Kiland Ltd

ABN 19 091 247 166

Consolidated Financial Statements

For the Year Ended 30 June 2026

Kiland Ltd

ABN 19 091 247 166

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Corporate information

Directors
Paul Lawrence McKenzie (Non-Executive Chairman)
Ian Jeremy Greenyer (Managing Director)
Mitchell Bennett Taylor (Non-Executive Director)

Company Secretary
Andrew Metcalfe

Registered Office
6/151 Macquarie Street,
Sydney NSW 2000

Principal Place of Business
6/151 Macquarie Street,
Sydney NSW 2000

Solicitors
Allens Linklaters
Deutsche Bank Place, Level 29,
126 Phillip Street, Sydney NSW 2000

Piper Alderman Lawyers
Level 16, 70 Franklin Street
Adelaide, South Australia 5000

Bankers
National Australia Bank Ltd
NAB Regional & Agribusiness Melbourne
395 Bourke Street
Melbourne VIC 3000

Auditor
Grant Thornton Audit Pty Ltd
Level 3, 170 Frome Street
Adelaide, South Australia 5000

Website
www.kiland.com.au

Kiland Ltd

ABN 19 091 247 166

Directors' Report
30 June 2026

Your directors submit their report for the year ended 30 June 2026 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
Paul McKenzie	Non-Executive Chairman	29 Apr 2005
Mitchell Taylor	Non-Executive Director	13 Jul 2021
Ian Greenyer	Managing Director	24 Apr 2026
James Davies	Managing Director	Resigned 24 Apr 2026

Paul McKenzie was appointed by the Board as Chairman effective 29 September 2025. Ian Greenyer replaced James Davies as Managing Director effective 24 April 2026.

Paul McKenzie	Non-Executive Chairman
Qualifications	BSc (Agric), BCom, FAICD
	Non-Executive Board member since April 2005. Reappointed Chairman September 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.

Directors' Report
30 June 2026

Directors (continued)

Mitchell Taylor	Non-Executive Director
Qualifications	BCom, MAppFin, GAICD
	Board Member since July 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 15 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.
Ian Greenyer	Managing Director (Appointed 24 April 2026)
Qualifications	BSc (Hons)
	Ian is an experienced company director and business adviser with a background in actuarial science, investment analysis, and stockbroking. Over a career spanning more than three decades, he has advised a wide range of Australian businesses on strategy, performance improvement, and value creation. He's previously been the interim CEO of RuralAus Limited and has held directorships including with Bisalloy Steel Group Limited.
James Davies	Managing Director (Resigned 24 April 2026)
Qualifications	BCompSc, MBA, GAICD
	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 2026

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.

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

As at 30 June 2026 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 2025	Net changes during the period	Appointment/ (resignation) of director**	Closing interest at date of this report
Paul McKenzie	2,789,860	-	-	2,789,860
Mitchell Taylor *	31,354,513	-	-	31,354,513
Ian Greenyer	-	-	150,000	150,000
James Davies	450,000	-	(450,000)	-
Total	**34,594,373**	**-**	**(300,000)**	**34,294,373**

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

** Ian Greenyer appointed 24 April 2026 and James Davies resigned 24 April 2026.

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 2031.

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

The Tranche D rights comprising of 438,750 rights at an exercise price of $2.25 per right did not vest and consequently expired on 31 July 2026.

Dividends

The Directors have resolved not to declare a dividend for the year ended 30 June 2026. No dividends were declared or paid during the previous year.

Principal Activities

The Group's principal activities during the year remained reversion of forestry land to agriculture however the focus of these activities changed towards the end of the year.

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.

Towards the end of the year operations were scaled down and modified. The focus was shifted to completing the reversion process on those properties where the harvest had already been completed. In addition the stacked timber was cleared in many cases via a burning program. Harvesting of new blocks was put on hold indefinitely.

Kiland Ltd

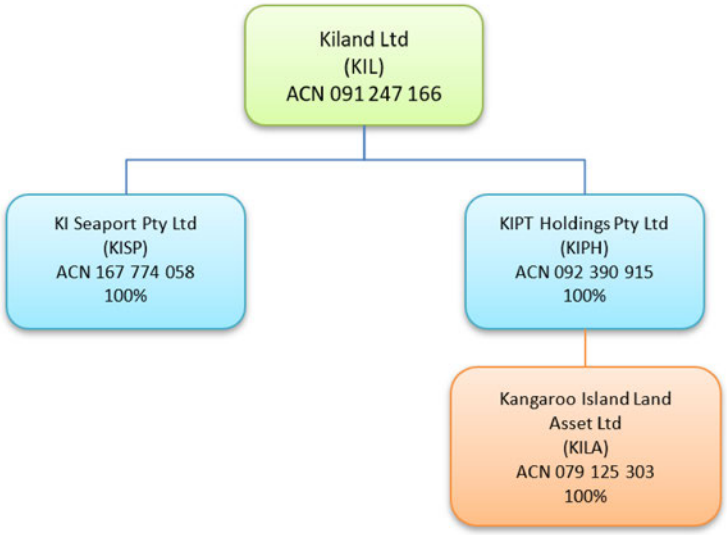
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Directors' Report

30 June 2026

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"):



During the year, the Group disposed of its interest in Re-Vi Group. Refer to Note 6 - Discontinued Operations for further details.

Operating and financial review

Results of operations

Revenue for the year increased by $94,000 to $492,000 (2025: $398,000) mainly as a result of increased livestock sales.

Total loss for the year was $32,223,000 (2025: loss of $22,993,000). Losses are attributed to property-related expenses, finance costs related to borrowings, administrative expenses and impairment of assets, being offset by $13.265m net gain on disposal of Re-Vi Group on December 2025.

Commentary on results

Narrowed focus of reversion strategy

During the year, Kiland's board of directors endorsed a revised operating strategy for the company which comprises a focused approach to land reversion. Rather than attempt to undertake reversion of the whole estate all at once, the strategy has been modified to concentrate initially on those properties already harvested and transitioning them into a saleable condition block by block. To this end all harvesting activities have been put on hold, other than clean up of the remaining pockets of standing timber that were previously koala stands. Operational teams have been deployed solely to undertake activities required to transform properties into saleable condition, including burning, stump grinding and raking. This strategy has begun to bear fruit, and at the date of this report contracts for sale have been executed over several blocks at or above their independently assessed values.

As we entered the winter months on Kangaroo Island the burn season commenced, enabling Kiland to conduct targeted burning campaigns on timber stacks across its estate. The removal of these stacks via burning has proven to be highly efficient in clearing the land and removed a material impediment to Kiland's grazing operation and the value of each property for potential buyers.

Operating and financial review (continued)

Commentary on results (continued)

As a result of the revised strategy, Kiland management made the difficult decision to reduce the size of its workforce to reflect its more targeted operations. Over half of the operational workforce have been made redundant, with most of the redundancies having taken place in those roles that were previously focused on harvest operations (harvesting, skidding and stacking). As a result, monthly operational expenditure has more than halved during the period.

The board looks forward to engaging with shareholders and providing further updates on its revised strategy at its AGM later in the year.

Carrying value of Wundowie

Kiland holds 46% of the shares in Wundowie which at December 2025 were valued at $25m on the basis of the independent expert's assessment of the combined value of the new Wundowie / Re-Vi Group. It was anticipated that post sale of the Re-Vi Group that Wundowie would recapitalise and continue the planned operations.

