chestnut

Chestnut Carbon Impact Report

2026

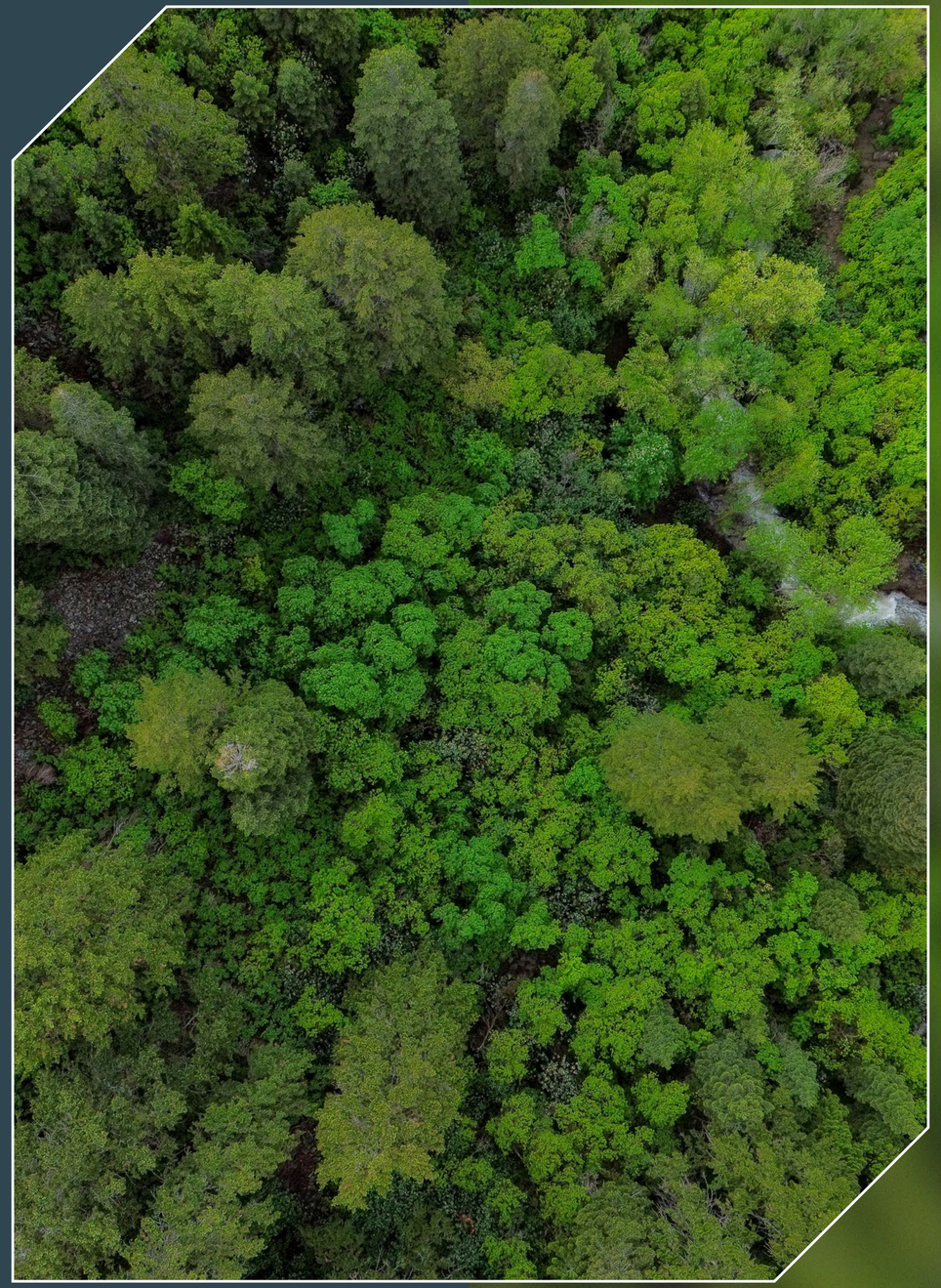


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A Letter From the CEO

Markets evolve, and the voluntary carbon market is no exception.

While some decarbonization initiatives are advancing at a more measured pace, this is far from a change in direction. The heightened scrutiny of recent years has strengthened the market, raising the bar for accountability, rigorous measurement, and credit quality. Chestnut was built for exactly this environment. Nature-based solutions remain the choice of discerning buyers who want high-quality, durable carbon removal at a comparatively lower cost. A market built on credits that hold up under examination is one that will thrive for the long term.

Our premium pricing reflects what our credits are — U.S.-based and -owned, independently verified, and structured to last. Land tenure matters a great deal here. Clear ownership of the land underpinning a project is one of the strongest safeguards a buyer can have. Our projects avoid many of the tenure disputes and permanence risks that have raised concerns about nature-based solutions elsewhere. Buyers can be confident that the forests behind our credits will be protected and managed as promised for the full life of the project. That rigor, and the confidence it gives buyers, is what our premium pays for. The premium is the point.

This report aims to be an honest account of what we built this year and what that work means for the places we call home. Chestnut operates largely in rural communities, and we take seriously both the opportunity and the responsibility to be a good neighbor. Every dollar we invest in restoring and managing forests creates a multiplier effect, supporting local jobs, generating tax revenue, and bringing business to local contractors, nurseries, and service providers. These benefits strengthen the economic foundation of communities that are often overlooked.

It will also explore what's to come: our continued commitment to delivering verifiable value across biodiversity, water, and community outcomes as we work toward becoming the nation's leading for-profit natural infrastructure company.

That work has already begun. In 2025, Chestnut more than doubled its operational footprint to over 90,000 acres across nine Southern states, becoming one of the largest tree-planting operations in the country. That scale reflects four years of disciplined execution, and it comes with a weight we take seriously. The more land we manage, the deeper our responsibility is to manage it well.

As we have grown, our understanding of the full value of our work has grown with it. Carbon removal remains the foundation of everything we do: it is our product, our proof point, and our commercial engine. But our forests deliver much more than stored carbon. They protect and restore waterways, filter runoff, and stabilize soils. They create habitat for a wide variety of native species, welcoming wildlife back to landscapes where it had long been absent. They open new opportunities for hunting, fishing, and other outdoor recreation, renewing traditions that run deep in rural America. And they anchor local communities in land that earlier economic models had written off, turning it into a lasting source of ecological, economic, and recreational value.

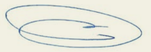
We have always known this. We are increasingly able to maximize it, for our customers, landowners, and investors, with both income and impact. And we are increasingly able to prove its value.

That broader value is no accident. Research from the World Resources Institute published in 2025 found that every $1 invested in climate adaptation can generate more than $10 in economic, social, and environmental returns over a decade. Forests sit at the center of that equation, with investments in agriculture and forestry delivering average returns of nearly 30%. As the largest buyer of hardwood seedlings in the country, and through the choices we make every day to work with local suppliers, we are deliberate about creating long-lasting economic value alongside environmental impact. As our footprint grows, so does our opportunity, and our commitment, to deliver both.

The question for buyers is no longer whether nature-based carbon delivers value beyond the credits. It is whether the projects they are purchasing from can deliver it.

Ours do.





Ben Dell
Chief Executive Officer
Chestnut Carbon

About Chestnut Carbon

Chestnut was founded in 2022 with a straightforward conviction: **that nature-based solutions would prove essential to the energy transition and that the quality of those solutions would eventually matter as much as their volume.** Four years in, that belief holds strong.

What we've learned from managing our diverse landscape portfolio is that a well-designed forest project generates measurable outcomes well beyond its carbon account. Restored riparian buffers improve water quality in the watershed downstream. Native species mixes support soil stability and reduce erosion over time. Returning land to forest creates conditions for wildlife that monoculture-based agriculture cannot. These outcomes require intentional project design, ongoing monitoring, and a genuine commitment to the land beyond the credit sale. Delivering and documenting them is an increasingly central part of how we work.

The benefits of forests are not measured in days or weeks. In order to make a meaningful difference, the success of our projects should be judged over decades and even centuries. That's why we operate exclusively in the United States, where land ownership laws are well-established and enforcement is reliable. That structure is the legal and operational foundation for the permanence commitments our credits carry.



Our Product Portfolio

Carbon Projects

Afforestation

Through our Sustainable Restoration Projects, we acquire marginal crop and pasture lands across the Southern U.S. and restore them to biodiverse native forest ecosystems. Working with local foresters, nurseries, and experts, we plant native hardwood and softwood species optimized for regional soil conditions and community needs. These projects represent truly additional carbon removal. These lands would not be restored without carbon market incentives.

