



Conservation at the Pace of the Market: The Story of Kenauk

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INTRODUCTION TO THE LYME TIMBER COMPANY

An independent manager of natural forest investments for over 45 years, Lyme is differentiated from other managers by its track record of investment performance and focus on conservation sales, active management, and ESG outcomes

LEADER IN CONSERVATION



- Pioneered investment strategies that target natural forests with high conservation values
- Long track record of securing public funding for working forest conservation easements that permanently protect forestlands and biodiversity
- Realized over \$130 million on 25+ conservation transactions on over 850,000 acres since 1991
- Expertise in ecosystem service markets, including forest carbon (over \$55 million in carbon offset sales since 2019) and mitigation banking (over \$41 million in stream and wetland mitigation credit sales since 2009)
- 100% of forests are certified under SFI®, FSC®, or both sustainable forest management standards

FOCUSED AND INDEPENDENT



- Senior team has over 125 years of experience at Lyme, with tenures ranging from 9 to 40 years
- Completed multiple ownership transitions with focus on long-term succession and continuity of management
- 100% employee-owned; 58% of employees are owners; 36% of owners are women
- Disciplined and hands-on investment approach with focus on analysis, property selection, and value-add opportunities
- Unique, investor-owned portfolio company model for timberlands provides at-cost management, alignment with investors, and focus on property-specific objectives with any profits on property management retained by investors

OUTSTANDING TRACK RECORD



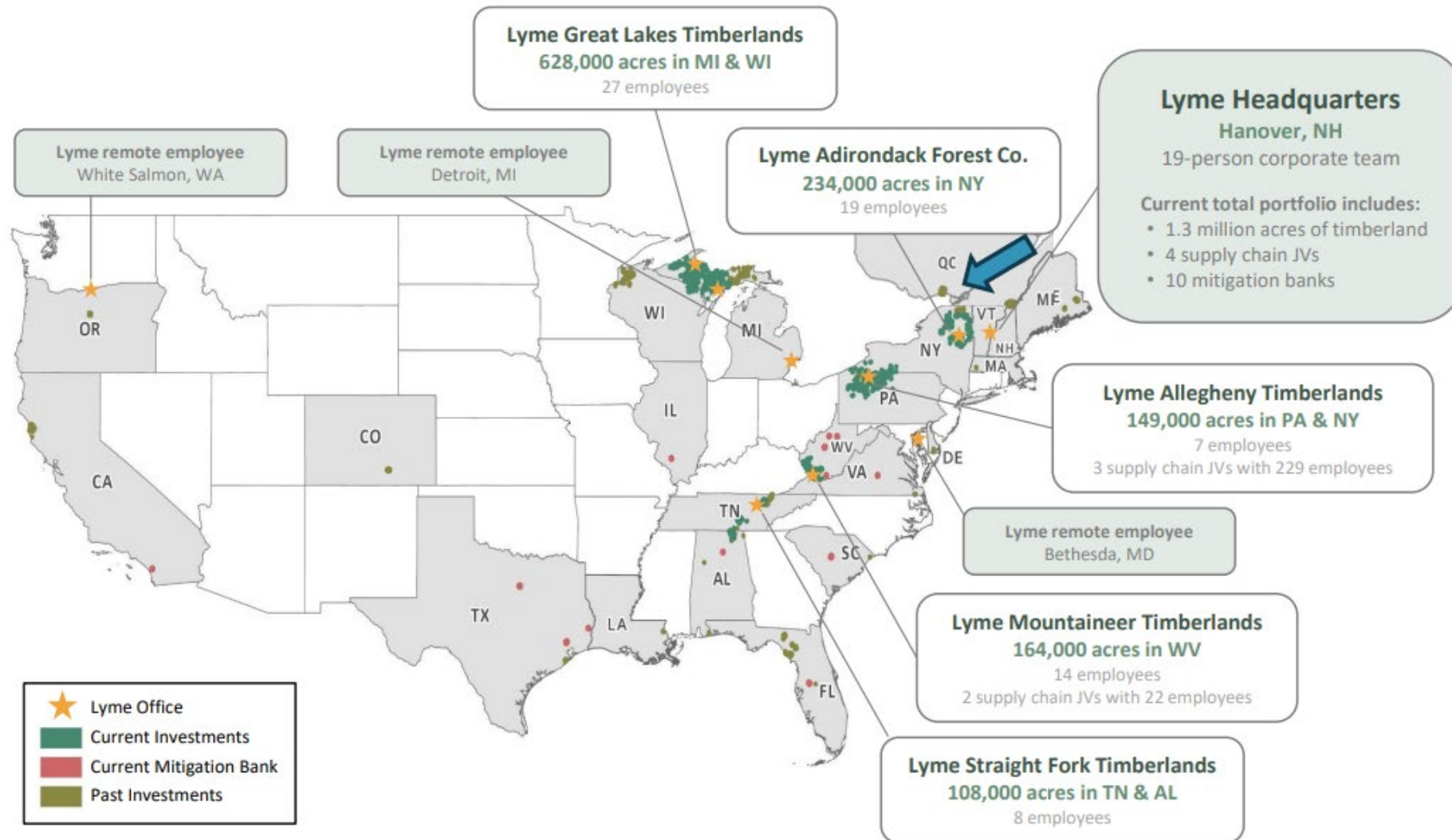
- Long track record of generating consistent cash yields from sustainable timber harvesting and other recurring activities
- Long track record of generating realizations from conservation sales early in the investment life cycle
- All Lyme-sponsored funds have generated carried interest
- Lyme has never needed to seek fund extensions from investors