Wundowie was subsequently unsuccessful in raising sufficient capital by the end of June 2026 to bring its pilot plant into production. In the absence of adequate ongoing working capital all Wundowie operations were shut down. The directors of Wundowie then took the decision to wind down the whole Wundowie Group in an orderly fashion. Recovery by Kiland of their equity investment in Wundowie become highly unlikely, as a result, so Kiland's directors took the decision to write down the carrying value of their equity investment in Wundowie to nil.

Kiland's outstanding loan to Wundowie of $6.8m, including capitalised interest, was also written down to its estimated recoverable amount of $1.2m.

Sale of properties

As part of the revised strategy, Kiland's focus has been two pronged: (i) complete critical reversion activities of those properties already harvested including removal of timber stacks; and (ii) Commence sale of completed – or near completed – properties to free up working capital, reduce debt and prove up the reversion/development model.

As at the end of June 2026, contracts for sale had conditionally exchanged on three properties, with a visible pipeline of further potential sales established. The sales included one of the lifestyle parcels near Smith Bay (previously held for the once proposed sea-port development) and the Willmott and Martin agricultural properties. Pleasingly, sale prices were at or above the independent values for these properties.

Corporate matters

Share buy-backs

There were no buy-backs during the year. As at 30 June 2026 there were 63,934,572 ordinary shares on issue and 2,902,500 performance rights.

Changes to Board and Management

On 24 April 2026, James Davies resigned as Managing Director. Ian Greenyer was appointed to the role on 24 April 2026 and a smooth transition from James to Ian has taken place. The board is very grateful for the efforts of James Davies over the past 5 years and wishes him well in his future endeavours. Ian has nearly three decades of experience in consulting and change agent roles in small to medium sized businesses across Australia in various industries. Ian's focus is on achieving short term results, efficient operations and building upon and delivering the revised strategy. The board are very happy with what Ian has been able to achieve in the short time he has been in the position as Managing Director.

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.

Directors' Report
30 June 2026

Significant events after balance sheet date

The following properties were sold following the acceptance of offers received during the year, with the sales completed after 30 June 2026 and settled prior to the date of this report.

- Lot 138 Playford Highway Duncan ("Willmott")
- Lot 6108 Playford Highway Duncan ("Roo Lagoon North")
- Lot 41 Freeoak Road Wisanger
- Lot 49 Bark Hut Road Cassini ("Kelly West")

On 31 July 2026, the Tranche D rights comprising of 438,750 rights at an exercise price of $2.25 per right did not vest and subsequently expired.

Except for the above, no other 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.

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' 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
Paul McKenzie	6	6
Mitchell Taylor	6	6
Ian Greenyer	1	1
James Davies	5	5

Indemnification and insurance of directors, officers and auditors

During the financial year the controlled entity, on behalf of the Group, paid $33,000 (2025: $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.

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Directors' Report
30 June 2026

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 2026 has been received and can be found on page 8 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 tax-related 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:

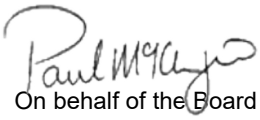
- All non-audit services were subject to the corporate governance procedures adopted by the Group and have been reviewed by the Audit and Risk Committee to ensure they do not impact upon the impartiality and objectivity of the auditor; and
- The non-audit services do not undermine the general principles 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.

See Note 25 for amounts received or due and receivable by Grant Thornton Audit Pty Ltd.

ASIC corporations instrument 2026/183 rounding of amounts

The Company is an entity to which ASIC Corporations (Rounding in Financial/Directors' Report) Instrument 2026/183 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 30th day of September 2026

Grant Thornton Audit Pty Ltd
Grant Thornton House
Level 3
170 Frome Street
Adelaide SA 5000
GPO Box 1270
Adelaide SA 5001
T +61 8 8372 6666

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 2026, 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 AUDIT PTY LTD
Chartered Accountants

J L Humphrey
Partner – Audit & Assurance

Adelaide, 30 September 2026

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Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the Year Ended 30 June 2026

	Note	2026 000's $	2025 000's $
Sales	7(a)	**492**	398
Cost of sales		**(504)**	(430)
Gross loss		**(12)**	(32)
Lease income		**10**	32
Bank interest		**209**	236
Fair value gain on biological assets	16	**540**	688
Other income		**332**	13
Profit/(loss) on sale of property, plant & equipment	7(b)	**(196)**	202
Forestry expenses		**(35)**	(21)
Property related expenses	7(c)	**(7,760)**	(2,255)
Administrative and other expenses	7(d)	**(2,309)**	(3,743)
Finance costs	7(e)	**(3,737)**	(1,738)
Impairment loss	18	**(31,389)**	-
Loss before income tax		**(44,347)**	(6,618)
Income tax (expense)/benefit	8	**(1,141)**	830
Loss from continuing operations		**(45,488)**	(5,788)
Profit/(loss) from discontinued operations	6	**13,265**	(17,205)
Loss for the year		**(32,223)**	(22,993)
Other comprehensive income			
Items that will not be classified subsequently to profit or (loss)			
Net fair value loss in property, plant and equipment (net of tax)	15	**(8,286)**	(5,516)
Other comprehensive loss for the year, net of tax		**(8,286)**	(5,516)
Total comprehensive loss for the year attributable to members of the parent		**(40,509)**	(28,509)
Loss attributable to:			
Owners of Kiland Limited		**(30,246)**	(16,708)
Non-controlling interest		**(1,977)**	(6,285)
		(32,223)	(22,993)
Total comprehensive loss for the year attributable to:			
Owners of Kiland Limited		**(38,532)**	(22,224)
Non-controlling interest		**(1,977)**	(6,285)
Total comprehensive loss for the year		**(40,509)**	(28,509)

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

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the Year Ended 30 June 2026

Earnings/(loss) per share		**30 June 2026**	30 June 2025
		Cents	Cents
Loss per share from continuing operations			
Basic loss per share	9	**(71.15)**	(9.05)
Diluted loss per share	9	**(71.15)**	(9.05)
Earnings/(loss) per share from discontinued operations			
Basic earnings/(loss) per share	9	**23.84**	(17.08)
Diluted earnings/(loss) per share	9	**23.84**	(17.08)
Loss per share attributable to ordinary equity holders of the company			
Basic loss per share	9	**(47.31)**	(26.13)
Diluted loss per share	9	**(47.31)**	(26.13)

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Consolidated Statement of Financial Position

As At 30 June 2026

	Note	2026 000's $	2025 000's $
ASSETS			
Current assets			
Cash and cash equivalents	10	**4,461**	8,240
Other financial assets - Restricted Cash	11	**3,900**	2,350
Trade and other receivables	12	**563**	412
Inventories		**-**	11
Other current assets	13	**129**	661
Assets classified as held for sale	14	**2,074**	1,541
Total current assets		**11,127**	13,215
Non-current assets			
Property, plant and equipment	15	**125,852**	130,955
Biological assets	16	**932**	766
Other financial assets	17	**1,215**	-
Total non-current assets		**127,999**	131,721
TOTAL ASSETS		**139,126**	144,936
LIABILITIES			
Current liabilities			
Trade and other payables	19	**896**	2,317
Borrowings	20	**28,252**	2,618
Total current liabilities		**29,148**	4,935
Non-current liabilities			
Deferred tax liabilities	8	**-**	1,621
Borrowings	20	**49,425**	40,550
Total non-current liabilities		**49,425**	42,171
TOTAL LIABILITIES		**78,573**	47,106
NET ASSETS		**60,553**	97,830
EQUITY			
Contributed equity	21	**88,428**	88,428
Reserves	22	**32,382**	40,729
Accumulated losses		**(60,257)**	(31,239)
Non-controlling interest	27	**-**	(88)
TOTAL EQUITY		**60,553**	97,830

