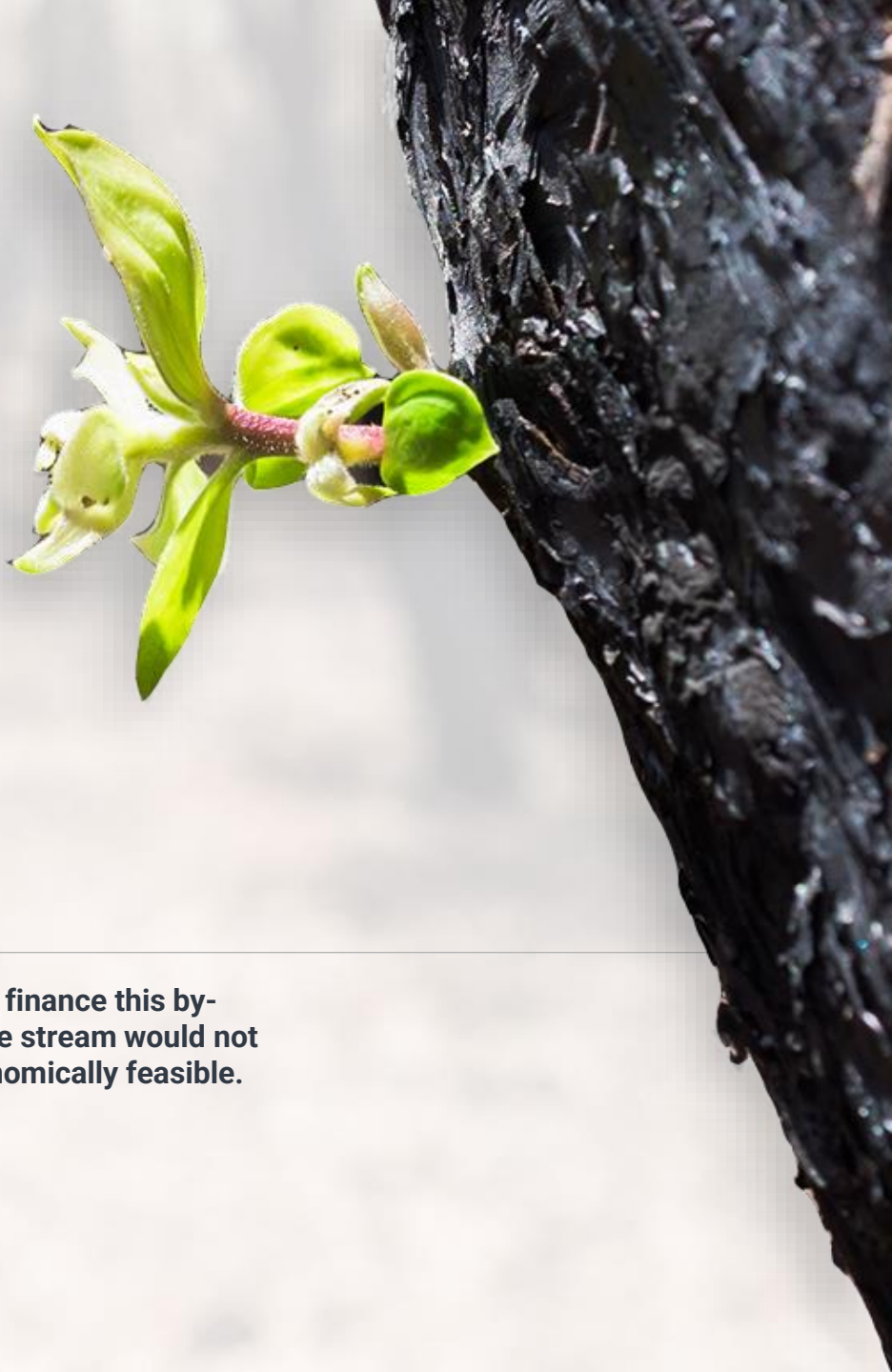


Feed additive
to reduce methane emissions in livestock, increase weight gains and reduce illness.

The Australian biochar market is immature. Pricing is artificially high due to small-scale, high-cost production systems. In the more-mature US market, bulk biochar trades between A\$200 and A\$350 per tonne excl. freight.

Nobrac’s initial feasibility study assumes A\$75 per tonne of forecast revenue for direct biochar sales at the farm gate (~US\$35 per CRC equiv). Nobrac is investigating freight solutions to reduce costs and improve the potential farm gate price.

Without carbon finance this by-product revenue stream would not have been economically feasible.