See notes at the end of presentation

CONFIDENTIAL

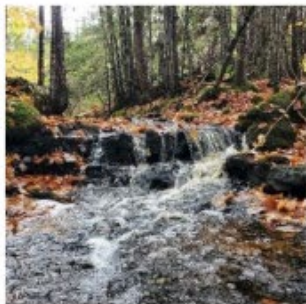
OPERATING WITH INDUSTRY EXPERTISE AND LOCAL KNOWLEDGE

Lyme has executed its conservation and value-add strategies on over 2.5 million acres across North America



DELIVERING ESG OUTCOMES ALONGSIDE FINANCIAL RETURNS SINCE 1976

Since long before the advent of impact and ESG investing, Lyme has pursued strategies that have delivered durable conservation and community benefits alongside financial returns



ENVIRONMENTAL

Conservation: Lyme is a leader in land conservation. Our team has completed conservation transactions that have permanently protected over 850,000 acres in 8 states and Canada.

Ecosystem Services: Lyme has developed 8 forest carbon projects on over 230,000 acres in 6 states. We have sold carbon offsets under California's emissions trading program that represent over 5.2 million tons of sequestered CO₂e. We have developed over 20 mitigation banks that permanently protect and restore wetlands and streams in 9 states.

Forest Management: All of Lyme's working timberland properties are third-party certified through one or both leading forest certification programs: the Forest Stewardship Council (FSC) and the Sustainable Forestry Initiative (SFI).



SOCIAL

Quality Jobs: Lyme directly employs 73 people across five portfolio companies and supports hundreds of downstream jobs in logging, trucking, road building, timber cruising, and related industries. We supply 209 mill customers and contract with 149 independent contractors on our lands. Lyme's commitment to safety, well-paying jobs, and community engagement are hallmarks of our approach.

Supply Chain: Lyme has made several supply chain investments to support its timberland operations, including the start-up of a steep slope, winch-assist logging crew in West Virginia, two hardwood sawmills in Pennsylvania, and log marketing businesses in Pennsylvania and West Virginia. An additional 253 people are employed through these businesses and joint ventures.

Rural Communities: Through job creation and investments in operating businesses in 6 states, Lyme businesses employ over 325 people. We have accessed over \$93 million in concessionary financing through the federal New Markets Tax Credit program to support job creation, safety, and economic development in these communities.