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

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Consolidated Statement of Changes in Equity

For the Year Ended 30 June 2026

2026

	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 2025		**88,428**	**37,324**	**3,405**	**(31,239)**	**(88)**	**97,830**
Loss for the year		**-**	**-**	**-**	**(30,246)**	**(1,977)**	**(32,223)**
Other comprehensive income		**-**	**(8,286)**	**-**	**-**	**-**	**(8,286)**
Transactions with owners in their capacity as owners							
Share-based payments	30	**-**	**-**	**4,235**	**-**	**-**	**4,235**
Conversion of Debt to Equity - shares issued in Re-Vi Group		**-**	**-**	**-**	**(3,068)**	**3,068**	**-**
Movement in equity of Re-Vi Group due to loss of control		**-**	**-**	**(4,296)**	**4,296**	**(1,003)**	**(1,003)**
Balance at 30 June 2026		**88,428**	**29,038**	**3,344**	**(60,257)**	**-**	**60,553**

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

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Consolidated Statement of Changes in Equity

For the Year Ended 30 June 2026

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	27	-	-	-	11,600	6,175	17,775
Share-based payments	30	-	-	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

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Consolidated Statement of Cash Flows

For the Year Ended 30 June 2026

	Note	2026 000's $	2025 000's $
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		**590**	890
Payments to suppliers and employees		**(30,385)**	(26,829)
Interest received		**150**	563
Net cash flows from operating activities - continuing operations	24	**(29,645)**	(25,376)
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sale of property, plant and equipment		**-**	2,397
Proceeds/(payment) for other financial assets - restricted cash		**(1,550)**	1,052
Purchase of plant and equipment		**(4,052)**	(13,709)
Repayment of loan to associate		**-**	395
Loan to associate - BioCare Projects Pty Ltd		**-**	(45)
Net cash outflow on loss of control of subsidiary	6	**(3,266)**	-
Net cash flows used in investing activities		**(8,868)**	(9,910)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issues of shares in subsidiary		**-**	18,667
Share issue costs on issuance of shares in subsidiary		**-**	(891)
Proceeds from borrowings		**37,060**	24,738
Repayment of borrowings		**(2,326)**	(3,098)
Net cash flows used in financing activities		**34,734**	39,416
Net increase/(decrease) in cash and cash equivalents		**(3,779)**	4,130
Cash and cash equivalents at beginning of year		**8,240**	4,110
Cash and cash equivalents at end of year	10	**4,461**	8,240

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

Notes to the Financial Statements
For the Year Ended 30 June 2026

1 Corporate information

The financial report for Kiland Ltd for the year ended 30 June 2026 was authorised for issue in accordance with a resolution of the directors on 30 September 2026.

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 material 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 *2026/*183. 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.

2 Basis of preparation and material accounting policies (continued)

(d) Basis of consolidation (continued)

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 29 for parent entity information.

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.

(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.

2 Basis of preparation and material accounting policies (continued)

(e) Segment reporting (continued)

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 2026 the Group recognised a loss of $32.2M and had net cash outflows from operating and investing activities of $38.51M.

The Group has three financing facilities with National Australia Bank (NAB). Tranches 1 and 2 have a combined limit of $46M, which was fully drawn at 30 June 2026. Both tranches mature on 30 November 2028. Tranche 3, drawn to $15M, matures on 30 November 2026. Management is negotiating with NAB to renew Tranche 3 for two years with an increased limit of $20M, maturing on 30 November 2028 in line with Tranches 1 and 2. The directors are confident that NAB will approve the renewal.

The equipment finance facility of $13M is also due to mature on 30 November 2026. This maturity date only impacts the undrawn portion of the $13M facility limit. The existing drawdowns are totalling $7.5M are already committed for the respective fixed terms outlined in Note 20. Whilst no further drawdowns against this facility are anticipated management is nonetheless working with the bank to renew this facility for a further two years and with a reduced facility limit of $10M – noting that total amount drawn at 30 June 2026 was $7.5M.

The Group also continues to benefit from the support of it's major shareholder. This support (both committed and irrevocable) remains in place for additional funding as required.

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 renew Tranche 3 with a facility limit of $20M and a maturity date of November 2028 noting that the necessary actions are already well underway to obtain this renewal;
- The ability to issue share capital under the *Corporations Act 2001*, by share offer, share placement or rights issue noting that a binding irrevocable commitment has been received from Kiland's major shareholder for additional funding requirements;
- The option of selling all or part of the land portfolio noting that management have already been successful in selling a number of parcels at or above market value over the past three months; and
- Wind down of operations (i.e. slow-down in reversion activities) until one or more of the above can be achieved.

In the unlikely event that the Group 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.

2 Basis of preparation and material accounting policies (continued)

(f) Going Concern (continued)

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.

2 Basis of preparation and material accounting policies (continued)

(i) Biological assets

Livestock

Livestock is measured at fair value less costs to sell in accordance with AASB 141 *Agriculture*, with fair value 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.

2 Basis of preparation and material accounting policies (continued)

(j) Financial instruments (continued)

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.

2 Basis of preparation and material accounting policies (continued)

(j) Financial instruments (continued)

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.

2 Basis of preparation and material accounting policies (continued)

(j) Financial instruments (continued)

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

2 Basis of preparation and material accounting policies (continued)

(j) Financial instruments (continued)

- 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.

2 Basis of preparation and material accounting policies (continued)

(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 - 30 years
Office equipment	1 - 15 years
Computer equipment	1 - 5 years
Motor vehicles	1 - 7 years
Property improvements	7 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(u)) 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 15.

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.

2 Basis of preparation and material accounting policies (continued)

(k) Property, plant and equipment (continued)

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

Buildings	40 years

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) 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.

(m) 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.

(n) 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.

(o) 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.

2 Basis of preparation and material accounting policies (continued)

(p) 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.

(q) 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.

During the year the exercise date for the Performance Rights that had already vested (ie Tranches A, B and C) was extended by a further 5 years. Since Kiland is not expected to pay any dividends, the value of these rights (effectively a call option with a strike price of nil) is equal to the underlying share price. Therefore, the price of the Rights did not change when the term of the option was extended and, as a result, no value was ascribed to this modification and no expense was recorded in the year. This determination was supported by an example Black Scholes calculation.

There was no modification of the terms of the Tranche D performance rights during the year. The vesting conditions of these rights were not satisfied by the existing expiry date 31 July 2026 and so these rights have now lapsed.

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.

(r) 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.

2 Basis of preparation and material accounting policies (continued)

(r) Income tax (continued)

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.

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.

2 Basis of preparation and material accounting policies (continued)

(r) Income tax (continued)

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 8.

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.

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

(s) 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;

2 Basis of preparation and material accounting policies (continued)

(s) Earnings per share (continued)

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

(t) Comparative figures

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

(u) 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.

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 15: 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.

2 Basis of preparation and material accounting policies (continued)

(v) Critical 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).

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.

The Group recognised an impairment loss of $25,771,688 in respect of its investment in Wundowie Carbon Limited, resulting in the investment being fully impaired and its carrying amount reduced to nil.

Additionally, an impairment loss of $5,617,128 was recognised in respect of the loan extended to Re-Vi Group Ltd, reducing its carrying amount to its estimated recoverable amount of $1,214,974.

The total impairment charge of $31,388,816 has been recognised 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 2026 director's valuation of $932,020 (2025: $766,050).

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 2026. 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.

