

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-Q

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934
For the Quarterly Period Ended June 30, 2022

OR
TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934
For the Transition Period from _____ to _____

Commission File Number 001-36239

CATCHMARK TIMBER TRUST, INC.

(Exact name of registrant as specified in its charter)

Maryland
(State or other jurisdiction of incorporation or organization)

20-3536671
(I.R.S. Employer Identification Number)

5 Concourse Parkway, Suite 2650, Atlanta, GA
(Address of principal executive offices)

30328
(Zip Code)

(855) 858-9794
(Registrant's telephone number, including area code)

N/A

(Former name, former address, and former fiscal year, if changed since last report)

Securities registered pursuant to Section 12(b) of the Act:

| <u>Title of each class</u> | <u>Trading Symbol</u> | <u>Name of exchange on which registered</u> |
|--------------------------------------------------|-----------------------|---------------------------------------------|
| Class A Common Stock, \$0.01 Par Value Per Share | CTT | New York Stock Exchange |

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, smaller reporting company, or an emerging growth company. See definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

| | | | |
|-------------------------|--------------------------|---------------------------|-------------------------------------|
| Large accelerated filer | <input type="checkbox"/> | Accelerated filer | <input checked="" type="checkbox"/> |
| Non-accelerated filer | <input type="checkbox"/> | Smaller reporting company | <input type="checkbox"/> |
| Emerging growth company | <input type="checkbox"/> | | |

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

Number of shares outstanding of the registrant's common stock, as of August 1, 2022: 49,275,171 shares

GLOSSARY

The following abbreviations or acronyms may be used in this document and shall have the adjacent meanings set forth below:

| | |
|--------------|----------------------------------------------------------------------------------|
| AFM | American Forestry Management, Inc. |
| ASC | Accounting Standards Codification |
| ASU | Accounting Standards Update |
| CoBank | CoBank, ACB |
| Common Stock | Class A common stock, \$0.01 par value per share of CatchMark Timber Trust, Inc. |
| Common Unit | Common partnership unit of CatchMark Timber Operating Partnership, L.P. |
| Code | Internal Revenue Code of 1986, as amended |
| EBITDA | Earnings before Interest, Taxes, Depletion, and Amortization |
| FASB | Financial Accounting Standards Board |
| FCCR | Fixed Charge Coverage Ratio |
| FRC | Forest Resource Consultants, Inc. |
| GAAP | U.S. Generally Accepted Accounting Principles |
| HBU | Higher and Better Use |
| HLBV | Hypothetical Liquidation at Book Value |
| IP | International Paper Company |
| LIBOR | London Interbank Offered Rate |
| LTIP | Long-Term Incentive Plan |
| LTIP Unit | Limited partnership unit of CatchMark Timber Operating Partnership, L.P. |
| LTV | Loan-to-Value |
| MPERS | Missouri Department of Transportation & Patrol Retirement System |
| NYSE | New York Stock Exchange |
| REIT | Real Estate Investment Trust |
| ROU | Right-of-Use |
| SEC | Securities and Exchange Commission |
| SRP | Share Repurchase Program |
| Triple T | TexMark Timber Treasury, L.P. |
| TRS | Taxable REIT Subsidiary |
| TSR | Total Shareholder Return |
| U.S. | United States |
| VIE | Variable Interest Entity |
| WestRock | WestRock Company |

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CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

Certain statements contained in this Quarterly Report on Form 10-Q of CatchMark Timber Trust, Inc. and subsidiaries (“CatchMark,” “we,” “our,” or “us”) may be considered forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended (the “Securities Act”), and Section 21E of the Securities Exchange Act of 1934, as amended (the “Exchange Act”). In addition, CatchMark, or its executive officers on CatchMark’s behalf, may from time to time make forward-looking statements in other reports and documents CatchMark files with the SEC or in connection with written or oral statements made to the press, potential investors, or others. We intend for all such forward-looking statements to be covered by the applicable safe harbor provisions for forward-looking statements contained in the Securities Act and the Exchange Act.

Forward-looking statements can generally be identified by our use of forward-looking terminology such as “may,” “will,” “expect,” “intend,” “anticipate,” “estimate,” “believe,” “continue,” or other similar words. However, the absence of these or similar words or expressions does not mean that a statement is not forward-looking. Forward-looking statements are based on certain assumptions, discuss future expectations, describe plans and strategies, contain projections of results of operations or of financial condition or state other forward-looking information.

Forward-looking statements in this report, include, but are not limited to, statements regarding our pending merger with PotlatchDeltic Corporation and the repayment of our outstanding indebtedness in connection with the merger, as well as statements regarding anticipated property performance and growth in our portfolio; expected uses of cash generated from operations, debt financings and debt and equity offerings; expected sources and adequacy of capital resources and liquidity; our anticipated distribution policy; changes in depletion rates, merchantable timber book value and standing timber inventory volume; anticipated harvest volume and mix of harvest volume; and other factors that may lead to fluctuations in future net income (loss).

Forward-looking statements are based on currently available information and a number of assumptions involving judgments and are subject to risks, uncertainties, and other factors that could cause actual results to differ materially from our historical experience and our present expectations. Such risks and uncertainties include those discussed in Part I, Item 1A. Risk Factors in our Annual Report on Form 10-K for the year ended December 31, 2021, Part II, Item 1A. Risk Factors in this Quarterly Report on Form 10-Q, and our subsequent reports filed with the SEC. Accordingly, readers are cautioned not to rely on our forward-looking statements, which speak only as of the date that this report is filed with the SEC. We do not intend to publicly update or revise any forward-looking statements, whether as a result of new information, future events, or otherwise, except as required by law.

PART I FINANCIAL INFORMATION

ITEM 1. CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

The information furnished in the accompanying consolidated balance sheets and related consolidated statements of operations, comprehensive income (loss), equity, and cash flows reflects all adjustments, consisting solely of normal and recurring adjustments, that are, in management's opinion, necessary for a fair and consistent presentation of the aforementioned financial statements.

The accompanying consolidated financial statements should be read in conjunction with the condensed notes to our consolidated financial statements and Management's Discussion and Analysis of Financial Condition and Results of Operations included in this Quarterly Report on Form 10-Q and with our Annual Report on Form 10-K for the year ended December 31, 2021. Our results of operations for the three months and six months ended June 30, 2022 are not necessarily indicative of the operating results expected for the full year.

CATCHMARK TIMBER TRUST, INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS (UNAUDITED)
(in thousands, except for per-share amounts)

| | June 30, 2022 | December 31, 2021 |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------|-------------------|
| Assets: | | |
| Cash and cash equivalents | \$ 33,727 | \$ 22,963 |
| Accounts receivable | 3,852 | 5,436 |
| Prepaid expenses and other assets | 18,179 | 6,294 |
| Operating lease right-of-use asset (Note 7) | 2,371 | 2,527 |
| Deferred financing costs | 2,279 | 2,606 |
| Timber assets (Note 3): | | |
| Timber and timberlands, net | 453,240 | 466,130 |
| Intangible lease assets | — | 1 |
| Investments in unconsolidated joint ventures (Note 4) | 1,719 | 1,353 |
| Total assets | <u>\$ 515,367</u> | <u>\$ 507,310</u> |
| Liabilities: | | |
| Accounts payable and accrued expenses | \$ 7,143 | \$ 3,677 |
| Operating lease liability (Note 7) | 2,556 | 2,707 |
| Other liabilities | 3,957 | 18,683 |
| Notes payable and lines of credit, net of deferred financing costs (Note 5) | 298,478 | 298,247 |
| Total liabilities | <u>312,134</u> | <u>323,314</u> |
| Commitments and Contingencies (Note 7) | — | — |
| Stockholders' Equity: | | |
| Class A common stock, \$0.01 par value; 900,000 shares authorized; 49,248 and 48,888 shares issued and outstanding as of June 30, 2022 and December 31, 2021, respectively | 492 | 489 |
| Additional paid-in capital | 731,339 | 729,960 |
| Accumulated deficit and distributions | (546,127) | (537,477) |
| Accumulated other comprehensive income (loss) | 15,326 | (11,217) |
| Total stockholders' equity | <u>201,030</u> | <u>181,755</u> |
| Noncontrolling Interests | <u>2,203</u> | <u>2,241</u> |
| Total equity | <u>203,233</u> | <u>183,996</u> |
| Total liabilities and equity | <u>\$ 515,367</u> | <u>\$ 507,310</u> |

See accompanying notes.

CATCHMARK TIMBER TRUST, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS (UNAUDITED)
(in thousands, except for per-share amounts)

| | Three Months Ended June 30, | | Six Months Ended June 30, | |
|--------------------------------------------------------------|--------------------------------|-----------------|------------------------------|-----------------|
| | 2022 | 2021 | 2022 | 2021 |
| Revenues: | | | | |
| Timber sales | \$ 14,679 | \$ 20,111 | \$ 32,402 | \$ 40,260 |
| Timberland sales | 8,818 | 7,632 | 14,888 | 10,989 |
| Asset management fees | 110 | 3,211 | 2,289 | 6,329 |
| Other revenues | 952 | 986 | 1,922 | 2,048 |
| | <u>24,559</u> | <u>31,940</u> | <u>51,501</u> | <u>59,626</u> |
| Expenses: | | | | |
| Contract logging and hauling costs | 6,277 | 8,825 | 12,618 | 17,556 |
| Depletion | 3,201 | 6,657 | 7,350 | 14,382 |
| Cost of timberland sales | 6,475 | 5,641 | 10,812 | 7,796 |
| Forestry management expenses | 1,498 | 1,707 | 3,123 | 3,594 |
| General and administrative expenses | 7,650 | 3,094 | 11,619 | 6,694 |
| Land rent expense | 106 | 20 | 186 | 133 |
| Other operating expenses | 1,441 | 1,714 | 2,690 | 3,427 |
| | <u>26,648</u> | <u>27,658</u> | <u>48,398</u> | <u>53,582</u> |
| Other income (expense): | | | | |
| Interest income | 48 | — | 51 | 1 |
| Interest expense | (2,778) | (3,337) | (5,279) | (6,265) |
| Gain on large disposition | — | 759 | — | 759 |
| | <u>(2,730)</u> | <u>(2,578)</u> | <u>(5,228)</u> | <u>(5,505)</u> |
| Income (loss) before unconsolidated joint ventures | (4,819) | 1,704 | (2,125) | 539 |
| Income from unconsolidated joint ventures (Note 4) | 260 | 49 | 750 | 663 |
| Net income (loss) | (4,559) | 1,753 | (1,375) | 1,202 |
| Net income (loss) attributable to noncontrolling interest | (11) | 4 | (3) | 3 |
| Net income (loss) attributable to common stockholders | \$ (4,548) | \$ 1,749 | \$ (1,372) | \$ 1,199 |
| Weighted-average common shares outstanding - basic | 48,522 | 48,421 | 48,501 | 48,398 |
| Income (loss) per share - basic | \$ (0.09) | \$ 0.04 | \$ (0.03) | \$ 0.02 |
| Weighted-average common shares outstanding - diluted | 48,522 | 48,562 | 48,501 | 48,513 |
| Income (loss) per share - diluted | \$ (0.09) | \$ 0.04 | \$ (0.03) | \$ 0.02 |

See accompanying notes.

CATCHMARK TIMBER TRUST, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS) (UNAUDITED)
(in thousands)

| | Three Months Ended June 30, | | Six Months Ended June 30, | |
|------------------------------------------------------------------------|--------------------------------|-------------------|------------------------------|------------------|
| | 2022 | 2021 | 2022 | 2021 |
| Net income (loss) | \$ (4,559) | \$ 1,753 | \$ (1,375) | \$ 1,202 |
| Other comprehensive income (loss): | | | | |
| Market value adjustment to interest rate swaps | 9,284 | (4,504) | 26,607 | 11,181 |
| Comprehensive income (loss) | 4,725 | (2,751) | 25,232 | 12,383 |
| Comprehensive income (loss) attributable to noncontrolling interest | 22 | (11) | 64 | 19 |
| Comprehensive income (loss) attributable to common stockholders | <u>\$ 4,703</u> | <u>\$ (2,740)</u> | <u>\$ 25,168</u> | <u>\$ 12,364</u> |

See accompanying notes.

CATCHMARK TIMBER TRUST, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF EQUITY (UNAUDITED)
(in thousands, except for per-share amounts)

| | Common Stock | | Additional Paid-In Capital | Accumulated Deficit and Distributions | Accumulated Other Comprehensive Income (Loss) | Total Stockholders' Equity | Noncontrolling Interest | Total Equity |
|----------------------------------------------------------------|---------------|---------------|----------------------------------|---------------------------------------------|--------------------------------------------------------|----------------------------------|----------------------------|-------------------|
| | Shares | Amount | | | | | | |
| Balance, December 31, 2021 | 48,888 | \$ 489 | \$ 729,960 | \$ (537,477) | \$ (11,217) | \$ 181,755 | \$ 2,241 | \$ 183,996 |
| Issuance of common stock pursuant to: | | | | | | | | |
| LTIP, net of forfeitures and amounts withheld for income taxes | 360 | 3 | 876 | — | — | 879 | (431) | 448 |
| Dividends on common stock (\$0.075 per share) | — | — | — | (3,639) | — | (3,639) | — | (3,639) |
| Distributions to noncontrolling interest | — | — | — | — | — | — | (9) | (9) |
| Net income | — | — | — | 3,176 | — | 3,176 | 8 | 3,184 |
| Other comprehensive income | — | — | — | — | 17,281 | 17,281 | 42 | 17,323 |
| Balance, March 31, 2022 | 49,248 | \$ 492 | \$ 730,836 | \$ (537,940) | \$ 6,064 | \$ 199,452 | \$ 1,851 | \$ 201,303 |
| Issuance of common stock pursuant to: | | | | | | | | |
| LTIP, net of forfeitures and amounts withheld for income taxes | — | — | 503 | — | — | 503 | 350 | 853 |
| Dividends on common stock (\$0.075 per share) | — | — | — | (3,639) | — | (3,639) | — | (3,639) |
| Distributions to noncontrolling interest | — | — | — | — | — | — | (9) | (9) |
| Net loss | — | — | — | (4,548) | — | (4,548) | (11) | (4,559) |
| Other comprehensive income | — | — | — | — | 9,262 | 9,262 | 22 | 9,284 |
| Balance, June 30, 2022 | 49,248 | \$ 492 | \$ 731,339 | \$ (546,127) | \$ 15,326 | \$ 201,030 | \$ 2,203 | \$ 203,233 |

| | Common Stock | | Additional Paid-In Capital | Accumulated Deficit and Distributions | Accumulated Other Comprehensive Income (Loss) | Total Stockholders' Equity | Noncontrolling Interest | Total Equity |
|----------------------------------------------------------------|---------------|---------------|----------------------------|---------------------------------------|-----------------------------------------------|----------------------------|-------------------------|-------------------|
| | Shares | Amount | | | | | | |
| Balance, December 31, 2020 | 48,765 | \$ 488 | \$ 728,662 | \$ (572,493) | \$ (27,893) | \$ 128,764 | \$ 1,148 | \$ 129,912 |
| Issuance of common stock pursuant to: | | | | | | | | |
| LTIP, net of forfeitures and amounts withheld for income taxes | 139 | 1 | (46) | — | — | (45) | 174 | 129 |
| Dividends on common stock (\$0.135 per share) | — | — | — | (6,537) | — | (6,537) | — | (6,537) |
| Distributions to noncontrolling interest | — | — | — | — | — | — | (28) | (28) |
| Net loss | — | — | — | (550) | — | (550) | (1) | (551) |
| Other comprehensive income | — | — | — | — | 15,655 | 15,655 | 30 | 15,685 |
| Balance, March 31, 2021 | <u>48,904</u> | <u>\$ 489</u> | <u>\$ 728,616</u> | <u>\$ (579,580)</u> | <u>\$ (12,238)</u> | <u>\$ 137,287</u> | <u>\$ 1,323</u> | <u>\$ 138,610</u> |
| Issuance of common stock pursuant to: | | | | | | | | |
| LTIP, net of forfeitures and amounts withheld for income taxes | 2 | — | 539 | — | — | 539 | 177 | 716 |
| Dividends on common stock (\$0.135 per share) | — | — | — | (6,537) | — | (6,537) | — | (6,537) |
| Distributions to noncontrolling interest | — | — | — | — | — | — | (26) | (26) |
| Net income | — | — | — | 1,749 | — | 1,749 | 4 | 1,753 |
| Other comprehensive loss | — | — | — | — | (4,493) | (4,493) | (11) | (4,504) |
| Balance, June 30, 2021 | <u>48,906</u> | <u>\$ 489</u> | <u>\$ 729,155</u> | <u>\$ (584,368)</u> | <u>\$ (16,731)</u> | <u>\$ 128,545</u> | <u>\$ 1,467</u> | <u>\$ 130,012</u> |

See accompanying notes.

CATCHMARK TIMBER TRUST, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS (UNAUDITED)
(in thousands)

| | Six Months Ended June 30, | |
|------------------------------------------------------------------------------------------|------------------------------|------------------|
| | 2022 | 2021 |
| Cash Flows from Operating Activities: | | |
| Net income (loss) | \$ (1,375) | \$ 1,202 |
| Adjustments to reconcile net income (loss) to net cash provided by operating activities: | | |
| Depletion | 7,350 | 14,382 |
| Basis of timberland sold, lease terminations and other | 10,738 | 7,667 |
| Stock-based compensation expense | 1,704 | 1,386 |
| Noncash interest expense | 771 | 1,171 |
| Noncash lease expense | 5 | 11 |
| Other amortization | 59 | 87 |
| Gain on large dispositions | — | (759) |
| Income from unconsolidated joint venture | (750) | (663) |
| Operating distributions from unconsolidated joint venture | 384 | — |
| Interest paid under swaps with other-than-insignificant financing element | 2,377 | 2,845 |
| Changes in assets and liabilities: | | |
| Accounts receivable | 1,397 | (258) |
| Prepaid expenses and other assets | 3,420 | 497 |
| Accounts payable and accrued expenses | 3,529 | 878 |
| Other liabilities | (3,401) | 1,606 |
| Net cash provided by operating activities | <u>26,208</u> | <u>30,052</u> |
| Cash Flows from Investing Activities: | | |
| Timberland acquisitions and earnest money paid | (2,291) | — |
| Capital expenditures (excluding timberland acquisitions) | (2,990) | (3,320) |
| Distributions from unconsolidated joint ventures | — | 266 |
| Net proceeds from large dispositions | — | 7,340 |
| Net cash provided by (used in) investing activities | <u>(5,281)</u> | <u>4,286</u> |
| Cash Flows from Financing Activities: | | |
| Repayment of notes payable | — | (7,295) |
| Financing costs paid | (61) | (7) |
| Interest paid under swaps with other-than-insignificant financing element | (2,377) | (2,845) |
| Dividends/distributions paid | (7,296) | (13,128) |
| Repurchase of common shares | (26) | (158) |
| Repurchase of common shares for minimum tax withholding | (403) | (538) |
| Net cash used in financing activities | <u>(10,163)</u> | <u>(23,971)</u> |
| Net change in cash and cash equivalents | 10,764 | 10,367 |
| Cash and cash equivalents, beginning of period | 22,963 | 11,924 |
| Cash and cash equivalents, end of period | \$ 33,727 | \$ 22,291 |

See accompanying notes.

CATCHMARK TIMBER TRUST, INC. AND SUBSIDIARIES
CONDENSED NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2022 (UNAUDITED)

1. Organization

CatchMark Timber Trust, Inc. ("CatchMark Timber Trust") (NYSE: CTT) owns and operates timberlands located in the United States and has elected to be taxed as a REIT for federal income tax purposes. CatchMark Timber Trust acquires, owns, operates, manages, and disposes of timberland directly, through wholly-owned subsidiaries, or through joint ventures. CatchMark Timber Trust was incorporated in Maryland in 2005 and commenced operations in 2007. CatchMark Timber Trust conducts substantially all of its business through CatchMark Timber Operating Partnership, L.P. ("CatchMark Timber OP"), a Delaware limited partnership. CatchMark Timber Trust is the general partner of CatchMark Timber OP, possesses full legal control and authority over its operations, and owns 99.76% of its Common Units, directly and indirectly through CatchMark LP Holder, LLC ("CatchMark Timber LP"), a Delaware limited liability company and wholly-owned subsidiary of CatchMark Timber Trust. The remaining 0.24% of CatchMark Timber OP's Common Units are owned by current and former officers and directors of CatchMark Timber Trust. In addition, CatchMark Timber Trust conducts certain aspects of its business through CatchMark Timber TRS, Inc. ("CatchMark TRS"), a Delaware corporation formed as a wholly-owned subsidiary of CatchMark Timber OP in 2006. CatchMark TRS is a taxable REIT subsidiary. Unless otherwise noted, references herein to CatchMark shall include CatchMark Timber Trust and all of its subsidiaries, including CatchMark Timber OP, and the subsidiaries of CatchMark Timber OP, including CatchMark TRS.

Proposed Merger

On May 29, 2022, CatchMark Timber Trust and CatchMark Timber OP entered into an Agreement and Plan of Merger (the "Merger Agreement") with PotlatchDeltic Corporation, a Delaware corporation ("PotlatchDeltic"), and Horizon Merger Sub 2022, LLC, a Delaware limited liability company ("Merger Sub"). Pursuant to the Merger Agreement, CatchMark Timber Trust will be merged with and into Merger Sub, with Merger Sub surviving the merger as a wholly-owned subsidiary of PotlatchDeltic (the "Company Merger") followed by the merger of CatchMark Timber OP with and into Merger Sub, with Merger Sub surviving the merger as a wholly-owned subsidiary of PotlatchDeltic (the "Partnership Merger" and together with the Company Merger, the "Mergers").