Improved Forest Management

Through our Chestnut Forest Carbon Works' Improved Forest Management (IFM) program, we partner with private landowners across the U.S. to promote forest management practices that extend rotation ages and apply climate-smart forestry approaches to enhance carbon sequestration and storage. Our 40-60 year conservation commitment provides landowners with carbon revenue while reducing harvest pressures. In keeping with our IFM Additionality Pillars (learn more on page 10), these removals create incentives for conservation and forest risk management practices that might not otherwise be economical, and which sequester meaningful, verifiable quantities of carbon.

Chestnut Nature Works

Chestnut Nature Works (CNW) builds upon our broader platform, combining land expertise, community engagement, environmental stewardship, and project development to support the next generation of data center, energy, and industrial growth in the United States.

Launched at New York Climate Week in September 2026, CNW is a natural expansion of our industry-leading nature-based carbon removal business. Leveraging Chestnut's experience acquiring, managing, restoring, and developing natural assets across the United States for its flagship forest carbon projects, CNW combines strategic advisory services with implementation capabilities to move projects from concept through execution.

The platform's services include watershed restoration, water replenishment initiatives, forestry and conservation projects, ecological buffers, community recreation assets, workforce partnerships, and stakeholder engagement programs designed to create visible and measurable local benefits. Our proprietary land screening and monitoring technologies help accelerate project development and ongoing stewardship efforts. incentives.

> **"The U.S. built its economic leadership through transformative investments in railroads, electrification, highways, and digital networks. Today's AI economy requires a new generation of investment, not only in data centers and power infrastructure, but also in the communities and natural infrastructure that support them. CNW exists to help ensure growth creates lasting local value."**
>
> —Brian DiMarino, Chief Commercial & Operating Officer, Chestnut



Our team

More than 50% of Chestnut's team comes from forestry, land management, or natural resources backgrounds. Our land managers are regional — based in the communities where our projects operate — and bring a combination of formal training, on-the-ground experience, and community connections that centralized carbon developers can't replicate.

Employee Spotlights



Mara St. Amant

Carbon Analyst
Denver, CO

Mara brings expertise in forest modeling, carbon markets, and data analysis to Chestnut's IFM program, building on prior research work at Lawrence Berkeley National Laboratory on global ecosystem modeling. She translates forest data into the carbon credit calculations that underpin landowner payments, while helping ensure transparency in how those numbers are communicated to stakeholders.

"Directly contributing to enrolling landowners in our program — and then hearing their testimonies of trust, gratitude, and excitement to be able to conserve their forests how they've always wanted to — is incredibly fulfilling."



Brian Anderson

Senior Biometrician
Rhinelander, Wisconsin

Before joining Chestnut, Brian's career spanned forest inventory analysis at the Wisconsin Department of Natural Resources and carbon modeling at various project developers. In his current role, he designs the statistical sampling methods and growth models that determine how much carbon a forest stores today and how much it will store decades from now.

"These inventories are the backbone of carbon accounting. If the sampling design isn't right, nothing downstream works."



Alex Butler

Director, Land Acquisition
Smyrna, Georgia

With degrees in Forestry and Wildlife and a master's in Forestry from the University of Georgia, followed by nearly a decade managing roughly 60,000 acres of timberland at Bank of America and Cushman & Wakefield, Alex now leads the land acquisitions and regional land managers, identifying the marginal farmland that Chestnut restores.

"Often farmland is no longer working for either a seller or tenant's long-term goals. Seeing that land transformed into a growing forest is incredibly rewarding. We're restoring soil quality, natural ecosystems, water quality, and wildlife habitat from Texas to the Eastern seaboard."

Our Achievements

90,000+
acres under management across nine Southern states

46.7mm
million trees planted to date

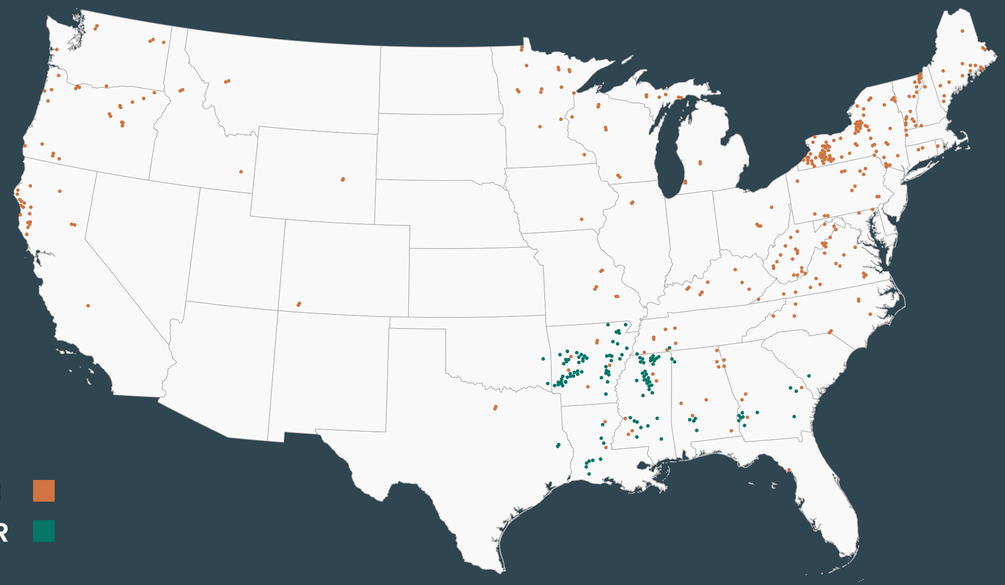
215,000+
acres conserved across 37 states

377,000
tonnes of IFM carbon removal credits issued

580mm
of equity and debt raised

$4.6mm
paid to landowners through our IFM conservation program, Forest Carbon Works

Chestnut Project Sites Across U.S.



Our Three-Pillar Approach to Impact

The land doesn't ask what year it is. A forest restored today will still be filtering water, holding soil, and sheltering wildlife long after any of us are around to take credit for it. That's the kind of commitment climate action actually requires. At Chestnut, three principles hold us to that standard. They're not just how we operate. They're what we're asking everyone who works with us to stand behind: Buyers, landowners, and partners working together to ensure lasting impact and real world value, while maintaining and enhancing communities' relationship to the land.

01

Environmental Integrity

Every acre we restore is for the next 50 years, not the next fiscal quarter. We're doing so much more than planting trees; we work to rebuild ecosystems, species by species, watershed by watershed, guided by science rather than convenience. Our removals-only credits represent carbon that's actually, verifiably gone from the atmosphere — not carbon that was never going to be emitted anyway. But the forests we build, manage, and conserve do more than sequester carbon: they ensure that water runs off cleaner into the watersheds that communities rely on, they hold their soil through the next storm, and they give habitat back to species that lost it generations ago. We don't consider that a side effect. We design for it, we monitor it, and, where credible frameworks exist to verify it, we use them to hold ourselves accountable. When you buy a Chestnut credit, this is what you're actually making possible.

02

Community Partnership

The relationship between humans and forests is fundamental. We know that achieving our goals requires an unwavering commitment to people. When we plant new forests, we own the land we restore. That commitment means the people who live and work alongside our projects aren't stakeholders in name only; they're neighbors we intend to have for decades to come. We show up at their tables, and we go in listening rather than telling landowners how to manage land they've known for generations. Trust like that is earned one relationship, one growing season, one honest conversation at a time.
This people-first focus on relationships is just as important for our IFM offerings. Because we are working directly with landowners to support active forest management, it's critical we start by understanding their goals, their management philosophy, their relationship to the land, and the context in which they are operating.

03

Technological Innovation

Trust in a carbon credit has to be earned with evidence, not assurances. That's why we built our own tools rather than relying on satellite estimates and industry averages: the Chestnut Land Explorer platform and our patented field inventory device turn every acre into verifiable, site-specific data. We're also putting machine learning to work on biodiversity and species monitoring, so that what we can prove about our forests keeps expanding alongside the trees we plant in them. Innovation, for us, isn't a pitch — it's how we make sure the promise behind every credit can stand up to scrutiny, including yours.



01

Environmental Integrity



Growing a Forest the Right Way

Not all forests are equal, and not all carbon projects are built the same way. Our afforestation efforts are designed to carve out an industry-leading position.

This discipline starts at the ground level with species selection, site assessment, planting design, and the long-term management commitments that determine whether a restored forest will deliver on its ecological and carbon promises over decades. At Chestnut, these decisions are made before a single tree goes in the ground.

Our afforestation projects prioritize diversity from the start because we know that diverse forests are more resilient, more ecologically productive, and more capable of generating the full range of environmental outcomes that discerning buyers are looking to support. This focus on diversity allows us to restore marginally productive agricultural land to biodiverse native forest ecosystems using carefully selected mixes of hardwood and softwood species — 30 different species in total — optimized for regional soil conditions, drainage patterns, and native ecosystem requirements. In 2025, we doubled our afforestation footprint to more than 70,000 acres restored and 20,000 more actively managed across nine Southern states. That scale, achieved without compromising site-level ecological integrity, reflects four years of disciplined project development, and was only made possible by a technology platform and network of deep knowledge that was built specifically to support it.