2 Basis of preparation and material accounting policies (continued)

(v) Critical accounting judgements, estimates and assumptions (continued)

A significant assumption in HTW's valuation is that the Highest and Best Use (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.

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.

Categories of Financial Assets and Liabilities

30 June 2026	Note	Assets at FVTPL $'000	Financial assets at amortised cost $'000	Total $'000
Financial Assets				
Cash and cash equivalents	10	-	4,461	4,461
Other financial assets - Restricted Cash	11	-	3,900	3,900
Trade and other receivables	12	-	563	563
		-	8,924	8,924

	Note	*Designated at FVTPL $'000	*Other liabilities at FVTPL $'000	#Other liabilities $'000	Total $'000
Financial Liabilities					
Trade and other payables	19	-	-	896	896
Borrowings	20	-	-	77,677	77,677
		-	-	78,573	78,573

3 Financial risk management objectives and policies (continued)

Categories of Financial Assets and Liabilities (continued)

30 June 2025	Note	Assets at FVTPL $'000	Financial assets at amortised cost $'000	Total $'000
Financial Assets				
Cash and cash equivalents	10	-	8,240	8,240
Other financial assets - Restricted Cash	11		2,350	2,350
Trade and other receivables	12	-	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	19	-	-	2,317	2,317
Borrowings	20			43,168	43,168
		-	-	45,485	45,485

* 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.

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:

	2026 000's $	2025 000's $
Financial assets		
Cash and cash equivalents	**4,461**	8,240
Other financial assets - Restricted Cash	**3,900**	2,350
	8,361	10,590
Financial liabilities		
Interest bearing liabilities	**(77,677)**	(43,168)
Net exposure	**(69,316)**	(32,578)

At 30 June 2026, 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:

3 Financial risk management objectives and policies (continued)

Risk exposures and responses (continued)

Interest rate risk (continued)

	Post-tax profit Higher / (lower)		Equity Higher / (lower)	
Judgements of reasonably possible movements:	2026 $'000	2025 $'000	2026 $'000	2025 $'000
Consolidated				
+2% (2025: +2%)	(1,386)	(652)	-	-
-1% (2025: -1%)	693	326	-	-

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.

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

Refer to Note 12 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.

3 Financial risk management objectives and policies (continued)

Risk exposures and responses (continued)

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

	< 6 months $'000	6-12 months $'000	1-5 years $'000	> 5 years $'000	Total $'000
Year ended 30 June 2026					
Financial assets					
Cash and cash equivalents	4,461	-	-	-	4,461
Other financial assets - Restricted Cash	3,900	-	-	-	3,900
Trade and other receivables	533	30	-	-	563
	8,894	30	-	-	8,924
Financial Liabilities					
Trade and other payables	(896)	-	-	-	(896)
Borrowings	(28,252)	-	(49,425)	-	(77,677)
	(29,148)	-	(49,425)	-	(78,573)
Net Maturity	(20,254)	30	(49,425)	-	(69,649)

	< 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)

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 2026:

	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
30 June 2026				
Property, plant and equipment				
Land held for production in Australia	-	-	113,125	113,125
Other land and buildings	-	-	2,186	2,186
			115,311	115,311
Biological assets				
Livestock	-	-	932	932
	-	-	932	932

	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

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 2026.

Refer to Note 15 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 16 for further details.

5 Operating segments

The Group has operations in one business segment, agriculture. The Group is engaged in 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.

All operations are conducted in Australia.

6 Discontinued operations

Re-Vi & Wundowie Merger

On 24 October 2025, Wundowie Carbon Pty Ltd (ACN 669 096 217) ("Wundowie") and Re-Vi Group Limited (ACN 661 975 720) ("Re-Vi") entered into a Share Sale and Purchase Agreement relating to the acquisition of 100% of the issued share capital of Re-Vi by Wundowie, to be satisfied through the issuance of new shares in Wundowie. On 23 December 2025, the Group completed the Re-Vi and Wundowie transaction, which resulted in the Group losing control of Re-Vi. In accordance with AASB 10 Consolidated Financial Statements, Re-Vi was derecognised from the consolidated financial statements from the date control was lost. All assets and liabilities were derecognised at their carrying amounts immediately prior to disposal.

The total consideration received under the Share Sale and Purchase Agreement comprised 40,750,000 ordinary shares in Wundowie, with an aggregate fair value of $25,771,688.

Re-Vi's operations constituted a separate major line of business and were accordingly classified as discontinued operations in accordance with AASB 5 *Non-current Assets Held for Sale and Discontinued Operations*.

The comparative consolidated statement of profit or loss and other comprehensive income has been re-presented to disclose discontinued operations separately from continuing operations. All intra-group transactions between discontinued and continuing operations have been fully eliminated in the consolidated financial results. As at the date of disposal, cash held by Re-Vi amounted to $3,265,698, resulting in a net cash outflow on disposal of the same amount.

Upon disposal, the Group derecognised the carrying amounts of Re-Vi's assets and liabilities, together with the related non-controlling interests. The assets and liabilities derecognised comprised working capital balances, cash and cash equivalents, and property, plant and equipment, including pyrolysis systems, chippers, motor vehicles, and office and computer equipment, net of accumulated depreciation.

As part of the transaction:

- The Group recognised an investment in Wundowie Carbon at a fair value of $25,771,688 as at the date control was lost, in accordance with AASB 10, which requires any retained interest to be remeasured at fair value. The Group has determined that it has significant influence over Wundowie Carbon Ltd and is therefore accounting its investment as an investment in associate in accordance with AASB 128 *Investments in Associates and Joint Ventures*.
- All remaining balances relating to Re-Vi Limited and its controlled entities were removed from the consolidated statement of financial position.

6 Discontinued operations (continued)

Re-Vi & Wundowie Merger (continued)

The financial results of Re-Vi Group Limited for the year are presented below.

	2026 000's $	2025 000's $
Sales	-	-
Cost of sales	-	-
	-	-
Bank interest	17	-
Other income	58	327
Biochar Operations	(935)	(4,700)
Administrative and other expenses	(5,101)	(3,226)
Impairment loss	-	(9,606)
Profit/(loss) before tax from discontinued operations	(5,961)	(17,205)
Income tax expense	-	-
Profit/(loss) after tax from discontinued operations	(5,961)	(17,205)
Gain/(loss) on disposal of discontinued operations	19,226	-
Profit/(loss) from discontinued operations, net of taxes	13,265	(17,205)

Gain/(loss) on derecognition of net assets

	000's $
Fair value of consideration received	25,772
Transaction costs directly attributable to disposal	-
Net fair value of consideration received	25,772
Derecognition of non-controlling Interests	1,003
Less: Carrying amount of net assets disposed of	
Cash and cash equivalents	3,266
Trade and other receivables	216
Inventories	15
Other current assets	86
Intercompany loans	(6,500)
Property, plant and equipment	10,530
Trade and other payables	(62)
Other financial liabilities	(2)
	7,549
Gain / (loss) on disposal of discontinued operations	19,226

6 Discontinued operations (continued)

Recognition and measurement

Discontinued operations are excluded from the results of continuing operations and are presented as a single amount representing the profit or loss after tax from discontinued operations in the consolidated statement of profit or loss and other comprehensive income.

Cash flows attributable to discontinued operations are included in the consolidated statement of cash flows and are disclosed separately in this note. Disposal proceeds are included within cash flows from discontinued operations.

Unless otherwise stated, all other notes to the financial statements present amounts relating to continuing operations.