INTRODUCING

NOBRAC

FLINDERS BIOCHAR CARBON REMOVAL PROJECT

Nobrac is converting approximately 4.5 million tonnes of fire damaged biomass into biochar.

The carbon removal is equivalent to a year of emissions from 390,000 cars.

It is anticipated to be the world's largest biochar project.

The Flinders Biochar Project is being developed in conjunction with our strategic partners Biocare Projects Pty Ltd and AAG Investment Management.



Yielding Carbon Removal Certificates (CRCs) that can be purchased by emitters to offset emissions.



By-product: additional revenue from biochar sales

Flinders Biochar Carbon Removal Project



To be the **world’s largest biochar project**



Positioning Nobrac to grow into **Australia’s largest listed institutional grade carbon developer**



High ESG rating - alternative to traditional burning of timber which is carbon emitting and poses a smoke risk



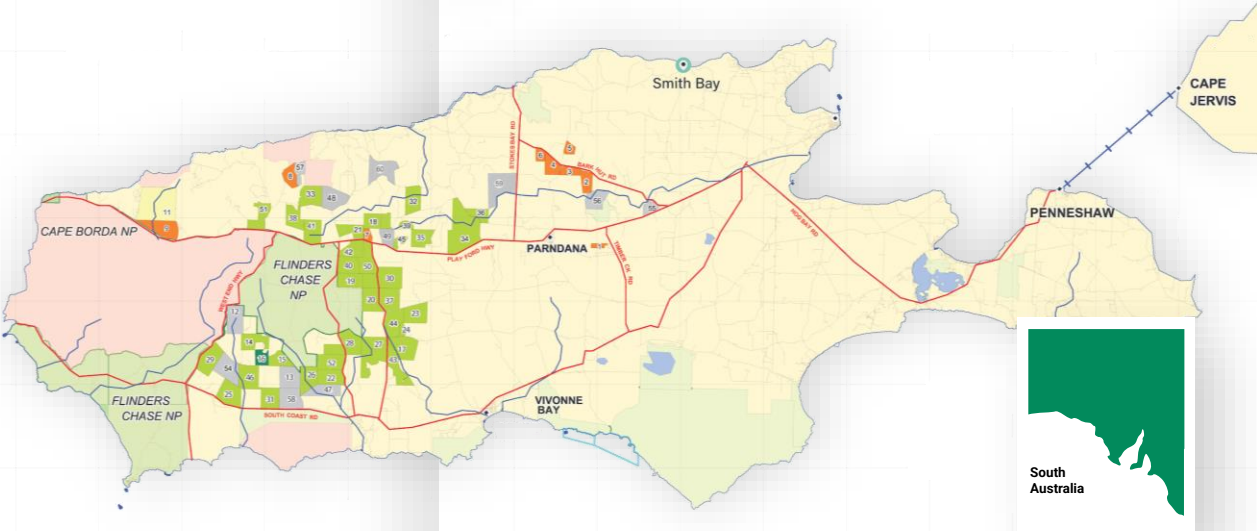
Low capital expenditure required



Near-term cash flow anticipated from converting fire-damaged plantation biomass of no value into a product which has value

- Revenue from carbon removal certificates
- By-product revenue from biochar sales

Project Location Kangaroo Island, South Australia



14,433 Ha of former plantation forestry containing approximately **4.5 million tonnes of biomass**, severely impacted by fire in early 2020, **will be turned into biochar.**

Biochar Production

Nobrac is adopting an in-field, mobile, scalable biochar production system, in partnership with Biocare and AAGIM.

This system will pyrolyze Kiland’s forestry resource into biochar over an expected 10 year period.



The carbon removal is equivalent to a year of emissions from 390,000 cars.

Flinders is anticipated to be the world’s largest new biochar project.

How Will The Distributed Pyrolysis System Work?



Maximizing biochar production is the focus of system design.

With critical attention to CRC compliance, the Life Cycle Analysis (transport & energy), as well as costs (equipment & operation) and prevailing conditions (from extremes of fire danger to heavy rain).



Swarm models (machine gangs to the biomass)

and partially centralized models (biomass to the machine) are being assessed to maximize the overall net benefit.

The biomass will be prepared with strategic down sizing and pre-drying.

01



The biomass is loaded sequentially into a gang of pyrolysis kilns using common ancillary equipment.

02



Inside the pyrolysis kiln, the biomass is pyrolyzed into biochar.

03



Fugitive emissions and off gases will be controlled and harnessed for renewable process energy.

04



Once the conversion of biomass to biochar is complete, the biochar will be quenched.

