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ASX RELEASE

31 July 2026

Quarterly Activities Report and Appendix 4C For Quarter Ending 30 June 2026

Highlights

- FORESTA Secures Ara Ake Grant to Support Independent Review
- Court Outcome Relating to 2021 Plant Incident
- FORESTA Secures Key US Patent Allowance for Production Process

FORESTA Secures NZD$35,000 Grant from Ara Ake for Independent Torrefaction Technology Review

FORESTA is pleased to announce that it has received NZD$35,000 in grant funding to support an independent review of FORESTA's proposed Torrefaction after Pelletisation ("TAP") technology.

This grant-funded technology review marks another step forward in FORESTA's ongoing development of its flagship project in Kawerau and strengthening the technical effectiveness of FORESTA's proposed TAP technology.

ARA AKE's primary role is to support innovation, development and commercialisation of low-emissions energy production in New Zealand. This funding agreement showcases ARA AKE's support for the development of FORESTA's flagship project in Kawerau.

Court Outcome Relating to 2021 Plant Incident

FORESTA advises that legal proceedings relating to an incident at its former Apple Tree Creek Plant ("Plant") on 12 November 2021 have now concluded.

The incident occurred over four and a half years ago. On the morning of the incident, the plant suffered a lightning strike, resulting in significant damage to the Master Control Centre. Later that day, the plant suffered an explosion, causing extensive damage. The subsequent investigation and legal proceedings could not identify the cause of the explosion. The Bundaberg Magistrates Court did not record a conviction.

The Company acknowledges the seriousness of the incident in 2021 and its consequences. Safety procedures were in place and were followed at the time, which helped limit further loss and harm. The matter is more accurately characterised as an exposure to operational risk than as an absence of health and safety procedures. Since then, the new Board has focused on strengthening risk oversight, operational resilience, and governance controls to better identify and manage such risks going forward.

FORESTA Secures Key US Patent Allowance for Production Process

FORESTA advises that the United States Patent and Trademark Office (USPTO) have allowed United States Patent Application No. 18/010,303, entitled "Method of extraction", covering FORESTA's rosin and terpene production process.

Once granted, the patent is expected to protect FORESTA's rosin and terpene production process in the United States through to at least 16 June 2041, subject to any USPTO patent term adjustment.

This is the first allowed application in FORESTA's rosin and terpene patent family, with national phase applications filed in key expected markets including Australia, Brazil, Canada, China, Europe, Indonesia, Japan, South Korea, Mexico, Malaysia, New Zealand, the Philippines and Thailand.

The allowance strengthens FORESTA's intellectual property position around its proprietary pine chemical technology and supports its commercialisation strategy.

FORESTA now has two patent families covering pine wood processing methods, including one directed to torrefied wood pellets and briquettes.

Project Development for Kawerau Stage 1 Plant

Executive Summary

During the quarter ended 30 June 2026, Foresta continued to advance development of the Kawerau Stage 1 Project through completion of major front-end engineering activities, strategic infrastructure assessments and key technical studies. The project is being progressed under Foresta's Front-End Loading (FEL) development framework, which is intended to support disciplined project execution, risk management and capital allocation.

The quarter was highlighted by the completion of the FEL 1 Concept Study, receipt of the low-carbon process heat feasibility study, completion of torrefaction technology due diligence activities, and further advancement of power supply and site infrastructure investigations.

Design

A significant milestone was achieved with completion of the FEL 1 Concept Study. The design deliverables were submitted to Foresta in June 2026 and are currently undergoing internal review and progression to the next project development stage

The FEL framework remains central to project governance, providing a structured stage-gate process intended to progressively improve cost certainty, technical definition and execution planning before advancement into subsequent design phases.

Low Carbon Process Heat Feasibility Study

During the quarter, Foresta completed the low-carbon process heat feasibility study undertaken in collaboration with EECA. The final report was received in May 2026 and concluded that geothermal resources are technically and commercially suitable for Foresta's process heat requirements.

