



foresta

Appendix 4D

HALF-YEAR REPORT

31 December 2025

ABN 18 074 969 056

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1. Reporting Period and previous corresponding period.

Reporting period: Half-year ended 31 December 2025
 Previous reporting period: Half-year ended 31 December 2024

2. Results for announcement to the market.

Key Information

				\$'000
Revenue from ordinary activities	Down	%	to	-
(Loss) from ordinary activities after tax attributable to members	Down	12%	to	(1,984)
(Loss) for the period attributable to members	Down	12%	to	(1,984)

The Group’s operating loss after tax for the half-year ended 31 December 2025 amounted to \$1,984,273 (31 December 2024 – loss of \$1,766,358).

Dividends	Amounts per share	Franked amount per share
	Cents	Cents
Final	Nil	N/A
Interim	Nil	N/A
Record date for determining entitlements		N/A

Explanation of results

During the period, Foresta Group Holdings Limited (‘the Company’ or ‘Foresta’) continued with the development plan to build a world first patented integrated pine chemicals and torrefied wood pellet plant in New Zealand. The principal activities included detailed formulation of technical and operations aspects, including research and development of environmentally sustainable methods of extracting wood chemicals on an industrial level.

Foresta has sourced leading industry consultants to carry out the required design and regulatory consents to enable the project to succeed. These expert consultants will also be engaged to monitor construction and plant commissioning, where required.

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

For the period ending 31 December 2025, the Kawerau Stage 1 Project remains in a strong position, progressing well by following industry best-practice delivery framework and establishing robust governance structures to ensure its success

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3. Net Tangible Assets.

	Current Year	Previous Year
Net tangible asset backing per ordinary share	0.11 cents	0.06 cents

4. Details of entities over which control has been gained or lost during the period, including the follow.

Control gained over entities

N/A

Control lost over entities

N/A

5. No dividends or distribution payments have been made during the period.

6. No dividend or distribution reinvestment plans are in operation.

7. Details of subsidiaries, associates and joint venture entities.

Name unlisted	Principle activities	Country of incorporation	Class of shares	Ownership interest	
				31 Dec 2025 %	31 Dec 2024 %
Subsidiaries of Foresta Group Holdings Limited					
AQL Mining Pty Ltd	Mining of gravel and general fill	Australia	Ord	100	100
Essential Queensland Pty Ltd	Natural pine chemicals extraction	Australia	Ord	100	100
Farmacule BioIndustries Pty Ltd	Research and development	Australia	Ord	100	100
Foresta (NZ) Limited	Natural pine chemicals and wood pellet manufacturing	New Zealand	Ord	100	100
Leaf Sciences Pty Ltd	Intellectual property owner	Australia	Ord	100	100
Leaf Research Pty Ltd	Research and development	Australia	Ord	100	100
Leaf Performance Plan Pty Ltd	Trustee of employee share trust	Australia	Ord	100	100
Leaf Resources USA, LLC	Investor in Leaf Development LLC	USA	Ord	100	100
Pan Pacific Energy Pty Ltd	Fuel product supply	Australia	Ord	100	-
Foresta Kawerau Limited	Natural pine chemicals and wood pellet manufacturing	New Zealand	Ord	100	-
Subsidiaries of Leaf Resources USA, LLC					
Leaf Development LLC	Investment company	USA	Ord	80	80
Subsidiaries of Leaf Development LLC					
Leaf Malaysia OpCo Sdn. Bhd.	Investment company	Malaysia	Ord	100	100



8. Foreign entities – not applicable.

9. Audit

The financial report has been independently reviewed by BDO Audit Pty Ltd, who have issued an unmodified review conclusion. The Independent Auditor's Review Report contains a material uncertainty relating to going concern and refers to the disclosures in Note 3 of the interim financial report.

10. Commentary on the results for the period.

Refer to the commentary included in the attached 31 December 2025 Financial Report.



