

## Quarterly Activities Report and Appendix 4C For Quarter Ending 31 December 2025

### Highlights

- FORESTA Changes Provider of Share Registry Management Services
- FORESTA Executes Conditional Payment Agreement
- FORESTA Signs Extension of Technology License Agreement with E3 Carbon

### 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.

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 quarterly 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 has been 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.

## 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 \$316,068 for the quarter (ex. GST of \$31,607).

Foresta Group Holdings Limited had a cash balance of \$5,187,107 as at 31 December 2025.

For more information please contact:

### Foresta Group Holdings Limited

#### Henry Cheng

*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")

31 December 2025

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (6 months) \$A'000
<b>1. Cash flows from operating activities</b>		
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	(514)	(955)
(f) administration and corporate costs	(495)	(1,189)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	-	-
1.5 Interest and other costs of finance paid	(22)	(50)
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	-
1.8 Other (Insurance recoveries)	-	2,400
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(1,031)</b>	<b>206</b>
<b>2. Cash flows from investing activities</b>		
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 (6 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	-	-
<b>2.6</b>	<b>Net cash from / (used in) investing activities</b>	<b>-</b>	<b>-</b>

<b>3.</b>	<b>Cash flows from financing activities</b>		
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	3,489	3,951
3.4	Transaction costs related to issues of equity securities or convertible debt securities	(15)	(15)
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)	(59)	(123)
<b>3.10</b>	<b>Net cash from / (used in) financing activities</b>	<b>3,415</b>	<b>3,813</b>

<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>Year to date (6 months) \$A'000</b>
<b>4.</b>	<b>Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1	Cash and cash equivalents at beginning of period	2,816	1,198
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(1,031)	206
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)	3,415	3,813
4.5	Effect of movement in exchange rates on cash held	(13)	(30)
<b>4.6</b>	<b>Cash and cash equivalents at end of period</b>	<b>5,187</b>	<b>5,187</b>

<b>5.</b>	<b>Reconciliation of cash and cash equivalents</b> at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	<b>Current quarter \$A'000</b>	<b>Previous quarter \$A'000</b>
5.1	Bank balances	5,187	2,816
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
<b>5.5</b>	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>5,187</b>	<b>2,816</b>

<b>6.</b>	<b>Payments to related parties of the entity and their associates</b>	<b>Current quarter \$A'000</b>
6.1	Aggregate amount of payments to related parties and their associates included in item 1	316
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 \$316,068 (excluding GST of \$31,607). Foresta Group Holdings Limited has a cash balance of \$5,187,000 as at 31 December 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. <b>Financing facilities</b>	<b>Total facility amount at quarter end \$A'000</b>	<b>Amount drawn at quarter end \$A'000</b>
<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>		
7.1 Loan facilities	-	-
7.2 Credit standby arrangements	-	-
7.3 Other (convertible notes)	2,000	2,000
7.4 <b>Total financing facilities</b>	2,000	2,000
7.5 <b>Unused financing facilities available at quarter end</b>		0
7.6		
7.3 The Company has entered into the following convertible note.		
	<b>Convertible Note</b>	
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 31 December 2025	\$2,000,000	

8. <b>Estimated cash available for future operating activities</b>	<b>\$A'000</b>
8.1 Net cash from / (used in) operating activities (item 1.9)	(1,031)
8.2 Cash and cash equivalents at quarter end (item 4.6)	5,187
8.3 Unused finance facilities available at quarter end (item 7.5)	-
8.4 Total available funding (item 8.2 + item 8.3)	5,187



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

5

*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: 22 January 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.