

Quarterly Activities Report and Appendix 4C For Quarter Ending 30 September 2025

Highlights

- FORESTA Receives Final Insurance Settlement Payment

Final Insurance Settlement Payment

FORESTA has received the sum of \$2,400,000 AUD (two million four hundred thousand Australian dollars) into its company bank account as a full and final settlement of its insurance claim. This payment concludes the claim related to assets damaged in the Apple Tree Creek incident.

FGH has previously received payments totalling \$2,200,000 from its insurers in relation to this insurance claim, bringing the total settlement amount to \$4,600,000.

This favourable outcome has been achieved due to the significant efforts by the board of directors in conjunction with our appointed insurance professionals, namely, Darren Stait (Eskay Insurance Solutions) and Georg Froeschl (LMI Group), who have both played key pivotal roles in achieving an acceptable resolution to this claim.

Foresta has now fulfilled its commitment to maximise shareholder value by diligently pursuing its full insurance entitlements.

Project Development - Kawerau Plant

Earthworks: Main Contractor Procurement and Value Engineering

In the reporting period, Foresta concluded the Request for Tender (RFT) process for the Earthworks Main Contractor (MC). Following the selection of a preferred MC in December 2023 through an Early Contractor Involvement (ECI) Request for Proposal, the RFT was issued to them in June 2025, with the response received in July 2025.

We employed a robust procurement strategy to ensure market competitiveness, utilising a direct negotiation with the preferred MC on an open book basis. This negotiation included reviewing detailed quotes from four subcontractors. Our external project team (Project Manager, Quantity Surveyor, Engineers, and Project Scheduler) conducted a thorough review, focusing on contract terms, risk tags, and value engineering.

This comprehensive exercise was highly effective, resulting in significant cost savings compared to the original project budget. The final subcontractor selection was based on the highest overall attribute score, combining both non-price attributes and the lowest price.

The final contract terms, based on the standard NZS3910:2023 contract and specific Foresta Conditions, have been negotiated. The Main Contractor will be formally announced immediately upon contract execution.



Forest Supply and Collaborative Partnerships

We are advancing with purpose on multiple fronts to secure a robust and sustainable operational foundation. Our focus remains on finalising key supply opportunities within New Zealand's forestry sector, where we are making steady progress. These foundational agreements are critical to our long-term supply chain strategy.

Concurrently, we continue to deepen our collaborative relationships with local Māori iwi and corporations. Our ongoing dialogue is focused on building enduring partnerships that are mutually beneficial, supporting not only economic development but also the sustainable stewardship of the natural resources we value.

Furthermore, our proactive engagement with government bodies, including local and regional councils and the Crown, continues to be constructive. These discussions are ensuring that our project remains fully aligned with national policies and contributes positively to regional development goals, reinforcing our commitment to being a responsible and integrated player in New Zealand's forestry future.

Financials

Payments to related parties include compensation paid to Directors for services performed and executive consulting fees for Directors providing executive consulting services to the Board, which were \$254,250 for the quarter (exc GST of \$25,425).

Foresta Group Holdings Limited had a cash balance of \$2,816,000, as at 30 September 2025.

For more information please contact:

Foresta Group Holdings Limited

Henry Cheng

Executive Chairman

Email: info@forestagroup.com.au

Authorisation Statement

This release has been authorised to be given to the ASX by the Board of Foresta Group Holdings Limited.

About Foresta Group Holdings

FORESTA is positioning itself to become a leading global supplier of natural and renewable pine chemicals and biomass pellets. It has developed a proprietary process to naturally extract pine chemicals by employing the tree's own solvent chemicals to extract rosin and terpenes. These products are commonly used in industrial manufacturing and are a key input to everyday end products. These products include adhesives, gum, inks, paint, car tyres and perfume.



