

Quarterly shareholder update

5 October 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's four divisions all continued to perform well throughout the quarter. Fern completed a number of acquisitions and began several new projects across the group, as well as continuing to grow its lending business. You can read about some of the highlights below.



Renewables

Fern completed the acquisition of nine reserve power plants, adding to the 17 existing plants it already owned. Reserve power plants provide support to the National Grid at times of high demand by giving them a boost of short-term supply. They complement Fern's much larger renewable energy assets as they are typically called upon when energy generation from renewable sources is lower, therefore balancing out Fern's overall output.



Property

Fern 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 33 new loans, totaling £33.4 million. Our lending criteria remains conservative and the average loan-to-value across all the loans is 61.7%. We continue to watch the market closely but our outlook is positive.



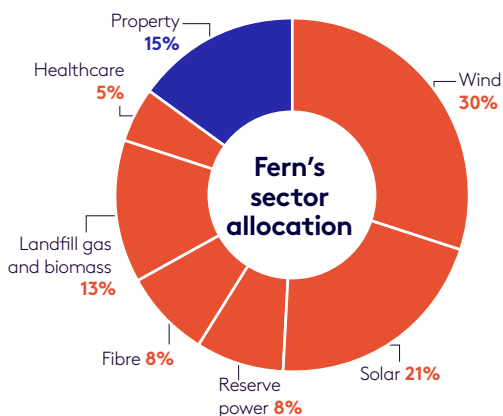
Fibre networks

Fern's fibre division owns five fibre companies. This includes Jurassic, Swish and Giganet, which are developing networks in underserved regions of the UK. While Vorboss specialises in supplying fibre to large businesses in London, and VitriFi is building a software operating platform for Fern's fibre companies. Fern's fibre companies are performing well, and meeting development milestones set by Fern's board.



Healthcare

Fern's retirement village operator, Rangeford, began construction of its fourth retirement village in Chertsey, Surrey. Rangeford develops high quality retirement communities that typically have 150 residents at each location. Each villages offers amenities such as coffee shop, pool, gym, cinema and much more.



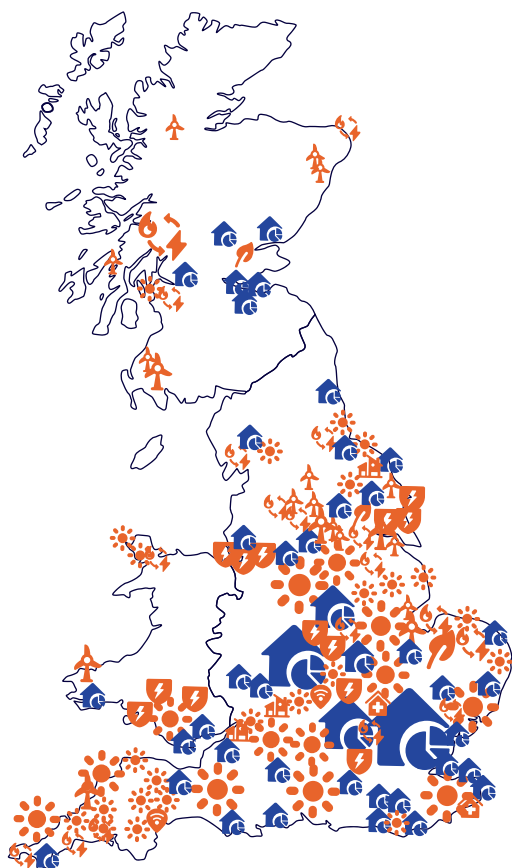
85% - Owning and operating assets

15% - Lending

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


Fern in focus

Fern is a £2.5 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 382 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 |

Lending

-  152 short-term property loans

Spotlight on Fern's business: reserve power



Electricity is a critical utility. That's why in times of unusually high demand, it's important that the UK can meet that need.

That's where reserve power plants come in. Fern owns and operates 19 reserve power plants. These help to meet spikes in demand which cannot otherwise be met by the grid. As a result, the sites command a much higher price per unit of energy generated.

One such site is Wharf, a 16-megawatt reserve power plant located in Merseyside. Wharf can begin producing electricity within seven minutes of receiving a signal to start generating, meaning it can quickly respond to sudden demand in the electricity market.

In the last twelve months alone, the site has generated energy sufficient to power 5000 homes.

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.

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