



LUMENT

FINANCE TRUST

Investor Presentation

November 2021

Disclaimer

This presentation, any related webcast/conference call, and other oral statements made by our representatives from time to time may constitute forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, which reflect the current views of Lument Finance Trust, Inc. (NYSE: LFT) (“LFT” or the “Company”) with respect to, among other things, the Company’s operations and financial performance. You can identify these forward-looking statements by the use of words such as “outlook,” “indicator,” “believes,” “expects,” “potential,” “continues,” “may,” “will,” “should,” “seeks,” “approximately,” “predicts,” “projects,” “intends,” “plans,” “estimates,” “anticipates” or the negative version of these words or other comparable words. Such forward-looking statements are subject to various risks and uncertainties. Accordingly, there are or will be important factors that could cause actual outcomes or results to differ materially from those indicated in these statements. The Company believes these factors include but are not limited to those described under the section entitled “Risk Factors” in its Annual Report for fiscal year 2020 on Form 10-K and other periodic filings with the Securities and Exchange Commission (“SEC”), when evaluating these forward-looking statements. Additionally, many of these risks and uncertainties are currently amplified by and will continue to be amplified by, or in the future may be amplified by, the COVID-19 outbreak. It is not possible to predict or identify all such risks. Additional information concerning these and other risk factors are contained in our 2020 Form 10-K which is available on the SEC’s website at www.sec.gov. These factors should not be construed as exhaustive and should be read in conjunction with the other cautionary statements that are included in this presentation and in the filings. The Company assumes no obligation to update or supplement forward-looking statements that become untrue because of subsequent events or circumstances

This presentation includes non-GAAP financial measures within the meaning of Item 10(e) of Regulation S-K, as promulgated by the SEC. While we believe the non-GAAP information included in this presentation provides supplemental information to assist investors in analyzing our financials and to assist investors in comparing our results with other peer issuers, these measures are not in accordance with GAAP, and they should not be considered a substitute for, or superior to, our financial information calculated in accordance with GAAP. Our GAAP financial results and the reconciliations from these results contained herein should be carefully evaluated

Company Overview

- The Company is an externally-managed real estate investment trust focused on investing in, financing and managing a portfolio of commercial real estate debt investments
 - The Company is externally managed by Lument Investment Management, an affiliate of ORIX Corporation USA
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Key Investment Highlights

Strong Sponsorship/Ownership

- Access to extensive loan origination platform through affiliation with Lument, a premier national mortgage originator and asset manager
- Experienced management team with average of 23 years of industry experience across multiple economic cycles
- Affiliation with ORIX Corporation USA, an established international financial firm

Attractive Investment Profile

- Emphasis on middle market multifamily investments which are well positioned for the current environment
- Strong credit and asset management capabilities with zero delinquencies or defaults during the COVID era
- Attractive financing sources via non-recourse, non mark-to-market CRE CLOs

Leveraging the Depth of the Lument Platform

The Company leverages Lument's broad platform and significant expertise when originating and underwriting investments

- Lument is a nationally recognized leader in multifamily and seniors housing and care finance
- Combining the industry expertise of legacy brands Hunt Real Estate Capital, RED Capital Group, and Lancaster Pollard, Lument offers a comprehensive set of custom capital solutions to its clients across commercial real estate with a strong focus in multifamily, affordable housing, and seniors housing and healthcare

Significant Multifamily Expertise

- Top 10 non-bank multifamily lender
- \$47+ billion servicing portfolio (as of December 31, 2020)
- Lument's combined predecessor companies rank first in HUD senior housing and healthcare lending over the past decade, with more than 1,000 closings totaling over \$8.6 billion
- Top 5 Fannie Mae Small Loan lender (2020)
- Top 5 Freddie Mac Small Loan Lender (2020)
- Top ranked FHA MAP lender