The Merger Agreement provides that at the effective time of the Company Merger, each issued and outstanding share of Common Stock, other than those shares held by CatchMark Timber Trust, CatchMark Timber OP, PotlatchDeltic, Merger Sub or any of their respective wholly-owned subsidiaries ("Excluded Shares"), will be converted into the right to receive 0.230 shares of common stock of PotlatchDeltic plus the right to receive cash in lieu of any fractional shares of common stock of PotlatchDeltic (the "Merger Consideration"). Also at the effective time of the Partnership Merger, each of the issued and outstanding Common Units, other than those Common Units held by CatchMark Timber Trust, CatchMark Timber OP, PotlatchDeltic, Merger Sub, or any of their respective wholly-owned subsidiaries ("Excluded OP Units"), will automatically be converted into the right to receive the Merger Consideration.

In addition, the Merger Agreement provides that (i) immediately prior to the effective time of the Company Merger, any and all outstanding issuance and forfeiture conditions on any Common Stock granted under CatchMark's equity incentive plans that is unvested or subject to a substantial risk of forfeiture will be deemed satisfied in full and on a fully vested basis (at maximum performance to the extent applicable), and such vested shares will automatically be converted into the right to receive the Merger Consideration at the Company Merger effective time; (ii) immediately prior to the effective time of the Partnership Merger, each issued and outstanding unvested LTIP Unit will automatically become fully vested (at maximum performance, to the extent applicable) and, immediately after such vesting, each vested LTIP Unit that is eligible for conversion into a Common Unit will automatically convert into a Common Unit, which will automatically be converted into the right to receive Merger Consideration at the Partnership Merger effective time.

In connection with the consummation of the Mergers, CatchMark employees may be entitled to receive severance payments if terminated within three months prior to, or within 12 months following, consummation of the Mergers, in accordance with CatchMark's Change in Control Severance Protection Plan, dated as of April 8, 2019 and amended as of April 6, 2022, or the Amended and Restated Employment Agreement between CatchMark and Brian M. Davis, dated as of March 11, 2021, as applicable.

CatchMark has also agreed to various customary covenants and agreements, including, subject to certain exceptions, to conduct its business in all material respects in the ordinary course of business and in a manner consistent with past practice, during the period between the execution of the Merger Agreement and the consummation of the Mergers.

The consummation of the Mergers are subject to certain closing conditions, including, among others, the approval of the Company Merger by CatchMark's stockholders. In addition, the Merger Agreement may be terminated under certain circumstances by CatchMark or PotlatchDeltic, including if the Mergers have not been completed by November 29, 2022. Upon a termination of the Merger Agreement, under certain circumstances, CatchMark will be required to pay a termination fee to PotlatchDeltic of \$19.4 million. CatchMark expects the Mergers to close in the third quarter of 2022.

This description of the Merger Agreement and the transactions contemplated thereby does not purport to be complete and is subject to and qualified in its entirety by reference to the Merger Agreement, a copy of which is filed as Exhibit 2.1 to this Quarterly Report on Form 10-Q.

In connection with the Mergers, CatchMark has incurred legal, consulting, and other professional fees of \$4.6 million for the three months and six months ended June 30, 2022, which was included in general and administrative expenses on the accompanying consolidated statement of operations. Approximately \$3.2 million of the \$4.6 million was accrued and included in accounts payable and accrued liabilities on the accompanying consolidated balance sheet.

2. Summary of Significant Accounting Policies

Basis of Presentation and Principles of Consolidation

The consolidated financial statements of CatchMark have been prepared in accordance with the rules and regulations of the SEC, including the instructions to Form 10-Q and Article 10 of Regulation S-X and do not include all the information and footnotes required by GAAP for complete financial statements. In the opinion of management, the financial statements for the unaudited interim periods presented include all adjustments, which are of a normal and recurring nature, necessary for a fair and consistent presentation of the results for such periods. Results for these interim periods are not necessarily indicative of results for a full year.

CatchMark's consolidated financial statements include the accounts of CatchMark and any VIE in which CatchMark is deemed the primary beneficiary. With respect to entities that are not VIEs, CatchMark's consolidated financial statements also include the accounts of any entity in which CatchMark owns a controlling financial interest and any limited partnership in which CatchMark owns a controlling general partnership interest. In determining whether a controlling interest exists, CatchMark considers, among other factors, the ownership of voting interests, protective rights, and participatory rights of the investors. All intercompany balances and transactions have been eliminated in consolidation. For further information, refer to the audited financial statements and notes included in CatchMark's Annual Report on Form 10-K for the year ended December 31, 2021.

Earnings Per Share Attributable to Common Stockholders

Basic earnings (loss) per common share is calculated as net income (loss) attributable to common stockholders divided by the weighted-average number of common shares outstanding during the period. Diluted earnings (loss) per share equals basic earnings (loss) per common share, adjusted to reflect the dilution that would occur if all outstanding securities convertible into common shares or contracts to issue common shares were converted or exercised and the related proceeds are then used to repurchase common shares. For the three months and six months ended June 30, 2022, CatchMark's basic weighted-average common shares were the same as the diluted weighted-average common shares as all potentially dilutive securities outstanding were anti-dilutive due to incurring a net loss for the respective period. Potentially dilutive securities included (i) unvested shares of service-based restricted stock and LTIP Units, and (ii) contingently issuable shares of performance-based restricted stock and LTIP Units. See *Note 9 — Stock-based Compensation* for details of the potentially dilutive securities.

Segment Information

CatchMark primarily engages in the acquisition, ownership, operation, management, and disposition of timberland properties located in the United States, either directly through wholly-owned subsidiaries or through equity method

investments in affiliated joint ventures. CatchMark defines operating segments in accordance with ASC Topic 280, *Segment Reporting*, to reflect the manner in which its chief operating decision maker, the Chief Executive Officer, evaluates performance and allocates resources in managing the business. CatchMark has aggregated those operating segments into three reportable segments: Harvest, Real Estate and Investment Management. See *Note 10 — Segment Information* for additional information.

Recent Accounting Pronouncement

In October 2021, the FASB issued ASU 2021-08, *Business Combinations (Topic 805): Accounting for Contract Assets and Contract Liabilities from Contracts with Customers*, which requires acquiring entities to recognize and measure contract assets and contract liabilities in a business combination. This ASU is intended to improve the accounting for acquired revenue contracts with customers in a business combination by addressing diversity in practice and inconsistency related to (1) recognition of an acquired contract liability and (2) payment terms and their effect on subsequent revenue recognized by the acquirer. The amendments in this ASU are effective for fiscal years beginning after December 15, 2022. CatchMark is currently assessing the impact ASU 2021-08 will have on its consolidated financial statements.

3. Timber Assets

As of June 30, 2022 and December 31, 2021, timber and timberlands consisted of the following, respectively:

| (in thousands) | As of June 30, 2022 | | |
|------------------------|---------------------|---------------------------------------|------------|
| | Gross | Accumulated Depletion or Amortization | Net |
| Timber | \$ 167,198 | \$ 7,350 | \$ 159,848 |
| Timberlands | 293,256 | — | 293,256 |
| Mainline roads | 1,055 | 919 | 136 |
| Timber and timberlands | \$ 461,509 | \$ 8,269 | \$ 453,240 |

| (in thousands) | As of December 31, 2021 | | |
|------------------------|-------------------------|---------------------------------------|------------|
| | Gross | Accumulated Depletion or Amortization | Net |
| Timber | \$ 185,449 | \$ 18,260 | \$ 167,189 |
| Timberlands | 298,777 | — | 298,777 |
| Mainline roads | 1,052 | 888 | 164 |
| Timber and timberlands | \$ 485,278 | \$ 19,148 | \$ 466,130 |

Timberland Acquisition

On June 24, 2022, CatchMark acquired fee simple interests in approximately 1,300 acres of timberland in Alabama for \$2.2 million, exclusive of transaction costs. The acquisition was funded with cash on-hand. CatchMark did not complete any timberland acquisitions during the three months and six months ended June 30, 2021.

Timberland Sales

During the three months ended June 30, 2022 and 2021, CatchMark sold 5,700 and 4,300 acres of timberland for \$8.8 million and \$7.6 million, respectively. CatchMark's cost basis in the timberland sold was \$6.3 million and \$5.3 million, respectively.

During the six months ended June 30, 2022 and 2021, CatchMark sold 9,100 and 6,100 acres of timberland for \$14.9 million and \$11.0 million, respectively. CatchMark's cost basis in the timberland sold was \$10.3 million and \$7.3 million, respectively.

Large Dispositions

CatchMark did not complete any large dispositions during the six months ended June 30, 2022. On June 23, 2021, CatchMark completed the sale of 5,000 acres of its wholly-owned timberlands in Georgia for \$7.5 million. CatchMark's cost basis was \$6.6 million.

Timberland sales acreage by state is listed below:

| Acres Sold In | Six Months Ended June 30, | |
|---------------------------|---------------------------|---------------|
| | 2022 | 2021 |
| South | | |
| Timberland Sales | | |
| Alabama | 800 | 1,600 |
| Florida | — | 500 |
| Georgia | 2,900 | 3,900 |
| South Carolina | 5,400 | 100 |
| | 9,100 | 6,100 |
| Large Dispositions | | |
| Georgia | — | 5,000 |
| | — | 5,000 |
| Total | 9,100 | 11,100 |

Current Timberland Portfolio

As of June 30, 2022, CatchMark directly owned fee-simple interests in 348,100 acres of timberlands in the U.S. South. Land acreage by state is listed below:

| Acres by state as of June 30, 2022 | Total |
|------------------------------------|----------------|
| Alabama | 65,900 |
| Georgia | 218,000 |
| South Carolina | 64,200 |
| Total | 348,100 |

CatchMark's long-term lease, commonly referred to as the LTC lease and under which it held leasehold interests in timberland located in Georgia and Alabama, expired on May 31, 2022.

4. Unconsolidated Joint Venture

Dawsonville Bluffs Joint Venture

CatchMark formed the Dawsonville Bluffs joint venture ("Dawsonville Bluffs") with MPERS in 2017 with each owning a 50% membership interest. CatchMark uses the equity method of accounting to account for its investment in Dawsonville Bluffs. During the three months ended June 30, 2022 and 2021, CatchMark recognized \$0.3 million and \$0.05 million of equity income, respectively, from Dawsonville Bluffs. During the six months ended June 30, 2022 and 2021, CatchMark recognized \$0.8 million and \$0.7 million of equity income, respectively, from Dawsonville Bluffs. CatchMark received cash distributions of \$0.3 million and \$0.3 million for the three months ended June 30, 2022 and 2021, respectively. For the six months ended June 30, 2022 and 2021, CatchMark received cash distributions of \$0.4 million and \$0.3 million, respectively, from Dawsonville Bluffs. As of June 30, 2022, the carrying value of CatchMark's investment in Dawsonville Bluffs was \$1.7 million. As of June 30, 2022, Dawsonville Bluffs had a mitigation bank with a book basis of \$1.8 million remaining in its portfolio.

Asset Management Fees

CatchMark provides asset management services to Dawsonville Bluffs. Under the arrangement, CatchMark oversees the day-to-day operations of the joint venture, including accounting, reporting and other administrative services, subject to certain major decisions that require partner approval. For management of Dawsonville Bluffs, CatchMark receives a fee based on invested capital, as defined by the joint venture agreement. Additionally, CatchMark receives an incentive-based promote earned for exceeding investment hurdles.

During the first quarter of 2022, CatchMark provided transition services to Triple T under an agreement entered in October 2021. Under the transition services agreement, which was effective September 1, 2021 through March 31, 2022, CatchMark provided such services in exchange for a one-time payment of \$5.0 million received in October 2021. This service fee was recognized as asset management fee revenue on a straight-line basis over the term of the transition services agreement. As of March 31, 2022, CatchMark had earned the service fee in full and the transition services agreement expired.

During the three months and six months ended June 30, 2022 and 2021, CatchMark earned the following fees from its unconsolidated joint ventures:

| (in thousands) | Three Months Ended June 30, | | Six Months Ended June 30, | |
|-----------------------------------|--------------------------------|-----------------|------------------------------|-----------------|
| | 2022 | 2021 | 2022 | 2021 |
| Triple T | \$ — | \$ 3,112 | \$ 2,143 | \$ 6,224 |
| Dawsonville Bluffs ⁽¹⁾ | 110 | 99 | 146 | 105 |
| | <u>\$ 110</u> | <u>\$ 3,211</u> | <u>\$ 2,289</u> | <u>\$ 6,329</u> |

⁽¹⁾ Includes \$0.1 million and \$0.1 million of incentive-based promote earned for exceeding investment hurdles for the three months ended June 30, 2022 and 2021, respectively. Includes \$0.1 million and \$0.1 million of incentive-based promote for the six months ended June 30, 2022 and 2021, respectively.

5. Notes Payable and Lines of Credit

Amended Credit Agreement

As of June 30, 2022, CatchMark was party to a credit agreement dated as of December 1, 2017, as amended on August 22, 2018, June 28, 2019, February 12, 2020, May 1, 2020, August 4, 2021 and October 14, 2021 (the "Amended Credit Agreement"), with a syndicate of lenders including CoBank, which serves as the administrative agent. The Amended Credit Agreement provides for borrowing under credit facilities consisting of the following:

- a \$84.7 million ten-year term loan (the "Term Loan A-1");
- a \$89.7 million nine-year term loan (the "Term Loan A-2");
- a \$68.6 million ten-year term loan (the "Term Loan A-3");
- a \$125.6 million seven-year term loan (the "Term Loan A-4");
- a \$150.0 million seven-year multi-draw term credit facility (the "Multi-Draw Term Facility"); and
- a \$35.0 million five-year revolving credit facility (the "Revolving Credit Facility").

As of June 30, 2022 and December 31, 2021, CatchMark had the following debt balances outstanding:

(in thousands)

| Credit Facility | Maturity Date | Interest Rate | Current Interest Rate ⁽¹⁾ | Outstanding Balance as of | |
|------------------------------------------------|---------------|---------------|--------------------------------------|---------------------------|-------------------|
| | | | | June 30, 2022 | December 31, 2021 |
| Term Loan A-1 | 12/23/2024 | LIBOR + 1.75% | 3.42% | \$ 84,706 | \$ 84,706 |
| Term Loan A-2 | 12/1/2026 | LIBOR + 1.90% | 3.57% | 89,706 | 89,706 |
| Term Loan A-4 | 8/22/2025 | LIBOR + 1.70% | 3.37% | 125,588 | 125,588 |
| Total principal balance | | | | \$ 300,000 | \$ 300,000 |
| Less: net unamortized deferred financing costs | | | | (1,522) | (1,753) |
| Total | | | | \$ 298,478 | \$ 298,247 |

⁽¹⁾ As of June 30, 2022. Excludes the impact of the interest rate swaps (see Note 6 — *Interest Rate Swaps*), amortization of deferred financing costs, unused commitment fees, and estimated patronage dividends.

As of June 30, 2022, CatchMark had \$253.6 million of borrowing capacity remaining under its credit facilities, consisting of \$150.0 million under the Multi-Draw Term Facility, \$68.6 million under Term Loan A-3, and \$35.0 million under the Revolving Credit Facility.

The Multi-Draw Term Facility may be used to finance timberland acquisitions and associated expenses, to fund investment in joint ventures, to fund the repurchase of Common Stock, and to reimburse payments of drafts under letters of credit. The Multi-Draw Term Facility, which is interest only until its maturity date, bears interest at an adjustable rate equal to a base rate plus between 0.50% and 1.20% or a LIBOR rate plus between 1.50% and 2.20%, in each case depending on CatchMark's LTV ratio, and will terminate and all amounts outstanding under the facility will be due and payable on December 1, 2024.

Through February 2023, CatchMark may reborrow under the revolver feature of Term Loan A-3 using borrowing mechanics substantially similar to those that apply to the Revolving Credit Facility with the same pricing and maturity date as the existing Term Loan A-3. Borrowings under the revolver feature of the Term Loan A-3 may be used solely to finance acquisitions of additional real property and pay associated expenses. The Term Loan A-3 bears interest at an adjustable rate equal to a base rate plus 1.00% or a LIBOR rate plus 2.00%, and will terminate and all amounts outstanding under the facility will be due and payable on December 1, 2027.

Borrowings under the Revolving Credit Facility may be used for general working capital, to support letters of credit, to fund cash earned money deposits, to fund acquisitions in an amount not to exceed \$5.0 million, and for other general corporate purposes. The Revolving Credit Facility bears interest at an adjustable rate equal to a base rate plus between 0.50% and 1.20% or a LIBOR rate plus between 1.50% and 2.20%, in each case depending on CatchMark's LTV ratio, and will terminate and all amounts outstanding under the facility will be due and payable on August 4, 2026.

CatchMark pays the lenders an unused commitment fee on the unused portions of the Multi-Draw Term Facility, Term Loan A-3, and Revolving Credit Facility at an adjustable rate ranging from 0.15% to 0.35%, depending on the LTV ratio. For the three months ended June 30, 2022 and 2021, CatchMark recognized \$0.1 million and \$0.1 million of unused commitment fees as interest expense on its consolidated statements of operations, respectively. For the six months ended June 30, 2022 and 2021, CatchMark recognized \$0.3 million and \$0.3 million of unused commitment fees as interest expense on its consolidated statements of operations, respectively.

CatchMark's obligations under the Amended Credit Agreement are collateralized by a first priority lien on the timberlands owned by CatchMark's subsidiaries and substantially all of CatchMark's subsidiaries' other assets in which a security interest may lawfully be granted, including, without limitation, accounts, equipment, inventory, intellectual property, bank accounts and investment property. In addition, these obligations are jointly and severally guaranteed by CatchMark and all of its subsidiaries pursuant to the terms of the Amended Credit Agreement. CatchMark has also agreed to guarantee certain losses caused by certain willful acts of CatchMark or its subsidiaries.

Patronage Dividends

CatchMark is eligible to receive annual patronage dividends from its lenders (the "Patronage Banks") under a profit-sharing program made available to borrowers of the Farm Credit System. CatchMark has received a patronage dividend on its eligible patronage loans annually since 2015. Therefore, CatchMark accrues patronage dividends it expects to receive based on historical patronage dividend rates. For the three months ended June 30, 2022 and 2021,

CatchMark accrued \$0.6 million and \$1.0 million, respectively, as accounts receivable on its consolidated balance sheets and as an offset against interest expense on the consolidated statements of operations. For the six months ended June 30, 2022 and 2021, CatchMark accrued \$1.3 million and \$1.9 million, respectively, as accounts receivable on its consolidated balance sheets and as an offset against interest expense on the consolidated statements of operations.

In March 2022, CatchMark received patronage dividends of \$3.6 million on its patronage eligible borrowings. Of the total patronage dividends received, \$3.1 million was received in cash and \$0.5 million was received in equity of the Patronage Banks.

As of June 30, 2022 and December 31, 2021, the following balances related to the patronage dividend program were included on CatchMark's consolidated balance sheets:

| <i>(in thousands)</i> Patronage dividends classified as: | As of | |
|-------------------------------------------------------------|-----------------|-------------------|
| | June 30, 2022 | December 31, 2021 |
| Accounts receivable | \$ 1,265 | \$ 3,392 |
| Prepaid expenses and other assets ⁽¹⁾ | 4,774 | 4,311 |
| Total | \$ 6,039 | \$ 7,703 |

⁽¹⁾ Represents cumulative patronage dividends received as equity in the Patronage Banks.

Debt Covenants

The Amended Credit Agreement contains, among others, the following financial covenants, which:

- limit the LTV ratio to no greater than 50% at any time;
- require maintenance of a FCCR of not less than 1.05:1.00 at any time; and
- limit the aggregate capital expenditures to no greater than 1% of the value of the timberlands during any fiscal year.

The Amended Credit Agreement permits CatchMark to declare, set aside funds for, or pay dividends, distributions, or other payments to stockholders so long as it is not in default under the Amended Credit Agreement. However, if CatchMark has suffered a bankruptcy event or a change of control, the Amended Credit agreement prohibits CatchMark from declaring, setting aside, or paying any dividend, distribution, or other payment other than as required to maintain its REIT qualification. The Amended Credit Agreement also subjects CatchMark to mandatory repayment of the debt upon a change in control and mandatory prepayment from proceeds generated from dispositions of timberlands or lease terminations, which may have the effect of limiting its ability to make distributions to stockholders under certain circumstances.

CatchMark was in compliance with the financial covenants of the Amended Credit Agreement as of June 30, 2022.

Interest Paid and Fair Value of Outstanding Debt

During the three months and six months ended June 30, 2022 and 2021, CatchMark made the following cash interest payments on its borrowings:

| <i>(in thousands)</i> | Three Months Ended June 30, | | Six Months Ended June 30, | |
|------------------------|--------------------------------|----------|------------------------------|----------|
| | 2022 | 2021 | 2022 | 2021 |
| Cash paid for interest | \$ 2,000 | \$ 2,300 | \$ 3,600 | \$ 4,600 |

Included in the interest payments for the three months ended June 30, 2022 and 2021, were unused commitment fees of \$0.1 million and \$0.1 million, respectively. Included in the interest payments for the six months ended June 30, 2022 and 2021, were unused commitment fees of \$0.3 million and \$0.3 million, respectively.

As of June 30, 2022 and December 31, 2021, the weighted-average interest rate on CatchMark's borrowings, after consideration of its interest rate swaps (see Note 6 — *Interest Rate Swaps*), was 3.90% and 3.77%, respectively. After further consideration of expected patronage dividends, CatchMark's weighted-average interest rate as of June 30, 2022 and December 31, 2021 was 3.05% and 2.92%, respectively.

As of June 30, 2022 and December 31, 2021, the fair value of CatchMark's outstanding debt approximated its book value. The fair value was estimated based on discounted cash flow analysis using the current market borrowing rates for similar types of borrowing arrangements as of the measurement dates.