7 Revenue and expenses

(a) Sales

	2026 000's $	2025 000's $
Livestock	**491**	381
Timber	**-**	11
Agistment fees	**-**	6
Work orders	**1**	-
	492	398

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

	2026 000's $	2025 000's $
Sale of property, plant and equipment	**320**	3,703
Carrying value of assets sold	**(516)**	(3,501)
Profit/(loss) on assets sold	**(196)**	202

7 Revenue and expenses (continued)

(c) Property related expenses

	2026 000's $	2025 000's $
Reversion contractor management	**1,401**	2,113
Property management operating fees	**722**	571
Property management performance fees (i)	**-**	(2,727)
Labour and other expenses	**9,807**	5,389
Depreciation	**2,114**	2,056
Fuel and oils	**1,914**	1,338
Repairs and maintenance	**3,035**	3,102
Agricultural supplies	**1,267**	1,356
Cleaning and waste removal	**81**	73
Rent	**11**	(182)
Utilities	**308**	227
Other reversion expenses	**2,682**	1,841
Reversion costs capitalised	**(15,582)**	(12,902)
Total	**7,760**	2,255

(i) No Performance Fee was payable for the initial three year period ending in December 2024.

No provision has been made so far for a Performance Fee in the second three year performance period ending in December 2027. The Group continues to monitor its obligations in this regard. A performance fee will only accrue where realised gains are made over and above the relevant hurdle.

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.

Reversion activities during the year

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.

A total of $15,582,485 was incurred during the year on improvements to the land which were made up of harvesting and land preparation (stump grinding, raking etc.) activities. As per treatment in prior periods the cost of these improvement was capitalised to the value of the land.

7 Revenue and expenses (continued)

(d) Administrative and other expenses

	2026 000's $	2025 000's $
Directors' fees	**679**	454
ASIC Fees	**5**	11
ASX/Share registry fees	**20**	17
Professional fees	**556**	549
Audit and tax fees	**(4)**	19
Legal fees	**109**	22
Share-based payment	**-**	2,079
Depreciation	**6**	8
Other corporate expenses	**938**	584
Total	**2,309**	3,743

(e) Finance costs

	2026 000's $	2025 000's $
Interest on equipment finance	**568**	606
Interest on NAB Corporate Markets loan	**2,442**	1,372
Other interest	**-**	(240)
Interest on STAM loan	**727**	-
Total	**3,737**	1,738

(f) Impairment loss

	2026 000's $	2025 000's $
Impairment of Investment in associate - Wundowie Carbon Ltd (i)	**25,772**	-
Impairment of Other financial assets - Re-Vi Group Ltd (ii)	**5,617**	-
Total	**31,389**	-

7 Revenue and expenses (continued)

(i) Impairment of Investment in Wundowie Carbon Ltd

During the year, the Group disposed of its interest in Re-Vi in for consideration of 40.63% ordinary shares in Wundowie Carbon Ltd in exchange for an investment in an associate amounting to $25,771,688.

As at 30 June 2026, management assessed the carrying amount of the investment in associate and determined that it was fully impaired. Accordingly, an impairment loss of $25,771,688 was recognised in profit or loss for the year, resulting in the investment having a nil carrying amount as at 30 June 2026.

(ii) Impairment of Loan to Re-Vi Group

During the year, Kiland lent an amount of $6.5m to Re-Vi Group Ltd (now Wundowie Holdings) at 10% per annum unsecured with an expiry date of 30 November 2026. As at 30 June 2026 the gross value of this loan (including capitalized interest) was $6.8m

The Wundowie Group is being wind down over the next 12 months in an orderly and solvent fashion. Based on analysis performed of the likely values realised for the assets in the Wundowie Group and the surplus funds left over after satisfaction of all outstanding debts only $1.2m will be left to repay Kiland. As a result, as at 30 June 2026, an impairment loss of $5.6m was recognised in respect of this loan.

8 Income tax

(a) Income tax expense

The major components of income tax expense/(benefit) are:

	2026 000's $	2025 000's $
Current income tax	**-**	-
Deferred income tax	**1,141**	(830)
Income tax expense/(benefit)	**1,141**	(830)
Tax expense/(benefit) at the statutory income tax rate of 25% (2025: 25%)	**(7,772)**	(5,956)
Non-deductible expenses/capital gain on sale of land	**21**	520
Gain on disposal of discontinued operation	**(566)**	-
Deferred tax asset not recognised	**9,932**	4,602
Under / Over from prior year	**(474)**	-
Adjustments for deferred tax of prior periods	**-**	4
Income tax expense/(benefit)	**1,141**	(830)

8 Income tax (continued)

(b) Amounts charged/(credited) to equity

	2026 000's $	2025 000's $
Revaluation of land	**(2,762)**	(2,059)
Income tax expense reported in equity	**(2,762)**	(2,059)

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.

Tax losses recognised

The gross value of tax losses recognised at 30 June 2026 amounted to $34,113,477 (2025: $44,991,984).

Tax losses not recognised

The gross value of capital tax losses not recognised at 30 June 2026 amounted to $35,914,463 (2025: $nil).

8 Income tax (continued)

Deferred tax assets and liabilities not recognised

	Assets		Liabilities		Total	
	2026	**2025**	**2026**	**2025**	**2026**	**2025**
	000's	**000's**	**000's**	**000's**	**000's**	**000's**
	$	**$**	**$**	**$**	**$**	**$**
Property, plant & equipment	**9,076**	7,918	**(21,669)**	(20,781)	**(12,593)**	(12,863)
Biological assets	**(138)**	(143)	**-**	-	**(138)**	(143)
Capital raising costs	**46**	126	**-**	-	**46**	126
Trade and other payables	**3**	11	**-**	-	**3**	11
Investments	**4,154**	-	**-**	-	**4,154**	-
Tax losses	**17,507**	11,248	**-**	-	**17,507**	11,248
Total	**30,648**	19,160	**(21,669)**	(20,781)	**8,979**	(1,621)

Deferred income tax

Deferred income tax for the year ended 30 June 2026 has been derived as follows but has not been recognised. Given the Group's history of ongoing losses, and in the absence of supportable evidence demonstrating probable future taxable profits (over and above the current uplift in property values from original cost), the criteria for recognition of this deferred tax asset have not been met at this stage.

Movements in temporary differences during the year	**Balance 30 June 2025 $'000**	**Recognised in income $'000**	**Recognised in equity $'000**	**Balance 30 June 2026 $'000**
Property, plant & equipment	(12,863)	(2,491)	2,762	(12,592)
Biological assets	(144)	5	-	(139)
Capital raising costs	127	(80)	-	47
Trade and other receivables	-	-	-	-
Trade and other payables	11	(9)	-	2
Investments	-	4,154	-	4,154
Tax losses	11,248	6,259	-	17,507
	(1,621)	7,838	2,762	8,979

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)

Notes to the Financial Statements
For the Year Ended 30 June 2026

9 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

	2026 000's $	2025 000's $
Net profit/(loss) attributable to ordinary equity holders of the parent from continuing operations	**(45,488)**	(5,788)
Net profit/(loss) attributable to ordinary equity holders of the parent from discontinued operations	**15,242**	(10,920)
Total	**(30,246)**	(16,708)

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

(b) Weighted average number of shares

	2026 000's No.	2025 000's No.
Weighted average number of ordinary shares for basic loss per share	**63,935**	63,935
Effect of dilution:		
Share options and performance rights	**-**	-
Weighted average number of ordinary shares adjusted for the effect of dilution	**63,935**	63,935

(c) Basic and diluted earnings/(loss) per share

	2026 EPS in cents	2025 EPS in cents
Basic and diluted earnings/(loss) per share from continuing operations	**(71.15)**	(9.05)
Basic and diluted earnings/(loss) per share from discontinued operations	**23.84**	(17.08)
Total	**(47.31)**	(26.13)

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 2026

10 Cash and cash equivalents

	2026 000's $	2025 000's $
Cash at bank and in hand	**4,461**	6,740
Short-term deposits	**-**	1,500
	4,461	8,240

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.

