Appendix 4E

Preliminary Final Report to the Australian Stock Exchange

Name of Entity	Foresta Group Holdings Limited
ABN	18 074 969 056
Financial Year Ended	30 June 2026
Previous Corresponding Reporting Period	30 June 2025

Results for Announcement to the Market

	$'000	Percentage increase / (decrease) over previous corresponding period
Revenue from ordinary activities	-	%
Profit / (loss) after tax attributable to members	(6,815)	102% increase
Net profit / (loss) for the period attributable to members	(6,815)	102% increase

Financial Statements

Statement of comprehensive income together with notes to the statement: Refer attached Annual Report
Statement of financial position together with notes to the statement: Refer attached Annual Report
Statement of cash flows together with notes to the statement: Refer attached Annual Report
Statement of retained earnings, or a statement of changes in equity, showing movements: Refer attached Annual Report

Dividends

Dividends (distributions)	Amount per security	Franked amount per security
Final Dividend	0.0 cents	0.0 cents
Interim Dividend	0.0 cents	0.0 cents
Record date for determining entitlements to the dividends (if any)		Not applicable

Date the dividend is payable	Not applicable
Record date to determine entitlement to the dividend	
Amount per security	
Total dividend	
Amount per security of foreign sourced dividend or distribution	
Details of any dividend reinvestment plans in operation	
The last date for receipt of an election notice for participation in any dividend reinvestment plans	

NTA Backing

	Current Period	Previous corresponding period
Net tangible asset backing per ordinary security	(0.05) cents	0.05 cents

Details of Entities over which Control has been gained or lost during the period

Refer to Note 29 to the Financial Statements in the attached Annual Report

Details of Associated and Joint Venture Entities

Refer to Note 29 to the Financial Statements in the attached Annual Report

Other Significant Information Needed by an Investor to Make an Informed Assessment of the Entity’s Financial Performance and Financial Position

Refer attached Annual Report

Commentary on the Results for the Period

Refer attached Annual Report

Returns to shareholders including distributions and buy backs: Not applicable
Significant features of operating performance: Refer to the Review of Operations and Directors' Report in the attached Annual Report
The results of segments that are significant to an understanding of the business as a whole: Refer to Note 4 to the Financial Statements (Operating segments) in the attached Annual Report
Discussion of trends in performance: Refer to the Review of Operations and Directors' Report in the attached Annual Report
Any other factor which has affected the results in the period or which are likely to affect results in the future, including those where the effect could not be quantified: Refer to the Review of Operations and Directors' Report in the attached Annual Report

Audit/Review Status

This report is based on accounts to which one of the following applies:
(Tick one)

The accounts have been audited	✓	The accounts have been subject to review	
The accounts are in the process of being audited or subject to review		The accounts have not yet been audited or reviewed	

If the accounts have not yet been audited or subject to review and are likely to be subject to dispute or qualification, a description of the likely dispute or qualification: Not Applicable
If the accounts have been audited or subject to review and are subject to dispute or qualification, a description of the dispute or qualification: Not Applicable

Attachments Forming Part of Appendix 4E

Attachment #	Details
1	Audited Annual Report for the year ended 30 June 2026

Olga Smejkalova
Company Secretary
By Order of the Board
28 August 2026

foresta

2026 Annual Report

Table of Contents

Chairman's Message

To my fellow shareholders,

I am pleased to present FORESTA GROUP HOLDINGS LIMITED's FY2026 Annual Report.

The year 2026 was a year of meaningful progress for FORESTA as we continued the transition from project development to execution readiness. The Kawerau Project remains central to our strategy: a world-first integrated biomass manufacturing platform designed to produce torrefied wood pellets, natural pine resins and pine oils from renewable pine resources. This integrated model is intended to create multiple revenue streams, improve project economics and support the transition away from coal and fossil-derived inputs.

A major milestone during the year was the execution of the formal lease with the Putauaki Trust for the Kawerau site. The lease commenced on 1 March 2026 for an initial term of 30 years, with an option to extend for a further 20 years, providing a secure long-term foundation for the Company's flagship New Zealand facility. The signing ceremony at New Zealand Parliament reflected the significance of the project to the region and the strength of our relationships with iwi, local stakeholders and government representatives.

The Company also advanced the technical definition of the Kawerau Project. The FEL 1 Concept Study was completed and submitted to FORESTA in June 2026, supporting disciplined progression through our front-end loading framework. We also completed the low-carbon process heat feasibility study in collaboration with EECA, which concluded that geothermal resources are technically and commercially suitable for the project's process heat requirements.

Commercially and operationally, we continued to mature the key workstreams required to establish a secure, sustainable and scalable supply platform for Stage 1. Engagement across New Zealand's forestry sector remains active, and we continue to strengthen relationships with Māori iwi, landowners, regional stakeholders, government agencies and infrastructure partners. These relationships are essential to responsible project delivery and to ensuring the project supports long-term regional economic development.

The Company also achieved a favourable outcome in relation to the Apple Tree Creek insurance claim, receiving a final settlement payment of A$2.4 million and bringing total insurance proceeds received to A$4.6 million. This outcome reflects sustained effort by the Board and our appointed insurance professionals, and further supports the Company's commitment to maximising value for shareholders.

As we look ahead, our focus is to progress the Kawerau Project through the next stage of development, continue securing the funding required for construction and maintain disciplined project governance, risk management and cost control. FORESTA remains committed to delivering a low-carbon industrial platform capable of producing renewable energy and bio-based chemical products at scale.

Should you have any questions, please do not hesitate to contact us at email: info@forestagroup.com.au.

Thank you for your continued support.

Yours sincerely,

Henry Cheng
Executive Chairman
FORESTA GROUP HOLDINGS LIMITED (ASX: FGH)
28 August 2026

Review of Operations

The Directors are pleased to present the 2026 Annual Report for the consolidated entity consisting of FORESTA GROUP HOLDINGS LIMITED ("the Company" or "FORESTA") and its controlled entities (the "Group").

Kawerau 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 manufacturing process produces both pine chemicals and torrefied wood pellets. By generating high-value natural pine resins, pine oils, and black wood pellets from a single facility, the process creates multiple revenue streams and is expected to deliver nearly double the revenue of traditional stand-alone pine chemical or wood pellet plants.

FORESTA has 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.

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.

FGH Executes Lease Following Satisfaction of Conditions under Agreement to Lease

FORESTA executed a formal lease with the Putauaki Trust following satisfaction of the conditions precedent under the previously announced Agreement to Lease for the Kawerau site in New Zealand.

The Lease commenced on 1 March 2026 for an initial term of 30 years, with an option to extend for a further 20 years, and was formally executed at a signing ceremony held at the Executive Wing of New Zealand Parliament in Wellington on 9 February 2026. FORESTA's Executive Chairman and Executive Director, Mr Henry Cheng and Dr Maurizio Fabiani, respectively, executed the Lease together with the Chairman and CEO of the Putauaki Trust, Mr Tiaki Hunia and Mr John O'Brien, respectively, at an event hosted by The Hon. Shane Jones MP and attended by the Mayor of Kawerau, Ms Faylene Tunui, and Dana Kirkpatrick MP.

The formal execution of the Lease represents a significant milestone for the Company, providing a stable foundation for FORESTA's strategic initiatives in the region and a significant step towards the advancement of the Company's integrated biomass manufacturing facility in Kawerau.

foresta

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

FORESTA 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.

Project Development for Kawerau

Executive Summary

During the last financial year, Foresta continued to advance development of the Kawerau 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 period 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

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 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. Foresta advanced assessment of a preferred power supply strategy utilising existing regional infrastructure and continued engagement with key electricity sector stakeholders.

Work also continued 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 year. 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.

Corporate Update

Final Insurance Settlement Payment

FORESTA received the sum of $2,400,000 AUD (two million four hundred thousand Australian dollars) during the period as 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.

Ordinary shares issued on exercise of options

During the reporting period, the Company issued a total of 205,172,164 ordinary shares following the exercise of options. This comprised the exercise of 205,007,164 options at an exercise price of $0.02 per share, and 165,000 options at an exercise price of $0.015 per share, raising aggregate gross proceeds of $4,102,618

Outlook for 2026-27

FORESTA enters the 2026-27 financial year with a stronger development platform and a clearer pathway for the Kawerau Project. During the year ended 30 June 2026, the Company executed the formal lease with the Putauaki Trust, completed major front-end engineering and technical studies, advanced power and infrastructure assessments, and continued to mature the commercial and operational workstreams required to support Stage 1 of the project.

The Company's primary focus for 2026-27 is to progress the Kawerau Project through the next stage of development, including continued advancement of funding discussions, refinement of project design, and further engagement with feedstock, geothermal, power, infrastructure, government and regional stakeholders. FORESTA will continue to apply disciplined project governance, risk management and cost control as it works towards developing a scalable low-carbon industrial platform capable of producing torrefied wood pellets, natural pine resins and pine oils from renewable pine resources.

Business Risks

- **Regulatory Approval Risk -** the Company's operations are subject to various National and regional local laws as well as other Regulations, Standards, Guidelines and Plans, including those relating to manufacturing, development & construction permit requirements, industrial relations, environment, land access use, royalties, water, native title and cultural heritage and occupational health and safety. Approvals, licences and permits required to comply with such rules are subject to the discretion of the applicable government and/or regulatory body officials. No assurance can be given that the Company will be successful in acquiring and maintaining such authorisations in full force and effect without modification or revocation. The company seeks to manage regulatory approval risk through early engagement with regulatory authorities. For the Kawerau project, consultants that are highly experienced in industrial projects have been engaged, pre-application with the relevant council is being undertaken and the Company has been included as part of the NZ government fast-track projects since Q4 2024. Consenting documentation and available approval pathways are assessed before lodgement. The Company is also maintaining engagement with relevant iwi and government stakeholders and intends to monitor approval conditions, statutory timeframes and changes in applicable requirements throughout project development.

- **Environmental -** the Company's operations are subject to environmental regulations pursuant to a variety of national and regional laws and regulations. Environmental legislation provides for, among other things, restrictions and prohibitions on forest and harvesting management, sediment control, spills, releases or emissions of various substances produced in association with manufacturing operations. Compliance with such legislation can require significant expenditures and a breach may result in the imposition of fines and penalties, some of which may be material. The Company assesses each of its projects very carefully with respect to potential environmental issues, in conjunction with specific environmental regulations applicable to each project, prior to commencing construction and operations. The Company seeks to manage environmental risk by always identifying environmental requirements during project planning and they are incorporated into the design, construction and operational planning. Specialist consultants are engaged where appropriate to assess matters including emissions, noise, water, hazardous substances, sediment and site conditions. Proposed controls include monitoring, testing and treatment of discharges, equipment performance requirements and engineering controls for dust and noise. Environmental performance and consent requirements are intended to be reviewed as project design develops during commissioning and operations.