GOVERNANCE

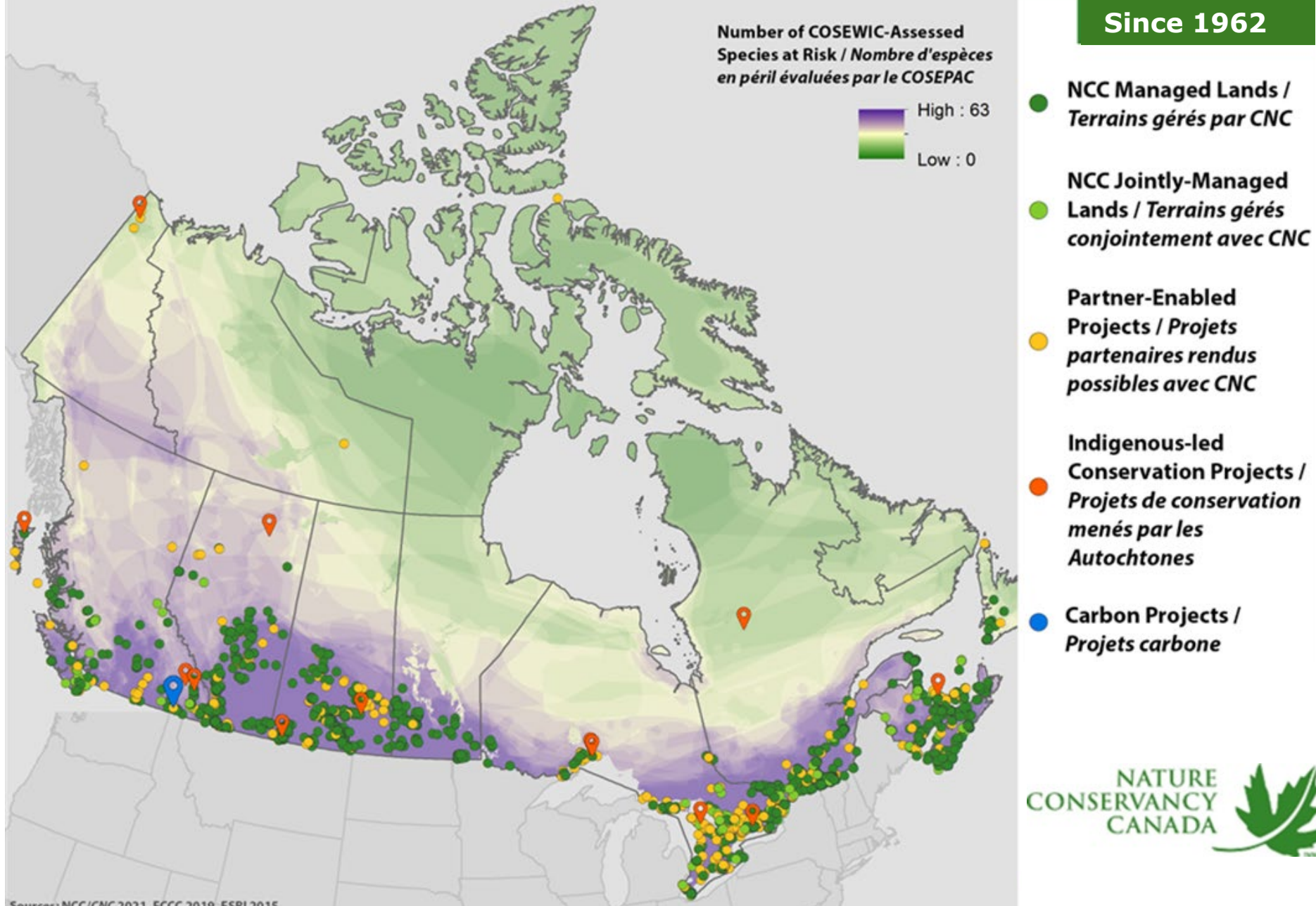
Transparency: We provide straightforward and transparent reporting to investors, including quarterly reports summarizing internal and third-party property valuations and an annual report that summarizes our progress against ESG-related goals, including worker safety and community engagement. We engage with limited partner advisory committees to manage conflicts and fund-related governance matters.

Team and Culture: Lyme is committed to building an inclusive and respectful culture, creating career development opportunities for its staff, and increasing diversity in our business and leadership. We have established internship programs at 60% of our businesses.

Employee Ownership: Lyme is 100% employee owned. Over the past three years, we have more than doubled the number of employee owners, which now stands 11, equivalent to 58% of team (36% of whom are women).

CONSERVATION ACHIEVEMENTS / SUCCÈS DE CONSERVATION

Since 1962



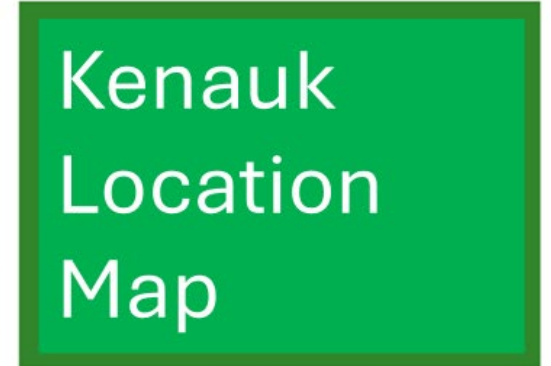
Conservation at the Pace of the Market: The Story of Kenauk⁶