Planting the Right Forest

When we identify a site for planting, our teams study the soil, the climate history, and the species that once grew there. We know that restoring a forest well means restoring the right forest, not just the fastest one. That principle is why, in southwest Georgia, we planted the slow-growing longleaf pine within its native range, and why in the Ozark highlands of Arkansas — a region historically shaped by the species — we've planted shortleaf pine. Sarah Ford, Chestnut's Chief Forestry Officer, has led restoration work rebuilding longleaf pine ecosystems across the Southeast — land that was cleared for agriculture generations ago and is difficult to bring back. One such restoration effort involved planting 17 different native species alongside the pine itself, rebuilding the layered understory that once supported the region's biodiversity.

What Independent Verification of Forest Ecosystems Actually Means

Chestnut was the first company in the U.S. to achieve Forest Stewardship Council® (FSC®) Biodiversity Verified Impact certification for an afforestation project, and in 2026, that independent standard was extended to cover our IFM projects as well.

This new IFM milestone provides third party confirmation that our practices deliver measurable biodiversity benefits by conserving forestland across the country. We are maintaining critical ecosystem services at scale—an outcome that requires sustained management, investment, and on the ground stewardship. By safeguarding these forest ecosystems, the project delivers a wealth of co benefits, including:

- Improved air, water, and soil quality
- Enhanced habitat for native wildlife
- Increased climate resilience for surrounding communities

Measuring What the Forest Does

Chestnut is expanding its biodiversity monitoring capabilities to track ecosystem outcomes with increasing precision.

Camera traps placed across our restoration sites have already documented native, ecologically significant species returning to the landscape, including a Louisiana black bear at our Catahoula Parish site and a bobcat at our Donald Farm property in Jefferson Davis Parish. Sightings like these are meaningful indicators of habitat recovery and ecosystem health.

This past summer, as a complement to our more advanced monitoring tools, our intern team explored low-cost, citizen-science approaches to biodiversity tracking across project sites, such as the Merlin bird identification app and water quality test kits.

Looking ahead, we have purchased a set of acoustic monitoring devices designed to identify species through AI-enabled audio recognition, deployed as a standardized array across project areas. These tools point toward a future of continuous, technology-enhanced biodiversity measurement that enables us to quantify ecosystem recovery alongside carbon removal, year over year.



A bobcat sighted on Donald Farm, a nearly 2,000-acre Chestnut property in Jefferson Davis Parish, Louisiana. Bobcats are elusive native predators whose territories can span several square miles. Their presence suggests a landscape with enough cover and prey to support wildlife at the top of the food chain.



A Northern Mockingbird, Mississippi's state bird, on a Chestnut restoration site. Mockingbirds thrive where open ground, shrubs, and young trees meet. That mix of habitat appears as former farmland makes its transition back to forest, and persists through time with responsible, active forest management.

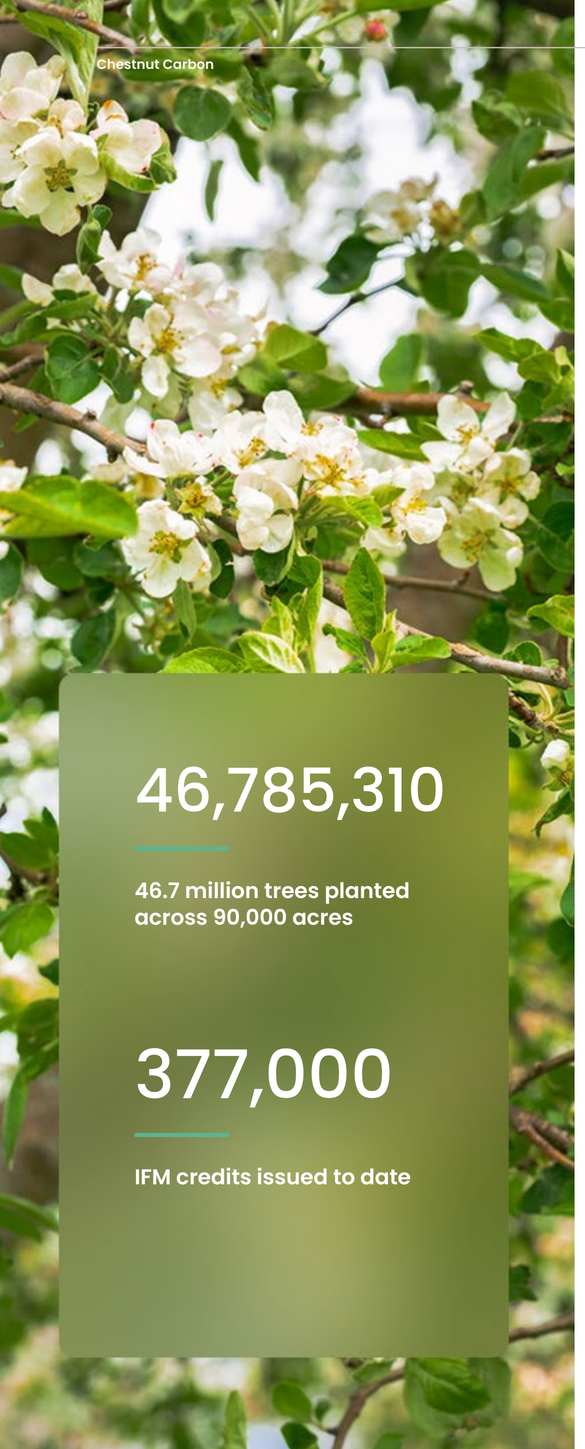
"We are excited to see Chestnut achieve a second FSC Verified Impact. Across both afforestation and IFM, Chestnut is showing the market what high-quality, biodiversity-focused forest management looks like. FSC is proud to support these nature-positive efforts."

—Thomas Kain, Senior Manager, U.S. Certification and Business Development at the Forest Stewardship Council



FSC
www.fsc.org

The mark of responsible forestry
FSC® C180518



46,785,310

46.7 million trees planted across 90,000 acres

377,000

IFM credits issued to date

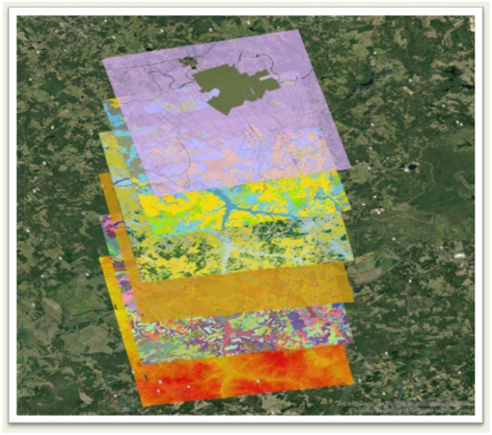
Why Chestnut Credits Are Built to Last

The integrity of a carbon credit depends on the integrity of the project behind it, and project integrity starts with who controls the land.

For all of our nature-based projects, the underlying property is held under well-established U.S. land ownership law and therefore not subject to the legal and political vulnerabilities that have disrupted carbon projects in other markets. That ownership structure is the foundation for permanence commitments, long-term management plans, and delivery certainty that buyers depend on.

Beyond land ownership, every Chestnut project is built around conservative structuring, rigorous monitoring, and multi-layered risk mitigation. Because our IFM program involves working on land we do not own, Chestnut's forestry team goes further still to ensure long-term results. They work directly with each enrolled landowner through a careful screening and onboarding process, assessing forest health, establishing baseline scenarios, and ensuring that the conservation commitments we issue credits against are grounded in the actual condition and management history of the land. That level of diligence exceeds what most IFM programs require.

The result is greater delivery certainty, fewer project interruptions, and lower reputational risk for buyers.



Using a large collection of data layers, we profile land for carbon sequestration potential and risks.

Our Quality Standards

Chestnut's quality is demonstrated through how we design and manage our projects to standards that reach well beyond industry norms. Third party verification adds an additional layer of confidence. Knowing that different buyers prioritize different methodologies, we are proud to offer a robust project portfolio across the most well respected registries for high quality removals. A full overview of our projects and the standards they meet is available at chestnutcarbon.com.

Chestnut also holds or is pursuing FSC® certification across all Chestnut-owned properties. FSC certification is globally recognized with a focus well beyond carbon, encompassing forest management practices, community engagement, biodiversity, and broader ecosystem health. We consider it a badge of honor that demonstrates our deep commitment to delivering meaningful co-benefits. (See page X for more information about our FSC Biodiversity Verified Impact certification).