- **Safety -** safety is of critical importance in the planning, organisation and execution of the Company's construction and operating activities. The Company is committed to providing and maintaining a working environment in which its employees are not exposed to hazards that will jeopardise an employee's health, safety or the health and safety of others associated with the Company. The Company recognises that safety is both an individual and shared responsibility of all employees, contractors and other persons involved with the operations of the Company, whilst also acknowledging that the Company as the "Person conducting a Business or Undertaking" (PCBU), has a primary duty of care (as reasonably practicable) for the health and safety of workers and others influenced by the Company's work. Contractors and suppliers are assessed by their relevant capability, experience, performance and site-specific safety plans are reviewed before work commences. Safety in design, contractor inductions, task risk assessments, competent supervision, incident controls and periodic independent reviews are incorporated into project planning.

- **Funding -** the Company will require additional funding to continue the construction and operations of its projects before they become cashflow positive. There is no certainty that the Company will have access to available financial resources sufficient to fund its construction or development costs at the required points in time. Discussions with ongoing development sources of funds, and key project finance funders have confirmed that a project of these scales should be able to be funded with a combination of Debt (various types) and Equity. The company continues to have the full support of its existing largest shareholders and is working with potential offtake partners, brokers, senior debt providers, private equity firms, government grants and traditional funders to best ensure that the Company will be in a position to fund the projects as needed. It is also possible that the Company could pursue other value realisation strategies such as joint venture of the projects if the opportunity presents itself.

- **Macro-economic/External Risks -** Fluctuations in commodity prices foreign currency exchange rates have the ability to significantly affect the financial outcomes and profitability of operations. There can be no assurance that commodity prices will be significantly supportive so the Company can construct and operate its plants at a profit. Commodity prices fluctuate due to a variety of factors including supply and demand fundamentals, international economic and political trends, expectations of inflation, currency exchange fluctuations, interest rates, global or regional consumption patterns and speculative activities. Similarly, demand and supply of capital and currencies, forward trading activities, relative interest rates and exchange rates and relative economic conditions can impact exchange rates.

- **Technology Risks -** The Company is exposed to risks associated with the successful integration of new, specialised technology, particularly during the scaling, installation, and commissioning phases. A failure to properly integrate this technology could lead to operational inefficiencies and financial impacts due to potential delays in production. To mitigate the risk of performance issues, the Company is contractually securing performance guarantees from all key equipment suppliers. This proactive measure ensures accountability and quality assurance. The Company's innovative processes and technologies are a key asset. The risk of unauthorised use or infringement is addressed through a structured and proactive intellectual property protection plan, which is centred on the ongoing pursuit of patents to legally protect our proprietary innovations. The Company manages technology risk through staged design development, technical due diligence, independent reviews, supplier trials and performance requirements in key equipment contracts. Equipment and process interfaces are intended to be coordinated through specialist engineering, mass and energy balance development, 3D design coordination and dynamic modelling. Commissioning, acceptance testing, and ramp-up planning are also used to identify and address performance issues before full scale operations. IP risks are managed through contractual requirements, legal review, ownership and licensing checks, confidentiality and exclusivity arrangements and the continued protection of proprietary technology.

- **Climate change -** There are a number of climate-related factors that may affect the operations and proposed activities of the Company. Climate change may be said to cause certain physical and environmental risks that cannot be predicted by the Company, including events such as increased severity of weather patterns and incidence of extreme weather events and longer-term physical risks such as shifting climate patterns. These risks said to be associated with climate change may have a direct impact on The Company’s ability to perform its operations. The Company seeks to manage physical climate related risk by considering extreme weather, natural hazards and operational resilience in project design and planning. Proposed measures include business continuity planning, appropriate insurance, diversification of feedstock locations and suppliers and transport arrangements. Assessment of site and geotechnical conditions and contingency planning for construction or supply disruptions are also an important mitigation strategy.

Directors' Report

The directors present their report, together with the financial statements, on the consolidated entity consisting of FORESTA GROUP HOLDINGS LIMITED and entities it controlled at the end of, or during, the year ended 30 June 2026.

Directors

The following persons were directors of FORESTA GROUP HOLDINGS LIMITED during the whole of the financial year and up to the date of this report, unless otherwise stated:

PAI-HENG (HENRY) CHENG

Chairman

Mr Henry Cheng is a senior management and board executive with over 35 years of extensive experience in international business, resources, insurance, investment, finance and banking.

Henry has developed strong global networks, having travelled extensively and worked in many countries. He has forged well-established and influential relationships at senior executive and board level with publicly listed and private companies as well as leading financial institutions and government entities across Asia, USA, Europe and UK.

Henry is a Graduate of the National Taiwan University and holds a Bachelor of Business and Master of Business (International Finance). Henry currently serves as Executive Chairman of Formosa Group Australia, Executive Chairman of Formosa Resources and Executive Chairman of Arizona Global Transaction Management Services. He was previously the Managing Director of Manulife Insurance and General Manager of Halifax as well as a Director of the Australian Patients Association (APA).

Chairman: Appointed 6 April 2023

Executive Director: Appointed 6 April 2023

Other current listed directorships: None

Previous directorships of listed companies (last 3 years): Nil

Interests in shares, options and performance rights at the date of this report: 9,000,000 ordinary shares, 6,000,000 unlisted options

MAURIZIO (MAURICE) FABIANI

Executive Director

Dr Maurice Fabiani is a senior management and board executive with over 30 years' experience in international business as well as the biomedical field and related health areas. He has an extensive professional background, having held senior roles in business, academia, biomedical/biotechnology industry and the not-for-profit sector.

Dr Fabiani is a Graduate of the University of Melbourne and holds a PhD (Medicine/Pharmacology) as well as MBA (Finance and Strategy) from the Melbourne Business School. He is also a Graduate of the Australian Institute of Company Directors.

Dr Fabiani is currently the Chief Executive Officer of Formosa Group Australia. He was previously a Senior Research Fellow in the Department of Medicine, University of Melbourne, and head of an internationally recognised medical research group. He is also a published author of many international peer-reviewed scientific and medical research publications. Dr Fabiani has served as CEO and Managing Director of biotechnology companies as well as a Founding Director and Chairman of the Australian Patients Association (APA).

Executive Director: Appointed 6 April 2023

Other current listed directorships: None

Previous directorships of listed companies (last 3 years): Nil

Interests in shares, options and performance rights at the date of this report: 67,000,000 ordinary shares, 10,000,000 unlisted options

RUSSELL WAYNE ALLEN

Non-Executive Director

Mr Russell Allen is a highly successful businessman, entrepreneur and investor. Mr Allen has over 40 years' experience across several industries including international business, global trading, transport and logistics, construction, retail, hospitality, property development and investment. He has built, owned and operated several successful businesses over his career. He was previously Managing Director of Alenco Pty Ltd and Noirot Pty Ltd. Mr Allen is currently Managing Director of Formosa Group Australia Pty Ltd. Mr Allen has a wealth of business experience, expertise and acumen, and represents a valuable addition to the Board.

Non-Executive Director: Appointed 12 July 2024

Other current listed directorships: None

Previous directorships of listed companies (last 3 years): Nil

Interests in shares, options and performance rights at the date of this report: 975,526,128 ordinary shares, 2,000,000 convertible notes

OLGA SMEJKALOVA

Company Secretary

Olga Smejkalova is an experienced Company Secretary with over ten years' experience in corporate services, specialising in company secretarial and corporate governance. She is a graduate of the Institute of Chartered Secretaries and Administrators and has previously held roles with BoardRoom, the Australian Institute of Company Directors and the Australasian Investor Relations Association. In these positions, she developed extensive expertise in corporate secretarial, governance and financial matters. Olga currently serves as Company Secretary and Governance Advisor to a number of listed and unlisted Australian and international companies.

Principal activities

During the year, the Group's principal activities included research and development of environmentally sustainable methods of extracting wood chemicals and production of torrefied wood pellets on an industrial level. The Group is working on building a state-of-the art integrated biomass manufacturing facility located at Kawerau, New Zealand, and has been planning and securing offtake and supply partners. The project is now investment-ready and the Group is now working on raising the required capital.

Operational and financial results

During the 2026 financial year, the Company continued to focus on planning, establishing supply and offtake agreements, and applying for consents for the factory to be built in Kawerau, New Zealand. The Company has started building relationships with key stakeholders and is now working on securing the required capital. The company executed a formal lease with the Putauaki Trust for the site at Kawerau providing a foundation for the company's flagship New Zealand facility.

The Group's operating loss for the year ended 30 June 2026 amounted to $6,815,958 (30 June 2025: $3,375,115 loss). The net loss for the period includes an impairment expense of $2,289,036 which was recognised in relation to the Kawerau right-of-use asset. Also contributing to the result was a $191,770 accrued expense for a court fine relating to the 2021 plant incident and $649,222 in finance costs that were recognised in relation to the convertible notes issued in the previous period.

Significant changes in the state of affairs

Significant changes in the state of affairs of the Group during the financial year included the following:

- FORESTA successfully raised $4,102,617 through the exercise of options.

Events arising since the end of the reporting period

There are no matters or circumstances that have arisen since the end of the financial year.

foresta

Dividends

Since the end of the previous financial year, no dividends have been paid or declared by the Group, and the directors of the Group recommend that no dividend be provided for the year ended 30 June 2026.

Environmental issues

The Group is not aware of any adverse environmental protection issues with any of its operations.

Directors' meetings

The number of meetings of the Company's Board of Directors held during the year ended 30 June 2026 and the number of meetings attended by each Director / member was:

DIRECTOR'S NAME	BOARD MEETINGS	
	Entitled to attend	**Attended**
HENRY CHENG	12	12
MAURICE FABIANI	12	12
RUSSELL ALLEN	12	12

Remuneration Report (audited)

The Directors of FORESTA GROUP HOLDINGS LIMITED ('the Group') present the Remuneration Report for Non-Executive Directors, Executive Directors and other Key Management Personnel, prepared in accordance with the *Corporations Act 2001* and the *Corporations Regulations 2001.* The Remuneration Report has been prepared for the period 1 July 2025 to 30 June 2026.

The Remuneration Report is set out under the following main headings:

a. Principles used to determine the nature and amount of remuneration

b. Details of remuneration

c. Service agreements

d. Details of movements in options held by KMP and Directors

e. Shares held by Key Management Personnel

f. Other transactions with key management personnel

(a) Principles used to determine the nature and amount of remuneration

A distinction is made between the structure of remuneration for non-executive directors and executives.
The objectives of the executive remuneration policy are:

- to motivate executive management to manage and lead the business successfully and to drive strong long-term organisational growth in line with the strategy and business objectives;
- to drive successful organisational performance by incorporating an annual performance incentive and establish longer-term performance objectives;
- to further drive longer-term organisational performance through an equity-based reward structure;
- to make sure that there is transparency and fairness in the executive remuneration policy and practices;
- to deliver a balanced solution addressing all elements of total pay – base pay, incentive pay (cash and shares) and other benefits;
- to make sure appropriate superannuation arrangements are in place for executives; and
- to contribute to appropriate attraction and retention strategies for executives.

The objectives of the non-executive director remuneration policy are:

- to attract and retain appropriately qualified and experienced directors;
- to remunerate directors fairly having regard to their responsibilities, including providing leadership and guidance to management; and
- to build sustainable shareholder value by encouraging a longer-term strategic perspective.

