



LETTER FROM THE PRESIDENT

Well... 2020 was an interesting year. Not sure how else to start but to acknowledge the elephant in the room. We had to make lemonade out of the lemons 2020 handed us. And we made the most of it. It's how we try to do business in general. We look at a problem or situation and then seek to find a solution and then to see how we can grow and improve and come out better than we were before. We are believers in continuous improvement, it's why we evaluate and review everything we do from safety to quality, to our processes.

“We look at a problem or situation and then seek to find a solution and then to see how we can grow and improve and come out better than we were before.”

In the end, 2020 was a great year.

As we move into 2021, I'm excited about the changes we put into place. We've made so many improvements in this past year. We've made changes to our 1) safety training and culture, 2) managerial processes, 3) equipment upgrades, 4) GIS abilities and 5) our work processes in the field. We now have more eyes than ever in the field ensuring our quality and safety goals are being met. We've been upgrading our fleet for the past 3 years and it's now newer and more advanced in 2021 than ever. We've continued to add more unique, specialized and safety featured equipment to our lineup so that we can do any type of ROW clearing job/terrain safely and efficiently. From the MarshMasters, new Jarraffs, 90-foot arborist lifts, remote control slope mowers and our new 300+ HP Forestry Mulchers, we can execute any job safely. The age and ability of the equipment are important in our line of work because, to be honest, this line of work is hard on equipment. It's dusty, hot and hydraulics run



at full speed all day long. We recognize that and have the fleet to stand up to it.

One big thing I've focused on the past few years is culture. I recognize that it's critical to achieving our quality and safety goals. There has to be buy-in at all levels. We've made big strides lately and have one of the best teams we've ever had. It's awesome to work here, with such amazing people with like-minded goals that want to overdeliver, outperform and consistently beat our competition in safety, quality of work and overall customer experience.

Continuous improvement is possible because of feedback from our customers. Please give us the good and the bad, let us know where we can improve and what you would like to see more or less of. We believe that this is how growth happens, blunt feedback. Please shoot me an email with your thoughts and recommendations. I would love to hear them.

So far, we are starting the year off strong, our crews are ramped up and we have a busy schedule ahead of us. I want to say thank you to all of our tremendous customers, many of who have been with us since day 1, it's been awesome doing work for you and making new paths, and clearing ROW.

Just a few things you'll see from us as we roll into 2021. Let's make it a great year!

Brent Oberlink

MANAGEMENT TEAM PROMOTIONS AND NEW FACES

Lanracorp, Inc. kicked off 2021 with specific goals and expectations for the company. This included a new company structure and redesign of our Management Team. We have some new faces, but also repositioned familiar faces to better utilize their strengths within our organization:

JAY joined the Lanracorp Team in Jan 2019 as a Project Manager. Prior to Lanracorp, Jay held senior positions leading teams of Analysts and Account Managers in the wholesale nursery industry. His base set of core values, expectations of a team and attention to customer specific detail made him a perfect fit for the General Manager position here at Lanracorp. Jay's role is to develop processes and programs to guide the management team and prepare the company for continued growth. We're excited to have Jay in this role and look forward to the company's future.

DOUG is approaching his 5-year anniversary with Lanracorp. Doug has racked up 18 years of ROW and residential tree trimming and removal experience. He has developed the knowledge to estimate just about any project that comes our way. With his experience cutting trees, Doug will also hold the position as our Field Trainer where he will develop and implement the core training programs for our crews in the field. Programs will focus on basic skills as well as skill enhancement, performance improvement and career development for each member of our team. We are confident in Doug's training of our crews to deliver the highest quality of services for our customers and are proud to have him on our team.

JON joined the team in the early summer of 2020 as a Project Manager. Before joining Lanracorp, he was employed with Fastenal for 7 years, first as a Store Manager for a local branch and then as a National Account Manager. As a Lanracorp Project Manager, Jon will utilize his organizational and customer service skills to better meet the needs of communications with our customers. Jon will lead our team of Project Supervisors and Crew Foreman to develop their skills as leaders and execute projects per scope of work while doing it with Safety and Quality Always. Welcome to the Lanracorp Team, Jon!