Kenauk Project

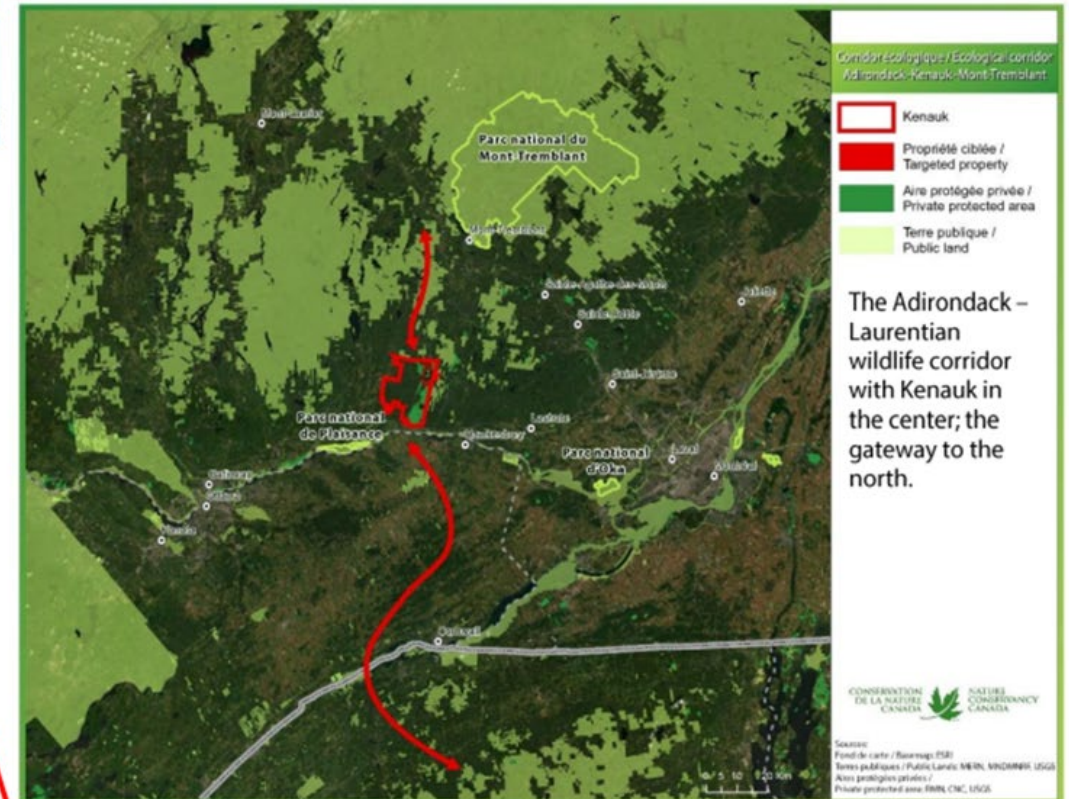
25 000 ha property

Seigneurial domain – 1674

350 years – kept undivided through 4 consecutive owners



There are only 5 major wildlife corridors in eastern Canada and Kenauk's is one of the most significant!



