

Quarterly shareholder update

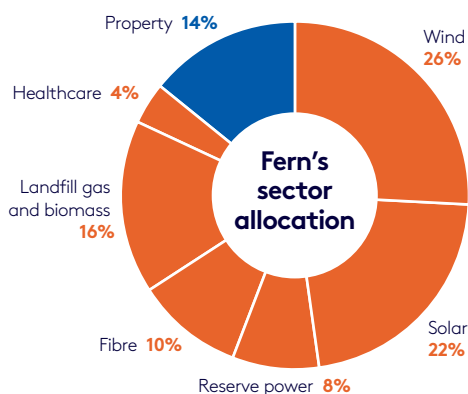
5 January 2022



**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.



86% - Owning and operating assets

14% - Lending

*The chart above details Fern's business as at 31 December 2021. This will change over time and could include sectors not currently shown here.

An update on Fern

Throughout the quarter, Fern's four divisions have continued to perform well. Fern has been working on several construction projects across the group, as well as continuing to grow its lending business. You can read about some of the highlights below.



Renewables

Fern began construction of its first 'energy from waste' plant based in Irvine, West Scotland. The site will take just under two years to construct and once complete will generate renewable energy, equivalent of taking 3,000 cars off the road for a year. Scotland introduced a law banning landfill sites from 2025, creating demand in this sector and a growing opportunity for Fern.



Property

Fern's property division continued to grow in line with our targets as we bring the overall size of the division back in line with pre-pandemic levels. During the quarter Fern issued 29 new loans, totalling £48.4 million. Our lending criteria remains conservative and the average loan-to-value across all the loans is 63.1%. We continue to watch the market closely but our outlook is positive.



Fibre networks

Construction of Fern's fibre networks continues at good pace. Jurassic, Swish and Giganet are developing networks in the South West and Home Counties. Each company has been supported by the increasing demand for reliable and quick internet access brought on due the now normal working from home patterns, each adding thousands of new customers each month. The demand for fibre will continue to increase over the next few years and Fern is well placed to capitalise on the opportunity.

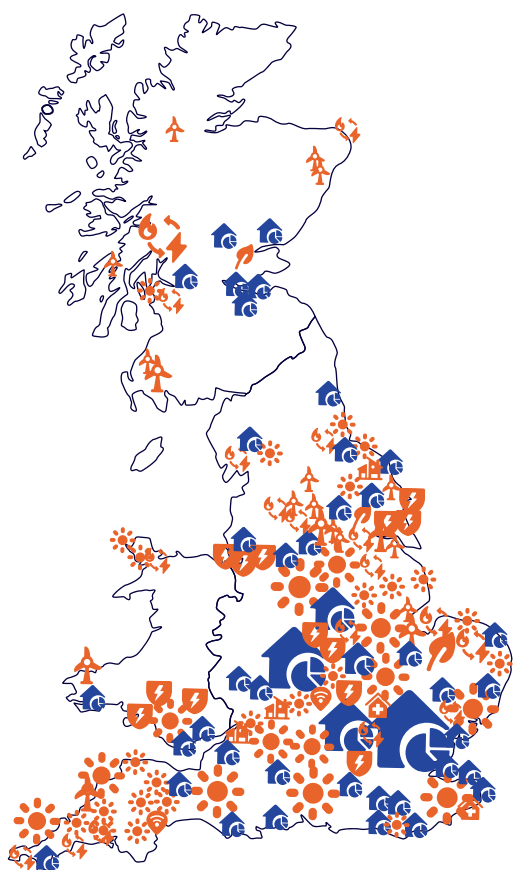


Healthcare

One Healthcare, Fern's private hospital developer, completed its overflow support contract with the NHS. The two hospitals One Healthcare owns had been providing overflow capacity throughout the pandemic for non-critical procedures. The hospitals are now back to operating a full private service with good levels of capacity being utilised.

Fern in focus

Fern is a £2.6 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 379 assets.



Key

Owning and operating assets

- | | |
|--|--|
|  149 solar farms worldwide |  26 reserve power sites |
|  19 wind farms |  5 fibre broadband businesses |
|  19 landfill gas sites |  2 hospitals |
|  6 biomass sites |  4 retirement villages |
| |  1 energy from waste plant |

Lending

-  149 short-term property loans

Spotlight on Fern's business: Jurassic Fibre



Jurassic Fibre is based in Exeter and was acquired by Fern in February 2019. It plans to roll out full fibre to more than 360,000 residential and business premises across Devon, Dorset and Somerset.

Jurassic Fibre was founded by a team who had successfully developed the full fibre network in the Caribbean. The team wanted to bring high quality internet access and connectivity to communities in the UK.

From its head office in Exeter, Jurassic employs around 300 local people and is growing rapidly. Its network is now live in eleven towns across Devon, Dorset and Somerset. Building continues at pace to reach the target 360,000 properties passed over the next couple of years.

While the core focus of the business is to deliver ultrafast connectivity to as many residential and business customers in the area, Jurassic has recently set itself some ambitious environmental targets. Working alongside energy-saving consultancy Balanced Energy, Jurassic has mapped out a series of green goals to reduce the company's carbon emissions by 50% before 2030 as part of their pledge to become completely Net Zero by 2050. This includes using electric vehicles, ensuring all gas and electric supply contracts are from renewable and low-carbon sources, and onsite generation through solar panels.

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).

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