KEITH is a returning member of the Lanracorp Team. He was a crew Foreman in 2013-14. He then worked as a Land Agent and Inspector for Salem Land until late 2020 when he decided to return to Lanracorp to join the management team. Keith is now one of our Project Supervisors in the field who will train Foreman and Crew Members how to better structure their days as well as follow all Lanracorp standard operating procedures. He will execute company directives, exhibit and promote core values and manage the day-to-day field operations of assigned crews. We are proud to have Keith back on our team and look forward to his methods with our crews.

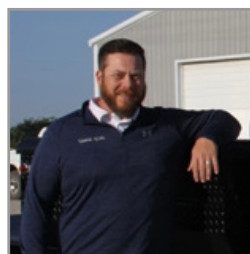
CHAD has been a member of the Lanracorp Team since 2017 as a Land Agent. Prior to joining the team, he was a Shop Manager for a local car dealership for 19 years. Chad has taken on the role of our local Project Supervisor as well as continuing his Land Agent duties for our current customers. Chad has many talents and Lanracorp is proud to have him where his strengths can be utilized. Chad will visit our local crews training our Foreman and Crew Members on Lanracorp standard operating procedures. He will execute company directives, exhibit and promote core values, and manage the day-to-day field operations of assigned crews. Chad also has the ability to assist in the shop and help implement programs that will allow us to expand and grow. We are happy to have Chad join the Lanracorp management team.



Jay Keppler
General Manager



Doug Enloe
Project
Estimator &
Field Trainer



Jon Keck
Project Manager



Keith Yates
Project
Supervisor



Chad Wehrle
Project
Supervisor

TEAM MEMBER ANNIVERSARIES

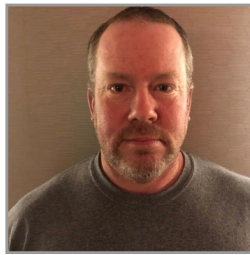
The best part of Lanracorp is by far our employees. We would like to recognize and say thank you to our employees with anniversaries for the months of November, December, January, and February.



Marshall Cole
(12 years)



Clint McElroy
(7 years)



David Reed
(8 years)



Keith Resch
(3 years)



James Atwood
(3 years)



Cody Brooks
(2 years)



Liz Soltwedel
(2 years)



Brent Hoerig
(1 year)



Jay Keppler
(3 years)

ETHICS & ENTEGRITY IN CONTRACTING

Contractors sometimes get a bad reputation. This is one of the reasons we started Lanracorp; to set a different standard, to raise the bar and lead the industry. We were tired of bad workmanship, low bidders and shady contractors that did a subpar job. Of course, this isn't all contracting businesses but there shouldn't be a place for them in business.

Even recently, I had two bad experiences with a contractor. One provided me a lump sum bid for a project at my home, during the project they damaged several items due to inexperience and then wanted me to pay for their mistakes. I fired them. The other one, a contractor who placed a machine exhaust too close to another item causing heat damage. They didn't take full responsibility and still today we are arguing with them on replacing the damaged item. I fired them too. I know mistakes happen but instead of ignoring them contractors should own them, make them right, learn from them and improve their processes going forward.

How do we seek to change the contracting space? By implementing a culture based upon safety, doing what is right, customer satisfaction and above all... continuous improvement. Our team desires to be the best, to be good human beings and to surprise our customers with our quality of work, safety practices and next-level customer service. It's who we are. It took a while to build that culture, people came and went, but it was worth it. It's a process. It never stops. Complacency kills. We are always aware of these things and never stop trying to improve.

WHAT CAN YOU DO TO CHOOSE THE BEST CONTRACTORS?