Date: 24 February 2026
By order of the Board
Mark Licciardo
Company Secretary

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Interim Financial Report

For the half-year ended
31 December 2025

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Directors' Report

The Directors of Foresta Group Holdings Limited present their report together with the financial statements of Foresta Group Holdings Limited ('the Company', 'Foresta Group' or 'FGH') and its controlled entities ('the Group') for the period ended 31 December 2025.

Directors' details

The names and details of the directors of the Company during or since the end of the financial half year are:

Pai-Heng (Henry) Cheng	Chair of the Board – Appointed 6 April 2023 Executive Director – Appointed 6 April 2023 Member of the Audit and Risk Committee: Appointed 6 April 2023
Maurizio (Maurice) Fabiani	Executive Director – Appointed 6 April 2023 Member of the Audit and Risk Committee: Appointed 6 April 2023
Russell Allen	Non-executive Director – Appointed 12 July 2024

Review of Operations and Financial Results

The Group's operating loss for the half year period was \$1,984,273 (31 December 2024 loss – \$1,766,358). At 31 December 2025, the Group's net assets totalled \$3,232,241, which included cash assets of \$5,187,016.

Principal Activities

During the period, our principal activities included detailed formulation of technical and operations aspects for the construction of a commercial pine chemicals and wood pellet production facility in New Zealand, and research and development of environmentally sustainable methods of extracting wood chemicals on an industrial level.

Operational Update

Project Overview

FORESTA's goal is to manufacture ~2 million tonnes of torrefied (Black) wood pellets, sourced from renewable pine plantations to provide an alternative energy solution for coal, of which New Zealand consumes 2.1 million tonnes per annum. Coal consumption contributes to approximately 5% of New Zealand's total annual greenhouse gas emissions.

FORESTA's world-first, patented integrated pine chemicals and torrefied wood pellets manufacturing processes, delivers multiple products. We will produce high-value natural pine resins and pine oils as well as black wood pellets, yielding multiple revenue streams that provide nearly double the revenue of traditional stand-alone pine chemical or wood pellet plants production facilities.

FORESTA have built an outstanding team of professionals to deliver this project. Over the last 3 years, we have obtained supply chain agreements, including sustainable pine wood supply, sales and marketing with supporting contracts and agreements, an outstanding relationship with the government and solid experienced management and corporate governance

We have sourced leading industry consultants to carry out the required design and regulatory consents to enable the project to succeed. These expert consultants will also be engaged to monitor construction and plant commissioning, where required.

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.

Change of Provider of Share Registry Management Services

FORESTA advises that, in accordance with listing rule 3.15.1, the company has changed the registry management services from MUFG Corporate Markets to Boardroom Pty Ltd.

Boardroom Pty Ltd

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Execution of Conditional Payment Agreement

FORESTA refers to the Agreement to Lease (ATL), as announced to the market on 4 April 2024 and 3 July 2024, and advises that the Company has agreed, pursuant to an agreement with the Putauaki Trust (the "Trust"), to pay the Trust a total of NZD\$100,000 + GST as a contribution toward costs incurred by the Trust during the period in which the conditions are being satisfied (the "Agreement").

Under the terms of the Agreement, the payment will be fully offset against future rental obligations once the binding lease agreement is entered into by the parties. In the event a binding lease agreement does not proceed, the payment shall be immediately repaid in full to the Company.

Extension of Technology License Agreement with E3 Carbon

FORESTA signed a Deed of Amendment to extend and amend the exclusive Technology License Agreement with E3 Carbon GmbH originally announced on 12 December 2024.

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The Amendment extends the timeframe for the satisfaction of key conditions under the Agreement from 31 December 2025 to 31 December 2027 and provides greater clarity and certainty around the long-term licensing of E3 Carbon's advanced torrefaction technology for utilisation in Australia and New Zealand.

Project Development

Kawerau Plant

For the period ending 31 December 2025, the Kawerau Stage 1 Project remains in a strong position, progressing well by following industry best-practice delivery framework and establishing robust governance structures to ensure its success. Some of the key progress areas are listed below.

