

Doug Long:

Good morning. I'm the Chief Resource Officer for Rayonier, and somehow I've become the old guy in the company, I realize, with 29 years. I'm actually fifth generation in this industry, so I've about 50 years of experience working in the woods, so it goes way back in my blood. I went to forestry school so I could be alone in the woods and not speak to big groups like yourselves, so please forgive me as we go through today, but I'll do my best.

I've worked at across many areas of our business. I've worked from the US to New Zealand to Asia, and I've always loved what I do. But the initiatives I'm going to share with you today are some of the most exciting I've seen over the course of my career. Specifically, I'm excited to drill down a bit deeper into how we will deliver innovative land-based solutions. There are three things I hope you'll take away from the presentation: first, we're building a diversified growth business by monetizing land-based solutions we can provide, as Mark mentioned, in solar, carbon capture storage, carbon markets, and bioenergy; second, we believe our footprint is a competitive advantage; and third, we intend to capture value from this strategy, as Mark shared. We have an incredible opportunity to play an integral role in energy transition in the United States while also delivering significant financial returns. So, let's dive in.

There's more interest in our trees and land than I can remember in my 30 years with the company. We're seeing growing demand for products from trees as alternatives to fossil fuel intensive products in building construction, consumer goods, and energy. In addition to those products, the recognition of the carbon sequestration benefits of our forest is now beginning to be valued by the market to offset the emissions. Beyond the trees, we're seeing unprecedented interest in how our land can help be a solution for renewable energy generation through solar, hydro and wind; carbon capture and storage; and biodiversity. And as always, we remain a strong proponent of protecting the value of our land as natural habitats. Our forests are becoming incredibly valued in the net-zero transition.

As Mark pointed out a few minutes ago, in the near term, our strategy is focused on immediate needs for land for solar and carbon capture storage, where we believe there's a first mover advantage, given our inventory of large tracts of land in rapidly developing areas. As we look at it a little further, we see growing demand in carbon markets and bioenergy. But based on our New Zealand experience with carbon markets over the past decade and that forecasted growth in demand roughly around 2030 that Mark shared with us when net-zero commits start to come true, we think there's still value in letting these markets mature. Similarly, while exciting in the mid-to-long term, bioenergy demand will take some time to build. As these markets continue to evolve, we are building our capabilities to capitalize on these longer term opportunities. But here's one thing I want you to remember from these slides today: we have a growing set of opportunities that will allow us to deliver meaningful value in the short term while preserving our optionality to create even more value over the longer term. So, at that, let me unpack each of these opportunities in a bit more detail.

Let's start with solar. As we think about solar, the key point to me on this slide is that the cost of solar has dropped by 80% and is now cheaper than most fossil-based fuels, so it's being readily adopted at utility scale. As you can see on this graph, in green, the forecasted figure of 11% pre-IRA represents solid growth based on just the underlying financials alone of solar. Both the IRA

incentives to recoup capital costs more quickly, that gross rate doubles to 22%. Either trajectory represents good future growth for this business, but the IRA is driving significant near-term demand for large tracts of suitable land. As one of the largest landowners in the areas of the country where these utility solar scaled installations are developing, Rayonier is uniquely positioned to be a major player in ongoing solar development.

Let's talk about why that's the case. With utilities directly embracing solar at scale, the demand for large tracts of land is growing rapidly. As you can see here on the left, it typically takes about seven acres per megawatt of generation capacity, and utility scale solar are usually in the 75-200 megawatt size, so that's about 500-1,500 acres of developable land. That's a large tract of land, a lot of land, which we happen to own a lot of. Going forward between 2023 and 2028, there's predicted to be 180 gigawatts of US solar capacity additions. If you look at the graph on the right and you look at what that means, go out to 2028. In five years, you'll see that's 1.3 million acres of land. If you carry that forward in the projections to 2033, that's three million acres of land. That's a lot of land no matter how you measure it. But where this gets really exciting and powerful story for Rayonier is when we look at where this growth is occurring.

As you can see here on the left, much of that growth is projected for the US South at 45% with just two-thirds of that growth expected to happen in two states, Texas and Florida, where the sun is always shining and everybody's moving if you believe the Chamber of Commerce. Based on the composition of our ownership, which you can see on the right side, we believe we are uniquely positioned. If you have one takeaway today for solar, it's that rapid growth is in the South. We'll be primarily met by just two states, Texas and Florida, where 30% of Rayonier's US acres are directly in the path of solar expansion, and that creates an enormous opportunity for us, as Mark mentioned.

So, how does this translate into value? Let's take a look at this illustrative example. As you can see, over the first three to five years, there's an option period. During that option period, the developers are getting their feasibility studies done, construction permitting, and access to the grids, and we typically, as a landowner would receive equivalent to one times EBITDA for that payment. The conversion rate is about 25-40% based on industry intel from what we've seen so far. So, when something does convert, it goes a change of land use from being growing timber where we're being paid both to a new land use as alternative, as Mark mentioned. We get paid between 10-15% timber EBITDA of 10-15 times EBITDA at that point in time. Those are long-term inflation-adjusted for 25-40 years with high credible parties. So, this is a step change in economics. We go from getting essentially one times on timber, so two times EBITDA; to 10-15 times EBITDA at that step change. So, it's a very powerful, meaningful driver for us.