6. Interest Rate Swaps

CatchMark uses interest rate swaps to mitigate its exposure to changing interest rates on its variable rate debt instruments. As of June 30, 2022, CatchMark had two outstanding interest rate swaps with terms below:

(dollar amounts in thousands)

| Interest Rate Swap | Effective Date | Maturity Date | Pay Rate | Receive Rate | Notional Amount |
|--------------------|----------------|---------------|----------|-----------------|-------------------|
| 2019 Swap - 10YR | 11/29/2019 | 11/30/2029 | 2.2067% | one-month LIBOR | \$ 200,000 |
| 2019 Swap - 7YR | 11/29/2019 | 11/30/2026 | 2.0830% | one-month LIBOR | 75,000 |
| | | | | | <u>\$ 275,000</u> |

As of June 30, 2022, CatchMark's interest rate swaps effectively fixed the interest rate on \$275.0 million of its \$300.0 million variable-rate debt at 3.95%, inclusive of the applicable spread and before consideration of expected patronage dividends. The 2019 swaps contain an other-than-insignificant financing element and, accordingly, the associated cash flows are reported as financing activities in the accompanying consolidated statements of cash flows.

All of CatchMark's outstanding interest rate swaps during the six months ended June 30, 2022 and 2021 qualified for hedge accounting treatment.

Fair Value and Cash Paid for Interest Under Interest Rate Swaps

The following table presents information about CatchMark's interest rate swaps measured at fair value as of June 30, 2022 and December 31, 2021:

(in thousands)

| Instrument Type | Balance Sheet Classification | Estimated Fair Value as of | |
|-------------------------------------------------------|-----------------------------------|----------------------------|-------------------|
| | | June 30, 2022 | December 31, 2021 |
| <i>Derivatives designated as hedging instruments:</i> | | | |
| Interest rate swaps | Prepaid expenses and other assets | \$ 12,142 | \$ — |
| Interest rate swaps | Other liabilities | \$ — | \$ (14,277) |

During the three months ended June 30, 2022 and 2021, CatchMark recognized a change in fair value of its interest rate swaps of \$9.3 million and \$4.5 million as other comprehensive income and other comprehensive loss, respectively. During the six months ended June 30, 2022 and 2021, CatchMark recognized a change in fair value of its interest rate swaps of \$26.6 million and \$11.2 million as other comprehensive income, respectively.

Pursuant to the terms of its interest rate swaps, CatchMark paid \$1.0 million and \$1.4 million during the three months ended June 30, 2022 and 2021, respectively. For the six months ended June 30, 2022 and 2021, CatchMark paid \$2.4 million and \$2.8 million, respectively. All amounts were included in interest expense in the consolidated statements of operations.

During the three months ended June 30, 2022 and 2021, CatchMark reclassified \$0.1 million and \$0.3 million from accumulated other comprehensive income and accumulated other comprehensive loss, respectively, to interest expense related to the off-market swap value at hedge inception. During the six months ended June 30, 2022 and 2021, CatchMark reclassified \$0.2 million and \$0.6 million from accumulated other comprehensive income to interest expense related to the off-market swap value at hedge inception. These reclassifications were netted with the market value adjustment to interest rate swaps in the consolidated statements of comprehensive income (loss).

As of June 30, 2022, CatchMark estimated that approximately \$2.4 million will be reclassified from accumulated other comprehensive income as an offset to interest expense over the next 12 months.

7. Commitments and Contingencies

Mahrt Timber Agreements

In connection with its acquisition of timberlands from WestRock in 2007, CatchMark entered into a master stumpage agreement and a fiber supply agreement (collectively, the "Mahrt Timber Agreements") with a wholly-owned subsidiary of WestRock. The master stumpage agreement provides that CatchMark will sell specified amounts of timber and make available certain portions of our timberlands to CatchMark TRS for harvesting. The fiber supply agreement provides that WestRock will purchase a specified tonnage of timber from CatchMark TRS at specified prices per ton, depending upon the type of timber product. The prices for the timber purchased pursuant to the fiber supply agreement are negotiated every two years but are subject to quarterly market pricing adjustments based on an index published by TimberMart-South, a quarterly trade publication that reports raw forest product prices in 11 southern states. The initial term of the Mahrt Timber Agreements is October 9, 2007 through December 31, 2032, subject to extension and early termination provisions. The Mahrt Timber Agreements ensure a long-term source of supply of wood fiber products for WestRock in order to meet its paperboard and lumber production requirements at specified mills and provide CatchMark with a reliable customer for the wood products from its timberlands.

WestRock can terminate the Mahrt Timber Agreements prior to the expiration of the initial term if CatchMark replaces FRC as the forest manager without the prior written consent of WestRock, except pursuant to an internalization of the company's forestry management functions. CatchMark can terminate the Mahrt Timber Agreements if WestRock (i) ceases to operate the Mahrt mill for a period that exceeds 12 consecutive months, (ii) fails to purchase a specified tonnage of timber for two consecutive years, subject to certain limited exceptions or (iii) fails to make payments when due (and fails to cure within 30 days).

In addition, either party can terminate the Mahrt Timber Agreements if the other party commits a material breach (and fails to cure within 60 days) or becomes insolvent. In addition, the Mahrt Timber Agreements provide for adjustments to both parties' obligations in the event of a force majeure, which is defined to include, among other things, lightning, fires, storms, floods, infestation and other acts of God or nature.

For 2022, WestRock is required to purchase, and we are required to make available for purchase to WestRock, a minimum of 371,100 tons of timber under the Mahrt Timber Agreements. For the six months ended June 30, 2022, WestRock purchased 169,000 tons under the Mahrt Timber Agreements, which represented 11% of CatchMark's net timber sales revenue.

Timberland Operating Agreements

Pursuant to the terms of the timberland operating agreement between CatchMark and FRC (the "FRC Timberland Operating Agreement"), FRC manages and operates certain of CatchMark's timberlands and related timber operations, including ensuring delivery of timber to WestRock in compliance with the Mahrt Timber Agreements. In consideration for rendering the services described in the timberland operating agreement, CatchMark pays FRC (i) a monthly management fee based on the actual acreage that FRC manages, which is payable monthly in advance, and (ii) an incentive fee based on timber harvest revenues generated by the timberlands, which is payable quarterly in arrears. The FRC Timberland Operating Agreement, as amended, is effective through March 31, 2023, and is automatically extended for one-year periods unless written notice is provided by CatchMark or FRC to the other party at least 120 days prior to the current expiration. The FRC Timberland Operating Agreement may be terminated by either party with mutual consent or by CatchMark with or without cause upon providing 120 days' prior written notice.

Pursuant to the terms of the timberland operating agreement between CatchMark and AFM (the "AFM Timberland Operating Agreement"), AFM manages and operates certain of CatchMark's timberlands and related timber operations, including ensuring delivery of timber to customers. In consideration for rendering the services described in the AFM Timberland Operating Agreement, CatchMark pays AFM (i) a monthly management fee based on the actual acreage AFM manages, which is payable monthly in advance, and (ii) an incentive fee based on revenues generated by the timber operations, which is payable quarterly in arrears. The AFM Timberland Operating Agreement is effective through November 30, 2022 and is automatically extended for one-year periods unless written notice is provided by

CatchMark or AFM to the other party at least 120 days prior to the current expiration. The AFM Timberland Operating Agreement may be terminated by either party with mutual consent or by CatchMark with or without cause upon providing 120 days' prior written notice.

Obligations under Operating Leases

CatchMark's office lease commenced in January 2019 and expires in November 2028 and qualifies as an operating lease under ASC 842. As of January 1, 2019, CatchMark recorded an operating lease ROU asset and an operating lease liability of \$3.4 million on its balance sheet, which represents the net present value of lease payments over the lease term discounted using CatchMark's incremental borrowing rate at commencement date. CatchMark's office lease contains renewal options; however, the options were not included in the calculation of the operating lease ROU asset and operating lease liability as it is not reasonably certain that CatchMark will exercise the renewal options. CatchMark recorded \$0.1 million and \$0.1 million of operating lease expense for the three months ended June 30, 2022 and 2021, respectively. For the six months ended June 30, 2022 and 2021, CatchMark recorded \$0.2 million and \$0.2 million of operating lease expense, respectively. For the three months ended June 30, 2022 and 2021, CatchMark paid \$0.1 million and \$0.1 million, respectively, in cash for its office lease. For the six months ended June 30, 2022 and 2021, CatchMark paid \$0.2 million and \$0.2 million, respectively, in cash for its office lease, which was included in operating cash flows on its consolidated statements of cash flows.

CatchMark had the following future annual payments for its operating lease as of June 30, 2022:

| <i>(dollar amounts in thousands)</i> | Required Payments | |
|--------------------------------------|--------------------------|--------|
| Required payments | | |
| 2022 | \$ | 212 |
| 2023 | | 435 |
| 2024 | | 447 |
| 2025 | | 459 |
| 2026 | | 472 |
| Thereafter | | 942 |
| | \$ | 2,967 |
| Less: imputed interest | | (411) |
| Operating lease liability | \$ | 2,556 |
| Remaining lease term (years) | | 6.4 |
| Discount rate | | 4.58 % |

Litigation

From time to time, CatchMark may be a party to legal proceedings, claims, and administrative proceedings that arise in the ordinary course of its business. Management makes assumptions and estimates concerning the likelihood and amount of any reasonably possible loss relating to these matters using the latest information available. CatchMark records a liability for litigation if an unfavorable outcome is probable and the amount of loss or range of loss can be reasonably estimated. If an unfavorable outcome is probable and a reasonable estimate of the loss is a range, CatchMark accrues the best estimate within the range. If no amount within the range is a better estimate than any other amount, CatchMark accrues the minimum amount within the range. If an unfavorable outcome is probable but the amount of the loss cannot be reasonably estimated, CatchMark discloses the nature of the litigation and indicates that an estimate of the loss or range of loss cannot be made. If an unfavorable outcome is reasonably possible and the estimated loss is material, CatchMark discloses the nature and estimate of the possible loss of the litigation. CatchMark does not disclose information with respect to litigation where an unfavorable outcome is considered to be remote.

As of August 2, 2022, one lawsuit has been filed by an alleged CatchMark stockholder against CatchMark and members of CatchMark's board of directors challenging the Mergers.

Please refer to Part II, Item 1. Legal Proceedings in this Quarterly Report on Form 10-Q for further information regarding this matter.

8. Noncontrolling Interests

CatchMark Timber Trust is the general partner of CatchMark Timber OP and owns 99.76% of its Common Units directly and indirectly. The remaining 0.24% of the Common Units are owned by current and former officers and directors of CatchMark (the "Limited Partners").

CatchMark Timber OP issues LTIP Units to certain officers, directors, and employees of CatchMark. LTIP Units are a class of units structured to qualify as "profits interests" for federal income tax purposes that, subject to certain conditions, including vesting, are convertible by the holder into the Common Units. The LTIP Units initially have no value and are not at parity with the Common Units with respect to liquidating distributions. Regular and other non-liquidating distributions are made by CatchMark Timber OP with respect to unvested LTIP Units as provided in the applicable award agreement for such units. Upon the occurrence of specified events, the LTIP Units can over time achieve partial to full parity with the Common Units.

Vested LTIP Units that have achieved full parity with the Common Units are automatically converted into the Common Units on a one-for-one basis. Vested LTIP Units that have not achieved full parity with the Common Units may convert into the Common Units on less than a one-for-one basis based on relative capital accounts. Limited partners holding Common Units, including those converted from LTIP Units, have the option to cause CatchMark Timber OP to redeem such units after the units have been held for one year. Unless CatchMark Timber Trust exercises its right to purchase the Common Units in exchange for shares of Common Stock, CatchMark Timber OP would redeem each such unit with cash equal to the value of one share of Common Stock.

CatchMark recognizes noncontrolling interests associated with the Common Units held by the Limited Partners and the LTIP Units in an amount equal to the cumulative compensation cost of such units. Upon any forfeiture of the LTIP Units, the associated noncontrolling interests is reclassified to additional paid-in capital. Upon the conversion of the LTIP Units to Common Units, noncontrolling interests is adjusted so that the book value of each newly converted Common Unit equals the book value of an existing Common Unit. Noncontrolling interests is subsequently adjusted by allocations of earnings and distributions paid.

For the three months ended June 30, 2022 and 2021, CatchMark recognized \$0.3 million and \$0.3 million in stock-based compensation expense, respectively, related to the Common Units held by the Limited Partners and the LTIP Units as noncontrolling interests. For the six months ended June 30, 2022 and 2021, CatchMark recognized \$0.6 million and \$0.5 million in stock-based compensation expense, respectively, related to the Common Units held by the Limited Partners and the LTIP Units as noncontrolling interests. During the six months ended June 30, 2022, no LTIP Units were converted to Common Units.

9. Stock-based Compensation

During the three months ended June 30, 2022, CatchMark did not issue any equity awards, nor were any outstanding equity awards vested or forfeited.

A rollforward of CatchMark's unvested, service-based restricted stock awards to employees for the six months ended June 30, 2022 is as follows:

| | Number of Shares | Weighted-Average Grant Date Fair Value |
|-------------------------------|------------------|----------------------------------------------|
| Unvested at December 31, 2021 | 373,047 | \$ 10.62 |
| Granted | 182,794 | \$ 8.02 |
| Vested | (130,886) | \$ 10.84 |
| Forfeited | (5,500) | \$ 9.49 |
| Unvested at June 30, 2022 | 419,455 | \$ 9.43 |

A rollforward of CatchMark's unvested, performance-based LTIP Units grants for the six months ended June 30, 2022 is as follows:

| | Number of Units | Weighted-Average Grant Date Fair Value |
|-------------------------------|-----------------|----------------------------------------------|
| Unvested at December 31, 2021 | 505,908 | \$ 6.52 |
| Granted | 358,454 | \$ 3.62 |
| Vested | — | \$ — |
| Forfeited | (105,862) | \$ 8.13 |
| Unvested at June 30, 2022 | 758,500 | \$ 4.92 |

A rollforward of CatchMark's unvested, performance-based restricted stock grants for the six months ended June 30, 2022 is as follows:

| | Number of Shares | Weighted-Average Grant Date Fair Value |
|-------------------------------|------------------|----------------------------------------------|
| Unvested at December 31, 2021 | 67,769 | \$ 6.14 |
| Granted | 232,222 | \$ 3.62 |
| Vested | — | \$ — |
| Forfeited | — | \$ — |
| Unvested at June 30, 2022 | 299,991 | \$ 4.19 |

Stock-based Compensation Expense

A summary of CatchMark's stock-based compensation expense for the three months and six months ended June 30, 2022 and 2021 is presented below:

| <i>(in thousands)</i> | Three Months Ended June 30, | | Six Months Ended June 30, | |
|-------------------------------------|--------------------------------|--------|------------------------------|----------|
| | 2022 | 2021 | 2022 | 2021 |
| General and administrative expenses | \$ 688 | \$ 624 | \$ 1,368 | \$ 1,136 |
| Forestry management expenses | 165 | 143 | 336 | 250 |
| Total ⁽¹⁾ | \$ 853 | \$ 767 | \$ 1,704 | \$ 1,386 |

⁽¹⁾ The three months ended June 30, 2022 and 2021 includes \$0.3 million and \$0.3 million of stock-based compensation recognized as noncontrolling interest, respectively. The six months ended June 30, 2022 and 2021 includes \$0.6 million and \$0.5 million of stock-based compensation recognized as noncontrolling interest, respectively.

As of June 30, 2022, approximately \$6.5 million of compensation expense related to unvested restricted stock and LTIP Units remained to be recognized over a weighted-average period of 2.7 years.

10. Segment Information

As of June 30, 2022, CatchMark had the following reportable segments: Harvest, Real Estate and Investment Management. Harvest includes wholly-owned timber assets and associated timber sales, other revenues and related expenses. Real Estate includes timberland sales, cost of timberland sales and large dispositions. Investment Management includes investment in and income (loss) from unconsolidated joint ventures and asset management fee revenues earned for the management of these joint ventures. General and administrative expenses, along with other expense and income items, are not allocated among segments. Asset information and capital expenditures by segment are not reported because CatchMark does not use these measures to assess performance. CatchMark's investments in unconsolidated joint ventures are reported separately on the accompanying consolidated balance sheets. During the periods presented, there have been no material intersegment transactions.

The following table presents revenues by reportable segment:

| <i>(in thousands)</i> | Three Months Ended June 30, | | Six Months Ended June 30, | |
|-----------------------|--------------------------------|------------------|------------------------------|------------------|
| | 2022 | 2021 | 2022 | 2021 |
| Harvest | \$ 15,631 | \$ 21,097 | \$ 34,324 | \$ 42,308 |
| Real Estate | 8,818 | 7,632 | 14,888 | 10,989 |
| Investment Management | 110 | 3,211 | 2,289 | 6,329 |
| Total | \$ 24,559 | \$ 31,940 | \$ 51,501 | \$ 59,626 |

Adjusted EBITDA is the primary performance measure reviewed by management to assess operating performance. The following table presents Adjusted EBITDA by reportable segment:

| <i>(in thousands)</i> | Three Months Ended June 30, | | Six Months Ended June 30, | |
|-----------------------|--------------------------------|------------------|------------------------------|------------------|
| | 2022 | 2021 | 2022 | 2021 |
| Harvest | \$ 6,871 | \$ 9,367 | \$ 16,482 | \$ 18,294 |
| Real Estate | 8,664 | 7,333 | 14,416 | 10,477 |
| Investment Management | 410 | 3,275 | 3,143 | 7,095 |
| Corporate | (2,272) | (2,398) | (5,522) | (5,352) |
| Total | \$ 13,673 | \$ 17,577 | \$ 28,519 | \$ 30,514 |

A reconciliation of Adjusted EBITDA to GAAP net income (loss) is presented below:

| <i>(in thousands)</i> | Three Months Ended June 30, | | Six Months Ended June 30, | |
|--------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------|------------------|------------------------------|------------------|
| | 2022 | 2021 | 2022 | 2021 |
| Adjusted EBITDA | \$ 13,673 | \$ 17,577 | \$ 28,519 | \$ 30,514 |
| Subtract: | | | | |
| Depletion | 3,201 | 6,657 | 7,350 | 14,382 |
| Interest expense ⁽¹⁾ | 2,397 | 2,752 | 4,508 | 5,094 |
| Amortization ⁽¹⁾ | 412 | 636 | 835 | 1,269 |
| Depletion, amortization, and basis of timberland and mitigation credits sold included in income from unconsolidated joint venture ⁽²⁾ | 40 | 15 | 104 | 103 |
| Basis of timberland sold, lease terminations and other ⁽³⁾ | 6,698 | 5,701 | 10,738 | 7,667 |
| Stock-based compensation expense | 853 | 767 | 1,704 | 1,386 |
| Gain on large dispositions ⁽⁴⁾ | — | (759) | — | (759) |
| Merger-related costs ⁽⁵⁾ | 4,595 | — | 4,595 | — |
| Post-employment benefits ⁽⁶⁾ | — | 7 | 8 | 23 |
| Other ⁽⁷⁾ | 36 | 48 | 52 | 147 |
| Net income (loss) | \$ (4,559) | \$ 1,753 | \$ (1,375) | \$ 1,202 |

⁽¹⁾ For the purpose of the above reconciliation, amortization includes amortization of deferred financing costs, amortization of operating lease assets and liabilities, amortization of intangible lease assets, and amortization of mainline road costs, which are included in either interest expense, land rent expense, or other operating expenses in the accompanying consolidated statements of operations.

⁽²⁾ Reflects our share of depletion, amortization, and basis of timberland and mitigation credits sold of the unconsolidated Dawsonville Bluffs joint venture.

⁽³⁾ Includes non-cash basis of timber and timberland assets written-off related to timberland sold, terminations of timberland leases and casualty losses.

⁽⁴⁾ Large dispositions are sales of blocks of timberland properties in one or several transactions with the objective to generate proceeds to fund capital allocation priorities. Large dispositions may or may not have a higher or better use than timber production or result in a price premium above the land's timber production value. Such dispositions are infrequent in

nature, are not part of core operations, and would cause material variances in comparative results if not reported separately.

- (5) Reflects merger-related legal fees, consulting fees and other professional fees required to be expensed by GAAP that management believes do not directly reflect the core business operations of its timberland portfolio on an on-going basis.
- (6) Reflects one-time, non-recurring post-employment benefits associated with the retirement of our former CEO, including severance pay, payroll taxes, professional fees, and accrued dividend equivalents paid in installments over agreed-upon periods of time.
- (7) Includes certain cash expenses paid, or reimbursement received, that management believes do not directly reflect the core business operations of its timberland portfolio on an on-going basis, including costs required to be expensed by GAAP related to acquisitions, transactions, joint ventures or new business initiatives.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion and analysis should be read in conjunction with our accompanying consolidated financial statements and notes thereto. See also "Cautionary Note Regarding Forward-Looking Statements" preceding Part I of this report, as well as our consolidated financial statements and the notes thereto and Management's Discussion and Analysis of Financial Condition and Results of Operations in our Annual Report on Form 10-K for the year ended December 31, 2021.

Overview

We acquire and operate prime timberlands located in leading U.S. mill markets. We actively manage our timberlands to achieve an optimum balance among biological timber growth, current harvest cash flow, and responsible environmental stewardship. During the period ended June 30, 2022, we continued to execute our three-pillar strategy of owning and investing in prime timberlands located in leading mill markets, and optimizing harvest operations through delivered wood sales and opportunistic stumpage sales. After completing the disposition of our Pacific Northwest timberlands and exiting the Triple T joint venture in the second half of 2021, we refocused our ownership and operations on the nation's premier wood basket, the U.S. South. We have sought to expand our presence in superior mill markets where we already have strong local relationships to strengthen our Harvest EBITDA while maintaining stable merchantable inventory per acre. During the second quarter of 2022, we acquired 1,300 acres of timberland in Alabama for \$2.2 million, exclusive of transaction costs.