Earthworks

The commencement of the Earthworks has been deferred to Q3 2026. This decision was made to avoid the high cost and risk associated with weather-related risks and high costs of winter construction, and the fact that the deferral does not impact the overall Critical Path for the Kawerau Plant project. A report summarising the Main Contractor procurement was issued to the Board.

Low Carbon Process Heat Feasibility Study

As announced in May 2025, FORESTA is undertaking a feasibility study on the utilisation of low-carbon options for process heat, including geothermal steam, in collaboration with EECA. This feasibility study is progressing well, with the 'long list' of options reviewed and narrowed down to three options. The full results are expected in Q1 2026.

Execution of Conditional Payment Agreement

FORESTA continues to make progress on satisfying the conditions under the Agreement to Lease (ATL), as announced to the market on 4 April 2024, which is required to progress to a binding lease agreement.

As mentioned above, Foresta paid the Putauaki Trust a total of NZD\$100,000 + GST in relation to the ATL as a contribution toward costs incurred by the Trust during the period in which the conditions are being satisfied. This payment is a reflection of FORESTA'S commitment to progressing to a formal binding lease agreement and ultimate development of the Kawerau Stage 1 site.

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.

Outlook for 2026

Securing appropriate funding remains a critical priority. The Company is actively assessing a range of capital solutions, including private equity investment, debt financing, and government grant opportunities, to support the advancement of its project.

During the year ahead, FORESTA's focus will be on progressing the project into execution, while also identifying short to medium-term revenue opportunities. Emphasis will be placed on capturing early returns to build momentum and support long-term, sustainable growth.

Events arising since the end of the reporting period

Since 31 December 2025, no matters have arisen which may significantly affect the operations of the Group, other than as follows:

- On 9 February 2026, the Company executed a formal lease with Putauaki Trust following satisfaction of the conditions precedent under the previously announced Agreement to Lease for the Kawerau site in New Zealand. The Lease will officially commence on 1 March 2026 for an initial term of 30 years with an option to extend the lease for another 20 years.
- On 6 February 2026 the Company issued 7,500,000 ordinary shares on the exercise of \$0.02 options raising \$150,000. In addition, 287,671 options with an exercise price of \$0.02 expired on 6 February 2026.

Rounding of amounts

The Company is of a kind referred to in Corporations Instrument referred to in ASIC Legislative Instrument 2016/91, relating to 'rounding-off'. Amounts in this report have been rounded off in accordance with that Corporations Instrument to the nearest dollar.

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out immediately after this directors' report.

Directors' authorisation

This report is made in accordance with a resolution of the Board of Directors and is signed by authority for and on behalf of the directors.



Henry Cheng

Chairman

24 February 2026



Maurice Fabiani

Director

24 February 2026

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Auditor's Independence Declaration



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DECLARATION OF INDEPENDENCE BY R J LIDDELL TO THE DIRECTORS OF FORESTA GROUP HOLDINGS LIMITED

As lead auditor for the review of Foresta Group Holdings Limited for the half-year ended 31 December 2025, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
2. No contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of Foresta Group Holdings Limited and the entities it controlled during the period.

R J Liddell
Director

BDO Audit Pty Ltd

Brisbane, 24 February 2026

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CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the period ended 31 December 2025

	Notes	31-Dec 2025 \$	31-Dec 2024 \$
Revenue			
Gain / (loss) on disposal of assets		-	168,086
Other income		33,129	-
Expenses			
Operational expenses		(133,457)	(49,950)
Depreciation and amortisation		(53,534)	(50,517)
Employee and consultant expenses		(1,035,004)	(1,069,785)
Corporate compliance expenses		(178,257)	(431,224)
Other expenses		(260,753)	(139,915)
Patent Fees		(94,107)	(2,121)
Finance costs		(255,243)	(174,526)
Foreign currency loss		(7,047)	(16,406)
Loss before income tax		(1,984,273)	(1,766,358)
Income tax benefit		-	-
Loss for the period		(1,984,273)	(1,766,358)
Other comprehensive income		(5,888)	-
Total comprehensive loss for the year		(1,990,161)	(1,766,358)
Earnings Per Share from Continuing Operations			
		Cents	Cents
Basic loss per share	7	(0.07)	(0.07)
Diluted loss per share	7	(0.07)	(0.07)

