Annual Report **2025**

For the year ended 30 June 2025
ABN 19 091 247 166

kiland

Contents

Directors' Report
30 June 2025

Your directors submit their report for the year ended 30 June 2025 together with the financial statements on the consolidated entity (hereafter referred to as 'Kiland' or the 'Group') consisting of Kiland Limited ('the Company') and the entities it controls.

Directors

The names and details of the Company's Directors in office during or since the end of the financial year are as follows:

Director	Position	Appointed	Last elected or re-elected at AGM
James Davies	Managing Director	13 Jul 2021	25 Oct 2021
Paul McKenzie	Non-Executive Chairman	29 Apr 2005	28 Nov 2023
Mitchell Taylor	Non-Executive Director	13 Jul 2021	24 Nov 2022

Paul McKenzie was appointed by the Board as Chairman effective 29 September 2025, with James Davies moving to the position of Managing Director.

James Davies — Managing Director

Qualifications — BCompSc, MBA, GAICD

Board member since July 2021. Appointed as Executive Chairman in October 2021.

Mr Davies has more than 35 years of experience in investment management across timberland, economic infrastructure, real estate, private equity and special situations. Most recently he was Head of Funds Management at New Forest Asset Management, overseeing $2.5 billion worth of investments in broad acre real estate, forestry assets and environmental markets.

Prior to that, he held Director roles at Hastings Funds Management Limited and Royal Bank of Scotland’s Strategic Investments Group. Mr Davies has served on numerous Investment Committees and Boards including as Chairman of both Timberlink Australia and Tasmanian-based plantation owner Forico.

Mr Davies was Chairman of New Energy Solar, which was listed on the ASX (ASX: NEW) up until February 2023. He was also previously a non-executive director of Namoi Cotton (ASX: NAM). Mr Davies is currently Chairman of the ASX-listed property investor Eildon Capital (ASX: EDC) and he is a member of the Advisory Board for AGR Partners, a US-based private equity firm focused on agribusiness.

Mr Davies holds a Bachelor of Computer Science from the University of New England, a Masters of Business Administration from London Business School and is a Graduate of the Australian Institute of Company Directors.

Directors' Report
30 June 2025

Directors

Paul McKenzie
Qualifications

Non-Executive Chairman

BSc (Agric), BCom, FAICD

Non-Executive Board member since April 2005. Appointed Chairman July 2009, retired as Chairman at the October 2021 AGM. Reappointed Chairman October 2025.

Mr McKenzie is the Managing Partner of Agrarian Management, a leading Western Australian agriculture consultancy with offices in Geraldton and Perth. He has more than 30 years experience in agribusiness, management, finance and primary production, advising over $1.5 billion of agriculture assets for family, corporate and sovereign wealth clients.

Mr McKenzie is a Fellow of the Australian Institute of Company Directors (AICD), past President of the Australian Association of Agricultural Consultants (WA) Inc and a Ministerial Appointee to various agribusiness review and advisory panels. He is Non-Executive Chairman of Minbos Resources Limited (ASX: MNB) (appointed 7 December 2020) and Non-Executive Director of RLF AgTech Limited (ASX: RLF) (appointed 15 December 2021). Mr McKenzie is also a director of Rural Financial Counselling Service (WA), which administers a federal government-funded program in WA under the Department of Agriculture, Fisheries and Forestry.

Mr McKenzie was Chairman of the Cooperative Research Company for Honey Bee Products Ltd at UWA, and was the Australian director of the Saudi Agricultural and Livestock Investment Company's Australian entity and subsidiaries from 2018 to 2022.

Mitchell Taylor
Qualifications

Non-Executive Director

BCom, MAppFin, GAICD

Board Member since July 2021, elected as a Non-Executive Director in October 2021.

Mr Taylor is a representative of Samuel Terry Asset Management Pty Ltd, which manages the Samuel Terry Absolute Return Active Fund, the largest shareholder of Kiland. He has more than 10 years of commercial experience in funds management.

Mr Taylor has experience in a variety of commercial transactions and corporate situations across a range of industries. He holds a Bachelor of Commerce from the University of Sydney, a Masters of Applied Finance from Macquarie University and is a Graduate of the Australian Institute of Company Directors.

Directors' Report
30 June 2025

Company Secretary

Andrew Metcalfe (CPA, FGIS, GAICD) is a professional Company Secretary and governance adviser predominantly to ASX listed companies across a broad range of industries for over 25 years, supporting and advising board and management in corporate governance matters.

Mr Metcalfe was appointed as Company Secretary effective 12 December 2022.

Interests in the shares and options of the Company and related bodies corporate

As at 30 June 2025 and at the date of this report, the interests of the Directors, either directly or indirectly, in the shares of Kiland Ltd were:

Interest in ordinary shares

	Opening interest at 1 Jul 2024	Net changes during the period	Appointment/ (resignation) of director	Closing interest at date of this report
James Davies	450,000	-	-	450,000
Paul McKenzie	2,789,860	-	-	2,789,860
Mitchell Taylor *	31,354,513	-	-	31,354,513
Total	**34,594,373**	**-**	**-**	**34,594,373**

* Shareholding of Samuel Terry Asset Management Pty Ltd, of which Mr Taylor is a representative.

Interest in Performance Rights

The Directors' Incentive Scheme remains in place consisting of 2,902,500 Performance Rights. Any vested rights must be exercised by no later than the revised expiry date of 31 July 2026.

Individual holdings of the Performance Rights issued on 25 October 2021 are as follows:

- James Davies 2,150,000 of which 1,825,000 have vested to date
- Paul McKenzie 752,500 of which 638,750 have vested to date
- Mitchell Taylor Nil

Dividends

The Directors have resolved not to declare a dividend for the year ended 30 June 2025. No dividends were declared or paid during the previous year.

Principal Activities

The Group's principal activities during the year were reversion of forestry land to agriculture, and development of a biochar and carbon sequestration business through 65.98% owned subsidiary Re-Vi Group Ltd.

The Group continues to undertake the reversion project that began in the 2021/2022 year. Once the fire damaged plantation forest timber is felled, and stacked, the agricultural estate is then repurposed to its traditional farming use, predominantly sheep grazing with some crop production.

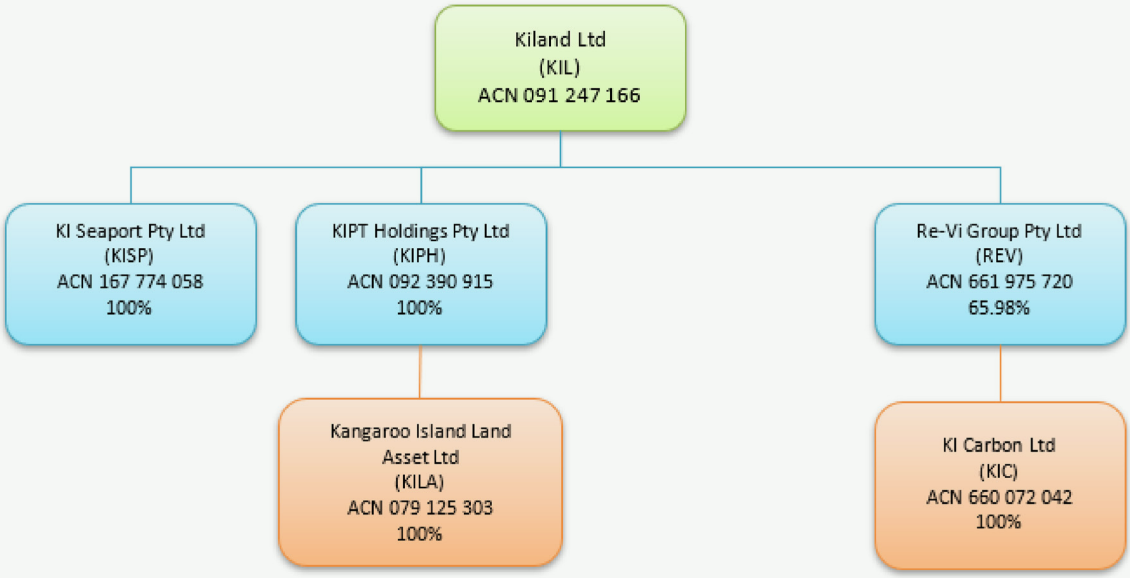
The stacked timber logs are then sold for a nominal price to Re-Vi group for use in its biochar and carbon removal project.

There were no significant changes in the nature of Kiland Ltd's principal activities during the financial year.

Directors' Report
30 June 2025

Corporate Structure

Kiland Ltd is a for-profit company that is incorporated and domiciled in Australia. Kiland has prepared a consolidated financial report incorporating the entities that it controlled during the financial year, which are outlined in the following illustration ("Group"):



Re-Vi Group Ltd was established in August 2022 and equity was issued to external shareholders in December 2022 and in June 2024 diluting Kiland's shareholding to 65.98%.

Operating and financial review

Results of operations

Revenue for the year increased by $351,000 to $398,000 (2024: $47,000) mainly as a result of increased interest received due to higher balances held on term deposit.

Total loss for the year was $22,993,000 (2024: loss of $12,042,000). Losses are attributed to administrative expenses, impairment of assets and operating losses on the biochar project.

Commentary on results

Agricultural Estate

In August 2021, the Group announced a strategy to remove the tree crop and convert its land to more traditional agricultural use. This reversion requires four core activities that happen in sequence:

- Harvest – trees are cut at the base using traditional forestry harvest equipment and laid down in bunches of 3 or 4 stems
- Stack – bunches are aggregated by forestry skidders and stacked in wind-rows
- Grind – the remaining tree stumps are ground to below ground level
- Pasture – residual biomass is raked and burned and land is seeded to pasture

Following completion of these reversion activities fencing is erected and stock water infrastructure installed.

Directors' Report
30 June 2025

Operating and financial review

Commentary on results

As at June 30, progress across the 14,464 planted hectares of the Kiland estate for each of these activities is:

Harvest	Stack	Grind	Pasture
5,105 Ha	3,907 Ha	2,768 Ha	457 Ha

Progress toward completion of the various reversion activities is now at peak operating level. Grinding and establishment of pasture remain behind schedule due to equipment maintenance delays and winter rains. Harvest and stacking activities continue apace and have been ahead of budget for the past 5 months.

During the year Kiland made farming sales of $359,000 in sheep and lambs and further $22,000 in wool. As the end of the year the flock was valued at $766,000 being made up of 50 rams, 1,936 ewes and 641 lambs.

Carbon removal project and Re-Vi Group investment

Whilst the bio project is in its start-up and construction phase most of the costs incurred to date have been capital in nature and are reflected on the balance sheet as either Plant & Equipment or Capital Works in progress. The construction of the initial 10 tonne pyrolysis trains on Kangaroo Island experienced several issues at commissioning in April/May 2025. Following advice from Re-Vi’s new consulting engineers, the decision was taken to replace a number of significant components of the plant. This led to a delay to the project and an impairment of Capital Works in progress of $9.9m of the $15.1 in total Capital Works in progress spent to date.

The capitalisation of Re Vi following the initial two capital raises is as follows (noting the first capital raise is applicable at 30 June 2024):

Date	Pre-money valuation	Amount raised	Post-money valuation	Post-money value per share	Post-money Kiland ownership
15/12/2022	$60.0m	$8.5m	$68.5m	$1.0000	87.6%
28/07/2024	$57.4m	$18.6m	$75.7m	$0.8329	65.98%

Kiland is considered to control Re Vi by virtue of its 65.98% shareholding in Re-Vi. The Board of Re-Vi consists of 2 Kiland representatives and 2 third party investor representatives and 1 independent.

Re-Vi owns 100% of KI Carbon Limited which in turn owns the rights to the Kangaroo Island Biochar Project. Kiland's subsidiary Kangaroo Island Land Assets Limited has entered into an agreement to deliver harvested biomass to KI Carbon Limited for a nominal amount.

Following commissioning issues mentioned above that were identified by KI Carbon’s new engineering service provider, Mill Rose, the commissioning of this plant has been delayed by 9 months pending the arrival of replacement pyrolysis kilns. The existing components that that are no longer required have been scrapped and a corresponding impairment has made.

Land Sales & Purchases

During the year the Group sold one of its properties “Kellendale” to assist with the establishment of a koala sanctuary on the island. The property was sold at market value.

Directors' Report
30 June 2025

Operating and financial review

Commentary on results

Investment in BioCare Projects Pty Ltd

The loans made to BioCare Projects have been repaid in full.

On the other hand, the investment of $3.0m made for 20% of the shares in BioCare Projects has been written off in full in the prior year. BioCare is no longer involved in the operations of KI Carbon and have been replaced as consulting engineers by Mill Rose, an independent firm.

Land Revaluation

The 30 June 2025 independent valuation by Herron Todd White (HTW), of land and buildings owned by the Group indicated a total fair value of $113.3 million.

The fair value valuation was prepared using a Summation Approach whereby the land value has been assessed as a rate per hectare which is added to the value of any structural improvements. The independent expert has assessed the rate per hectare for the productive component of the agricultural estate (excluding remnant vegetation and water bodies) as $8,700 per hectare. The land's location, rainfall, physical attributes, location of amenities and improvements all influence how the land is valued.

An allowance of up to $4,000 per hectare for the cost of rehabilitating the forestry estate for agricultural use has been included in the independent valuation.

Corporate matters

Share buy-backs

There were no buy-backs during the year. As at 30 June 2025 there were 63,934,572 ordinary shares on issue and 2,902,500 performance rights.

Changes to Board and Management

There were no changes to the Board and management in the financial year ended 30 June 2025.

Significant changes in state of affairs

The significant changes affecting the Group and its subsidiaries are set out in the Operating and Financial Review.

There have been no other significant changes in the state of affairs of the Group.

Significant events after balance date

There have been no events subsequent to balance date that have significantly affected, or may affect in the future, the operations of state of affairs of the Group.

Likely developments

Refer to the Operating and Financial Review.

Environmental regulation and performance

The Group’s operations are subject to environmental regulations, pursuant to the conditions of tree farm planning permissions, and the requirements of planning and regulatory approvals of local government. The Group also operates under environmental legal and license requirements governing the remaining plant at the Timber Creek sawmill. To the best of the directors’ knowledge, the Group has complied with all environmental regulations relating to its activities during the year.

