

# Quarterly shareholder update

5 July 2021



**Paul Latham, CEO**  
Fern Trading Limited.

## About Fern Trading

Fern is the parent company of a large trading group made up of nearly 300 companies. Its business is currently focused on four core sectors: renewable energy generation, specialist property lending, healthcare infrastructure and fibre broadband.

## An update on Fern

Fern had an active quarter, during which it made a number of acquisitions that added new businesses to several of its divisions and grew its lending business. Its existing businesses performed well, in line with expectations. You can read about some of the recent highlights below.



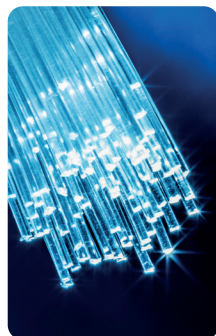
### Renewables

Fern's renewable biomass business, Melton Renewable Energy, completed the acquisition of a new site based in East Anglia, Snetterton biomass. The site disposes of straw sourced from the farms within the local area and produces enough renewable energy to power 82,000 homes. This saves 300,000 tons of CO2 a year, equivalent to using 16 million litres of petrol.



### Property

Fern's property division maintained its strong performance over the quarter, as activity and confidence across the sector continued its upward trajectory. Fern had a busy period, issuing 49 new loans, totaling £39.5 million. Our lending criteria remains conservative, and we continue to watch the market closely, however my outlook for the next 12 months is positive.



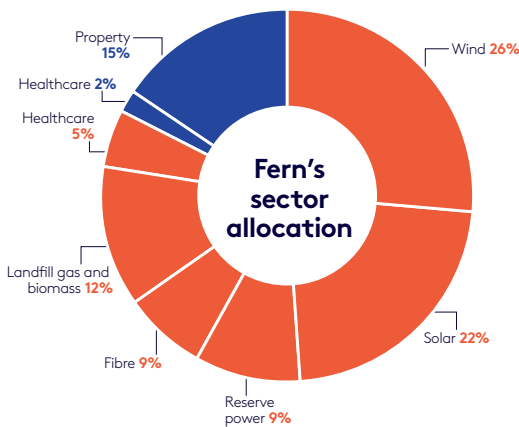
### Fibre networks

Fern added two new companies to its fibre division, taking the total to five. One company, Giganet, is developing a fibre network in the South of England. While the other, VitriFi, is building software for all of Fern's fibre businesses, adding diversification to this division of Fern. They also generate a competitive advantage, as each company can learn from each other and collaborate when appropriate.



### Healthcare

Fern's two private hospitals have been providing overflow capacity to the NHS throughout the pandemic and are expected to do this for at least the remainder of this year.



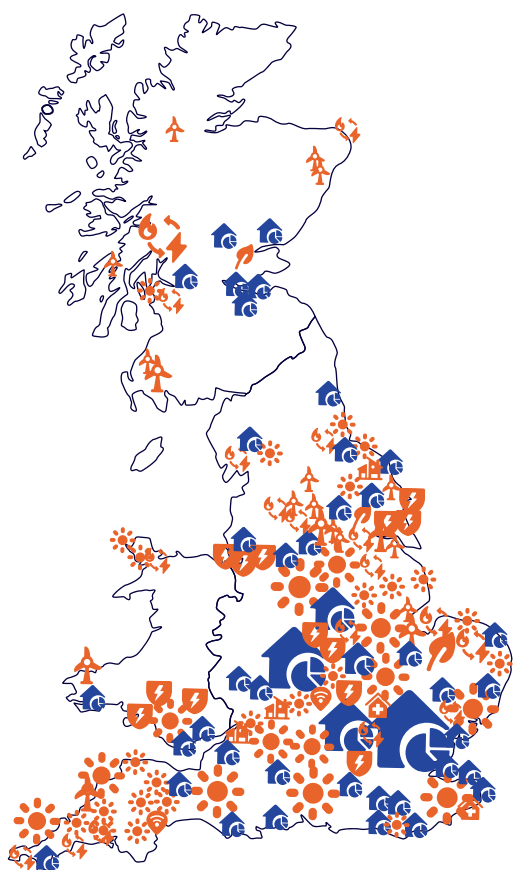
**83% - Owning and operating assets**

**17% - Lending**

\*The chart above details Fern's business as at 30 June 2021. This will change over time and could include sectors not currently shown here.

# Fern in focus

Fern is a £2.4 billion trading group that operates in sectors where it has extensive experience. The group comprises nearly 300 subsidiary companies with its business split across four core sectors and 377 assets.



## Key

### Owning and operating assets

- |  |  |
|--|--|
|  150 solar farms worldwide |  19 reserve power sites       |
|  20 wind farms             |  5 fibre broadband businesses |
|  19 landfill gas sites     |  2 hospitals                  |
|  6 biomass sites           |  3 retirement villages        |

### Lending

- |  |  |
|--|--|
|  151 short-term property loans |  2 loans to retirement villages |
|--|--|

## Spotlight on Fern's business: Beinneun Wind Farm



Beinneun wind farm, located in the Scottish Highlands, produces 85,000 kW of power across its 25 turbines.

As part of the community benefit scheme agreed during the planning permission process, Beinneun wind farm helps fund local social and environmental initiatives. The latest project, the Glengarry Community Woodlands Eco-Tourist Development Project, constructed holiday accommodation for visitors to the community owned woodland in Invergarry. Tourism is a key source of revenue for Glengarry Community Woodlands.

This project will sustain existing jobs, create new jobs, and help continue to deliver the benefits that the community purchased the woodland for. It will also attract more visitors to the area, which will benefit other local businesses.

**The value of an investment in Fern, and any income from it, can fall as well as rise. Investors may not get back the full amount they invest. You can find out more about Fern at [ferntrading.com](https://www.ferntrading.com).**

**0800 316 2295 | [investorsupport@octopusinvestments.com](mailto:investorsupport@octopusinvestments.com) | [octopusinvestments.com](https://www.octopusinvestments.com)**