Executive remuneration packages

It is intended that base salaries take into account market relativities, having regard to the need for the Company to attract, motivate and retain executives. The Board decides the remuneration based on recent market conditions and the executive's direct accountability and responsibility for the operational management, strategic direction and decision-making for the Company and demonstrated leadership. There is no guaranteed base pay increases included in any executive's contract and the payment of bonuses is reviewed by the Board for approval against performance criteria. The remuneration structure that has been adopted by the Group consists of fixed remuneration being annual salary or fees.

Non-executive director remuneration

On appointment to the board, all non-executive directors enter into an agreement with the Company. This summarises the board policies and terms. Non-executive directors' fees are reviewed annually by the board. The board surveys comparable remuneration levels in the external market and makes sure that fees and payments paid reflect the demands that are made and the responsibilities of directors. No retirement benefits accrue, and the Company does not pay directors additional fees for chairing board committees. The Non-executive director fee pool limit is $500,000 per annum as approved by shareholders at the 28 November 2025 Annual General Meeting.

Shares granted

As a research and development phase Company where significant revenues are yet to be generated and cash is restrained, the Company seeks to preserve cash reserves through conservative expenditure patterns which may include issuing shares in lieu of fees and salaries.

Voting and comments made at the Company's 2025 Annual General Meeting

The Company received 97.97% of "yes" votes on its remuneration report for the 2025 financial year. The Company did not receive any specific feedback at the annual general meeting on its remuneration report.

Earnings per share

	2026	2025	2024	2023	2022
EPS (cents)	(0.24)	(0.10)	(0.44)	(0.44)	(0.38)
Dividends (cents/share)	-	-	-	-	-
Net profit/(loss) ($)	(6,815,958)	(3,375,115)	(9,650,145)	(8,206,788)	(6,032,263)
Share price ($)	0.009	0.009	0.01	0.01	0.08[A]

A. At 30 June 2022, the Company was under trading suspension. The $0.08 per share represents the share price when the Company trading suspension commenced.

(b) Details of the remuneration

The key management personnel of the Group consisted of the following directors of FORESTA GROUP HOLDINGS LIMITED:

- Henry Cheng - Executive Director
- Maurice Fabiani - Executive Director
- Russell Allen – Non-Executive Director

And the following persons:

- Grant Yeatman – Chief Operating Officer

		Short-term employee benefits		Post-employment benefits	Long-term	Termination benefits	Share based payment				Performance based percentage of remuneration
Key Management Personnel	Year	Cash salary and fees	Cash bonus	Super-annuation	Long service leave	Termination payments	Shares	Options	Performance rights	Total	
Executive Directors											
Henry Cheng	**2026**	**381,600**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**381,600**	**0%**
	2025	380,700	-	-	-	-	-	-	-	380,700	0%
Maurice Fabiani	**2026**	**381,600**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**381,600**	**0%**
	2025	380,700	-	-	-	-	-	-	-	380,700	0%
Ramon Mountfort	**2026**	-	**-**	**-**	**-**	**-**	**-**	**-**	**-**	-	**0%**
	2025	44,139	-	-	-	-	-	-	-	44,139	0%
Non-Executive Directors											
Russell Allen[A]	**2026**	**177,012**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**177,012**	**0%**
	2025	-	-	-	-	-	-	-	-	-	0%
Other Key Management Personnel											
Grant Yeatman	**2026**	**206,538**	**-**	**24,000**	**10,026**	**-**	**-**	**-**	**-**	**240,564**	**0%**
	2025	205,385	-	23,000	3,442	-	-	-	-	231,827	0%
Erich van Zyl	**2026**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**0%**
	2025	50,506	-	4,777	-	-	-	-	-	55,283	0%
Steve Pittman	**2026**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**0%**
	2025	39,053	-	2,343	-	-	-	-	-	41,396	0%
2026 Total		**1,146,750**	**-**	**24,000**	**10,026**	**-**	**-**	**-**	**-**	**1,180,776**	**0%**
2025 Total		1,100,483	-	30,120	3,442	-	-	-	-	1,134,045	0%

a) 2026 Directors' fees for Russell Allen include fees accrued from the date of his appointment as a Non-executive Director. Following the execution of a new remuneration agreement in July 2026, an amount of $88,308 was recognised in respect of services provided in the previous reporting period for which no fee arrangement had been in place at that time.

The relative proportions of remuneration that are linked to performance and those that are fixed are as follows:

	30 June 2026		30 June 2025	
	Fixed remuneration	At risk Short-Term Incentives (STI)	Fixed remuneration	At risk Short-Term Incentives (STI)
Executive Directors				
Henry Cheng	100%	-	100%	-
Maurice Fabiani	100%	-	100%	-
Non-Executive Directors				
Russell Allen	100%	-	100%	-
Other Key Management Personnel				
Grant Yeatman	100%	-	100%	-

foresta

(c) Service agreements

Remuneration and other terms of employment for the Non-Executive Directors and other Key Management Personnel are formalised in a Service Agreement. The major provisions of the agreements relating to remuneration are set out below:

Name	Base salary including superannuation[A]	Term of agreement
Henry Cheng	381,600	No fixed term
Maurice Fabiani	381,600	No fixed term
Russell Allen	88,704	No Fixed term
Grant Yeatman	224,000	No fixed term

A. Base salaries quoted are for the year ended 30 June 2026, they are reviewed annually by the board.

(d) Details of movements in options held by KMP and Directors

Movement during the period							
	Balance at 1-Jul-25	Granted as compensation	Net change other	Number Exercised	Number Expired	Balance at 30-Jun-26	Total vested and exercisable at 30-Jun-26
Year ended 30 June 2026							
Options							
H Cheng	6,000,000	-	-	-	-	6,000,000	6,000,000
M Fabiani	57,000,000	-	-	(5,000,000)	(42,000,000)	10,000,000	10,000,000
R Allen	338,662,803	-	-	(128,662,803)	(210,000,000)	-	-
G Yeatman	2,564,102	-	-	(1,282,051)	(1,282,051)	-	-
Total	**404,226,905**	**-**	**-**	**(134,944,854)**	**(253,282,051)**	**16,000,000**	**16,000,000**

(e) Shares held by Key Management Personnel

The number of ordinary shares in the Company during the 2026 reporting period held by each of the Group's Key Management Personnel, including their related parties, is set out below:

	Balance at 1-Jul-25	Exercise of Options	Balance at appointment / resignation	Net Market Purchases/ (Sales)	Balance at 30-Jun-26
H Cheng	9,000,000	-	-	-	9,000,000
M Fabiani	62,000,000	5,000,000	-	-	67,000,000
R Allen	846,863,325	128,662,803	-	-	975,526,128
G Yeatman	59,444,551	1,282,051	-	(929,736)	59,796,866
Total	**977,307,876**	**134,944,854**	**-**	**(929,736)**	**1,111,322,994**

Other transactions with Key Management Personnel

The following transactions occurred with related parties:

During the previous period the Company entered into the following convertible note agreements with SWAT7D Pty Ltd an entity associated with Director Mr Russell Allen.

On 4 December 2024, following shareholder approval, the noteholder elected to convert the 50,000,000 notes and accrued interest of $17,397 into 51,739,726 fully paid ordinary shares and 51,739,726 unlisted options with an exercise price of $0.02 on or before 4 December 2025.

i) Convertible Note
- Issue date: 1 April 2025
- Total amount raised: $2,000,000
- Issue price: Face value of $1.00 per convertible note
- 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.
- As at 30 June 2026, the convertible note in the statement of financial position is $1,310,284.

End of audited remuneration report.

Options

At the date of this report, the options over shares of the Company are as follows.

Grant Date	Expiry Date	Exercise Price	Total
Share options			
20 May 2024	20 May 2027	$0.015	10,467,500
4 December 2024	4 December 2026	$0.020	213,250,000
6 February 2025	6 February 2027	$0.020	16,000,000
Total Share Options			**239,717,500**

Options exercised during they year are as follows;

- On 16 October 2025 FORESTA raised $2,507,656 through the exercise of 125,382,822 options.
- On 24 October 2025 FORESTA raised $307,692 through the exercise of 15,384,616 options.
- On 28 November 2025 FORESTA raised $1,134,794 through the exercise of 56,739,726 options.
- On 2 February 2026 FORESTA raised $150,000 through the exercise of 7,500,000 options.
- On 12 February 2026 FORESTA raised $975 through the exercise of 65,000 options.
- On 11 March 2026 FORESTA raised $1,500 through the exercise of 100,000 options.

Option holders do not have any rights to participate in any share issue or other interests in the Company or any other entity.

Indemnification of officers

During the financial year, FORESTA agreed to indemnify each director and secretary of the Company and of its subsidiaries against any liability:

a) to a party other than FORESTA or a related body corporate, but only to the extent that the liability arises out of conduct in good faith, and

b) for legal costs incurred in connection with proceedings in respect of a liability incurred by them.

The amount payable under the agreement is the full amount of the liability. No liability has arisen under these indemnities as at the date of this report.

During the year, FORESTA paid a premium to insure officers of the Group. The officers of the Group covered by the insurance policy include all directors, executives, company secretary and officers.

The liabilities insured are legal costs that may be incurred in defending civil or criminal proceedings that may be brought against the officers in their capacity as officers of the Group, and any other payments arising from liabilities incurred by the officers in connection with such proceedings, other than where such liabilities arise out of conduct involving a wilful breach of duty by the officers or the improper use by the officers of their position or of information to gain advantage for themselves or someone else to cause detriment to the Group.

Details of the amount of the premium paid in respect of the insurance policy are not disclosed as such disclosure is prohibited under the terms of the contract.

Indemnity and insurance of auditor

The company has not, during or since the end of the financial year, indemnified or agreed to indemnify the auditor of the company or any related entity against a liability incurred by the auditor. During the financial year, the company has not paid a premium in respect of a contract to insure the auditor of the company or any related entity.

foresta

Non-audit services

There were no non-audit services performed by the Company's auditor, BDO Audit Pty Ltd, during the financial year (2025: nil).

Auditor's independence declaration

A copy of the Auditor's Independence Declaration as required under s307C of the *Corporations Act 2001* is set out immediately after this Directors' Report.

Proceedings on behalf of the Company

No person has applied to the Court under s237 of the *Corporations Act* 2001 for leave to bring proceedings on behalf of the Company, or to intervene in any proceedings to which the Company is a party, for the purpose of taking responsibility on behalf of the Company for all or part of those proceedings.

Rounding of amounts

The Company is of a kind referred to in ASIC Corporations instrument 2016/191. Amounts in the Directors' report have been rounded to the nearest dollar.

Directors' authorisation

Signed in accordance with a resolution of the Directors.

Henry Cheng
Chairman
Melbourne, Victoria, Australia
28 August 2026

Maurice Fabiani
Executive Director
Melbourne, Victoria, Australia
28 August 2026

Auditor’s Independence Declaration

BDO

Tel: +61 7 3237 5999
Fax: +61 7 3221 9227
www.bdo.com.au

Level 18, 360 Queen Street
Brisbane QLD 4000
GPO Box 457 Brisbane QLD 4001
Australia

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

As lead auditor of Foresta Group Holdings Limited for the year ended 30 June 2026, 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 audit; and
2. No contraventions of any applicable code of professional conduct in relation to the audit.