Directors' Report
30 June 2025

Directors' meetings

The number of meetings of directors held during the year and the number of meetings attended by each director were as follows:

	Directors' Meetings	
	Number eligible to attend	Number attended
James Davies	6	6
Paul McKenzie	6	6
Mitchell Taylor	6	5

Indemnification and insurance of directors, officers and auditors

During the financial year the controlled entity, on behalf of the Group, paid $33,000 (2024: $33,000) for insurance premiums in respect of directors' and officers' insurance against liability, except willful breach of duty. In accordance with the insurance policy, further details of the nature of the liabilities insured against and the amount of the premium are prohibited from being disclosed.

The Group has not otherwise, during or since the end of the reporting period, except to the extent permitted by law, indemnified or agreed to indemnify any current or former officer or auditor of the Group against a liability incurred as such by an officer or auditor.

Proceedings on behalf of the Company

No person has applied to the Court under section 237 of the *Corporations Act 2001* for leave to bring proceedings on behalf of the Company, or to intervene in any proceedings to which the Company is a party, for the purpose of taking responsibility on behalf of the Company for all or part of those proceedings.

Auditor's independence declaration and non-audit services

The auditor's independence declaration in accordance with section 307C of the *Corporations Act 2001* for the year ended 30 June 2025 has been received and can be found on page 9 of the consolidated financial report.

No Director of the Group is currently, or was formerly, a partner of Grant Thornton Audit Pty Ltd.

Auditor

Grant Thornton Audit Pty Ltd continues in office in accordance with section 327 of the *Corporations Act 2001*.

Non-audit services

During the year, Grant Thornton, the Group's auditors, performed certain other services in addition to their statutory audit duties.

The Board has considered the non-audit services provided during the year by the auditor and, in accordance with written advice provided by resolution of the Audit and Risk Committee, is satisfied that the provision of those non-audit services during the year is compatible with, and did not compromise, the auditor independence requirements of the Corporations Act 2001 for the following reasons:

- All non-audit services were subject to the corporate governance procedures adopted by the Group and have been reviewed by the Audit and Risk Committee to ensure they do not impact upon the impartiality and objectivity of the auditor; and
- The non-audit services do not undermine the general principles relating to auditor independence as set out in APES 110 Code of Ethics for Professional Accountants, as they did not involve reviewing or auditing the auditor's own work, acting in a management or decision-making capacity for the Group, acting as an advocate for the Group or jointly sharing risks and rewards.

Directors' Report
30 June 2025

Non-audit services

See Note 23 for amounts received or due and receivable by Grant Thornton Audit Pty Ltd.

ASIC corporations instrument 2016/191 rounding of amounts

The Company is an entity to which ASIC Corporations (Rounding in Financial/Directors' Report) Instrument 2016/191 applies and, accordingly, amounts in the consolidated financial statements and directors' report have been rounded to the nearest thousand dollars. The Group is an entity to which the Class Order applies.

This director's report is signed in accordance with a resolution of the Board of Directors.

On behalf of the Board

Paul McKenzie - Non-Executive Chairman

Dated this 28th day of October 2025

Grant Thornton

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Auditor's Independence Declaration

To the Directors of Kiland Limited

In accordance with the requirements of section 307C of the *Corporations Act 2001*, as lead auditor for the audit of Kiland Limited for the year ended 30 June 2025, I declare that, to the best of my knowledge and belief, there have been:

a no contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and

b no contraventions of any applicable code of professional conduct in relation to the audit.

Grant Thornton

GRANT THORNTON AUDIT PTY LTD
Chartered Accountants

J L Humphrey
Partner – Audit & Assurance

Adelaide, 28 October 2025

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the Year Ended 30 June 2025

	Note	2025 000's $	2024 000's $
Sales	6(a)	**398**	47
Cost of sales		**(430)**	(70)
Gross loss		**(32)**	(23)
Lease income		**32**	10
Bank interest		**563**	843
Fair value gain on biological assets	15	**688**	147
Other income		**13**	704
Profit on sale of property, plant & equipment	6(b)	**202**	-
Forestry expenses		**(21)**	(11)
Property related expenses	6(c)	**(2,255)**	(3,858)
Biochar operations	6(d)	**(4,700)**	(1,039)
Administrative and other expenses	6(e)	**(6,969)**	(5,175)
Finance costs	6(f)	**(1,738)**	(926)
Impairment loss	6(g);16	**(9,606)**	(3,067)
Share of associate's profit/(loss) after tax	16	**-**	(451)
Loss before income tax		**(23,823)**	(12,846)
Income tax benefit	7	**830**	804
Loss for the year		**(22,993)**	(12,042)
Other comprehensive income			
Items that will not be classified subsequently to profit or (loss)			
Net fair value gain in property, plant and equipment (net of tax)	14	**(5,516)**	3,247
Other comprehensive income/(loss) for the year, net of tax		**(5,516)**	3,247
Total comprehensive loss for the year attributable to members of the parent		**(28,509)**	(8,795)
Profit/(loss) attributable to:			
Non-controlling interest		**(6,285)**	(933)
Owners of Kiland Limited		**(16,708)**	(11,109)
		(22,993)	(12,042)
Total comprehensive income/(loss) for the year attributable to:			
Non-controlling interest		**(6,285)**	(933)
Members of the Parent		**(22,224)**	(7,862)
Total comprehensive income/(loss) for the year		**(28,509)**	(8,795)

	Note	30 June 2025 Cents	30 June 2024 Cents
Earnings/(loss) per share			
Basic and diluted earnings/(loss) per share	8	**(26.13)**	(16.48)

These financial statements should be read in conjunction with the accompanying notes

Consolidated Statement of Financial Position
As At 30 June 2025

	Note	2025 000's $	2024 000's $
ASSETS			
Current assets			
Cash and cash equivalents	9	**8,240**	4,110
Other financial assets - Restricted Cash	10	**2,350**	3,402
Trade and other receivables	11	**412**	857
Inventories		**11**	-
Other current assets	12	**661**	1,250
Assets classified as held for sale	13	**1,541**	1,541
Total current assets		**13,215**	11,160
Non-current assets			
Property, plant and equipment	14	**130,955**	126,468
Biological assets	15	**766**	401
Total non-current assets		**131,721**	126,869
TOTAL ASSETS		**144,936**	138,029
LIABILITIES			
Current liabilities			
Trade and other payables	17	**2,317**	2,384
Other financial liabilities		**-**	10
Employee benefits		**-**	15
Borrowings	18	**2,618**	1,870
Total current liabilities		**4,935**	4,279
Non-current liabilities			
Trade and other payables	17	**-**	2,927
Deferred tax liabilities	7	**1,621**	4,510
Borrowings	18	**40,550**	19,648
Other financial liabilities		**-**	240
Total non-current liabilities		**42,171**	27,325
TOTAL LIABILITIES		**47,106**	31,604
NET ASSETS		**97,830**	106,425
EQUITY			
Contributed equity	19	**88,428**	88,428
Reserves	20	**40,729**	44,874
Accumulated losses		**(31,239)**	(26,899)
Non-controlling interest	25	**(88)**	22
TOTAL EQUITY		**97,830**	106,425

These financial statements should be read in conjunction with the accompanying notes

Consolidated Statement of Changes in Equity

For the Year Ended 30 June 2025

2025

	Note	Issued capital 000's $	Property, plant & equipment revaluation reserve 000's $	Option & performance rights reserve 000's $	Accumulated losses 000's $	Non-controlling interests 000's $	Total 000's $
Balance at 1 July 2024		88,428	43,608	1,266	(26,899)	22	106,425
Loss for the year		-	-	-	(16,708)	(6,285)	(22,993)
Other comprehensive income		-	(5,516)	-	-	-	(5,516)
Transfer to retained losses on disposal of revalued property		-	(768)	-	768	-	-
Transactions with owners in their capacity as owners							
Net impact of change in equity holdings in Re-Vi Group	25	-	-	-	11,600	6,175	17,775
Share-based payments	28	-	-	2,139	-	-	2,139
Balance at 30 June 2025		88,428	37,324	3,405	(31,239)	(88)	97,830

These financial statements should be read in conjunction with the accompanying notes

Consolidated Statement of Changes in Equity

For the Year Ended 30 June 2025

2024

	Note	Issued capital 000's $	Property, plant & equipment revaluation reserve 000's $	Option & performance rights reserve 000's $	Accumulated losses 000's $	Non-controlling interests 000's $	Total 000's $
Balance at 1 July 2023		102,406	40,361	793	(15,790)	955	128,725
Loss for the year		-	-	-	(11,109)	(933)	(12,042)
Other comprehensive income		-	3,247	-	-	-	3,247
Transactions with owners in their capacity as owners							
Share buy-backs	19(b)	(13,908)	-	-	-	-	(13,908)
Share issue & buy-back costs	19(b)	(70)	-	-	-	-	(70)
Share-based payments	28	-	-	473	-	-	473
Balance at 30 June 2024		88,428	43,608	1,266	(26,899)	22	106,425

These financial statements should be read in conjunction with the accompanying notes

Consolidated Statement of Cash Flows

For the Year Ended 30 June 2025

	Note	2025 000's $	2024 000's $
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		**890**	198
Payments to suppliers and employees		**(26,829)**	(11,349)
Interest received		**563**	843
Net cash flows from operating activities	22	**(25,376)**	(10,308)
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sale of property, plant and equipment		**2,397**	-
Proceeds/(payment) for other financial assets - restricted cash		**1,052**	(3,402)
Purchase of plant and equipment		**(13,709)**	(19,396)
Repayment of loan to associate		**395**	-
Loan to associate - BioCare Projects Pty Ltd		**(45)**	-
Net cash flows used in investing activities		**(9,910)**	(22,798)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issues of shares in subsidiary		**18,667**	-
Share issue costs on issuance of shares in subsidiary		**(891)**	-
Payment for share buy-back costs		**-**	(163)
Proceeds from borrowings		**24,738**	14,439
Repayment of borrowings		**(3,098)**	(1,402)
Payments for Share buy-back		**-**	(13,908)
Net cash flows used in financing activities		**39,416**	(1,034)
Net increase/(decrease) in cash and cash equivalents		**4,130**	(34,140)
Cash and cash equivalents at beginning of year		**4,110**	38,250
Cash and cash equivalents at end of year	9	**8,240**	4,110

These financial statements should be read in conjunction with the accompanying notes

Notes to the Financial Statements
For the Year Ended 30 June 2025

1 Corporate information

The financial report for Kiland Ltd for the year ended 30 June 2025 was authorised for issue in accordance with a resolution of the directors on 28 October 2025.

Kiland Ltd is a for-profit company incorporated and domiciled in Australia and limited by shares.

The nature of the operations and principal activities of the Group are described in the Directors' report.

2 Basis of preparation and accounting policies

(a) Basis of preparation

The financial report is a general-purpose financial report, which has been prepared in accordance with the requirements of the *Corporations Act 2001* and Australian Accounting Standards and other authoritative pronouncements of the Australian Accounting Standards Board. The financial report has been prepared on a historical cost basis, except for biological assets and freehold land that have been measured at fair value.

The financial report is presented in Australian dollars and all values are rounded to the nearest thousand dollars ($'000) unless otherwise stated under the option available to the Company under ASIC Class Order *2016/191*. The Company is an entity to which the class order applies.

(b) Compliance with IFRS

The financial report complies with Australian Accounting Standards as issued by the Australian Accounting Standards Board and International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board.

(c) New accounting standards and interpretations

At the date of authorisation of these financial statements, several new, but not yet effective, standards and amendments to existing standards, and interpretations have been published by the IASB. None of these standards or amendments to existing standards have been adopted early by the Group. Management anticipates that all relevant pronouncements will be adopted for the first period beginning on or after the effective date of the pronouncement. New standards, amendments and interpretations not adopted in the current year have not been disclosed as they are not expected to have a material impact on the Group's financial statements.

The accounting policies applied by the Group in the consolidated financial statements are consistent with those applied in the prior year. The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective. Standards, interpretations and amendments that apply for the first time in the current year did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

(d) Basis of consolidation

The consolidated financial statements comprise the financial statements of Kiland Limited and its subsidiaries as at and for the period ended 30 June each year (the Group).

The parent controls a subsidiary if it is exposed, or has rights, to variable returns from its involvement with the subsidiary and has the ability to affect those returns through its power over the subsidiary.

Notes to the Financial Statements
For the Year Ended 30 June 2025

2 Basis of preparation and accounting policies

(d) Basis of consolidation

The financial statements of the subsidiaries are prepared for the same reporting period as the parent company, using consistent accounting policies. In preparing the consolidated financial statements, all intercompany balances, transactions, unrealised gains and losses resulting from intra-Group transactions and dividends have been eliminated in full.

All controlled entities have a June financial year-end.

Subsidiaries are fully consolidated from the date on which control is obtained by the Group and cease to be consolidated from the date on which control is transferred out of the Group.

Investments in subsidiaries held by Kiland Ltd are accounted for at cost in the parent entity less any impairment charges. Dividends received from subsidiaries are recorded as a component of other income in the separate income statement of the parent entity, and do not impact the recorded cost of the investment. Upon receipt of dividend payments from subsidiaries, the parent will assess whether any indicators of impairment of the carrying value of the investment in the subsidiary exist. Where such indicators exist, to the extent that the carrying value of the investment exceeds its recoverable amount, an impairment loss is recognised. See Note 27 for parent entity information.

The acquisition of subsidiaries is accounted for using the acquisition method of accounting. The acquisition method of accounting involves recognising at acquisition date, separately from goodwill, the identifiable assets acquired, the liabilities assumed and any non-controlling interest in the acquiree. The identifiable assets acquired and the liabilities assumed are measured at their acquisition date fair values.

The difference between the above items and the fair value of the consideration (including the fair value of any pre-existing investment in the acquiree) is goodwill or a discount on acquisition.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Where goodwill forms part of a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in this circumstance is measured based on the relative values of the operation disposed of and the portion of the cash-generating unit retained.

Non-controlling interests are allocated their share of net profit after tax in the statement of comprehensive income and are presented within equity in the consolidated statement of financial position, separately from the equity of the owners of the parent.

Losses are attributed to the non-controlling interest even if that results in a deficit balance. A change in the ownership interest of a subsidiary that does not result in a loss of control, is accounted for as an equity transaction.