The accompanying notes form part of these financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2025

	Notes	31-Dec 2025 \$	30-Jun 2025 \$
Current Assets			
Cash and cash equivalents		5,187,016	1,199,115
Trade and other receivables	8	74,521	2,499,567
Other current assets		182,801	68,865
Total Current Assets		5,444,338	3,767,547
Non-Current Assets			
Property, plant and equipment	9	329,105	357,023
Right-of-use assets		16,562	41,233
Total Non-Current Assets		345,667	398,256
Total Assets		5,790,005	4,165,803
Current Liabilities			
Trade and other payables		174,244	619,092
Borrowings	10	15,582	54,092
Lease liability		114,185	147,593
Provisions		113,719	111,490
Total Current Liabilities		417,730	932,267
Non-Current Liabilities			
Borrowings	10	1,172,825	987,150
Lease Liability		944,585	958,042
Provisions		22,624	16,084
Total Non-Current Liabilities		2,140,034	1,961,276
Total Liabilities		2,557,764	2,893,543
Net Assets		3,232,241	1,272,260
Equity			
Issued capital	11	41,304,673	37,217,510
Reserves	12	2,530,400	2,673,308
Accumulated losses		(40,602,832)	(38,618,558)
Total Equity		3,232,241	1,272,260

The accompanying notes form part of these financial statements.

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CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the period ended 31 December 2025

	Issued Capital	Accumulated Losses	Reserves	Total Equity
	\$	\$	\$	\$
Balance at 1 July 2024	35,462,635	(35,243,443)	1,371,621	1,590,813
Loss for the period	-	(1,766,358)	-	(1,766,358)
Other comprehensive income	-	-	-	-
Total comprehensive loss for the period	-	(1,766,358)	-	(1,766,358)
Shares issued	1,150,000	-	-	1,150,000
Share issue transaction costs	(18,600)	-	-	(18,600)
Issue of convertible notes	-	-	336,019	336,019
Shares issued - convertible notes	481,514	-	(159,140)	322,374
Total transactions with owners	1,612,914	-	176,879	1,789,793
Balance at 31 December 2024	37,075,549	(37,009,801)	1,548,500	1,614,248
Balance at 1 July 2025	37,217,510	(38,618,558)	2,673,308	1,272,260
Loss for the period	-	(1,984,273)	-	(1,984,273)
Other comprehensive income	-	-	(5,888)	(5,888)
Total comprehensive loss for the period	-	(1,984,273)	(5,888)	(1,990,161)
Options Exercised	4,087,163	-	(137,020)	3,950,143
Total transactions with owners	4,087,163	-	(137,020)	3,950,143
Balance at 31 December 2025	41,304,673	(40,602,832)	2,530,400	3,232,241

The accompanying notes form part of these financial statements.

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CONSOLIDATED STATEMENT OF CASH FLOWS

For the period ended 31 December 2025

	Notes	31-Dec 2025 \$	31-Dec 2024 \$
Net cash flows from operating activities			
Payments to suppliers & employees		(2,158,911)	(1,868,280)
Interest Paid		(49,983)	(39,587)
Net cash used in operating activities		(2,208,894)	(1,907,867)
Cash flows from investing activities			
Insurance recoveries		2,400,000	800,000
Payment for plant & equipment		-	(205,171)
Receipts on sale of plant & equipment		-	168,086
Net cash provided by investing activities		2,400,000	762,915
Cash flows from financing activities			
Proceeds from issue of shares	11	3,950,142	1,150,000
Share issue transaction costs	11	-	(18,600)
Proceeds from issue of convertible notes		-	575,000
Payment of principal portion of lease payments		(123,361)	(123,832)
Net cash provided by (used in) financing activities		3,826,781	1,582,568
Net increase in cash and cash equivalents		4,017,887	437,616
Foreign exchange losses		(29,986)	(24,924)
Cash and cash equivalents at the beginning of the period		1,199,115	185,748
Cash and cash equivalents at the end of the period		5,187,016	598,440

The accompanying notes form part of these financial statements.