We're executing on solar by recently spinning up a new team from business development group devoted to renewable energy solutions being led by an experienced forest engineer. We're investing in our internal capabilities to move beyond resourcing inbound inquiries, which is what we've done typically in the past, to proactively marketing and developing strategic relationships with utility companies, helping solve their problem of finding large tracts of suitable land. As you can see on the right, we've had significant growth over the last few years and 2024 has started off very active, so we expect to have over 50,000 acres on our option or lease by year-end. The best news is that we're just getting started. By aligning more closely with customers and

becoming more integrated in their process. We feel we can improve that conversion rate dimension of 25-40% to the higher end of that range.

Now, let's shift to the second of our near-term opportunities, carbon capture and storage. The trend towards decarbonization in the US is still in the early stages, and carbon capture and storage is expected to accelerate exponentially as this trend plays out. You can see the forecasted demand to capture and store carbon emissions is on a 14 times growth trajectory over the next 10 years off of a base of approximately 20 million tons per annum of carbon capture and use so this is significant growth.

But all the storage requires the availability of large tracts of suitable land, and that's where we come in. Whether it's theoretically ample geologic storage capacity in the US, the near-term demand will be constrained by the factors you can see here on the right. The permitting process, as Mark mentioned, can take 2-5+ years. Smaller tracts don't provide a lot of opportunity, not a lot of capacity. So, again, large landowners, large tracts of land, and where there's existing carbon dioxide capture and infrastructure. So, these are some of the things that will constrain that. We'll talk about these next. I'll be sharing with you why we think we're poised to capitalize on this very powerful trend.

Three of the key considerations in cost-effective carbon capture and storage are proximity to high-purity emission sources, geologic storage capacity, and access to pipelines and right-of-ways to move emissions from source to sink. As you can see on the left, the Texas and Louisiana Gulf Coast Petrochemical Complex is a rich source of high-purity emissions, near large tracts of our land that you can see in the middle here have significant geologic storage capacity. And on the right, we can see access to infrastructure with the red showing pipelines. This is great news for us, because we have over 400,000 acres of timberland in southeast Texas and southwest Louisiana that are well-positioned to capture this opportunity while we continue to grow timber.

So, let's zoom in a little deeper on this map and look specifically at our areas. In blue, you can see our forests. These are the large tracts of land that we own. The little yellow dots that you can see, or orange dots, those are GHG emitters. Those are the greenhouse gas emitters, and then the red are the pipelines, one of the carbon dioxide pipelines that ExxonMobil now owns. So, what you can see is that we have significant scale of large tracts that are either neighboring or very close to high-purity emission sources that have both storage capacity, and either existing carbon dioxide lines or very short connections needed.

Typically, large tracts in this area are often accessed with existing pipelines and right-of-ways for other products such as natural gas that can either be converted or co-located with future carbon dioxide lines. We're experiencing strong interest in this area, but we also feel we have similar opportunities in southern Alabama and southeast Georgia. Much like solar, I believe, are uniquely positioned along this Gulf Coast petrochemical complex, and we're only in the early stages of monetizing this opportunity. So, let's talk about how the economics of CCS actually work.

In addition to participating in the efforts to slow down climate change, we also recognize considerable value, as you can see in this illustrative example. Unlike the step change of solar where the land use changes, the carbon capture storage is more of a sliding scale that is additive

to our timber crop. So, the great thing is these are stackable. We can have one on top of the other.

As you can see here on this graph on the right, similar, we have a 2-5 year period construction permitting. During that time, pre-injection landowner receives approximately one to two times timber EBITDA. So, we're growing our trees and receiving this extra. At the point of injection, once the permitting and construction has been done, we typically receive a linear minimum injection payment that will be equal to that first rent. But then for every additional ton of carbon dioxide that's sequestered underground, you receive a bonus payment. And that bonus payment is going to depend on the geologic storage capacity as well as the projected injection rates that you have per well. And so as you can see here in this green, what we're showing is it's not actually going to be a 45 degree angle like that, but it's going to vary by well as to what that can be, and that's why there's a range of three to five times the timber EBITDA we believe you can receive. So, again, this is stackable, it's on top of our timber, so these are additives as we grow forward. We'll be helping store carbon underground while our trees sequester on the surface, which is a win-win for the climate as well as our investors.

So, let's talk about our strategy for capturing this value. Using similar skill sets and strategy to solar, we have also spun up a minerals team led by an experienced geologist. They'll help build our internal capacity to practically market again and develop strategic relationships with high potential customers with a goal to connect them to our large inventory of suitable tracks, allowing them to execute more quickly and at scale. Based on our recent announcement that Mark mentioned with ExxonMobil, we now have over 59,000 acres under lease in current negotiations with our customers. We expect to have over 70,000 acres under lease by year-end with more in the pipeline.

