



FORESIGHT SUSTAINABLE FORESTRY COMPANY PLC

Quarterly Factsheet | 30 September 2023



98.4p

NAV per share (30 Sep 2023)



0.3%

NAV return (since 30 Sep 2022)



£169.2m

Fund NAV (30 Sep 2023)



CPI +5%

Target total return p.a over 5 years

Foresight Sustainable Forestry Company Plc (“FSF”, “the Company”) is the first and only UK listed investment trust focused on UK forestry, afforestation and natural capital. It provides investors the opportunity for real returns from growing assets that combat climate change and protect biodiversity.

INVESTMENT OBJECTIVES

- Real returns, capital appreciation and supply of UK timber
- Value creation through afforestation opportunities
- Combat climate change and protect biodiversity
- Rare access to high-integrity voluntary carbon credits

COMPANY DETAILS

Company Name	Foresight Sustainable Forestry Company Plc
Listing and Domicile	UK domiciled investment trust, trading on the London Stock Exchange's Main Market, Premium Segment of the Official List (Ticker, FSF.L)
Launch Date	24 November 2021
Investment Manager	Foresight Group LLP
NAV	£169.2 million
Ave. share price discount to NAV (between IPO and 30/09/2023)	0.17%
Annual Management Charge	0.85% of NAV up to £500 million and 0.75% of NAV in excess of £500 million. No performance or deal fees
Ongoing Charges (OCR)	1.46% of current NAV
ISIN	GB00BMDPKM71
SEDOL	BMDPKM7
Denomination	GBP
Year End	30 September
Annual Report Published	December
Interim Report Published	June

MANAGEMENT COMMENTARY

Manager Update

During the year, the Company's Net Asset Value (“NAV”) declined by £11.4 million to £169.2 million (30 September 2022: £180.6 million).

The Company recorded a NAV per Ordinary Share of 98.4 pence (30 September 2022: 105.0 pence), a reduction of 6.3% for the year. The key driver of the reduction in NAV per share has been the decline in land values, which was impacted by a significant reduction of comparable transactions observed by FSF's independent valuer in the nine months to 30 September 2023.

The trajectory of the Company's afforestation programmes remains strong. The first six afforestation properties have delivered a pleasing 66% unrealised net returns to date. FSF is targeting to plant approximately a further 4,500 Afforestation Forest Area Hectares by Spring 2025. These ambitions for the Company present a significant future NAV uplift opportunity, if the schemes deliver similar returns to those seen across the existing afforestation development projects.

We have observed a relatively less buoyant UK forestry and agricultural land investment market. Despite the challenging macroeconomic conditions, FSF acquired 18 new properties growing the total to 68 and increasing the portfolio area to approximately 12,545 hectares. These purchases have increased the portfolio's afforestation allocation to 45% (by value), and have substantially completed FSF's acquisition of land in preparation for its 2024 and 2025 planting programmes.

Portfolio and operational update

A key highlight during the year has been the planting of approximately 950,000 trees at four of our afforestation schemes bringing the total number of trees planted since FSF's inception to c.1.4 million across six properties. The addition of the carbon credits from the four afforestation schemes coupled with strong carbon credit pricing growth over the period resulted in the value ascribed towards creation of carbon credits increasing to £2.7 million (up from £0.6m at the previous year end) from 0.14 million credits. Once the Company's current afforestation schemes have been planted, FSF is targeting to have 1.0 to 1.2 million Pending Issuance Units validated by the Woodland Carbon Code in aggregate across the whole portfolio. During the year, the Company's portfolio in aggregate sequestered 35,081 tCO₂e increasing the total to 63,954 tCO₂e since IPO. As the Company's operations grow, we look forward to incremental increases in the portfolio's sequestration.