Our U.S. South timber sales revenue decreased 10% during the second quarter of 2022 as compared to the prior year period as a result of planned harvest volume reductions, offset by a 10% increase in average blended sales pricing. Our sawtimber stumpage price increased 21% while pulpwood stumpage price decreased 5% from the second quarter of 2021. Our U.S. South stumpage prices continued to maintain significant premiums over South-wide averages a result of our local market advantages.

In the second quarter of 2022, we sold 5,700 acres of timberland for \$8.8 million, or \$1,564 per acre, under our retail land sales program. Acres sold in the current quarter were comprised of approximately 46% pine plantation, which was significantly lower than our portfolio average.

During the second quarter of 2022, we paid \$3.6 million of distributions to our stockholders, which were fully covered by net cash provided by operating activities. We did not repurchase any shares of Common Stock under our SRP during the quarter.

Proposed Merger with PotlatchDeltic

On May 29, 2022, we entered into the Merger Agreement with PotlatchDeltic and Merger Sub. Subject to the terms and conditions of the Merger Agreement, at the effective time of the Company Merger, each issued and outstanding share of our Common Stock, other than Excluded Shares, will be converted into the right to receive 0.230 shares of common stock of PotlatchDeltic plus the right to receive cash in lieu of fractional shares of common stock of PotlatchDeltic (the "Merger Consideration"). At the effective time of the Partnership Merger, each of the issued and outstanding Common Units, other than Excluded OP Units, will automatically be converted into the right to receive the Merger Consideration. Our outstanding debt balances will become immediately due and payable upon the completion of the Mergers. It is expected that PotlatchDeltic will refinance or repay all amounts due under the Amended Credit Agreement at closing. We expect the Mergers to close in the third quarter of 2022. Please refer to *Note 1 — Organization* to our accompanying consolidated financial statements for further details about the Merger Agreement and the Mergers.

As of June 30, 2022, we incurred \$4.6 million of merger-related costs, which were included in general and administrative expenses on the accompanying consolidated statement of operations.

The discussion included below reflects our business as a stand-alone company without regard to the Merger Agreement or the Mergers.

Timberland Portfolio

As of June 30, 2022, we owned 348,100 acres of high-quality industrial timberland in the U.S. South. Our timberlands are located within an attractive fiber basket encompassing a diverse group of pulp, paper and wood products manufacturing facilities. Our timberlands consisted of 72% pine plantations by acreage and 55% sawtimber by volume.

| Acres by state as of June 30, 2022 | Total |
|-------------------------------------------|----------------|
| Alabama | 65,900 |
| Georgia | 218,000 |
| South Carolina | 64,200 |
| Total | 348,100 |

As of June 30, 2022, our timber inventory consisted of an estimated 13.2 million tons of merchantable inventory with the following components:

(in millions)

| Merchantable timber inventory (tons) ⁽¹⁾ | Total |
|------------------------------------------------------------|--------------|
| Pulpwood | 5.9 |
| Sawtimber ⁽²⁾ | 7.3 |
| Total | 13.2 |

⁽¹⁾ Merchantable timber inventory does not include current year growth.

⁽²⁾ Includes chip-n-saw and sawtimber.

In addition to our wholly-owned timberlands, we owned a 50% membership interest in Dawsonville Bluffs as of June 30, 2022 (see *Note 4 — Unconsolidated Joint Venture* to our accompanying consolidated financial statements for further details).

Segment Information

We have three reportable segments: Harvest, Real Estate and Investment Management. Our Harvest segment includes wholly-owned timber assets and associated timber sales, other revenues and related expenses. Our Real Estate segment includes timberland sales, cost of timberland sales and large dispositions. Our Investment Management segment includes investments in and income (loss) from unconsolidated joint ventures and asset management fee revenues earned for the management of these joint ventures. General and administrative expenses, along with other expense and income items, are not allocated among segments. For additional information, see *Note 10 — Segment Information* to our accompanying consolidated financial statements.

Timber Agreements

A significant portion of our timber sales is derived from the Mahrt Timber Agreements under which we sell specified amounts of timber to WestRock subject to market pricing adjustments. For full year 2022, WestRock is required to purchase a minimum of 371,100 tons of timber under the Mahrt Timber Agreements. For the six months ended June 30, 2022, WestRock purchased 169,000 tons under the Mahrt Timber Agreements, which represented 11% of our net timber sales revenue. See *Note 7 — Commitments and Contingencies* to our accompanying consolidated financial statements for additional information regarding the material terms of the Mahrt Timber Agreements.

We are party to a pulpwood supply agreement with IP (the "Carolinas Supply Agreement"). For full year 2022, IP is required to purchase a minimum of 50,000 tons of timber under the Carolinas Supply Agreement. During the six months ended June 30, 2022, we sold 16,700 tons under the Carolinas Supply Agreement, which represented 1% of our net timber sales revenue.

Liquidity and Capital Resources

Overview

Cash flows generated from our operations are primarily used to fund recurring expenditures and distributions to our stockholders. The amount of distributions to common stockholders is authorized by our board of directors and is dependent upon a number of factors, including funds deemed available for distribution based principally on our current and future projected operating cash flows, less capital requirements necessary to maintain our existing timberland portfolio. In determining the amount of distributions to common stockholders, we also consider our financial condition, our expectations of future sources of liquidity, current and future economic conditions, market demand for timber and timberlands, and tax considerations, including the annual distribution requirements necessary to maintain our status as a REIT under the Code.

In determining how to allocate cash resources in the future, we will initially consider the source of the cash. We anticipate using a portion of cash generated from operations, after payments of periodic operating expenses and interest expense, to fund certain capital expenditures required for our timberlands. Any remaining cash generated from operations may be used to pay distributions to stockholders and partially fund timberland acquisitions. Therefore, to the extent that cash flows from operations are lower, whether as a result of a reduction in anticipated harvest amounts or timber sales, decreases in asset management fees or distributions from joint ventures, or otherwise, timberland acquisitions and stockholder distributions are anticipated to be lower as well. Capital expenditures, including new timberland acquisitions, are generally funded with cash flow from operations or existing debt availability; however, proceeds from future debt financings, and equity and debt offerings may be used to fund capital expenditures, acquire new timberland properties, invest in joint ventures, and pay down existing and future borrowings. From time to time, we have also sold certain large timberland properties in order to generate capital to fund capital allocation priorities, including but not limited to redeployment into more desirable timberland investments, pay down of outstanding debt or repurchase of shares of our Common Stock. Such large dispositions are not part of core operations, are infrequent in nature, and may or may not have a higher or better use than timber production or result in a price premium above the land's timber production value. Large timberland disposition opportunities under our capital recycling program have been evaluated based in part on inventory stocking and mix profiles, productivity characteristics, geographical diversification and procurement and operating areas. We currently have no plans to complete additional large dispositions under our capital recycling program.

Shelf Registration Statement and Equity Offerings

On February 28, 2020, we filed a shelf registration statement on Form S-3 (File No. 333-236793) with the SEC, which was declared effective on May 7, 2020. Our shelf registration statement provides us with the ability to offer, from time to time and in one or more offerings, up to \$600 million in an undefined combination of debt securities, common stock, preferred stock, depositary shares, or warrants. The terms of any such future offerings would be established at the time of an offering. On May 7, 2020, we entered into a distribution agreement with a group of sales agents relating to the sale from time to time of up to \$75 million in shares of Common Stock in at-the-market offerings or as otherwise agreed with the applicable sales agent, including in block transactions. These shares are registered with the SEC under our shelf registration statement. As of June 30, 2022, we have not sold any shares of common stock under the distribution agreement.

Credit Facilities

The table below presents the details of each credit facility under the Amended Credit Agreement as of June 30, 2022:

(dollars in thousands)

| Facility Name | Maturity Date | Interest Rate ⁽¹⁾ | Unused Commitment Fee ⁽¹⁾ | Total Capacity | Outstanding Balance | Remaining Capacity |
|------------------------------|----------------------|-------------------------------------|---------------------------------------------|-----------------------|----------------------------|---------------------------|
| Term Loan A-1 | 12/23/2024 | LIBOR + 1.75% | N/A | \$ 84,706 | \$ 84,706 | \$ — |
| Term Loan A-2 | 12/1/2026 | LIBOR + 1.90% | N/A | 89,706 | 89,706 | — |
| Term Loan A-3 ⁽²⁾ | 12/1/2027 | LIBOR + 2.00% | 0.20% | 68,619 | — | 68,619 |
| Term Loan A-4 | 8/22/2025 | LIBOR + 1.70% | N/A | 125,588 | 125,588 | — |
| Multi-Draw Term Facility | 12/1/2024 | LIBOR + 1.90% | 0.20% | 150,000 | — | 150,000 |
| Revolving Credit Facility | 8/4/2026 | LIBOR + 1.90% | 0.20% | 35,000 | — | 35,000 |
| Total | | | | \$ 553,619 | \$ 300,000 | \$ 253,619 |

⁽¹⁾ The applicable LIBOR margin on the Revolving Credit Facility and the Multi-Draw Term Facility ranges from a base rate plus between 0.50% to 1.20% or a LIBOR rate plus 1.50% to 2.20%, depending on the LTV ratio. The unused commitment fee rates also depend on the LTV ratio.

⁽²⁾ Term Loan A-3 has an 18-month revolver feature through February 4, 2023.

Borrowing under the Multi-Draw Term Facility, which is interest only until its maturity date, may be used to finance timberland acquisitions and associated expenses, to fund investment in joint ventures, to fund the repurchase of Common Stock, and to reimburse payments of drafts under letters of credit. The revolver feature of Term Loan A-3 may be used solely to finance timberland acquisitions and associated expenses. The Revolving Credit Facility may be used for general working capital, to support letters of credit, to fund cash earned money deposits, to fund acquisitions in an amount not to exceed \$5.0 million, and for other general corporate purposes.

Patronage Dividends

We are eligible to receive annual patronage dividends from the Patronage Banks under the Amended Credit Agreement. The annual patronage dividend depends on the weighted-average patronage-eligible debt balance with each participating lender during the respective fiscal year, as calculated by CoBank, as well as the financial performance of the Patronage Banks.

In March 2022, we received patronage dividends of \$3.6 million on our patronage eligible borrowings. Of the total patronage dividends received in March 2022, \$3.5 million was standard patronage dividends and \$0.1 million was special patronage dividends. Approximately 87% of the standard patronage dividends was received in cash and the remaining 13% was received in equity of the Patronage Banks. The equity component of the patronage dividend is redeemable for cash only at the discretion of the Patronage Banks' board of directors. The special patronage dividend was received in cash. For the six months ended June 30, 2022, we accrued \$1.3 million of patronage dividends receivable for 2022, approximately 75% to 85% of which is expected to be received in cash in March 2023.

Debt Covenants

As of June 30, 2022, the Amended Credit Agreement contains, among others, the following financial covenants which:

- limit the LTV ratio to 50% at any time;
- require maintenance of a FCCR of not less than 1.05:1.00 at any time; and
- limit the aggregate capital expenditures to 1% of the value of the timberlands during any fiscal year.

We were in compliance with the financial covenants of the Amended Credit Agreement as of June 30, 2022.

Interest Rate Swaps

As of June 30, 2022, we had two outstanding interest rate swaps, which effectively fixed the interest rate on \$275.0 million of our \$300.0 million variable-rate debt at 3.95%, inclusive of the applicable spread but before considering patronage dividends. See *Note 6 — Interest Rate Swaps* to our accompanying financial statements for further details on our interest rate swaps.

Share Repurchase Program

On August 7, 2015, our board of directors approved a share repurchase program for up to \$30.0 million of Common Stock at management's discretion (the "SRP"). The program has no set duration and the board may discontinue or suspend the program at any time. During the three months ended June 30, 2022, we did not repurchase any share of Common Stock under the SRP. As of June 30, 2022, we had 49.2 million shares of Common Stock outstanding and may repurchase up to an additional \$13.7 million under the SRP. We can borrow up to \$30.0 million under the Multi-Draw Term Facility to repurchase Common Stock. To date, all share repurchases under the SRP have been funded with cash on-hand.

Short-Term Liquidity and Capital Resources

Net cash provided by operating activities for the six months ended June 30, 2022 was \$26.2 million, \$3.8 million lower than the six months ended June 30, 2021. Cash provided by operating activities consisted primarily of proceeds from timber sales, timberland sales, and asset management fees, reduced by payments for operating costs, general and administrative expenses, and interest expense. The decrease in net cash provided by operating activities was due to a \$4.7 million increase in general and administrative expenses primarily due to merger-related costs, a \$4.0 million decrease in asset management fees, and a \$2.9 million decrease in net timber sales, offset by a \$3.9 million increase in net proceeds from timberland sales, a \$2.2 million change in working capital due to timing of receipts and payments (including \$3.2 million of accrued general and administrative expenses related to the Mergers), a \$1.0 million decrease in cash interest paid, and a \$0.7 million decrease in other operating expenses.

Net cash used in investing activities for the six months ended June 30, 2022 was \$5.3 million as compared to \$4.3 million provided by investing activities for the prior year period. We incurred \$3.0 million of capital expenditures and used \$2.3 million to acquire 1,300 acres of timberland in Alabama during the six months ended June 30, 2022. In the prior year period, we received \$7.3 million in gross proceeds from large dispositions and incurred \$3.3 million of capital expenditures.

Net cash used in financing activities for the six months ended June 30, 2022 was \$10.2 million, \$13.8 million lower than the six months ended June 30, 2021, primarily due to making no debt repayments and lower cash distributions in the current year period. We made \$7.3 million of cash distributions during the six months ended June 30, 2022, which was fully funded from net cash provided by operating activities, as compared to \$13.1 million in the prior year period. In 2021, we also paid down \$7.3 million of our outstanding debt balance on the Multi-Draw Term Facility with net proceeds received from large dispositions.

We believe that we have access to adequate liquidity and capital resources, including cash flow generated from operations, cash on-hand and borrowing capacity, necessary to meet our current and future obligations that become due over the next 12 months. As of June 30, 2022, we had a cash balance of \$33.7 million and had access to \$253.6 million of additional borrowing capacity under the Amended Credit Agreement.

Long-Term Liquidity and Capital Resources

We expect the Mergers to close in the third quarter of 2022. In the event that the Mergers do not close or do not close in the timeframe currently contemplated, over the long-term, we expect our primary sources of capital to include net cash flows from operations, including proceeds from timber sales, timberland sales, revenues generated from environmental initiatives, and from other capital raising activities, including proceeds from secured or unsecured financings from banks and other lenders; and public offerings of equity or debt securities. Our principal demands for capital include operating expenses, interest expense on any outstanding indebtedness, repayment of debt, timberland acquisitions, certain other capital expenditures, and stockholder distributions. Access to borrowing capacity under our Amended Credit Agreement depends on continued compliance with debt covenants, which can be impacted by any reduction in the value of our timberlands and reductions in cash flows from operations.

Distributions

Our board of directors has authorized cash distributions quarterly. The amount of future distributions that we may pay will be determined by our board of directors as described in *Overview* section above. During the six months ended June 30, 2022, we declared the following distributions:

| Declaration Date | Record Date | Payment Date | Distribution Per Share |
|-------------------------|--------------------|---------------------|-------------------------------|
| February 10, 2022 | February 28, 2022 | March 15, 2022 | \$0.075 |
| May 5, 2022 | May 31, 2022 | June 15, 2022 | \$0.075 |

For the six months ended June 30, 2022, we paid total distributions of \$7.3 million. The distributions were funded from net cash provided by operating activities.

Results of Operations

Overview

Our results of operations are materially impacted by the fluctuating nature of timber prices, changes in the levels and mix of our harvest volumes and associated contract logging and hauling costs and depletion expense, changes to associated depletion rates, the level of timberland sales, management fees earned, large dispositions, general and administrative expenses, varying interest expense based on the amount and cost of outstanding borrowings, and performance of our unconsolidated joint venture.

Selected operational results for the three months and six months ended June 30, 2022 and 2021 are shown in the following table (dollar amounts in thousands, except for per-acre/per-ton amounts):

| | Three Months Ended June 30, | | Change % |
|--------------------------------------------------------|-----------------------------|----------------|--------------|
| | 2022 | 2021 | |
| Consolidated | | | |
| Timber sales revenue | \$ 14,679 | \$ 20,111 | (27)% |
| Timberland sales revenue | \$ 8,818 | \$ 7,632 | 16 % |
| Asset management fees revenue | \$ 110 | \$ 3,211 | (97)% |
| <i>Timber sales volume (tons)</i> | | | |
| Pulpwood | 235,730 | 299,789 | (21)% |
| Sawtimber ⁽¹⁾ | 164,132 | 228,218 | (28)% |
| | <u>399,862</u> | <u>528,007</u> | <u>(24)%</u> |
| U.S. South | | | |
| Timber sales revenue | \$ 14,679 | \$ 16,400 | (10)% |
| <i>Timber sales volume (tons)</i> | | | |
| Pulpwood | 235,730 | 296,993 | (21)% |
| Sawtimber ⁽¹⁾ | 164,132 | 193,882 | (15)% |
| | <u>399,862</u> | <u>490,875</u> | <u>(19)%</u> |
| Harvest Mix | | | |
| Pulpwood | 59 % | 61 % | |
| Sawtimber ⁽¹⁾ | 41 % | 39 % | |
| Delivered % as of total volume | 70 % | 77 % | |
| Stumpage % as of total volume | 30 % | 23 % | |
| Net timber sales price (per ton) ⁽²⁾ | | | |
| Pulpwood | \$ 14 | \$ 15 | (5)% |
| Sawtimber ⁽¹⁾ | \$ 31 | \$ 26 | 21 % |
| Timberland acquisition | | | |
| Gross acquisition ⁽³⁾ | \$ 2,200 | \$ — | |
| Acres acquired | 1,300 | — | |
| Price per acre ⁽³⁾ | \$ 1,653 | \$ — | |
| Timberland sales | | | |
| Gross sales | \$ 8,818 | \$ 7,632 | 16 % |
| Acres sold | 5,700 | 4,300 | 29 % |
| % of fee acres | 1.6 % | 1.2 % | |

| | | | | | |
|------------------------------------------|----|-------|----|--------|--------|
| Price per acre ⁽⁴⁾ | \$ | 1,564 | \$ | 1,743 | (10)% |
| Large Dispositions ⁽⁵⁾ | | | | | |
| Gross sales | \$ | — | \$ | 7,536 | |
| Acres sold | | — | | 5,000 | |
| Price per acre | \$ | — | \$ | 1,522 | |
| Gain on large dispositions | \$ | — | \$ | 759 | |
| Pacific Northwest ⁽⁶⁾ | | | | | |
| Timber sales revenue | \$ | — | \$ | 3,711 | (100)% |
| Timber sales volume (tons) | | | | | |
| Pulpwood | | — | | 2,796 | (100)% |
| Sawtimber | | — | | 34,336 | (100)% |
| | | — | | 37,132 | (100)% |

⁽¹⁾ Includes chip-n-saw and sawtimber.

⁽²⁾ Prices per ton are rounded to the nearest dollar.

⁽³⁾ Exclusive of transaction costs.

⁽⁴⁾ Excludes value of timber reservations, which retained 32,000 tons and 49,000 tons of merchantable inventory, respectively, with a sawtimber mix of 45% and 32%, respectively, for the three months ended June 30, 2022 and 2021.

⁽⁵⁾ Large dispositions are sales of blocks of timberland properties in one or several transactions with the objective to generate proceeds to fund capital allocation priorities. Large dispositions are typically larger transactions in acreage and gross sales price than recurring HBU sales and are not part of core operations, are infrequent in nature and would cause material variances in comparative results if not reported separately. Large dispositions may or may not have a higher or better use than timber production or result in a price premium above the land's timber production value.

⁽⁶⁾ Exited the Pacific Northwest in August 2021.

| | Six Months Ended June 30, | | Change % |
|-----------------------------------|---------------------------|---------|-----------------|
| | 2022 | 2021 | |
| Consolidated | | | |
| Timber sales revenue | \$ | 32,402 | \$ 40,260 (20)% |
| Timberland sales revenue | \$ | 14,888 | \$ 10,989 35 % |
| Asset management fees revenue | \$ | 2,289 | \$ 6,329 (64)% |
| Timber sales volume (tons) | | | |
| Pulpwood | | 463,408 | 573,130 (19)% |
| Sawtimber ⁽¹⁾ | | 405,062 | 479,639 (16)% |
| | | 868,470 | 1,052,769 (18)% |
| U.S. South | | | |
| Timber sales revenue | \$ | 32,402 | \$ 31,607 3 % |
| Timber sales volume (tons) | | | |
| Pulpwood | | 463,408 | 568,182 (18)% |
| Sawtimber ⁽¹⁾ | | 405,062 | 398,458 2 % |
| | | 868,470 | 966,640 (10)% |

| | | | | |
|--------------------------------------------------------|----|--------|----|----------------|
| Harvest Mix | | | | |
| Pulpwood | | 53 % | | 59 % |
| Sawtimber ⁽¹⁾ | | 47 % | | 41 % |
| Delivered % as of total volume | | 68 % | | 76 % |
| Stumpage % as of total volume | | 32 % | | 24 % |
| Net timber sales price (per ton) ⁽²⁾ | | | | |
| Pulpwood | \$ | 15 | \$ | 15 1 % |
| Sawtimber ⁽¹⁾ | \$ | 32 | \$ | 25 26 % |
| Timberland acquisition | | | | |
| Gross acquisition ⁽³⁾ | \$ | 2,200 | \$ | — |
| Acres acquired | | 1,300 | | — |
| Price per acre ⁽³⁾ | \$ | 1,653 | \$ | — |
| Timberland sales | | | | |
| Gross sales | \$ | 14,888 | \$ | 10,989 35 % |
| Acres sold | | 9,100 | | 6,100 48 % |
| % of fee acres | | 2.6 % | | 1.6 % |
| Price per acre ⁽⁴⁾ | \$ | 1,642 | \$ | 1,794 (8) % |
| Large Dispositions ⁽⁵⁾ | | | | |
| Gross sales | \$ | — | \$ | 7,536 |
| Acres sold | | — | | 5,000 |
| Price per acre | \$ | — | \$ | 1,522 |
| Gain on large dispositions | \$ | — | \$ | 759 |
| Pacific Northwest ⁽⁶⁾ | | | | |
| Timber sales revenue | \$ | — | \$ | 8,653 (100) % |
| Timber sales volume (tons) | | | | |
| Pulpwood | | — | | 4,948 (100) % |
| Sawtimber | | — | | 81,181 (100) % |
| | | — | | 86,129 (100) % |

⁽¹⁾ Includes chip-n-saw and sawtimber.