Notes to the Financial Statements

For the Year Ended 30 June 2025

2 Basis of preparation and accounting policies

(e) Segment reporting

An operating segment is a component of an entity that engages in business activities from which it may earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of the same entity), whose operating results are regularly reviewed by the entity's chief operating decision maker in order to make decisions about resources to be allocated to the segment and to assess its performance and for which discrete financial information is available. This includes start-up operations, which are yet to earn revenues. Management will also consider other factors in determining operating segments such as the existence of a line manager and the level of segment information presented to the board of directors.

The group aggregates two or more operating segments when they have similar economic characteristics, and the segments are similar in each of the following respects:

- Nature of the products and services;
- Nature of the production processes;
- Type or class of customer for the products and services;
- Methods used to distribute the products or provide the services, and if applicable; and
- Nature of the regulatory environment.

Operating segments that meet the quantitative criteria as prescribed by AASB 8 are reported separately. However, an operating segment that does not meet the quantitative criteria is still reported separately where information about the segment would be useful to users of the financial statements.

Information about other business activities and operating segments that are below the quantitative criteria are combined and disclosed in a separate category for "all other segments".

There have been no changes from the prior period in the measurement methods used to determine reported segment profit or loss.

(f) Going Concern

The financial statements are prepared on the going concern basis which assumes continuity of normal business activities and the realisation of assets and settlement of liabilities and commitments in the normal course of business.

During the year ended 30 June 2025 the Group recognised a loss of $22.99M and had net cash outflows from operating and investing activities of $35.28M.

The Group maintains two financing facilities with the National Australia Bank (NAB), with a combined drawdown limit of $46M and an undrawn balance of $12M as at 30 June 2025. These facilities are due to expire on 1 August 2026. Management are in active negotiations with the NAB for a further extension of facilities in order to fund ongoing reversion costs and working capital.

The Directors have approved a cashflow forecast for 12 months, including related assumptions, which indicate the Group remains reliant on the ability to execute one of the following options in order to continue as a going concern:

- The ability to secure additional debt funding through renegotiation and extension of existing facilities;
- The ability to issue share capital under the Corporations Act 2001, by share offer, share placement or rights issue;
- The option of selling all or part of the land portfolio; and

Notes to the Financial Statements
For the Year Ended 30 June 2025

2 Basis of preparation and accounting policies

(f) Going Concern

- Wind down of operations (i.e. slow-down in reversion activities) until one or more of the above can be achieved;

In the event that the company is unsuccessful in implementing one or more of the funding options listed above, such circumstances would indicate that a material uncertainty exists that may cast significant doubt as to whether the company will continue as a going concern and therefore whether it will realise its assets and discharge its liabilities in the normal course of business and at the amounts stated in the financial report.

This financial report does not include any adjustments relating to the recoverability and classification of recorded asset amounts or to the amounts and classification of liabilities that might be necessary should the company not continue as a going concern.

(g) Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

For the purposes of the Statement of Cash Flows, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts.

Restricted cash refers to funds that are not available for general use by the entity and are instead set aside for specific purposes which may include loan covenants, legal settlements, government grants, environmental rehabilitation and escrow or security deposits. These funds are separately disclosed in the financial statements, both on the statement of financial position and in the statement of cash flows, with accompanying notes explaining the nature of the restriction.

(h) Trade and other receivables

(i) Classification as trade receivables

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. They are generally due for settlement within 30 days and are therefore all classified as current. Trade receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognised at fair value. The group holds the trade receivables with the objective of collecting the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method.

(ii) Impairment of trade receivables

The group applies the simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due. Trade receivables are written off where there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the group, and a failure to make contractual payments for a period of greater than 120 days past due. Impairment losses on trade receivables are presented as net impairment losses within other expenses. Subsequent recoveries of amounts previously written off are credited against the same line item.

Notes to the Financial Statements

For the Year Ended 30 June 2025

2 Basis of preparation and accounting policies

(i) Biological assets

Livestock

Livestock are measured at fair value less costs to sell in accordance with AASB 141 *Agriculture*, with movements recognised in the profit or loss statement.

The fair value of Livestock is based on the most recent quoted price in the active market for that asset in its present location and condition and is determined by various factors including class, age, quality, sex, and weight.

- The value of Rams is influenced by age and tend to decline in value until sold.
- The value of Ewes is influenced by breeding value, and prices reflect a longer term view of the market.
- The value of Lambs is influenced by weight which has a positive correlation to prices.

(j) Financial instruments

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions to the instrument.

Financial instruments (except for trade receivables) are initially measured at fair value plus transaction costs, except where the instrument is classified "at fair value through profit or loss", in which case transaction costs are expensed to profit or loss immediately. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

Trade receivables are initially measured at the transaction price if the trade receivables do not contain a significant financing component or if the practical expedient was applied as specified in AASB 15.63.

Classification and subsequent measurement

Financial liabilities

Financial liabilities are subsequently measured at:

- amortised cost; or
- fair value through profit or loss.

A financial liability is measured at fair value through profit or loss if the financial liability is:

- a contingent consideration of an acquirer in a business combination to which AASB 3: *Business Combinations* applies;
- held for trading; or
- initially designated as at fair value through profit or loss.

All other financial liabilities are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest expense in profit or loss over the relevant period.

Notes to the Financial Statements
For the Year Ended 30 June 2025

2 Basis of preparation and accounting policies

(j) Financial instruments

The effective interest rate is the internal rate of return of the financial asset or liability, that is, it is the rate that exactly discounts the estimated future cash flows through the expected life of the instrument to the net carrying amount at initial recognition.

A financial liability is held for trading if it is:

- incurred for the purpose of repurchasing or repaying in the near term;
- part of a portfolio where there is an actual pattern of short-term profit taking; or
- a derivative financial instrument (except for a derivative that is in a financial guarantee contract or a derivative that is in an effective hedging relationship).

Any gains or losses arising on changes in fair value are recognised in profit or loss to the extent that they are not part of a designated hedging relationship.

The change in fair value of the financial liability attributable to changes in the issuer's credit risk is taken to other comprehensive income and is not subsequently reclassified to profit or loss. Instead, it is transferred to retained earnings upon derecognition of the financial liability.

If taking the change in credit risk in other comprehensive income enlarges or creates an accounting mismatch, then these gains or losses should be taken to profit or loss rather than other comprehensive income.

A financial liability cannot be reclassified.

Financial asset

Financial assets are subsequently measured at:

- amortised cost;
- fair value through other comprehensive income; or
- fair value through profit or loss.

on the basis of the two primary criteria:

- the contractual cash flow characteristics of the financial asset; and
- the business model for managing the financial assets.

A financial asset is subsequently measured at amortised cost if it meets the following conditions:

- the financial asset is managed solely to collect contractual cash flows; and
- the contractual terms within the financial asset give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding on specified dates.

A financial asset is subsequently measured at fair value through other comprehensive income if it meets the following conditions:

- the contractual terms within the financial asset give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding on specified dates; and
- the business model for managing the financial asset comprises both contractual cash flows collection and the selling of the financial asset.

Notes to the Financial Statements

For the Year Ended 30 June 2025

2 Basis of preparation and accounting policies

(j) Financial instruments

By default, all other financial assets that do not meet the conditions of amortised cost and the fair value through other comprehensive income's measurement condition are subsequently measured at fair value through profit or loss.

The Company initially designates a financial instrument as measured at fair value through profit or loss if:

- it eliminates or significantly reduces a measurement or recognition inconsistency (often referred to as "accounting mismatch") that would otherwise arise from measuring assets or liabilities or recognising the gains and losses on them on different bases;
- it is in accordance to the documented risk management or investment strategy and information about the groupings was documented appropriately, so as the performance of the financial liability that was part of a group of financial liabilities or financial assets can be managed and evaluated consistently on a fair value basis; and
- it is a hybrid contract that contains an embedded derivative that significantly modifies the cash flows otherwise required by the contract.

The initial designation of the financial instruments to measure at fair value through profit or loss is a one-time option on initial classification and is irrevocable until the financial asset is derecognised.

Equity instruments

At initial recognition, as long as the equity instrument is not held for trading or is not a contingent consideration recognised by an acquirer in a business combination to which AASB 3 applies, the Company made an irrevocable election to measure any subsequent changes in fair value of the equity instruments in other comprehensive income, while the dividend revenue received on underlying equity instruments investments will still be recognised in profit or loss.

Regular way purchases and sales of financial assets are recognised and derecognised at settlement date in accordance with the Company's accounting policy.

Derecognition

Derecognition refers to the removal of a previously recognised financial asset or financial liability from the statement of financial position.

Derecognition of financial liabilities

A liability is derecognised when it is extinguished (ie when the obligation in the contract is discharged, cancelled or expires). An exchange of an existing financial liability for a new one with substantially modified terms, or a substantial modification to the terms of a financial liability, is treated as an extinguishment of the existing liability and recognition of a new financial liability.

The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

Derecognition of financial assets

A financial asset is derecognised when the holder's contractual rights to its cash flows expires, or the asset is transferred in such a way that all the risks and rewards of ownership are substantially transferred.

Notes to the Financial Statements
For the Year Ended 30 June 2025

2 Basis of preparation and accounting policies

(j) Financial instruments

All the following criteria need to be satisfied for the derecognition of a financial asset:

- the right to receive cash flows from the asset has expired or been transferred;
- all risk and rewards of ownership of the asset have been substantially transferred; and
- the Company no longer controls the asset (i.e. it has no practical ability to make unilateral decisions to sell the asset to a third party).

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

On derecognition of a debt instrument classified at fair value through other comprehensive income, the cumulative gain or loss previously accumulated in the investment revaluation reserve is reclassified to profit or loss.

On derecognition of an investment in equity which was elected to be classified under fair value through other comprehensive income, the cumulative gain or loss previously accumulated in the investments revaluation reserve is not reclassified to profit or loss, but is transferred to retained earnings.

Impairment

The Company recognises a loss allowance for expected credit losses on:

- financial assets that are measured at amortised cost or fair value through other comprehensive income;
- lease receivables;

Loss allowance is not recognised for:

- financial assets measured at fair value through profit or loss; or
- equity instruments measured at fair value through other comprehensive income.

Expected credit losses are the probability-weighted estimate of credit losses over the expected life of a financial instrument. A credit loss is the difference between all contractual cash flows that are due and all cash flows expected to be received, all discounted at the original effective interest rate of the financial instrument.

The Company uses the following approaches to impairment, as applicable under AASB 9:

- the general approach;
- the simplified approach;
- the purchased or originated credit impaired approach; and
- low credit risk operational simplification.

General approach

Under the general approach, at each reporting period, the Company assessed whether the financial instruments are credit impaired, and if:

- the credit risk of the financial instrument increased significantly since initial recognition, the Company measured the loss allowance of the financial instruments at an amount equal to the lifetime expected credit losses; and

Notes to the Financial Statements

For the Year Ended 30 June 2025

2 Basis of preparation and accounting policies

(j) Financial instruments

- there was no significant increase in credit risk since initial recognition, the Company measured the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses.

Simplified approach

The simplified approach does not require tracking of changes in credit risk at every reporting period, but instead requires the recognition of lifetime expected credit loss at all times.

This approach is applicable to:

- trade receivables or contract assets that results from transactions that are within the scope of AASB 15: *Revenue from Contracts with Customers*, that contain a significant financing component; and
- lease receivables.

In measuring the expected credit loss, a provision matrix for trade receivables was used taking into consideration various data to get to an expected credit loss (i.e. diversity of its customer base, appropriate groupings of its historical loss experience, etc).

Low credit risk operational simplification approach

If a financial asset is determined to have low credit risk at the initial reporting date, the Company assumed that the credit risk has not increased significantly since initial recognition and, accordingly, can continue to recognise a loss allowance of 12-month expected credit loss.

In order to make such determination that the financial asset has low credit risk, the Company applied its internal credit risk ratings or other methodologies using a globally comparable definition of low credit risk.

A financial asset is considered to have low credit risk if:

- there is a low risk of default by the borrower;
- the borrower has strong capacity to meet its contractual cash flow obligations in the near term; and
- adverse changes in economic and business conditions in the longer term, may, but not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

A financial asset is not considered to carry low credit risk merely due to existence of collateral, or because a borrower has a lower risk of default than the risk inherent in the financial assets, or lower than the credit risk of the jurisdiction in which it operates.

Recognition of expected credit losses in financial statements

At each reporting date, the Company recognised the movement in the loss allowance as an impairment gain or loss in the statement of profit or loss and other comprehensive income.

Assets measured at fair value through other comprehensive income are recognised at fair value with changes in fair value recognised in other comprehensive income. The amount in relation to change in credit risk is transferred from other comprehensive income to profit or loss at every reporting period.

For financial assets that are unrecognised, a provision for loss allowance is created in the statement of financial position to recognise the loss allowance.

Notes to the Financial Statements
For the Year Ended 30 June 2025

2 Basis of preparation and accounting policies

(k) Property, plant and equipment

Plant and equipment

Plant and equipment are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Such costs include the cost of replacing parts that are eligible for capitalisation when the cost of replacing the parts is incurred. All other repairs and maintenance are recognised in profit or loss as incurred.

Depreciation is calculated on a straight-line basis over the estimated useful life of the asset as follows:

Plant and equipment	2 - 25 years

The assets' residual values, useful lives and depreciation methods are reviewed and adjusted, if appropriate, at each financial year-end.

Freehold land and buildings

Freehold land and buildings are measured at fair value (refer to Note 2(w)) at the date of revaluation.

In accordance with AASB 13 *Fair Value Measurement* paragraph 27, the Group's valuation basis for its freehold land is at "Highest and Best Use". For the majority of the Group's freehold land and buildings this is as agricultural land and buildings, less an allowance for the cost of reversion from forestry land. The fair value valuation has been prepared using a 'Summation Approach' whereby the land value has been assessed as a rate per hectare which is summated with the added value of any structural improvement. Further details of the plantation land and buildings fair value valuation can be found in Note 14.

Any revaluation increment is credited to the asset revaluation reserve in equity (net of tax), except to the extent that it reverses a revaluation decrement for the same asset previously recognised in profit and loss, in which case the increment is recognised in profit or loss.

Any revaluation decrement is recognised in the profit and loss, except to the extent that it offsets a previous revaluation increment for the same asset, in which case the decrement is debited directly to the asset revaluation reserve to the extent of the credit balance existing in the revaluation reserve for that asset.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These are included in profit or loss within other income or expenses.