Why Additionality Is Essential

The scale of carbon removed is not just influenced by acres of forests planted but how those forests are managed. Our IFM program allows credit buyers to support management practices proven to increase carbon removal while benefiting ecosystem health. Of course, additionality is critical — and demonstrating additionality requires a different approach with existing forests, rather than new ones. That's why, in 2026, the Chestnut team established our IFM additionality pillars:

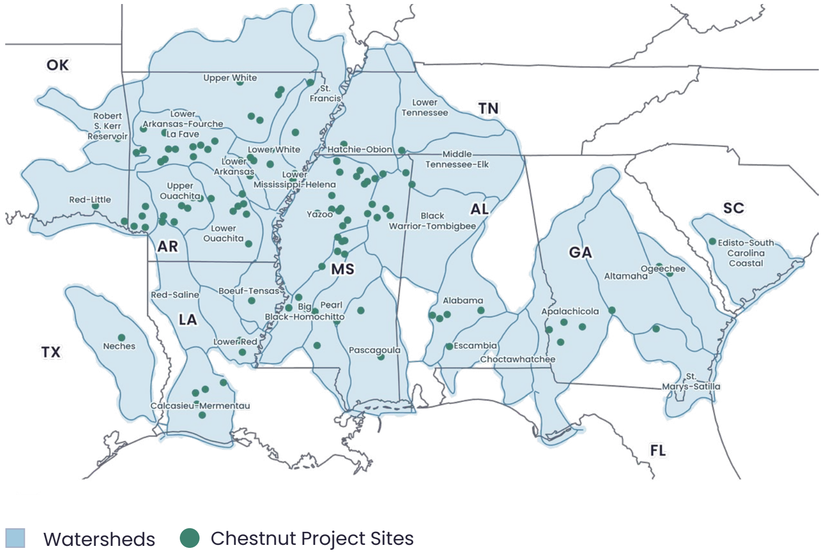
- Harvest Reduction and/or Extended Rotations
- Conversion Pressures
- Forest Health & Risk Mitigation
- Biodiversity, Habitat, and Co-Benefits

Each pillar is mapped to specific principles and KPIs that will help our teams to ensure IFM removals are genuinely adding value and delivering on their promise. This allows us to deliver the best, highest integrity credits to buyers who expect and deserve a robust, proven approach to additionality. (See Page 12 for how IFM supports practices that can help mitigate against the risk of wildfires.)



A Complete Picture of Forest Benefits

A forest planted and managed with genuine ecological care can support clean waterways, soil stabilization, air quality improvements, and the return of wildlife. These outcomes are part of our long term vision and increasingly part of what we can measure.



Watersheds Chestnut Project Sites

Forested watersheds provide among the most stable and highest-quality water supplies of major U.S. land-use types.

Waterways

Forests are the foundation of the U.S. drinking water supply. They cover about 36% of the continental U.S. but contribute roughly half of its total surface water yield. Nearly 90% of the country's public drinking water intakes draw to some degree on forested land, and together they serve about 150 million people.[1] Healthy forests also lower the cost of clean water. Research has found that drinking water treatment costs fall by about 20% for every 10% increase in forest cover in a source watershed.[2]

Chestnut supports healthy watersheds in two ways: by planting new forests and by protecting existing ones. Our afforestation projects have restored more than 350 miles of waterways by removing agricultural runoff sources and establishing native riparian buffers that stabilize riverbanks, filter pollutants, and regulate stream temperatures. The cumulative impact of watershed restoration compounds over time. As degraded agricultural land transitions to native forest, the downstream benefits grow across entire river systems.

Our improved forest management work keeps those benefits in place where forests already stand. Private forests supply drinking water to at least 16 million people in the Eastern U.S., and they face a higher risk of conversion than public lands.[1] By helping landowners keep their forests intact and well managed, we not only increase the amount of carbon stored, but we protect the canopy, roots, and soils that hold sediment in place, take up excess nutrients, and slow stormwater before it reaches streams.

We monitor water quality across afforestation project areas as part of our broader environmental tracking program, using field-deployed sensors and camera systems to generate ongoing data on watershed health. That monitoring capability is expanding as our AI-enabled tools come online.

CASE STUDY



Our 250-acre restoration site along Bayou Bartholomew in Lincoln County, Arkansas, illustrates this in practice. Bayou Bartholomew is the longest bayou in the world, stretching roughly 364 miles from its source to its mouth on the Ouachita River. By improving infiltration, reducing runoff, and enhancing downstream water quality, this site is designed to deliver measurable watershed benefits alongside its climate impact. It's that kind of layered outcome that defines high-integrity, nature-based restoration.

[1] Source: Ning Liu et al. (2021), Environmental Research Letters, with U.S. Forest Service researchers.

Forest Health, Carbon Revenue, and Risk Mitigation

The risks facing U.S. forests are growing. Drought, wildfire and long-term shifts in climate threaten forest health and the carbon stored in it. Volatile timber markets and long harvest cycles add financial pressure on the landowners who manage these forests. Many of the practices that reduce these risks are well understood. But they are labor-intensive, and they don't always pay for themselves. Chestnut's IFM program creates ongoing revenue that is specifically tied to active stand management and risk mitigation, helping to incentivize best practices and overcome some of the financial barriers that landowners face due to the economics of traditional forestry. Forest Health & Risk Mitigation is also one of our IFM additionality pillars, so these practices are built into how our projects show real impact.

Soil Health

Converting marginally productive agricultural land to native forest eliminates the tilling and plowing that accelerate erosion and degrade soil structure over time. Chestnut's FSC® Pesticide Policy compliance further protects soil biology by restricting chemical inputs across our restoration sites. The result is a gradual but measurable recovery, with reduced erosion, improved water retention, and increasing organic matter that underpins the long-term health and productivity of every forest we plant, and the soils in which they are planted.

Academic Partnerships

Chestnut's environmental monitoring and research programs are supported by active partnerships with institutions that lend independent scientific credibility to our methods and provide research continuity across our project portfolio. Institutions we partner with include Clemson University, the University of Arkansas at Monticello, and the Southern Rural Agri-Center. Through activities like field visits and summer internships, these collaborations bring faculty researchers and students into direct engagement with our restoration sites, generating data that informs our land management practices and strengthens the long-term evidentiary foundation of our impact reporting.





Wildfire: an example in practice

Wildfire is a pressing example of why risk mitigation practices matter. Wildfire risk across seasonally dry forests of the western U.S. has intensified over the past century, a shift researchers attribute to decades of fire suppression policy, the historical removal of fire-resistant old-growth trees, and a warming climate.

Practices like thinning can play an important role in building healthier, more resilient forests and mitigating wildfire risk. While thinning can be tailored to a landowner's specific goals and objectives, Oregon State University emphasizes its importance in areas where wildfire risk is high.[1] Reducing overcrowding and removing smaller trees and ladder fuels can improve stand vigor and resistance to insects and disease while reducing conditions that contribute to severe wildfire.

1 Source: Reducing hazardous fuels on woodland property: thinning https://teams.public.onecdn.static.microsoft/evergreen-assets/safelinks/2/atp-safelinks.html

02

Community Partnership



Partnering with Landowners

The people and institutions who own and manage America's private forests come from many backgrounds with many different perspectives. Some have owned the same land for generations and think about it in terms of legacy, identity, and what gets passed on. Others manage forestland as a business — weighing carbon revenue alongside timber, hunting, and agriculture with the same rigor they'd apply to any asset, looking to get the most sustainable return their land can generate. For many, it's a combination of the two.

We work with landowners across all stages of this spectrum, and of every possible size — from family-owned tracts to large, institutional holdings.

Our central promise is this: **We don't tell landowners how to run their land; we help them get more out of it.**

Forest Carbon Works: Program to Date

215,000

acres enrolled in long-term conservation across 37 states

$4.6mm

paid to landowners through carbon credit revenue

225

participating landowners



Norb Krusiecs Mineral Point, Wisconsin

Stories From Our Landowners



The Krusiecs Family

The Krusiecs have spent 55 years restoring their farm. That work started with basic conservation practices like contouring and grass waterways and has grown to include habitat projects like the Monarch Butterfly Project. They've turned down offers from loggers looking to clear-cut the property. Instead, for the past 20 years, they've used the land to grow produce for local food pantries, an effort that Chestnut Forest Carbon Works helps make possible. "It is really wonderful for us to be able to do what we do… we don't get any financial help for that — if it wasn't for doing these kinds of projects, we wouldn't be able to continue."





John & Sandy LaPrelle Mountain Valley Farm, Virginia

Spanning more than 3,000 acres in Southwest Virginia, Mountain Valley Farm has been in the LaPrelle family since 1943, used for cattle and timber production. For the LaPrelles, the land is both an investment and a testament to hard work. Their decision to enroll in Chestnut Forest Carbon Works was driven by two goals: generating passive income and keeping the land in the family for the next generation.