Subsequent engagement with geothermal stakeholders continued during the quarter as Foresta investigated potential long-term heat supply options for the project.

Torrefaction Technology Due Diligence Completed

Foresta completed a torrefaction technology due diligence program supported by Ara Ake funding. The final Torrefaction Technology Review report was delivered in May 2026, providing an independent assessment of the technology under review.

The associated Ara Ake grant funding of NZ$35,000 was received during May 2026.

Power and Infrastructure Development

Progress continued on evaluation of long-term power supply options for the Kawerau facility. During the quarter, Foresta advanced assessment of a preferred power supply strategy utilising existing regional infrastructure and continued engagement with key electricity sector stakeholders.

Work also continued on evaluating future power system requirements, supply resilience and opportunities to support future project expansion.

Governance and Project Controls

Project governance and reporting processes remained active throughout the quarter. Project status reporting, Board updates, risk management reviews and cost control processes continued in accordance with Foresta's project development framework.

Forest Supply and Collaborative Partnerships

Foresta continues to progress the key commercial and operational workstreams required to establish a secure, sustainable and scalable supply platform for the Kawerau Stage 1 Project. Engagement across New Zealand's forestry sector remains active, with ongoing work focused on maturing priority supply opportunities and supporting the Company's broader long-term feedstock strategy.

The Company also continues to strengthen its engagement with local Māori iwi, landowners and regional stakeholders. These discussions remain centred on building durable, mutually beneficial partnerships that support regional economic development, responsible resource stewardship and long-term alignment with local communities.

Constructive engagement with government agencies, local and regional councils and other public-sector bodies also remains ongoing. This work supports continued alignment with relevant policy settings, infrastructure considerations and regional development priorities, while reinforcing Foresta's commitment to responsible project delivery in New Zealand.

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 $212,976 for the quarter (exc GST of $21,298).

Foresta Group Holdings Limited had a cash balance of $3,426,172 as at 30 June 2026.

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

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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.

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

Name of entity	
FORESTA GROUP HOLDINGS LIMITED	

ABN	Quarter ended ("current quarter")
18 074 969 056	30 June 2026

Consolidated statement of cash flows		Current quarter $A'000	Year to date (12 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	(427)	(1,761)
	(f) administration and corporate costs	(481)	(2,106)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	19	19
1.5	Interest and other costs of finance paid	(65)	(135)
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	52	52
1.8	Other (Insurance recoveries)	-	2,400
1.9	**Net cash from / (used in) operating activities**	**(902)**	**(1,531)**

2.	**Cash flows from investing activities**		
2.1	Payments to acquire or for:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	(60)	(60)
	(d) investments	-	-

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Consolidated statement of cash flows		Current quarter $A'000	Year to date (12 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	7	7
	(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**	**(53)**	**(53)**

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	-	4,103
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	(26)
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)	(47)	(211)
3.10	**Net cash from / (used in) financing activities**	**(47)**	**3,866**

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Consolidated statement of cash flows		Current quarter $A'000	Year to date (12 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	4,438	1,198
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(902)	(1,531)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(53)	(53)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(47)	3,866
4.5	Effect of movement in exchange rates on cash held	(10)	(54)
4.6	**Cash and cash equivalents at end of period**	**3,426**	**3,426**

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	3,426	4,438
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)**	**3,426**	**4,438**

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	212
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-

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.

6.1 Payments to related parties, including fees paid to directors were $212,976 (excluding GST of $21,298). Foresta Group Holdings Limited has a cash balance of $3,426,172 as at 30 June 2026. 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

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

7.5	**Unused financing facilities available at quarter end**	0

7.6

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 June 2026	$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)	(902)
8.2	Cash and cash equivalents at quarter end (item 4.6)	3,426
8.3	Unused finance facilities available at quarter end (item 7.5)	-
8.4	Total available funding (item 8.2 + item 8.3)	3,426

8.5	**Estimated quarters of funding available (item 8.4 divided by item 8.1)**	3.8

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: 31 July 2026...

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.