



ASX RELEASE

6 October 2023

PLACEMENT TO RAISE \$2.333M TO ACCELERATE THE ROTORUA BIOMASS MANUFACTURING PROJECT

Foresta Group Holdings Limited (ASX: FGH, “Foresta” or the “Company”) is pleased to announce that it has received strong interest and firm commitments for a placement of new fully paid ordinary shares (“New Shares”) to raise \$2,332,510 million (before costs) (the “Placement”).

The total amount of the Placement was increased to accommodate for the additional demand.

Funds raised under the Placement will be applied to accelerate the torrefied “black” pellets and wood chemical manufacturing facility project in Rotorua New Zealand.

Funds raised under the Placement will also be applied to:

- The New Zealand Project Consents (budget set aside for obtaining necessary project consents in New Zealand);
- Foresta’s operation expenditure and general working capital including salaries, legal costs and offer costs;
- New Zealand project staff costs; and
- Project operation costs.

The Placement was offered at an issue price of \$0.013, representing an 18.75% discount to the last closing price of the Company’s shares on 28 September 2023 of \$0.016 per share and was supported by sophisticated and professional investors, existing shareholders, and directors and officers of the Company.

The Company will issue 179,423,850 New Shares, with investors receiving one (1) free attaching option for each New Share, exercisable at \$0.02 with a 2-year expiry (“New Option”).

Ray Mountfort, Managing Director Foresta Group Holdings, said:

“I welcome all new investors to Foresta and thank existing investors for their continued support. I am very pleased with the demand for this Placement. This funding enables us to obtain the necessary project consents in New Zealand and maintain the momentum of this tremendous opportunity.”

Details of the Placement

A total of 179,423,850 New Shares will be issued under the Placement at an issue price of \$0.013 per New Share.

The Placement will be undertaken in two tranches. 174,039,234 New Shares and 174,039,234 New Options will be issued under the Company’s existing capacity for new equity issuances under ASX Listing Rules 7.1 and 7.1A (Tranche 1). The Company will seek shareholder approval to refresh its 10% placement capacity under Listing Rule 7.1A and issue the remaining 5,384,616 New Shares and 5,384,616 New Options to the Directors who participate in the Placement (Tranche 2) following shareholder approval at the Company’s upcoming Annual General Meeting to be held on 28 November 2023.

SP Corporate Advisory Pty Ltd (ACN 669 429 092, CAR No. 001305640) (“Lead Manager”), corporate authorised representative of Viriathus Capital Pty Ltd (AFSL 297950), acted as sole Lead Manager and Bookrunner in respect of the Placement. Upon completion, the Company will pay the Lead Manager a management fee of 3% plus GST of all funds raised, except for the initial A\$1,000,000 raised by the Directors which will incur a fee of 1%, a placement fee of 3% plus GST of all funds raised, except for the initial A\$1,000,000 raised by the Directors which will incur a fee of 1%, and A\$7,500 plus GST for the establishment and execution of the DVP settlement function. The Company has also agreed to issue 8,000,000 New Options to the Lead Manager for the facilitation of the Placement.

Settlement of the New Shares and New Options under Tranche 1 is expected to occur on Friday, 13 October 2023, with the issue and trading of the New Shares and New Options expected to occur on Monday, 16 October 2023.

Settlement and issue of the New Shares and New Options under Tranche 2 is expected to occur in November 2023 following shareholder approval.

Indicative Timetable

Event	Date
Announcement of Placement and lodgement of Appendix 3B with ASX	Friday, 6 October 2023
Settlement of Tranche 1 New Shares and Options	Friday, 13 October 2023
Allotment of Tranche 1 New Shares and Options	Monday, 16 October 2023
Annual General Meeting to approve Tranche 2 Shares and Options to Directors	Tuesday, 28 November 2023
Settlement of Tranche 2 New Shares and Options	Wednesday, 29 November 2023
Allotment of Tranche 2 New Shares and Options	Thursday, 30 November 2023

The timetable is indicative only and remains subject to change at the Company's discretion, subject to compliance with applicable laws and the ASX Listing Rules. The Company reserves the right to change the timetable at any time before New Shares are issued, subject to regulatory requirements.

For further information regarding the Company, please visit the ASX platform (ASX: FGH).

For more information please contact:

Foresta Group Holdings Limited

Ray Mountfort

Managing Director

info@forestagroup.com.au

info@foresta.nz

AUTHORISATION STATEMENT

This release has been authorised to be given to the ASX by the Board of Foresta Group Holdings Limited.

ABOUT FORESTA GROUP HOLDINGS

Foresta is a leading natural and renewable pine chemical and biomass pellet manufacturing company. Foresta is positioning itself to become a leading global supplier of natural and renewable pine chemicals and biomass pellets. It has developed a proprietary process to naturally extract pine chemicals by employing the tree's own solvent chemicals to extract rosin and terpenes. These products are commonly used in industrial manufacturing and are a key input to everyday end products. These products include adhesives, gum, inks, paint, car tyres and perfume.