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NOTES TO THE FINANCIAL STATEMENTS

1. Nature of operations

The principal activities included detailed formulation of technical and operations aspects for the construction of a commercial pine chemicals and wood pellet production facility in New Zealand, and research and development of environmentally sustainable methods of extracting wood chemicals on an industrial level.

2. General information and basis of preparation

Foresta Group Holdings Limited is a company limited by shares, incorporated and domiciled in Australia and is a for-profit entity for the purposes of preparing the financial statements.

The half-year financial statements for the consolidated entity, which consists of Foresta Group Holdings Limited and its subsidiaries (together referred to as the Group) for the half-year ended 31 December 2025 were authorised for issue by the Board of Directors on 23 February 2026. The directors have the power to amend and reissue the financial statements.

The half-year financial statements are general purpose financial statements that:

- have been prepared in accordance with the requirements of the Corporations Act 2001, and Australian Accounting Standard AASB134 Interim Financial Reporting. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'
- include the assets and liabilities of all the subsidiaries of the Company as at 31 December 2025 and the results of the subsidiaries for the half-year then ended. Inter-entity transactions with, or between, subsidiaries are eliminated in full on consolidation
- have been prepared on a historical cost basis
- are measured and presented in Australian dollars, which is Foresta Group Holdings Limited's functional and presentation currency, with all values rounded to the nearest dollar unless otherwise stated, in accordance with ASIC Legislative Instrument 2016/191.

The half-year financial statements do not include all of the information required for full-year financial statements. Accordingly, these financial statements should be read in conjunction with the consolidated financial statements for the year ended 30 June 2025 and any public announcements made by the Group during the half-year in accordance with the continuous disclosure requirements of the Corporations Act 2001.

The Group's accounting policies have been consistently applied to all period present, unless otherwise stated.

Unless otherwise stated, comparative period balances have not been restated.

3. Going Concern

In the half-year ending 31 December 2025, the Group incurred a loss before income tax of \$1,984,273 (2024: \$1,766,358) and negative cash flows from operating activities were recorded at \$2,208,894 (2024: negative \$1,907,867). The Group has not generated any revenues from operations.

The ability of the Group to continue as a going concern is principally dependent upon one or more of the following:

- The Group raising additional funding from shareholders or other parties; and/or
- The Group reducing expenditure in line with available funding.

These conditions give rise to material uncertainty which may cast significant doubt over the Group's ability to continue as a going concern.

The directors believe that the going concern basis of preparation is appropriate due to the following reasons:

- Ongoing discussions with potential project funding providers are taking place.
- Undertaken a process of minimising forward working capital requirements.

Despite these challenges, the Group remains committed to its strategic goals, particularly the establishment of the New Zealand factory, and is optimistic about achieving these objectives within the short term.

Securing funding for the construction of the New Zealand factory is also a priority. The Group has presented its comprehensive business plan to the New Zealand government and international investors and is engaged in exploratory discussions with financial institutions and investors to secure a combination of equity and debt financing.

Should the Group be unable to continue as a going concern, it may be required to realise its assets and extinguish its liabilities other than in the ordinary course of business, and at amounts that differ from those stated in the financial statements. This financial report does not include any adjustments relating to the recoverability and classification of recorded asset amounts or the amounts or classification of liabilities and appropriate disclosures that may be necessary should the Group be unable to continue as a going concern.

4. New or amended Accounting Standards and Interpretation adopted

The Group has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that are mandatory for the current period. This has not had a significant impact on the half-year report.