Appendix 4C: Quarterly cash flow report for entities subject to Listing Rule 4.7B

Name of entity

FORESTA GROUP HOLDINGS LIMITED

ABN

18 074 969 056

Quarter ended ("current quarter")

30 September 2025

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (3 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) research and development	-	-
(b) product manufacturing and operating costs	-	-
(c) advertising and marketing	-	-
(d) leased assets	-	-
(e) staff costs	(441)	(441)
(f) administration and corporate costs	(694)	(694)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	-	-
1.5 Interest and other costs of finance paid	(28)	(28)
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	-
1.8 Other (Insurance recoveries)	2,400	2,400
1.9 Net cash from / (used in) operating activities	1,237	1,237
2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) businesses	-	-
(c) property, plant and equipment	-	-
(d) investments	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
	(e) intellectual property	-	-
	(f) other non-current assets	-	-
2.2	Proceeds from disposal of:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) intellectual property	-	-
	(f) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other - Proceeds received on acquisition of Essential Queensland Pty Ltd	-	-
2.6	Net cash from / (used in) investing activities	-	-

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	462	462
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	-
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (principal portion of finance leases)	(64)	(64)
3.10	Net cash from / (used in) financing activities	398	398

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	1,198	1,198
4.2	Net cash from / (used in) operating activities (item 1.9 above)	1,237	1,237
4.3	Net cash from / (used in) investing activities (item 2.6 above)	-	-
4.4	Net cash from / (used in) financing activities (item 3.10 above)	398	398
4.5	Effect of movement in exchange rates on cash held	(17)	(17)
4.6	Cash and cash equivalents at end of period	2,816	2,816

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	2,816	1,198
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	2,816	1,198

6.	Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	254
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-
<i>Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.</i>		

6.1 Payments to related parties, including fees paid to directors were \$254,250 (excluding GST of \$25,425). Foresta Group Holdings Limited has a cash balance of \$2,816,000 as at 30 September 2025. Items included in item 6.1 include: Director's fees – Compensation paid to Directors for services performed. Executive consulting fees – Fees paid to Directors providing executive consulting services to the Board

7.	Financing facilities <i>Note: the term "facility" includes all forms of financing arrangements available to the entity.</i> <i>Add notes as necessary for an understanding of the sources of finance available to the entity.</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
7.1	Loan facilities	7	7
7.2	Credit standby arrangements	-	-
7.3	Other (convertible notes)	2,000	2,000
7.4	Total financing facilities	2,007	2,007

7.5	Unused financing facilities available at quarter end	0
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7.6 7.1 The Company has short-term borrowing facilities on insurance premiums, being:

Facility supplier	Iqumulate – Insurance Premium Funding
Principal amount	\$29,150
Monthly repayments	\$2,654
Interest	9.26%
Term	12 months – ending 31 December 2025
Balance at 30 September 2025	\$7,287

7.3 The Company has entered into the following convertible note.

	Convertible Note
Principal amount	\$2,000,000
Issue date	31 March 2025
Monthly repayments	Nil
Interest	10% per annum capitalised annually and payable on conversion or redemption
Maturity Date	31 March 2028
Security	None
Conversion	The convertible notes can be converted at the sole discretion of the subscriber. The conversion price is \$0.005 per share and the subscriber will receive one free attaching unlisted option exercisable at \$0.01 on the date that is three years from the date of issue.
Balance at 30 September 2025	\$2,000,000

8.	Estimated cash available for future operating activities	\$A'000
8.1	Net cash from / (used in) operating activities (item 1.9)	1,237
8.2	Cash and cash equivalents at quarter end (item 4.6)	2,816
8.3	Unused finance facilities available at quarter end (item 7.5)	-
8.4	Total available funding (item 8.2 + item 8.3)	2,816
8.5	Estimated quarters of funding available (item 8.4 divided by item 8.1)	N/A

Note: if the entity has reported positive net operating cash flows in item 1.9, answer item 8.5 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.5.

8.6 If item 8.5 is less than 2 quarters, please provide answers to the following questions:

8.6.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?

Answer: NA

8.6.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?

Answer: NA

8.6.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer: NA

Note: where item 8.5 is less than 2 quarters, all of questions 8.6.1, 8.6.2 and 8.6.3 above must be answered.

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: 30 October 2025.....

Authorised by: By the Board.....

(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.