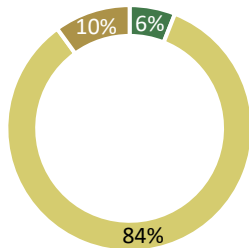
Carbon credits and the Woodland Carbon Code (“WCC”)

During the period the GBP per tonne value of the Company's carbon increased by 12% with a good market backdrop. Buyer preferences shifted away from avoided deforestation (REDD+) voluntary carbons towards higher-integrity Nature Restoration credits, the sort of WCC credits that FSF creates with its afforestation schemes. The Manager is positive about the trajectory of carbon markets.

ASSET BREAKDOWN AS AT 30 SEPTEMBER 2023

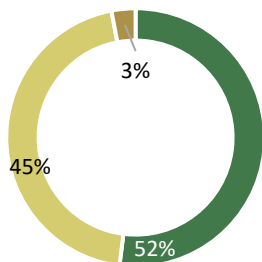
Geographic split by area

- England
- Scotland
- Wales

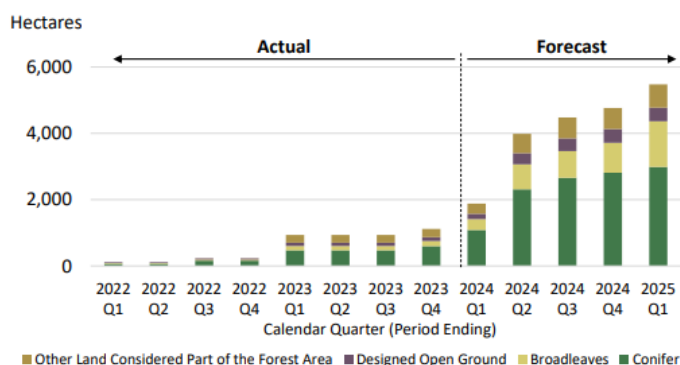


Property types

- Forestry
- Afforestation
- Non core



PLANTING PROGRAMME AS AT 30 SEPTEMBER 2023



- FSF's current afforestation portfolio, once fully planted, is equivalent to over one third of the total area planted across the UK in the year to 31 March 2023.
- Approximately 2,700 hectares of Forest Area will have completed the Development and Planting Stages and entered the Establishment Stage by the next valuation cycle.

To register for updates and find more information about FSF, please visit our [Website](#) or contact fsfc@foresightgroup.eu

MEET THE FUND MANAGERS



Richard Kelly

Richard joined Foresight in 2015 and is a Managing Director focused on sustainable real estate and natural capital. He has over 16 years' experience in finance, of which five years are in Forestry. He is the co-founder of Foresight's forestry team.



Robert Guest

Robert joined Foresight in 2015 and is a Managing Director focused on sustainable real estate and natural capital. He has over 16 years' experience in finance, of which five years are in Forestry. He is the co-founder of Foresight's forestry team.

PUBLICATIONS AND EVENTS

To join us at our 2024 Investor Day at the Fordie Estate in Scotland, please click [here](#).

To read FSF's Annual Results for the year ended 30 September 2023, please click [here](#).

FORESIGHT GROUP HOLDINGS LIMITED

Foresight Group was founded in 1984 and is a leading listed infrastructure and private equity investment manager. With a long-established focus on ESG and sustainability-led strategies, it aims to provide attractive returns to its institutional and private investors from hard-to-access private markets. Foresight manages over 400 infrastructure assets with a focus on solar and onshore wind assets, bioenergy and waste, as well as renewable energy enabling projects, energy efficiency management solutions, social and core infrastructure projects and sustainable forestry assets. Its private equity team manages an extensive footprint of regionally focused investment funds across the UK and Ireland. This team reviews over 3,000 business plans each year and currently supports more than 250 investments in SMEs. Foresight Capital Management manages four strategies across seven investment vehicles.

Foresight operates in eight countries across Europe, Australia and United States with AUM of £12.2 billion*. Foresight Group Holdings Limited listed on the Main Market of the London Stock Exchange in February 2021 and is a constituent of the FTSE250 index. <https://www.foresightgroup.eu/shareholders>

*Based on unaudited AUM as at 30 September 2023.

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