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THIS IS AN ANNOUNCEMENT FALLING UNDER RULE 2.4 OF THE CITY CODE ON TAKEOVERS AND MERGERS (THE "CODE") AND DOES NOT CONSTITUTE AN ANNOUNCEMENT OF A FIRM INTENTION TO MAKE AN OFFER UNDER RULE 2.7 OF THE CODE. THERE CAN BE NO CERTAINTY THAT ANY OFFER WILL BE MADE OR THE TERMS ON WHICH SUCH AN OFFER MIGHT BE MADE.

**The Forest Company Limited
("TFC" or "the Company")**

Formal Sale Process

The Forest Company Limited is a closed-ended investment company, incorporated and registered in Guernsey in 2007, to take advantage of investment opportunities in trees, timberland and timber related assets. The Company focuses on forest plantations in areas with high biological growth rates, such as Brazil and Colombia. The Company had an adjusted net asset value as at 31 December 2020 of US\$169.1 million.

Decision to enter into a formal sale process

The Board of TFC has today written to its shareholders to report the conclusions of a recent consultation exercise. A high proportion of those shareholders who responded to the consultation indicated a preference for a realisation or liquidity event for all or part of their shareholdings.

The Board will therefore explore all options for delivering such an outcome, at the highest possible value, as efficiently and promptly as possible. Without indicating any preference for or greater likelihood of this outcome, the Board is mindful that these options could include a possible sale of the Company.

The Company is subject to the UK Takeover Code (the "Code") given that its shares were, until recently, admitted to trading on The International Stock Exchange. The Board has resolved 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 and there can be no certainty that any offer will be forthcoming or the terms of any such offer.

Advisory appointment and details for interested parties

Stifel Nicolaus Europe Limited ("**Stifel**"), an independent financial advisory firm with specific forestry sector expertise, has been appointed to assist the Board in securing potential buyers for some or all of the Company's assets or the Company itself and assist in assessing expressions of interest received pursuant to this process. The Board has also appointed Stifel to guide the Company as Rule 3 adviser with respect to its obligations under the Code.

Any interested party is requested to contact the Board or Stifel through the contact details set out below. Such parties who are selected to proceed in the process will be required to enter into a non-disclosure agreement with the Company on terms satisfactory to the Board. The Company then intends to provide such interested parties with certain information on the business, following which interested parties will be invited to submit their proposals.

Further announcements regarding timings and procedures for the formal sale process will be made in due course. The Company is not currently in any discussions with, nor is in receipt of an approach from, any potential offeror relating to an acquisition of the issued and to be issued share capital of the Company.

This announcement is not an announcement of a firm intention to make an offer under Rule 2.7 of the Takeover Code and there can be no certainty that an offer will be made, nor as to the terms on which any offer will be made. The Board also reserves the right to reject any approach or terminate discussions with any interested party or participant at any time.

The Takeover Panel has granted a dispensation from the requirements of Rules 2.4(a), 2.4(b) and 2.6(a) of the Code such that any interested party participating in the process will not be required to be publicly identified as a result of this announcement (subject to note 3 to Rule 2.2 of the Code) and will not be subject to the 28 day deadline referred to in Rule 2.6(a) of the Code, for so long as it is participating in the process. Following this 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.

Contact details for interested parties

<p><u>TFC</u></p> <p>Rainer Häggblom</p> <p>Johan Larsson</p>	<p><u>Contact details</u></p> <p>rainer.haggblom@haggblompartners.com</p> <p>jl@timbercapital.com</p>
<p><u>Stifel</u></p> <p>Fred Walsh</p> <p>Celedonio Moncayo-Quiros</p> <p>Bruno Benega</p>	<p><u>Contact details</u></p> <p>fred.walsh@stifel.com +44 (0) 207 663 5428</p> <p>cele.moncayo@stifel.com +44(0) 203 465 1127</p> <p>bruno.benega@stifel.com +44(0) 203 465 1130</p>

Important further disclosures required pursuant to the Code are set out below.

Takeover Panel dispensations, documents on display and further announcements

This announcement will be published on TFC's website at www.theforestcompany.se, by no later than 12 noon (London time) on the Business Day following the date of this announcement and be available until at least the end of the Offer Period.

The Panel has granted a dispensation from the requirements under the Code that announcements must be published via a Regulatory Information Service ("RIS"). TFC is instead required to publish all announcements on their website at www.theforestcompany.se. No announcements other than this Announcement will be sent in hard copy form to TFC's 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 must be made to an RIS. Therefore, any Opening Position Disclosures and Dealing Disclosures required under Rule 8 of the Code may be made by email to rainer.haggblom@haggblompartners.com and jl@timbercapital.com, and will be published on TFC's website at www.theforestcompany.se. A copy must also be sent to the Panel's Market Surveillance Unit by email monitoring@thetakeoverpanel.org.uk

Copies of further announcements and other documents in connection with the Offer will be made available on TFC's website by no later than 12 noon (London time) on the Business Day following the date of the relevant announcement or document, pursuant to Rule 26.1 of the Takeover Code.

The contents of the website referred to in this announcement are not incorporated into, and do not form part of, this announcement.

Disclosure requirements of the Code

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 3.30 pm (London time) on the 10th business day following the commencement of the offer period and, if appropriate, by no later than 3.30 pm (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 3.30 pm (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, 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.

This announcement is not intended to and does not constitute an offer to sell or the solicitation of an offer to subscribe for or buy or an invitation to purchase or subscribe for any securities or the solicitation of any vote in any jurisdiction.

The release, publication or distribution of this announcement in jurisdictions outside the United Kingdom may be restricted by law and therefore persons into whose possession this announcement comes should inform themselves about, and observe such restrictions. Any failure to comply with such restrictions may constitute a violation of the securities law of any such jurisdiction.

Stifel Nicolaus Europe Limited (“Stifel”), which is authorised and regulated in the United Kingdom by the Financial Conduct Authority, is acting as Financial Adviser exclusively for TFC and no one else in connection with the matters set out in this announcement and will not regard any other person as its client in relation to the matters in this announcement and will not be responsible to anyone other than TFC for providing the protections afforded to clients of Stifel, nor for providing advice in relation to any matter referred to herein.

Rule 2.9 disclosures

In accordance with Rule 2.9 of the Code, as at the close of business on 22 November 2021, TFC had 26,407,391 ordinary shares and 24,836,250 class A ordinary shares of USD0.10 each in issue, excluding treasury shares. The International Securities Identification Number of TFC’s ordinary shares is GG00B4TC8Z57.