⁽²⁾ Prices per ton are rounded to the nearest dollar.

⁽³⁾ Exclusive of transaction costs.

⁽⁴⁾ Excludes value of timber reservations, which retained 50,000 tons and 59,000 tons of merchantable inventory, respectively, with a sawtimber mix of 58% and 36%, respectively, for the six months ended June 30, 2022 and 2021.

⁽⁵⁾ Large dispositions are sales of blocks of timberland properties in one or several transactions with the objective to generate proceeds to fund capital allocation priorities. Large dispositions are typically larger transactions in acreage and gross sales price than recurring HBU sales and are not part of core operations, are infrequent in nature and would cause material variances in comparative results if not reported separately. Large dispositions may or may not have a higher or better use than timber production or result in a price premium above the land's timber production value.

⁽⁶⁾ Exited the Pacific Northwest in August 2021.

Our timber sales revenue totaled \$14.7 million for the three months ended June 30, 2022, a \$5.4 million decrease from the prior year quarter mainly due to a \$3.7 million decrease as a result of selling our Pacific Northwest property

in August 2021 and a \$1.7 million decrease in the U.S. South due to planned volume reduction and a lower mix of delivered sales.

Our realized net timber sales price increased 21% for sawtimber and decreased 5% for pulpwood, respectively, from the prior year quarter, and continued to hold a significant premium over TimberMart-South South-wide averages as a result of operating in strong local markets where we selectively assembled our prime timberlands portfolio.

During the second quarter of 2022, we generated \$8.8 million of timberland sales revenue.

Comparison of the three months ended June 30, 2022 versus the three months ended June 30, 2021

Revenues. Revenues for the three months ended June 30, 2022 were \$24.6 million, \$7.4 million lower than the three months ended June 30, 2021 as a result of a \$5.4 million decrease in timber sales and a \$3.1 million decrease in asset management fees, offset by a \$1.2 million increase in timberland sales revenue. Timber sales revenue was lower in the current year quarter due to a \$3.7 million decrease that resulted from the disposition of our Pacific Northwest property in August 2021 and a \$1.7 million decrease in the U.S. South, driven by a 19% decrease in harvest volume, as planned. Timberland sales revenue increased due to selling more acres in the second quarter of 2022 as compared to the prior year period. Timberland sales price per acre was 10% lower than the prior year period due to current quarter sales having lower productivity characteristics, primarily a significantly lower percentage of pine plantations. Acres sold in the current period also had a lower average merchantable timber stocking than our portfolio average of 39 tons per acre at the beginning of the year. Asset management fees decreased as a result of exiting Triple T in 2021.

Details of timber sales revenue by product for the three months ended June 30, 2022 and 2021 are shown in the following table:

| <i>(in thousands)</i> | Three Months Ended June 30, 2021 | Changes attributable to: | | Three Months Ended June 30, 2022 |
|------------------------------------|-------------------------------------|--------------------------|-------------------|-------------------------------------|
| | | Price/Mix | Volume | |
| Timber sales ⁽¹⁾ | | | | |
| Pulpwood | \$ 8,941 | \$ 627 | \$ (2,614) | \$ 6,954 |
| Sawtimber ⁽²⁾ | 11,170 | 1,459 | (4,904) | 7,725 |
| | <u>\$ 20,111</u> | <u>\$ 2,086</u> | <u>\$ (7,518)</u> | <u>\$ 14,679</u> |

⁽¹⁾ Timber sales are presented on a gross basis.

⁽²⁾ Includes chip-n-saw and sawtimber.

Operating Expenses. Contract logging and hauling costs were \$6.3 million for the three months ended June 30, 2022, \$2.5 million lower than prior year period primarily due to a \$1.8 million decrease that resulted from the disposition of our Pacific Northwest property in August 2021 and a \$0.7 million decrease in the U.S. South, driven by a 26% decrease in delivered sales volume. Our U.S. South blended logging rates increased 21% compared to the prior year period primarily due to higher fuel and labor costs in the current year. However, these increased costs were largely offset by higher negotiated delivered wood sales prices, which allowed us to maintain stumpage values.

Depletion expense decreased to \$3.2 million for the three months ended June 30, 2022 from \$6.7 million for the three months ended June 30, 2021 due to a \$2.2 million decrease that resulted from the disposition of our Pacific Northwest property in August 2021 and a \$1.2 million decrease in the U.S. South, driven by lower blended depletion rates and lower harvest volume in the current year period.

Cost of timberland sales increased to \$6.5 million for the three months ended June 30, 2022 from \$5.6 million for the three months ended June 30, 2021 primarily due to selling more acres in the current year period.

General and administrative expenses increased by \$4.6 million to \$7.7 million for the three months ended June 30, 2022 primarily due to higher legal fees related to the Mergers.

Other operating expenses decreased by \$0.3 million to \$1.4 million for the three months ended June 30, 2022 primarily due to decreases in road maintenance costs as a result of the Pacific Northwest disposition in August 2021.

Interest expense. Interest expense decreased \$0.6 million to \$2.8 million for the three months ended June 30, 2022 primarily due to a 32% lower weighted-average debt outstanding balance, offset by higher weighted-average interest rates.

Gain on large dispositions. We did not complete any large dispositions during the three months ended June 30, 2022. For the three months ended June 30, 2021, we recognized a gain of \$0.8 million from the disposition of 5,000 acres of our wholly-owned timberland.

Net income (loss). For the three months ended June 30, 2022, we recognized \$4.6 million of net loss compared to \$1.8 million of net income for the three months ended June 30, 2021. Our net loss was primarily the result of \$4.6 million of merger-related costs incurred during the period. The year-over-year change from net income of \$1.8 million to a net loss of \$4.6 million was primarily due to a \$7.4 million decrease in total revenue and a \$0.8 million decrease in gain on large dispositions, offset by a \$1.0 million decrease in total expenses (despite \$4.6 million of merger-related costs) and a \$0.6 million decrease in interest expense. Our net loss per share for the three months ended June 30, 2022 was \$0.09 as compared to a net income per share of \$0.04 for the three months ended June 30, 2021.

Comparison of the six months ended June 30, 2022 versus the six months ended June 30, 2021

Revenues. Revenues for the six months ended June 30, 2022 were \$51.5 million, \$8.1 million lower than the six months ended June 30, 2021 as a result of a \$7.9 million decrease in timber sales and a \$4.0 million decrease in asset management fees, offset by a \$3.9 million increase in timberland sales revenue. Timber sales revenue was lower in the current year period due to a \$8.7 million decrease that resulted from the disposition of our Pacific Northwest property in August 2021, offset by a \$0.8 million increase in the U.S. South, driven by higher net timber sales prices. Timberland sales revenue increased by 35% due to selling more acres in the current year period, as planned. Timberland sales price per acre was 8% lower than the prior year period due to current quarter sales having lower productivity characteristics, primarily a significantly lower percentage of pine plantations. Acres sold in the current period also had a lower average merchantable timber stocking than our portfolio average of 39 tons per acre at the beginning of the year. Asset management fees decreased as a result of exiting Triple T in 2021.

Details of timber sales revenue by product for the six months ended June 30, 2022 and 2021 are shown in the following table:

| <i>(in thousands)</i> | Six Months Ended June 30, 2021 | Changes attributable to: | | Six Months Ended June 30, 2022 |
|------------------------------------|-------------------------------------------|---------------------------------|--------------------|-------------------------------------------|
| | | Price/Mix | Volume | |
| <i>Timber sales</i> ⁽¹⁾ | | | | |
| Pulpwood | \$ 16,489 | \$ 1,327 | \$ (4,347) | \$ 13,469 |
| Sawtimber ⁽²⁾ | 23,771 | 3,590 | (8,428) | 18,933 |
| | <u>\$ 40,260</u> | <u>\$ 4,917</u> | <u>\$ (12,775)</u> | <u>\$ 32,402</u> |

⁽¹⁾ Timber sales are presented on a gross basis.

⁽²⁾ Includes chip-n-saw and sawtimber.

Operating Expenses. Contract logging and hauling costs were \$12.6 million for the six months ended June 30, 2022, \$4.9 million lower than prior year period primarily due to a \$4.3 million decrease that resulted from the disposition of our Pacific Northwest property in August 2021, and a \$0.6 million decrease in the U.S. South, driven by a 20% decrease in delivered sales volume. Our U.S. South blended logging rates increased 19% compared to the prior year period primarily due to higher fuel and labor costs in the current year. However, these increased costs were largely offset by higher negotiated delivered wood sales prices, which allowed us to maintain stumpage values.

Depletion expense decreased to \$7.4 million for the six months ended June 30, 2022 from \$14.4 million for the six months ended June 30, 2021 due to a \$5.2 million decrease that resulted from the disposition of our Pacific

Northwest property in August 2021 and a \$1.8 million decrease in the U.S. South, primarily driven by lower blended depletion rates and lower harvest volume in the current year.

Cost of timberland sales increased to \$10.8 million for the six months ended June 30, 2022 from \$7.8 million for the six months ended June 30, 2021 primarily due to selling more acres and a shorter average holding period in the current year period.

Forestry management expenses decreased \$0.5 million to \$3.1 million for the six months ended June 30, 2022 from \$3.6 million for the six months ended June 30, 2021 primarily due to lower personnel costs.

General and administrative expenses increased by \$4.9 million to \$11.6 million for the six months ended June 30, 2022 primarily due to costs related to the Mergers.

Other operating expenses decreased by \$0.7 million to \$2.7 million for the six months ended June 30, 2022 primarily due to decreases in road maintenance costs as a result of the Pacific Northwest disposition in August 2021.

Interest expense. Interest expense decreased \$1.0 million to \$5.3 million for the six months ended June 30, 2022 primarily due to a 32% lower weighted-average debt outstanding balance, offset by a higher weighted-average interest rates.

Gain on large dispositions. We did not complete any large dispositions during the six months ended June 30, 2022. For the six months ended June 30, 2021, we recognized a gain of \$0.8 million from the disposition of 5,000 acres of our wholly-owned timberland.

Net income (loss). For the six months ended June 30, 2022, we recognized \$1.4 million of net loss compared to \$1.2 million of net income for the six months ended June 30, 2021. Our net loss was primarily the result of \$4.6 million of merger-related costs incurred during the period. The year-over-year change from net income of \$1.2 million to a net loss of \$1.4 million was primarily due to a \$8.1 million decrease in total revenue and a \$0.8 million decrease in gain on large dispositions, offset by a \$5.2 million decrease in total expenses (despite \$4.6 million of merger-related costs) and a \$1.0 million decrease in interest expense. Our net loss per share for the six months ended June 30, 2022 was \$0.03 as compared to a net income per share of \$0.02 for the six months ended June 30, 2021.

Adjusted EBITDA

The discussion below is intended to enhance the reader's understanding of our operating performance and ability to satisfy lender requirements. EBITDA is a non-GAAP financial measure of operating performance. EBITDA is defined by the SEC as earnings before interest, taxes, depreciation and amortization; however, we have excluded certain other expenses which we believe are not indicative of the ongoing operating results of our timberland portfolio, and we refer to this measure as Adjusted EBITDA (see the reconciliation table below). As such, our Adjusted EBITDA may not be comparable to similarly titled measures reported by other companies. Due to the significant amount of timber assets subject to depletion, significant income (losses) from unconsolidated joint ventures based on HLBV, and the significant amount of financing subject to interest and amortization expense, management considers Adjusted EBITDA to be an important measure of our financial performance. By providing this non-GAAP financial measure, together with the reconciliation below, we believe we are enhancing investors' understanding of our business and our ongoing results of operations, as well as assisting investors in evaluating how well we are executing our strategic initiatives. Items excluded from Adjusted EBITDA are significant components in understanding and assessing financial performance. Adjusted EBITDA is a supplemental measure of operating performance that does not represent and should not be considered in isolation or as an alternative to, or substitute for net income, cash flow from operations, or other financial statement data presented in accordance with GAAP in our consolidated financial statements as indicators of our operating performance. Adjusted EBITDA has limitations as an analytical tool and should not be considered in isolation or as a substitute for analysis of our results as reported under GAAP. Some of the limitations are:

- Adjusted EBITDA does not reflect our capital expenditures, or our future requirements for capital expenditures;

- Adjusted EBITDA does not reflect changes in, or our interest expense or the cash requirements necessary to service interest or principal payments on, our debt;
- Although depletion is a non-cash charge, we will incur expenses to replace the timber being depleted in the future, and Adjusted EBITDA does not reflect all cash requirements for such expenses; and
- Although HLBV income and losses are primarily hypothetical and non-cash in nature, Adjusted EBITDA does not reflect cash income or losses from unconsolidated joint ventures for which we use the HLBV method of accounting to determine our equity in earnings.
- Adjusted EBITDA does not reflect the cash requirements necessary to fund post-employment benefits or transaction costs related to acquisitions, investments, joint ventures or new business initiatives, which may be substantial.

Due to these limitations, Adjusted EBITDA should not be considered as a measure of discretionary cash available to us to invest in the growth of our business. Our Amended Credit Agreement contains a minimum debt service coverage ratio based, in part, on Adjusted EBITDA since this measure is representative of adjusted income available for interest payments. We further believe that our presentation of this non-GAAP financial measurement provides information that is useful to analysts and investors because they are important indicators of the strength of our operations and the performance of our business.

For the three months ended June 30, 2022, Adjusted EBITDA was \$13.7 million, a \$3.9 million decrease from the three months ended June 30, 2021 primarily due to a \$3.1 million decrease in asset management fee revenues and a \$2.9 million decrease in net timber sales, offset by a \$1.3 million increase in net timberland sales, a \$0.3 million decrease in other operating expense, a \$0.2 million decrease in forestry management expense, and a \$0.2 million increase in Adjusted EBITDA generated by Dawsonville Bluffs.

For the six months ended June 30, 2022, Adjusted EBITDA was \$28.5 million, a \$2.0 million decrease from the six months ended June 30, 2021 primarily due to a \$4.0 million decrease in asset management fee revenues and a \$2.9 million decrease in net timber sales, offset by a \$3.9 million increase in net timberland sales, a \$0.7 million decrease in other operating expense, and a \$0.5 million decrease in forestry management expense.

Our reconciliation of net income (loss) to Adjusted EBITDA for the three months and six months ended June 30, 2022 and 2021 follows:

| <i>(in thousands)</i> | Three Months Ended June 30, | | Six Months Ended June 30, | |
|-----------------------------------------------------------------------------------------------------------------------------------------|--------------------------------|-----------|------------------------------|-----------|
| | 2022 | 2021 | 2022 | 2021 |
| Net income (loss) | \$ (4,559) | \$ 1,753 | \$ (1,375) | \$ 1,202 |
| Add: | | | | |
| Depletion | 3,201 | 6,657 | 7,350 | 14,382 |
| Interest expense ⁽¹⁾ | 2,397 | 2,752 | 4,508 | 5,094 |
| Amortization ⁽¹⁾ | 412 | 636 | 835 | 1,269 |
| Depletion, amortization, basis of timberland, mitigation credits sold included in loss from unconsolidated joint venture ⁽²⁾ | 40 | 15 | 104 | 103 |
| Basis of timberland sold, lease terminations and other ⁽³⁾ | 6,698 | 5,701 | 10,738 | 7,667 |
| Stock-based compensation expense | 853 | 767 | 1,704 | 1,386 |
| Gain on large disposition ⁽⁴⁾ | — | (759) | — | (759) |
| Merger-related costs ⁽⁵⁾ | 4,595 | — | 4,595 | — |
| Post-employment benefits ⁽⁶⁾ | — | 7 | 8 | 23 |
| Other ⁽⁷⁾ | 36 | 48 | 52 | 147 |
| Adjusted EBITDA | \$ 13,673 | \$ 17,577 | \$ 28,519 | \$ 30,514 |

- (1) For the purpose of the above reconciliation, amortization includes amortization of deferred financing costs, amortization of operating lease assets and liabilities, amortization of intangible lease assets, and amortization of mainline road costs, which are included in either interest expense, land rent expense, or other operating expenses in the accompanying consolidated statements of operations.
- (2) Reflects our share of depletion, amortization, and basis of timberland and mitigation credits sold of the unconsolidated Dawsonville Bluffs joint venture.
- (3) Includes non-cash basis of timber and timberland assets written-off related to timberland sold, terminations of timberland leases and casualty losses.
- (4) Large dispositions are sales of blocks of timberland properties in one or several transactions with the objective to generate proceeds to fund capital allocation priorities. Large dispositions may or may not have a higher or better use than timber production or result in a price premium above the land's timber production value. Such dispositions are infrequent in nature, are not part of core operations, and would cause material variances in comparative results if not reported separately.
- (5) Reflects merger-related legal fees, consulting fees and other professional fees required to be expensed by GAAP that management believes do not directly reflect the core business operations of our timberland portfolio on an on-going basis.
- (6) Reflects one-time, non-recurring post-employment benefits associated with the retirement of our former CEO, including severance pay, payroll taxes, professional fees, and accrued dividend equivalents paid in installments over agreed-upon periods of time.
- (7) Includes certain cash expenses paid, or reimbursement received, that management believes do not directly reflect the core business operations of our timberland portfolio on an on-going basis, including costs required to be expensed by GAAP related to acquisitions, transactions, joint ventures or new business initiatives.

Segment EBITDA

For the three months ended June 30, 2022, Harvest EBITDA was \$6.9 million, a \$2.5 million decrease from the prior year period, primarily due to a \$2.9 million decrease in net timber sales, offset by a \$0.3 million decrease in other operating expense and a \$0.2 million decrease in forestry management expense. Real Estate EBITDA increased by \$1.3 million to \$8.7 million as a result of selling more acres in 2022 as compared to the prior year period. Investment Management EBITDA decreased by \$2.9 million during the six months ended June 30, 2022 primarily due to a \$3.1 million decrease in asset management fees, offset by a \$0.2 million increase in Adjusted EBITDA generated by Dawsonville Bluffs.

For the six months ended June 30, 2022, Harvest EBITDA was \$16.5 million, a \$1.8 million decrease from the prior year period, primarily due to a \$2.9 million decrease in net timber sales, offset by \$0.7 million decrease in other operating expense, and a \$0.5 million decrease in forestry management expense. Real Estate EBITDA increased by \$3.9 million to \$14.4 million as a result of selling more acres in 2022 as compared to the prior year period. Investment Management EBITDA decreased by \$4.0 million to \$3.1 million for the six months ended June 30, 2022 primarily due to a \$4.0 million decrease in asset management fees.

The following table presents Adjusted EBITDA by reportable segment:

| <i>(in thousands)</i> | Three Months Ended June 30, | | Six Months Ended June 30, | |
|-----------------------|--------------------------------|------------------|------------------------------|------------------|
| | 2022 | 2021 | 2022 | 2021 |
| Harvest | \$ 6,871 | \$ 9,367 | \$ 16,482 | \$ 18,294 |
| Real Estate | \$ 8,664 | \$ 7,333 | \$ 14,416 | \$ 10,477 |
| Investment Management | \$ 410 | \$ 3,275 | \$ 3,143 | \$ 7,095 |
| Corporate | \$ (2,272) | \$ (2,398) | \$ (5,522) | \$ (5,352) |
| Total | \$ 13,673 | \$ 17,577 | \$ 28,519 | \$ 30,514 |

Critical Accounting Estimates

There have been no material changes to our critical accounting estimates from those disclosed in our Annual Report on Form 10-K for the year ended December 31, 2021.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURE ABOUT MARKET RISK

As a result of our debt facilities, we are exposed to interest rate changes. Our interest rate risk management objectives are to limit the impact of interest rate changes on earnings and cash flows and to lower our overall borrowing costs. To achieve these objectives, we have entered into interest rate swaps, and may enter into other interest rate swaps, caps, or other arrangements in order to mitigate our interest rate risk on a related financial instrument. We do not enter into derivative or interest rate transactions for speculative purposes; however, certain of our derivatives may not qualify for hedge accounting treatment. All of our debt was entered into for other than trading purposes. We manage our ratio of fixed-to-floating-rate debt with the objective of achieving a mix that we believe is appropriate in light of anticipated changes in interest rates. We closely monitor interest rates and will continue to consider the sources and terms of our borrowing facilities to determine whether we have appropriately guarded ourselves against the risk of increasing interest rates in future periods.