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, 28 August 2026

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 30 June 2026

	Note	2026 $	2025 $
Income			
Insurance recoveries	11	-	970,000
Other income	7	147,944	188,257
Expenses			
Project related expenses		(485,172)	(348,619)
Depreciation and amortisation	8	(158,713	(138,198)
Employee and consultant expenses	8	(2,035,161)	(2,114,769)
Legal, accounting and auditing expenses		(229,018)	(561,236)
Corporate compliance expenses		(94,147)	(117,297)
Insurance expenses		(53,531)	(71,203)
Travel expenses		(125,716)	(60,153)
Other expenses		(627,819)	(192,192)
Finance expense	8	(865,517)	(319,182)
Impairment of Fixed Assets	8	-	(612,597)
Impairment of Right of Use Assets	8	(2,289,036)	-
Foreign currency gain / (loss)		(71)	2,074
Loss before income tax		**(6,815,958)**	**(3,375,115)**
Income tax expense	9	-	-
Loss for the year after income tax expense		**(6,815,958)**	**(3,375,115)**
Other comprehensive income for the year		(40,227)	(35,898)
Total comprehensive loss for the year		**(6,856,185)**	**(3,411,013)**

Earnings per share		**Cents**	**Cents**
Basic loss per share	6	(0.24)	(0.13)
Diluted loss per share	6	(0.24)	(0.13)

Note: This statement should be read in conjunction with the notes to the financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2026

	Note	2026 $	2025 $
Current Assets			
Cash and cash equivalents	10	3,426,182	1,199,115
Trade and other receivables	11	88,508	2,499,567
Other current assets	12	129,829	68,865
Total Current Assets		**3,644,519**	**3,767,547**
Non-Current Assets			
Property, plant and equipment	13	360,239	357,023
Right-of-use assets	14	2,265,557	41,233
Total Non-Current Assets		**2,625,796**	**398,256**
Total Assets		**6,270,315**	**4,165,803**
Current Liabilities			
Trade and other payables	15	451,890	619,092
Borrowings	16	15,704	54,092
Lease liability	17	159,370	147,593
Provisions	18	112,909	111,490
Total Current Liabilities		**739,873**	**932,267**
Non-Current Liabilities			
Borrowings	16	1,612,519	987,150
Lease liability	17	5,401,050	958,042
Provisions	18	25,494	16,084
Total Non-Current Liabilities		**7,039,063**	**1,961,276**
Total Liabilities		**7,778,936**	**2,893,543**
Net Assets		**(1,508,621)**	**1,272,260**
Equity			
Issued capital	19	41,429,834	37,217,510
Reserves	20	2,496,061	2,673,308
Accumulated losses		(45,434,516)	(38,618,558)
Total Equity		**(1,508,621)**	**1,272,260**

Note: This statement should be read in conjunction with the notes to the financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 30 June 2026

	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 after income tax expense for the year	-	(3,375,115)	-	(3,375,115)
Other comprehensive income	-	-	(35,898)	(35,898)
Total comprehensive loss for the year	**-**	**(3,375,115)**	**(35,898)**	**(3,411,013)**
Shares issued (note 19)	1,230,000	-	-	1,230,000
Share issue transaction costs (note 19)	(18,100)	-	-	(18,100)
Issue of convertible notes (note 20)	-	-	1,517,157	1,517,157
Shares issued - convertible notes (note 19 & 20)	542,975	-	(179,572)	363,403
Total transactions with owners	**1,754,875**	**-**	**1,337,585**	**3,092,460**
Balance as at 30 June 2025	**37,217,510**	**(38,618,558)**	**2,673,308**	**1,272,260**
Balance at 1 July 2025	**37,217,510**	**(38,618,558)**	**2,673,308**	**1,272,260**
Loss after income tax expense for the year	-	(6,815,958)	-	(6,815,958)
Other comprehensive income	-	-	(40,227)	(40,227)
Total comprehensive loss for the year	**-**	**(6,815,958)**	**(40,227)**	**(6,856,185)**
Options Exercised (note 19)	4,239,638		(137,020)	4,102,618
Costs associated with the exercising of options (note 19)	(27,314)			(27,314)
Total transactions with owners	**4,212,325**	**-**	**(137,020)**	**4,075,305**
Balance as at 30 June 2026	**41,429,834**	**(45,434,516)**	**2,496,061**	**(1,508,621)**

Note: This statement should be read in conjunction with the notes to the financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 30 June 2026

	Note	2026 $	2025 $
Net cash flows from operating activities			
Receipts from customers		-	-
Insurance recoveries		2,400,000	800,000
Government Grants		52,044	-
Payments to suppliers & employees		(3,787,297)	(3,361,600)
Interest received		19,349	-
Interest paid		(215,438)	(86,755)
Net cash (used in) operating activities	**27(b)**	**(1,531,343)**	**(2,648,355)**
Cash flows from investing activities			
Payment for property, plant and equipment		(59,657)	(3,651)
Proceeds from sale of property, plant and equipment		6,818	172,486
Net cash provided by investing activities		**(52,839)**	**168,835**
Cash flows from financing activities			
Proceeds from issue of share capital	19	4,102,618	1,230,000
Share issue transaction costs	19	(27,314)	(29,359)
Proceeds from borrowings	16	-	2,575,000
Payment of principal portion of lease liabilities	17	(211,519)	(241,859)
Net cash provided by financing activities		**3,863,786**	**3,533,782**
Net increase in cash and cash equivalents		2,279,604	1,054,262
Foreign exchange losses		(52,537)	(40,895)
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	**28(a)**	**3,426,182**	**1,199,115**

Note: This statement should be read in conjunction with the notes to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

1. Nature of operations

FORESTA GROUP HOLDINGS LIMITED and Subsidiaries' (the Group or Consolidated Entity) principal activity is the commercialisation of the natural pine chemical extraction process and biomass pellet manufacturing.

2. General information and statement of compliance

The consolidated general-purpose financial statements of the Group have been prepared in accordance with the requirements of the *Corporations Act 2001,* Australian Accounting Standards and other authoritative pronouncements of the Australian Accounting Standards Board (AASB). Compliance with Australian Accounting Standards results in full compliance with the International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB). FORESTA GROUP HOLDINGS LIMITED is a for-profit entity for the purpose of preparing the financial statements.

FORESTA GROUP HOLDINGS LIMITED is the Group's Ultimate Parent Company. FORESTA GROUP HOLDINGS LIMITED is a Public Company incorporated and domiciled in Australia. The address of its registered office is Level 3, 62 Lygon Street Carlton Victoria 3053 and its principal place of business is Level 14, 440 Collins Street Melbourne VIC 3000.

The financial statements are presented in Australian dollars, which is FORESTA GROUP HOLDINGS LIMITED's functional and presentation currency. The consolidated financial statements for the year ended 30 June 2026 were approved and authorised for issue by the Board of Directors on 28 August 2026.

Historical cost convention

The financial statements have been prepared under the historical cost convention.

Critical accounting estimates

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 5.

3. Going Concern

For the year ended 30 June 2026, the Group incurred a loss before income tax of $6,815,958 (2025: $3,375,115), with negative cash flows from operating activities amounting to $1,531,343 (2025: $2,648,355). 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 next 12 months and beyond.

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. Summary of material accounting policies

The material accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

The Group has adopted all amendments required for the year ended 30 June 2026. The adoption of these amendments did not have a material impact on the financial statements.

Parent entity information

In accordance with the Corporations Act 2001, these financial statements present the results of the Group only. The financial information for the parent entity has been prepared on the same basis as the consolidated financial statements, except for investments in subsidiaries are accounted for at cost in the financial statements of the parent entity. Supplementary information about the parent entity is disclosed in note 29.

Operating segments

The Group has one operating segment: commercialisation of technology & development. The operating segment undertakes research, development and commercialisation of specific technologies (R&D). Management has determined the operating segment based on the internal reports that are reviewed and used by the Board of Directors (chief operating decision makers) in assessing performance and determining the allocation of resources.

Insurance recoveries

Insurance recoveries relating to property, plant and equipment or other non-financial assets are recognised in profit or loss when the recovery becomes virtually certain and can be measured reliably. The related impairment loss, write-down, disposal loss or expense is recognised independently of the recovery. Insurance receivables are measured at the amount expected to be received from the insurer and are presented within trade and other receivables.

Income tax

FORESTA GROUP HOLDINGS LIMITED (the 'head entity') and its wholly owned Australian subsidiaries have formed an income tax consolidated group under the tax consolidation regime. The head entity and each subsidiary in the tax consolidated group continue to account for their own current and deferred tax amounts. The tax consolidated group has applied the 'separate taxpayer within group' approach in determining the appropriate amount of taxes to allocate to members of the tax consolidated group.

In addition to its own current and deferred tax amounts, the head entity also recognises the current tax liabilities (or assets) and the deferred tax assets arising from unused tax losses and unused tax credits assumed from each subsidiary in the tax consolidated group.

Assets or liabilities arising under tax funding agreements with the tax consolidated entities are recognised as amounts receivable from or payable to other entities in the tax consolidated group. The tax funding arrangement ensures that the intercompany charge equals the current tax liability or benefit of each tax consolidated group member, resulting in neither a contribution by the head entity to the subsidiaries nor a distribution by the subsidiaries to the head entity.

Borrowings

Loans and borrowings are initially recognised at the fair value of the consideration received, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method.

Convertible notes that exhibit characteristics of a liability are recognised as a liability in the statement of financial position, net of transaction costs. Convertible notes accounted for as financial liabilities are measured at amortised cost until extinguished on conversion or redemption. Derivatives on convertible notes are accounted for separately in accordance with the Group's accounting policy for derivative financial instruments.

The increase in the liability due to the passage of time is recognised as a finance cost. The corresponding interest on convertible notes is expensed to profit or loss.

Where convertible notes issued by the Company contain both a liability component and an equity component, the liability and equity components are recognised separately at the time of issuance. On initial recognition, the liability component is measured at the fair value using present value calculation by discounting future cash flows at the rate of interest that would apply to an identical financial instrument without the conversion option. The equity component is measured as the residual amount, being the difference between the total proceeds of the instrument and the fair value of the liability component. Transaction costs are allocated to the liability and equity components on a pro-rata basis.

Subsequently, the liability component is measured at amortised cost using the effective interest method. The equity component is not remeasured after initial recognition. Interest expense related to the liability component is recognised in profit or loss.

Lease liabilities

A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of-use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down.

Finance costs

Finance costs attributable to qualifying assets are capitalised as part of the asset. All other finance costs are expensed in the period in which they are incurred.

Rounding of amounts

The Company is of a kind referred to in Corporations Instrument 2026/183, issued by the Australian Securities and Investments Commission, relating to 'rounding-off'. Amounts in this report have been rounded off in accordance with that Corporations Instrument to the nearest dollars.

New Accounting Standards and Interpretations not yet mandatory or early adopted

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the consolidated entity for the annual reporting period ended 30 June 2026. The consolidated entity's assessment of the impact of these new or amended Accounting Standards and Interpretations, most relevant to the consolidated entity, are set out below.