Richard Carbonetti Black Hills Timber, LLC, Vermont

Richard Carbonetti has spent nearly 50 years as a consulting forester, and his own land reflects that career. In 1994, he helped a client acquire a 1,927-acre tract in Vermont; his firm has managed the property continuously since, and he and his family became owners themselves in 2013, placing the land under a Vermont Land Trust conservation easement the same year. The property is FSC-certified and enrolled in the American Forest Foundation's Tree Farm program.

For Carbonetti, Chestnut Forest Carbon Works addresses a challenge familiar to many longtime timberland owners: how to fund thoughtful, science-based management without leaning on volatile timber markets or rushed harvests. Carbon revenue, he says, smooths that income curve — paying contractors fairly, timing harvests to the right conditions, and easing the pressure to "harvest now to cover costs."

Forest Carbon Works Program Benefits

- Initial payment after enrollment, with annual payments as credit sales occur
- Revenue-share model with upside potential as carbon prices increase — plus a 10% payment increase in years with no commercial harvest
- No out-of-pocket costs or financial commitment required
- Flexible harvest allowance — up to 30% of annual growth per year, with expanded allowances available on a five-year cycle
- FSC® certification support, including Forest Management Plan assistance and audit services
- Expert forestry management and carbon verification handled by Chestnut's team
- 40-year conservation commitment providing long-term income and legacy protection

The Human Ecosystem Behind Our Forests

Behind every planted acre is a network of partners, suppliers, and local operators whose work makes the operation possible. That network is a deliberate design choice. Quality seedlings produce quality forests, quality partners produce quality outcomes, and local sourcing — right down to the teams we hire and the supplies we buy to fix a fence — keeps the economic benefit of Chestnut's work in the communities where our land sits.

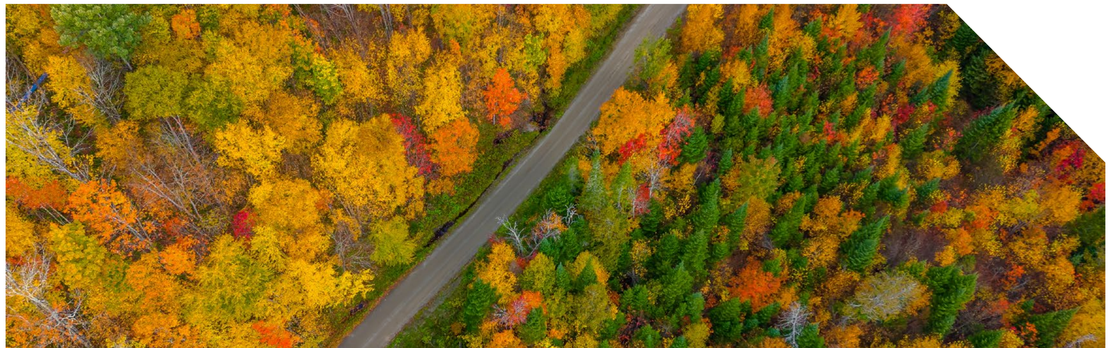
$1 invested

=

$10 impact

As noted in this report's introduction, WRI research found that every $1 invested in climate adaptation generates more than $10 in economic, social, and environmental returns. The supply chain behind our forests is one of the mechanisms through which that return gets realized, and we are intentional about how we are shaping it.

Source: World Resources Institute, 2025



Our Seedling Supplier Partners

ArborGen

is one of the world's leading forest seedling suppliers, providing us with high-quality native species stock optimized for the soil and climate conditions of our Southeastern project areas. Our supply agreement with ArborGen spans both hardwood and softwood species and is now in its fifth year, scaling alongside our growing footprint.

PRT

supplies a significant portion of our seedling volume, supporting our planting operations at scale across multiple states.

IFCO SEEDLINGS

was a seedling supplier for our 2025-2026 banner year planting efforts, providing shortleaf pine, loblolly pine, and a range of hardwood species alongside ArborGen, helping ensure the native species diversity our restoration plans call for was available at the volumes we need.

Funga

brings an innovative approach to seedling production, injecting mycorrhizal fungi directly into pine seedling plugs. Chestnut has established side-by-side controls at every planting site to compare inoculated and non-inoculated growth. Early observations point to a meaningful difference in early growth and soil health, and we are tracking formal results as the comparison matures.

> **"Chestnut is blazing a new trail for forest regeneration within the US. Through this partnership Funga can accelerate Chestnut's impact, while ensuring fungal biodiversity is at the forefront of this new model for forest restoration"**
>
> — Colin Averill, Founder and CEO, Funga



Our Land Management Team

Chestnut's rural land managers don't fly in from afar. They are people who live and work in the communities where our properties are located. Land managers handle everything from lease terms to routine maintenance to coordinating property audits with our product team. Day-to-day, in-person contact is central to how the work gets done. Managers often visit two or three properties in a day. Over a two-week period earlier this year, the land management team visited 32 counties in six states. One land manager put 30,000 miles on his truck in a single year. When the time inevitably came to replace the tires on that truck, this land manager proudly reported that the work was done at a locally owned auto repair shop.

Much of the job runs through relationships already in place: brokers who know the area, contractors from the next town over rather than a national firm, landowners they've worked with for years. Whether it's a hunting or grazing lease, a fence or road repair, or a long-term commitment, Chestnut's reputation rests on a simple standard: following through and doing what we said we'd do, without overpromising. Above all, our land managers approach this work as a long-term presence, not a short-term transaction — the same posture we takes toward the land itself.

Safety

Our land managers work in remote areas, often alone, sometimes 30 minutes or more from basic services. Chestnut has built its safety protocols around that reality: any team member working alone in the field carries a satellite communication device and is required to notify at least one colleague when exiting their vehicle onto a property. Protocols for off-road vehicle operation are established and a formal certification program is in development.



Team members relaxing during a long day of field work in Alabama.



Land managers drive tens of thousands of miles each year to take care of our restored properties.

CASE STUDY

Shared Stewardship:
How Grazing Cattle Protect a Levee System

On one of Chestnut's properties in Louisiana, 250 acres of levee run through the land. The infrastructure protects not just this property but every farm upstream that depends on it. Rather than planting trees on the levee itself, Chestnut leases the land for cattle grazing.

The cattle keep the levee grazed and compacted, which helps stabilize the soil and preserve the structural integrity of the system. It's a practical arrangement that benefits everyone involved: the levee is maintained, the tenant gets productive grazing land, and the broader farming community upstream retains the flood protection it depends on.

It's a small-scale example of a broader principle at Chestnut: land management decisions are shaped by what's already there and what the land and its neighbors actually need, not a one-size-fits-all approach to restoration.



Community Impact

Chestnut's forests sit within rural communities, often with limited economic alternatives, where the presence of a responsible long-term land manager makes a tangible difference.

