

Court Outcome Relating to 2021 Plant Incident

Foresta Group Holdings Limited (ASX:FGH, “FORESTA” or the “Company”) 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 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**. However, the Court imposed a fine of \$180,000 on the Company and \$36,000 on a former director of the Company at the time of the incident. These fines represent a relatively **small proportion of the maximum penalties** available to the Court which were up to \$1,500,000 for the Company and \$300,000 for a director.

In addition, the Court ordered costs of \$14,713.35, apportioned 80% to the Company and 20% to the former Director.

The Company intends to appeal the verdict and the sentence and will provide further updates as appropriate.

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.

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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 a leading natural and renewable pine chemical and biomass pellet manufacturing company. 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.