

**LETTER FROM THE CHAIRMAN  
THE FOREST COMPANY LIMITED**

*(incorporated in Guernsey under the Companies (Guernsey Laws 1994 to 1996, as amended, with registered number 47338 and organised under the Companies (Guernsey) Law, 2008)*

*Directors:*  
Rainer Häggblom (Chairman)  
Jukka Reijonen  
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22 November 2021

Dear Shareholder

Further to the letter from the Board sent to Shareholders on 28<sup>th</sup> May 2021, together with the accompanying Form of Election, the Election Deadline has now expired and the Board is therefore writing to Shareholders to inform them about the results of the election process.

Following the completion of the election process, Shareholders holding 73.6 per cent. of the Company's issued share capital have elected for "Realise Now", Shareholders holding 2.2 per cent. of the Company's issued shares elected for "Realise Later" and 24.2 per cent of the Company's issued shares are being deemed to have elected for "Realise Later".

The Board recognises the strong election in favour of "Realise Now" and, as outlined in the Board's previous letter, the Board has now appointed Stifel Nicolaus Europe Limited ("**Stifel**"), an appropriately qualified independent financial firm with specialist expertise in the forestry sector, to assist the Company in exploring all means of achieving the highest possible value for Shareholders, as efficiently and as promptly as possible. All options in this regard remain in consideration and, without indicating any preference for or greater likelihood of this outcome, the Company is mindful that these options include a possible sale of the Company.

The Company is subject to the UK Takeover Code (the "**Code**") which provides an orderly framework to ensure that Shareholders are treated fairly and afforded equivalent treatment in situations such as this. The Board is being advised by Stifel in relation to the Company's obligations under the Code.

Rule 2.2(f) of the Code provides that an announcement is required should a buyer be sought for 30 per cent. or more of its shares and where confidentiality for such a process cannot be assured. The Board wishes to maintain an open and constructive dialogue with Shareholders and, as a consequence of writing this letter to you, the process is no longer confidential. It is for that reason that the Company has today issued the announcement ("**Announcement**") attached to this letter.

You will note that the Board has chosen to take advantage of certain regulatory dispensations available from the Code by initiating a "formal sale process" (as defined in the Code), but the Board wishes however to be clear that, as set out above, a sale of the Company is only one option that will be under consideration.

I kindly ask that you read the Announcement carefully, and on the next page, there is a summary of certain of the implications of the Announcement on you as Shareholders including the requirement to make certain disclosures to the UK Takeover Panel.

When appropriate and so far as is permissible under the Code, the Board will provide updates to Shareholders in connection with the process and assures you that the Board will seek to ensure that the process is concluded as soon as possible.

Yours faithfully,



**Rainer Häggblom**  
*Chairman*

### **Actions required from certain shareholders**

Following the release of the Announcement, the Company is now considered to be in an "offer period" as defined in the Code and, amongst other provisions, the dealing disclosure requirements set out below will apply for any shareholder who is interested in 1% or more of any class of relevant securities in TFC. These include:

- An Opening Position Disclosure (Rule 8(3)a). The offer period for the Company is deemed to have commenced on 22 November 2021. Therefore, an Opening Position Disclosure by a person to whom Rule 8.3(a) applies must be made by no later than 3.30pm (London time) on 7 December 2021.
- A Dealing Disclosure should any such shareholder deal in any relevant securities of the offeree company.

The above disclosures can be made using the relevant forms set out at [www.thetakeoverpanel.org.uk/disclosure/disclosure-forms](http://www.thetakeoverpanel.org.uk/disclosure/disclosure-forms)

### **Announcements and further information**

The Panel has granted a dispensation from the requirements under the Code that announcements must be published via a Regulatory Information Service ("RIS"). The Company is instead required to publish all announcements on its website at [www.forestcompany.se](http://www.forestcompany.se). No announcements other than this Announcement will be sent in hard copy form to Shareholders.

The Panel has also granted a dispensation from the requirement in Note 3 on Rule 8 of the Code that disclosures made under Rule 8 of the Code (as explained below) must be made to a RIS. Therefore, any Opening Position Disclosures and Dealing Disclosures required under Rule 8 of the Code may instead be made by email to [rainer.haggblom@haggblompartners.com](mailto:rainer.haggblom@haggblompartners.com) and [jl@timbercapital.com](mailto:jl@timbercapital.com), and will be published on the Company's website. A copy must also be sent to the Panel's Market Surveillance Unit by fax (+44 (0) 20 7236 7013) or by email ([monitoring@disclosure.org.uk](mailto:monitoring@disclosure.org.uk)).

### **Provision of addresses, electronic addresses and other details**

Please note that addresses, electronic addresses and certain other information provided by the shareholders of the Company, persons with information rights and other relevant persons for the receipt of communications from the Company may be provided to any offeror during the offer period as required under Section 4 of Appendix 4 of the Code.

### **Disclosure requirements of the Code**

Please read this section in light of the section entitled "Announcements and further information" above.

Under Rule 8.3(a) of the Code, any person who is interested in 1% or more of any class of relevant securities of an offeree company or of any securities exchange offeror (being any offeror other than an offeror in respect of which it has been announced that its offer is, or is likely to be, solely in cash) must make an Opening Position Disclosure following the commencement of the offer period and, if later, following the announcement in which any securities exchange offeror is first identified. An Opening Position Disclosure must contain details of the person's interests and short positions in, and rights to subscribe for, any relevant securities of each of (i) the offeree company and (ii) any securities exchange offeror(s). An Opening Position Disclosure by a person to whom Rule 8.3(a) applies must be made by no later than 3.30pm (London time) on the 10th business day following the commencement of the offer period and, if appropriate, by no later than 3.30pm (London time) on the 10th business day following the announcement in which any securities exchange offeror is first identified. Relevant persons who deal in the relevant securities of the offeree company or of a securities exchange offeror prior to the deadline for making an Opening Position Disclosure must instead make a Dealing Disclosure.

Under Rule 8.3(b) of the Code, any person who is, or becomes, interested in 1% or more of any class of relevant securities of the offeree company or of any securities exchange offeror must make a Dealing Disclosure if the person deals in any relevant securities of the offeree company or of any securities exchange offeror. A Dealing Disclosure must contain details of the dealing concerned and of the person's interests and short positions in, and rights to subscribe for, any relevant securities of each of (i) the offeree company and (ii) any securities exchange offeror(s), save to the extent that these details

*have previously been disclosed under Rule 8. A Dealing Disclosure by a person to whom Rule 8.3(b) applies must be made by no later than 3.30pm (London time) on the business day following the date of the relevant dealing.*

*If two or more persons act together pursuant to an agreement or understanding, whether formal or informal, to acquire or control an interest in relevant securities of an offeree company or a securities exchange offeror, they will be deemed to be a single person for the purpose of Rule 8.3.*

*Opening Position Disclosures must also be made by the offeree company and by any offeror and Dealing Disclosures must also be made by the offeree company, by any offeror and by any persons acting in concert with any of them (see Rules 8.1, 8.2 and 8.4).*

*Details of the offeree and offeror companies in respect of whose relevant securities Opening Position Disclosures and Dealing Disclosures must be made can be found in the Disclosure Table on the Takeover Panel's website at [www.thetakeoverpanel.org.uk](http://www.thetakeoverpanel.org.uk), including details of the number of relevant securities in issue, when the offer period commenced and when any offeror was first identified. You should contact the Panel's Market Surveillance Unit on +44 (0)20 7638 0129 if you are in any doubt as to whether you are required to make an Opening Position Disclosure or a Dealing Disclosure.*