Economic Impact

$79.6mm
in economic output across nine states

$13.1mm
in fiscal impacts

1,228
jobs supported across restoration projects

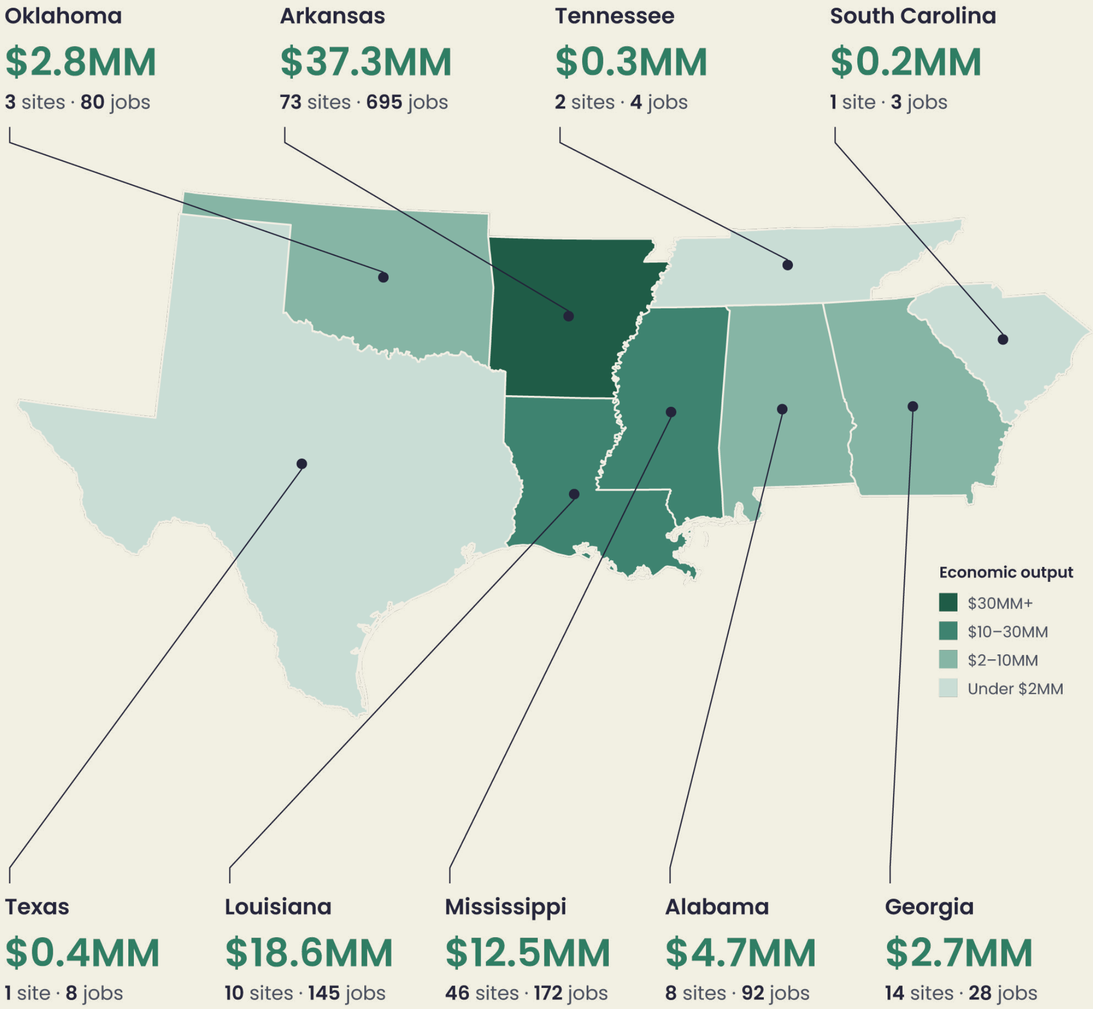
88
COUNTIES AND PARISHES

The 2025-2026 planting season added 105 new project sites to Chestnut's portfolio, increasing the total from 53 to 158 sites in the Southern US. These sites are located in 88 unique counties and parishes across 9 states.



Chestnut Carbon Afforestation Project Sites

Jobs Supported and Economic Output
from our first 4 Planting Seasons 2022–2026



Stakeholder Engagement

Forests cannot be separated from the communities that rely on them. That's why relationships are so critical to our projects' long term success. Building and maintaining trust is what makes those relationships work.

A comprehensive community engagement analysis across the communities where we currently operate, and where we are looking to purchase additional land, allows us to identify and engage community groups, political leaders, environmental justice organizations and other stakeholders. This lays the groundwork for the productive, ongoing relationships that deeply inform our work.

Additionally, we hold formal stakeholder meetings twice a year. Meeting notes are published online and accessible to anyone in the communities where we operate. Our stakeholder page remains open year-round, and we actively promote it through company channels as an ongoing resource for community members, neighbors, and landowners who want to follow or engage with our work. Physical comment books are present on site at each property.

But the most meaningful community engagement happens in personal conversations with neighbors, in educational events with students, and in the day-to-day work of land managers who are embedded in the communities they serve.

This year, we expanded our educational engagement programming, working with local schools and universities to bring students directly onto our properties and into our restoration work. This included a partnership with a Clemson University professor who connects students with Chestnut project sites for research, a forestry field day with the University of Arkansas at Monticello, and participation in local agricultural education events like 4-H.

That community connection extends across all regions where we operate. In Martin County, Kentucky, 6,000 forested acres enrolled in Forest Carbon Works surround a reclaimed mine site that is operated by Renew Appalachia, an organization working to repurpose reclaimed surface mines for uses that support the surrounding community. That site has hosted events including the Barefoot Festival, a music and arts festival enabling the locals to enjoy the land.

Our land managers also participate in local forestry and land-related conventions, host community feedback events, and maintain ongoing personal relationships with the neighbors, tenants, and local officials who are closest to our work. Chestnut builds formal ties to the communities where it operates, too, joining the National Alliance of Forest Owners and chambers of commerce in Morrilton and Pine Bluff, Arkansas, as an active business member committed to long-term regional development.



Jacob Manuel, Land Manager, teaches local students how wildlife utilizes the tree species Chestnut plants during Evangeline Parish 4-H Fish and Wildlife Day.

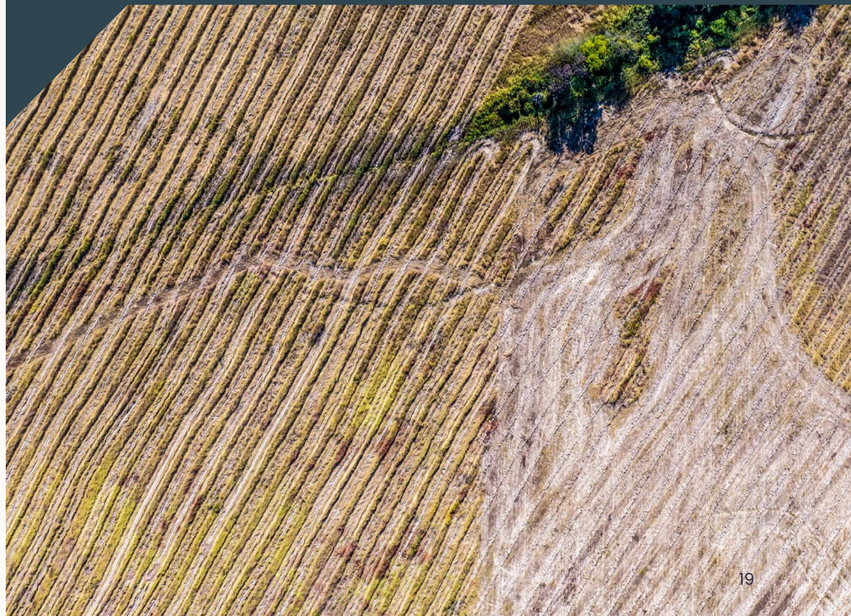


Stakeholder group visiting a site in Ville Platte, Louisiana.

Cultural Artifacts Standard Operating Procedure

Humans have always coexisted with forests, and respecting that history is critical to what we do. When Chestnut's projects intersect with areas of tribal significance, we engage directly and transparently with the relevant Indigenous communities in a manner that respects sovereignty and cultural protocols. Our Cultural Artifacts Standard Operating Procedure establishes a formal process for identifying, evaluating, and responding to cultural resource concerns across our land portfolio.

The SOP itself grew out of specific, on-the-ground work. In Oklahoma, our land acquisitions have extended to areas with proximity to Choctaw Nation territories. A cultural study on one property surfaced historical mapping suggesting the area could contain undocumented artifacts, prompting Chestnut to initiate the required review process and engage directly with the Choctaw Nation. Working with qualified cultural archaeology consultants, we developed an accidental discovery plan for the property, which established a protocol for identifying and responding appropriately if cultural resources are found during land management activities. That work has since been formalized into a standard process now applied across our full land portfolio.



Recreation Access

Chestnut works to enable community access through hunting, fishing, and recreational leases across our portfolio, offering a tangible benefit to local residents and an additional revenue stream that supports the long-term economic sustainability of our projects. As of fall 2026, approximately 87% of our leasable land is under active lease, with the program continuing to expand as new restoration sites reach maturity.

In Louisiana, we have enrolled 7,000 acres into a program that partners with state wildlife biologists to conduct deer browse surveys on our properties, identifying opportunities to improve wildlife value beyond hunting alone.

Our lease management partner also provides wildlife biologist assessments at no additional cost, supporting practices like selective harvesting to maintain a healthy buck-to-doe ratio, a factor that affects herd nutrition and long-term health. When state surveys identify an imbalanced ratio, this program can allocate additional harvest tags, allowing hunters to play an active role in managing ecosystem health. In addition to hunting, our properties also include significant frontage along ponds, streams, and creeks that provide opportunities for fishing.

99%

of our leasable land is under active lease

7,000

Acres enrolled in Louisiana's deer browse survey program with state wildlife biologists



Piloting Innovation in an Urban Forest

Governors Island, NYC

In fall 2026, Chestnut launched a pilot partnership with the Trust for Governors Island, establishing approximately 10 forest research plots in Hammock Grove. The multi-year collaboration brings our monitoring, reporting, and verification (MRV) technology to a new and unexpected setting: a public island park in New York Harbor.

The pilot serves three purposes — evaluating native species growth and carbon sequestration potential, testing and refining our field technology in a distinct ecological context, and advising the Trust's horticulture team on sustainable landscape management. Our team will also plant chestnut trees on the island and share annual findings with the Trust.

For a company whose forests are mostly hundreds of miles away in the rural South, Governors Island is also home — Chestnut is headquartered in New York City, and this partnership reflects the same commitment to local engagement that we bring to every community where we operate.



