
kiland

Kiland Limited (ASX: KIL)
2023 AGM Presentation

28 November 2023

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2022 Annual General Meeting

Agenda

- Business update – Kangaroo Island Land Assets (agricultural strategy)
- Business update – Nobrac (carbon removal strategy)
- Delisting
- Consideration of accounts
- Consideration of resolutions
- Questions and discussion



August 2021 Kiland decided on a new agricultural strategy to remove the treecrop and convert its Kangaroo Island land to more traditional agricultural use – primarily sheep meat production. The project has been structured as two distinct operations:

Land reversion - close to operating at planned capacity:

- Procurement phase now complete
- Reversion activities commenced Oct 2022
- Full planned operational capacity should occur prior to year-end
- Initial agricultural operations have commenced
- Rebalancing of non-core properties continuing

Biomass and carbon strategy - commenced

- Established Nobrac Ltd to undertake biochar and Carbon Removal Credit production
- Separate governance, management and capital structure
- Supported initial capital needs through equity and debt



Business Update

Primary procurement phase now complete – total cost ~\$10m



Harvesters x 6



Stump Grinder x 3



Skidders x 4



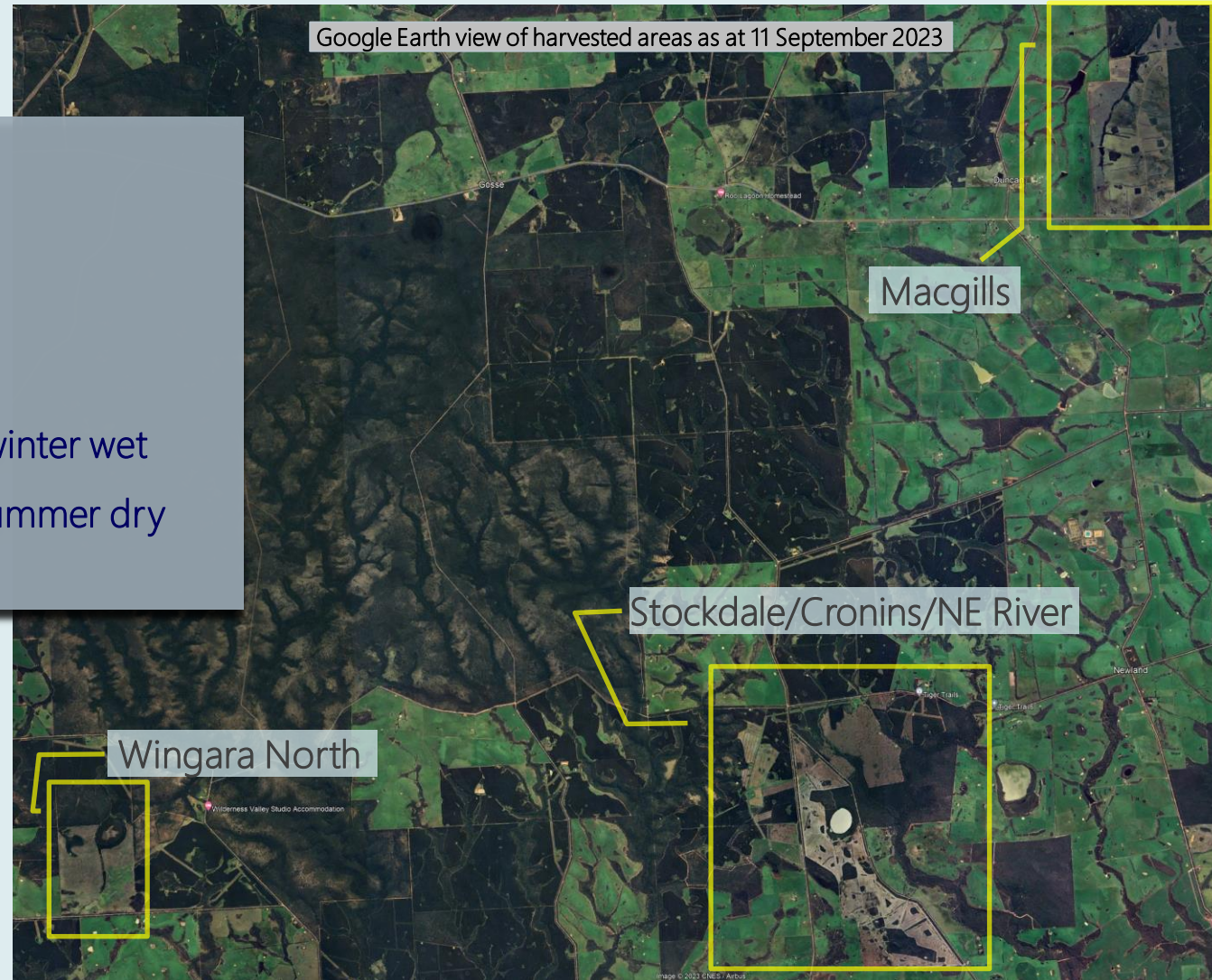
Tractors x 3

+ sundry agricultural equipment such as discs, rakes, spreaders and seeders and support vehicles

Reversion well underway

Prioritisation:

- Low coppice