11 Other financial assets

	2026 000's $	2025 000's $
Restricted cash	**3,900**	2,350
	3,900	2,350

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 separated from operated funds and act as security for finance facilities.

12 Trade and other receivables

	2026 000's $	2025 000's $
CURRENT		
Trade receivables (a)	**467**	38
Sundry debtors	**96**	374
	563	412

(a) Terms of trade

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

(b) 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.

13 Other assets

	2026 000's $	2025 000's $
Current		
Prepayments	**124**	654
Deposits (a)	**5**	7
	129	661

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.

14 Assets classified as held for sale

	2026 000's $	2025 000's $
Land held for sale - Lot 40 Freeoak Road, Wisanger SA	**-**	**507**
Land held for sale - Lot 41 Freeoak Road, Wisanger SA	**318**	**318**
Land held for sale - 68 Freeoak Road, Smith Bay SA	**716**	**716**
Land held for sale - Lot 138 Playford Highway, Duncan (a)	**1,040**	**-**
	2,074	**1,541**

a) This property was no longer required for the Company's operations and was consequently classified as held for sale during the financial year. The property is carried at the lower of its carrying amount and fair value less costs to sell.

15 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	Plant and equipment	Capital Work in Progress	Total
	000's	000's	000's	000's
	$	$	$	$
Year ended 30 June 2026				
At 1 July 2025 net of accumulated depreciation and impairment	111,807	13,430	5,718	130,955
Additions	10	4,043	-	4,053
Derecognition of Re-Vi Group	-	(4,812)	(5,718)	(10,530)
Transfer to Assets held for sale	(1,040)	-	-	(1,040)
Reversion costs capitalised	15,582	-	-	15,582
Revaluation	(11,048)	-	-	(11,048)
Impairment of assets	-	-	-	-
Depreciation during the year	-	(2,120)	-	(2,120)
At 30 June 2026 net of accumulated depreciation and impairment	115,311	10,541	-	125,852
At 30 June 2026				
Cost or fair value	115,311	17,772	-	133,083
Accumulated depreciation and impairment	-	(7,231)	-	(7,231)
Net carrying amount	115,311	10,541	-	125,852

	Freehold land and Buildings	Plant and equipment	Capital Work in Progress	Total
	000's	000's	000's	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	(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

During the year, reversion costs of $15.582m were capitalised to land and buildings.

15 Property, plant and equipment (continued)

(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 2026 are based on an independent expert's valuation.

The fair value measurements of the Group's other land and buildings as at 30 June 2026 and 30 June 2025 are at a director's valuation.

During the year, reversion costs of $15,582,485 were capitalised to land and buildings.

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 $113.1M (or 99%) of the value of total land and buildings of $114.3M. Other non-agricultural properties totaling approximately $1.2M make up the balance of the total value.

Independent expert's valuation technique - Plantation land and buildings (continued)

The fair value of the plantation land and building assets was calculated by Herron Todd White ("HTW") with a valuation date of 30 June 2026. 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 $8,600 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 $4,300 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 2026 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.

Fair value hierarchy

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

15 Property, plant and equipment (continued)

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.

16 Biological assets

Livestock

	2026 000's $	2025 000's $
Balance at the beginning of the year	**766**	401
Purchases	**27**	21
Increase in fair value	**540**	688
Sales	**(401)**	(344)
Balance at the end of the year	**932**	766

The Biological assets balance represents the purchase of livestock (sheep) and is measured at fair value at the end of each reporting period in accordance with AASB 141 *Agriculture*.

17 Other financial assets

	2026 000's $	2025 000's $
Loan granted to related party (a)	**6,500**	-
Accrued interest	**332**	-
Impairment	**(5,617)**	-
	1,215	-

17 Other financial assets (continued)

a) During the year Kiland lent amount of $6,500,00 to its then subsidiary in the Re-Vi Group Ltd at 10% per annum unsecured with an expiry date of 30 November 2026. As at 30 June 2026, an impairment loss of $5,617,128 was recognised in respect of this loan.

18 Investment in Associates

Investment in Wundowie Carbon Ltd

In December 2025, the group disposed of its interest in Re-Vi in for consideration of 46.13% ordinary shares in Wundowie Carbon Ltd, a company incorporated in Australia. The Group has determined that it has significant influence over Wundowie Carbon Ltd and by virtue of its shareholding is therefore equity-accounting its investment.

Wundowie Carbon Ltd is a bio-carbon business focused on producing met-char servicing hard-to-abate industries such as iron and steel making.

Unfortunately, Wundowie Carbon failed to attract the required additional funding to pursue it's met-char business. The group is now in the process of being wound down.

Based on analysis performed of the likely values realised for the assets in the Wundowie Group and the surplus funds after satisfaction of all outstanding debts - at the completion of the wind down - there will be no funds left over to repay equity holders. As a result, the directors of Kiland assessed the investment and determined that it's carrying value was fully impaired as at 30 June 2026.

	2026 000's $	2025 000's $
Opening carrying amount	**-**	-
Additions	**25,772**	-
Impairment loss	**(25,772)**	-
Closing carrying amount	**-**	-

19 Trade and other payables

	2026 000's $	2025 000's $
Trade payables	**508**	1,667
Other payables	**388**	650
	896	2,317

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.

20 Borrowings

	2026 000's $	2025 000's $
Current		
Equipment Finance Facility (a)	**4,028**	**2,618**
Corporate Markets Loan (a)	**15,000**	**-**
STAM loan (b)	**9,224**	**-**
Total current borrowings	**28,252**	**2,618**
Non-current		
Equipment Finance Facility (a)	**3,425**	**6,550**
Corporate Markets Loan (a)	**46,000**	**34,000**
Total non-current borrowings	**49,425**	**40,550**
Total borrowings	**77,677**	**43,168**

(a) NAB Finance Facilities

The terms and conditions of outstanding loans are as follows:

	Nominal interest rate	Year of maturity	30 June 2026 Carrying amount $'000	30 June 2025 Carrying amount $'000
New Business Equipment Loan - Tranche 1	6.69%	March 2027	2,139	3,054
New Business Equipment Loan - Tranche 2 with a 30% residual	6.97%	June 2027	1,282	1,753
New Business Equipment Loan - Tranche 3	7.37%	May 2028	206	303
New Business Equipment Loan - Tranche 4	6.58%	May 2028	532	784
New Business Equipment Loan - Tranche 5	6.09%	September 2028	659	925
New Business Equipment Loan - Tranche 6	6.05%	October 2028	1,008	1,398
New Business Equipment Loan - Tranche 7	6.16%	April 2029	718	944
New Business Equipment Loan - Tranche 8	6.17%	August 2030	905	-
Corporate Market Loan - Tranche 1	Floating rate (i)	November 2028	16,000	16,000
Corporate Market Loan - Tranche 2	Floating rate (i)	November 2028	30,000	18,000
Corporate Market Loan - Tranche 3	Floating rate (ii)	November 2026	15,000	-
Equipment Hire Purchase	0.00%	October 2027	4	7
Total interest-bearing liabilities			68,453	43,168

(i) The facility bears interest at the BBSY plus a margin of 1.58% per annum.