Kenauk Project

25 000 ha property
Up for sale in 2013

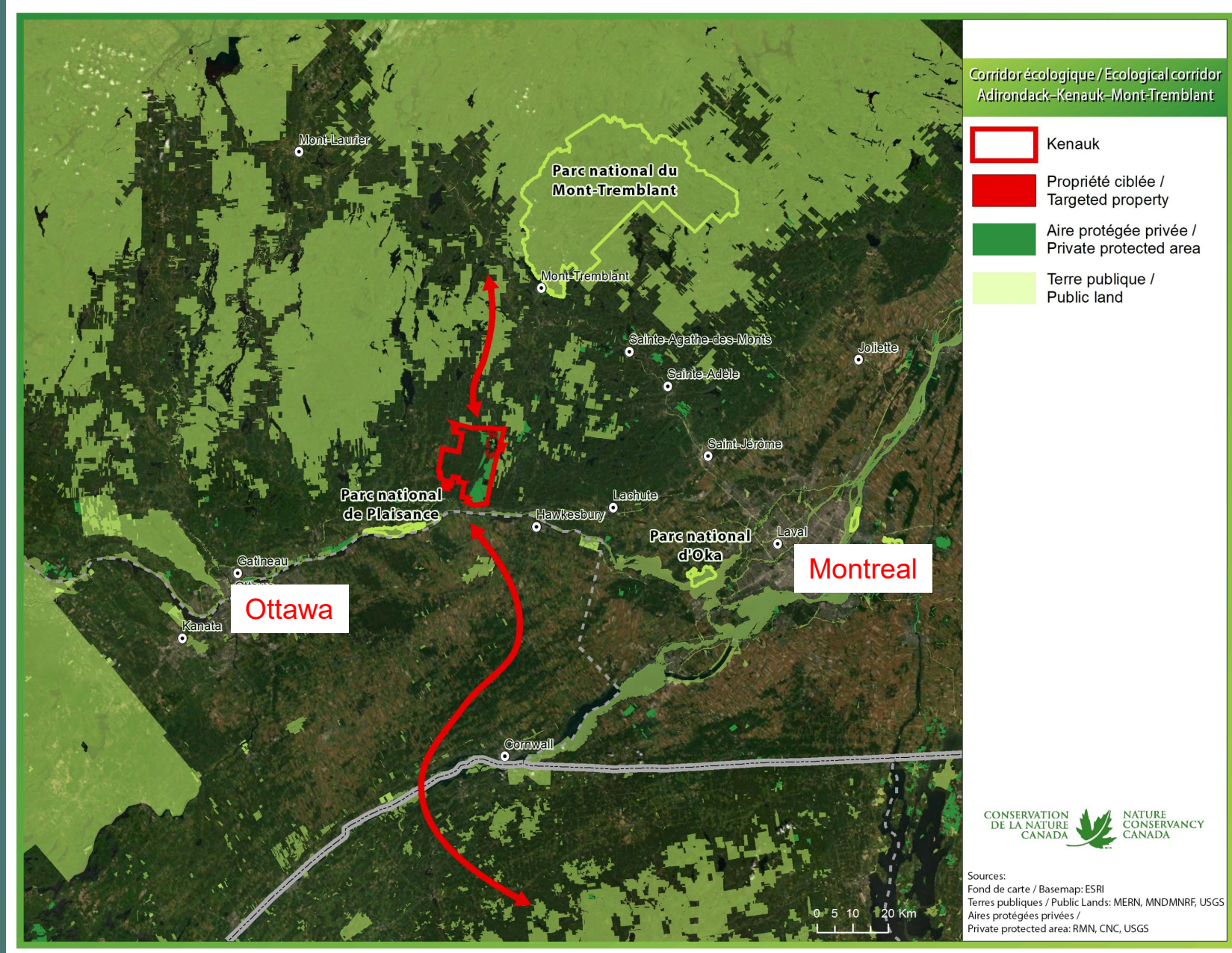
Real estate development potential

Lake Papineau (1300 ha – 75 km)

60 smaller lakes

Outfitting business (roads+cabins)

20 000 ha of timberland



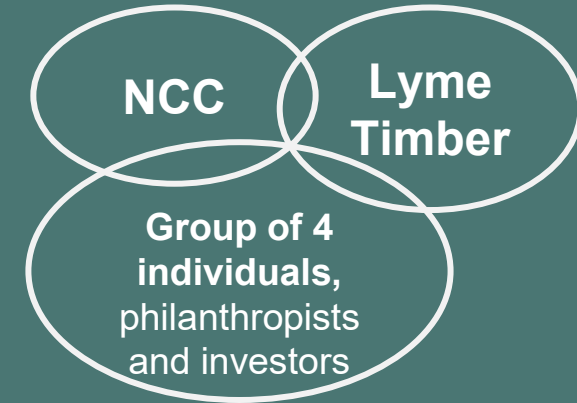
Kenauk Project

*Transaction structure –
conservation financing*

Listed Price \$80M

Offer September 2013 – 90 days for closing

Partners in the purchase: the land was divided between 3 buyers.



At closing in December 2013:

NCC acquired a 4,000 ha section

Lyme Timber acquired a 13,000 ha timberland section

The group of 4 individuals bought as co-owners the balance with the outfitting business

NCC signed a mortgage on Lyme Timber land with money borrowed from the The Conservation fund

2017-2023:

NCC executed its mortgage in 2017 to obtain an additional 2,000 ha

Lyme Timber sold its timberland to two individuals from the group of individual investors

NCC kept raising funds to purchase portions of land at a reduced price (bargain sale) for a total of 8,000 ha

Today

NCC and the 4 individual investors are maintaining close relationships in the land stewardship.