- High productivity areas
- Dryer higher elevations areas during winter wet
- Wetter lower elevation areas during summer dry



Business Update

Reversion now well underway




Property	Planted	Harvested	Skidded	Stump Ground	Raked
Wingara North	415	200	32	Nil	Nil
Stockdale	303	303	303	175	138
MacGill's	1213	576	430	363	278
North East River	344	57	Nil	58	Nil
Cronins	297	327	109	34	Nil
Research	59	5	5	Nil	Nil
Total Area (ha)		1468	879	629	416

As at 31 October 2023 – estimates only

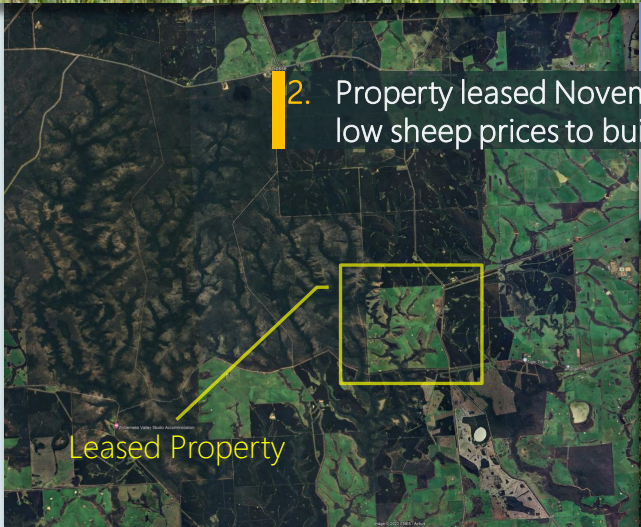
Business Update

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Agricultural operations commenced



1. Land preparation follows harvest with initial pasture (Triticale) sown (Photo Stockdale Sept 2023)



2. Property leased November 2023 –take advantage of historical low sheep prices to build flock



3. Approximately 3,400 sheep acquired as at 30 October 2023

Non-agricultural property rebalancing underway

Kiland is rebalancing its portfolio of non-agricultural properties from port development sites to worker accommodation:

- Ballast Head – sold Feb 2023 for \$750k (50% above book value)
- Upper Wandering Sheep – currently for sale
- Lower Wandering Sheep and Smith Bay – currently seeking to consolidate with further block
- Cook Road Pardana (4 Units) acquired
- Wedgewood Road Pardana acquired
 - Subdivision approved by council
 - \$1m grant approved by SA government for services development
 - Surplus rural living blocks will be sold to help fund the housing units