- Do they have a culture of safety and quality? Or just a book about it?
- Beware of the lowest bid, especially one that you know is too cheap. Those savings have to come from somewhere or they wouldn't be in business.
- Do they provide transparency? Photos and documentation of work. Do they have processes?
- Is their employee turnover low? What's their customer turnover?
- Are they picky? Are their trucks nice, employees well dressed and presentable? Is their website legit and do they show pictures of previous work?
- Will they provide several references for large projects?
- Do they have a legit contract or bidding process?
- Do they provide full insurance upfront?

At Lanracorp, we push daily to give you the best experience possible. To execute your project BETTER than you thought it could be.

WE ARE A CONTRACTOR THAT CARES, THAT SEEKS TO CHANGE THE INDUSTRY, THAT DOES NOT SETTLE.

LANRACORP PROUD 2021 IS A TIME FOR A CHANGE AND REFOCUS TO BETTER MEET THE NEEDS OF OUR EMPLOYEES AND CUSTOMERS AND TO SET UP THE STRUCTURE FOR THE GROWTH OF OUR COMPANY. I'M EXCITED FOR 2021 AND THE CHALLENGES WE'RE UP AGAINST TO ULTIMATELY IMPROVE AND CHANGE OUR CULTURE.

CORE VALUES

Lanracorp has always had a strong set of core values, but we're making 2021 a priority to utilize these core values in everyday decision making. We will hire employees based on these values, terminate them for not complying with these values and promote them for living their best life around these core values.

Having a set of values to guide our daily routines is key to our success in company growth, customer satisfaction and retention of both employees and customers. Our team has been challenged to identify and call out when they see another employee exemplifying core values as well as calling out those that are not following expectations of the core values. They are holding each other accountable and building a new company culture.

We have put a monthly program in place where 3 different core values are identified, and employees are required to review their peers and identify who meets them for the month. We will collect the data and recognize these individuals monthly as well as at the end of the year with awards and prizes.



TRAINING

Lanracorp is stepping up the training process on all levels. We have started with weekly Foreman calls to review and discuss current safety topics and production details with our leaders in the field. This allows them to share and learn from each other's day-to-day challenges and how each has been handled.

We've also identified specific web training for each of our positions from Laborer I to Project Supervisor. Individuals can take these web training sessions any time so they're ready for the next level when the time comes. In addition to the web training, we've also improved our mentorship program to include specific field training. Once complete, sign off is done to show that the employee has the knowledge and skill to do the work in that particular position. This starts with a weed trimmer and moves to a Jarraff or Bucket Truck. Employees have to prove they can inspect, maintain and operate the equipment safely and efficiently.

Lanracorp's Management Team has also been restructured into different departments where each member of management can fully focus on the needs of their department and implement the changes to improve processes on all levels.

- Jay Keppler, General Manager



MESSAGE FROM THE SUPERINTENDENT

2020 turned out to be a busy and productive year for us at Lanracorp. Because of the success that we experienced in 2020 and our growth plans, we have expanded our fleet with a few new assets to keep our momentum moving forward. Some of these new assets include a new Barko 930B with a Prinoth forestry mulcher, Jarraff and Ditch Witch SK 1550 Mini Skid Steer.

Our new Barko unit will allow us to tackle larger Right-of-Ways in a shorter period which will allow us to pass along operational savings to our customers. It comes with a fuel-efficient 320 horsepower Tier 4 Cummins diesel engine. Its articulating chassis allows it to handle rough and uneven terrain with ease, again shortening the length of time required to complete projects.

The acquisition of a fourth Jarraff will allow us to meet the needs of our customers for their side trimming projects. Our latest Jarraff addition has a newly designed 180-degree rotating head that makes better cuts faster. Again, putting us in the position to pass along savings and getting more done along with a better-finished product.

Lastly, the addition of a mini skid steer will allow us to get more power into restricted places. We now can perform residential ROW work and other projects more efficiently; in turn, saving our customers time and money. It doesn't matter the location or the terrain, Lanracorp has the equipment to get the job Done Right.

