

## Quarterly Activities Report and Appendix 4C for Quarter Ending 30 September 2024

### Highlights

- Foresta's flagship project included in New Zealand Government's Fast-Track Approvals Bill
- Overseas Investment Office (OIO) approval and conditions of consent received

### Suspension of ASX Trading

We would like to address the recent suspension of Foresta's trading on the ASX. The Company is currently working with the auditor to finalise and lodge the 30 June 2024 Annual Report. We will issue an announcement as soon as more information becomes available.

### Government Approvals in Progress

We remain fully committed to turning our vision into reality. A project of this scale requires significant coordination, government approvals, and capital, and we are determined to make it happen.

A key positive development is the inclusion of Foresta's Flagship Project in the New Zealand Government's Fast-Track Approvals Bill. Our project has been ranked the number one initiative for the Bay of Plenty region and is one of 12 projects selected nationally. The second reading of the Bill is scheduled for November 2024. More detailed information on all the consents and approvals currently in process are outlined below.

### Project Update

This quarter, progress was made in laying the groundwork for our project. Partnerships with consultants were explored to establish a solid foundation for the design phase. Procurement was successfully concluded, resulting in the shortlisting of all major equipment suppliers. A key milestone achieved during this period was the approval of the Overseas Investment Office (OIO) consent, which will facilitate the investment in our project.

Key progress items:



## Consents and Approvals

- **Overseas Investment Office (OIO):** OIO approval and conditions of consent were received on 8 July 2024.
- **Earthworks consent:** Support letters from the three required Iwis were obtained to support our Earthworks consent application.
- **‘Fast-track Approvals’** to expedite the project’s consenting process. At the end of the quarter the application had been reviewed by the Advisory Group and passed on to the Ministers for them to issue a recommendation.

## Design and Engineering

- **Civil Engineering:** A fee proposal is being negotiated with the preferred supplier.
- **‘Contract Administrator’ and ‘Independent Certifier’:** Proposals were received and are in the process of being evaluated.
- **Balance of Plant design:** Work on the Request for Proposal (RFP) is progressing at 85%.
- **Procurement approach** for the whole project has been agreed with our preferred Main Contractor.

## Main Equipment

- **Pre-Wood Sizing:** Equipment suppliers have been shortlisted and equipment trials are being planned to ensure the selected equipment will be fit for purpose.
- **Torrefaction Plant:** The contract with the equipment supplier is almost complete, while the IP licence agreement is currently being negotiated.
- **Boiler:** The evaluation panel selected Vyncke as the preferred supplier due to their robust technology, effective communication and extensive global experience. The tender summary report was completed.
- **Extraction Plant:** The board made the decision to procure brand new extraction equipment and dispose of the existing equipment due to safety, insurance and warranty concerns. The equipment stored in Rotorua was disposed of in September 2024. A proposal for new equipment has been received and is being evaluated.

## Political Engagement

We continue to strengthen our relationships with key political figures. Recently, Henry Cheng, Chairman of Foresta Group Holdings, had the honour of attending a special event in Papamoa Beach, where he met with Prime Minister Rt Hon Christopher Luxon, local MP Tom Rutherford, and prominent local businesses..

Foresta is closely aligned with the government’s forestry and sustainability goals, including the ban on coal and the pursuit of net-zero emissions. This positions us as a key player in New Zealand’s economic and environmental future.



## Capital Raising Efforts

Our board and management remain actively engaged in capital-raising discussions with interested parties. We expect a mix of debt and equity to fund the next phases of the project.

## Insurance

The Group has continued to work with claims preparations experts in order to finalise its property damages claim in relation to the fire at the Apple Tree Creek in November 2021. On 3 October 2024, the Company received an interim payout in the amount of \$800,000 from Howden Insurance Brokers as a partial payment in relation to its ongoing insurance claim in connection with assets damaged in the Apple Tree Creek incident.

## Financials

Payments to related parties include compensation paid to Directors for services performed and executive consulting fees for Directors providing executive consulting services to the Board, which were \$93,000 for the quarter.

Foresta Group Holdings Limited had a cash balance of \$131,000, as at 30 September 2024.

## Foresta Group Holdings Limited

### Henry Cheng

*Executive Chairman*

[h.cheng@forestagroup.com.au](mailto:h.cheng@forestagroup.com.au)

## AUTHORISATION STATEMENT

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

## ABOUT FORESTA GROUP HOLDINGS

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



## Appendix 4C

### Quarterly cash flow report for entities subject to Listing Rule 4.7B

**Name of entity**

FORESTA GROUP HOLDINGS LIMITED

**ABN**

18 074 969 056

**Quarter ended ("current quarter")**

30 September 2024

<b>Consolidated statement of cash flows</b>	<b>Current quarter \$A'000</b>	<b>Year to date (3 months) \$A'000</b>
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) research and development	-	-
(b) product manufacturing and operating costs	(12)	(12)
(c) advertising and marketing	(1)	(1)
(d) leased assets	-	-
(e) staff costs	(429)	(429)
(f) administration and corporate costs	(226)	(226)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	-	-
1.5 Interest and other costs of finance paid	(27)	(27)
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	-
1.8 Other (provide details if material)	-	-
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(695)</b>	<b>(695)</b>
<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) businesses	-	-
(c) property, plant and equipment	(42)	(42)