Lument: A Platform Built for the Benefit of Investors

| | |
|---|--|
| Diverse Opportunity Set via Lument Origination Platform | <ul style="list-style-type: none">• 550+ employees across 30+ offices provide clients of Lument and its affiliates with a mix of markets, assets, and deal types that span the breadth of commercial and multifamily real estate• Majority of deals are directly originated which creates differentiated access to investment opportunities |
| Proprietary Underwriting and Proactive Surveillance | <ul style="list-style-type: none">• Seasoned underwriting staff analyze opportunities on a deal-by-deal basis, and are further supported by a proprietary database of more than 20,000 deals• “Boots-on-the-ground” approach to underwriting, surveillance, and asset management allows for:<ul style="list-style-type: none">• Real-time intelligence that helps inform investment process• Enhanced view of trends and warning signals across markets and asset types• Lument’s \$47+ billion servicing portfolio⁽¹⁾ includes a Fitch-rated servicing unit |
| Cradle-to-Grave Capital Source | <ul style="list-style-type: none">• Robust borrower relationships combined with an efficient underwriting process allows Lument to be a go-to capital provider, which in turn keeps the Company’s pipeline of investment opportunities active and diverse• Flexibility to act as a capital provider up and down the capital stack both reinforces value to borrower clients and offers a multitude of investment opportunities to the Company |
| Backing from Well-Capitalized Parent Company | <ul style="list-style-type: none">• Backing from ORIX Corporation USA, an established international parent• ORIX Corporation (TSE: 8591 and NYSE: IX) operates in 37 countries and regions• In-house operations, asset management, legal, compliance, HR, etc. |

Note: ⁽¹⁾ As of December 31, 2020.

Affiliation with ORIX

ORIX Corporation USA, a subsidiary of ORIX Corporation, is the parent of the Company's investment manager and is also a meaningful Company shareholder

ORIX CORPORATION USA – AT A GLANCE

ORIX Corporation USA provides investment capital and asset management services to clients in the corporate, real estate and municipal finance sectors. ORIX USA and its family of companies have \$83.5 billion of assets under management, administration and servicing as of September 2021. ORIX USA and its subsidiaries include a team of more than 1,300 employees spanning more than 50 offices across the U.S. and Brazil. Its parent company, **ORIX Corporation**, is a publicly owned, Tokyo-based international financial services company:

Global Reach

- Operating in 28 countries and regions
- More than 2,100 locations
- Ranked No. 292 on 2020 Forbes Global 2000: World's Largest Public Companies

Publicly Traded

- Listed on the Tokyo (8591) and New York (NYSE: IX) stock exchanges
- Approximately \$23 billion market capitalization as of September 2021

Capital Reach

- Balance sheet assets exceeding \$124 billion (As of September 2021)
- Approximately \$467 billion in assets under management across the globe (As of September 2021)

Rated

- Long-term debt credit rating of A- by S&P's, Fitch's and A3 by Moody's (As of end of September 2021)