As of June 30, 2022, we had following debt balances outstanding under the Amended Credit Agreement:

(in thousands)

| Credit Facility | Maturity Date | Interest Rate | Outstanding Balance |
|-------------------------|---------------|---------------|---------------------|
| Term Loan A-1 | 12/23/2024 | LIBOR + 1.75% | \$ 84,706 |
| Term Loan A-2 | 12/01/2026 | LIBOR + 1.90% | 89,706 |
| Term Loan A-4 | 8/22/2025 | LIBOR + 1.70% | 125,588 |
| Total Principal Balance | | | <u>\$ 300,000</u> |

As of June 30, 2022, we had two outstanding interest rate swaps with terms below:

(in thousands)

| Interest Rate Swap | Effective Date | Maturity Date | Pay Rate | Receive Rate | Notional Amount |
|--------------------|----------------|---------------|----------|-----------------|-------------------|
| 2019 Swap - 10YR | 11/29/2019 | 11/30/2029 | 2.2067% | one-month LIBOR | \$ 200,000 |
| 2019 Swap - 7YR | 11/29/2019 | 11/30/2026 | 2.0830% | one-month LIBOR | 75,000 |
| Total | | | | | <u>\$ 275,000</u> |

As of June 30, 2022, after consideration of the interest rate swaps, \$25.0 million of our total debt outstanding was subject to variable interest rates while the remaining \$275.0 million was subject to effectively fixed interest rates. A change in the market interest rate impacts the net financial instrument position of our effectively fixed-rate debt portfolio; however, it has no impact on interest incurred or cash flows.

Details of our variable-rate and effectively fixed-rate debt outstanding as of June 30, 2022, along with the corresponding average interest rates, are listed below:

| (dollars in thousands) | Expected Maturity Date | | | | | | Total |
|----------------------------------------------|------------------------|------|-----------|------------|-----------|------------|------------|
| | 2022 | 2023 | 2024 | 2025 | 2026 | Thereafter | |
| Maturing debt: | | | | | | | |
| Variable-rate debt | \$ — | \$ — | \$ 7,059 | \$ 10,466 | \$ 7,475 | \$ — | \$ 25,000 |
| Effectively fixed-rate debt | \$ — | \$ — | \$ 77,647 | \$ 115,122 | \$ 82,231 | \$ — | \$ 275,000 |
| Average interest rate ⁽¹⁾: | | | | | | | |
| Variable-rate debt | — % | — % | 3.42 % | 3.37 % | 3.57 % | — % | 3.44 % |
| Effectively fixed-rate debt | — % | — % | 3.95 % | 3.95 % | 3.95 % | — % | 3.95 % |

⁽¹⁾ Inclusive of applicable spread but before considering patronage dividends.

As of June 30, 2022, the weighted-average interest rate of our outstanding debt, after consideration of the interest rate swaps, was 3.90%, before considering patronage dividends. A 1.0% change in interest rates would result in a

change in interest expense of \$0.3 million per year. The amount of variable-rate debt outstanding in the future will largely be dependent upon the level of cash flow from operations and the rate at which we are able to deploy such cash flow toward repayment of outstanding debt, the acquisition of timberland properties, and other investments.

ITEM 4. CONTROLS AND PROCEDURES

Management's Conclusions Regarding the Effectiveness of Disclosure Controls and Procedures

We carried out an evaluation, under the supervision and with the participation of management, including our Chief Executive Officer and Chief Financial Officer, of the effectiveness of our disclosure controls and procedures (as defined in Rule 13a-15(e) under the Exchange Act) as of the end of the period covered by this report. Based upon that evaluation, the Chief Executive Officer and Chief Financial Officer concluded that our disclosure controls and procedures were effective as of the end of the period covered by this report in providing a reasonable level of assurance that information we are required to disclose in reports that we file or submit under the Exchange Act is recorded, processed, summarized, and reported within the time periods in SEC rules and forms, including providing a reasonable level of assurance that information required to be disclosed by us in such reports is accumulated and communicated to our management, including our Chief Executive Officer and our Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosure.

Changes in Internal Control Over Financial Reporting

There were no changes in our internal control over financial reporting during the quarter ended June 30, 2022 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II. OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

From time to time, we are party to legal proceedings, which arise in the ordinary course of our business.

On August 2, 2022, a purported stockholder filed a putative stockholder class action against CatchMark Timber Trust and the members of our board of directors. The lawsuit is captioned *Bell v. CatchMark Timber Trust, Inc., et al.*, No. 1:22-CV-06548, and is pending in the United States District Court for the Southern District of New York.

In general, the complaint alleges, among other things, that the merger consideration is inadequate, that the process culminating in the Mergers was flawed, that our directors breached their fiduciary duties in connection with the Mergers, and that we aided and abetted the breaches of fiduciary duty. The complaint also alleges that the proxy statement filed in connection with the Mergers was a materially incomplete and misleading registration statement on Form S-4 that failed to disclose certain allegedly material information in violation of Sections 14(a) and 20(a) of the Exchange Act and Rule 14a-9 promulgated thereunder.

The alleged omissions in the registration statement on Form S-4 filed in connection with the Mergers relate to, among other things, (i) information concerning the sales process conducted by CatchMark Timber Trust and the events leading up to the execution of the merger agreement; (ii) certain financial projections and GAAP reconciliations for CatchMark Timber Trust and PotlatchDeltic; and (iii) certain financial analyses performed by our financial advisor. The plaintiff seeks to enjoin CatchMark Timber Trust and our board of directors from proceeding with the Mergers and seeks damages in the event the Mergers are consummated.

We are reviewing the complaint and have not yet formally responded to it, but we believe that plaintiff's claims are without merit and intend to defend against them vigorously. However, litigation is inherently uncertain and there can be no assurance regarding the likelihood that our defense of the action will be successful. Additional lawsuits arising out of the Mergers may also be filed in the future.

ITEM 1A. RISK FACTORS

In addition to the other information set forth in this report, an investor should carefully consider the factors discussed below and those discussed in Part I, Item 1A. in our Annual Report on Form 10-K for the year ended December 31,

2021, which could materially affect our business, financial condition or future results. The risks, as described below and in our Annual Report on Form 10-K for the year ended December 31, 2021, are not the only risks facing us. Additional risks and uncertainties not currently known to management or that management currently deems immaterial also may materially, adversely affect our business, financial condition, operating results or cash flows.

Risks Related to the Mergers

The exchange ratio is fixed and will not be adjusted in the event of any change in either CatchMark's or PotlatchDeltic's stock price.

Under the terms of the Merger Agreement, at the effective time of the respective Mergers, each outstanding share of Common Stock and each Common Unit (other than Common Stock and Common Units owned by CatchMark Timber Trust, CatchMark Timber OP, PotlatchDeltic, Merger Sub or any of their respective wholly-owned subsidiaries, which will be canceled) will be converted into the right to receive 0.230 shares of PotlatchDeltic common stock. This exchange ratio of 0.230 was fixed in the Merger Agreement and will not be adjusted for changes in the market price of either shares of Common Stock or shares of PotlatchDeltic common stock between the date of the Merger Agreement and the closing. Changes in the price of shares of PotlatchDeltic common stock prior to completion of the Mergers will affect the market value of the Merger Consideration that CatchMark stockholders and holders of Common Units will receive upon completion of the Mergers. Stock price changes may result from a variety of factors (many of which are beyond the control of CatchMark or PotlatchDeltic), including the following factors:

- market reaction to the announcement of the Mergers and the prospects of the combined company;
- changes in the respective businesses, operations, assets, liabilities and prospects of CatchMark, PotlatchDeltic or the combined company;
- changes in market assessments of the business, operations, financial position and prospects of CatchMark, PotlatchDeltic or the combined company;
- investor behavior and strategies;
- market assessments of the likelihood that the Mergers will close;
- interest rates, general market and economic conditions and other factors generally affecting the market prices of Common Stock and PotlatchDeltic common stock;
- federal, state and local legislation, governmental regulation, tariffs, quotas and trade agreements, and legal developments in the businesses in which CatchMark or PotlatchDeltic operate; and
- other factors beyond the control of CatchMark or PotlatchDeltic, including those described or referred to elsewhere in this "Risk Factors" section.

The market price of shares of PotlatchDeltic common stock at the closing of the Mergers may vary from its price on the date the Merger Agreement was executed and on the date of the special meeting of CatchMark's stockholders. As a result, the market value represented by the exchange ratio will also vary. Accordingly, at the time of the CatchMark special meeting of stockholders, CatchMark stockholders will not know or be able to determine the market value of the consideration they will receive upon completion of the Company Merger.

Failure to complete the Mergers could negatively impact the stock prices and the future business and financial results of CatchMark.

If the Mergers are not completed, the ongoing business of CatchMark may be adversely affected and CatchMark will be subject to several risks without realizing any of the benefits of having the Mergers completed, including the following:

- the market price of Common Stock could decline;
- restrictions on the conduct of CatchMark's business during the period between the day the Merger Agreement was executed and termination of the Merger Agreement may adversely affect its ability to execute certain business strategies;

- CatchMark may experience negative reactions from the financial markets or from its customers, suppliers or employees;
- CatchMark may be subject to litigation related to any failure to complete the Mergers or to enforcement proceedings commenced against CatchMark to perform its obligations under the Merger Agreement;
- the focus of CatchMark's management on the Mergers instead of other opportunities could adversely affect CatchMark's business; and
- if the Merger Agreement is terminated and the CatchMark board of directors seeks another business combination, CatchMark stockholders cannot be certain that CatchMark will be able to find a party willing to enter into a transaction on terms equivalent to or more attractive than the terms that PotlatchDeltic has agreed to in the Merger Agreement.

In addition, if the Mergers are not completed, CatchMark may be required under certain circumstances to pay to PotlatchDeltic a termination fee of up to \$19.4 million.

Any delay in completing the Mergers, which are subject to a number of conditions, some of which are outside of the parties' control, may reduce or eliminate the expected benefits from the transaction.

In addition to approval of the Company Merger by CatchMark stockholders, the Mergers are subject to a number of other conditions beyond the parties' control that may prevent, delay or otherwise materially adversely affect the completion of the transaction. CatchMark cannot predict whether and when these other conditions will be satisfied. Furthermore, the requirement to obtain the required CatchMark stockholder approval could delay the completion of the Mergers for a significant period of time or prevent the transaction from occurring. Any delay in completing the Mergers could cause the combined company not to realize some or all of the synergies and other benefits that it expects to achieve if the Mergers are successfully completed within its expected time frame. The Merger Agreement contains certain restrictions on the conduct of the parties' business. If the Mergers are delayed, these restrictions could adversely affect our ability to execute business strategies or pursue attractive business opportunities. In addition, a delay could cause our management to focus on completion of the Mergers instead of on other opportunities that could be beneficial to CatchMark or the combined company.

In addition, if the Mergers are not completed by November 29, 2022, either CatchMark or PotlatchDeltic may choose to terminate the Merger Agreement, subject to certain exceptions. CatchMark or PotlatchDeltic may also choose to terminate the Merger Agreement in certain other circumstances, and the parties can mutually decide to terminate the Merger Agreement at any time prior to the completion of the Mergers, before or after the CatchMark stockholder approval has been obtained.

The Merger Agreement contains provisions that could discourage a potential competing acquiror of CatchMark or could result in any competing proposal being at a lower price than it might otherwise be.

Pursuant to the Merger Agreement, CatchMark has agreed not to (i) solicit proposals relating to certain alternative transactions, (ii) engage in discussions or negotiations or provide non-public information in connection with any proposal for an alternative transaction from a third party or (iii) approve or enter into any agreements providing for any such alternative transaction, in each case, subject to certain exceptions to permit members of the CatchMark board of directors to comply with their duties as directors under applicable law. Notwithstanding these "no-shop" restrictions, prior to obtaining the CatchMark stockholder approval, under specified circumstances the CatchMark board of directors may change its recommendation of the transaction, and CatchMark may also terminate the Merger Agreement to accept a superior proposal upon payment of the termination fee described below.

The Merger Agreement provides that, in connection with the termination of the Merger Agreement under specified circumstances, CatchMark may be required to pay to PotlatchDeltic a termination fee of \$19.4 million.

These provisions could discourage a potential competing acquiror that might have an interest in acquiring all or a significant part of CatchMark from considering or proposing an acquisition, even if it were prepared to pay consideration with a higher per share cash or market value than that market value proposed to be received or realized in the Mergers, or might result in a potential competing acquiror proposing to pay a lower price than it might otherwise have proposed to pay because of the added expense of the termination fee that may become payable in certain circumstances.

If the Merger Agreement is terminated and CatchMark determines to seek another business combination, CatchMark may not be able to negotiate a transaction with another party on terms comparable to, or better than, the terms of the Mergers contemplated by the Merger Agreement.

The Mergers will involve substantial costs.

CatchMark and PotlatchDeltic have incurred and expect to continue to incur substantial costs and expenses relating directly to the Mergers and the issuance of PotlatchDeltic shares in connection with the Mergers, including fees and expenses payable to financial advisors, other professional fees and expenses, insurance premium costs, SEC filing fees, printing and mailing costs and other transaction-related costs, fees and expenses. Through June 30, 2022, CatchMark has incurred legal, consulting, and other professional fees of \$4.6 million, and will incur additional fees and expenses prior to the completion of the Mergers. PotlatchDeltic also will incur transaction fees and costs related to formulating and implementing integration plans, including facilities and systems consolidation costs, employment-related costs, and a cash gross-up payment, subject to a cap, to the holders of Partnership OP Units to satisfy income tax liabilities associated with receiving shares of PotlatchDeltic common stock as consideration in connection with the Partnership Merger if elected by PotlatchDeltic. Additional unanticipated costs may be incurred in the Mergers and the integration of the two companies' businesses. These expenses could, particularly in the near term, exceed the expected savings from the elimination of duplicative expenses and the realization of economies of scale and cost savings and synergies related to the integration of the businesses following the completion of the Mergers. These integration expenses likely will result in the combined company taking significant charges against earnings following the completion of the Mergers, but the amount and timing of such charges are uncertain at present.

Shareholder litigation could negatively affect our business and operations.

Stockholder class action lawsuits and derivative lawsuits are often brought against companies that have entered into merger agreements. As of the date of this Quarterly Report on Form 10-Q, one putative stockholder class action lawsuit has been filed against us and our board of directors in connection with the Mergers. The lawsuit alleges, among other things, that the merger consideration is inadequate, that the process culminating in the Mergers was flawed, that our directors breached their fiduciary duties in connection with the Mergers, and that we aided and abetted the breaches of fiduciary duty. The lawsuit also alleges that the proxy statement filed in connection with the Mergers was a materially incomplete and misleading registration statement on Form S-4 filed in violation of Sections 14(a) and 20(a) of the Exchange Act and Rule 14a-9 promulgated thereunder. The lawsuit seeks to enjoin the Mergers and other relief.

We believe that the claims in the complaint are without merit. Additional lawsuits arising out of the Mergers may be filed in the future. The outcome of this lawsuit or any other lawsuit that may be filed challenging the Mergers is uncertain, including the amount of costs associated with defending claims or any other liabilities that may be incurred in connection with such litigation. One of the conditions to the closing of the Mergers is that no governmental authority has issued or entered any order at or prior to the closing of the Mergers having the effect of enjoining or otherwise prohibiting the consummation of the Mergers. Accordingly, if this lawsuit or any future lawsuit is successful in obtaining any order enjoining consummation of the Mergers, then such order may prevent the Mergers from being consummated, or from being consummated within the expected time frame, and could result in substantial costs to us, including but not limited to, costs associated with the indemnification of directors and officers. Any such injunction or delay in the Mergers being completed may adversely affect our business, financial condition, results of operations, and cash flows.

Uncertainty due to the pendency of the Mergers could adversely affect the business and operations of CatchMark or the combined company.

In connection with the pendency of the Mergers, some customers, suppliers, or other entities with whom we have a business relationship may delay or defer decisions, which could negatively impact our revenues, earnings, and cash flows, as well as the market price of our shares, regardless of whether the Mergers are completed. In addition, customers or suppliers may cease doing business with us or the combined company in anticipation of or following the Mergers or may change the terms and conditions upon which they are willing to continue to do business. In addition, current or prospective competitors of CatchMark or the combined company may seek to take advantage of potential uncertainty or disruption resulting from the Mergers to interfere with relationships with customers, suppliers, or employees.

CatchMark stockholders will be diluted by the Mergers.

The Mergers will result in CatchMark stockholders having an ownership stake in the combined company that is smaller than their current stake in CatchMark. Immediately after the Mergers are completed, it is expected that current PotlatchDeltic stockholders will own approximately 86% of the outstanding shares of PotlatchDeltic common stock and current CatchMark stockholders will own approximately 14% of the outstanding shares of PotlatchDeltic common stock on a fully diluted basis. Consequently, CatchMark stockholders, as a general matter, will have less influence over the management and policies of the combined company after the effective time of the Company Merger than they currently exercise over the management and policies of CatchMark.

Some of the directors and named executive officers of CatchMark have interests in the Mergers that are different from, or in addition to, those of the other CatchMark stockholders.

In considering whether to approve the Company Merger as contemplated by the Merger Agreement, CatchMark stockholders should recognize that members of CatchMark management and board of directors have interests in the Mergers that differ from, or are in addition to, the interests of other CatchMark stockholders. Some of the directors and named executive officers of CatchMark have arrangements that provide them with interests in the Mergers that are different from, or in addition to, those of the CatchMark stockholders, generally. These interests include, among other things, a severance payment if terminated upon, or following, consummation of the Mergers, treatment of outstanding CatchMark equity awards in connection with the transaction, rights to ongoing indemnification and insurance coverage, and a cash gross-up payment, subject to a cap, to the holders of the Partnership OP Units to satisfy income tax liabilities associated with receiving shares of PotlatchDeltic common stock as consideration. These interests, among other things, may influence or may have influenced the directors and named executive officers of CatchMark to support or approve the Mergers.

If the Company Merger does not qualify as a reorganization, there may be adverse tax consequences.

The Company Merger is intended to qualify as a reorganization within the meaning of Section 368(a) of the Code. It is a condition to the completion of the Mergers that each of CatchMark and PotlatchDeltic receives a written opinion from its respective counsel to the effect that the Company Merger will qualify as a reorganization within the meaning of Section 368(a) of the Code. The foregoing opinions, however, are limited to the factual representations provided by CatchMark and PotlatchDeltic to counsel and the assumptions set forth therein and are not a guarantee that the Company Merger, in fact, will qualify as a reorganization. Moreover, neither CatchMark nor PotlatchDeltic has requested or plans to request a ruling from the Internal Revenue Service that the Company Merger qualifies as a reorganization. If the Company Merger were to fail to qualify as a reorganization, then each holder of Common Stock generally would recognize gain or loss, as applicable, equal to the difference between (i) the sum of the fair market value of the shares of PotlatchDeltic common stock received by such holder; and (ii) such holder's adjusted tax basis in its Common Stock.

Risks Related to the Combined Company Following the Mergers

The combined company may incur adverse tax consequences if either CatchMark or PotlatchDeltic has failed or fails to qualify as a REIT for U.S. federal income tax purposes.

Each of CatchMark and PotlatchDeltic has operated in a manner that it believes has allowed it to qualify as a REIT for U.S. federal income tax purposes under the Code and intends to continue to do so through and (with respect to PotlatchDeltic) following the Mergers. Qualification as a REIT involves the application of highly technical and complex Code provisions for which there are only limited judicial and administrative interpretations. The determination of various factual matters and circumstances not entirely within the control of either of CatchMark or PotlatchDeltic, as applicable, may affect its ability to qualify as a REIT. In order to qualify as a REIT, each of CatchMark and PotlatchDeltic must satisfy a number of requirements, particularly relating to the nature of its assets and its income. A REIT must also make distributions to stockholders aggregating annually at least 90% of its net taxable income, excluding any capital gains. If PotlatchDeltic has failed or fails to qualify as a REIT for U.S. federal income tax purposes and the Mergers are completed, the combined company may have significant tax liabilities. Additionally, if CatchMark has failed or fails to qualify as a REIT for United States federal income tax purposes and the Mergers are completed, PotlatchDeltic may inherit significant tax liabilities and could lose its REIT status. A failure of either CatchMark or PotlatchDeltic to qualify as a REIT could impair the combined company's ability after the merger to expand its business and raise capital, and could materially adversely affect the value of PotlatchDeltic common stock.

Following the Mergers, the combined company may be unable to integrate successfully the businesses of CatchMark and PotlatchDeltic and realize the anticipated benefits of the Mergers.

The Mergers involve the combination of two companies which currently operate as independent public companies. The combined company will be required to devote significant management attention and resources to integrating its business practices and operations. The combined company may fail to realize some or all of the anticipated benefits of the Mergers if the integration process takes longer than expected or is more costly than expected. Potential difficulties the combined company may encounter in the integration process include the following:

- the inability to successfully combine the businesses of the two companies in a manner that permits the combined company to achieve the cost savings and synergies anticipated to result from the Mergers, which would result in the anticipated benefits of the Mergers not being realized partly or wholly in the time frame currently anticipated or at all;
- lost sales and customers as a result of certain customers of either of the two companies deciding not to do business with the combined company;
- complexities associated with managing the combined businesses;
- integrating personnel from the two companies;
- creation of uniform standards, controls, procedures, policies and information systems; and
- potential unknown liabilities and unforeseen increased expenses or delays associated with the Mergers.

In addition, CatchMark and PotlatchDeltic have operated and, until the completion of the Mergers, will continue to operate, independently. It is possible that the integration process could result in the diversion of each company's management's attention, the disruption or interruption of, or the loss of momentum in, each company's ongoing businesses or inconsistencies in standards, controls, procedures and policies, any of which could adversely affect the companies' ability to maintain relationships with customers, suppliers and employees or the companies' ability to achieve the anticipated benefits of the Mergers, or could reduce the earnings or otherwise adversely affect the business and financial results of the combined company.

PotlatchDeltic's stock price may be negatively impacted by risks and conditions that apply to PotlatchDeltic, which are different from the risks and conditions applicable to CatchMark.

Upon completion of the Mergers, holders of shares of Common Stock and Partnership OP Units will become holders of shares of PotlatchDeltic common stock. The businesses of PotlatchDeltic differ from those of CatchMark in important respects and, accordingly, the results of operations of PotlatchDeltic after the Mergers are completed, as well as the market price of shares of PotlatchDeltic common stock, may be affected by factors different from those currently affecting or that have historically affected the independent results of operations of CatchMark.