Summary Financials

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As at 30 June 2023

Balance Sheet		
	2023	2022
	\$m	\$m
Cash	38	48
Other Current Assets	2	1
	40	49
Land	94	72
Plant & Equipment	10	5
Investments in Associates	3	0
Other Non-current Assets	0	0
	107	77
Total Assets	147	126
Trade & other payables	2	2
Borrowings (equipment finance) - current	2	0
	4	2
Accrued forecast Performance Fee to operator	3	0
Deferred tax liabilities	4	2
Borrowings (equipment finance) - non current	7	0
	14	2
Total Liabilities	18	4
NET ASSETS	129	122
Shares on issue (m)	72	76
NTA backing per share (\$)	\$ 1.79	\$ 1.61

Profit and Loss		
	2023	2022
	\$m	\$m
Gross profit on sales	0	-1
Bank interest	1	0
Insurance recoveries	0	4
Forestry expenses	0	-2
Wharf feasibility costs	0	-1
Reversion expenses	-11	0
Admin & other expenses	-3	-4
Loss before income tax	-13	-4
Income tax benefit	3	1
Loss for the year	-10	-3

NOBRAC

KANGAROO ISLAND

CARBON REMOVAL PROJECT

Business Update

November 2023

Expanded Team



Managing Director

ROB PRICE

- 15 years UBS & Goldman Sachs (Sydney & New York) managing derivatives, structured funds and investments businesses
- 15 years managing family office assets, investing across a range of markets and asset classes
- 10 years as an impact entrepreneur building and investing in transformational businesses
- 2 years in carbon/environmental markets helping to establish one of Australia's pioneering carbon funds



NE Director

RADHA KUPPALLI

- 20 years environmental sector experience developing finance and commercial solutions to address climate change
- 17 years at New Forests, the world's leading asset manager in sustainable forestry and natural capital
- Radha sits on the Board of Accounting for Nature and Greening Australia
- Graduate degrees in Business and Environmental Management from Yale University

Nobrac Opportunity

Premium Carbon Removals at Scale



HIGH IMPACT RETURNS

- Positioned to benefit from a multi-decade decarbonisation investment super-cycle
- Demand/supply dislocation supporting revenue opportunity



INSTITUTIONAL QUALITY & SCALE

- The largest biochar project in the world¹
- Fulfilling the necessary integrity, regulatory and scalability standards to attract institutional capital



NEAR TERM CASH FLOW

- Anticipated from carbon removal credits and revenue from biochar sales



OUR VISION

Harness the power of markets to scale the projects, technologies and infrastructure needed to address the foremost environmental challenges of our time



OUR PATH

Build a high-quality portfolio of nature-based, tech enabled projects that:

- Drive exceptional economic, environmental and social returns
- Offer the scale and integrity required to attract institutional grade capital
- Reflects the values and vision of all our stakeholders

1. Other sizeable projects are under assessment but have not progressed beyond concept phase

Significant Progress:

To Becoming an Institutional Grade Carbon Developer



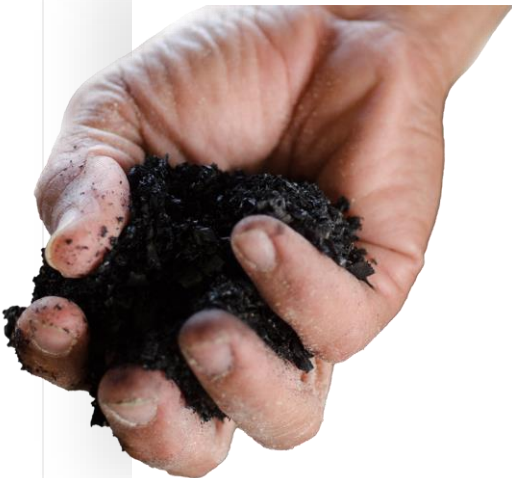
Jan 2020

Bushfire damaged >95% of Kiland’s forestry plantation
How to manage the environmental challenges posed by ~4.5 million tonnes of fire-damaged timber.