AASB 18 Presentation and Disclosure in Financial Statements

This standard is applicable to annual reporting periods beginning on or after 1 January 2027 and early adoption is permitted. The standard replaces AASB 1 'Presentation of Financial Statements', with many of the original disclosure requirements retained and there will be no impact on the recognition and measurement of items in the financial statements. But the standard will affect presentation and disclosure in the financial statements, including introducing five categories in the statement of profit or loss and other comprehensive income: operating, investing, financing, income taxes and discontinued operations. The standard introduces two mandatory sub-totals in the statement: 'Operating profit' and 'Profit before financing and income taxes'. There are also new disclosure requirements for 'management-defined performance measures', such as earnings before interest, taxes, depreciation and amortisation ('EBITDA') or 'adjusted profit'. The standard provides enhanced guidance on grouping of information (aggregation and disaggregation), including whether to present this information in the primary financial statements or in the notes. The consolidated entity will adopt this standard from 1 July 2027 and it is expected that there will be a significant change to the layout of the statement of profit or loss and other comprehensive income.

5. Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

Impairment of non-financial assets

The Group assesses impairment of non-financial assets at each reporting date by evaluating conditions specific to the Group and to the particular asset that may lead to impairment. If an impairment trigger exists, the recoverable amount of the asset is determined. Refer to notes 13 and 14 for impairment expense recognised.

Determining the incremental borrowing rate for Lease Liabilities

The Group assesses the incremental borrowing rate to use for lease liability calculations on a lease-by-lease basis. This is done by starting off with a baseline risk-free rate such as government bond rates at the lease commencement date. The group then adds a premium onto this risk-free rate which accurately reflects the long-term financial stability of the entity along with the specific nature of the lease.

Estimation of useful lives of assets

The Group determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation and amortisation charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down. There were no changes in estimated useful lives of property, plant and equipment (2025: nil).

6. Earnings per share

Both the basic and diluted earnings per share have been calculated using the loss attributable to shareholders of the parent company as the numerator.

Reconciliation of earnings used in calculating earnings per share	2026 $	2025 $
Loss attributable to the owners of FORESTA GROUP HOLDINGS LIMITED used in the calculation of basic and dilutive EPS	(6,815,958)	(3,375,115)
Loss attributable to the owners of FORESTA GROUP HOLDINGS LIMITED	(6,815,958)	(3,375,115)
Weighted average number of ordinary shares	**Number**	**Number**
Weighted average number of ordinary shares used as the denominator in calculating basic earnings per share	2,788,047,617	2,520,757,923
Weighted average number of ordinary shares and potential ordinary shares used as the denominator in calculating diluted earnings per shares	2,788,047,617	2,520,757,923
Loss per share and Diluted loss per share (cents)	0.24	0.13

Calculation of dilutive EPS

As at 30 June 2026 there were 239,717,500 unlisted options on issue which have vested. The 239,717,500 unlisted options that have vested were excluded from the calculation of diluted earnings per share due to the Group being in a loss position.

As at 30 June 2025 there were 749,583,747 unlisted options on issue which have vested. The 749,583,747 unlisted options that have vested were excluded from the calculation of diluted earnings per share due to the Group being in a loss position.

7. Other Income

Consolidated	2026 $	2025 $
Interest income	30,351	-
Other revenue	110,775	20,171
Gain on disposal of assets	6,818	168,086
Total other income	**147,944**	**188,257**

foresta

8. Expenses

Loss before income tax from operations includes the following specific expenses:

Consolidated	Note	2026 $	2025 $
Depreciation expense			
Depreciation of property, plant and equipment	13	57,214	88,513
Depreciation of right of use assets	14	101,499	49,685
Total depreciation expense		**158,713**	**138,198**

Finance expenses		
Finance costs on borrowings	9,723	16,031
Interest on leases	205,715	80,211
Finance costs on convertible notes	649,222	221,622
Other finance expenses	856	1,318
Total finance expense	**865,517**	**319,182**

Impairment of assets			
Impairment of fixed assets	13	-	612,597
Impairment of right-of-use assets	14	2,289,036	-
Total impairment of assets		**2,289,036**	**612,597**

Employee and consultant expenses		
Salaries and wages	1,296,990	1,336,207
Superannuation	42,950	57,977
Payroll tax	44,573	(8,834)
Staff training	-	594
Adjustment to accrued benefits	14,481	(86,681)
Other employee cost	5,682	5,950
Consultant fees	630,485	809,556
Total employee and consultant expenses	**2,035,161**	**2,114,769**

foresta

9. Income Tax

Reconciliation between the income tax benefit and the expected tax expense (income) based on the Group's applicable income tax rate is as follows:

	2026 $	2025 $
Loss before income tax	(6,815,958)	(3,375,115)

Income tax at 25%	(1,703,990)	(843,779)
Loss relating to foreign subsidiary	927,953	382,853
Expenditure not allowable for income tax purposes	68,288	7,197
Movement in unrecognised tax losses and temporary differences	707,748	453,729
Total income tax expense	-	-

Deferred income tax	**2026** **$**	**2025** **$**
Deferred tax assets		
-Provisions	47,488	61,606
-Share capital costs	153,586	232,807
-Patents	146,347	98,109
-Right of use leases	247,804	265,096
-Tax losses	11,314,987	11,124,054
Total deferred tax asset	**11,910,212**	**11,781,672**
Deferred tax liabilities		
-Trade and other payables	-	(600,000)
-Property, plant and equipment	(17,662)	(19,914)
-Prepayments and other assets	(18,904)	(4,309)
Total deferred tax liability	**(36,566)**	**(624,223)**
Net deferred tax asset/ (liability)	**11,873,646**	**11,157,449**
Deferred tax asset not recognised	**(11,873,646)**	**(11,157,449)**
Net deferred tax asset/ (liability) recognised	-	-

Deferred income tax (continued)	**2026** **$**	**2025** **$**
Carried forward tax losses	45,259,949	44,496,214
Unused tax losses for which no deferred tax asset has been recognised	47,494,583	44,629,794
Potential tax benefit at 25%	**11,873,646**	**11,157,449**

Losses

At 30 June 2026, the Group has unused tax losses of $47,494,583 (2025: $44,629,794) for which no deferred tax asset has been recognised. Of this, $45,259,949 (2025: $44,496,214) relates to carried forward tax losses. The deferred tax asset which may be derived from these tax losses, has not been carried forward as an asset in the balance sheet and will only be recognised if:

i. The Group derives assessable income of a nature and of an amount sufficient to enable the benefit from the deductions for the loss to be realised;
ii. the Group continues to comply with the conditions for deductibility imposed by law; and
iii. no changes in tax legislation adversely affect the Group in realising the benefit from the deductions for the losses.

Offsetting within a tax consolidated group

FORESTA GROUP HOLDINGS LIMITED and its wholly owned subsidiaries form a consolidated tax group, whereby the entities are taxed as a single entity. Accordingly, the deferred tax assets and deferred tax liabilities have been offset in the consolidated financial statements.

10. Cash and cash equivalents

Cash and cash equivalents include the following components:	2026 $	2025 $
Cash at bank and on hand	3,426,182	1,199,115
Total cash and cash equivalents	**3,426,182**	**1,199,115**

11. Trade and other receivables

	2026 $	2025 $
Trade receivables	4,644	4,669
Allowance for expected credit losses	-	-
Net trade receivables	**4,644**	**4,669**
Insurance receivable[(a)]	-	2,400,000
GST receivable	63,762	52,688
Other receivables	20,102	42,210
Total Trade and other receivables	**88,508**	**2,499,567**

a) The $2,400,000 receivable held at 30 June 2025 was fully received during the current financial period.

Trade receivables are initially recognised at fair value less any allowance for expected credit losses. Trade receivables are generally due for settlement within 30 days.

The Group has applied the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance. To measure the expected credit losses, trade receivables have been grouped based on days overdue.

12. Other current assets

Consolidated	2026 $	2025 $
Prepayments	92,961	30,789
Deposits	36,868	38,076
Total other current assets	**129,829**	**68,865**

13. Property, plant and equipment

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

Consolidated	Plant & Equipment $	Motor Vehicles $	Work in Progress $	Total $
Cost	170,314	354,312	-	524,626
Accumulated depreciation and impairment	(60,492)	(107,111)	-	(167,603)
Closing balance at 30 June 2025	**109,822**	**247,201**	**-**	**357,023**
Cost	170,970	377,544	-	548,515
Accumulated depreciation and impairment	(77,889)	(110,387)	-	(188,276)
Closing balance at 30 June 2026	**93,081**	**267,158**	**-**	**360,239**

Movements in carrying amounts for each class of property, plant and equipment

Consolidated	Plant & Equipment $	Motor Vehicles $	Work in Progress $	Total $
Opening written down value 1 July 2024	**38,953**	**286,937**	**612,597**	**938,487**
Additions	3,651	-	-	3,651
Assets written-off[(a)]	-	-	(612,597)	(612,597)
Transfer from assets held for sale	115,995	-	-	115,995
Disposals	-	-	-	-
Depreciation	(48,777)	(39,736)	-	(88,513)
Closing balance at 30 June 2025	**109,822**	**247,201**	**-**	**357,023**
Opening written down value 1 July 2025	**109,822**	**247,201**	**-**	**357,023**
Additions	773	59,657	-	60,430
Disposals	-	-	-	-
Depreciation	(17,514)	(39,700)	-	(57,214)
Closing balance at 30 June 2026	**93,081**	**267,158**	**-**	**360,239**

Management reviewed the work in progress costs incurred up to 30 June 2024 and determined that the balance was not recoverable at that date, given that a Final Investment Decision for the New Zealand plant had not been made. As a result, the work in progress costs were written off.

Depreciation is calculated on a straight-line basis to write off the net cost of each item of property, plant and equipment (excluding land) over their expected useful lives as follows:

Plant and equipment	3-15 years
Motor vehicles	5-8 years

The residual values, useful lives and depreciation methods are reviewed and adjusted if appropriate, at each reporting date. Leasehold improvements are depreciated over the unexpired period of the lease or the estimated useful life of the assets, whichever is shorter.

foresta

14. Right-of-use assets

Right-of-use assets are included in the accounts, at cost, on the following basis:

Consolidated	Property Leases – Right-of-use Kawerau $	Property Leases – Right-of-use $	Total $
Cost	-	149,056	149,056
Accumulated depreciation	-	(107,823)	(107,823)
Closing balance at 30 June 2025	-	**41,233**	**41,233**
Cost	4,581,670	144,127	4,725,797
Accumulated Depreciation	(52,087)	(8,007)	(60,094)
Impairment	(2,289,036)		(2,289,036)
Exchange Differences	(111,110)		(111,110)
Closing balance at 30 June 2026	**2,129,437**	**136,120**	**2,265,557**

Movements in carrying amounts for right-of-use assets

Consolidated	Property Leases – Right-of-use Kawerau $	Property Leases – Right-of-use $	Total $
Opening written down value 1 July 2024	-	**92,975**	**92,975**
Additions	-	-	-
Lease remeasurement	-	(2,057)	(2,057)
Depreciation	-	(49,685)	(49,685)
Closing balance at 30 June 2025	-	**41,233**	**41,233**
Opening written down value 1 July 2025	-	**41,233**	**41,233**
Additions	4,581.670	144,127	4,725,797
Depreciation	(52,087)	(49,412)	(101,499)
Impairment	(2,289,036)	-	(2,289,036)
Exchange Differences	(111,110)	172	(110,938)
Closing balance at 30 June 2026	**2,129,437**	**136,120**	**2,265,557**

Leased assets

The Group leases land and buildings for its offices used in its operations. The lease terms consist of:

Operational site - Isis Central	20 years
Operational site – Kawerau	30 Years
Corporate office - Landsborough	5 years
Corporate office - Papamoa	3 years

The Group's obligations under its leases are secured by the lessor's title to the leased assets.