Uncertainties associated with the Mergers may cause a loss of management personnel and other key employees of CatchMark or PotlatchDeltic, which could adversely affect the future business and operations of the combined company following the Mergers.

CatchMark and PotlatchDeltic are dependent on the experience and industry knowledge of their officers and other key employees to execute their business plans and conduct operations. The combined company's success after the Mergers will depend in part upon its ability to retain key management personnel and other key employees of CatchMark and PotlatchDeltic. Current and prospective employees of CatchMark and PotlatchDeltic may experience uncertainty about their future roles with the combined company following the Mergers, which may materially adversely affect the ability of each of CatchMark and PotlatchDeltic to attract and retain key personnel during the pendency of the Mergers. Accordingly, no assurance can be given that the combined company will be able to retain key management personnel and other key employees of CatchMark and PotlatchDeltic.

The combined company's future results will suffer if it does not effectively manage its expanded operations following the completion of the Mergers.

Following the completion of the Mergers, the size of the business of the combined company will increase significantly beyond the current size of either CatchMark's or PotlatchDeltic's current businesses. In addition, the combined company may continue to expand its operations through additional acquisitions or other strategic

transactions. The combined company's future success depends, in part, upon its ability to manage its expanded business, which may pose substantial challenges for management, including challenges related to the management and monitoring of new operations and associated increased costs and complexity. There can be no assurances that the combined company will be successful or that it will realize the expected economies of scale, synergies and other benefits currently anticipated from the Mergers or anticipated from any additional acquisitions or strategic transactions.

The dividends paid by the combined company may be less than the rates currently paid by CatchMark or PotlatchDeltic.

Following the Mergers, CatchMark stockholders may not receive dividends at the same rate they received dividends as CatchMark stockholders before the Mergers, for reasons that may include any of the following factors:

- the combined company may not have enough cash to pay such dividends due to changes in the combined company's cash requirements, capital spending plans, cash flow or financial position;
- the Mergers may not be as accretive as currently expected, which could negatively impact the combined company's cash available for distribution;
- the combined company may desire to retain cash to maintain or improve its credit ratings; and
- the actual amount of dividends distributed and the decision to make any distribution will remain at all times entirely at the discretion of the combined company board of directors.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

Issuer Purchases of Equity Securities

We did not make any purchases of Common Stock during the quarter ended June 30, 2022.

ITEM 6. EXHIBITS

The exhibits required to be filed with this report are set forth below and incorporated by reference herein.

| Exhibit Number | Description | Reference |
|-----------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------|
| 2.1 | Agreement and Plan of Merger, dated as of May 29, 2022, by and among PotlatchDeltic Corporation, Horizon Merger Sub 2022, LLC, CatchMark Timber Trust, Inc. and CatchMark Timber Operating Partnership, L.P. | Form 8-K filed May 31, 2022, Exhibit 2.1 |
| 3.1 | Sixth Articles of Amendment and Restatement | Form 10-Q for the quarter ended June 30, 2013 filed on August 12, 2013, Exhibit 3.1 |
| 3.2 | First Articles of Amendment to the Sixth Articles of Amendment and Restatement | Form S-11 (File No. 333-191322) filed on September 23, 2013, Exhibit 3.2 |
| 3.3 | Articles of Amendment | Form 8-K filed on October 25, 2013, Exhibit 3.1 |
| 3.4 | Articles of Amendment | Form 8-K filed on October 25, 2013, Exhibit 3.2 |
| 3.5 | Articles Supplementary | Form 8-K filed on October 25, 2013, Exhibit 3.3 |
| 3.6 | Amended and Restated Bylaws | Form S-8 (File No. 333-191916) filed on October 25, 2013, Exhibit 3.6 |
| 3.7 | Amendment No. 1 to Amended and Restated Bylaws | Form 8-K filed on January 30, 2020, Exhibit 3.1 |
| 3.8 | Amendment No. 2 to Amended and Restated Bylaws | Form 8-K filed May 31, 2022, Exhibit 3.1 |
| 10.1 | * + Amended and Restated Change in Control Severance Protection Plan | |
| 31.1 | * Certification of the Principal Executive Officer of the Company, pursuant to Securities Exchange Act Rule 13a-14 and 15d-14 as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 | |
| 31.2 | * Certification of the Principal Financial Officer of the Company, pursuant to Securities Exchange Act Rules 13a-14 and 15d-14 as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 | |
| 32.1 | * Certification of the Principal Executive Officer and Principal Financial Officer of the Company, pursuant to 18 U.S.C. Section 1350 as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 | |
| 101.INS | * XBRL Instance Document — the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document | |
| 101.SCH | * XBRL Taxonomy Extension Schema Document | |
| 101.CAL | * XBRL Taxonomy Extension Calculation Linkbase Document | |
| 101.DEF | * XBRL Taxonomy Extension Definition Linkbase Document | |
| 101.LAB | * XBRL Taxonomy Extension Label Linkbase Document | |
| 101.PRE | * XBRL Taxonomy Extension Presentation Linkbase Document | |
| 104 | * Cover Page Interactive Data File (embedded within the Inline XBRL document and contained in Exhibit 101) | |

* Filed herewith.

+ Management contract or compensatory plan or arrangement.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

CATCHMARK TIMBER TRUST, INC.
(Registrant)

Date: August 4, 2022

By: /s/ Ursula Godoy-Arbelaez

Ursula Godoy-Arbelaez
Chief Financial Officer, Senior Vice President, and Treasurer
(Principal Financial Officer and Principal Accounting Officer)

CATCHMARK TIMBER TRUST, INC.
CHANGE IN CONTROL SEVERANCE PROTECTION PLAN
(as amended April 6, 2022)

ARTICLE I

PURPOSE AND PARTICIPATION

Section 1.01. Adoption; Purpose. The Board of Directors (the “Board”) of CatchMark Timber Trust, Inc. (the “Company”) has adopted this Change in Control Severance Protection Plan (this “Plan”) for the purpose of providing change in control severance protection to certain employees of the Company and its Subsidiaries.

Section 1.02. Participation. This Plan is only for the benefit of Participants, and no other employees, personnel, consultants or independent contractors shall be eligible to participate in this Plan or to receive any rights or benefits hereunder. Participants are those full time employees (including new hires) of the Company other than those employees who have an employment agreement with the Company or any Subsidiary (or any similar agreement or offer letter) that provides for severance payments in connection with a Change in Control.

Section 1.03. Contract of Employment. Nothing in this Plan shall be construed as creating an express or implied contract of employment and nothing herein shall confer upon any Participant any right with respect to continued employment with the Company or any Subsidiary or limit the right of the Company or any Subsidiary to terminate such Participant at any time.

ARTICLE II

DEFINITIONS AND INTERPRETATIONS

Section 2.01. Definitions.

Capitalized terms used in this Plan but not otherwise defined herein shall have the following respective meanings:

“Accounting Firm” shall have the meaning set forth in Section 4.01(a).

“Accrued Bonus” shall mean an annual cash performance bonus for a calendar year ended prior to the year which includes the Termination Date: (a) with respect to which the Compensation Committee determines, in its reasonable discretion, that the performance goals, conditions or metrics related thereto have been achieved by a Participant; and (b) which has not been paid to such Participant on or before such Participant’s Termination Date.

“Accrued Rights” shall mean, with respect to a Participant, the sum of the following: (a) any accrued but unpaid Base Salary of such Participant through the Termination Date; (b) reimbursement for any unreimbursed business expenses properly incurred by such Participant in accordance with Company policy through such Participant’s Termination Date; (c) independent rights under any award granted to such Participant pursuant to the Incentive Plan (including any

vested Long-Term Incentive Awards) and other written compensation arrangements between such Participant and the Company; and (d) benefits due under any indemnification, insurance or other plan or arrangement to which such Participant may be entitled according to the documents governing such plans or arrangements, including coverage under COBRA to which such Participant or Participant's beneficiaries may be entitled under Part 6 of Title I of the Employee Retirement Income Security Act of 1974, as amended, and all related state and local laws.

“Average Cash Bonus” shall mean the average of the annual cash performance bonuses, if any, received by a Participant for the three (3) most recent calendar years for which the amount of such annual cash performance bonus has been determined (or such fewer number of years for which such amount has been determined) and specifically excluding any special bonus or cash award, such as any retention bonus, sign-on bonus, one-time bonus or cash payment received as part of any long term or multi-year incentive program; *provided*, that if a Participant's Termination Date is prior to the date at which such Participant would first be eligible to receive an annual cash performance bonus pursuant to the Company's applicable annual cash bonus program, then the Average Cash Bonus shall be such Participant's Target Cash Bonus, if applicable.

“Base Salary” shall mean the annual base salary paid to a Participant immediately prior to the occurrence of a Termination Event with respect to such Participant.

“Board” shall have the meaning set forth in Section 1.01.

“Cause” shall mean a good faith determination by the Company that any of the following has occurred: (a) any willful misconduct by a Participant in connection with the Company's or any Subsidiary's business or relating to a Participant's Duties or a willful violation of law by a Participant in connection with the Company's or any Subsidiary's business or relating to a Participant's Duties; (b) an act of theft, fraud, conversion, misappropriation, embezzlement or material dishonesty by a Participant with respect to the Company's or any Subsidiary's assets or business or assets in the possession or control of the Company or any Subsidiary or the intentional falsification of any employment or Company records; (c) a Participant's conviction of, indictment for (or its procedural equivalent) or entering a guilty plea or plea of no contest with respect to, a felony, or a crime involving moral turpitude (whether or not such crime is a felony); (d) the willful failure of a Participant to fulfill the Participant's Duties; (e) substance abuse that materially interferes with the performance of a Participant's Duties; or (f) a Participant's material failure to: (I) comply with the Company's code of conduct, code of ethics, corporate governance guidelines or policies or other employment guidelines or policies, or (II) use good faith efforts to comply with the directives of the Board and the Chief Executive Officer of the Company (*provided*, that such directives are consistent with the material terms of applicable law and the Company's guidelines and policies).

“Change in Control” shall mean the occurrence of any of the following:

(a) any “person,” including a “group” (as such terms are used in Sections 13(d) and 14(d) of the Exchange Act, but excluding the Company, any entity controlling, controlled by or under common control with the Company, any director, fiduciary or other person or entity holding securities under any employee benefit plan or trust of the Company or any such entity, and a Participant and any “group” (as such term is used in Section 13(d)(3) of the Exchange Act)

of which a Participant is a member), is or becomes, in connection with a transaction or series of transactions, the “beneficial owner” (as defined in Rule 13d-3 under the Exchange Act), directly or indirectly, of securities of the Company representing fifty percent (50%) or more of the combined voting power of the Company’s then outstanding voting securities; or

(b) there shall occur any consolidation, merger or takeover of the Company where the shareholders of the Company, immediately prior to the consolidation or merger, would not, immediately after the consolidation or merger, beneficially own (as such term is defined in Rule 13d-3 under the Exchange Act), directly or indirectly, shares representing in the aggregate fifty percent (50%) or more of the combined voting power of the securities of the surviving entity or any parent entity thereof, as applicable; or

(c) there shall occur: (i) any sale, lease, exchange, takeover or other transfer (in one transaction or a series of transactions contemplated or arranged by any party as a single plan) of all or substantially all of the assets of the Company, other than a sale or disposition by the Company of all or substantially all of the Company’s assets to an entity, at least fifty percent (50%) of the combined voting power of the voting securities of which are owned by “persons” (as defined above) in substantially the same proportion as their ownership of the Company immediately prior to such sale; or (ii) the approval by shareholders of the Company of any plan or proposal for the liquidation, dissolution or takeover of the Company; or

(d) the members of the Board on the Effective Date (the “Incumbent Directors”) cease for any reason (other than due to death) to constitute at least a majority of the members of the Board; *provided*, that any director whose election, or nomination for election by the Company’s shareholders, was approved by a vote of at least a majority of the members of the Board then still in office who were then Incumbent Directors, shall be deemed to be an Incumbent Director; *provided, however*, that any person who is elected as a director as a result of, or in connection with: (i) any consolidation, merger, reorganization or takeover of the Company or any similar transaction or series of related transactions; or (ii) a solicitation of proxies by, or on behalf of, any person other than the Board shall not constitute an Incumbent Director.

“Change in Control Multiplier” shall mean

(a) for Group I Participants: 1.5

(b) for Group II Participants: 1.0; and

(c) for Group III Participants, the lesser of:

(i) 0.5 or

(ii) the sum of (x) 0.0833 plus (y) 0.0833 for each full twelve (12) month period that the Participant was employed by the Company or any of its Subsidiaries, beginning on the date the Participant’s employment commenced and ending on the Participant’s Termination Date. For purposes of determining the number of full twelve (12) month periods the Participant has been employed by the Company, employment by the former advisor to the Company shall be included as employment by the Company.

“Change in Control Termination Payment” shall mean an amount equal to (a) the Participant’s Change in Control Multiplier multiplied by (b) the sum of: (i) a Participant’s Base Salary; *plus* (ii) a Participant’s Average Cash Bonus.

“COBRA” shall mean the Consolidated Omnibus Reconciliation Act of 1985, as amended.

“Code” shall mean the Internal Revenue Code of 1986, as amended.

“Company” shall have the meaning set forth in Section 1.01.

“Compensation Committee” shall mean the Compensation Committee of the Board.

“Duties” shall mean, with respect to a Participant, those reasonable executive, managerial, administrative and other duties of employment specified and designated from time to time by the Board, the Chief Executive Officer of the Company or the Company employee to whom the participant directly reports.

“Effective Date” shall mean April 8, 2019.

“Exchange Act” shall mean the Securities Exchange Act of 1934, as amended.

“General Release” shall have the meaning set forth in Section 3.02.

“Good Reason” shall exist where a Participant gives notice to the Board or the Company, as applicable, of the occurrence of any of the following without such Participant’s express written consent: (a) a material reduction in Participant’s Base Salary; or (b) the relocation of such Participant’s principal office to a location more than fifty (50) miles from its current location. Notwithstanding the foregoing: (i) Good Reason shall not be deemed to exist: (A) unless such Participant gives to the Company a written notice identifying the event or condition purportedly giving rise to Good Reason expressly referencing the definition of “Good Reason” in this Plan within ninety (90) days of such event or the initial existence of such condition; or (B) if the Company has in good faith notified such Participant of Cause to terminate such Participant’s employment prior to such Participant identifying Good Reason; and (ii) if there exists an event or condition that constitutes Good Reason, then the Company shall have thirty (30) days from the date notice of Good Reason is given to cure such event or condition and, if the Company does so, such event or condition shall not constitute Good Reason hereunder; and if the Company does not cure such event or condition within such thirty (30)-day period, then such Participant shall have sixty (60) business days thereafter to give the Company notice of termination of employment on account thereof (specifying a Termination Date no less than ten (10) days, nor more than thirty (30) days, after the date of such notice of termination).

“Group I Participant” shall mean any Participant that is a Senior Vice-President of the Company, the General Counsel of the Company or that is otherwise determined to be a Group I Participant by the Compensation Committee.

“Group II Participant” shall mean any Participant that is a Vice-President of the Company or that is otherwise determined to be a Group II Participant by the Compensation Committee.

“Group III Participant” shall mean any Participant that is not a Group I Participant or Group II Participant.

“Incentive Plan” shall mean any long-term incentive plan of the Company in effect from time to time, as approved by the shareholders of the Company.

“Incumbent Directors” shall have the meaning set forth in the definition of “Change in Control.”

“Long-Term Incentive Award” shall mean all long-term incentive awards granted to a Participant by the Board or the Compensation Committee under an Incentive Plan.

“Net After-Tax Receipt” shall mean the present value (as determined in accordance with Sections 280G(b)(2)(A)(ii) and 280G(d)(4) of the Code) of a Payment net of all taxes imposed on a Participant with respect thereto under Sections 1 and 4999 of the Code and under applicable state and local laws, determined by applying the highest marginal rate under Section 1 of the Code and under state and local laws which applied to a Participant’s taxable income for the immediately preceding taxable year, or such other rate(s) as the Accounting Firm determined to be likely to apply to a Participant in the relevant taxable year(s).

“Overpayment” shall have the meaning set forth in Section 4.01(c).

“Participants” shall mean those full time employees of the Company or any Subsidiary who do not have an employment agreement with the Company or any Subsidiary that provides for severance payments in connection with a Change in Control.

“Payment” shall have the meaning set forth in Section 4.01(a).

“Plan” shall have the meaning set forth in Section 1.01.

“Plan Payments” shall have the meaning set forth in Section 4.01(a).

“Pro Rata Bonus” shall mean an amount equal to the product of (i) the target annual bonus, if any, that such Participant was eligible to receive for the calendar year which includes the date of the Termination Event and (ii) a fraction, the numerator of which is the number of days the Participant was employed by the Company during the calendar year which includes the date of the Termination Event and the denominator of which is three hundred sixty-five (365); provided, however, that the Pro Rata Bonus shall be reduced (but not below zero) by the amount of such Participant’s annual bonus for such calendar year that is paid or becomes payable prior to the Termination Event without regard to the terms of this Plan.

“Reduced Amount” shall mean the greatest amount of Plan Payments that can be paid that would not result in the imposition of the excise tax under Section 4999 of the Code.

“Release Effective Date” shall have the meaning set forth in Section 3.02.

“Section 409A” shall have the meaning set forth in Section 4.02(a).

“Subsidiary” means any subsidiary, affiliate or joint venture of the Company.

“Target Cash Bonus” shall mean a Participant’s most recent target annual cash performance bonus determined by the Company and applicable to the year which includes the Termination Date.

“Termination Date” shall mean, with respect to a Participant, the last day of such Participant’s employment.

“Termination Event” shall mean the termination of the employee-employer relationship between a Participant and the Company or any Subsidiary by reason of: (a) the resignation of such Participant for Good Reason or (b) the Company’s termination of such Participant without Cause (other than by reason of death or disability).

“Termination Notice” shall have the meaning set forth in Section 3.03.

“Underpayment” shall have the meaning set forth in Section 4.01(c).

Section 2.02. Interpretation. In this Plan, unless a clear contrary intention appears: (a) the words “herein,” “hereof” and “hereunder” refer to this Plan as a whole and not to any particular Article, Section or other subdivision; (b) reference to any Article or Section, means such Article or Section hereof; and (c) the words “including” (and with correlative meaning “include”) means including, without limiting the generality of any description preceding such term. The Article and Section headings herein are for convenience only and shall not affect the construction hereof.

ARTICLE III

SEVERANCE FOLLOWING A CHANGE IN CONTROL

Section 3.01. Termination Without Cause or for Good Reason Following a Change in Control. Subject to Section 3.02, in the event that, during the period beginning on the date that is three (3) months prior to a Change in Control and ending on the date which is twelve (12) months after such Change in Control (the “CIC Protection Window”), a Termination Event occurs with respect to a Participant, such Participant shall be entitled to receive from the Company the Accrued Rights, the Accrued Bonus and:

(a) a severance payment in an amount equal to such Participant’s Change in Control Termination Payment, which amount the Company shall pay to Participant in a lump sum (subject to Section 4.02) as soon as practicable (but no later than thirty (30) days) following the Release Effective Date;

(b) any unvested Long-Term Incentive Award will vest, if at all, in accordance with the terms of the applicable grant or award agreement; and

(c) the Pro Rata Bonus, which amount the Company shall pay to Participant in a lump sum (subject to Section 4.02) as soon as practicable (but no later than thirty (30) days) following the Release Effective Date; provided, however, if Participant is a participant in a short-

term incentive plan for the calendar year which includes the date of the Termination Event and such plan contains provisions for determining the amount of any bonus payable to participants in the event of a Termination Event during the CIC Protection Window (an “Applicable Short-Term Incentive Plan”), then Participant shall not be entitled to the Pro Rata Bonus but shall instead receive the amount, if any, determined under the Applicable Short-Term Incentive Plan, which amount shall be paid at the time determined under such plan.

Section 3.02. General Release. Notwithstanding anything herein to the contrary, a Participant shall not be entitled to receive any payments or benefits, other than the Accrued Rights, pursuant to Section 3.01 hereof (and such Participant shall forfeit all rights to such payments) unless such Participant has executed and delivered to the Company a general release in form and substance as attached hereto as Exhibit A (the “General Release”) within thirty (30) days after Participant’s Termination Date (the “Release Execution Period”), and such General Release remains in full force and effect, has not been revoked and is no longer subject to revocation, and a Participant shall be entitled to receive such payments and benefits only so long as such Participant has not materially breached any of the provisions of the General Release (as specified in, and subject to, the limitations set forth in Paragraph 3(c) of the General Release) without cure of any such breach within ten (10) business days after a notice from the Company specifying the breach. If the General Release is executed and delivered and no longer subject to revocation as provided in the preceding sentence, then any cash payments due to a Participant shall be paid (subject to Section 4.02) in accordance with the provisions of Section 3.01. For purposes of this Plan, “Release Effective Date” means the date as of which the General Release, executed by a Participant and delivered to the Company, is no longer subject to revocation, which, if a Participant executes and delivers the General Release within the Release Execution Period, shall be no later than sixty (60) days following such Participant’s Termination Date. Notwithstanding the foregoing, if the Release Execution Period begins in one calendar year and ends in another calendar year and all or any portion of such payments constitute non-exempt deferred compensation for purposes of Section 409A of the Code, then none of such payments shall begin until such second calendar year.

Section 3.03. Termination Notices from Company. For purposes of this Plan, any purported termination of employment of a Participant by the Company or by any Subsidiary or by such Participant constituting a Termination Event under this Plan shall be communicated by written notice to the other party, which notice shall specify the Termination Date and the basis for such termination and the reasonably detailed facts and circumstances claimed to provide a basis for such termination (each, a “Termination Notice”).

ARTICLE IV

LIMITATIONS on SEVERANCE BENEFITS

Section 4.01. Excess Parachute Payments.