Lument: Experienced Leadership Team



JAMES FLYNN

Director & CEO, Lument Finance Trust
Chief Executive Officer, Lument



MIKE LARSEN

President, Lument Finance Trust
Chief Operating Officer, Lument



JAMES BRIGGS

CFO, Lument Finance Trust
Chief Accounting Officer, Lument



PRECILLA TORRES

Head of Real Estate Investment
Strategies, Lument



VIC CLARK

Head of Conventional
Multifamily Production,
Lument



BARRY FULLER

Head of Loan Servicing and
Asset Management, Lument



PHIL GIBSON

Chief Credit Officer, Real Estate
Investment Strategies, Lument



JAMES HENSON

General Counsel, Lument



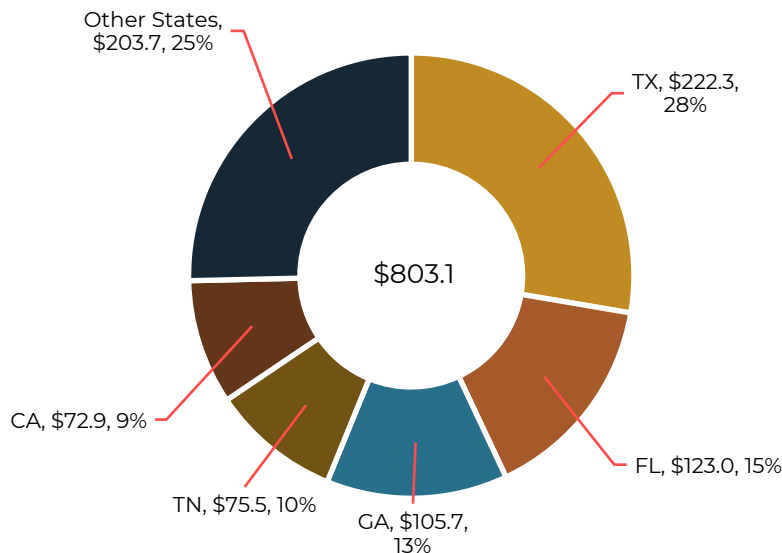
Lument Finance Trust: Target Investments

| | |
|---------------|--|
| Loan Size | \$5 million to \$50+ million |
| Collateral | Primarily first lien real estate debt on stabilized or transitional assets |
| Property Type | Multifamily, retail, office, industrial, and self storage |
| Geographies | Within the United States |
| Loan to Value | Typically up to 80% LTC / up to 75% of stabilized value |
| Rate | LIBOR + 3.00% and higher |
| Term | 3 to 5 years |
| Amortization | Typically interest only |
| Recourse | Typically non-recourse except for standard carve-outs |

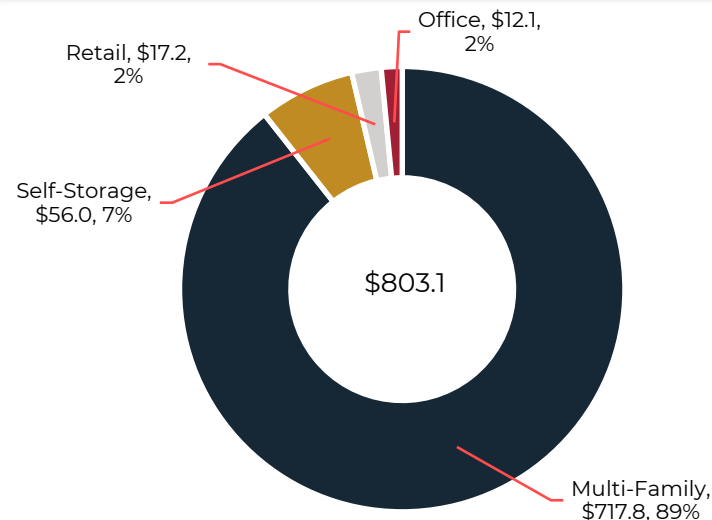
Lument Finance Trust: Investment Portfolio

- At September 30, 2021, the Company owned a portfolio of floating-rate CRE loans with a carrying value of \$803.1 million. 89%⁽¹⁾ of the portfolio was invested in loans backed by multifamily assets
- The Company anticipates that the majority of loan activity will continue to be related to multifamily assets. The Company does not own any hospitality assets and has limited exposure to retail and office assets
- LIBOR floors exist on 99%⁽¹⁾ of the loans in the portfolio
- During the “COVID era,” the Company has not granted a single forbearance nor has it experienced a single loan default

Geographic Concentration⁽²⁾



Property Type⁽²⁾

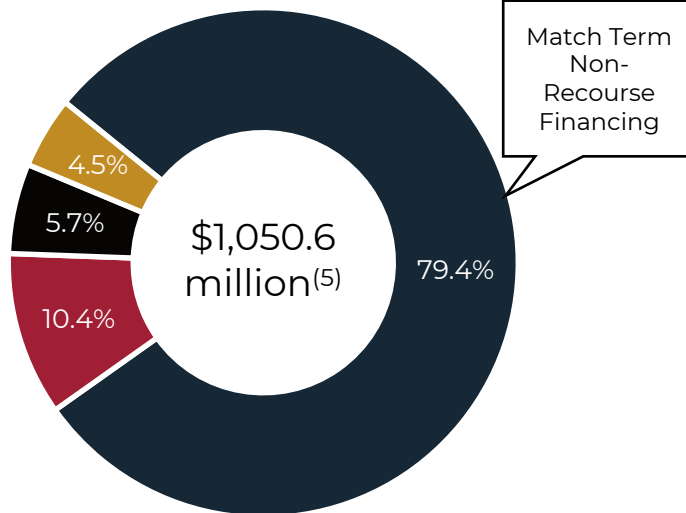


Note: (1) Based on carrying value.
(2) \$ In millions, based on carrying value.