05



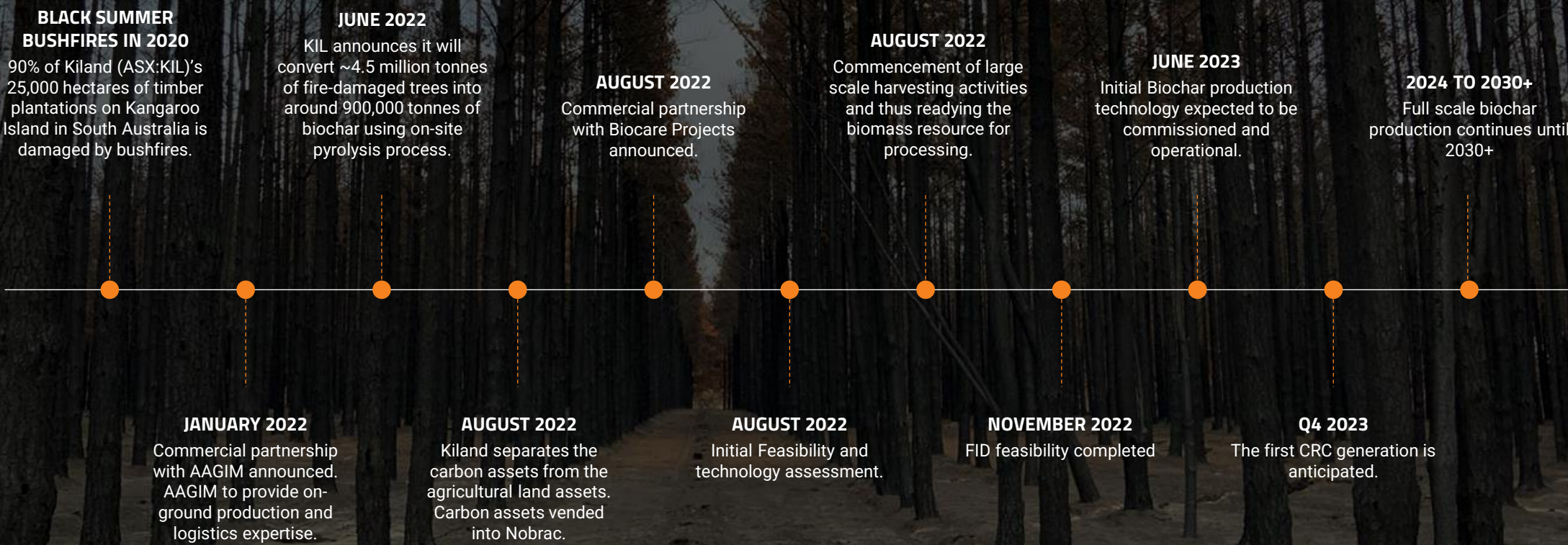
The biochar is unloaded and verified for CRC compliance.

06

The image displayed above is of an off-the-shelf existing technology which is of significantly smaller scale than required for Flinders. Flinders will require approx. 50 mobile kiln units to process biomass in a timely manner.