(a) Anything in this Plan to the contrary notwithstanding, in the event a nationally recognized independent accounting firm designated by the Company (the “Accounting Firm”) shall determine that receipt of all payments or distributions by the Company and any Subsidiary and each of their respective affiliates in the nature of compensation to or for a Participant’s benefit, whether paid or payable pursuant to this Plan or otherwise (a “Payment”),

would subject such Participant to the excise tax under Code Section 4999, the Accounting Firm shall determine as required below in this Section 4.01(a) whether to reduce any of the Payments paid or payable pursuant to this Plan (the “Plan Payments”) to the Reduced Amount. The Plan Payments shall be reduced to the Reduced Amount only if the Accounting Firm determines that such Participant would have a greater Net After-Tax Receipt of aggregate Payments if Participant’s Plan Payments were so reduced. If the Accounting Firm determines that such Participant would not have a greater Net After-Tax Receipt of aggregate Payments if Participant’s Plan Payments were so reduced, then such Participant shall receive all Plan Payments to which such Participant is entitled.

(b) If the Accounting Firm determines that aggregate Plan Payments should be reduced to the Reduced Amount, then the Company shall promptly give Participant notice to that effect and a copy of the detailed calculation thereof. All determinations made by the Accounting Firm under this Section 4.01 shall be binding upon the Company and Participant (absent manifest error) and shall be made as soon as reasonably practicable and in no event later than twenty (20) days following such Participant’s Termination Date. For purposes of reducing the Plan Payments to the Reduced Amount, only amounts payable under this Plan (and no other Payments) shall be reduced.

(c) As a result of the uncertainty in the application of Section 4999 of the Code at the time of the initial determination by the Accounting Firm hereunder, it is possible that amounts will have been paid or distributed by the Company to or for the benefit of a Participant pursuant to this Plan which should not have been so paid or distributed (an “Overpayment”) or that additional amounts which will have not been paid or distributed by the Company to or for the benefit of a Participant pursuant to this Plan which should have been so paid or distributed (an “Underpayment”), in each case consistent with the calculation of the Reduced Amount hereunder. In the event that the Accounting Firm, based upon the assertion of a deficiency by the Internal Revenue Service against either the Company or a Participant which the Accounting Firm believes has a high probability of success, determines that an Overpayment has been made, such Participant shall pay any such Overpayment to the Company, together with interest at the applicable federal rate provided for in Section 7872(f)(2) of the Code; *provided, however*, that no amount shall be payable by a Participant to the Company if and to the extent such payment would not either reduce the amount on which such Participant is subject to tax under Section 1 and Section 4999 of the Code or generate a refund of such taxes. In the event that the Accounting Firm, based upon controlling precedent or substantial authority, determines that an Underpayment has occurred, any such Underpayment shall be paid promptly (and in no event later than sixty (60) days following the date on which the Underpayment is determined) by the Company to, or for the benefit of, such Participant, together with interest at the applicable federal rate provided for in Section 7872(f)(2) of the Code.

(d) All fees and expenses of the Accounting Firm shall be paid solely by the Company.

Section 4.02. Compliance with Code Section 409A.

(a) This Plan is intended to comply with Section 409A of the Code (“Section 409A”) or an exemption thereunder. This Plan shall be construed, interpreted and administered to the extent possible in a manner that does not result in the imposition on any Participant of any

additional tax, penalty or interest under Section 409A. Any payments under this Plan that may be excluded from Section 409A either as separation pay due to an involuntary separation from service or as a short-term deferral shall be excluded from Section 409A to the maximum extent possible. If any payment or benefit cannot be provided or made at the time specified herein without the imposition on a Participant of any additional tax, penalty or interest under Section 409A, then such benefit or payment shall be provided in full at the earliest time thereafter when such additional tax, penalty or interest will not be imposed. For purposes of Section 409A: (i) any payments to be made under this Plan upon a termination of employment that constitute “nonqualified deferred compensation” within the meaning of Section 409A shall only be made if such termination of employment constitutes a “separation from service” under Section 409A; (ii) each payment made under this Plan shall be treated as a separate payment; and (iii) the right to a series of installment payments under this Plan is to be treated as a right to a series of separate payments. In no event shall any Participant, directly or indirectly, designate the calendar year of payment.

(b) All reimbursements and in-kind benefits provided under this Plan shall be made or provided in accordance with the requirements of Section 409A, including, where applicable, the requirements that: (i) any reimbursement is for expenses incurred during a Participant’s lifetime (or during a shorter period of time specified in this Plan); (ii) the amount of expenses eligible for reimbursement, or in-kind benefits provided, during a calendar year may not affect the expenses eligible for reimbursement, or in-kind benefits to be provided, in any other calendar year; (iii) the reimbursement of an eligible expense will be made on or before the last day of the calendar year following the year in which the expense is incurred; and (iv) the right to reimbursement or in-kind benefits is not subject to liquidation or exchange for another benefit.

(c) Notwithstanding any provision in this Plan to the contrary, if, at the time of a Participant’s separation from service with the Company, the Company has securities which are publicly traded on an established securities market, such Participant is a “specified employee” (as defined in Section 409A) and it is necessary to postpone the commencement of any severance payments otherwise payable pursuant to this Plan as a result of such separation from service to prevent any accelerated or additional tax under Section 409A, then the Company will postpone the commencement of the payment of any such payments or benefits hereunder (without any reduction in such payments or benefits ultimately paid or provided to Participant) that are not otherwise exempt from Section 409A until the first payroll date that occurs after the date that is six (6) months following Participant’s separation from service with the Company (as determined under Section 409A). If any payments are postponed pursuant to this Section 4.02(c), then such postponed amounts will be paid in a lump sum, without interest, to a Participant on the first payroll date that occurs after the date that is six (6) months following such Participant’s separation from service with the Company. If a Participant dies during the postponement period prior to the payment of any postponed amount, such amount shall be paid to the personal representative of such Participant’s estate within sixty (60) days after the date of Participant’s death.

(d) Notwithstanding the foregoing, the Company makes no representations that the payments and benefits provided under this Plan comply with Section 409A and in no event shall the Company be liable for all or any portion of any taxes, penalties, interest or other expenses that may be incurred by a Participant on account of non-compliance with Section 409A.

ARTICLE V

MISCELLANEOUS PROVISIONS

Section 5.01. Cumulative Benefits; Effect on Other Plans. Except as otherwise set forth herein or otherwise agreed to between the Company and a Participant, the rights and benefits provided to any Participant under this Plan are in addition to, all of the other rights and benefits provided to such Participant under any benefit plan of the Company or any agreement between such Participant and the Company or any Subsidiary. Notwithstanding anything to the contrary in this Plan, in the event that a Participant is entitled to severance benefits under any other severance plan, employment agreement, severance agreement or similar agreement or policy of the Company or any Subsidiary providing for payments as a result of the termination of employment, the Plan Payments shall be reduced (but not below \$0.00) by the aggregate amount of all severance payments due to such Participant under such other agreement or plan; provided, however, that the Plan Payments shall not be reduced by any amount payable under an Applicable Short-Term Incentive Plan described in Section 3.01(c).

Section 5.02. Plan Unfunded; Participant's Rights Unsecured. The Company shall not be required to establish any special or separate fund or make any other segregation of funds or assets to assure the payment of any benefit hereunder. The right of any Participant to receive the benefits provided for herein shall be an unsecured claim against the general assets of the Company.

Section 5.03. Clawback. Notwithstanding any other provisions in this Plan to the contrary, any bonus, incentive-based, equity-based or other similar compensation paid to a Participant pursuant to this Plan which is required to be recovered under any law, government regulation or stock exchange listing requirement will be subject to such deductions and clawback as may be required to be made pursuant to such law, government regulation or stock exchange listing requirement (or any policy adopted by the Company pursuant to any such law, government regulation or stock exchange listing requirement).

Section 5.04. Waiver. No waiver of any provision of this Plan shall be effective unless made in writing and signed by the waiving person or entity. The failure of any person or entity to require the performance of any term or obligation of this Plan, or the waiver by any person or entity of any breach of this Plan, shall not prevent any subsequent enforcement of such term or obligation or be deemed a waiver of any subsequent breach.

Section 5.05. Amendment; Termination. The Company may amend or terminate this Plan at any time or from time to time for any reason, *provided*, that Sections 5.12 and 5.13 of this Plan shall survive the termination of this Plan. For purposes hereof, an amendment or termination of this Plan shall not materially and adversely affect the rights of any Participant whose employment was terminated for any reason or no reason prior to the date of such amendment or termination. Notwithstanding the foregoing, a Participant's right to receive payments and benefits pursuant to this Plan in connection with a Termination Event occurring in the CIC Protection Window shall not be adversely affected without such Participant's consent by an amendment or termination of this Plan occurring after such Change in Control. This Plan

shall terminate without further action when all of the obligations to Participants hereunder have been satisfied in full.

Section 5.06. Administration.

(a) The Compensation Committee shall have full and final authority to make determinations with respect to the administration of this Plan, to construe and interpret its provisions and to take all other actions deemed necessary or advisable for the proper administration of this Plan, but such authority shall be subject to the provisions of this Plan; *provided, however*, that, to the extent permitted by applicable law, the Compensation Committee may from time to time delegate such administrative authority to a committee of one or more members of the Board or one or more officers of the Company, except that in no event shall any such administrative authority be delegated to an officer with respect to such officer's status as a Participant or with respect to the benefits such officer may receive under this Plan. No discretionary action by the Compensation Committee shall amend or supersede the express provisions of this Plan.

(b) The Company shall indemnify and hold harmless each member of the Board and the Compensation Committee against any and all expenses and liabilities arising out of his or her administrative functions or fiduciary responsibilities, including any expenses and liabilities that are caused by or result from an act or omission constituting the negligence of such member in the performance of such functions or responsibilities to the fullest extent permitted by applicable law. Expenses against which such member shall be indemnified hereunder shall include, without limitation, the amounts of any settlement or judgment, costs, counsel fees and related charges reasonably incurred in connection with a claim asserted or a proceeding brought or settlement thereof.

Section 5.07. Certain Corporate Transactions. In the event of a merger, consolidation or similar transaction, nothing herein shall relieve the Company from any of the obligations set forth in this Plan; *provided, however*, that nothing in this Section 5.07 shall prevent an acquirer of or successor to the Company from assuming the Company's obligations hereunder (or any portion thereof) pursuant to the terms of this Plan.

Section 5.08. Successors and Assigns. This Plan shall be binding upon, and inure to the benefit of, the Company and its successors and assigns. This Plan and all rights of each Participant shall inure to the benefit of, and be enforceable by, each such Participant and such Participant's personal or legal representatives, executors, administrators and heirs. If any Participant should die following a Termination Event but prior to all amounts due and payable to such Participant hereunder being paid, all such amounts, unless otherwise provided herein, shall be paid in accordance with the terms of this Plan to such Participant's beneficiary designated in writing to the Company prior to such Participant's death (or to such Participant's estate, if a Participant fails to make such designation). No payments, benefits or rights arising under this Plan may be assigned or pledged by any Participant, except under the laws of descent and distribution.

Section 5.09. Notices. Any notice or other communication required or permitted under this Plan shall be in writing and shall be delivered personally, by nationally-recognized overnight courier service or sent by certified, registered or express mail, postage prepaid. Any such notice

shall be deemed given when so delivered personally, when delivered by nationally-recognized overnight courier service or, if mailed, five (5) days after the date of deposit in the United States mails, as follows:

(a) if to the Company, to:
CatchMark Timber Trust, Inc.
5 Concourse Parkway, Suite 2650
Atlanta, GA 30328
Attention: General Counsel

(b) if to any Participant, to such Participant's residence address on the records of the Company.

Section 5.10. Withholding. The Company shall have the right to deduct from any payment or benefit provided pursuant to this Plan all federal, state and local taxes and any other amounts which are required by applicable law to be withheld therefrom.

Section 5.11. Severability. The provisions of this Plan shall be regarded as divisible and separate, and if any provision of this Plan is, becomes or is deemed to be invalid, illegal or unenforceable in any respect, then the validity, legality and enforceability of the remaining provisions of this Plan shall not be affected thereby.

Section 5.12. Dispute Resolution. Any controversy, claim, dispute or question arising out of, in connection with or in relation to this Plan, at the election and upon written demand of the Company or any Participant, shall be submitted to binding arbitration in Atlanta, GA according to Georgia law and the rules and procedures of the American Arbitration Association. The decision of the arbitrators shall be final and binding as to any matter submitted hereunder, and judgment on any award rendered by the arbitrators may be entered in any court having jurisdiction thereof. With respect to each such arbitration, each party thereto shall share equally the administrative expenses (filing and arbitrator costs) associated with the arbitration and the prevailing party shall be entitled to reimbursement of such party's reasonably attorneys' fees incurred in connection with any such dispute. For the avoidance of doubt, no counsel for any party to any such arbitration shall be disqualified from representing such counsel's clients in connection therewith as a result of such counsel's role in negotiating or drafting this Plan. Notwithstanding the foregoing, the dispute resolution procedures set forth in this Section 5.12 shall not apply to any matter which, by the express provisions of this Plan, is to be finally determined by the Compensation Committee.

Section 5.13. Governing Law. This Plan shall be governed by, and construed in accordance with, the laws of the State of Georgia, without giving effect to conflict of laws provisions thereof, and applicable federal law.

IN WITNESS WHEREOF, and as conclusive evidence of the Board's adoption of this Plan (as amended), the Company has caused this Plan (as amended) to be duly executed in its name and behalf by its duly authorized officer on April 6, 2022.

CATCHMARK TIMBER TRUST, INC.

By: s/ Brian M. Davis
Name: Brian M. Davis
Title: CEO & President

Exhibit A**Form of General Release****GENERAL RELEASE**

This **GENERAL RELEASE** is entered into by _____ (the "Participant") on behalf of the Participant and the Participant's agents, attorneys, assigns, heirs, executors, administrators, beneficiaries, and personal and legal representatives.

WITNESSETH

WHEREAS, the Participant's employment with CatchMark Timber Trust, Inc. (the "Company") is terminated as of _____, 20__; and

WHEREAS, pursuant to that certain Change in Control Severance Protection Plan of the Company, effective as of April 8, 2019, as amended as of April 6, 2022 (the "Plan"), the Participant is eligible to receive certain post-termination severance payments and related termination benefits, the receipt of which is expressly conditioned upon the Participant's execution of this General Release;

THEREFORE, in consideration of the payments set forth in the Plan, the Participant hereby agrees as follows:

1. **REPRESENTATIONS**. The Participant represents and agrees that the Participant has had a full and adequate opportunity to discuss and consider the Participant's claims. Further, the Participant represents and agrees that:

a. This General Release is written in a manner that the Participant understands;

b. This General Release and the promises made herein by the Participant are granted in exchange for consideration which is in addition to anything of value to which the Participant is already entitled;

c. The Participant has been advised to, by virtue of the receipt of this General Release, and has had an opportunity to, consult with an attorney prior to deciding whether to enter into this General Release;

d. The Participant has been given at least twenty-one (21) days within which to consider this General Release. In the event the Participant executes this General Release prior to the end of the twenty-one (21)-day period, the Participant certifies by that execution that the Participant knowingly and voluntarily waived the right to the full twenty-one (21)-day consideration period, for reasons personal to the Participant, with no pressure by the Company or its representatives to do so; and

e. The Participant is being provided with seven (7) days following the Participant's execution of this General Release to revoke the Participant's release of any claim under the Age Discrimination in Employment Act of 1967, 29 U.S.C. § 621 et seq. ("ADEA"). Should the

Participant elect to revoke the Participant's release of claims under the ADEA, the Participant shall provide notice to the Company as set forth in Section 5.09 of the Plan. Should the Participant revoke the Participant's release of claims under the ADEA, the Participant shall not be entitled to any post-termination severance payments pursuant to the Plan.

2. NO ADMISSION OF LIABILITY. The Participant agrees and acknowledges that this General Release shall never at any time or for any purpose be construed as an admission by the Company of any liability. The Company specifically disclaims any liability to the Participant or to any other person or entity.

3. GENERAL RELEASE.

a. In exchange for the post-termination payments provided by the Company, as set forth the Plan (as applicable), the Participant, on behalf of the Participant and the Participant's agents, attorneys, assigns, heirs, executors, administrators, beneficiaries, and personal and legal representatives, hereby releases and forever discharges the Company and any of its affiliates, subsidiaries, and related, parent or successor corporations, its benefit plans and programs, and all of its present and former agents, directors, officers, shareholders, employees, owners, representatives, insurers, administrators, trustees, and attorneys (hereinafter referred to as the "Released Parties"), or any of them, to the full extent permitted by law, from any and all losses, costs, expenses, liabilities, claims, causes of action (in law or in equity), suits, judgments, debts, damages, rights and entitlements of every kind and description (hereinafter collectively referred to as "Released Claims"), whether known or unknown, fixed or contingent, directly or indirectly, personally or in a representative capacity, that the Participant has now or may later claim to have had against the Company or any other Released Party by reason of any act, omission, matter, cause or thing whatsoever, from the beginning of time up to and including the date of execution of this General Release, including, without limitation, Released Claims arising out of the Participant's employment or the termination of the Participant's employment with the Company or any of its affiliates or subsidiaries.

b. This general release includes, but is not limited to, all claims, manner of actions, causes of action (in law or in equity), suits or requests for attorneys' fees and/or costs under the Employee Retirement Income Security Act of 1974; Title VII of the Civil Rights Act of 1964 as amended; the Age Discrimination in Employment Act of 1967 ("ADEA"); the Older Worker's Benefits Protection Act ("OWBPA"); the Americans with Disabilities Act; the Rehabilitation Act of 1973; the Family and Medical Leave Act; the anti-retaliation provisions of the Fair Labor Standards Act; the Equal Pay Act; the Pregnancy Discrimination Act; the Consolidated Omnibus Budget Reconciliation Act ("COBRA"); the Occupational Safety and Health Act; the National Labor Relations Act; the Genetic Information Nondiscrimination Act of 2008; 42 U.S.C. §§ 1981 through 1988; any federal, state or local law regarding retaliation for protected activity or interference with protected rights; and any state or local law, including, but not limited to, common law claims of outrageous conduct, intentional or negligent infliction of emotional distress, negligent hiring, breach of contract, breach of the covenant of good faith and fair dealing, promissory estoppel, negligence, wrongful termination of employment, interference with employment relationship, civil rights, fraud and deceit and all other claims of any type or nature, including, without limitation, all claims for damages, wages, compensation, vacation, reinstatement, medical expenses, punitive damages, and claims for attorneys' fees. The Participant and the Company intend that this release shall discharge all Released Claims against

the Company and all other Released Parties to the full and maximum extent permitted by law. The Participant and the Company further agree that to the extent that the waiving of certain claims is prohibited as a matter of law, this General Release is not intended to waive any such claims.

c. Except as necessary to enforce the Participant's rights to any payments due to the Participant pursuant to the terms of the Plan, the Participant covenants and agrees not to bring any claim against the Company or any other Released Party concerning any of the matters covered by this General Release. In the event that the Participant breaches this promise, and brings any claim against the Company or any other Released Party concerning any of the matters covered by this General Release, except as necessary to enforce the Participant's rights to any payments due to the Participant pursuant to the terms of the Plan, the Participant shall: (i) forfeit and tender back to the Company all of the post-termination payments provided to the Participant pursuant to the Plan within ten (10) days except for \$100.00, unless the Participant's action is based on the ADEA and/or OWBPA; (ii) provide the Company at least ten (10) days prior to filing any action written notice of any action or proceeding and a copy of the complaint or other document by which such action is to be initiated; and (iii) hold the Company and any other Released Party harmless from any claim asserted in such action and indemnify the Company from all costs and expenses, including attorneys' fees, arising from the defense of such claim, unless the Participant's action is based on the ADEA and/or OWBPA in which case costs and expenses, including attorneys' fees, are governed by federal law. In addition, the dispute resolution provisions set forth in Section 5.12 of the Plan are incorporated herein and apply with equal force to this General Release.

PARTICIPANT:

[PARTICIPANT]

Date

**PRINCIPAL EXECUTIVE OFFICER CERTIFICATION
PURSUANT TO
SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Brian M. Davis, certify that:

1. I have reviewed this quarterly report on Form 10-Q of CatchMark Timber Trust, Inc. for the quarter ended June 30, 2022;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 4, 2022

By: /s/ BRIAN M. DAVIS

Brian M. Davis

Chief Executive Officer and President

**PRINCIPAL FINANCIAL OFFICER CERTIFICATION
PURSUANT TO
SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Ursula Godoy-Arbelaez, certify that:

1. I have reviewed this quarterly report on Form 10-Q of CatchMark Timber Trust, Inc. for the quarter ended June 30, 2022;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 4, 2022

By: /s/ URSULA GODOY-ARBELAEZ

Ursula Godoy-Arbelaez

Chief Financial Officer, Senior Vice President and Treasurer

**CERTIFICATION OF PRINCIPAL EXECUTIVE OFFICER AND PRINCIPAL FINANCIAL OFFICER PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002
(18 U.S.C. 1350)**

In connection with the Quarterly Report on Form 10-Q of CatchMark Timber Trust, Inc. (the "Registrant") for the quarter ended June 30, 2022, as filed with the Securities and Exchange Commission (the "Report"), the undersigned, Brian M. Davis, Chief Executive Officer and President of the Registrant, and Ursula Godoy-Arbelaez, Chief Financial Officer, Senior Vice President and Treasurer of the Registrant, hereby certify, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (18 U.S.C. 1350) that, to the best of our knowledge and belief:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Registrant.

/s/ BRIAN M. DAVIS

Brian M. Davis
Chief Executive Officer and President
August 4, 2022

/s/ URSULA GODOY-ARBELAEZ

Ursula Godoy-Arbelaez
Chief Financial Officer, Senior Vice President and Treasurer
August 4, 2022