

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

Highlights

- FORESTA secures Key Japanese Patent Acceptance
- FORESTA partners with Bioeconomy Science Institute supported by Bioresource Processing Alliance

FORESTA Secures Japanese Patent Acceptance for Pine Chemical Extraction Process

FORESTA advised that Japanese Patent Application No. 2022-577621, covering its proprietary rosin and terpene extraction technology, has been accepted in Japan. The patent protects key elements of the Company's pine chemical production process, including extraction methods employing a rotary extractor under specified operating conditions.

FORESTA is also progressing a divisional Japanese patent application covering the counter-current treatment of wood with a terpene-based extraction agent. Similar claim scope is being pursued in Europe and China.

The Japanese patent acceptance strengthens FORESTA's intellectual property position and supports the Company's broader commercialisation strategy for its proprietary pine chemical technology. FORESTA now has two patent families covering innovative pine wood processing methods, including a second patent family relating to the production of torrefied wood pellets and briquettes.

FORESTA enters Collaboration Agreement with Bioeconomy Science Institute for Pine Chemicals Project supported by Bioresource Processing Alliance

FORESTA entered into a collaboration agreement with the New Zealand Institute for Bioeconomy Science Limited, operating as Bioeconomy Science Institute (BSI), to quantify and characterise rosin and turpentine extractives in radiata pine stems, stumps, and branches across different growing regions.

The Bioresource Processing Alliance (BPA) supports the NZ\$ 150,050 project through funding from New Zealand's Ministry of Business, Innovation and Employment. BPA will contribute NZ\$54,150, with Foresta contributing NZ\$54,150 in cash and approximately NZ\$41,750 of in-kind support.

The research will provide quantitative data on the concentration, composition, and variability of pine chemical extractives, supporting Foresta's assessment of radiata pine feedstock for its pine chemicals project.

Project Development

Kawerau Plant

Executive Summary

During the quarter ended 30 September 2026, Foresta continued to advance the development of the Kawerau Stage 1 Project through completion of key Front-End Loading (FEL 1) activities, technical assessments and commercial investigations. Development efforts remained focused on improving project definition, evaluating development pathways and strengthening the investment case prior to progression into FEL 2.

A significant focus during the quarter was refinement of the project scope and development strategy. These assessments were supported by updated programme modelling, CAPEX evaluations and further advancement of operating cost modelling and financial analysis to improve the robustness of future investment decisions.

The quarter also saw advancement of project governance, approvals and development readiness activities. An Overseas Investment Office variation extending key project timeframes was progressed and project procurement planning continued through development of a staged procurement strategy aligned with the FEL framework. The Company maintained active engagement with local government, industry participants, utilities providers, iwi stakeholders and potential commercial partners as development of the Kawerau Project continued.

Design & Delivery Strategy

During the quarter, Foresta progressed the design, cost development and delivery planning required to strengthen the Kawerau Project's definition and readiness for the next development stage.

- Completed FEL 1 concept design activities and finalised Class 5 CAPEX estimates, while continuing OPEX development and financial modelling.
- Developed a revised procurement strategy based on staged procurement, equipment supplier engagement and early contractor involvement to improve cost certainty and delivery outcomes.
- Continued to apply the FEL stage-gate framework to progressively strengthen cost certainty, technical definition and execution planning before advancing to subsequent design phases.

Power, Heat and Infrastructure Development

Process heat and energy infrastructure remained key development priorities. The Company advanced discussions with potential long-term geothermal heat suppliers and are actively evaluating alternative supply solutions. Concurrently, work continued on long-term power supply arrangements, including assessment of connection opportunities for both main and back up power solutions, requirements, commercial and technical discussions with regional energy stakeholders.

Consents

Foresta continued constructive engagement with the Overseas Investment Office, which approved and processed a variation extending key consent and development deadlines and reducing near-term approval risk.

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

Foresta Group Holdings Limited had a cash balance of \$2,472,267 as at 30 September 2026.

In accordance with ASX Listing Rule 4.7C.3, payments totalling \$271,234 were made to related parties and their associates during the quarter. This aggregate amount is comprised entirely of gross remuneration paid on a cash basis during the period, consisting of \$147,840 for Executive Director fees, \$99,000 for Executive consulting fees and \$24,394 for Non - Executive Director fees. All payments were made on normal commercial terms and were in line with existing service agreements.

For more information please contact:

Foresta Group Holdings Limited

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Executive Chairman

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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 2026

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	(65)	(65)
(b) product manufacturing and operating costs	-	-
(c) advertising and marketing	-	-
(d) leased assets	(3)	(3)
(e) staff costs	(421)	(421)
(f) administration and corporate costs	(438)	(438)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	28	28
1.5 Interest and other costs of finance paid	(110)	(110)
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	-
1.8 Other (GST Refund)	63	63
1.8 Other (Sub-lease rent receipts)	13	13
1.9 Net cash from / (used in) operating activities	(933)	(933)

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





Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
	(d) investments	-	-
	(e) intellectual property	-	-
	(f) other non-current assets	-	-
2.2	Proceeds from disposal of:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	15	15
	(d) investments	-	-
	(e) intellectual property	-	-
	(f) other non-current assets (refund rental bond)	11	11
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other	-	-
2.6	Net cash from / (used in) investing activities	26	26

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	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	-
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	(1)	(1)
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (principal portion of finance leases)	(42)	(42)
3.10	Net cash from / (used in) financing activities	(43)	(43)

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (3 months) \$A'000
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4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	3,426	3,426
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(933)	(933)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	26	26
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(43)	(43)
4.5	Effect of movement in exchange rates on cash held	(4)	(4)
4.6	Cash and cash equivalents at end of period	2,472	2,472

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	216	3,426
5.2	Call deposits	2,257	-
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)	2,472	3,426

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	271
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.



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	-	-
7.2	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
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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 September 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)	(933)
8.2	Cash and cash equivalents at quarter end (item 4.6)	2,472
8.3	Unused finance facilities available at quarter end (item 7.5)	-
8.4	Total available funding (item 8.2 + item 8.3)	2,472
8.5	Estimated quarters of funding available (item 8.4 divided by item 8.1)	2.65

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:

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:

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:

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: 26 October 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.