So, before we shift gears to talk about our longer term opportunities, I want to remind you of two things: first, we're in the early stages with significant runway ahead of us; and second, we're taking an intentional and proactive approach with a goal of delivering significant value.

I'm equally excited about carbon sequestration markets and the benefits our forests can bring to bear. As I mentioned earlier, these markets are still developing. This is something I've actually been waiting for since I was in college, so it's finally great to see this happening. As you can see on the left side of this slide, there are several drivers that give us confidence in the future growth of the US carbon market. And as many of you've seen, we're looking for, basically, the net-zero pledges continue to grow, as Mark showed on that graph, and higher quality. There's been some concerns in the past. We're very happy to see those move forward. And really proactively, folks are looking to standardize carbon credits and that gives a lot of confidence in going forward.

Based on this projected growth and demand on the right that you can see, as folks have to meet their 2030 first milestones for net-zero, and that experience I mentioned before in New Zealand, we believe that we will realize full potential value in the future. So in our New Zealand operations, when carbon markets first came out, we saw pricing in the \$20 for the first two years. That dropped down to the single digits, low single digits after about three years. And then as the market matured and came back up, we've seen that move back up into the \$60-70 range.

So there's been a lot of volatility in that market, but it did stabilize, it went out, and it took that opportunity for things to standardize, get credit, for everybody to understand the markets. And we think we're at that early part in the markets in the United States now where things still need to work through and there's a benefit in waiting until there is closer to 2030. Not to say we won't do something possibly sooner than that, but just that opportunity presents us.

And it's especially true for Rayonier that due to our highly competitive wood baskets, we have a higher hurdle rate and so it's hard for us to overcome that right now with carbon pricing, but we do look forward to that opportunity and believe it'll come. So overall, we're building internal capacity as well as external customer relationships to understand how we can best meet the need for high quality carbon credits moving forward.

Our fossil fuel economy is based on energy captured by photosynthesis millions of years ago. Luckily, photosynthesis is still one of the most efficient ways to create energy with the added benefit of converting carbon dioxide to clean oxygen. As society looks to decarbonize, our forests are poised to play a vital role in fueling us forward in our homes with bioenergy and carbon capture and storage, at the pump, and even in the air with sustainable aviation fuel. Yep, that's right. Someday you'll be flying in a plane that's fueled by pine trees.

Our business development team is in active discussions with a wide range of potential new customers to understand their needs such as those picked on the map. We're working with folks who are interested in bioenergy and carbon capture storage, liquid fuels, whether it be sustainable aviation fuel or green methanol for shipping, as well as biochar, which is a way to lock up carbon and use as a soil amendment in agriculture. Our internal R&D team are evaluating how we best harvest, collect and grow to meet these developing markets, which are still a few years off. But here's the one thing to remember as it relates to both the carbon markets and bioenergy: this added source of demand for our timber will allow us to further optimize returns from our timberlands as these markets mature.

Let me reiterate that we are both excited and confident in all four of these land-based solutions: solar, carbon capture storage, carbon markets, and bioenergy. Each alone has potential to be a significant value driver for our company. And optimizing this value requires us to take into consideration multiple factors. The lenses through which we evaluate our lands and the trees we grow on them have never become more complex but also significantly more profitable.

As you can see here, we have to take into account proximity to the assets to our partners, whether they be carbon capture storage, solar. Stackability, as mentioned before, can you put a solar lease on top of carbon capture storage opportunity? Can you put the carbon capture storage underneath timberland? The availability of the counterparties, want to make sure we're working with those high potential customers. And the relative value of the alternative use to growing timber, which has still been the foundation for our business for 97 years, and a great business. As well as the decarbonization benefits that we have.

So as you can see, where the big decision was once just which species to plant, we now have to consider many factors to determine which business, or in some cases where they're stackable, businesses will maximize our value.

Now before I wrap up, let's get a little more specific on what these opportunities mean in terms of longer-term financial targets. Based on the growing scale of these opportunities and our competitive positioning, we are setting land-based solutions, average annual EBITDA targets of \$30 million in 2027 and \$75 million in 2030. These will be underpinned by diversified, long-term annuity stream from credible, high-quality customers. The specific makeup of this EBITDA will likely vary from year to year and shift over time as the markets for each of these solutions evolves. But I hope by giving you these targets, we will give you great confidence in the fact that we expect our land-based solutions to be meaningful contributors to our EBITDA growth over the next few years.

So hopefully I was successful in helping you understand our vision for how delivering innovative land-based solutions will increase our optionality and monetization opportunities for our land and why we believe Rayonier is uniquely positioned, given our footprints and scale in some of these rapidly growing areas. We're excited about these opportunities and the potential they have to generate meaningful and positive outcomes for society as well as deliver significant value to our shareholders.

And with that, we're going to play a short video as I invite Chris Corr to come up. Thank you.