Lument Finance Trust: Capital Structure Overview

- The Company does not currently utilize repurchase or warehouse facility financing and therefore is not subject to margin calls on any of its assets from repo or warehouse lenders
- Primary sources of financing include a match-term non-MTM CRE CLO (LMNT 2021-FL1), preferred stock and a corporate term loan

Capital Structure Composition



- CLO Financing
- Preferred Equity
- Common Equity
- Term Loan

Capital Structure Detail

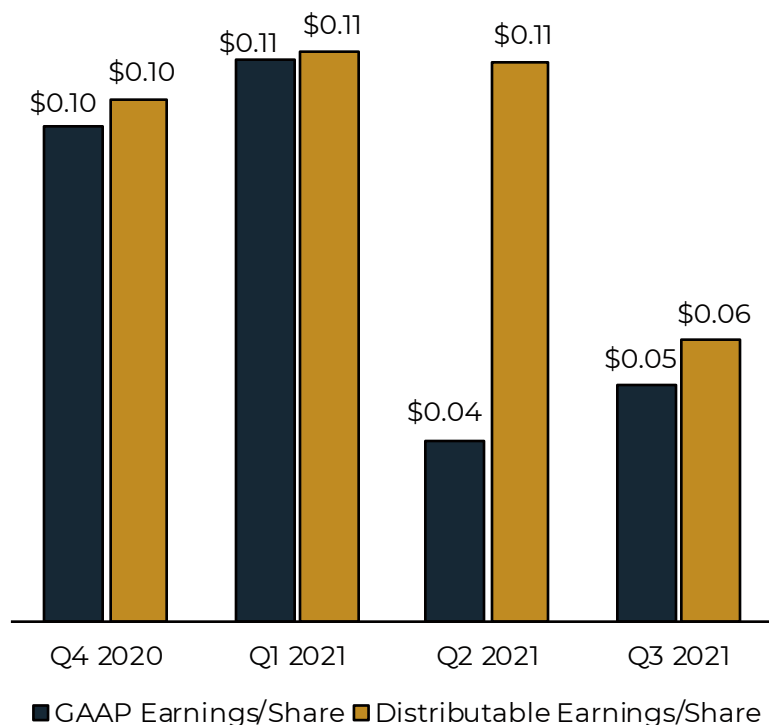
(\$ in millions)

| <u>Collateralized Loan Obligations</u> | <u>Rate</u> | <u>Advance Rate</u> | <u>Amount</u> |
|--|-------------|---------------------|------------------|
| LMNT 2021-FL1 ⁽¹⁾ | L + 1.43% | 83.4% | \$833.8 |
| <u>Credit Facilities</u> | | | |
| Term Loan ⁽²⁾ | 7.25% | | \$47.8 |
| Total Debt | | | \$881.5 |
| <u>Equity</u> | | | |
| Preferred Equity ⁽³⁾ | 7.875% | | \$60.0 |
| Book Value of Common Equity ⁽⁴⁾ | | | \$109.1 |
| Total Capitalization⁽⁵⁾ | | | \$1,050.6 |