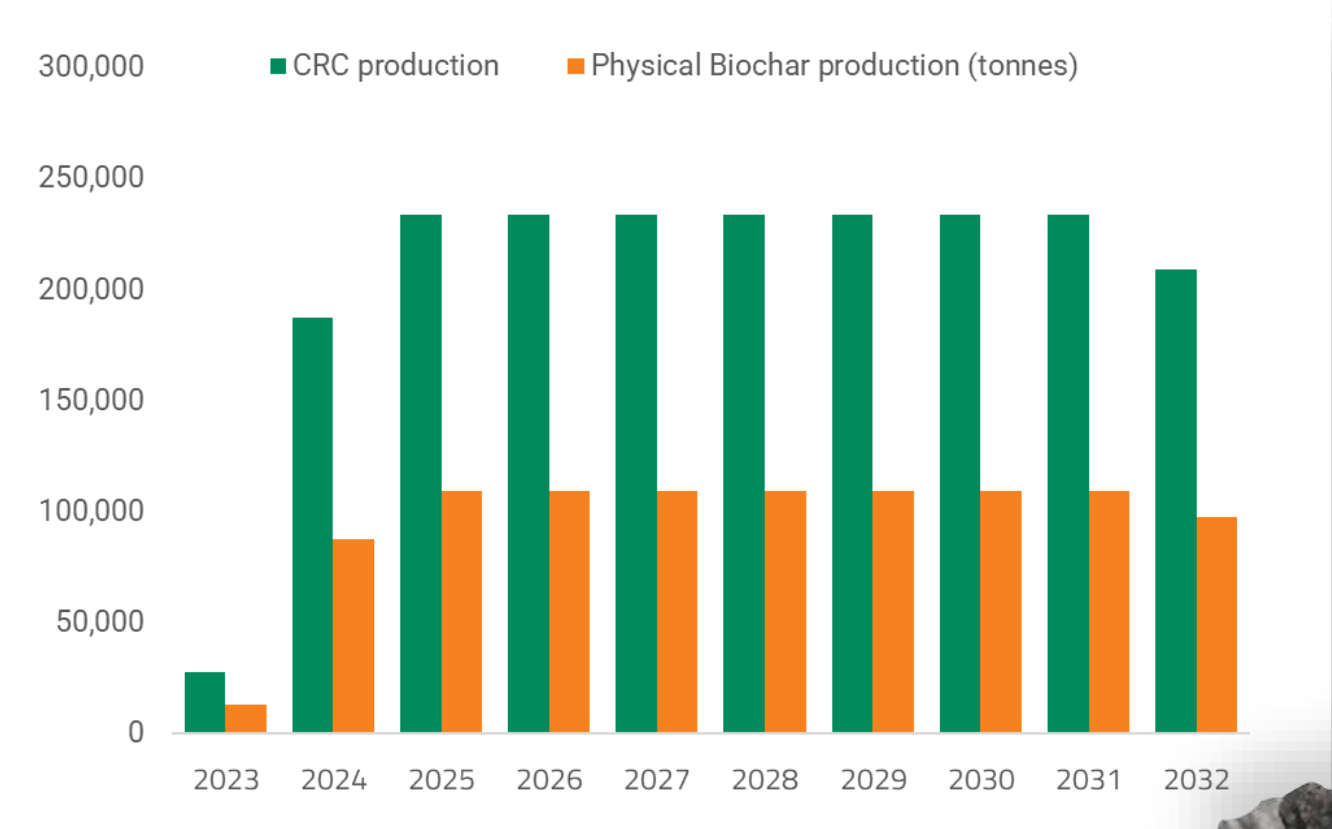
Project Pathway

Historical and upcoming potential value accretive events



Production Profile

FID Feasibility Confirms High Margin Operating Model, With Anticipated Near Term Cashflow



FID project economics are based upon:

<US\$22

direct Production cost per CRC (excl. by-products)

~20%

of CRC revenue paid to project partners in addition to Direct Production cost.

A\$31m

incremental CAPEX over two years. Flexible and modular operating model enables cash-flow from early production to part-fund CAPEX.

See next slide for assumptions

Operating Cost Assumptions

Operating Cost Assumptions – FID Feasibility

FID feasibility operating cost assumptions	
Capex (excl equipment purchased under HPR)	A\$m
Production Equipment	27.0
Accommodation & support facilities	3.5
Opex	A\$m per annum
Labour	2.4
Machinery Finance	1.7
Diesel	0.7
R&M	1.8
Other Machinery Costs	1.1
Total Direct Operating Cost	7.7
CRC Production – annual	233,972
Direct Operating Cost per CRC (A\$)	\$32.75
Operating Partner Variable Cost - % of CRC Revenue**	20%
Biochar Production (tonnes) annual	109,486
AUD: USD	0.64

Notes:

*Assumes 95% recoverable volume, 19.2% conversion factor biomass: biochar, biochar to CRC conversion factor of 2.137.

*All figures on this slide and prior slide are indicative only and subject to change.

** Nobrac's operating partners, Biocare and AAGIM are majorly remunerated via variable cost arrangements which are largely linked to CRC Revenue. Assumption has been approximated for illustrative purposes.

Strategic Partnerships



**Biocare Projects
Pty Ltd (Biocare)**

Nobrac have partnered with Biocare Projects to develop the Flinders Biochar Project. Biocare are project developers, engineers and carbon market experts providing carbon removal project development and monetisation, with a focus on biochar.

Biocare will be providing a turn key service including:

- Technology feasibility and design;
- Project commissioning;
- Project registration and compliance;
- Biochar end use advisory;
- Carbon credit marketing and monetisation.



AAG
Investment
Management

**AAG Investment
Management Pty Ltd (AAGIM)**

Operations and Logistics partner.

AAGIM is a private account and direct investment manager focussed solely on the Australian farmland sector.

AAGIM manages over \$500m of investments and has managed the conversion of over 100,000 hectares of former blue gum plantation land to farmland.

kiland

Kiland Limited (ASX: KIL)

Owns 18,600ha of fire damaged forestry plantations on Kangaroo Island, South Australia, that will be utilised as feedstock by Nobrac for biochar production.

