

Additional Information: Disposal of outdated chemical extraction equipment

Foresta Group Holdings Limited (ASX: FGH) ("Foresta" or the "Company") provides the following supplementary disclosures in relation to the agreement to dispose the outdated chemical extraction equipment, as previously announced on 26 August 2024:

- **Counterparty to the Contract:** Metal Solutions BOP Limited, a company incorporated in New Zealand.
- **Expected Completion Date:** The disposal is anticipated to be completed on or about 20 September 2024.
- **Use of Proceeds:** Whilst the amount to be received by the Company is not material, the Company confirms that all funds received from the disposal will be allocated to general working capital.
- **Material Conditions:** Metal Solutions BOP Limited must provide photographic and documented evidence that all specialised equipment related to the production of torrefied wood pellets and terpene chemical is destroyed, preventing any possibility of the equipment re-entering the market.

The chemical extraction equipment acquired by Foresta in May 2022 was dismantled and stored at sites in both Rotorua and Taupo, New Zealand.

For various operational reasons, the Company determined to relocate the equipment from Rotorua, however due to the poor condition of the equipment and associated safety concerns, and the significant cost to transport the equipment, following a thorough review, the Company decided to scrap the equipment stored at Rotorua.

In accordance with the Australian Accounting Standards and on the advice of the Company's auditors, the Company has recognised a full impairment of \$4.6 million, which is equal to the costs associated with acquiring, dismantling, and storing the equipment.

As the equipment in Rotorua is being scrapped, the Company is now in the process of obtaining quotes from local metal contractors to recycle the remaining equipment stored in Taupo. The Company will update the market accordingly upon acceptance of a quote.

For further information, please contact:

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AUTHORISATION STATEMENT

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

ABOUT FORESTA GROUP HOLDINGS

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



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