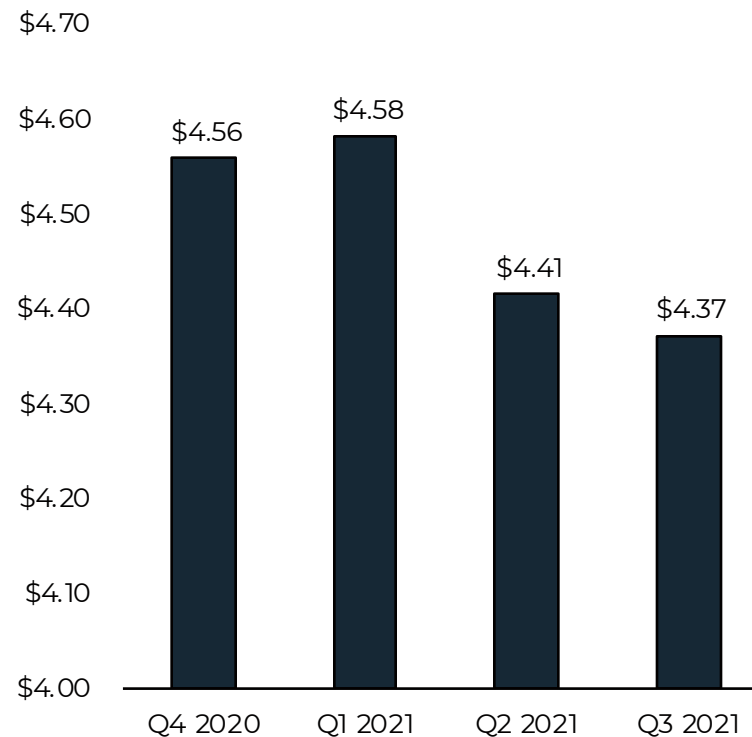
Note: (1) CLO financing shown at par value. GAAP carrying value of \$826.1 million includes \$7.6 million of unamortized debt issuance costs for LMNT 2021-FL1.
 (2) Term loan shown at par value. GAAP carrying value of \$46.8 million includes \$0.9 million of unamortized debt issuance costs.
 (3) Preferred equity shown at \$60 million liquidation preference.
 (4) Noncontrolling interest was \$99,500 as of 9/30/2021 and is included in common equity above.
 (5) LFT total capitalization is a non-GAAP measure which excludes certain Balance Sheet items; Please see Appendix for reconciliation to GAAP.

Track Record of EPS Growth and Book Value Stability

GAAP Earnings & Distributable Earnings⁽¹⁾
Per Share of Common Stock



Book Value Per Share of Common Stock⁽²⁾



Note: (1) See Appendix for definition of Distributable Earnings and reconciliation to GAAP.
(2) See Appendix for definition of Book Value Per Share of Common Stock.

Conclusion



LUMENT FINANCE TRUST

Key Investment Highlights

Strong Sponsorship/Ownership

- Access to extensive loan origination platform through affiliation with Lument, a premier national mortgage originator and asset manager
- Experienced management team with average of 23 years of industry experience across multiple economic cycles
- Affiliation with ORIX Corporation USA, an established international financial firm

Attractive Investment Profile

- Emphasis on middle market multifamily investments which are well positioned for the current environment
- Strong credit and asset management capabilities with zero delinquencies or defaults during the COVID era
- Attractive financing sources via non-recourse, non mark-to-market CRE CLOs