5. Estimates

When preparing the interim financial statements, management undertakes a number of judgements, estimates and assumptions about recognition and measurement of assets, liabilities, income and expenses. The actual results may differ from the judgements, estimates and assumptions made by management, and will seldom equal the estimated results.

The judgements, estimates and assumptions applied in the interim financial statements, including the key sources of estimation uncertainty were the same as those applied in the Group's last annual financial statements for the year ended 30 June 2025.

6. Segment information

The group has only one operating segment, being the production of wood chemicals, based on the information provided to the chief operating decision makers. Therefore, the results are the same as the consolidated entry and have not been repeated.

7. Earnings per share

Reconciliation of earnings used in calculating earnings per share	31 Dec 2025 \$	31 Dec 2024 \$
Loss attributable to the parent entity used in the calculation of basic and dilutive EPS	(1,984,273)	(1,766,358)
Loss attributable to the parent entity	(1,984,273)	(1,766,358)
Weighted average number of ordinary shares	Number	Number
Weighted average number of ordinary shares used as the denominator in calculating basic earnings per share	2,698,608,992	2,395,547,382
Weighted average number of ordinary shares and potential ordinary shares used as the denominator in calculating diluted earnings per shares	2,698,608,992	2,395,547,382
Loss per share and Diluted loss per share (cents)	(0.07)	(0.07)

Calculation of dilutive EPS

As at 31 December 2025 there are 247,670,171 (31 December 2024: 750,546,076) unlisted options on issue which were not included in the calculation of diluted earnings per share due to being anti-dilutive.

All equity instruments described could potentially dilute basic earnings per share in the future.

8. Current assets – trade and other receivables

Consolidated	31-Dec 2025 \$	30-Jun 2025 \$
Insurance receivable	-	2,400,000
GST receivable	72,709	52,688
Other Receivables	1,812	46,879
Total trade and other receivables	74,521	2,499,567

The insurance receivable of \$2,400,000 was received during the period.

9. Non-current assets – property, plant and equipment

Property, plant and equipment are included in the accounts, at cost, on the following basis:

	Plant & Equipment \$	Motor Vehicles \$	Total \$
Cost	170,314	354,312	524,626
Accumulated depreciation	(60,492)	(107,111)	(167,603)
Closing balance at 30 June 2025	109,822	247,201	357,023
Cost	170,970	354,312	525,282
Accumulated depreciation	(69,234)	(126,943)	(196,177)
Closing balance at 31 December 2025	101,737	227,369	329,105

Movement in the carrying amounts for each class of property, plant and equipment between:

	Plant & Equipment \$	Motor Vehicles \$	Total \$
Opening written down value 1 July 2025	109,822	247,201	357,023
Additions	774	-	774
Depreciation	(8,859)	(19,832)	(28,691)
Closing written down value at 31 December 2025	101,737	227,369	329,105

10. Borrowings

Borrowings for the current period consist of the following:

Current liabilities:

Consolidated	31-Dec 2025 \$	30-Jun 2025 \$
Vehicle finance	15,582	39,517
Insurance premium funding	-	14,575
Current borrowings	15,582	54,092

Non-current liabilities:

Consolidated	31-Dec 2025 \$	30-Jun 2025 \$
Vehicle finance	58,043	71,088
Convertible Notes ^(a)	1,114,782	916,062
Non-current borrowings	1,172,825	987,150

(a) Convertible Notes

- Issue date: 1 April 2025
- Total amount raised: \$2,000,000
- Issue price: Face value of \$1.00 per convertible notes
- Convertible notes issued: 2,000,000
- Interest rate: 10% per annum capitalised annually and payable upon conversion or redemption. The interest amount can be settled on the same terms as the convertible notes.
- Maturity date: 1 April 2028.
- Security: The convertible notes are unsecured
- Conversion: The convertible notes may be converted, subject to shareholder approval (which has been received), at the sole discretion of the noteholder
- Conversion price: \$0.005 per share. For every share issued at conversion, the subscriber will receive, subject to shareholder approval (which has been received), one free attaching unlisted option exercisable at \$0.01 on the date that is three years from the date of issue.