“This new process gives our crews more accurate information that drives efficient project performance.”

In addition to expanding our fleet of forestry and vegetation management equipment, we have expanded the way we manage projects further adding value as a trusted business partner. We have developed a more consistent and thorough project kick-off process. This new process gives our crews more accurate information that drives efficient

project performance. In our effort to continually improve and provide top-notch, value-added service is through the measurement of our crews' KPI's. We are now measuring everything from the ground we cover to the quality of data we collect in the field. Having this KPI data, we can train and coach our teammates, build more cohesive crews and assign them to the projects that best match their skill sets. To facilitate training, coaching and add even more project oversight and focus on safety, we have deployed two Project Supervisors, Chad Wehrle and Keith Yates. Our Project Supervisors are in the field daily meeting with our crews performing both operational and safety audits to give our customers the best value possible. We can add even more oversight and value with the further development and utilization of our GIS platform. Not only is GIS a great tool to communicate project data to customers, but it is also great for measuring performance and communicating internally between our project management team and crews. With tools like GIS and people like Chad and Keith, the Lanracorp project management team is committed to ensuring Quality and Safety Always.

Sincerely,



Jay Keppler, Project Superintendent



TREE CARE INDUSTRY INCIDENT REVIEW OF 2020

The median age of all victims was 39

No. Incidents by Outcome (225)

FATAL	SERIOUS	MINOR	RESCUE	UN-KNOWN
57	155	9	3	1

No. Incidents by Month

JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
19	16	11	12	16	27	22	21	22	20	24	15

Pct. Incidents by Week

SUN	MON	TUE	WED	THURS	FRI	SAT
0.0%	21.3%	16%	20%	19.6%	16.5%	5.3%

Pct. Incidents by Time of Day

7-9am	9-11am	11-1pm	1-3pm	3-5pm	5-7pm
12%	27%	29%	17%	7%	7%

LANRACORP studies and learns from the entire industry and takes action to stop accidents at their root. Constant improvement of our safety program and culture keeps our mission statement and vision Clear!

Orientation training, inspections, job site observations, accountability recognition and discipline all are at the root of our plan to weed out accidents.

Managing safety is much easier when everyone understands we all are responsible for safety. 2020 was a strange year for everyone. There was a lot going on to distract employees from the clear focus it takes to do a job Safely! Our Behavior Based Safety Program has improved across the board.

Good catch, near miss and incident reporting have helped us be proactive. Our weekly foreman call has proven to be a great share of safety and production goals. Our safety committee has expanded to 2 groups consisting of managers and crew members. We encourage the use of machines in direct "Line of Fire" situations. We audit and inspect the crews and job sites regularly to evaluate them.

DAN'S SAFETY SECTION

Contact - 50

- Caught In/Under - 15
- Palm frond skirt - 5
- Tree on the ground - 4
- Rope fed into chipper - 1
- Rigging line - 1
- Tree section aloft - 1
- Overturned ATV - 1
- Equipment - 2

Struck By/Against - 35

- Falling limb/ section - 14
- Tree being felled - 10
- Chainsaw - 4
- Equipment - 4
- Falling rock - 1
- Brush chipper - 1
- Unknown 1

Fall - 24

- From Tree - 9
- Tree failure - 2
- Equipment failure - 2
- Unsecured - 1
- Cut rope - 1
- Other - 3

From Aerial Lift - 17

- Operator unsecured - 4
- Boom failure - 4
- Struck by tree - 2
- Mechanical failure - 2
- Operator unsecured - 5
- From height, other - 3