<b>Consolidated statement of cash flows</b>	<b>Current quarter \$A'000</b>	<b>Year to date (3 months) \$A'000</b>
(d) investments	-	-
(e) intellectual property	-	-
(f) other non-current assets	-	-
<b>2.2</b> Proceeds from disposal of:		
(a) entities	-	-
(b) businesses	-	-
(c) property, plant and equipment	184	184
(d) investments	-	-
(e) intellectual property	-	-
(f) other non-current assets	-	-
<b>2.3</b> Cash flows from loans to other entities	-	-
<b>2.4</b> Dividends received (see note 3)	-	-
<b>2.5</b> Other - Proceeds received on acquisition of Essential Queensland Pty Ltd	-	-
<b>2.6</b> <b>Net cash from / (used in) investing activities</b>	<b>142</b>	<b>142</b>

<b>3. Cash flows from financing activities</b>		
3.1 Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
3.2 Proceeds from issue of convertible debt securities	575	575
3.3 Proceeds from exercise of options	-	-
3.4 Transaction costs related to issues of equity securities or convertible debt securities	-	-
3.5 Proceeds from borrowings	-	-
3.6 Repayment of borrowings	-	-
3.7 Transaction costs related to loans and borrowings	-	-
3.8 Dividends paid	-	-
3.9 Other (principal portion of finance leases)	(65)	(65)
<b>3.10</b> <b>Net cash from / (used in) financing activities</b>	<b>510</b>	<b>510</b>

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
<b>4.</b>	<b>Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1	Cash and cash equivalents at beginning of period	186	186
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(695)	(695)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	142	142
4.4	Net cash from / (used in) financing activities (item 3.10 above)	510	510
4.5	Effect of movement in exchange rates on cash held	(12)	(12)
<b>4.6</b>	<b>Cash and cash equivalents at end of period</b>	<b>131</b>	<b>131</b>

<b>5.</b>	<b>Reconciliation of cash and cash equivalents</b> at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	131	186
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
<b>5.5</b>	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>131</b>	<b>186</b>

<b>6.</b>	<b>Payments to related parties of the entity and their associates</b>	Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	93
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-

*Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.*

6.1 Payments to related parties, including fees paid to directors and the CEO's cost of payroll, were \$93,000. Foresta Group Holdings Limited has a cash balance of \$131,000 as at 30 September 2024. Items included in item 6.1 include: Director's fees – Compensation paid to Directors for services performed. Director's fee for the quarter excludes bonuses and other forms of compensation. Executive consulting fees – Fees paid to Directors providing executive consulting services to the Board