Oct 2023

World’s largest biochar project is taking shape¹
A Scale solution with global potential



30 November 2023

First biochar produced

Nov 2023

A highly engineered carbon removals solution
Design complete and pilot reactor commissioned



1. Other sizeable projects are under assessment but have not progressed beyond concept phase

Upgraded and Enhanced Project Design



Concept Design | General Layout
Biomass Processing Capacity

10 t/h Hub

 Advanced Telemetry

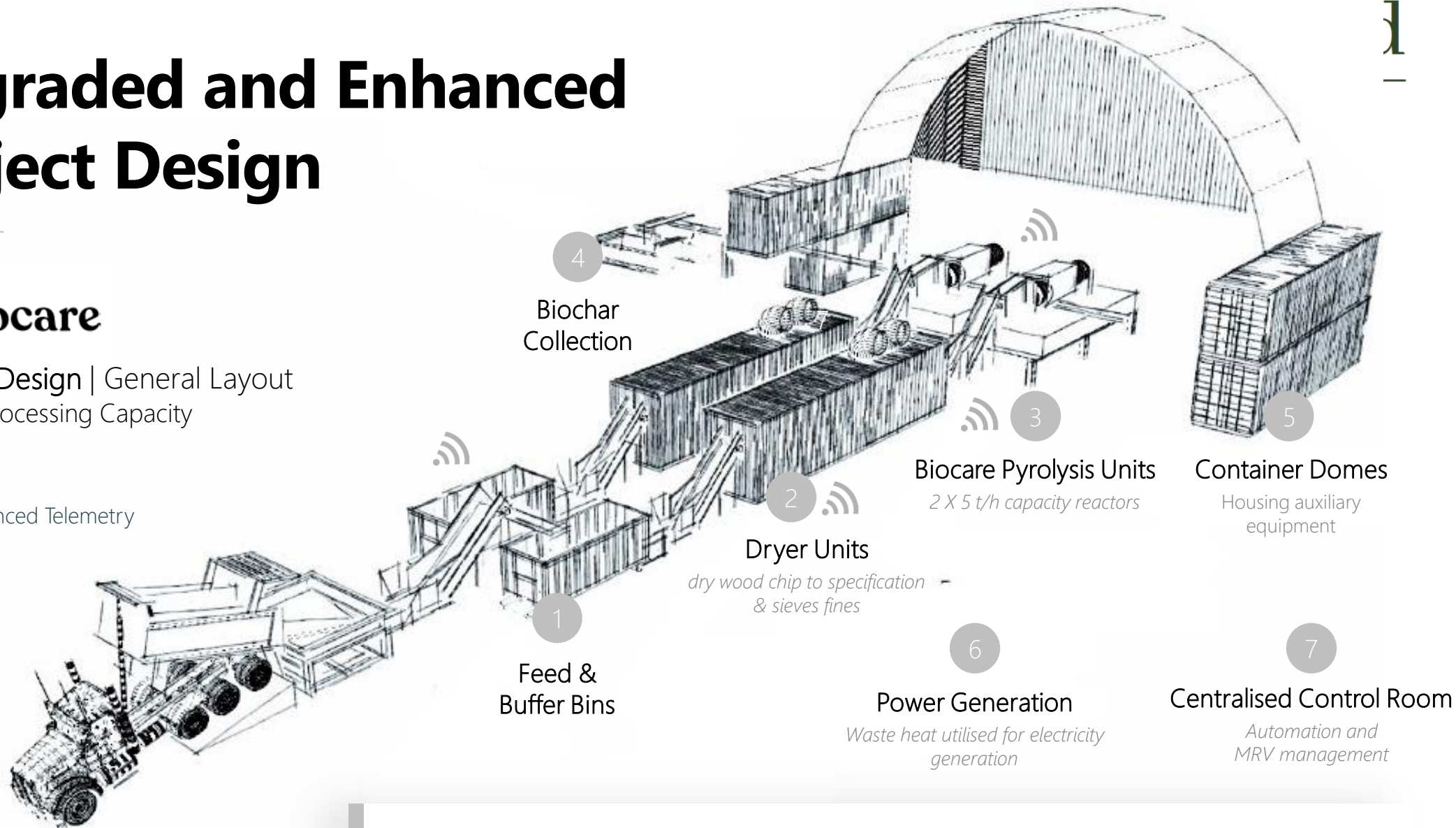


Image: Copyright Biocare Projects Pty Ltd 2023.
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The biochar production system has been significantly upgraded increasing the scalability and delivery potential of the project

Target Project Milestones



PROJECT RISK: The technologies (at scale) and markets in the carbon and biochar space are nascent, resulting in potential risks to both timeframes and revenue opportunities over the life of the project

Carbon Removal Markets



Turbulent year in carbon markets as buyers seek clarity on credit integrity

- The shakeout we needed to have and a positive for high integrity projects and methodologies