Upon disposal or derecognition, any revaluation reserve relating to the particular asset being sold is transferred to retained earnings.

Certain leasehold land, held under perpetual crown lease, is treated in the same manner as freehold land.

Buildings are depreciated on a straight-line basis over the estimated useful life of the asset as follows:

Buildings	40 years

Notes to the Financial Statements

For the Year Ended 30 June 2025

2 Basis of preparation and accounting policies

(k) Property, plant and equipment

Derecognition and impairment

An item of property, plant and equipment is derecognised upon disposal or when no further future economic benefits are expected from its use or disposal.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

(l) Leases

The Group has elected to account for short-term leases and leases of low-value assets using the practical expedients method. Instead of recognising a right-of-use asset and lease liability, the payments in relation to these are recognised as an expense in profit or loss on a straight-line basis over the lease term.

(m) Impairment of non-financial assets

Non-financial assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Intangible assets with indefinite useful lives and non-financial assets not yet available for use are tested for impairment annually and whenever there is an indication that the asset may be impaired. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. Recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows that are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets that suffer impairment are tested for possible reversal of the impairment whenever events or changes in circumstances indicate that the impairment may have reversed.

(n) Investment in associates

Interests in associates, where the investor has significant influence over the investee, are accounted for using the equity method in accordance with AASB 128 *Investments in Associates and Joint Ventures.* Under this method, the investment is initially recognised as cost and the carrying amount is increased or decreased to recognise the investor’s share of the profit or loss and other comprehensive income of the investee and net of any impairment after the date of acquisition.

(o) Trade and other payables

Trade payables and other payables are carried at amortised cost due to their short-term nature and are not discounted. They represent liabilities for goods and services provided to the Group prior to the end of the financial year, for which the Group is obliged to make future payments. The amounts are unsecured and are usually paid within 30 days of recognition.

(p) Provisions and employee leave benefits

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Notes to the Financial Statements
For the Year Ended 30 June 2025

2 Basis of preparation and accounting policies

(p) Provisions and employee leave benefits

When the Group expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the profit or loss net of any reimbursement.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the balance date. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects the time value of money and, where appropriate, the risks specific to the liability. The increase in the provision resulting from the passage of time is recognised in finance costs.

Employee Leave Benefits

Liabilities for wages and salaries, including non-monetary benefits, annual leave and accumulating sick leave expected to be settled within 12 months of the reporting date, are recognised in respect of employees' services up to the reporting date.

They are measured at the amounts expected to be paid when the liabilities are settled. Liabilities for non-accumulating sick leave are recognised when the leave is taken and are measured at the rates paid or payable.

(q) Contributed equity

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or other securities are shown in equity as a deduction, net of tax, from the proceeds.

(r) Revenue and other income recognition

Revenue is recognised and measured at the fair value of the consideration received or receivable to the extent it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised.

Sales

Sales are recognised when the Group has transferred control of the goods to the customer, which is generally when the customer has taken delivery of the goods.

Sales are recognised at the point in time that control transfers which is the satisfaction of the only performance obligation.

Interest

Interest is recognised as the interest accrues (using the effective interest method, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument) to the net carrying amount of the financial asset.

Operating leases

The Group earns rental income from operating leases over some of its property. Rental income is recognised on a straight-line basis over the term of the lease.

Notes to the Financial Statements

For the Year Ended 30 June 2025

2 Basis of preparation and accounting policies

(s) Share-based payment transactions

Equity-settled share-based payments including the issue of performance rights made to directors and other Group personnel are measured at fair value at grant date. Market based vesting conditions, such as the achievement of specified share prices, are incorporated into the fair value assessment at grant date. The fair value of performance rights is recognised as an expense, with a corresponding increase in the share-based payments reserve in equity over the period during which the recipient becomes unconditionally entitled to the rights. The expense is not revised in subsequent reporting periods for instruments that do not vest due to a failure to meet market-based vesting conditions.

Equity-settled share-based payments to other parties are measured at the fair value of goods and services received, except where the fair value cannot be estimated reliably, in which the transaction is measured at the fair value of the equity instruments granted on the date the goods or services are received.

(t) Income tax

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from, or paid to, the taxation authorities based on the current period's taxable income. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the balance date.

Deferred income tax is provided on all temporary differences at the balance date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax liabilities are recognised for all taxable temporary differences except:

- when the deferred income tax liability arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; or
- when the taxable temporary difference is associated with investments in subsidiaries, associates or interests in joint ventures, and the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred income tax assets are recognised for all deductible temporary differences, carry-forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry-forward of unused tax assets and unused tax losses can be utilised, except:

- when the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor the taxable profit or loss; or
- when the deductible temporary difference is associated with investments in subsidiaries, associates or interests in joint ventures; in which case a deferred tax asset is only recognised to the extent that it is probable that the temporary difference will reverse in the foreseeable future and taxable profit will be available against which the temporary difference can be utilised.

The carrying amount of deferred income tax assets is reviewed at each balance date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Notes to the Financial Statements
For the Year Ended 30 June 2025

2 Basis of preparation and accounting policies

(t) Income tax

Unrecognised deferred income tax assets are reassessed at each balance sheet date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance date.

Income taxes relating to items recognised directly in equity are recognised in equity and not in profit or loss.

Deferred tax assets and deferred tax liabilities are offset only if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and liabilities relate to the same taxable entity and the same taxation authority.

Tax consolidation legislation

Kiland Ltd and its wholly-owned Australian entities have implemented the tax consolidation legislation as of 1 July 2004.

The head entity, Kiland Ltd, and the controlled entities in the tax consolidation group continue to account for their own current and deferred tax amounts. The Group has applied the group allocation approach in determining the appropriate amount of current taxes and deferred taxes to allocate to members of the tax consolidated group.

In addition to its own current and deferred tax amounts, Kiland Ltd also recognises the current tax liabilities (or assets) and the deferred tax assets arising from unused tax losses and tax credits assumed from controlled entities in the tax consolidation group.

Assets or liabilities arising under tax funding agreements with the tax consolidated entities are recognised as amounts receivable from or payable to other entities in the Group. Details of the tax funding agreement are disclosed in Note 7.

Any difference between the amounts assumed and amounts receivable or payable under the tax funding agreement are recognised as a contribution to (or distribution from) wholly-owned tax consolidated entities.

Other taxes

Revenues, expenses and assets are recognised net of the amount of GST except:

- when the GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- receivables and payables, which are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

Cash flows are included in the statement of cash flows on a gross basis and the GST component of cash flows arising from investing and financing activities, which are recoverable from, or payable to, the taxation authority is classified as operating cash flows.

Notes to the Financial Statements

For the Year Ended 30 June 2025

2 Basis of preparation and accounting policies

(t) Income tax

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

(u) Earnings per share

Basic earnings per share is calculated as net profit attributable to members of the parent, adjusted to exclude any costs of servicing equity (other than dividends) and preference share dividends, divided by the weighted average number of ordinary shares, adjusted for any bonus element.

Diluted earnings per share is calculated as net profit attributable to members of the parent and adjusted for:

- costs of servicing equity (other than dividends) and preference share dividends;
- the after-tax effect of dividends and interest associated with dilutive potential ordinary shares that have been recognised as expenses; and
- other non-discretionary changes in revenues or expenses during the period that would result from the dilution of potential ordinary shares;

divided by the weighted average number of ordinary shares and dilutive potential ordinary shares on issue, adjusted for any bonus element.

(v) Comparative figures

Where necessary, comparatives have been reclassified and repositioned for consistency with current year disclosures.

(w) Fair value measurements

Certain accounting policies and disclosures require the measurement of fair value, for both financial and non-financial assets and liabilities.

Management has overall responsibility to oversee all significant fair value measurements and reports these to the Audit and Risk Committee. Management regularly reviews significant components of fair value measurements, including unobservable inputs and other valuation adjustments. If third party information, such as valuation reports, are used to measure fair values, then management assesses the evidence obtained from the third parties to support the conclusion that such valuations meet the requirements of AASB 13 Fair Value Measurement, including the level in the fair value hierarchy in which such valuations should be disclosed. Significant valuation issues are reported to the Board of Directors through the Audit and Risk Committee.

The Group uses observable data as much as possible when measuring the fair value of an asset or liability. Fair values of assets or liabilities are categorised into different levels in the fair value hierarchy based on the lowest input used in the valuation techniques as follows:

- Level 1: quoted (unadjusted market prices in active markets for identical assets or liabilities).
- Level 2: valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3: valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

Notes to the Financial Statements
For the Year Ended 30 June 2025

2 Basis of preparation and accounting policies

(w) Fair value measurements

If the inputs used to measure the fair value of an asset or a liability might be categorised in different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Group recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

Further information about the assumptions made in measuring fair values is included in the following notes:

- Note 14: Property, Plant and Equipment;

The fair value of cash and short-term deposits, trade receivables, other current financial assets, trade payables and other current liabilities approximate their carrying values largely due to the short-term maturities of these instruments. Management reviews this assessment at least annually.

(x) Significant accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements and estimates on historical experience and on other various factors it believes to be reasonable under the circumstances, the results of which form the basis of the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions and conditions.

Management has identified the following critical accounting policies for which significant judgements, estimates, and assumptions are made. Actual results may differ from these estimates under different assumptions and conditions and may materially affect financial results or the financial position reported in future periods.

Going Concern

The Group has evaluated and determined that the going concern assumption is appropriate (as disclosed in the Directors' Report and Note 2(f) of the financial statements).

Significant Influence

Kiland Ltd’s subsidiary Re-Vi Group Ltd owns a 20% interest in the Australian private company BioCare Projects Pty Ltd. To ascertain whether this represents control or significant influence, management conducted a thorough assessment, explicitly applying criteria based on informed judgement.

Key Estimate - Impairment

The Group assesses impairment of non-financial assets other than goodwill and other indefinite life intangible assets at each reporting date by evaluating conditions specific to the Group and to the particular asset that may lead to impairment. If an impairment trigger exists, the recoverable amount of the asset is determined. This involves fair value less costs of disposal or value-in-use calculations, which incorporate a number of key estimates and assumptions.

Notes to the Financial Statements

For the Year Ended 30 June 2025

2 Basis of preparation and accounting policies

(x) Significant accounting judgements, estimates and assumptions

Following a comprehensive asset review conducted by an independent engineering consultant, the Group recognised an impairment loss of $9,689,250 on work-in-progress assets, reflecting adjustments based on current business plans and prevailing market conditions.

Additionally, an impairment of $286,736 was recorded for assets that are no longer in use and for which no active second-hand market exists to realise sale proceeds.

The total impairment charge of $9,975,986 has been recognised against Property, Plant and Equipment in the current reporting period.

Key Estimate - Valuation of biological assets

The Board has resolved to value the Group's biological assets using a 30 June 2025 director's valuation of $766,050 (2024: $401,400).

The fair value of the Group's biological assets has been calculated using a director's valuation, which allows the Group to estimate the value of its livestocks under various scenarios and to consider the impact of variables within and outside the Group's control. Like any forward-looking valuation, the outputs are sensitive to the choice of assumptions.

Key Estimate - Valuation of Land

The fair value of plantation and non-plantation land and building assets was calculated by an independent expert, Herron Todd White ('HTW'), in their report dated 30 June 2025. The value provided is that of the Market Value of the Group's portfolio and also takes into account fair value measurements in accordance with Australian Accounting Standards Board (AASB) 13. The combined approach utilises the Highest and Best Use (HBU) of each property, observed prices for recent market transactions for similar properties and incorporates adjustments for factors specific to the land in question, including plot size, location, encumbrances and current use.

A significant assumption in HTW's valuation is that the HBU of forestry plantations is agriculture. Forestry plantations have been valued as agricultural land less an allowance for the cost of reversion from forestry land.

Key Estimate - *Recovery of deferred tax assets*

Deferred tax assets are recognised for deductible temporary differences if management considers that it is probable that future taxable profits will be available to utilise those temporary differences.

3 Financial risk management objectives and policies

The Group's principal financial instruments comprise receivables, payables, cash and short-term deposits.

The Group manages its exposure to key financial risks in accordance with the Group's financial risk management policy. The objective of the policy is to support the delivery of the Group's financial targets whilst protecting future financial security.

The main risks arising from the Group's financial instruments are interest rate risk and credit risk. The Board reviews and agrees policies for managing each of these risks and they are summarised below. Primary responsibility for identification and control of financial risks is shared between the Board members and executive management.

Notes to the Financial Statements

For the Year Ended 30 June 2025

3 Financial risk management objectives and policies

Categories of Financial Assets and Liabilities

30 June 2025	**Note**	**Assets at FVTPL $'000**	**Financial assets at amortised cost $'000**	**Total $'000**
Financial Assets				
Cash and cash equivalents	9	-	8,240	8,240
Other financial assets - Restricted Cash	10	-	2,350	2,350
Trade and other receivables	11	-	412	412
		-	11,002	11,002

	Note	***Designated at FVTPL $'000**	***Other liabilities at FVTPL $'000**	**#Other liabilities $'000**	**Total $'000**
Financial Liabilities					
Trade and other payables	17	-	-	2,317	2,317
Borrowings	18	-	-	43,168	43,168
		-	-	45,485	45,485

30 June 2024	**Note**	**Assets at FVTPL $'000**	**Financial assets at amortised cost $'000**	**Total $'000**
Financial Assets				
Cash and cash equivalents	9	-	4,110	4,110
Other financial assets - Restricted Cash	10		3,402	3,402
Trade and other receivables	11	-	857	857
		-	8,369	8,369

	Note	***Designated at FVTPL $'000**	***Other liabilities at FVTPL $'000**	**#Other liabilities $'000**	**Total $'000**
Financial Liabilities					
Trade and other payables	17	-	-	5,311	5,311
Borrowings	18			21,518	21,518
Other financial liabilities				250	250
		-	-	27,079	27,079

* Carried at fair value
# Carried at amortised cost

Risk exposures and responses

Interest rate risk

The Group's exposure to market risk for changes in interest rates relates primarily to the Group's interest-bearing liabilities and short-term deposits.