FORESTA executed a formal lease with the Putauaki Trust following satisfaction of the conditions precedent under the previously announced Agreement to Lease for the Kawerau site in New Zealand. The Lease commenced on 1 March 2026 for an initial term of 30 years, with an option to extend for a further 20 years.

Impairment Testing

During the current year, management assessed the recoverable amount of its Kawerau right-of-use (ROU) asset as there remains uncertainty regarding the timing and extent of future economic benefits expected to be derived from the site. It was noted during this assessment that there are no explicit restrictions within the lease agreement on whether the

Company could enter into a sub-lease arrangement should management make a decision not to utilise the site in the future.

Following this assessment an impairment expense of $2,289,036 was recognised during the period reducing the carrying amount of the ROU asset to $2,129,437.

The recoverable amount of the asset has been determined based on value-in-use calculations using a discounted cash flow model for the period of the lease. The following table sets out the key inputs and assumptions used in determining the recoverable amount:

Input	Assumption	Sensitivity
Ability to secure a suitable sub-lessee including the time required to negotiate and execute a sub-lease agreement	Assume a tenant can be secured in year 3.	A one year delay in tenant start date would increase impairment by $247,422.
Market rent achievable in a sub-lease agreement	$400,000 per annum	A $50,000 decrease in rent would increase impairment by $271,255.
Rent increases	2.5% increase per year	If rental increase were 2% per year, impairment would increase by $97,328.
Discount rate	14%	An increase in discount rate to 15% would increase impairment by $186,207.

The key assumptions used in the value-in-use calculation are based on available market data and management's best estimate.

The key inputs that have been reflected directly in the discount rate are:

- Incremental Borrowing Rate
- Rental growth and lease renewal risk
- Vacancy default and re-leasing risk
- Unidentified obligations associated with head lease

15. Trade and other payables

Trade and other payables consist of the following:

Consolidated	2026 $	2025 $
Trade and other payables	133,559	381,619
Accruals	318,331	237,473
Total trade and other payables	**451,890**	**619,092**

These amounts represent liabilities for goods and services provided to the Group prior to the end of the financial reporting period and which are unpaid. Due to their short-term nature, they are measured at amortised cost and not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

16. Borrowings

Consolidated	2026 $	2025 $
Current Borrowings		
Vehicle finance	15,704	39,517
Insurance premium funding	-	14,575
Total current borrowings	**15,704**	**54,092**

Non-current Borrowings		
Vehicle finance	47,235	71,088
Interest Payable on Convertible Note	255,000	-
Convertible Notes (a)	1,310,284	916,062
Total non-current borrowings	**1,612,519**	**987,150**

(a) Convertible Notes

During the previous period the Company entered into the following convertible note agreement:

i) Convertible Note A

- Issue date: 1 April 2025
- Total amount raised: $2,000,000
- Issue price: Face value of $1.00 per convertible note
- 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	2026 $
Opening balance 1 July 2025	**916,062**
Face value of notes issued	-
Equity component – conversion feature	-
Equity component – options	-
Effective interest expense	394,222
Closing balance 30 June 2026	**1,310,284**

17. Lease liabilities

Consolidated	2026 $	2025 $
Current liabilities		
Lease liabilities	159,370	147,593
Total current lease liabilities	**159,370**	**147,593**
Non-current liabilities		
Lease liabilities	5,401,050	958,042
Total non-current lease liabilities	**5,401,050**	**958,042**

18. Provisions

Consolidated	2026 $	2025 $
Current Provisions		
Employee leave entitlements	53,800	51,849
Mining rehabilitation provisions[(a)]	50,000	50,000
Provision for make good	9,109	9,641
Total current provisions	**112,909**	**111,490**
Non-current Provisions		
Employee leave entitlements	25,494	16,084
Total non-current provisions	**25,494**	**16,084**

(a) FORESTA GROUP HOLDINGS LIMITED's subsidiary AQL Mining Pty Ltd is required to restore the mining lease held in Karratha, Western Australia, to the extent required by the mining approvals. A provision for rehabilitation has been recognised for the present value of the estimated expenditure required to restore the ground site on cessation of mining.

19. Issued capital

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.

	2026 Number	2026 $	2025 Number	2025 $
Movements in ordinary share capital				
Balance at beginning of financial year	2,652,906,450	37,217,510	2,355,379,053	35,462,635
Shares issued (a)	-	-	8,000,000	80,000
Shares issued (b)	-	-	214,000,000	1,070,000
Conversion of notes (c)	-	-	51,739,726	481,514
Shares issued (d)	-	-	16,000,000	80,000
Conversion of notes (e)	-	-	7,787,671	61,461
Options Exercised (f)	125,382,822	2,507,656	-	-
Options Exercised (g)	15,384,616	307,692	-	-
Options Exercised (h)	51,739,726	1,034,795	-	-
Options Exercised (i)	5,000,000	100,000	-	-
Options Exercised (j)	7,500,000	150,000	-	-
Options Exercised (k)	65,000	975	-	-
Options Exercised (l)	100,000	1,500	-	-
Convertible Note transfer of reserve	-	137,020	-	-
Transaction costs	-	(27,314)	-	(18,100)
Total contributed equity	**2,858,078,614**	**41,429,834**	**2,652,906,450**	**37,217,510**

Notes for the above table, relating to the year ended 30 June 2025, are:

(a) On 4 December 2024, shareholders approved the placement of 8,000,000 ordinary shares to current directors at a value of $80,000.

(b) On 4 December 2024, the Company issued 214,000,000 ordinary shares at $0.005 per share raising $1,070,000. Each share also had a free-attaching option with an expiry date of 4 December 2026, that can be exercised at $0.02 per option.

(c) On 4 December 2024, the Company issued 51,739,726 ordinary shares following the conversion of 50,000,000 convertible notes and accrued interest to the date of conversion. Each issued share had an attaching option with expiry date of 4 December 2025, that can be exercised at $0.02 per option.

(d) On 6 February 2025, shareholders approved the placement of 16,000,000 ordinary shares to current directors at a value of $80,000. Each share also had a free-attaching option with an expiry date of 6 February 2027, that can be exercised at $0.02 per option.

(e) On 6 February 2025, the Company issued 7,787,671 ordinary shares following the conversion of 7,500,000 convertible notes and accrued interest to the date of conversion. Each issued share had an attaching option with expiry date of 6 February 2026, that can be exercised at $0.02 per option.

Notes for the above table, relating to the year ended 30 June 2026, are:

(f) On 16 October 2025, the company issued 125,382,822 ordinary shares on the exercise of $0.02 share options

(g) On 24 October 2025, the company issued 15,384,616 ordinary shares on the exercise of $0.02 share options

(h) On 28 November 2025, the company issued 56,739,726 ordinary shares on the exercise of $0.02 share options

(i) On 2 February 2026, the company issued 7,500,000 ordinary shares on the exercise of $0.02 share options

(j) On 12 February 2026, the company issued 65,000 ordinary shares on the exercise of $0.015 share options

(k) On 11 March 2026, the company issued 100,000 ordinary shares on the exercise of $0.015 share options

20. Reserves

	2026 $	2025 $
Share-based payments reserve		
Movements:		
Balance at beginning of the financial year	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 financial year	1,337,585	-
Convertible notes – conversion feature	-	746,969
Convertible notes – options	-	770,188
Convertible notes – conversion to shares	-	(179,572)
Convertible notes – transfer of reserve within equity	(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 financial year	(35,898)	-
Revaluation of foreign currency operations	(40,227)	(35,898)
Balance at the end of the financial year	**(76,125)**	**(35,898)**
Total Reserve balance	**2,496,061**	**2,673,308**

21. Financial instruments

The Group's principal financial instruments comprise of lease liabilities, borrowings, receivables, payables, cash and short-term deposits.

Primary responsibility for the identification and control of financial risks rests with the Board. The Group uses different methods to measure and manage different types of risks to which it is exposed. These include monitoring levels of exposure to interest rate and foreign exchange risk and assessment of market forecasts for interest rate and foreign exchange. The Group manages credit risk by only dealing with recognised, creditworthy, third parties and liquidity risk is monitored through the development of future rolling cash flow forecasts.

Interest rate risk

Exposure to interest rate risk arises on financial assets and financial liabilities recognised at the end of the reporting period whereby a change in interest rate will affect future cash flows. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's cash investments. Surplus funds are invested in interest bearing deposits and are managed by the directors and monitored on a regular basis.

At reporting date, the Group had the following exposure to variable interest rate risk:

Financial assets	**2026** **$**	**2025** **$**
Cash at bank	3,426,182	1,199,115
	3,426,182	**1,199,115**

Borrowings disclosed in Note 16 have not been included in the above table as the applicable interest rates are fixed.

The following table summarises the impact of reasonably possible changes in interest rates for the Group at 30 June 2026. The sensitivity is based on the assumption that interest rate changes by 50 basis points (2024: 50 basis points) with all other variables held constant. The 50-basis points sensitivity is based on reasonably possible changes over the reporting period.

Impact on post tax profit and equity Higher / (lower)	**2026** **$**	**2025** **$**
50bp increase (2025: 50bp)	17,131	5,996
50bp decrease (2025: 50bp)	(17,131)	(5,996)

The analysis above excludes borrowings and lease liabilities as both are contracted under fixed interest rates.

Foreign currency risk

The Group has foreign currency risk exposure on cash reserves and has transactional exposures arising from the payment of foreign currency invoices. The Company is exposed to movements in US dollar and NZ dollar on cash reserves.

At the reporting date the Group had the following exposure to foreign currencies.

Financial assets	**2026** **$**	**2025** **$**
Cash and cash equivalents		
- USD	170	179
- NZD	104,819	52,748
	104,989	**52,927**

The following table summarises the impact of reasonably possible changes in foreign currency exchange rates for the Group at 30 June 2026 on recognised financial assets at the reporting date. The sensitivity is based on the assumption that the exchange rates change by increasing 10% or decreasing 10% with all other variables held constant. These 10% sensitivities are based on reasonably possible changes over the reporting period, using the observed range of actual historical rates for the preceding three-year period. The analysis is performed on the same basis for the comparative period.

Impact on post tax profit and equity *Higher / (lower)*	**2026** **$**	**2025** **$**
- AUD/USD +10% (2025: +10%)	(16)	(17)
- AUD/USD -10% (2025: +10%)	18	20
- AUD/NZD +10% (2025: +10%)	(9,699)	(4,974)
- AUD/NZD -10% (2025: +10%)	11,477	5,682

Credit risk

Credit risk arises in the event that a counterparty will not meet its obligations under a financial instrument leading to financial losses. The Group is exposed to credit risk from its operating activities and financing activities including deposits with banks.