Buyers with the highest environmental standards are shifting focus to carbon removal projects



Credits from carbon removal projects are sought after because:

- Directly Measurable – rather than counterfactual
- Verifiable – through life cycle accounting
- Permanence – is easier to assess than avoidance methodologies

“The deployment of carbon dioxide removals to counterbalance hard-to-abate residual emissions is unavoidable if

**net zero...
emissions are to
be achieved.”**

IPCC



Quality buyers are prepared to pay a premium for durable carbon removals

A Significant Gap Between Demand and Supply is Emerging

Boston Consulting Group¹ highlighted today's gap in durable carbon dioxide removal (CDR) investments and the **opportunity for investors**:

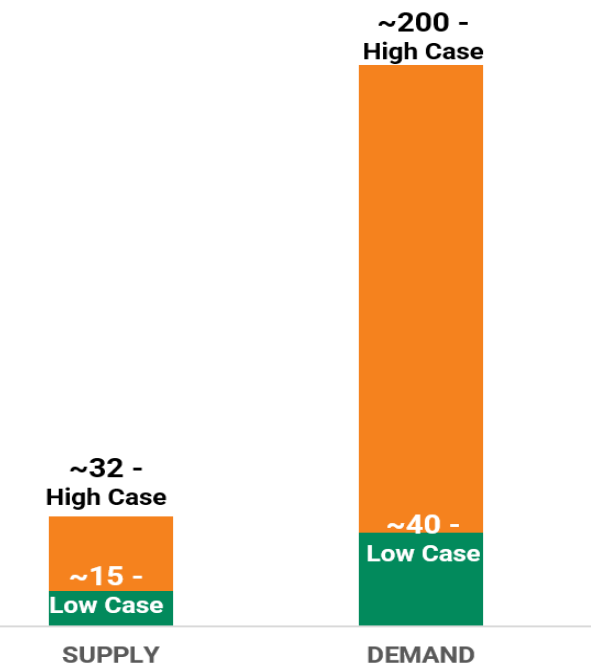
Demand vs supply

- BCG estimates annual demand of 40 – 200 million tonnes (Mt CO₂) for durable CDR in 2030, which is likely to far outstrip the announced supply of 15 – 32 Mt CO₂
- If companies with announced 2030 net zero targets use carbon removals to reduce 10% of their emissions, demand would increase to 1.1 – 1.6Gt