Notes to the Financial Statements

For the Year Ended 30 June 2025

3 Financial risk management objectives and policies

Risk exposures and responses

Interest rate risk

At balance date, the Group had the following mix of financial assets and liabilities exposed to Australian variable interest rate risk that are not designated in cash flow hedges:

	2025 000's $	2024 000's $
Financial assets		
Cash and cash equivalents	**8,240**	4,110
Other financial assets - Restricted Cash	**2,350**	3,402
	10,590	7,512
Financial liabilities		
Interest bearing liabilities	**(43,168)**	(21,518)
Net exposure	**(32,578)**	(14,006)

At 30 June 2025, if interest rates had moved as illustrated in the table below, with all other variables held constant, post-tax profit and equity would have been affected as follows:

Judgements of reasonably possible movements:	Post-tax profit Higher / (lower) 2025 $'000	2024 $'000	Equity Higher / (lower) 2025 $'000	2024 $'000
Consolidated				
+2% (2024: +2%)	(652)	(280)	-	-
-1% (2024: -1%)	326	139	-	-

The movements in profit due to higher/lower interest income from cash balances.

Credit risk

Credit risk arises from the financial assets of the Group, which comprise cash and cash equivalents and trade and other receivables. The Group's exposure to credit risk arises from potential default of the counter party, with a maximum exposure equal to the carrying amount of these instruments. Exposure at balance date is addressed in each applicable note.

Cash at bank is held at the National Australia Bank, which has an S&P (Standard & Poors) rating of AA-.

Credit risk in trade and other receivables is managed in the following ways:

- a regular risk review takes place on all receivables and loan balances; and
- The Chief Financial Officer has direct responsibility for the recovery of outstanding accounts. All overdue accounts are now sent directly to the Group's lawyers for legal action after other avenues of recovery have been exhausted.

Legal action on those particular accounts where the matter is being defended are dealt with directly by the Chief Financial Officer and the lawyers involved.

Notes to the Financial Statements

For the Year Ended 30 June 2025

3 Financial risk management objectives and policies

Risk exposures and responses

Credit risk

The Chief Financial Officer regularly reports to the Board of Directors on these matters.

Refer to Note 11 for an ageing analysis of receivables.

Liquidity risk

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of bank loans and other available credit lines.

Maturity analysis of financial assets and liability based on management's expectations

Trade payables and other financial liabilities mainly originate from the financing of assets used in ongoing operations. These assets are considered in the Group's overall liquidity risk. To monitor existing financial assets and liabilities, as well as to enable an effective controlling of future risks, Kiland Ltd has established risk reporting that reflects the expectations of management in regards to the expected settlement of financial assets and liabilities.

	< 6 months $'000	6-12 months $'000	1-5 years $'000	> 5 years $'000	Total $'000
Year ended 30 June 2025					
Financial assets					
Cash and cash equivalents	8,240	-	-	-	8,240
Other financial assets - Restricted Cash	2,350				2,350
Trade and other receivables	382	30	-	-	412
	10,972	30	-	-	11,002
Financial Liabilities					
Trade and other payables	(2,317)	-	-	-	(2,317)
Borrowings	-	-	(43,168)	-	(43,168)
	(2,317)	-	(43,168)	-	(45,485)
Net Maturity	8,655	30	(43,168)	-	(34,483)

	< 6 months $'000	6-12 months $'000	1-5 years $'000	> 5 years $'000	Total $'000
Year ended 30 June 2024					
Financial assets					
Cash and cash equivalents	4,110	-	-	-	4,110
Other financial assets - Restricted Cash	3,402				3,402
Trade and other receivables	854	3	-	-	857
	8,366	3	-	-	8,369
Financial Liabilities					
Trade and other payables	(5,311)	-	-	-	(5,311)
Borrowings	-	-	(21,518)		(21,518)
Other financial liabilities	(250)	-	-	-	(250)
	(5,561)	-	(21,518)	-	(27,079)
Net Maturity	2,805	3	(21,518)	-	(18,710)

Notes to the Financial Statements

For the Year Ended 30 June 2025

3 Financial risk management objectives and policies

Risk exposures and responses

Fair value

The methods for estimating fair value are outlined in the relevant notes to the financial statements.

Price risk

The Group's exposure to commodity and equity securities price risk is minimal as the Group does not hold investments in equity securities.

4 Fair value measurement of non-financial assets

The following table shows the levels within the hierarchy of non-financial assets measured at fair value on a recurring basis at 30 June 2025:

	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
30 June 2025				
Property, plant and equipment				
Land held for production in Australia	-	-	109,795	109,795
Other land and buildings	-	-	2,012	2,012
			111,807	111,807
Biological assets				
Livestock	-	-	766	766
	-	-	766	766

	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
30 June 2024				
Property, plant and equipment				
Land held for production in Australia	-	-	106,785	106,785
Other land and buildings	-	-	2,062	2,062
			108,847	108,847
Biological assets				
Livestock	-	-	401	401
	-	-	401	401

Notes to the Financial Statements

For the Year Ended 30 June 2025

4 Fair value measurement of non-financial assets

Land held for production in Australia (Level 3)

The fair value of the plantation land assets was calculated by an independent expert, Herron Todd White, in their valuation dated 30 June 2025.

Refer to Note 14 for further details.

Biological assets (Level 3)

The fair value of Livestock is based on the most recent quoted price in the active market for that asset in its present location and condition and is determined by various factors including class, age, quality, sex, and weight.

Refer to Note 15 for further details.

5 Operating segments

The Group has operations in two business segments, agriculture and biochar carbon removal. The Group's agriculture operations involves removing the trees from its timber plantations and converting its land to more traditional agricultural use. The Group continues to pursue opportunities to salvage the tree crop. Biochar carbon removal operations involves The Kangaroo Island Biochar Project which represents an institutional-grade carbon development initiative with substantial prospects for generating future cash flows. These cash flows are anticipated to arise from the sale of Carbon Removal Credits as well as from the commercialisation of by-product biochar.

All operations are conducted in Australia.

	Agriculture	Biochar Carbon Removal	Unallocated	Total
	000's	000's	000's	000's
	$	$	$	$
Description Title				
Revenue	(32)	-	-	(32)
Other income	922	-	576	1,498
Operating expenses	(220)	(13,963)	(8,699)	(22,882)
EBITDA	670	(13,963)	(8,123)	(21,416)
Depreciation	(2,056)	(343)	(8)	(2,407)
Net loss before tax	(1,386)	(14,306)	(8,131)	(23,823)
Total segment assets	108,699	10,491	25,746	144,936
Total segment liabilities	(44,488)	(781)	(1,837)	(47,106)

Notes to the Financial Statements
For the Year Ended 30 June 2025

6 Revenue and expenses

(a) Sales

	2025 000's $	2024 000's $
Livestock	**381**	33
Timber	**11**	-
Agistment fees	**6**	3
Work orders	**-**	11
	398	47

(b) Profit on sale of property, plant & equipment

	2025 000's $	2024 000's $
Sale of property, plant and equipment	**3,703**	-
Carrying value of assets sold	**(3,501)**	-
Profit on assets sold	**202**	-

(c) Property related expenses

	2025 000's $	2024 000's $
Reversion contractor management	**2,113**	970
Performance fees (i)	**(2,156)**	342
Labour and other expenses	**5,389**	4,681
Depreciation	**2,056**	1,913
Fuel and oils	**1,338**	1,520
Repairs and maintenance	**3,102**	975
Agricultural supplies	**1,356**	531
Powerline clearing	**-**	169
Cleaning and waste removal	**73**	90
Rent	**(182)**	83
Utilities	**227**	257
Other reversion expenses	**1,841**	897
Reversion costs capitalised	**(12,902)**	(8,570)
Total	**2,255**	3,858

Property related services are those related to reverting the land use from one of plantation forests to one of pasture and grazing land. The major expense involved is in clearing the fire damaged plantation forests. This includes tree felling, log stacking and stump grinding. Following the harvesting and clearing activities additional costs are then incurred erecting fences, spraying weeds and seeding pasture.

Notes to the Financial Statements

For the Year Ended 30 June 2025

6 Revenue and expenses

(c) Property related expenses

i. During the financial year, an accrued performance fee relating to the property management agreement with AAGIM was reversed in full. Under the terms of the Property Management Agreement – KILA & AAGIM (Execution Version), Schedule 3, Section 3 ("Performance Fee"), the performance fee was payable if, at the time of a trigger event (being the earlier of the sale of a property or termination of the agreement), the equity value exceeds the hurdle amount. The hurdle amount is calculated as the opening equity value, increased by a 7% per annum compound rate from the commencement date, and adjusted for any additional equity contributed during the period.

Up until the end of the first 3 year performance period an accrual was made based on the unrealised uplift in value of the portfolio over and above the hurdle. At the end of the initial three year period in January 2025 only the uplift on one property had been realised, being that on Kellendale. The realised profit on this sale was, on its own, insufficient to create a surplus of total realised distributable profits over and above the hurdle and therefore no performance fee was payable at January 2025.

Further, no accrual has been brought to account so far in the second three year performance period, i.e. since January 2025.

The Group will continue to monitor its obligations for a performance fee and an accrual will be made in the future if and when there is an unrealised, and/or realised, surplus of value over and above the hurdle in the second three year period.

(d) Biochar operations

	2025 000's $	2024 000's $
Labour hire	**1,910**	313
Equipment hire	**547**	55
Consulting fees	**531**	69
Plant & equipment expenses	**483**	125
Depreciation	**343**	187
Property management adminstration fee	**256**	250
General expenses	**189**	5
Rent	**89**	-
Staff amenities	**83**	-
Staff training & development	**69**	6
Workshop supplies	**43**	6
Motor vehicle expenses	**41**	9
Utilities	**33**	3
Testing	**32**	11
Other expenses	**27**	-
Legal expense	**24**	-
	4,700	1,039

Biochar operations are those related to converting fire damaged biomass into biochar via a pyrolysis process.

Notes to the Financial Statements

For the Year Ended 30 June 2025

6 Revenue and expenses

(e) Administrative and other expenses

	2025 000's $	2024 000's $
Directors' fees	**1,614**	1,281
ASIC Fees	**13**	14
ASX/Share registry fees	**22**	87
Professional fees	**1,014**	1,231
Audit and tax fees	**169**	198
Legal fees	**22**	278
Share-based payment	**2,139**	473
Depreciation	**8**	7
Other corporate expenses	**1,968**	1,606
Total	**6,969**	5,175

(f) Finance costs

	2025 000's $	2024 000's $
Interest on equipment finance	**606**	395
Interest on NAB Corporate Markets loan	**1,372**	232
Other interest (i)	**(240)**	299
Total	**1,738**	926

(i) Other Interest

A loan agreement was established between BioCare Projects Pty Ltd and Re-Vi Group Limited for an amount of $2,000,000. It's been observed that the agreed interest rate of 11% was below the fair market interest rate of 15%. As a result of this 4% discrepancy, a loan commitment liability of $240,000 was recognised in the 2024 financial year.

In accordance with AASB 9, when commitments are made to provide a loan at a below-market interest rate, the issuer of such a commitment should measure the liability at the greater of:

- The determined loss allowance, or
- The amount initially recognised minus the cumulative amount of income, as per AASB 15.

The loan has been repaid during the 2025 financial year and therefore the loan commitment derecognised to profit or loss.

Notes to the Financial Statements

For the Year Ended 30 June 2025

6 Revenue and expenses

(g) Impairment loss

	2025 000's $	2024 000's $
Investment in associate - BioCare Projects Pty Ltd	**-**	2,698
Loan to associate - BioCare Projects Pty Ltd (i)	**(369)**	369
Impairment of property, plant and equipment (ii)	**9,976**	-
Total	**9,607**	3,067

(i) Loan to associate - BioCare Projects Pty Ltd

In the 2024 financial year, due to the lack of sufficient external indicators to support Directors view of the sustained commercial viability of BioCare Projects, the ability of BioCare Projects to raise funding to remain solvent, and the absence of an independent valuation, the Directors took a conservative view as to the carrying value of Re-Vi's investment in BioCare Projects and impaired the carrying value of the investment in BioCare Project in full to nil. During the prior year, the Group provided a loan facility of $2,000,000 to BioCare. The loan to BioCare is unsecured, accrues interest at 11% per annum and has a maturity date of 4 May 2026.

BioCare is required to only utilise these funds for inventory, project costs and other expenditure and project investment in connection with projects or as otherwise agreed by the Group. The loan may not be used to fund the working capital of BioCare.

At 30 June 2024, the balance drawn down of $369,422 was impaired in full.

During the 2025 financial year, the loan was fully repaid and the impairment of $369,422 was reversed to profit or loss.

(ii) Impairment of Property, Plant and Equipment

At 30 June 2025, following a detailed asset review by an independent engineering consultant, the business impaired assets of $9,689,250 after considering current business plans and market analysis. The business also impaired $286,736 of assets no longer being used and no second-hand market to derive sale proceeds. This was a total impairment charge of $9,975,986 recorded against Property, Plant and Equipment.

Notes to the Financial Statements

For the Year Ended 30 June 2025

7 Income tax

(a) Income tax expense

The major components of income tax expense are:

	2025 000's $	Restated 2024 000's $
Current income tax	**-**	-
Deferred income tax	**(830)**	(804)
Income tax expense / (benefit)	**(830)**	(804)
Tax expense/(benefit) at the statutory income tax rate of 25% (2024: 25%)	**(5,956)**	(3,262)
Deferred Tax Asset not recognised	**4,602**	1,820
Adjustments for deferred tax of prior periods	**4**	515
Non-deductible expenses/capital gain on sale of land	**520**	123
Income tax expense/(benefit)	**(830)**	(804)

(b) Amounts charged / (credited) to equity

	2025 000's $	2024 000's $
Share issue costs	**-**	(7)
Revaluation of land	**(2,059)**	898
Income tax expense reported in equity	**(2,059)**	891

Tax consolidation

The Company and its 100% owned controlled entities have formed a tax consolidated group. Members of the Consolidated Entity have entered into a tax sharing arrangement in order to allocate income tax expenses to the wholly owned controlled entities on a pro-rata basis. The agreement provides for the allocation of income tax liabilities between the entities should the head entity default on its tax payment obligations. At balance date, the possibility of default is remote. The head entity of the tax consolidated group is Kiland Ltd.

Tax effect accounting by members of the tax consolidated group

Members of the tax consolidated group have entered into a tax funding agreement. The tax funding agreement provides for the allocation of current taxes to members of the tax consolidated group. Deferred taxes are allocated to members of the tax consolidated Group in accordance with a group allocation approach which is consistent with the principles of AASB 112 *Income Taxes*.