Reconciliation of convertible notes

Consolidated	Total \$
Opening balance 1 July 2025	916,062
Effective interest expense	198,720
Closing balance 31 December 2025	1,114,782

11. Equity – issued capital

Fully paid ordinary shares

The current issued share capital of Foresta Group Holdings Limited consists only of fully paid ordinary shares; the shares do not have a par value. Holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at shareholders' meetings. In the event of winding up of the Group, ordinary shareholders rank after all other shareholders and creditors and are fully entitled to any proceeds of liquidation.

	31 Dec 2025 Number	31 Dec 2025 \$
Movements in ordinary share capital		
Balance at beginning of financial year	2,652,906,450	37,217,510
Options exercised ^(a)	197,507,164	4,087,163
Total contributed equity	2,850,413,614	41,304,673

Notes for the above table, relating to the half year ended 31 December 2025, are:

- (a) During the financial period, 197,507,164 ordinary shares were issued on the exercise of share options.

Options

The movement in share options is detailed below:

Consolidated	31-Dec 2025 Number	30-Jun 2025 Number
Outstanding at the beginning of the period	749,583,747	484,806,350
Granted during the period	-	289,527,397
Exercised during the period	(197,507,164)	-
Expired during the period	(304,406,412)	(24,750,000)
Forfeited during the period	-	-
Outstanding at the end of the period	247,670,171	749,583,747

The outstanding balance of options as at 31 December 2025 is represented below:

Grant Date	Expiry Date	Exercise Price	Share options 31 Dec 2025 Number	Share options 30 Jun 2025 Number
5 May 2022	19 July 2025	\$0.040	-	10,000,000
5 April 2023	31 December 2025	\$0.045	-	42,000,000
15 June 2023	31 December 2025	\$0.045	-	210,000,000
16 October 2023	16 October 2025	\$0.020	-	182,039,234
1 December 2023	1 December 2025	\$0.020	-	5,384,616
20 May 2024	20 May 2027	\$0.015	10,632,500	10,632,500
4 December 2024	4 December 2025	\$0.020	-	51,739,726
4 December 2024	4 December 2026	\$0.020	213,250,000	214,000,000
6 February 2025	6 February 2026	\$0.020	7,787,671	7,787,671
6 February 2025	6 February 2027	\$0.020	16,000,000	16,000,000
Total			247,670,171	749,583,747

12. Equity – reserves

	31-Dec 2025 \$	30-Jun 2025 \$
Share based payments reserve		
Movements:		
Balance at beginning of the period	1,371,621	1,371,621
Share-based payment expense	-	-
Balance at the end of the financial year	1,371,621	1,371,621
Convertible note reserve		
Movements:		
Balance at beginning of the period	1,337,585	-
Convertible notes – conversion feature	-	746,969
Convertible notes – options	-	770,188
Convertible notes – conversion to shares	-	(179,572)
Exercise of options	(137,020)	-
Balance at the end of the financial year	1,200,565	1,337,585
Foreign currency translation reserve		
Movements:		
Balance at beginning of the period	(35,898)	-
Translation differences	(5,888)	(35,898)
Balance at the end of the financial year	(41,786)	(35,898)
Total Equity – reserves balance	2,530,400	2,673,308

13. Contingent assets, commitments, and contingent liabilities

Contingent Liabilities

Legal Proceedings from the Office of Work Health and Safety Prosecutor (OWHSP)

On 24 November 2023 the Group announced that the OWHSP had brought a claim and served a summons, statement of fact and complaint on the Company for an offence under section 32 of the Work Health and Safety Act 2011, following an investigation from Work Health and Safety Queensland. The investigation relates to the events on 12 November 2021 at the Group's facility in Apple Tree Creek, Queensland.

The maximum financial penalty to the Group is approximately \$1,500,000 (15,000 penalty units). On 12 December 2025 the Court handed down its decision with the Company unsuccessful in its defence of the proceedings. The matter has been adjourned to mid 2026 for sentencing. The Group will inform the public when the matter has been settled.