Exposure - 11

Electrical Contact - 11

Transportation - 6

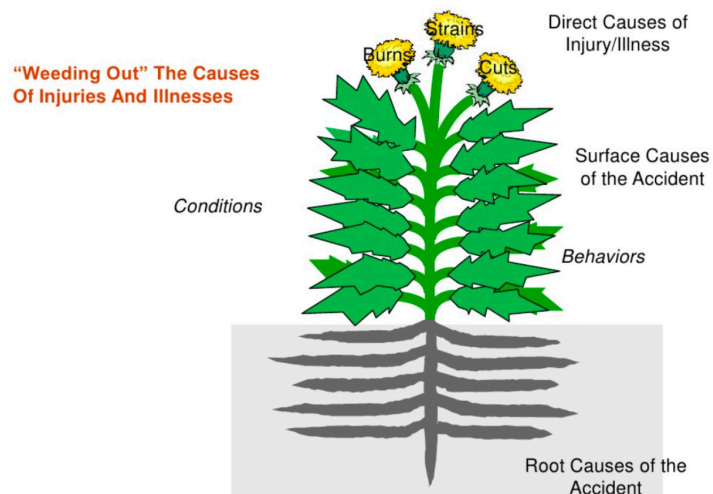
Motor vehicle accident - 6

Unknown Cause - 134

THE LEADING CAUSES OF ACCIDENTS IN 2020 IN THE TREE CARE INDUSTRY

- Cause - Caught In or Under and Struck by /Against
- Mitigation - Avoid being in the line of fire and be aware of surroundings
- Cause - Falls from Equipment or Trees
- Mitigation - Use fall restraint systems and Inspect and maintain ALL equipment

Summary - It is imperative to have the correct equipment and PPE for the job. Also, we in the industry must constantly be evaluating and choosing equipment to perform the job instead of putting the employee in the direct line of fire. We are utilizing the data in these charts to proactively mitigate the risks our crews face.



HOW TO PICK & CHOOSE THE BEST IN THE BUSINESS

You've got the project lined up, now it's time to select your contractors. Avoid being left disappointed. Many make the ever common mistake of only selecting contractors based on the lowest price. This selection model usually ends up with regrets, safety and quality issues and sometimes ends up costing you more time and money in the long run.

Ensure your contractors line up with your core values. Your core values shouldn't just be a cheesy, feel-good list in your office. They should be talked about every day, they should guide your business decisions and your business partners (contractors) should align with these as well or you don't really have a culture at all.

In the contracting world, you pay for what you get. Search out the best in safety and quality. Here are some tips for finding the right contractor:

SAFETY CULTURE & HISTORY

A contractor that takes chances on accidents is a contractor that risks the lives of their workers and compromises your project. Find a contractor that practices what they preach, that has a good culture, has low employee turnover and that is proactive in dealing with safety. One that is innovative on safety.

ASK THE TOUGH QUESTIONS

Ask blunt questions. A good contractor will be able to communicate effectively and answer your questions concisely and thoroughly. Find out why they deserve to work on your job. Find out their employee turnover rate, the age of their equipment, ask for photos of their work and join one of their safety meetings via Zoom.

CHARACTER COUNTS

A contractor should share your values. Your employees and the contractors that you choose to work with will represent the company's character.

MORE THAN MONEY

Don't be blinded by the cost. It's worthwhile to choose a contractor with a slightly higher cost but a proven track record. Remember, it costs money to be proactive, to audit crews and have a full-time staff dedicated to safety. Choose VALUE over cost alone.

PAST WORK AS PROOF

If the contractor isn't willing to show you past jobs, they aren't proud of them. Know what you're getting before you commit. Ask for proof of work.

USE A SAFETY VERIFICATION SITE

Check that the contractor has been audited by a safety verification site such as ISNetworld, Avetta, etc.

AUDITING & TRACKING

Be sure they have someone performing safety audits. Ask if they utilize GPS tracking of equipment and trucks and if that data is verified against T and M invoices daily.

At Lanracorp, our clients know to expect the best. We are dedicated to providing quality work on every job we do. We don't settle for second best and we call out the bad contractors in business. We believe that the only way to do a job is to give it 110%. **We have a 96% customer retention rate and a 13 years zero-time lost safety record that speaks for itself.**

QUARTERLY
NEWSLETTER

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QUARTERLY
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