The allocation of taxes under the tax funding agreement is recognised as an increase/(decrease) in the member entities' intercompany accounts with the tax consolidated group head company, Kiland Ltd. In this regard the Company, has assumed the benefit of tax losses from the member entities as of the balance date. The nature of the tax funding agreement is such that no tax consolidation contributions by or distributions to equity participants are required.

Notes to the Financial Statements

For the Year Ended 30 June 2025

7 Income tax

Tax losses recognised

The gross value of tax losses recognised at 30 June 2025 amounted to $44,991,984 (2024: $19,604,756).

Tax losses not recognised

The gross value of capital tax losses not recognised at 30 June 2025 amounted to $nil (2024: $nil).

Recognised deferred tax assets and liabilities

	Assets		Liabilities		Total	
	2025 000's $	2024 000's $	2025 000's $	2024 000's $	2025 000's $	2024 000's $
Property, plant & equipment	**7,918**	-	**(20,781)**	(8,836)	**(12,863)**	(8,836)
Biological assets	**(143)**	(37)	**-**	-	**(143)**	(37)
Capital raising costs	**126**	167	**-**	-	**126**	167
Trade and other receivables	**-**	-	**-**	(1,500)	**-**	(1,500)
Trade and other payables	**11**	690	**-**	-	**11**	690
Tax losses	**11,248**	5,006	**-**	-	**11,248**	5,006
Total	**19,160**	5,826	**(20,781)**	(10,336)	**(1,621)**	(4,510)

Deferred income tax

Deferred income tax for the year ended 30 June 2025 relates to the following:

Movements in temporary differences during the year	**Balance 30 June 2024 $'000**	**Recognised in income $'000**	**Recognised in equity $'000**	**Balance 30 June 2025 $'000**
Property, plant & equipment	(8,836)	(6,086)	2,059	(12,863)
Biological assets	(37)	(107)	-	(144)
Capital raising costs	167	(40)	-	127
Trade and other receivables	(1,500)	1,500	-	-
Trade and other payables	690	(679)	-	11
Tax losses	5,006	6,242	-	11,248
	(4,510)	830	2,059	(1,621)

Movements in temporary differences during the year	**Balance 30 June 2023 $'000**	**Recognised in income $'000**	**Recognised in equity $'000**	**Balance 30 June 2024 $'000**
Property, plant & equipment	(5,581)	-	(3,255)	(8,836)
Biological assets	-	(37)	-	(37)
Capital raising costs	230	(56)	(7)	167
Trade and other receivables	(4,500)	3,000	-	(1,500)
Trade and other payables	769	(79)	-	690
Tax losses	4,659	347	-	5,006
	(4,423)	3,175	(3,262)	(4,510)

Notes to the Financial Statements

For the Year Ended 30 June 2025

8 Loss per share

The following reflects the income and share data used in the total operation's basic and diluted earnings per share computations:

(a) Earnings used in calculating loss per share

	2025 000's $	2024 000's $
Net profit/(loss) attributable to ordinary equity holders of the parent	**(16,708)**	(11,109)

There is no dilutive effect of the Performance Rights on earnings.

(b) Weighted average number of shares

	2025 000's No.	2024 000's No.
Weighted average number of ordinary shares for basic loss per share	**63,935**	67,395
Effect of dilution:		
Share options and performance rights	**-**	-
Weighted average number of ordinary shares adjusted for the effect of dilution	**63,935**	67,395

(c) Basic and diluted loss per share

	2025 EPS in cents	2024 EPS in cents
Basic and diluted loss per share	**(26.13)**	(16.48)

There are no instruments excluded from the calculation of diluted earnings per share that could potentially diluted basic earnings/(loss) per share in the future because they are anti-dilutive for both periods presented.

There have been no transactions involving ordinary shares or potential ordinary shares that would significantly change the number of ordinary shares or potential ordinary shares outstanding between the reporting date and the date of completion of these financial statements.

Notes to the Financial Statements

For the Year Ended 30 June 2025

9 Cash and cash equivalents

	2025 000's $	2024 000's $
Cash at bank and in hand	**6,740**	4,110
Short-term deposits	**1,500**	-
	8,240	4,110

Cash at bank earns interest at floating rates based on daily bank deposit rates. The carrying amounts of cash and cash equivalents represent fair value.

Short-term deposits has a maturity term of 60 days which is scheduled to mature on 2 August 2025. These are classified as current financial assets due to their short-term nature.

10 Other financial assets

	2025 000's $	2024 000's $
Restricted cash	**2,350**	3,402
	2,350	3,402

Restricted cash is represented by cash on deposit. In accordance with the Kiland debt agreements with National Australia Bank these deposits are required to be seperated from operated funds and act as security for finance facilities.

11 Trade and other receivables

	2025 000's $	2024 000's $
CURRENT		
Trade receivables (a)	**38**	365
Sundry debtors	**374**	492
	412	857

(a) Terms of trade

Trade debtors are non-interest bearing and generally on 30-day terms.

(b) Ageing analysis of trade and other receivables

At 30 June 2025, the ageing analysis of trade and other receivables is as follows:

	0 - 30 days $'000	31 - 60 days $'000	61 - 90 days $'000	91+ days $'000	Total $'000
Trade receivables	8	-	-	30	38
Sundry debtors	374	-	-	-	374
	382	-	-	30	412

Notes to the Financial Statements

For the Year Ended 30 June 2025

11 Trade and other receivables

(b) Ageing analysis of trade and other receivables

At 30 June 2024, the ageing analysis of trade and other receivables is as follows:

	0 - 30 days $'000	31 - 60 days $'000	61 - 90 days $'000	91+ days $'000	Total $'000
Trade receivables	352	5	8	-	365
Sundry debtors	489	-	-	3	492
	841	5	8	3	857

(c) Credit risk and effective interest rate risk and fair values

Details regarding the credit risk and effective interest rate of current receivables are disclosed in Note 3. The net carrying amount of trade and other receivables is assumed to approximate their fair value.

12 Other assets

	2025 000's $	2024 000's $
Current		
Prepayments	**654**	443
Deposits (a)	**7**	807
	661	1,250

a) These are payments made in advance for the purchase of plant and equipment. These deposits are non-refundable and form part of the total purchase price. These are not yet classified as part of plant and equipment as the asset is not yet commissioned and available for use.

13 Assets classified as held for sale

	2025 000's $	2024 000's $
Land held for sale - Lot 40 Freeoak Road, Wisanger SA (a)	**507**	**507**
Land held for sale - Lot 41 Freeoak Road, Wisanger SA (a)	**318**	**318**
Land held for sale - 68 Freeoak Road, Smith Bay SA (a)	**716**	**716**
	1,541	**1,541**

a) These are properties that were held as part of the proposed port development. They are no longer required and listed for sale during the financial year. They are held at the lower of fair value and cost.

Notes to the Financial Statements

For the Year Ended 30 June 2025

14 Property, plant and equipment

(a) Reconciliation of carrying amounts of property, plant and equipment at the beginning and end of the period.

	Freehold land and Buildings 000's $	Plant and equipment 000's $	Capital Work in Progress 000's $	Total 000's $
Year ended 30 June 2025				
At 1 July 2024 net of accumulated depreciation and impairment	108,847	12,272	5,349	126,468
Additions	125	4,920	10,058	15,103
Disposals	(2,454)	(1,068)	-	(3,522)
Reversion costs capitalised	12,902	-	-	12,902
Revaluation of assets	(7,575)	-	-	(7,575)
Impairment of assets	-	(287)	(9,689)	(9,976)
Depreciation during the year	(38)	(2,407)	-	(2,445)
At 30 June 2025 net of accumulated depreciation and impairment	111,807	13,430	5,718	130,955
At 30 June 2025				
Cost or fair value	111,807	18,978	5,718	136,503
Accumulated depreciation and impairment	-	(5,548)	-	(5,548)
Net carrying amount	111,807	13,430	5,718	130,955

	Freehold land and Buildings 000's $	Plant and equipment 000's $	Capital Work in Progress 000's $	Total 000's $
Year ended 30 June 2024				
At 1 July 2023 net of accumulated depreciation and impairment	93,661	10,666	-	104,327
Additions	2,987	4,430	5,349	12,766
Transfer back from assets held for sale	307	-	-	307
Transfer to assets held for sale	(1,541)	-	-	(1,541)
Reversion costs capitalised	8,571	-	-	8,571
Revaluation	4,904	(759)	-	4,145
Depreciation during the year	(42)	(2,065)	-	(2,107)
At 30 June 2024 net of accumulated depreciation and impairment	108,847	12,272	5,349	126,468
At 30 June 2024				
Cost or fair value	108,847	15,757	5,349	129,953
Accumulated depreciation and impairment	-	(3,485)	-	(3,485)
Net carrying amount	108,847	12,272	5,349	126,468

Notes to the Financial Statements
For the Year Ended 30 June 2025

14 Property, plant and equipment

(b) Freehold land revaluations

The Group's freehold land and buildings are stated at their revalued amounts, being the fair value at the date of revaluation.

The fair value measurements of the Group's plantation land and buildings as at 30 June 2025 are based on an independent expert's valuation.

The fair value measurements of the Group's other land and buildings as at 30 June 2025 and 30 June 2024 are at a director's valuation.

During the year, reversion costs of $12,902,209 were capitalised to land and buildings, and the net result of the 30 June 2025 revaluation amounted to a decrement of $7,575,298 of which $5,516,173 was recognised in the Asset Revaluation Reserve, net of a deferred tax benefit $2,059,125.

Independent expert's valuation technique - Plantation land and buildings

The Board has elected to use valuations of plantation land and buildings provided by an independent external valuer, Herron Todd White ('HTW'). Plantation land and buildings represent approximately $110.8m (or 98%) of the value of total land and buildings of $113.3m. Other non-agricultural properties totaling approximately $2.5m make up the balance of the total value.

The fair value of the plantation land and building assets was calculated by Herron Todd White ("HTW") with a valuation date of 30 June 2025. The valuation was carried out in accordance with AASB 13 *Fair Value Measurement* and AASB 116 *Property, Plant and Equipment*. This valuation method has been used by HTW as it provides the best estimate of a price reasonably obtainable in the property market at the report date. The fair value valuation has been prepared using a 'Summation Approach' whereby the land value has been assessed as a rate per hectare which is added to the value of any structural improvements. The independent expert has assessed the rate per hectare for the productive component of the agricultural estate (excluding remnant vegetation and water bodies) as $8,700 per hectare. The land's location, rainfall, physical attributes, location of amenities and improvements all influence where in this range a particular is valued.

An allowance of up to $4,000 per hectare for the cost of rehabilitating the forestry estate for agricultural use has been included in the independent valuation.

Directors' valuation - Other land and buildings

The fair value of other land and building assets was determined by the directors with reference to a Restricted Desktop Indicative Assessment by Herron Todd White ('HTW'). A Restricted Desktop Indicative Assessment is an indicative assessment without the benefit of a full inspection of properties and is not a full valuation undertaken in accordance with Australian Property Institute and valuation industry standards. The Group did conduct a full valuation of other land and buildings at 30 June 2025 and the directors believe that the Restricted Desktop Indicative Assessment is an accurate representation of the fair value of other land and buildings. The directors believe the land and buildings is primarily residential properties and they have undertaken a review of recent sales of comparable properties.

Notes to the Financial Statements
For the Year Ended 30 June 2025

14 Property, plant and equipment

Fair value hierarchy

All fair value estimates for land and buildings are included in Level 3 of the fair value hierarchy.

Significant Observable Inputs

i. Recent sales of land on Kangaroo Island and recent trends in the sale of land in other agricultural regions, adjusted for comparability considerations.

ii. Land use deemed as Agricultural (Grazing).

Significant Unobservable Inputs

i. Estimated price per hectare is determined by the independent expert after observing each asset's:
   a. location including surrounding land use, amenities and local services;
   b. improvement including structural, fencing and water;
   c. land and climatic characteristics including soil, climate and rainfall;
   d. plantation details including planted hectares and age; and
   e. occupancy including dwellings, structures and licenses/leases.

ii. Estimated cost of reversion from Forestry to Agriculture use.

iii. Economic overview including local, State and industry economic overview.

Sensitivity analysis

The fair value measurement of freehold land is sensitive to changes in the unobservable inputs which may result in a significantly higher or lower fair value measurement. The following tables demonstrate the sensitivity to a reasonably possible change in significant unobservable inputs, with all other variables held constant (change in profit and equity):

	2025 000's $	2024 000's $
Agricultural land		
Increase in estimated market value per hectare by 2%	**2,196**	2,136
Decrease in estimated market value per hectare by 2%	**(2,196)**	(2,136)
	-	-

(c) Leases

The Group earns rental income from operating leases of certain of its freehold land and buildings.

Notes to the Financial Statements

For the Year Ended 30 June 2025

15 Biological assets

Livestock

	2025 000's $	2024 000's $
Balance at the beginning of the year	**401**	-
Purchases	**21**	254
Increase in fair value	**688**	147
Sales	**(344)**	-
Balance at the end of the year	**766**	401

The Biological assets balance represents the purchase of livestock (sheep) and is measured at revalued amounts or fair value at the end of each reporting period.

16 Investment in BioCare Projects Pty Ltd

On 15 May 2023, Kiland Ltd's subsidiary Re-Vi Group Ltd acquired a 20% interest in the Australian private company BioCare Projects Pty Ltd. The investment in BioCare Projects Pty Ltd has been recognised as an Associate due to significant influence and equity accounting treatment has been applied.

Significant influence is the power to participate in the financial and operating policy decisions of the investee but not control such decisions.

Under the equity method, the investment in BioCare Projects Pty Ltd was initially recognised at cost. The carrying amount of the investment has been adjusted to recognise changes in Re-Vi Group's share of BioCare Projects Pty Ltd's net assets since the acquisition date.

As at 30 June 2024, the investment in BioCare Projects Pty Ltd was fully impaired.