14. Events subsequent to reporting date

Since 31 December 2025, no matters have arisen which may significantly affect the operations of the Group, other than as follows:

- On 9 February 2026, the Company executed a formal lease with Putauaki Trust following satisfaction of the conditions precedent under the previously announced Agreement to Lease for the Kawerau site in New Zealand. The Lease will officially commence on 1 March 2026 for an initial term of 30 years with an option to extend the lease for another 20 years.
- On 6 February 2026 the Group issued 7,500,000 ordinary shares on the exercise of \$0.02 options raising \$150,000. In addition, 287,671 options with an exercise price of \$0.02 expired on 6 February 2026.

DIRECTORS' DECLARATION

In the opinion of the directors of Foresta Group Holdings Limited:

- (a) the consolidated financial statements and notes of Foresta Group Holdings Limited for the half year ended 31 December 2025 are in accordance with the *Corporations Act 2001*, including:
 - (i) giving a true and fair view of its financial position as at 31 December 2025 and of its performance for the half-year ended on that date; and
 - (ii) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*; and
- (b) there are reasonable grounds to believe that Foresta Group Holdings Limited will be able to pay its debts as and when they become due and payable.

The directors have been given the declarations required by Section 295A of the Corporations Act 2001 from the chief executive officer and chief financial officer for the half-year ended 31 December 2025.

This report is made in accordance with a resolution of the Board of Directors and is signed by authority for on behalf of the Directors.



Henry Cheng

Chairman

24 February 2026

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INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Foresta Group Holdings Limited

Report on the Half-Year Financial Report

Conclusion

We have reviewed the half-year financial report of Foresta Group Holdings Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 31 December 2025, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the half-year ended on that date, material accounting policy information and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of the Group does not comply with the *Corporations Act 2001* including:

- i. Giving a true and fair view of the Group's financial position as at 31 December 2025 and of its financial performance for the half-year ended on that date; and
- ii. Complying with Accounting Standard AASB 134 *Interim Financial Reporting and the Corporations Regulations 2001*.

Basis for conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our report. We are independent of the Company 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 the audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001* which has been given to the directors of the Company, would be the same terms if given to the directors as at the time of this auditor's review report.

Material uncertainty relating to going concern

We draw attention to Note 3 in the financial report which describes the events and/or conditions which give rise to the existence of a material uncertainty that may cast significant doubt about the Group's ability to continue as a going concern and therefore the Group may be unable to realise its assets and discharge its liabilities in the normal course of business. Our conclusion is not modified in respect of this matter.

Responsibility of the directors for the financial report

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is true and fair and is free from material misstatement, whether due to fraud or error.

Auditor's responsibility for the review of the financial report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2025 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting and the Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

BDO Audit Pty Ltd



R J Liddell
Director

Brisbane, 24 February 2026

Corporate Directory

Board of Directors:	Mr Pai-Heng (Henry) Cheng Dr Maurizio (Maurice) Fabiani Mr Russell Wayne Allen
Company Secretary:	Mr Mark Licciardo
Registered Office:	Level 3, 62 Lygon Street Carlton VIC 3053 Australia
Principal Place of Business:	Level 14, 440 Collins Street Melbourne VIC 3000 Australia
Auditors:	BDO Audit Pty Ltd Level 10, 12 Creek Street Brisbane QLD 4000 Australia
Stock Exchange:	Foresta Group Holdings Limited shares are listed on the Australian Securities Exchange (ASX)
Bankers:	Westpac Banking Corporation 260 Queen Street Brisbane QLD 4000 Australia Australia and New Zealand Banking Group Limited 388 Collins Street Melbourne VIC 3000 Australia
Share Registry:	Boardroom Pty Ltd Level 8, 210 George Street Sydney NSW 2000 Australia
Solicitors:	Steinepreis Paganin Level 6, 99 William Street Melbourne VIC 3000 Australia
ASX Code:	FGH
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