

29 March 2022

ASX Announcement

The Manager
Market Announcements Office
ASX Limited
20 Bridge Street
Sydney NSW 2000

Dear Sir / Madam

KILAND LTD ANNOUNCES \$32.4 MILLION ENTITLEMENT OFFER

Key points:

- **7 for 11 accelerated non-renounceable pro rata Entitlement Offer fully underwritten to raise approximately \$32.4 million**
- **Proceeds use to fund a forestry to agriculture development on Kangaroo Island**
- **Entitlement Offer supported by two major shareholders as sub-underwriters**

To strengthen its balance sheet and provide additional flexibility to continue to pursue growth opportunities, Kiland Ltd (**Kiland**) today announces the launch of a \$32.4 million fully underwritten 7 for 11 accelerated non-renounceable entitlement offer at \$1.10 per share (the **Entitlement Offer**).

Kiland Executive Chairman, James Davies, said:

"We are pleased to announce this significant share offer that will finance the development of the Kiland agricultural land portfolio of high rainfall, high production assets into an institutional grade estate."

Reversion Strategy

On 11 August 2021, Kiland announced a new agricultural strategy to remove the treecrop and convert its land for more traditional agricultural use. Also on 11 August 2021, Kiland announced James Davies would transition to the role of executive chair to oversee the new strategy.

Since adopting the agricultural strategy, Kiland has bought-back 10,205,133 ordinary shares at an average cost of approximately \$1.26 per share. The Board is pleased to have provided liquidity to shareholders in light of the change of strategy away from forestry.

Following a public tender process, Kiland appointed AAGIM Investment Management Pty Ltd ("AAGIM") as Property Manager for its Kangaroo Island estate on 7 January 2022. Kiland is delighted to partner with AAGIM and consequently will now develop its Kangaroo Island landholding into a top tier institutional-grade agricultural estate.

Kiland Limited
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ACN 091 247 166
ASX: KIL

Since appointment, AAGIM and other independent consultants have prepared various options for the development of Kiland's Kangaroo Island estate.

The capital required to implement those various development options varied based on factors including time to reversion, extent of reversion, stocking considerations, farm infrastructure requirements, and the relative value of utilising sub-contractors with leased equipment or purchasing equipment and operating outright.

Upon consideration and consultation with AAGIM, the Board has determined to undertake the more capital intensive reversion strategy focused on high intensity sheep meat production. The Board believes this offers superior economics and a more desirable risk / reward.

Upon completion of the capital raise, the Kiland Board expects Kiland to have sufficient liquidity to fund the anticipated equity component of this strategy. Additional debt funding is also being sought from Australian banks.

Further Details of the Entitlement Offer

Kiland is undertaking a \$32.4 million fully underwritten 7 for 11 accelerated non-renounceable entitlement offer at \$1.10 per share. The offer price represents a: 4% discount to TERP (\$1.143¹) and a 6% discount to Kiland's last closing price of \$1.17².

The Entitlement Offer will result in approximately 29.4 million new shares being issued, representing approximately 64% of Kiland's existing issued capital. New shares issued will rank equally with existing shares.

Eligible Retail shareholders will have the ability to apply for additional new shares up to 50% of their entitlement, up to a maximum of \$5,000,000 worth of new shares, under a 'Top-up Facility' (subject to scale back, at Kiland's discretion).

The Entitlement Offer is fully underwritten by Aitken Murrery Capital Partners. The Entitlement Offer is sub-underwritten by two major shareholders, Samuel Terry Asset Management Pty Ltd as trustee for the Samuel Terry Absolute Return Active Fund and Washington H Soul Pattinson and Company Limited.

Offer timetable

A timetable of key dates in relation to the Entitlement Offer is set out below. The timetable is indicative only and dates and times are subject to change without notice.

Event	Date
Trading halt	Tuesday 29 March 2022
Announcement of details of the Entitlement Offer	Tuesday 29 March 2022

¹ The Theoretical Ex-Rights Price, calculated based on a closing price for Kiland shares of \$1.17 on 28 March 2022, rounded to 2 decimal places.

² The closing price of Kiland on ASX on 28 March 2022.

Event	Date
Institutional Entitlement Offer bookbuild	Wednesday 30 March 2022
Record date for Entitlement Offer	Thursday 31 March 2022
Institutional Entitlement Offer Settlement Date	Friday 1 April 2022
Institutional Entitlement Offer Allotment & Trading Date	Monday 4 April 2022
Retail Entitlement Offer opens	Tuesday, 5 April 2022
Retail Entitlement Offer closes	Monday 2 May 2022
Retail Entitlement Offer Allotment Date	Monday 9 May 2022
Retail Entitlement Offer Trading Date	Tuesday, 10 May 2022

Additional information

Further details on the Entitlement Offer are set out in the Investor Presentation also provided to the ASX today. The Investor Presentation contains important information including key risks and foreign selling restrictions with respect to the Entitlement Offer.

Authorised for release by:

The Board of Directors, Kiland Ltd

Further enquiries:

For further enquiries on the Entitlement Offer you can call the Kiland Entitlement Offer Information Line on 1300 850 505 (within Australia) or +61 3 9415 4000 (outside Australia) from 8.30am to 5.00pm (Sydney time) Monday to Friday, or visit our website at <https://kilandoffer.thereachagency.com>.

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Forward-looking statements and forecasts

This announcement contains certain "forward-looking statements" looking statements" that are based on management's beliefs, assumptions and expectations and on information currently available to management. Forward looking statements can generally be identified by the use of forward looking words such as, "expect", "anticipate", "likely", "intend", "should", "could", "may", "predict", "plan", "propose", "will", "believe", "forecast", "estimate", "target", "outlook", "guidance" and other similar expressions within the meaning of securities laws of applicable jurisdictions. Such forward looking statements include statements regarding the timetable, conduct and outcome of the Entitlement Offer and the use of proceeds thereof, statements about the plans, objectives and strategies of the management of the Group, statements about the markets in which the Group operates and statements about the future performance of the Group's businesses. .

You are strongly cautioned not to place undue reliance on forward looking statements, particularly in light of the current economic climate and the significant volatility, uncertainty and disruption caused by the outbreak of COVID-19. Any such statements, opinions and estimates in this announcement speak only as of the date hereof and are based on assumptions and contingencies subject to change without notice, as are statements about market and industry trends, projections, guidance and estimates. Forward looking statements are provided as a general guide only. The forward looking statements contained in this announcement are not indications, guarantees or predictions of future performance and involve known and unknown risks and uncertainties and other factors, many of which are beyond the control of the Group. Refer to the key risks in Appendix A of the Investor Presentation lodged concurrently with this announcement for a non-exhaustive summary of certain key business, offer and general risk factors that may affect the Group.

No representation, warranty or assurance (express or implied) is given or made in relation to any forward looking statement by any person (including Kiland or any of its advisers). In particular, no representation, warranty or assurance (express or implied) is given that the occurrence of the events expressed or implied in any forward looking statements in this announcement will actually occur. Actual operations, results, performance, production targets or achievement may vary materially from any projections and forward looking statements and the assumptions on which those statements are based. Except as required by law or regulation (including the ASX Listing Rules), Kiland disclaims any obligation or undertaking to update forward looking statements in this announcement to reflect any changes in expectations in relation to any forward looking statement or change in events, circumstances or conditions on which any statement is based.

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