Kiland will harvest biomass progressively over next 4+ years to provide feedstock to the Flinders Biochar Project for a nominal tolling fee.

The Biocare Team



**NICK
GUZOWSKI**
CEO & MD

Project development experience includes managing a gigawatt pipeline of utility scale solar projects as Principal of Polpo Investments Ltd in partnership with Canadian Solar (NASDAQ: CSIQ) and Photon Energy including the Gunnedah Solar Farm (NSW best performing solar farm) and Suntop Solar Farm which together signed Australia's largest corporate PPA with Amazon totalling 165MW. Nick specialises in sourcing quality projects and managing them through to completion.

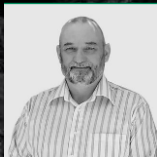


**ABRAHAM
ROBERTSON**
Commercial
& Trading Director

Abe was Chief Investment Officer at COzero, which managed a global carbon fund and was one of Australia's largest traders of environmental certificates. In 2011, COzero was awarded #1 in the BRW Fast 100 with revenues over \$100M.

Abe spent four years at CTX (now called Xpansiv) a venture-backed exchange focused on environmental certificates. During his time with CTX, he led an international joint venture to develop a stock exchange in South Africa called 4AX.

He is a cofounder of Stropo, Birdi and the mental health charity Batyr.



**GREG
BUTLER**
Technology
and Process Director

Greg is Biocare's in house biochar expert. Greg is an organic chemist and former President of the Adelaide University Science Association and has come to specialise in the decarbonisation of agro-ecological and petrochemical supply chains.

Greg is a patent author, a partner in, or a technical advisor to a range of sustainability-focused enterprises that have experienced growth, won awards or attracted international investment.



**PHILIP
LINK**
Director

15 years experience in management consulting, advisory and assurance across vastly diverse interests within clean tech: from carbon management, energy efficiency, renewable energy and biofuels, sustainability & climate disclosure and economic & cost benefit analysis. Philip is the founder and Managing Director of EnergyLink Services.



**MICHAEL
HALLAM**
Consulting Engineer

Michael is a renewable energy and energy efficiency engineer with formal qualifications in engineering and finance and has experience in energy management planning & modelling, monitoring & verification and project management.

Michael has provided input into the development of the Puro.earth biochar methodology.



**RUSSEL
SEAMAN**
Ecologist

Based in South Australia, has over 30 years of natural resource management experience delivering large-scale environmental projects. Currently, Russell is the Chief Operations Officer for Australian Integrated Carbon, one of Australia's largest landscape carbon developers.

His past work across State and Commonwealth Governments during the millennium drought was recognised nationally when he was awarded the Banksia's Award – Prime Minister's Environmentalist of the Year. Russell has also received awards for environmental planning and GIS mapping.



**SIMON
PATTERSON**
Director

Simon has been involved in broad acre farming and grazing in South Australia for 34 years and has co-managed their family farming properties with his brother. Their properties include 12,200 Ha of mixed farming (grains and sheep) and 51,500 Ha of pastoral grazing land.

Simon's interest in carbon farming to increase on-farm profits came from serving on the South Australian No Till Farmers Association board for six years, including two years as a resident.

ESG

Outstanding green credentials and potential benefits of Nobrac’s Flinders Biochar Project



Improved environmental outcome for local community

Absent of conversion to biochar, over time Kiland’s plantation will release carbon and methane back into the atmosphere through natural decay or burning. Our project is expected to deliver a greatly improved environmental outcome for the local community; effectively removing carbon dioxide from the atmosphere.



Permanent carbon removal

Anticipated carbon removal to be equivalent to a year of emissions from 390,000 cars, contributing to global decarbonisation.



Contributing to net-zero targets

Production of biochar from plantation forestry converts carbon to a form that is very stable and due to this status, can yield Carbon Removal Credits that can be purchased by emitters in the voluntary market to offset emissions.



Job creation

Anticipated to provide employment on Kangaroo Island and contributing to the development of South Australia’s industrial design, fabrication and engineering industries.

Positioning Australia at the forefront of a new global “green” industry.

Investment Highlights

Developing the world's largest biochar project

Facilitating the emergence of an institutional-grade carbon developer



Anticipated near-term cash flow

Indicative forecast revenue from Carbon Removal Credits as well as by-product biochar sales



Meaningfully contributing to net-zero targets

Driving climate change action by permanently removing carbon from the atmosphere



Questions