Map of Chestnut's forest plots on Governor's Island, an urban forest off the southern tip of Manhattan

03

Technological Innovation

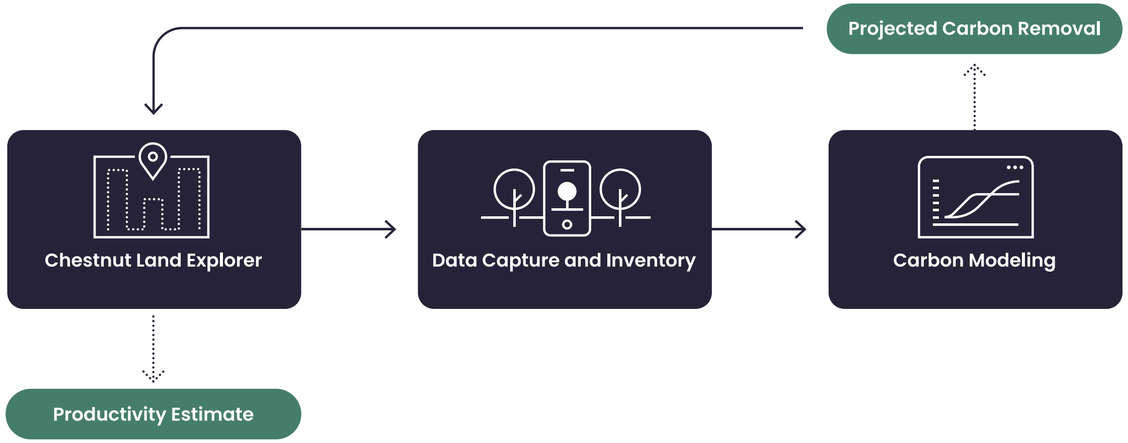


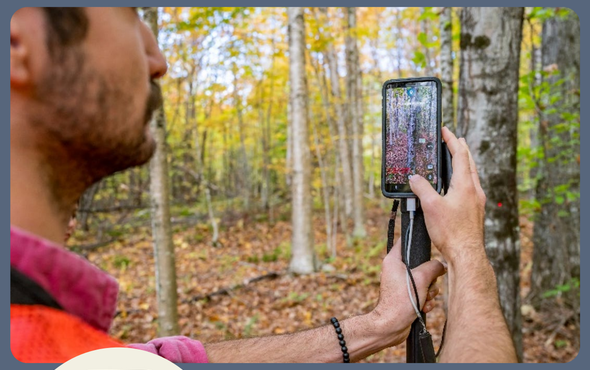
Technology That Sets the Standard

Chestnut's technology platform is what allows our company to operate at the scale required for large-volume, multi-year carbon removal agreements. The Chestnut Land Explorer platform identifies and models land potential. Then, our patented field inventory device gathers site-specific measurement data. Lastly, Monte Carlo statistical modeling and simulations support rigorous carbon accounting and risk assessment for lenders and buyers alike. As we scale to meet the needs of our buyers, we have invested in optimizing our internal tooling so these capabilities can run at greater volume without sacrificing precision.

Tech-Based Carbon Capture and Measurement:

Our Three Step Process

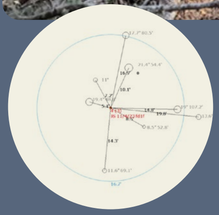




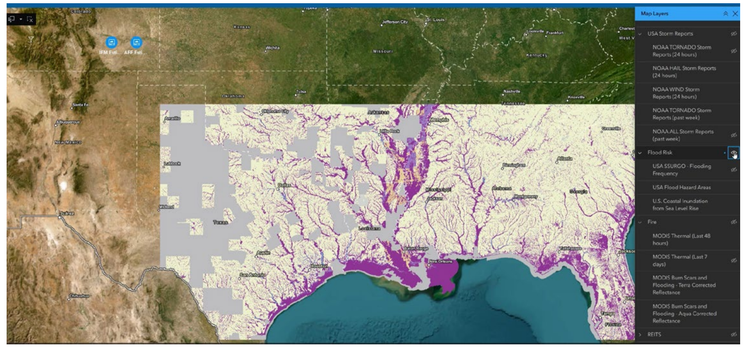


Our patented device attaches to a smartphone for easy use in the field.





Data captured in the field provides detailed visual representations of each plot in multiple digital formats.



Chestnut Land Explorer

The Chestnut Land Explorer (CLE) is our proprietary land assessment platform — a GIS-based tool that enables property-level forest carbon analysis across the continental U.S. Within minutes of identifying a parcel, the CLE can generate carbon productivity estimates for both ARR and IFM applications, including projected carbon yield, plantable versus non-plantable acreage, soil salinity and alkalinity, climate risk indicators, and present biodiversity characteristics. Because economic viability is central to long term sustainability, the platform also models projected revenue over time, including a 10-year net present value estimate and projected annual credit generation, with an acknowledged margin of error.

New capabilities added in 2025 expand what the CLE can assess. For IFM projects, the platform now models ACR risk categories like flood, fire, and biotic, and generates Emission Reduction Ton estimates. For afforestation projects, it can screen for historical heritage site overlap, applies the most advanced and accurate biomass estimation framework from volume data, and operates in areas where SSURGO site index data is unavailable. At the same time, CLE's Forestland Automation Tool performs many critical mapping tasks automatically reducing manual mapping time by 60 to 80 percent.



Data Capture and Field Inventory

Chestnut's patented field inventory device attaches to a smartphone and enables comprehensive forest inventory from a single tool. Operating within an 11 to 20-foot radius plot, the device is used to count trees, and record species, height, and defect data. This information would traditionally require multiple tools and much more time to collect. Instead, we can train qualified field technicians to operate our inventory device nationwide, dramatically reducing inventory costs while improving accuracy over satellite-only methods all while engaging with local communities and supporting local economies.

Data captured in the field flows directly into inventory management software, generating plot visualizations and feeding into carbon yield projections at the parcel level. Buyers receive credits backed by tangible, site-specific forest data, not estimates derived from remote sensing alone.

We are currently preparing to release a next-generation version of the platform's cruising interface, expanding the tool beyond its current IFM-focused use to support a broader range of data collection and a wider set of users, both inside and outside the company.



Carbon Modeling

Chestnut's carbon modeling integrates field inventory data with the USDA Forest Vegetation Simulator (FVS) — a science-based, region-specific forest growth model used by the U.S. Forest Service. The modeling pipeline converts field measurements through a multi-step process: tree measurements to species-specific volume, volume to biomass via allometric equations, biomass to carbon fraction, and carbon to metric tons of CO_2 equivalent.

We have begun collecting high-resolution aerial imagery and high-density LiDAR to capture tree-level detail — including individual trunk diameter — across entire properties rather than relying on sampling alone.
This drone-acquired data and the technology to develop insights from this data will strengthen the precision of all forest estimates by capturing almost every tree. This data will then be fed into our modeling pipeline to further improve the accuracy of our estimates of carbon removal.

Market Recognition and Industry Leadership

Chestnut's role in the voluntary carbon market is not just that of a supplier. We are helping to raise the bar in terms of how the market operates. The partnerships and financing structures we have built demonstrate what it takes to finance, verify, and deliver institutional-grade nature-based carbon at scale.

We are grateful that this rigorous approach has attracted recognition from some of the leading forces in the market. That recognition has come most clearly from the financial sector. When global banks and financial institutions subject nature-based carbon to their own rigorous due diligence, and still choose to transact, it signals something the broader market needs to hear: high-quality forest carbon is not a niche impact category but a bankable asset class.

In 2026 alone, Chestnut closed a significant volume of IFM spot purchases, expanding its roster of financial institution partners across the U.S., Canada, and the U.K. — reflecting our position as the preferred choice for financial institutions seeking premium-quality credits that meet the standards their own reputation demands.



Customer Case Studies: Finance

Royal Bank of Canada (RBC)

RBC agreed to purchase IFM credits from Chestnut's portfolio in August 2026. The revenue will support participating landowners in maintaining and improving forest health while meeting immediate financial needs — helping to balance the pressure to sell or develop forestland. "Directing capital to high-quality, third-party verified climate solutions is important to how RBC can support clients in the transition to a low-carbon and resilient economy," said Brian Hong, Director, Environmental Markets Solutions Group at RBC. "This project is compelling to us because it makes responsible forest stewardship economically viable for landowners while delivering environmental benefits at scale across the United States."

TD Bank Group

In late 2025, Chestnut and TD announced a four-year agreement, and Chestnut was featured as a named case study in TD's 2025 Sustainability Report. As one of North America's largest financial institutions, TD's engagement with IFM credits signals how nature-based solutions are increasingly viewed as a credible, durable component of strategic institutional decarbonization.

Bank of Montreal (BMO)

BMO's April 2026 purchase of IFM credits from Chestnut's Family Forest Carbon Project reflects a direct investment in family-owned forestland across the Southeast. The Family Forest Carbon Project works with individual family forest owners, supporting the transition from even-aged timber harvesting to uneven-aged forest management through extended rotation ages — a practice that increases long-term carbon sequestration while keeping working forests in local hands. For BMO, the purchase ties a global decarbonization goal directly to a specific, verifiable project on the ground.