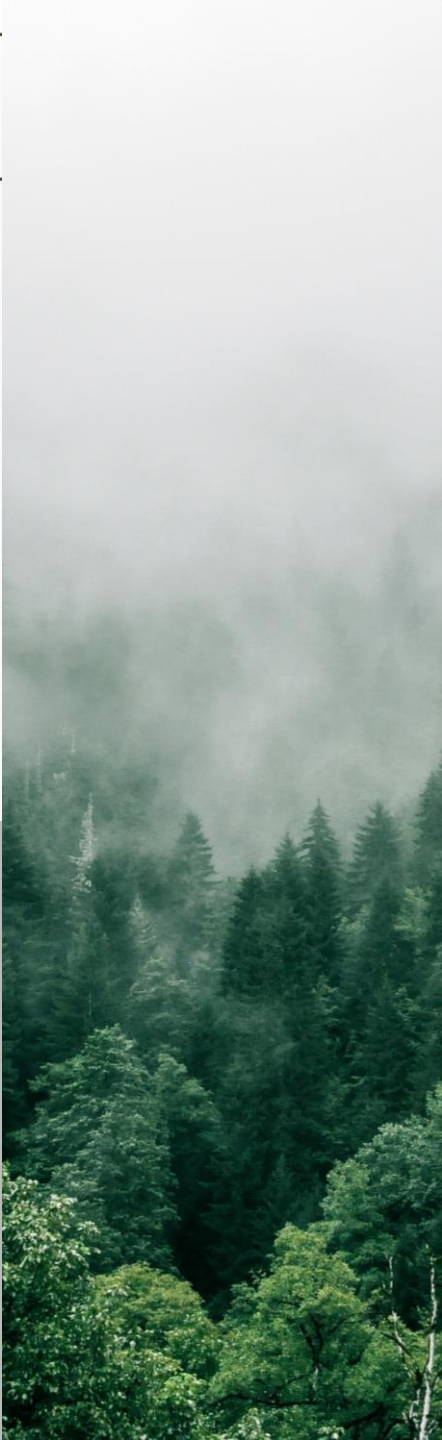
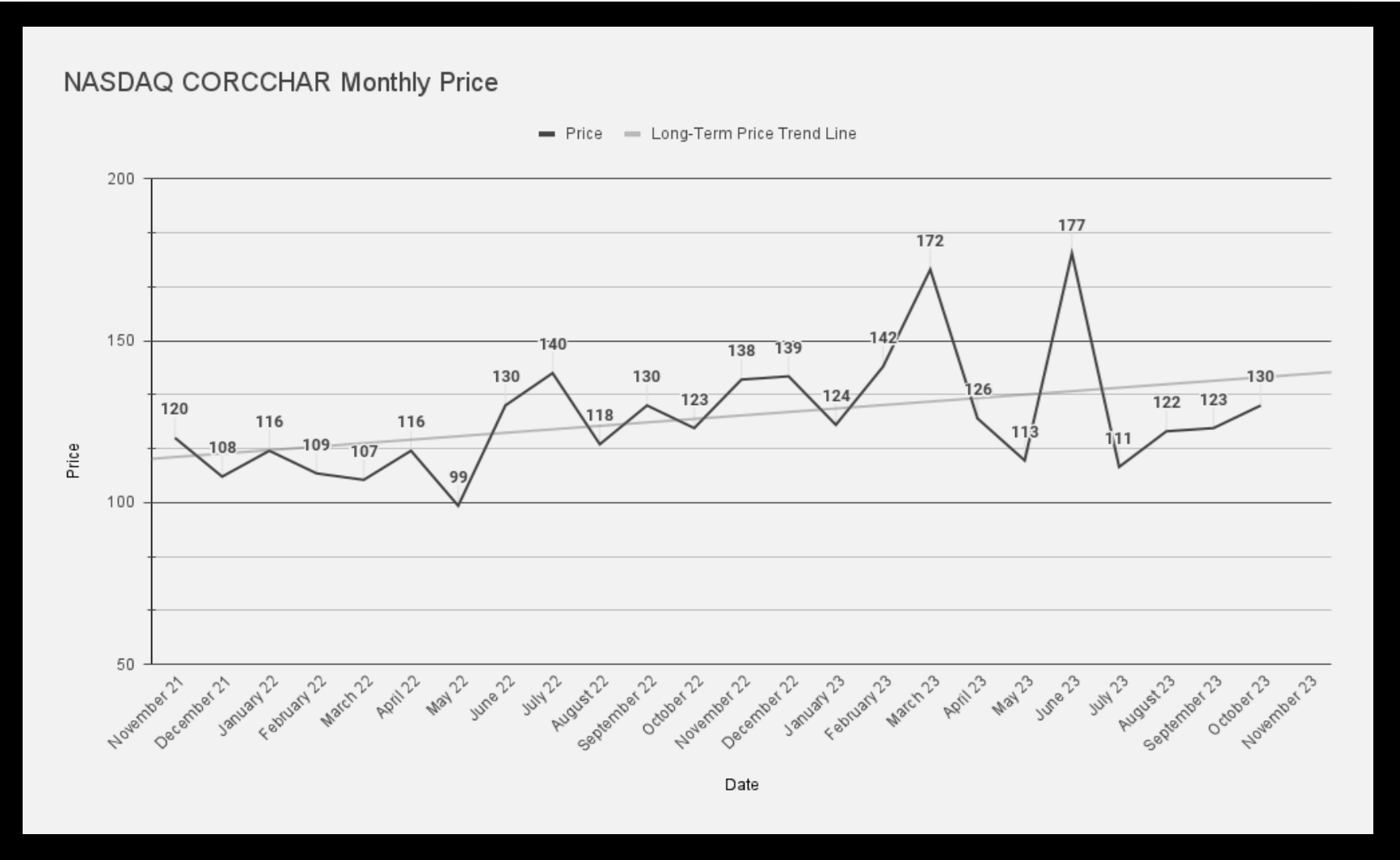
Current investment