(ii) The facility bears interest at the BBSY plus a margin of 1.47% per annum.

20 Borrowings (continued)

(a) NAB Finance Facilities (continued)

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 Corporate Market Facility limit is $81 million and is currently drawn down to $61 million. It is secured over the Group's land and buildings.

The existing Corporate Market Loan Facility Tranche 3 maturing on November 2026 is currently in the process of being renewed by NAB. The bank has indicated a willingness to extend the maturity date of this facility for a further 2 years until November 2028 with a limit of $20m. The facility is currently drawn down to $15m. The new term will align with the current maturity dates of Corporate Market facilities Tranches 1 and 2. Binding credit approval is being sought for this change. In the meantime the bank has issued correspondence confirming their support for this change/renewal of the Corporate Markets Tranche 3 facility.

Assuming formal credit approval is provided the three Tranches of the Corporate markets facilities would have one common maturity date of November 2028 and a total facility limit of $66m (currently drawn to $61m).

(b) Shareholder Loan

During the period, the Group entered a shareholder loan agreement with Samuel Terry Asset Management Limited atf the Samuel Terry Absolute Return Active Fund (STAM). The Facility is for $9 million and has been fully drawn at the reporting date.

It bears interest at 10% per annum, is unsecured, and is due and payable immediately on demand. The interest is currently being capitalised to the loan principal as per agreement between the borrower and lender.

21 Contributed equity

(a) Issued and paid-up capital

	2026 000's $	2025 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.

(b) Movements in shares on issue

	2026		2025	
	No. of shares	**$'000**	**No. of shares**	**$'000**
Beginning of financial year	**63,934,572**	88,428	**63,934,572**	88,428
End of financial year	**63,934,572**	88,428	**63,934,572**	88,428

21 Contributed equity (continued)

(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 2026 and 30 June 2025 were as follows:

	2026 000's $	2025 000's $
Trade and other payables	**932**	**2,318**
Interest bearing liabilities	**77,677**	**43,168**
Less cash and cash equivalents	**(4,461)**	**(8,240)**
Less Other financial assets - Restricted Cash	**(3,900)**	**(2,350)**
Net debt / (surplus)	**70,248**	**34,896**
Gearing ratio	**113.00%**	**48.15%**

As at 30 June 2026 the Group's total debt exceeds net cash. The Group is not subject to any externally imposed capital requirements.

The total amount drawn against the Corporate Markets facilities (Tranches 1, 2 & 3) was $61,000,000. This compares to the secured property valuation of $114,280,000. The Loan to Valuation ratio (LVR) of 53.7% is within the bank lending covenants.

22 Reserves

	2026 000's $	2025 000's $
Share based payment reserve (a)	**3,344**	3,405
Property, plant and equipment revaluation reserve (b)	**29,038**	37,324
	32,382	40,729

(a) Share based payment reserve

Opening balance at 1 July	**3,405**	**1,266**
Movement:		
Performance rights issued on 25 October 2021 - vesting	**-**	**2,078**
Re-Vi performance rights issued on 30 November 2024 - vesting	**4,235**	**61**
Re-Vi performance rights - derecognition	**(4,296)**	**-**
Closing balance at 30 June	**3,344**	**3,405**

22 Reserves (continued)

(a) Share based payment reserve (continued)

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.

No rights were issued during the period.

On 25 October 2021, 2,902,500 Performance Rights were issued in the allocations and with the share price performance conditions outlined in Note 30.

Refer to Note 30 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

	2026 000's $	2025 000's $
Opening balance at 1 July	**37,324**	**43,608**
Increase / (decrease) based on independent valuation	**(11,048)**	**(7,575)**
Deferred tax applicable to revaluation	**2,762**	**2,059**
Transfer to retained earnings on disposal of property	**-**	**(768)**
	29,038	**37,324**

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.

23 Contingent liabilities

On 30 January 2026, Biocare Projects Pty Ltd, the project partner of KI Carbon (a wholly owned subsidiary of Re-Vi Ltd), issued a letter of demand to KI Carbon seeking compensation under the project agreement. Kiland Ltd, although not a party to the project agreement, was named in the letter of demand.

No legal proceedings have been commenced. The board of Wundowie, now the owner of Re-Vi Group, has obtained independent legal advice and considers the claim to be without merit. The Kiland board is confident that Kiland has no exposure.

Notes to the Financial Statements
For the Year Ended 30 June 2026

24 Reconciliation of statement of cash flows

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

	2026 000's $	2025 000's $
Net loss	**(45,488)**	(22,993)
Adjustments for:		
Depreciation	**2,008**	2,408
(Gain)/Loss on sale of property, plant and equipment	**196**	(202)
Share-based payments (Note 30)	**-**	2,139
Finance costs	**-**	(240)
Property related services	**(15,583)**	(15,829)
Impairment loss on investment in associate	**25,771**	-
Impairment Loss on other financial assets	**5,575**	-
Impairment loss on asset writedown	**-**	9,607
Fair value gain on biological assets	**(540)**	(688)
Cost of sales	**425**	344
Changes in assets and liabilities:		
Increase/(decrease) in deferred tax	**1,141**	(830)
(Increase)/decrease in receivables and other current assets	**(87)**	426
Increase/(decrease) in payables and employee benefits	**(255)**	493
- (increase)/decrease in inventories	**-**	(11)
Net cashflows from operating activities - continuing operations	**(26,837)**	(25,376)
Net cashflows from operating activities - discontinued operations	**(2,808)**	-
Net cash from operating activities	**(29,645)**	(25,376)

25 Auditor remuneration

The auditor of Kiland Ltd is Grant Thornton.

	2026 $	2025 $
Audit and review of the financial statements	**99,710**	116,151
Taxation compliance (income tax returns)	**2,125**	6,246
Taxation advice	**18,238**	12,360
Total	**120,073**	134,757

26 Key management personnel

Key Management Personnel (KMP) are those persons having authority and responsibility for planning, directing and controlling the activities of the Group, directly or indirectly. KMP include the Directors of the Company and those executives who have responsibility for the strategic direction and operational management of the Group.

During the reporting period, the Group's KMP comprised:

- Mr Paul McKenzie, Non-Executive Chairman;
- Mr Mitchell Taylor, Non-Executive Director;
- Mr Ian Greenyer, Managing Director;
- Mr Alastair Beard, Chief Financial Officer; and
- Mr Andrew Metcalfe, Company Secretary

These individuals had authority and responsibility for planning, directing and controlling the activities of the Group throughout the period in which they served as KMP.

(a) Compensation of key management personnel

	2026	2025
	$	$
Non-Executive Directors		
Short-term benefits	**175,000**	**175,000**
Superannuation	**-**	**-**
Performance Rights	**-**	**538,871**
	175,000	**713,871**
Executives		
Short-term benefits	**535,074**	**473,154**
Superannuation	**-**	**25,000**
Performance Rights	**-**	**1,539,631**
Termination benefits	**212,000**	**-**
	747,074	**2,037,785**
Total	**922,074**	**2,751,656**

27 Changes in shareholding of Re-Vi Group Ltd (Non-controlling interest)

On 17 December 2025, Re-Vi's loan from Kiland of $9,000,000 was settled through a conversion of debt to equity, whereby 15,000,000 ordinary shares in Re-Vi were issued to Kiland, prior to the completion of the transaction.

On 24 October 2025, Wundowie Carbon Pty Ltd (ACN 669 096 217) (“Wundowie”) and Re-Vi Group Limited (ACN 661 975 720) (“Re-Vi”) entered into a Share Sale and Purchase Agreement relating to the acquisition of 100% of the issued share capital of Re-Vi by Wundowie, to be satisfied through the issuance of ordinary shares in Wundowie to the existing shareholders.