CASE STUDY

Insuring Carbon, Not Just Wood

Trees are vulnerable to fire, drought, disease, and storms, and lenders need assurance that carbon credit delivery can withstand those risks over a multi-decade loan term. Existing insurance products that insure the wood weren't built for the carbon economy. Marsh McLennan Agency (MMA), Chestnut's existing business insurance advisor, helped structure a new kind of policy: one that insures the carbon credits themselves, rather than the timber. "The way this policy works is that if a project fails due to any type of natural catastrophe, the carbon insurer will pay up to the policy limit for the carbon credits that are not delivered," says Casey Nepper, an insurance risk consultant at MMA who played an integral role in building the solution.

This insurance was central to making our groundbreaking $210 million J.P. Morgan credit facility for large-scale afforestation bankable, giving lenders the confidence to extend project financing to an asset class with no real precedent. According to Nepper, the market has grown threefold since this deal closed. That growth is a signal that the financial infrastructure around nature-based carbon removal is maturing alongside the market itself, which opens the door to bank financing for a sector that has historically relied on costlier private equity.

> **"We've demonstrated a model that's scalable and incentivizes investors. We believe this will be transformative for Chestnut and the industry as a whole.**



— Greg Adams
Chief Financial Officer, Chestnut

What's Next

Chestnut was founded as a forest carbon removal company.
What we are building is something far broader.

The forests we plant, and the projects we manage, are a powerful force for delivering clean water, restoring natural habitat, supporting rural economies, all while storing carbon for generations. Increasingly, the organizations we work with are asking for a land-based partner who can demonstrate value across the full range of what a well-managed forest delivers and all of the co-benefits that come along with it.

The ability to measure, verify, and ultimately generate value from these co-benefits is what a trusted natural infrastructure company looks like in practice. That is the company Chestnut is becoming. We are helping America's communities welcome growth while preserving what makes them unique.

Our ambition is to give the companies building America's next chapter a way to strengthen the land, water, and communities their projects depend on. In the near term, that means helping developers, hyperscalers, utilities, investors, and communities work in lockstep to plan, finance, develop, and operate the environmental infrastructure needed for responsible growth.

On the landowner side, that means helping private landowners and families understand, manage and grow the full value of their land, from timber and carbon to conservation, recreation and legacy.

Ultimately, our success is measured by the outcomes we can deliver and prove. The measure of what we build over the coming decade is not just carbon volume. It is whether we can demonstrate, with the same rigor we apply to carbon accounting, that well-managed land delivers value across biodiversity, water, soil, and community outcomes.

We are excited about our rapidly growing portfolio and footprint. Yet we also know that scale without integrity is a liability.

We are deeply committed to growing both together.

Memberships and Affiliations

American Fisheries Society

Business Alliance for Climate Action

Conway County Economic Development Corporation

Forest Stewardship Council®

Louisiana Forestry Association

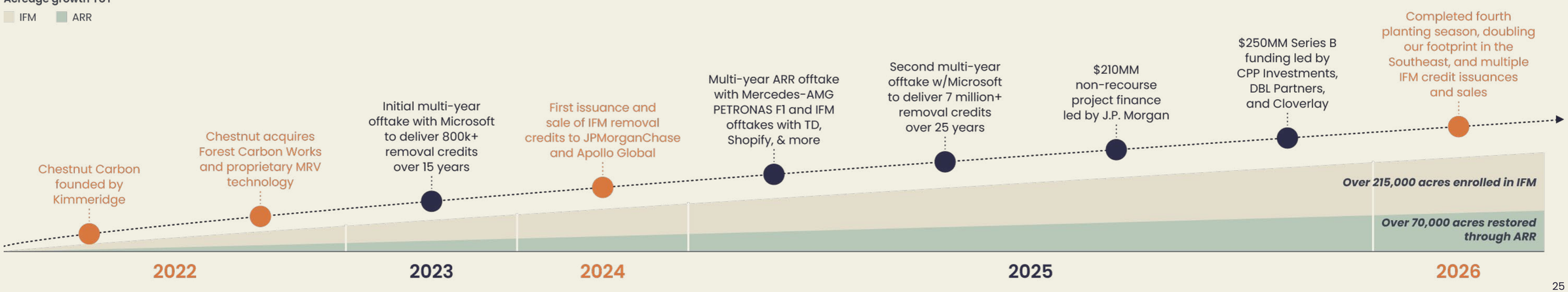
Morrilton Chamber of Commerce and Pine Bluff Chamber of Commerce

National Alliance of Forest Owners (NAFO)

Project Developers Forum

Society of American Foresters

The Trust for Governors Island





Appendix

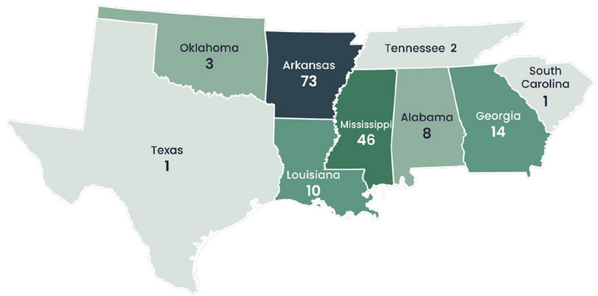
Executive Summary

Founded in 2022, Chestnut is dedicated to restoring forests and removing carbon from the atmosphere through large-scale afforestation, reforestation, and revegetation (ARR) projects, as well as protecting existing U.S. forests through its IFM program. To date, the company has planted more than 46.7 million trees on approximately 90,000 acres in nine states across the Southern U.S., delivering verified carbon credits through long-term carbon removal.

To understand the broader economic and fiscal effects of its work, Chestnut engaged Beacon Economics to conduct an economic impact study of its forest restoration portfolio. The study draws on detailed expenditure data from 158 restoration project sites. These expenditures include costs related to site preparation, seedling procurement, planting, forest management, project-related travel, and other restoration activities.

Chestnut Project Sites by State

Years 1–4, 2022–2026



Source: Chestnut. Analysis by Beacon Economics.

Summary of Economic and Fiscal Impacts

From 2022 to 2026, across four planting seasons, Chestnut's forest restoration operations supported approximately $79.6 million in economic output, 1,228 jobs, $34.0 million in labor income, and $44.6 million in value added. In the most recent 2025–2026 planting season alone, Chestnut's activity supported $30.7 million in economic output, 442 jobs, $14.0 million in labor income, and $17.9 million in value added across the nine states in the analysis — with Arkansas generating the largest state-level impact at approximately $14.1 million in economic output across 73 project sites. The projects also supported an estimated $13.1 million in cumulative fiscal impacts across the four planting seasons. In the 2025–2026 season alone, this included approximately $544,000 to local governments, $365,000 to counties, $1.3 million to state governments, and $3.0 million to the federal government, totaling $5.2 million.
All results capture the total economic activity supported by project spending, including direct, indirect, and induced effects. Cumulative totals combine results from Beacon Economics' 2025 study, in 2025 dollars, with 2025–2026 results in 2026 dollars.

Local taxes refer to both Sub-County General and Sub-County Special Districts. This includes revenue collected by cities, townships, and municipalities, as well as by special-purpose local governments, such as public-school districts and fire districts.

Methodology Notes

Chestnut's carbon sequestration methodology integrates field-collected inventory data with the USDA Forest Vegetation Simulator (FVS), a scientifically validated, region-specific forest growth modeling tool. Carbon projections are generated at the project block level using site-specific inputs including soil conditions, species composition, planting density, and site index. Results are expressed as metric tons of CO₂ equivalent (tCO₂e). Baseline revisions are conducted on a ten-year cycle. Per-parcel sequestration projections are updated continuously as planting and survival data is collected from the field.

For IFM projects, carbon modeling follows applicable methodology requirements under each verification program, incorporating harvest reduction baselines and extended rotation projections at the cohort level.

All carbon credits issued by Chestnut are verified by independent third parties. A full list of applicable verification standards and programs is available at chestnutcarbon.com.
Economic and fiscal impact estimates were prepared by Beacon Economics using IMPLAN input-output modeling and Bureau of Economic Analysis data, based on Chestnut's project expenditure data.

About this Report

We have published this report to highlight the environmental, economic, and social outcomes of our nature-based carbon removal projects and operations. This includes both quantitative and qualitative information, as well as progress toward our goals using baseline data as noted throughout the report.

Unless otherwise noted, the scope of this report covers Chestnut's nature-based projects for the period ending October 31, 2026.

All statistics are current as of the date of publication. Placeholder data noted throughout the report will be updated prior to final release.

For additional information regarding this report and its contents, please visit our website at **chestnutcarbon.com** or contact **info@chestnutcarbon.com.**

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Chestnut Carbon
2026 Impact Report

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