The credit risk control procedure adopted by the Group is to assess the credit quality of the institution with which funds are deposited or invested, taking into account its financial position and past experiences. The limits are assigned to minimise the concentration of risks and mitigate financial loss through potential counterparty failure. Compliance with credit limits is regularly monitored as part of day-to-day operations. Any credit concerns are highlighted to the Board.

		S&P Credit Rating
Credit Quality of Financial Assets	**A1+** **$**	**Unrated** **$**
30 June 2025		
Cash and cash equivalents	1,199,115	-
Receivables	-	2,446,879
Number of Counterparties	3	2
Largest counterparty (%)	90%	98%
30 June 2026		
Cash and cash equivalents	3,426,182	-
Receivables	-	24,745
Number of Counterparties	3	3
Largest counterparty (%)	90%	44%

Liquidity risk

The responsibility for liquidity risk management rests with the Board of Directors.

The Group manages liquidity risk by maintaining sufficient cash or credit facilities to meet the operating requirements of the business and investing excess funds in highly liquid short-term investments. The Group's liquidity needs can be met through a variety of sources, including:

- cash generated from operations and the sale of assets,
- short- and long-term borrowings, and
- issue of equity instruments.

Alternatives for sourcing the Group's future capital needs include current cash position, future operating cash flow, debt financings and equity raisings. These alternatives are evaluated to determine the optimal mix of capital resources.

The following table details the Group's non-derivative financial instruments according to their contractual maturities. The amounts disclosed are based on contractual undiscounted cash flows. As a result, these balances may not agree with the amounts disclosed in the statement of financial position.

As at 30 June 2025	Less than 12 months $	1-5 years $	More than 5 years $
Trade and other payables	619,092	-	-
Lease Liabilities	223,323	499,378	876,483
Borrowings	69,802	2,742,498	-
Total	**912,217**	**3,241,876**	**876,483**

As at 30 June 2026	Less than 12 months $	1-5 years $	More than 5 years $
Trade and other payables	451,890	-	-
Lease Liabilities	582,717	2,161,687	10,429,722
Borrowings	22,418	1,619,563	-
Total	**1,057,025**	**3,781,249**	**10,429,722**

Capital risk management
When managing capital (being equity and long-term debt) management's objective is to ensure the entity continues as a going concern as well as to maintain optimal returns to shareholders and benefits to other stakeholders. Management also aims to maintain a capital structure that ensures the lowest cost of capital available to the entity reflecting the current business status of the entity.

Management constantly adjusts the capital structure to take advantage of favourable costs of capital or high return on assets. As the market is constantly changing, management may return capital to shareholders, issue new shares or sell assets to reduce debt. The Group does not currently have a dividend policy.

The Group monitors its capital through monthly Board reporting including management accounts and forecasts combined with appropriate external financial, corporate and legal advice when required. Due to the nature of the operations of the Group and its financial position, Management does not have a target debt/equity ratio. Management prefers to maintain a flexible financing structure.

The Group is not subject to any externally imposed capital requirements.

22. Key management personnel disclosures

Key management personnel compensation:

Consolidated	2026 $	2025 $
Short-term employee benefits	1,146,750	1,100,483
Post-employment benefits	24,000	30,120
Long-term benefits	10,026	3,442
Total	**1,180,776**	**1,134,045**

As part of the key management personnel compensation, the group pays Directors fees to related parties as listed below;

- Pai-Heng (Henry) Cheng – Formosa Resources
- Maurizio (Maurice) Fabiani – Formosa Executive & Formosa Resources
- Russell Allen – Noirot Pty Ltd

23. Remuneration of auditors

	2026 $	2025 $
Audit and review of financial statements – BDO Audit Pty Ltd	96,831	81,551
Total auditor's remuneration	**96,831**	**81,551**

In 2025, Hall Chadwick charged $66,817 for services performed relating to the 2024 audit.

24. Related party transactions

Parent Entity

The Parent entity within the Group is FORESTA GROUP HOLDINGS LIMITED. The Company is listed on the Australian Securities Exchange with no shareholders exerting significant influence, other than those that are also key management personnel.

Subsidiaries

Interests in subsidiaries are set out in subsidiaries Note 30.

Key Management Personnel

Disclosures relating to the remuneration of key management personnel are set out in Note 22 and also further details are included in the Remuneration Report contained in the Directors' Report.

Transactions with related parties

The following transactions occurred with related parties:

Consolidated	**2026** **$**	**2025** **$**
Payment for services:		
Salary payment to Ms Mikaela Sutton (Daughter of Ramon Mountfort)	-	16,622
Salary payment to Ms Ana Da Silva (Spouse of Ramon Mountfort)	-	6,098
Salary payment to Mr Joseph Collins (Son-in-law of Ramon Mountfort)	-	9,945

Terms and conditions

All transactions were made on normal commercial terms and conditions and at market rates.

There are no outstanding amounts receivable or payable at the reporting date in relation to transactions with related parties.

During the previous period the Company entered into convertible note agreements with SWAT7D, an entity associated with Non-Executive Director Mr Russell Allen (refer to note 16).

25. Share-based payments

Share-based payment expense

No expense arising from share-based payment transactions was recognised in profit or loss during the year (2025: $nil).

Option summary and weighted average exercise price of options issued as share based payments
Share options and weighted average exercise prices "WAEP" are as follows for the reporting periods presented:

	Number of options 2026	WAEP $ 2026	Number of options 2025	WAEP $ 2025
Outstanding at the beginning of the year	20,632,500	0.027	45,382,500	0.025
Granted during the year	-	-	-	-
Exercised during the year	(165,000)	0.015	-	-
Expired during the year	(10,000,000)	0.04	(24,750,000)	0.023
Forfeited during the year	-	-	-	-
Outstanding at the end of the year	**10,467,500**	**0.015**	**20,632,500**	**0.027**

The weighted average remaining contractual life of the options was 1 year (2025:1 year). There are no options that were issued but not vested at 30 June 2026 (nil unvested at 30 June 2025).

Outstanding options
The outstanding balance of all options on issue as at 30 June 2026 is represented below.:

Grant Date	Expiry Date	Exercise Price	Share options 2026	Share options 2025
5 May 2022[A]	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[A]	20 May 2027	$0.015	10,467,500	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
6 February 2025	6 February 2027	$0.020	16,000,000	16,000,000
Total			**239,717,500**	**749,583,747**
The weighted average exercise price of the options outstanding at year-end.			$0.020	$0.029
The weighted average remaining life of the options outstanding at year-end.			0.46 years	0.75 years

[A] These options relate to the share-based payments disclosed above.

26. Commitments and contingent liabilities

Public Liability Claim

The contractor that was injured during the explosion at the Apple Tree Creek plant on 12 November 2021 has lodged a liability claim against the Group for medical costs incurred as a result of the injury. The claim is currently administrated on behalf of the Group by the Group's public liability insurer. The Group has insurance cover which is expected to cover any potential claim in full.

27. Notes to the statement of cash flows

a) Cash and cash equivalents

For the purposes of the statement of cash flows, cash and cash equivalents include cash on hand and in banks, net of outstanding bank overdrafts.

Cash and cash equivalents at the end of the year as shown in the statement of cash flow is reconciled to the related item in the statement of financial position as follows:

	2026 $	2025 $
Cash and cash equivalents	**3,426,182**	**1,199,115**

b) Reconciliation of net loss for the period to cash flows provided by operating activities:

	2026 $	2025 $
Net loss for the period	(9,004,462)	(3,375,115)
Adjustments for:		
Depreciation	106,626	138,198
Finance costs on borrowing	649,222	221,622
Insurance recoveries related to property, plant and equipment	-	(970,000)
(Gain)/Loss on disposal	(6,818)	(168,086)
Impairment of property, plant and equipment	-	612,597
Impairment of right-of-use assets	4,529,627	-
Unrealised loss on foreign exchange	52,537	40,895
Net changes in working capital:		
Change in trade and other receivables	2,388,941	992,206
Change in other assets	60,964	(2,538)
Change in trade and other payables	(318,809)	(52,434)
Change in provisions	10,829	(85,700)
Net cash provided/(used) in operating activities	**(1,531,343)**	**(2,648,355)**

c) Non-cash investing and financing activities

Non-cash investing and financing activities disclosed in other notes are:

- Options and shares issued on settlement of convertible notes – Note 16
- Acquisition of Right of Use assets – Note 14

28. Parent entity information

Impairment testing

At each reporting date the parent assesses whether there is any indication that an investment in a subsidiary may be impaired. If any such indication exists, the Group estimates the recoverable amount of the investment. Where the carrying amount of an investment is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount.

The parent entity does not have any guarantees held over debts of the subsidiaries, contingent liabilities or contractual commitments as at 30 June 2026.

The financial information of the parent entity follows:

	2026 $	2025 $
Financial Position		
Assets		
Current assets	3,418,482	1,196,608
Non-current assets	819	1,990,478
Total assets	**3,419,301**	**3,187,086**
Liabilities		
Current liabilities	640,318	533,287
Non-current liabilities	1,330,351	941,970
Total liabilities	**1,970,669**	**1,475,257**
Equity		
Issued capital	86,139,527	81,927,202
Reserve	3,407,277	3,544,297
Retained losses	(88,098,172)	(83,759,670)
Total equity	**1,448,632**	**1,711,829**
Financial Performance		
Profit/(loss) before income tax	(4,338,502)	(2,604,585)
Income tax expense	-	-
Total comprehensive loss for the year	**(4,338,502)**	**(2,604,585)**

The parent entity has recognised an impairment loss of $1,471,985 against the carrying value of its investments in subsidiaries to reflect a decline in their recoverable amount. Consolidated net assets differ significantly from that of the parent entity primarily due to the Kawerau lease liability and subsequent impairment of the corresponding right-of-use asset.

foresta

29. Interests in subsidiaries

The consolidated financial statements incorporate the assets, liabilities and results of the following principal subsidiaries in accordance with the accounting policy on consolidation. Unless otherwise stated, they have share capital consisting solely of ordinary shares that are held directly by the parent of the Group, and the proportion of ownership interests held equal the voting rights held by the Group. The country of incorporation or registration is also their principal place of business.

Name Unlisted:	Principal activities	Country of incorporation	Class of shares	Ownership interest	
				2026 %	2025 %
Essential Queensland Pty Ltd	*Chemicals extraction*	*Australia*	Ord	100	100
AQL Mining Pty Ltd	*Mining of gravel and general fill*	*Australia*	Ord	100	100
Farmacule BioIndustries Pty Ltd	*Research & development*	*Australia*	Ord	100	100
Leaf Sciences Pty Ltd	*Intellectual property owner*	*Australia*	Ord	100	100
Leaf Research Pty Ltd	*Research & development*	*Australia*	Ord	100	100
Leaf Performance Plan Pty Ltd	*Trustee of employee share trust*	*Australia*	Ord	100	100
Pan Pacific Energy Pty Ltd	*Fuel product supply*	*Australia*	Ord	100	100
Leaf Resources USA, LLC	*Investor in Leaf Development, LLC*	*USA*	Ord	100	100
Leaf Development LLC	*Investment Company*	*USA*	Ord	80	80
Leaf Malaysia OpCo Sdn. Bhd.	*Investment Company*	*Malaysia*	Ord	100	100
Foresta (NZ) Limited	*Project company*	*New Zealand*	Ord	100	100
Foresta Kawerau Limited	*Project company*	*New Zealand*	Ord	100	100

30. Events after the reporting period

No matters have arisen since 30 June 2026 which significantly affect the operations of the Group.

