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Correction and clarification concerning Biocare Projects Pty Ltd and the Kangaroo Island biochar project

Kiland Limited (**Kiland**) issues this statement to correct and clarify previous statements concerning Biocare Projects Pty Ltd (**Biocare**) and the Kangaroo Island biochar project.

Between July and November 2025, Kiland published statements concerning the project which included:

- that the biochar production plant had experienced "significant commissioning issues, especially as regards to safety";
- that replacement components were required and that commissioning issues had contributed to impairment and delay;
- that Biocare was no longer involved in the operations of KI Carbon and had been replaced as consulting engineers by Mill Rose, which Kiland described as "an independent firm";
- references to a comprehensive asset review by an "independent engineering consultant"; and
- at Kiland's 2025 Annual General Meeting, a statement that the "Commissioning engineer identified safety issues with biochar plant".

Those statements were capable of conveying that Biocare's engineering/design was materially defective, unsafe or not fit for purpose; that Biocare was responsible for the delay and impairment affecting the project; that Biocare's work caused or required the replacement or scrapping of significant components and the change in the project's commissioning/production pathway; and that Biocare had to be replaced by another engineering firm.

Kiland withdraws its previous statements insofar as they conveyed those meanings or attributed responsibility for the project outcome to defective, unsafe or unfit-for-purpose engineering/design by Biocare.

Biocare has disputed those allegations. Before Kiland made the publications referred to above, Biocare had provided technical responses and proposals directed to addressing the engineering concerns then being raised and progressing commissioning.

The Mill Rose report relied upon in connection with the concerns raised about the project was not provided to Biocare before Kiland made the publications referred to above, notwithstanding Biocare's requests for the report. Biocare therefore did not have the opportunity to review and respond to the report itself and its specific conclusions before those publications were made. The Mill Rose report was not independently verified or tested.

Kiland's 2025 Annual Report also referred to the prior impairment of its investment in Biocare in the context of Biocare's commercial viability and ability to raise funding. To the extent those statements were understood as conveying that Biocare lacked sustained commercial viability or the ability to raise funding to remain solvent, Kiland withdraws that implication.

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This statement does not seek to revisit the commercial decision made by the relevant project entities to cease or alter the previous commissioning pathway. It corrects the attribution of responsibility for that outcome to Biocare and the manner in which the technical basis for that attribution was previously presented.

Kiland and Biocare have now resolved their disputes concerning these matters on confidential terms. As part of that resolution, agreed project equipment will be transferred to Biocare for future use and deployment.

Kiland will also take steps to annotate or link the relevant existing online publications so that persons accessing them are directed to this corrective statement.

Authorised for publication by the Board of Kiland Limited