	2025 000's $	2024 000's $
Opening balance	-	**3,067**
Share of associate's loss after tax	-	**(451)**
Net movement in loan commitment liability (a)	-	**82**
Impairment loss on investment in Associate - BioCare Projects Pty Ltd (b)	-	**(2,698)**
Closing balance	-	-

a) Further to its initial investment, Re-Vi Group made available a $2 million loan facility to BioCare Projects Pty Ltd under a shareholder loan agreement. The interest rate of the loan facility is fixed at 11%. Due to the interest rate falling below the deemed market rate, the loan commitment falls within the scope of AASB 9 *Financial Instruments* paragraph 2.3 (c). The loan commitment fair value has been calculated as $240,000 using a present value formula based on the 4% difference between the interest rate and market rate.

b) Under the requirements of AASB 128 *Investments in Associates and joint ventures*, the group has determined there is objective evidence of impairment as a result of one or more events that impact on the estimated cashflows of its investment in BioCare Projects Pty Ltd, and an impairment loss was recognised accordingly.

Notes to the Financial Statements
For the Year Ended 30 June 2025

16 Investment in BioCare Projects Pty Ltd

The total impairment loss recognised as at 30 June 2024 is $3.067m of which $2.698m related to the Group's investment in the associate, and $0.369m related to the drawn down portion of the loan facility.

Total assets and liabilities of BioCare Projects Pty Ltd as at 30 June 2025:

	2025 000's $	2024 000's $
Cash and cash equivalents	429	752
Trade and other receivables	591	486
Total current assets	1,020	1,238
Property, plant and equipment	422	392
Total non-current assets	422	392
Total assets	1,442	1,630
Trade and other payables	1,594	809
Contingent liabilities	508	446
Total current liabilities	2,102	1,255
Loan from Re-Vi Group	-	369
Total non-current liabilities	-	369
Total liabilities	2,102	1,624
Net assets	(660)	6

Profit and loss of BioCare Projects Pty Ltd for the year ended 30 June 2025:

	2025 000's $	2024 000's $
Gross profit for the year	63	36
Depreciation	(14)	-
Other expenses	(1,372)	(2,293)
Net loss	(1,323)	(2,257)

Notes to the Financial Statements
For the Year Ended 30 June 2025

17 Trade and other payables

(a) Current liabilities

	2025 000's $	2024 000's $
Trade payables	**1,667**	1,638
Other payables	**650**	746
	2,317	2,384

Trade payables are unsecured, non-interest bearing and are usually paid within 30 days of recognition.

The carrying amounts of trade and other payables are considered to be the same as their fair values, due to their short-term nature.

(b) Non-current liabilities

	2025 000's $	2024 000's $
Other payables (a)	**-**	2,927
	-	2,927

a) Estimate of performance fee payable to AAGIM Investment Management Pty Ltd in February 2028. Calculation is based on the AAGIM Management agreement.

18 Borrowings

	2025 000's $	2024 000's $
Current		
Equipment Finance Facility (a)	**2,618**	**1,870**
Non-current		
Equipment Finance Facility (a)	**6,550**	**6,648**
Corporate Markets Loan (a)	**34,000**	**13,000**
Total borrowings	**43,168**	**21,518**

Notes to the Financial Statements

For the Year Ended 30 June 2025

18 Borrowings

(a) Terms and repayment schedule

The terms and conditions of outstanding loans are as follows:

	Nominal interest rate	Year of maturity	30 June 2025 Carrying amount $'000	30 June 2024 Carrying amount $'000
New Business Equipment Loan - Tranche 1	6.58%	March 2027	3,054	4,880
New Business Equipment Loan - Tranche 2 with a 30% residual	6.97%	June 2027	1,753	2,225
New Business Equipment Loan - Tranche 3	7.37%	May 2028	303	393
New Business Equipment Loan - Tranche 4	6.58%	May 2028	784	1,020
New Business Equipment Loan - Tranche 5	6.09%	September 2028	925	-
New Business Equipment Loan - Tranche 6	6.05%	October 2028	1,398	-
New Business Equipment Loan - Tranche 7	6.16%	April 2029	944	-
Corporate Market Loan	5.56%	August 2026	16,000	13,000
Corporate Market Loan - Tranche 2	6.11%	August 2026	18,000	-
Equipment Hire Purchase	0.00%	October 2027	7	-
Total interest-bearing liabilities			43,168	21,518

Equipment financed under this facility includes major vehicles associated with the reversion activities including harvesting and stacking of felled timber plus stump grinding. The equipment is financed via a chattel mortgage.

The New Business Equipment Facility limit is $14 million and is currently drawn down by $14 million. It is secured over the Group’s machinery and equipment.

The Corporate Market Facility limit is $46 million and is currently drawn down to $34 million. It is secured over the Group’s land and buildings.

19 Contributed equity

(a) Issued and paid-up capital

	2025 000's $	2024 000's $
Ordinary shares fully paid	**88,428**	**88,428**

Fully paid ordinary shares carry one vote per share and carry the right to dividends.

Notes to the Financial Statements
For the Year Ended 30 June 2025

19 Contributed equity

(b) Movements in shares on issue

	2025		2024	
	No. of shares	$'000	No. of shares	$'000
Beginning of financial year	**63,934,572**	88,428	**71,912,911**	102,406
Share buy-backs	**-**	-	**(7,978,339)**	(13,908)
Share issue / buy-back costs, net of tax	**-**	-	**-**	(70)
End of financial year	**63,934,572**	88,428	**63,934,572**	88,428

(c) Capital management

The capital of the Group comprises cash and debt finance plus trade and other payables.

When managing capital, management's objective is to ensure the entity continues as a going concern as well as to maintain optimal returns to shareholders and benefits for other stakeholders.

Management also aims to maintain a capital structure that ensures the lowest cost of capital available to the entity.

Management monitors capital through the gearing ratio (net debt/total capital). The gearing ratios at 30 June 2025 and 30 June 2024 were as follows:

	2025 000's $	2024 000's $
Trade and other payables	**2,318**	**5,311**
Interest bearing liabilities	**43,168**	**21,518**
Less cash and cash equivalents	**(8,240)**	**(6,362)**
Net debt / (surplus)	**37,246**	**20,467**
Gearing ratio	**46.49%**	**25.21%**

As at 30 June 2025 the Group's debt exceeds net cash.

The Group is not subject to any externally imposed capital requirements.

20 Reserves

	2025 000's $	2024 000's $
Share based payment reserve (a)	**3,405**	1,266
Property, plant and equipment revaluation reserve (b)	**37,324**	43,608
	40,729	44,874

Notes to the Financial Statements
For the Year Ended 30 June 2025

20 Reserves

(a) Share based payment reserve

	2025 000's $	2024 000's $
Opening balance at 1 July	1,266	793
Movement:		
Performance rights issued on 25 October 2021 - vesting	2,078	473
Re-Vi performance rights issued on 30 November 2024 - vesting	61	-
Closing balance at 30 June	3,405	1,266

The share-based payments reserve records the fair value at grant date of performance rights granted to directors, employees and other parties that has been recognised as an expense at the reporting date. It also reflects the value of performance rights that are on issue but have not yet converted into shares.

On 25 October 2021, 2,902,500 Performance Rights were issued in the allocations and with the share price performance conditions outlined in Note 28.

Refer to Note 28 for further detail of the terms, conditions and allocations of the rights issued during the current financial year and related share-based payment expense.

(b) Property, plant and equipment revaluation reserve

	2025 000's $	2024 000's $
Opening balance at 1 July	43,608	40,361
Increase / (decrease) based on independent valuation	(7,575)	4,145
Deferred tax applicable to revaluation	2,059	(898)
Transfer to retained earnings on disposal of property	(768)	-
	37,324	43,608

The property, plant and equipment revaluation surplus is used to record increments and decrements on the revaluation of non-current assets. In the event of a sale of an asset, any balance in the reserve in relation to the asset is transferred to retained earnings.

21 Contingent assets and liabilities

The Directors are not aware of any other matter or circumstance not otherwise dealt with in the report or consolidated financial statements that has significantly, or may significantly, affect the operations of the consolidated entity.

Notes to the Financial Statements

For the Year Ended 30 June 2025

22 Reconciliation of statement of cash flows

Reconciliation from the net profit after tax to the net cash flows from operations

	2025 000's $	2024 000's $
Net loss	**(22,993)**	(12,042)
Adjustments for:		
Depreciation	**2,408**	2,107
Gain on sale of property, plant and equipment	**(202)**	-
Share-based payments (Note 28)	**2,139**	473
Finance costs	**(240)**	-
Property related services	**(15,829)**	(2,220)
Share of associate’s loss after tax	**-**	451
Impairment loss on investment in associate	**-**	2,827
Impairment loss on asset writedown	**9,607**	-
Fair value gain on biological assets	**(688)**	(147)
Cost of sales	**344**	-
Changes in assets and liabilities:		
Increase/(decrease) in deferred tax	**(830)**	(804)
(Increase)/decrease in receivables and other current assets	**426**	(818)
Increase/(decrease) in payables and employee benefits	**493**	(135)
- (increase)/decrease in inventories	**(11)**	-
Net cash from operating activities	**(25,376)**	(10,308)

23 Auditor remuneration

The auditor of Kiland Ltd is Grant Thornton.

	2025 $	2024 $
Audit and review services	**116,151**	134,908
Taxation services	**18,606**	83,913
Total	**134,757**	218,821
Other auditors used for the audit of the Re-Vi Group (Deloitte)		
Audit services	**149,960**	114,250
Taxation services	**-**	23,287
Total	**149,960**	137,537

Notes to the Financial Statements
For the Year Ended 30 June 2025

24 Key management personnel

(a) Compensation of key management personnel

	2025	2024
	$	$
Non-Executive Directors		
Short-term benefits	175,000	175,000
Superannuation	-	-
Performance Rights	538,871	122,660
	713,871	297,660
Executives		
Short-term benefits	473,154	621,689
Superannuation	25,000	25,000
Long service leave	-	-
Performance Rights	1,539,631	350,455
	2,037,785	997,144
Total	2,751,656	1,294,804

The directors and executives have been reimbursed for Group expenses incurred during the year.

The performance rights expense recognised as part of KMP remuneration during the year forms part of the total movement in the share-based payment reserve for the directors of Kiland Ltd disclosed in Note 28.

25 Change in shareholding of Re-Vi Group Ltd

On 27 July 2024 Re-Vi Group raised additional funding of $18,667k from external investors through an equity issue, which diluted Group's interest from 87.57% to 65.98% in Re-Vi Group Ltd.

Transaction costs associated with the capital raise of $713k (net of tax effect) were incurred. The net consideration of $17,775 ($18,667k minus $892k) was received from external shareholders (Non Controlling Interests) which exceeds 34.02% of the net assets (post-funding value of Re-Vi Group Ltd). The carrying value of net assets was $16,301k.

	2025
	000's
	$
Net consideration received from non-controlling shareholders	17,775
Carrying value of the interest lost in Re-Vi Group Ltd	(6,175)
	11,600

Notes to the Financial Statements

For the Year Ended 30 June 2025

25 Change in shareholding of Re-Vi Group Ltd

Gain recognised directly in retained earnings

	Consolidated	
	30-Jun 2025 $000's	30-Jun 2024 $000's
Opening balance	**22**	955
Contributed equity	**6,175**	-
Reserves	**-**	-
Accumulated profit/(loss)	**(6,285)**	(933)
Closing balance	**(88)**	22

26 Related party disclosures

Ultimate parent

The ultimate parent entity is Kiland Ltd, a for-profit company incorporated and domiciled in Australia.

Subsidiaries

The consolidated financial statements include the financial statements of Kiland Ltd and the subsidiaries listed in the following table:

Name	Principal place of business / Country of Incorporation	Percentage of equity interest held (%) 2025	Percentage of equity interest held (%) 2024
KI Seaport Pty Ltd*	Australia	**100.00**	100.00
KIPT Holdings Pty Ltd**	Australia	**100.00**	100.00
Kangaroo Island Land Assets Ltd	Australia	**100.00**	100.00
Re-Vi Group Ltd***	Australia	**65.98**	87.57
KI Carbon Ltd	Australia	**65.98**	87.57

* KI Seaport Pty Ltd was incorporated on 29 January 2014 and is a wholly owned subsidiary of Kiland Ltd.

** KIPT Holdings Pty Ltd is a wholly owned subsidiary of Kiland Ltd and is the immediate parent entity to Kangaroo Island Land Assets Ltd.

*** Re-Vi Group Ltd is a 65.98% owned subsidiary of Kiland and is the immediate parent entity to KI Carbon Ltd. New equity was issued to external shareholders in July 2024 further diluting Kiland's shareholding from 87.57% to 65.98%

Transactions with related parties

Controlled Entities and Associates

Transactions between Kiland Ltd and other entities in the wholly owned group during the period consisted of:

- Loans advanced by Kiland Ltd.

Notes to the Financial Statements
For the Year Ended 30 June 2025

26 Related party disclosures

Transactions with related parties

- Loans advanced to Kiland Ltd.
- Loans between 100% owned subsidiaries within the Kiland Group.
- Loans advanced by Kiland Ltd to Re-Vi Group Ltd (drawn at 30 June 2024); Kiland Limited initially capitalised the Company with $2 million cash and has provided it with a shareholder loan facility of up to $10 million. The shareholder loan facility has an interest rate of 7% per annum (cash or payment-in-kind) and 3-year term.

Loans provided by the Company to wholly owned entities are made on an interest free basis and are repayable on demand.

All inter-entity transactions and balances are eliminated in the consolidated financial statements.

Key management personnel

Details of the remuneration of key management personnel are included in Note 24.

27 Parent Entity disclosures

Information relating to Kiland Ltd:

	2025 000's $	Restated 2024 000's $
Current assets	**25,763**	27,666
Non-current assets	**-**	-
Intercompany assets	**33,616**	33,944
Total Assets	**59,379**	61,610
Liabilities		
Current liabilities	**216**	422
Non-current liabilities	**-**	-
Total Liabilities	**216**	422
Equity		
Issued capital	**88,658**	88,480
Option and performance rights reserve	**1,417**	1,267
Property, plant and equipment revaluation reserve	**2,384**	2,384
Retained earnings	**(33,296)**	(30,943)
Total Equity	**59,163**	61,188
Profit/(loss) of the parent entity	**(818)**	31,751
Total comprehensive income	**(818)**	31,751

Parent entity guarantees, commitments and contingent liabilities

The Directors are not aware of any guarantees, commitments or contingent liabilities of the parent entity.