Consolidated entity disclosure statement

Name of entity	Type of entity	Trustee, partner, or participant in joint venture	% of share capital	Country of incorporation	Australian resident	Foreign jurisdiction(s) in which entity is a resident for tax purposes (according to the law of the foreign jurisdiction)
Foresta Group Holdings Limited	Body Corporate	N/A	N/A	Australia	Yes	N/A
Essential Queensland Pty Ltd	Body Corporate	N/A	100%	Australia	Yes	N/A
Pan Pacific Energy Pty Ltd	Body Corporate	N/A	100%	Australia	Yes	N/A
AQL Mining Pty Ltd	Body Corporate	N/A	100%	Australia	Yes	N/A
Farmacule BioIndustries Pty Ltd	Body Corporate	N/A	100%	Australia	Yes	N/A
Leaf Sciences Pty Ltd	Body Corporate	N/A	100%	Australia	Yes	N/A
Leaf Research Pty Ltd	Body Corporate	N/A	100%	Australia	Yes	N/A
Leaf Performance Plan Pty Ltd	Body Corporate	N/A	100%	Australia	Yes	N/A
Leaf Resources USA, LLC	Body Corporate	N/A	100%	United States of America	No	United States of America
Leaf Development LLC	Body Corporate	N/A	80%	United States of America	No	United States of America
Leaf Malaysia OpCo Sdn. Bhd.	Body Corporate	N/A	100%	Malaysia	No	Malaysia
Foresta Kawerau Limited	Body Corporate	N/A	100%	New Zealand	No	New Zealand
Foresta (NZ) Limited	Body Corporate	N/A	100%	New Zealand	No	New Zealand

Basis of preparation

The consolidated Entity Disclosure Statement has been prepared in accordance with the Corporations Act 2001, reflecting the amendments to section 295(3A)(vi) and (vii) which clarify the definition of foreign resident as being an entity that is treated as a resident of a foreign country under the tax laws of that foreign country. The CEDS includes certain information for each entity that was part of the consolidated entity at the end of the financial year in accordance with AASB 10 Consolidated Financial Statements.

Determination of tax residency

Section 295 (3A) of the Corporations Act 2001 defines Australian resident as having the meaning in the Income Tax Assessment Act 1997. The determination of tax residency involves judgment as there are currently several different interpretations that could be adopted, and which could give rise to a different conclusion on residency. Section 295 (3A)(a)(vii) requires the determination of tax residency in a foreign jurisdiction to be based on the law of the foreign jurisdiction relating to foreign income tax.

In determining tax residency, the consolidated entity has applied the following interpretations:

Australian tax residency

The consolidated entity has applied current legislation and judicial precedent, including having regard to the Tax Commissioner's public guidance in Tax Ruling TR 2018/5.

Foreign tax residency

Where necessary, the consolidated entity has used independent tax advisers in foreign jurisdictions to assist in determining tax residency in those foreign jurisdictions and ensure compliance with applicable foreign tax legislation.

foresta

DIRECTORS' DECLARATION

In accordance with a resolution of the Directors of FORESTA GROUP HOLDINGS LIMITED, I state that:

In the opinion of the directors of FORESTA GROUP HOLDINGS LIMITED:

a) the consolidated financial statements and notes of FORESTA GROUP HOLDINGS LIMITED are in accordance with the *Corporations Act 2001,* including:
   i) giving a true and fair view of its financial position as at 30 June 2026 and of its performance for the financial year ended on that date; and
   ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) 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.
c) the information disclosed in the attached consolidated entity disclosure statement is true and correct.

The directors have been given the declarations required by Section 295A of the *Corporations Act 2001* from the chief executive officer for the financial year ended 30 June 2026.

Note 2 confirms that the consolidated financial statements also comply with International Financial Reporting Standards.

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
Executive Chairman
FORESTA GROUP HOLDINGS LIMITED
Melbourne, Victoria, Australia
28 August 2026

Tel: +61 7 3237 5999
Fax: +61 7 3221 9227
www.bdo.com.au

Level 18, 360 Queen Street
Brisbane QLD 4000
GPO Box 457 Brisbane QLD 4001
Australia

INDEPENDENT AUDITOR'S REPORT

To the members of Foresta Group Holdings Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Foresta Group Holdings Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 2026, 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 year then ended, and notes to the financial report, including material accounting policy information, the consolidated entity disclosure statement and the directors' declaration.

In our opinion the accompanying financial report of the Group, is in accordance with the *Corporations Act 2001*, including:

(i) Giving a true and fair view of the Group's financial position as at 30 June 2026 and of its financial performance for the year ended on that date; and

(ii) Complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the Financial Report* section of our report. We are independent of the Group 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 audits of the financial report of public interest entities 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 in the same terms if given to the directors as at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material uncertainty related 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 opinion is not modified in respect of this matter.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the *Material uncertainty related to going concern* section, we have determined the matters described below to be the key audit matters to be communicated in our report.

Valuation of right-of-use asset

Key audit matter	How the matter was addressed in our audit
As disclosed in note 14 of the financial report, an impairment charge has been recognised against the Kawerau right-of-use asset. The impairment assessment is a key audit matter due to the significance of the balance and the degree of estimates and assumptions required to be made by the Group in determining the recoverable amount.	Our audit procedures included, amongst others: • Evaluating management's assessment of whether impairment indicators exist related to the right-of-use asset • Obtaining management's value-in-use ('VIU') model that was used to support recoverable amount of the right-of-use asset • Evaluating the appropriateness of the methodology applied by management in the VIU model • Assessing the key assumptions within the VIU model including current and future rent, rental increase rates, potential sub-lease amounts and timing and the discount rate applied • Engaging internal specialists to review the discount rate applied • Reviewing the adequacy of the disclosures in the financial report.

Other information

The directors are responsible for the other information. The other information comprises the information in the Group's annual report for the year ended 30 June 2026, but does not include the financial report and the auditor's report thereon.

Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the Financial Report

The directors of the Company are responsible for the preparation of:

a) the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001 and

b) the consolidated entity disclosure statement that is true and correct in accordance with the Corporations Act 2001, and

for such internal control as the directors determine is necessary to enable the preparation of:

i) the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error; and

ii) the consolidated entity disclosure statement that is true and correct and is free of misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website (http://www.auasb.gov.au/Home.aspx) at:

https://www.auasb.gov.au/media/bwvjcgre/ar1_2024.pdf

This description forms part of our auditor's report.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 13 to 17 of the directors' report for the year ended 30 June 2026.

In our opinion, the Remuneration Report of Foresta Group Holdings Limited, for the year ended 30 June 2026, complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

BDO Audit Pty Ltd

BDO

R J Liddell
Director

Brisbane, 28 August 2026

foresta

Shareholder Information

The ASX additional shareholder information set out below was applicable as at 19 August 2026.

1. Distribution of equity security holders:

Holding Distribution

Equity security holders

Range	No. of Holders	% of Securities	Options
100,001 and over	762	98.93%	32
10,001 to 100,000	664	1.01%	-
5,001 to 10,000	157	0.04%	-
1,001 to 5,000	199	0.02%	-
1 to 1,000	438	0.00%	-
	2,220	**100%**	**32**

2. Quoted equity security holders:
The names of the twenty largest holders of quoted equity securities are listed below:

#	Name	Ordinary shares number	Ordinary shares % issued
1	SWAT7D PTY LTD	561,312,880	19.64%
2	CITICORP NOMINEES PTY LIMITED	401,901,830	14.06%
3	SHARESIES AUSTRALIA NOMINEE PTY LIMITED	70,926,743	2.482%
4	MR GEOFFREY JAMES STEVENSON	68,111,248	2.383%
5	BEACHLEY INVESTMENTS PTY LTD	60,000,000	2.09%
6	GREGORY LLOYD SAMSON & ROSEMARIE ANNE SAMSON	53,625,000	1.88%
7	BRINCLIFF PTY LTD	45,205,128	1.58%
8	DR FAB SUPER PTY LTD	42,000,000	1.47%
9	BNP PARIBAS NOMINEES PTY LTD	40,124,227	1.40%
10	MRPG INVESTMENTS (AUS) PTY LTD	40,057,051	1.40%
11	BOND STREET CUSTODIANS LIMITED	37,100,000	1.30%
12	KELIRI PTY LTD	36,281,674	1.27%
13	MR GRANT RICHARD LESLIE YEATMAN & MRS CARMEN RAE YEATMAN	35,250,000	1.23%
14	MR MARK PHILLIP JONES	35,000,000	1.23%
15	MR ROBERT JAMES ALLEN	32,385,811	1.13%
16	BNP PARIBAS NOMINEES PTY LTD	30,913,047	1.08%
17	MR PETER LESLIE DICKINSON	30,300,000	1.06%
18	MR PETER HARRY KALADIS	30,195,000	1.06%
19	NETWEALTH INVESTMENTS LIMITED	28,399,713	0.99%
20	JOBRAT PTY LTD	25,000,008	0.87%

3. Unquoted equity securities – Options & Performance Rights

Expiry Date	Number on issue	Number of holders
Options		
Unlisted 20 May 2027	10,467,500	4
Unlisted 4 December 2026	213,250,000	25
Unlisted 6 February 2027	16,000,000	2

4. Substantial holders
The number of shares held by substantial shareholders with a holding greater than 5% is set out below:

Shareholder	Number of Ordinary Shares Held	Percentage
SWAT7D PTY LTD	561,312,880	19.64%
CITICORP NOMINEES PTY LIMITED	401,901,830	14.06%

5. Unmarketable Parcels
The number of shareholders holding less than a marketable parcel is 1,207.

6. Voting Rights
There are no restrictions on voting rights attached to the ordinary shares on issue. On a show of hands, every member present in person shall have one vote and upon a poll, every member present in person or by proxy shall have one vote for every share held.

The options and performance rights have no voting rights.

7. Corporate Governance
The Company's Corporate Governance Statement can be found at: https://forestagroup.com.au/investors/

foresta

Corporate Directory

Board of Directors:	Mr Pai-Heng (Henry) Cheng Dr Maurizio (Maurice) Fabiani Mr Russell Wayne Allen
Company Secretary:	Ms Olga Smejkalova
Registered Office:	Level 3, 62 Lygon Street Carlton Victoria 3053 Australia
Principle Place of Business:	Level 14, 440 Collins Street Melbourne Victoria 3000 Australia
Auditors:	BDO AUDIT PTY LTD Level 18, 360 Queen Street Brisbane QLD 4000 Australia
Stock Exchange:	FORESTA GROUP HOLDINGS LIMITED (ASX: FGH) shares are listed on the Australian Securities Exchange (ASX)
Bankers:	WESTPAC BANKING CORPORATION 260 Queen Street Brisbane Queensland 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
Website:	www.forestagroup.com.au

FORESTA GROUP HOLDINGS LIMITED
ASX:FGH