Kenauk Project

Multiple transactions between 2013 and 2023 by NCC

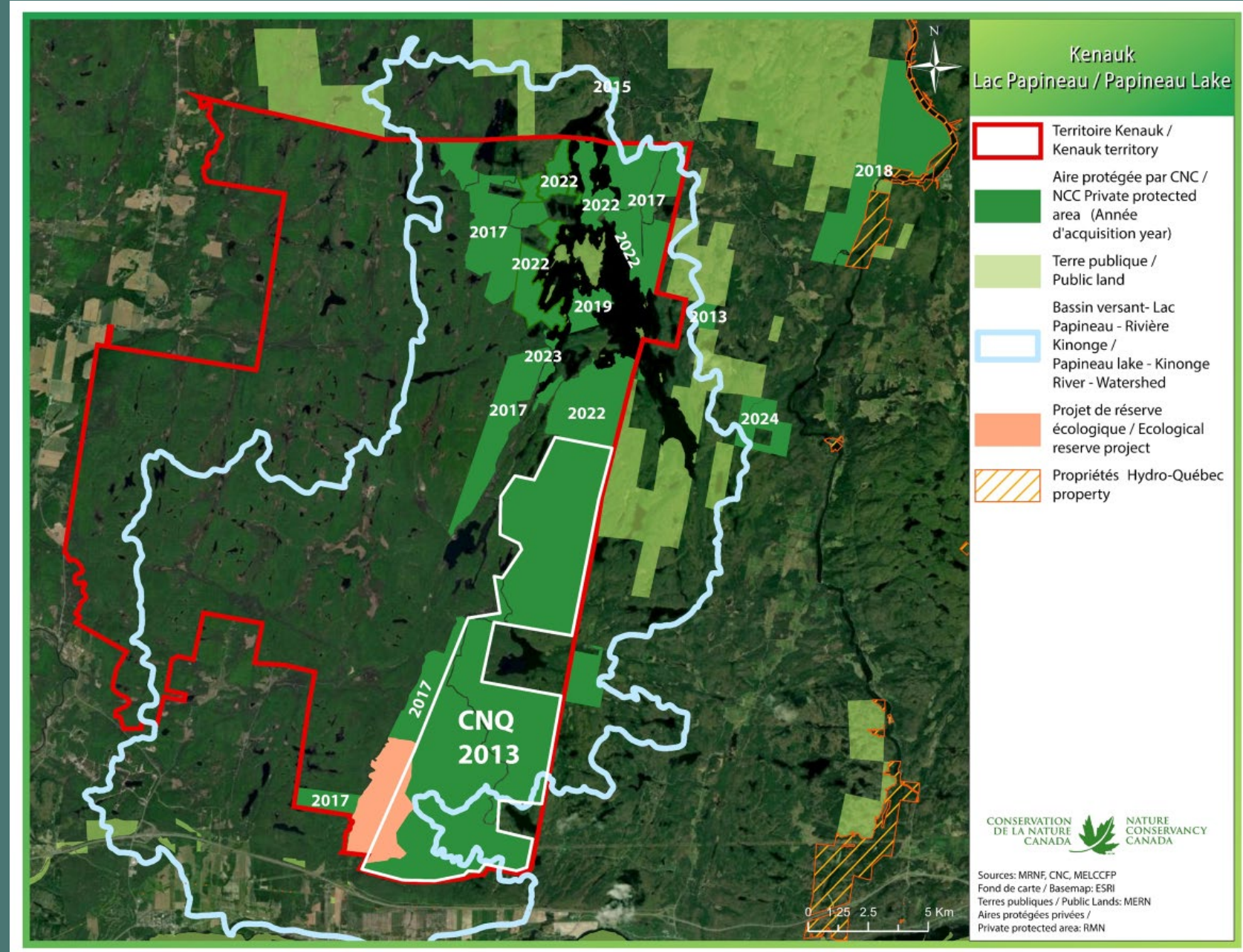
8000 ha total protected in fee simple ownership

Land purchased in 2013 \$5M

2017-23 purchase costs \$8M

Land donated value \$19M

Total land value = \$32M





Kenauk Project

Philanthropy and investment

Means to enable conservation	Outcome for the investors	Risk
Donor: <i>private funds & public match</i>	<i>Tax incentives and leverage public funds</i>	<i>low</i>
Lender: <i>The Conservation Fund US</i>	<i>Interest income and enable fast transaction</i>	<i>med</i>
Investor: <i>Lyme Timber</i>	<i>Buy land, logging, easement and resaling land</i>	<i>high</i>