Notes to the Financial Statements

For the Year Ended 30 June 2025

28 Share based payments

Recognised share-based payment expenses

The expense recognised for remuneration and other services received during the year is shown in the table below:

	2025 $	2024 $
Performance Rights - Directors (a)	**2,078,502**	473,115
Performance Rights - Re-Vi Group Directors (b)	**60,558**	-
Total	**2,139,060**	473,115

(a) Performance Rights – Directors

A total of 2,463,750 Performance Rights vested in the year (prior year: nil).

At the 25 October 2021 Annual General Meeting, shareholders approved the issue on 25 October 2021 of a total of 2,902,500 Performance Rights, with a vesting date of 25 October 2024.

The allocations and share price performance conditions of the 25 October 2021 Performance Rights issue are outlined in further detail below.

Share-based payment expense for the year ended 30 June 2025 totalled $2,078,502 (2024: $473,115). The value of the 25 October 2021 Rights has been fully recognised at 30 June 2025.

Details of share-based payment expense for the year is shown below.

	Year	Issued 25 October 2021 (original) $	Issued 25 October 2021 (modified) $	Total Performance Rights $
Non-Executive Directors				
P McKenzie	**2025**	**39,211**	**499,660**	**538,871**
	2024	122,660	-	122,660
Executive Directors				
J Davies	**2025**	**112,031**	**1,427,600**	**1,539,631**
	2024	350,455	-	350,455
Total	**2025**	**151,242**	**1,927,260**	**2,078,502**
	2024	473,115	-	473,115

Notes to the Financial Statements

For the Year Ended 30 June 2025

28 Share based payments

Recognised share-based payment expenses

(a) Performance Rights – Directors

Director Holdings of Performance Rights

	Opening interest at 1 July 2024	Performance rights granted as compensation	Performance rights cancelled	Closing interest at 30 June 2025
Non-Executives				
Paul McKenzie	752,500	-	-	752,500
Executive Directors				
James Davies	2,150,000	-	-	2,150,000
Total	**2,902,500**	**-**	**-**	**2,902,500**

Directors' Incentive Scheme / Performance Rights Plan

At the 25 October 2021 Annual General Meeting, shareholders approved a new Directors' Incentive Scheme (the Scheme).

Under the Scheme, and the Plan which proceeded it, the Board can issue Performance Rights to Executive and Non-Executive Directors as remuneration for additional duties performed and to incentivise them to align their interests more closely with those of Shareholders.

If the performance conditions and any other vesting conditions are met, an equivalent number of shares will be issued, that rank equally with all other existing shares in all respects.

A Plan participant must not dispose of any shares acquired under the Plan before the end of the restriction period (if any) which are subject to the Plan rules and the terms of the specific offer from time to time.

All performance rights plans contain an underlying service condition, that is, the employee/director has to remain employed until the performance conditions of the relevant plans are met in order for the rights to vest.

Valuation and Recognition of Remuneration

Under AASB 2 Share-Based Payment the fair value of any share-based remuneration is determined at the grant date and then recognised as an expense over the relevant vesting period. Performance rights are normally valued based on the Company's share price at the Grant Date. Vesting conditions that are market-based (such as achievement of a particular share price) are included in the fair value assessment. The directors have used an adapted Monte Carlo valuation method to value the performance rights.

Remuneration expense is then recognised over the relevant term of the performance rights, on the basis that the recipient must be an employee or director of the Group at the time a performance condition is met in order for the rights to vest. Amounts recognised as remuneration expense are not reversed through profit and loss if the rights do not vest because of a failure to meet a market-based performance condition. However, the value of performance rights that have been cancelled or expired is transferred from the share-based payment reserve to accumulated profit.

Notes to the Financial Statements

For the Year Ended 30 June 2025

28 Share based payments

Recognised share-based payment expenses

(a) Performance Rights – Directors

The Performance Rights expire over terms of between one and three years after approval or if they are replaced with new Performance Rights.

The 25 October 2021 Performance Rights were granted in four tranches with different share price performance conditions as shown below:

- the one month volume-weighted average price (VWAP) of the Group's Shares is achieved at the one year anniversary date of the date on which the ASX share price for the Company's shares was first at the relevant price hurdle, subject to the value of the Company's shares traded in the 12 months to the anniversary date exceeding $2 million; and
- the recipient must be an employee or director of the Group at the time the performance condition is met in order for the rights to vest.

One month VWAP	James Davies Rights	Paul McKenzie Rights	Total Rights	Total Valuation $
$1.50 or above	750,000	262,500	1,012,500	607,978
$1.75 or above	325,000	113,750	438,750	221,212
$2.00 or above	750,000	262,500	1,012,500	427,560
$2.25 or above	325,000	113,750	438,750	160,010
Total	**2,150,000**	**752,500**	**2,902,500**	**1,416,760**

The Directors employed an independent consultant to value the performance rights using a Monte Carlo model. The performance rights are all American call performance rights calculated with the following inputs:

- Valuation date of 25 October 2021;
- A share price of $1.195, being the closing share price as at 25 October 2021;
- A risk-free rate of 0.660%, based on the yield of Australian 3-year government bonds as at 25 October 2021;
- A volatility of 45.0% based on analysis of the historical volatility of ASX: KIL up to 25 October 2021, rounded to one decimal place and reflecting the period for which performance is measured; and
- A strike price of $nil.

Modification of Performance Rights

During the period on 18 September 2024, the Board resolved to modify the vesting conditions of certain equity-settled performance rights granted to directors (Tranches B–C) in response to the Company’s delisting in December 2023. The original vesting conditions included market-based “listed entity” conditions requiring (i) the one-month VWAP at the one-year anniversary of the Gateway Date to meet a specified hurdle and (ii) cumulative traded value over the prior 12 months to exceed $2 million. Following delisting, these conditions could not be satisfied and the Board resolved to waive the Listed Entity Conditions, and vest the performance rights in full.

Notes to the Financial Statements
For the Year Ended 30 June 2025

28 Share based payments

Recognised share-based payment expenses

(a) Performance Rights – Directors

The fair value of the modified awards were measured at the modification date and compared to the fair value of the original awards immediately before modification, measured as if the original terms still applied in accordance with AASB 2. Because the original awards could not satisfy the vesting conditions at modification date, they effectively lapsed and their fair value was determined as nil. The resulting incremental fair value has been recognised in full for the vested rights.

The incremental fair value recognised in profit or loss for the modification was $1,927,260, determined using a consolidated net tangible assets per share of $1.66 adjusted for a Discount for Lack of Marketability (DLOM) of 20% resulting in a fair value per vested right of $1.328, multiplied by the 1,451,250 rights outstanding at the modification date. The DLOM adjustment applied is consistent with AASB 13 which states valuation techniques should reflect factors such as market participant assumptions, including liquidity premiums or discounts where applicable. The discount reflects the absence of an active market following the Company’s delisting.

Amounts previously recognised for the original awards represented services received and were not reversed, consistent with AASB 2 requirements.

(b) Performance Rights - Re-Vi Group Directors

The Board of Directors approved the grant of performance rights under the Re-Vi Group Long Term Incentive Plan ("LTIP") on 27 November 2024.

11,660,000 performance rights were issued to Directors and employees of the Company on 30 November 2024.

Share-based payment expense for the year ended 30 June 2025 totalled $60,558. The balance of the value of the 30 November 2024 Rights will be recognised in future financial periods.

The key items of the performance rights include:

- Performance Period being date of grant to 31 December 2030
- Expiry Date: 6 years after vesting of those Performance Rights
- Vesting requirement #1 being a service based vesting condition
- Vesting requirement #2 being two performance-based vesting conditions
- The two vesting requirements operate independently of each other

The first performance condition is a Liquidity Event, being:

1) an initial public offering of ordinary shares of the Company or another Group Company that owns substantially all of the assets of the Company and or its subsidiaries, or
2) the sale of all or substantially all of the assets of the Group, or
3) the sale of at least 51% of issued shares in the Company or any other company in the Group that owns substantially all of the assets of the Group

Notes to the Financial Statements

For the Year Ended 30 June 2025

28 Share based payments

Recognised share-based payment expenses

(b) Performance Rights - Re-Vi Group Directors

The second performance condition is a Share Price Appreciation:

1) during any rolling 12-month period during the Performance Period, at least 5% of issued shares are sold for consideration per share or

2) the Company issues Shares for aggregate consideration of at least $15 million at an issue price per Share, at or exceeding the then current 'Share Price Targets' (the Share Price Appreciation Requirement).

The Share Price Targets are staged, with an increasing proportion of the Share Appreciation Requirement becoming satisfied (and a corresponding proportion of Performance Rights vesting (subject to satisfaction of the Service Condition)) at each level, as shown below:

Initial Share Price Target Percentage of Share Price Appreciation Requirement Satisfied

- $0.83 (current share value) N/A
- $1.25 25%
- $1.75 25% (plus preceding 25% to the extent not previously satisfied)
- $2.50 25% (plus preceding 50% to the extent not previously satisfied)
- $3.25 25% (plus preceding 75% to the extent not previously satisfied)

The fair value of each performance right at grant date was determined at $0.60 using the following assumptions using a Monte Carlo Option Pricing model:

- Share price at grant date $0.83
- Exercise price $0.00
- Expected volatility 70%
- Dividend yield 0.0%
- Risk-free rate 4.34%
- Time to expiration 6 years

During the current year, 4,500,000 performance rights were forfeited as the Director resigned from the business. At 30 June 2025, 7,160,000 performance rights were active.

Notes to the Financial Statements
For the Year Ended 30 June 2025

29 Commitments

(a) Capital Commitments

Significant capital expenditure contracted for at the end of the reporting period but not recognised as liabilities is as follows:

	Consolidated Plant & equipment	
	2025	**2024**
	000's	**000's**
	$	**$**
Due no later than one year	**406**	1,659
Later than one year but no later than 2 years	**-**	168
Later than 2 years but no later than 5 years	**-**	-
Later than 5 years	**-**	-
Total	**406**	1,827

There are no other commitments as at 30 June 2025. On 2 July 2025, Kiland Ltd's subsidiary Re-Vi Group ordered $3,395,000 property, plant and equipment yet to be delivered.

30 Events after balance date

No matters or circumstances have arisen since the end of the financial year which significantly affected or could significantly affect the operations of the Company, the results of those operations or the state of affairs of the Company in future financial years

Consolidated Entity Disclosure Statement
For the Year Ended 30 June 2025

Entity Name	Entity Type	Place found / Country of Incorporation	Ownership Interest %	Tax Residency
Kiland Limited	Body Corporate	Australia	N/A	Australia
KI Seaport Pty Ltd	Body Corporate	Australia	100	Australia
KIPT Holdings Pty Ltd	Body Corporate	Australia	100	Australia
Kangaroo Island Land Assets Pty Ltd	Body Corporate	Australia	100	Australia
Re-Vi Group Ltd	Body Corporate	Australia	65.98	Australia
KI Carbon Ltd	Body Corporate	Australia	65.98	Australia

Basis of preparation

This consolidated entity disclosure statement (CEDS) has been prepared in accordance with the *Corporations Act 2001* and includes information for each entity that was part of the Group as at the end of the financial year in accordance with AASB 10 *Consolidated Financial Statements*.

Determination of tax residency

Section 295 (3A)(vi) of the *Corporation Act 2001* defines tax residency as having the meaning in the Income Tax Assessment Act 1997. The determination of tax residency involves judgement as there are different interpretations that could be adopted, and which could give rise to a different conclusion on residency.

In determining tax residency, the consolidated entity has applied the following interpretations:

Australian tax residency

The Group has applied current legislation and judicial precedent, including having regard to the Tax Commissioner's public guidance in Tax Ruling TR 2018/5.

Foreign tax residency

Where necessary, the Group has used independent tax advisers in foreign jurisdictions to assist in its determination of tax residency to ensure applicable foreign tax legislation has been complied with (see section 295(3A)(vii) of the *Corporations Act 2001*).

Partnerships and Trusts

None of the entities noted above were trustees of trusts within the Group, partners in a partnership within the Group or participants in a joint venture within the Group.

Directors' Declaration

The directors of the Company declare that:

1. the consolidated financial statements and notes for the year ended 30 June 2025 are in accordance with the *Corporations Act 2001* and:

    a. comply with Accounting Standards, which, as stated in basis of preparation Note 2 to the consolidated financial statements, constitutes explicit and unreserved compliance with International Financial Reporting Standards (IFRS); and

    b. give a true and fair view of the financial position and performance of the Company;

    c. the attached consolidated entity disclosure statement and the information disclosed therein are true and correct.

2. in the directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.

On behalf of the Board
Paul McKenzie - Non-Executive Chairman

Dated this 28th day of October 2025

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Independent Auditor's Report

To the Members of Kiland Limited

Report on the audit of the financial report

Opinion

We have audited the financial report of Kiland Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 2025, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information, the consolidated entity disclosure statement and the Directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the Corporations Act 2001, including:

a giving a true and fair view of the Group's financial position as at 30 June 2025 and of its performance for the year ended on that date; and

b complying with Australian Accounting Standards and the Corporations Regulations 2001.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Company in accordance with the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material uncertainty related to going concern

We draw attention to Note 2 in the financial statements, which indicates that the Group incurred a net loss of $22.99 million during the year ended 30 June 2025, and had net cash outflows from operating and investing activities of $35.28 million. As stated in Note 2, these events or conditions, along with other matters as set forth in Note 2, indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Information other than the financial report and auditor's report thereon

The Directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2025, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the financial report

The directors of the Company are responsible for the preparation of:

a the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001 (other than the consolidated entity disclosure statement); and

b the consolidated entity disclosure statement that is true and correct in accordance with the Corporations Act 2001, and

for such internal control as the directors determine is necessary to enable the preparation of:

- i the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error; and
- ii the consolidated entity disclosure statement that is true and correct and is free of misstatement, whether due to fraud or error.

In preparing the financial report, the Directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: https://www.auasb.gov.au/media/apzlwn0y/ar3_2024.pdf. This description forms part of our auditor's report.

Grant Thornton

GRANT THORNTON AUDIT PTY LTD
Chartered Accountants

J L Humphrey
Partner – Audit & Assurance

Adelaide, 28 October 2025

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Corporate information

Directors
James Richard Davies (Executive Chairman) Paul
Lawrence McKenzie (Non-Executive Director)
Mitchell Bennett Taylor (Non-Executive Director)

Company Secretary
Andrew Metcalfe

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