27 Changes in shareholding of Re-Vi Group Ltd (Non-controlling interest) (continued)

On 23 December 2025, the Group completed the Re-Vi and Wundowie transaction, which resulted in the Group losing control of Re-Vi. In accordance with AASB 10 *Consolidated Financial Statements*, all assets and liabilities of Re-Vi were derecognised at their carrying amounts, together with the non-controlling interests, immediately prior to disposal.

	2026 000's $	2025 000's $
Opening balance	**(88)**	22
Accumulated profit/(loss) for the period	**(1,977)**	(6,285)
Net impact of change in equity holdings in Re-Vi Group	**-**	6,175
Conversion of Debt to Equity - shares issued in Re-Vi Group	**3,068**	-
Movement in equity of Re-Vi Group due to loss of control	**(1,003)**	-
Total	**-**	(88)

28 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 (%)	Percentage of equity interest held (%)
		2026	2025
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
Kangaroo Island Plantation Management Pty Ltd*	Australia	**-**	100.00
Re-Vi Group Ltd**	Australia	**-**	65.98
KI Carbon Ltd***	Australia	**-**	65.98

* Kangaroo Island Plantation Management Pty Ltd a former 100% controlled subsidiary was deregistered during the period.

** Re-Vi Group was incorporated on 25 August 2022 and is the immediate parent entity of KI Carbon Ltd. On 23 December 2025, Kiland disposed of its entire interest in Re-Vi Group in exchange for ordinary shares in Wundowie Carbon Pty Ltd.

*** KI Carbon Ltd was incorporated on 24 June 2022 and is a wholly owned subsidiary of Re-Vi Group.

28 Related party disclosures (continued)

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.
- 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 (drawn to $9 million). The original loan of $9 million that bears an interest rate of 7% per annum (cash or payment-in-kind), was converted to equity in Re-Vi Group Ltd in November 2025. Re-Vi Group Ltd has been renamed and restructured to Wundowie Holdings Pty Ltd.

During the year, the Group entered into the following agreements with related parties:

- an unsecured loan facility with STAM for $9m (refer to note 20 for further details).
    - it bears interest at 10% per annum, is unsecured, and is repayable in full on the maturity date of September 2027 (being 24 months from the drawdown date). The interest is currently being capitalised to the loan principal as per agreement between the borrower and lender.
- a loan of $6.5m advanced to Re-Vi Group (now Wundowie Holdings Pty Ltd) (refer to note 18 for further details)
    - it bears interest at 10% per annum, is unsecured, and is repayable in full on the maturity date of November 2026. The interest is currently being capitalised to the loan principal as per agreement between the borrower and lender.
    - based on analysis performed of the likely values realised for the assets in the Wundowie Group and the surplus funds left over after satisfaction of all outstanding debts, only $1.2m will be left to repay Kiland. As a result, as at 30 June 2026, an impairment loss of $5.6m was recognised in respect of this loan.

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 26.

Re-Vi & Wundowie Merger

Details of Re-Vi Group's disposal in exchange for shareholdings in Wundowie Carbon Pty Ltd are included in Note 6.

Notes to the Financial Statements
For the Year Ended 30 June 2026

29 Parent Entity disclosures

Information relating to Kiland Ltd:

	2026 000's $	2025 000's $
Statement of Financial Position		
Assets		
Current assets	**27,953**	25,763
Non-current assets	**1,215**	-
Intercompany assets	**25,961**	33,616
Total Assets	**55,129**	59,379
Liabilities		
Current liabilities	**9,308**	216
Non-current liabilities	**-**	-
Total Liabilities	**9,308**	216
Equity		
Issued capital	**88,348**	88,658
Option and performance rights reserve	**3,344**	1,417
Property, plant and equipment revaluation reserve	**2,384**	2,384
Retained earnings	**(48,255)**	(33,296)
Total Equity	**45,821**	59,163
Statement of Profit or Loss and Other Comprehensive Income		
Loss of the parent entity	**(33,393)**	(818)
Total comprehensive loss	**(33,393)**	(818)

Parent entity guarantees, commitments and contingent liabilities

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

30 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:

	2026	2025
	$	$
Performance Rights - Directors (a)	-	2,078,502
Performance Rights - Re-Vi Group Directors (b)	-	60,558
Total	-	2,139,060

(a) Performance Rights – Directors

A total of 2,463,750 Performance Rights with a vesting date of 25 October 2024 vested during the prior year.

At the 25 October 2021 Annual General Meeting, shareholders approved the issue of a total of 2,902,500 Performance Rights on 25 October 2021. Of these, Tranches A to C, comprising 2,463,750 Performance Rights, vested and remain on issue with a revised expiry date of 31 July 2031. The Tranche D rights comprising of 438,750 rights did not vest and consequently expired on 31 July 2026.

There were no share-based payment expense recognised for the year ended 30 June 2026 (2025: $2,078,502). The value of the 25 October 2021 Rights has been fully recognised at 30 June 2026.

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.

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.

30 Share based payments (continued)

Recognised share-based payment expenses (continued)

(a) Performance Rights – Directors (continued)

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.

The Tranche D rights comprising of 438,750 rights at an exercise price of $2.25 per right did not vest and consequently expired on 31 July 2026.

31 Commitments

(a) Capital Commitments

In the opinion of the Directors, the Group did not have any contingencies or commitments as at 30 June 2026 (30 June 2025: $405,518).

32 Events occuring after the reporting date

The following properties were sold following the acceptance of offers received during the year, with the sales completed after 30 June 2026 and settled prior to the date of this report.

- Lot 138 Playford Highway Duncan ("Willmott")
- Lot 6108 Playford Highway Duncan ("Roo Lagoon North")
- Lot 41 Freeoak Road Wisanger
- Lot 49 Bark Hut Road Cassini ("Kelly West")

On 31 July 2026, the Tranche D rights comprising of 438,750 rights at an exercise price of $2.25 per right did not vest and subsequently expired.

Except for the above, no other 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.

Kiland Ltd
ABN 19 091 247 166

Consolidated Entity Disclosure Statement

For the Year Ended 30 June 2026

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

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.

Kiland Ltd

ABN 19 091 247 166

Directors' Declaration

The directors of the Company declare that:

1. the consolidated financial statements and notes for the year ended 30 June 2026 are in accordance with the *Corporations Act 2001* and:

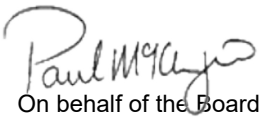
    a. comply with Accounting Standards, which, as stated in basis of preparation Note 2 to the consolidated financial statements, constitutes explicit and unreserved compliance with International Financial Reporting Standards (IFRS); and

    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 30th day of September 2026

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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 2026, 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 2026 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 Group in accordance with the auditor independence requirements of 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.

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Material uncertainty related to going concern

We draw attention to Note 2(f) in the financial statements, which indicates that the Group incurred a net loss from continuing operations of $32,223,000 and had net cash outflows from operating and investing activities of $38,513,000 during the year ended 30 June 2026. As at 30 June 2026, the Group's current liabilities exceeded its current assets by $18,021,000. As stated in Note 2(f), these events or conditions, along with other matters as set forth in Note 2(f), 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 2026 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 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 s

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 AUDIT PTY LTD
Chartered Accountants

J L Humphrey
Partner – Audit & Assurance

Adelaide, 30 September 2026