- 1.7 billion (2022) – less than 10% of investment in other climate technologies such as solar in the same early stages

CDR Supply & Demand
(Mt CO₂)



Carbon Removals (Biochar) Price in Euros



Biochar Market

In the short-term prices for biochar will be driven by benefits to the buyer or the value of substitutes

Commissioned consultants Eden Mcallum to map out biochar market opportunities:

- Attractive across a wide range of use cases
- Price point dependent on industry



Nobrac will initially be pursuing the following markets:



Soil amendment

Improves soil fertility, soil structure, microbial action and it also sequesters biosphere carbon. Used in horticulture



Enhanced fertilisers

Improves nutrient use efficiency, reduces environmental impact, and enhances soil health



Soil remediation

Immobilises contaminants, retains and slow releases nutrients for new plant growth, and improves soil health



Cement base

Replaces high embedded carbon clinker, whilst also sequestering biosphere carbon

The Board believes Kiland's ASX listing is not appropriate for the business

Listing is not providing shareholders with typical benefits

- Kiland has generally traded at a persistent discount to NAV since the change in strategy
- There is little recognition of the value of the Nobrac shareholding in Kiland's share price
- There is little liquidity in the stock
- Kiland has undertaken three share buybacks since the change in strategy to address the discount to NAV and illiquidity - to limited effect

The two strategies combined are ill-suited to a single listed vehicle

- Kiland and Nobrac are very different businesses with different risk profiles and strategies – this is difficult for the market to price
- Being part of a listed group limits the capital options for Nobrac

The Board currently intends to sell the estate when reversion is complete

- Likely that stock will still be trading at a discount to NAV at that time – complicates valuation story
- Public disclosures, particularly around valuation, will be unhelpful in a sales process

Buyback resolution

The Board is aware some investors may not wish to remain in an unlisted vehicle

- Significant buyback volume has been undertaken since the change in strategy

	FY 2022		FY 2023		FY 2024 to 20-Nov-23	Total since 1 July 2021
Number of Shares	10,205,133		3,810,427		1,209,020	15,224,580
Cost	\$	12,818,000	\$	7,056,000	\$ 2,108,911	\$ 21,982,911
Average Price per Share	\$	1.26	\$	1.85	\$ 1.74	

- Additional buy-back capacity is sought as part of meeting resolutions