



FORESIGHT SUSTAINABLE FORESTRY COMPANY PLC

Quarterly Factsheet | 31 March 2023



108.5p

NAV per share (31 Mar 2023)



3.3%

NAV return (since 30 Sep 2022)



£186.6m

Fund NAV (31 Mar 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	£186.6 million
Share price discount to NAV (between IPO and 31/03/2023)	0.46%
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)	1.4% 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

The six months to 31 March have been a good period for the Company, against a backdrop of rapidly rising inflation and wider market volatility. During the period, the Company's Net Asset Value (“NAV”) has increased to £186.6 million (30 September 2022: £180.6 million), resulting in a NAV per Ordinary Share of

108.5 pence, up 3.5 pence from 105.0 pence at 30 September 2022. Gains have predominantly been driven by the upwards revaluation of FSF's properties (+5.1p) and carbon credit recognition (+1.1p). Key valuation drivers include mark-to-market valuation gains, the securing of planning permission and completion of planting. This uplift is evidence that the investment market for forestry assets has remained resilient.

FSF acquired 15 properties in the period, growing the total to 65 and increasing the portfolio area to 11,743 hectares. Of these, 53% are established forestry properties, 43% are afforestation properties and 4% are mixed properties (by value).

Portfolio and operational update

FSF remains focused on acquiring high-quality forestry and afforestation properties. Our carefully designed woodland creation schemes will make an important contribution to the removal of carbon from the atmosphere and increase the supply of sustainable home-grown UK timber for future generations.

During the period, FSF successfully completed planting at four properties, with c.955,000 trees planted. This represents a significant milestone in our development and is a main driver of the capital appreciation detailed above.

The designs incorporate c.7,500 newly planted rare and endangered tree species, with the majority being Black poplars and Holm oaks.

These four properties are forecast to produce an estimated 190,500 tonnes of sustainable timber for each c.35-40-year rotation while also sequestering 126,000 tonnes of additional CO₂.

Carbon credits

Following the completion of planting that took place during the period, FSF has recognised an additional £1.9 million of value ascribed to the creation of c.107,500 voluntary carbon credits relating to those schemes. This is part of a series of development activities which is estimated to see the creation of c.1,000,000 voluntary carbon credits from FSF's current portfolio.

Sustainability and ESG Report

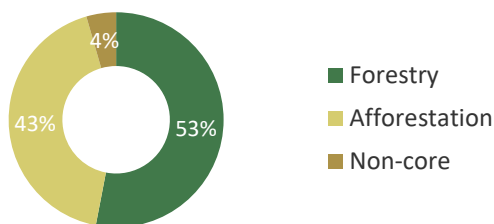
Last month, we published our first dedicated Sustainability and ESG Report (“S&ESG report”). The report introduces the Company's three Key Sustainability and ESG Objectives which flow down into the rest of the S&ESG reporting structure and showcases measures taken by the Company to engage with local communities, increase carbon sequestration and increase the supply of UK-grown sustainable timber from its portfolio. The report is on the Company website – web link below.

<https://media.umbraco.io/foresight/ar0gzg2h/sustainability-and-esg-report-2022.pdf>

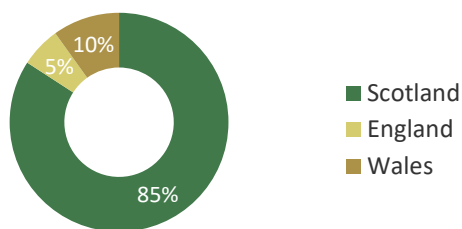


ASSET BREAKDOWN AS AT 31 MARCH 2023

Asset class (by value)



By domicile



PORTFOLIO OVERVIEW AS AT 31 MARCH 2023

Asset Classification	Hectares
Development Stage Afforestation Assets ¹	3,430
Planting Stage Afforestation Assets ¹	-
Establishment Stage Afforestation Assets ¹	690
Established Forest Assets ¹	5,772
Other Land ²	1,851
Total	11,743

Development Stage Afforestation Assets - Land prior to the securing of planning permission and grant application.

Planting Stage Afforestation Assets - Planning permission and grant application completed but initial planting of trees not yet completed.

Establishment Stage Afforestation Assets- Initial planting of site completed but trees establishing and stabilising (typically a 3–5 year period).

Established Forests Assets - Trees stabilised and established.

¹ Hectares within woodland creation scheme boundary or managed forest area boundary.

² Hectares not within woodland creation scheme boundary or managed forest boundary. This Other Land is held as part of the core Forestry Assets allocation and can accompany both Afforestation and Established Forest Assets.



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 and new products. He is the co-manager 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 and project development. He is the co-manager of Foresight's forestry team.

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 350 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 eleven regionally focused investment funds across the UK and an SME impact fund supporting Irish SMEs. This team reviews over 2,500 business plans each year and currently supports more than 250 investments in SMEs. Foresight Capital Management manages four strategies across seven investment vehicles with an AUM of £1.3 billion. 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 in February 2021.

<https://www.foresightgroup.eu/shareholders>

*Based on Foresight Group unaudited AUM as at 31 March 2023

SUSTAINABILITY AND ESG CREDENTIALS



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

Important Notice Foresight Sustainable Forestry Company Plc incorporated and registered in England and Wales with registered number 13594181. Registered Office: Foresight Group, The Shard, 32 London Bridge Street, London, SE1 9SG. This document has been issued and approved by Foresight Group LLP, which is authorised and regulated by the Financial Conduct Authority. This document is intended for information purposes only and does not create any legally binding obligations on the part of Foresight Group LLP. Without limitation, this document does not constitute an offer, an invitation to offer or a recommendation to enter into any transaction. We recommend that you seek advice from your own tax and legal advisers in making this assessment. The information contained in this document is based on material we believe to be reliable. However, we do not represent that it is accurate, current, complete or error free. Assumptions, estimates and opinions contained in this document constitute our judgement as of the date of the document and are subject to change without notice. Past performance is not a guarantee of future results. The distribution of this document and availability of this product in certain jurisdictions may be restricted by law. You may not distribute this document, in whole or in part, without our express written permission.