<p><b>7. Financing facilities</b>  <i>Note: the term 'facility' includes all forms of financing arrangements available to the entity.</i>  <i>Add notes as necessary for an understanding of the sources of finance available to the entity.</i></p>	<p><b>Total facility amount at quarter end \$A'000</b></p>	<p><b>Amount drawn at quarter end \$A'000</b></p>																								
7.1 Loan facilities	28	28																								
7.2 Credit standby arrangements	-	-																								
7.3 Other (convertible notes)	575	575																								
<b>7.4 Total financing facilities</b>	<b>603</b>	<b>603</b>																								
<b>7.5 Unused financing facilities available at quarter end</b>		<b>0</b>																								
<p>7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.</p>																										
<p>7.1 The Company has short-term borrowing facilities on insurance premiums, being:</p> <table border="1"> <thead> <tr> <th>Facility supplier</th> <th>BOQ Finance – Insurance Premium Funding</th> <th>BOQ Finance – Insurance Premium Funding</th> <th>BOQ Finance – Insurance Premium Funding</th> </tr> </thead> <tbody> <tr> <td>Principle amount</td> <td style="text-align: center;">14,053</td> <td style="text-align: center;">42,763</td> <td style="text-align: center;">15,641</td> </tr> <tr> <td>Monthly repayments</td> <td style="text-align: center;">1,257</td> <td style="text-align: center;">3,798</td> <td style="text-align: center;">1,392</td> </tr> <tr> <td>Interest</td> <td style="text-align: center;">17.85%</td> <td style="text-align: center;">11.94%</td> <td style="text-align: center;">14.57%</td> </tr> <tr> <td>Term</td> <td style="text-align: center;">12 months – ending 31 January 2025</td> <td style="text-align: center;">12 months – ending 25 December 2024</td> <td style="text-align: center;">12 months – ending 30 May 2025</td> </tr> <tr> <td>Balance at 30 Sep 2024</td> <td style="text-align: center;">6,016</td> <td style="text-align: center;">11,172</td> <td style="text-align: center;">10,655</td> </tr> </tbody> </table>			Facility supplier	BOQ Finance – Insurance Premium Funding	BOQ Finance – Insurance Premium Funding	BOQ Finance – Insurance Premium Funding	Principle amount	14,053	42,763	15,641	Monthly repayments	1,257	3,798	1,392	Interest	17.85%	11.94%	14.57%	Term	12 months – ending 31 January 2025	12 months – ending 25 December 2024	12 months – ending 30 May 2025	Balance at 30 Sep 2024	6,016	11,172	10,655
Facility supplier	BOQ Finance – Insurance Premium Funding	BOQ Finance – Insurance Premium Funding	BOQ Finance – Insurance Premium Funding																							
Principle amount	14,053	42,763	15,641																							
Monthly repayments	1,257	3,798	1,392																							
Interest	17.85%	11.94%	14.57%																							
Term	12 months – ending 31 January 2025	12 months – ending 25 December 2024	12 months – ending 30 May 2025																							
Balance at 30 Sep 2024	6,016	11,172	10,655																							
<p>7.3 The Company has entered into the following convertible notes.</p> <table border="1"> <thead> <tr> <th></th> <th>Convertible Note 1</th> <th>Convertible Note 2</th> </tr> </thead> <tbody> <tr> <td>Principal amount</td> <td style="text-align: center;">\$500,000</td> <td style="text-align: center;">\$75,000</td> </tr> <tr> <td>Issue date</td> <td style="text-align: center;">31 July 2024</td> <td style="text-align: center;">12 September 2024</td> </tr> <tr> <td>Monthly repayments</td> <td style="text-align: center;">Nil</td> <td style="text-align: center;">Nil</td> </tr> <tr> <td>Interest</td> <td style="text-align: center;">10% per annum capitalised annually and payable on conversion or redemption</td> <td style="text-align: center;">10% per annum capitalised annually and payable on conversion or redemption</td> </tr> <tr> <td>Maturity Date</td> <td style="text-align: center;">Earlier of completion of a further capital raising or 31 July 2025</td> <td style="text-align: center;">12 September 2027</td> </tr> </tbody> </table>				Convertible Note 1	Convertible Note 2	Principal amount	\$500,000	\$75,000	Issue date	31 July 2024	12 September 2024	Monthly repayments	Nil	Nil	Interest	10% per annum capitalised annually and payable on conversion or redemption	10% per annum capitalised annually and payable on conversion or redemption	Maturity Date	Earlier of completion of a further capital raising or 31 July 2025	12 September 2027						
	Convertible Note 1	Convertible Note 2																								
Principal amount	\$500,000	\$75,000																								
Issue date	31 July 2024	12 September 2024																								
Monthly repayments	Nil	Nil																								
Interest	10% per annum capitalised annually and payable on conversion or redemption	10% per annum capitalised annually and payable on conversion or redemption																								
Maturity Date	Earlier of completion of a further capital raising or 31 July 2025	12 September 2027																								



Security	None	Against all present and after acquired property of the Company.
Conversion	The convertible notes can be converted, subject to shareholder approval, at the sole discretion of the subscriber. The conversion price is \$0.01 per share and the subscriber will receive one free attaching unlisted option exercisable at \$0.02 on the date that is one year from the date of issue.	The convertible notes can be converted at the sole discretion of the subscriber. The conversion price is \$0.01 per share and the subscriber will receive one free attaching unlisted option exercisable at \$0.02 on the date that is one year from the date of issue.
Balance at 30 Sep 2024	\$500,000	\$75,000

<b>8. Estimated cash available for future operating activities</b>	<b>\$A'000</b>
8.1 Net cash from / (used in) operating activities (item 1.9)	(695)
8.2 Cash and cash equivalents at quarter end (item 4.6)	131
8.3 Unused finance facilities available at quarter end (item 7.5)	-
8.4 Total available funding (item 8.2 + item 8.3)	131
8.5 <b>Estimated quarters of funding available (item 8.4 divided by item 8.1)</b>	0.19
<i>Note: if the entity has reported positive net operating cash flows in item 1.9, answer item 8.5 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.5.</i>	
8.6 If item 8.5 is less than 2 quarters, please provide answers to the following questions:	
8.6.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
Answer: No, the Managing Director resigned effective 12 July 2024. During the current quarter the Board has implemented a number of initiatives to reduce operating costs and will continue this process through the Dec 2024 quarter.	
8.6.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
Answer: Yes, as announced on 3 October 2024 the Company received a partial payment of \$800,000 from insurers in relation to the incident at Apple Tree Creek site and will continue negotiations during the December 2024 quarter for the remaining balance. In addition, the Company is continuing discussions with potential investors regarding a further capital raising.	





8.6.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer: Yes, the Company expects it will have sufficient funds to continue operations in the short term through the points detailed in 8.6.1 and 8.6.2 above.

*Note: where item 8.5 is less than 2 quarters, all of questions 8.6.1, 8.6.2 and 8.6.3 above must be answered.*

## Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: 30 October 2024.....

Authorised by: By the Board.....

(Name of body or officer authorising release – see note 4)

## Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.