Appendix

Q3 2021 Financial Updates

Q3 2021 Key Updates

| | |
|-------------------------------|--|
| Financial Results | <ul style="list-style-type: none"> Q3 2021 GAAP net income attributable to common stockholders of \$1.2 million, or \$0.05 per share of common stock. Q3 2021 Distributable Earnings⁽¹⁾ of \$1.4 million, or \$0.06 per share of common stock Q3 2021 Book Value Per Share of Common Stock of \$4.37⁽²⁾ |
| Highlights | <ul style="list-style-type: none"> During Q3 2021, the Company acquired and/or funded \$309.1 million of new loans at a weighted average interest rate of L + 3.39% and a weighted average LIBOR floor of 0.16%. 100%⁽³⁾ of the new acquisitions were loans backed by multifamily assets. The Company experienced \$117.6 million of loan payoffs during the quarter Subsequent to September 30, 2021 and through November 5th, the Company acquired an additional \$98.5 million of loans from an affiliate of our Manager. These loans have a weighted average interest rate of L + 3.26% and a weighted average LIBOR floor of 0.10% On September 14th, the Company announced the declaration of a cash dividend of \$0.09 per share of common stock and \$0.4921875 per share of 7.875% Cumulative Redeemable Series A Preferred Stock with respect to the third quarter of 2021 |
| Investment Portfolio Overview | <ul style="list-style-type: none"> 100% of the loans in the CRE investment portfolio were current as of September 30, 2021. During the “COVID era,” we have not granted a single forbearance nor have we experienced a single loan default As of September 30, 2021, 99.9%⁽³⁾ of LFT’s investment portfolio consisted of floating-rate CRE loans. 89.4%⁽³⁾ of the portfolio was multifamily. The \$803.0 million CRE loan portfolio had a weighted average remaining term of 21 months⁽⁴⁾, a weighted average interest rate of L + 3.46% and a weighted average LIBOR floor of 0.83% |
| Financing | <ul style="list-style-type: none"> The floating-rate CRE loan portfolio is financed with \$833.8 million of investment grade notes issued through LMNT 2021-FL1, a CRE CLO LMNT 2021-FL1 provides non mark-to-market financing. We currently do not finance any of our assets with repurchase facilities and, as such, we are not subject to margin calls |

Note: (1) We believe that Distributable Earnings provides meaningful information to consider in addition to our net income (loss) and cash flows from operating activities determined in accordance with GAAP. Distributable Earnings mirrors how we calculated Core Earnings in the past. Please see Appendix for reconciliation to GAAP.
(2) See Appendix for definition of Book Value Per Share of Common Stock.
(3) Based on carrying value.
(4) If all extensions are exercised by the borrowers, the CRE loan portfolio will have a weighted average remaining term of 43 months.

Q3 2021 Income Statement Summary

| Summary Income Statement (thousands) | Three Months Ended September 30, 2021 |
|--|--|
| Net interest income | \$4,733 |
| Total other income (loss) | 47 |
| Operating expenses | (2,397) |
| Benefit (provision) from income taxes | (8) |
| Preferred dividends | (1,198) |
| Net income attributable to common stockholders | \$1,176 |
| Weighted average shares outstanding during the period, basic and diluted | 24,947,883 |
| Net income attributable to common stockholders per share | \$0.05 |

| GAAP Net Income to Distributable Earnings Reconciliation (thousands) | Three Months Ended September 30, 2021 |
|--|--|
| Net Income attributable to common stockholders | \$1,176 |
| Adjustments: | |
| Unrealized losses on mortgage servicing rights | 60 |
| Purchase premium payoffs | 151 |
| Recognized compensation expense related to restricted stock | 5 |
| Adjustment for income taxes | 8 |
| Distributable Earnings ⁽¹⁾ | \$1,400 |
| Weighted average shares outstanding during the period, basic and diluted | 24,947,883 |
| Distributable Earnings per share of common stock | \$0.06 |
| Dividend per share of common stock | \$0.09 |

Note: (1) See Appendix for definition of Distributable Earnings and reconciliation to GAAP.

Q3 2021 Balance Sheet Summary

| Balance Sheet (thousands) | September 30, 2021 ⁽¹⁾ |
|---|--------------------------------------|
| Commercial mortgage loans held-for-investment | \$803,074 |
| Mortgage servicing rights, at fair value | 619 |
| Cash and cash equivalents | 44,080 |
| Restricted cash ⁽²⁾ | 148,066 |
| Accrued interest receivable | 3,083 |
| Investment Related Receivable | 48,890 |
| Other assets | 2,206 |
| Total assets | \$1,050,018 |
| Collateralized loan obligations ⁽³⁾ | \$826,145 |
| Credit facility ⁽³⁾ | 46,805 |
| Other liabilities | 7,906 |
| Total liabilities | \$880,857 |
| Total equity | \$169,162 |
| Total liabilities / total equity | 5.21x |
| Book Value Per Share of Common Stock ⁽⁴⁾ | \$4.37 |

Note:

(1) Refer to footnote 1 on page 16 for information on the Company's consolidated variable interest entities ("VIE's").

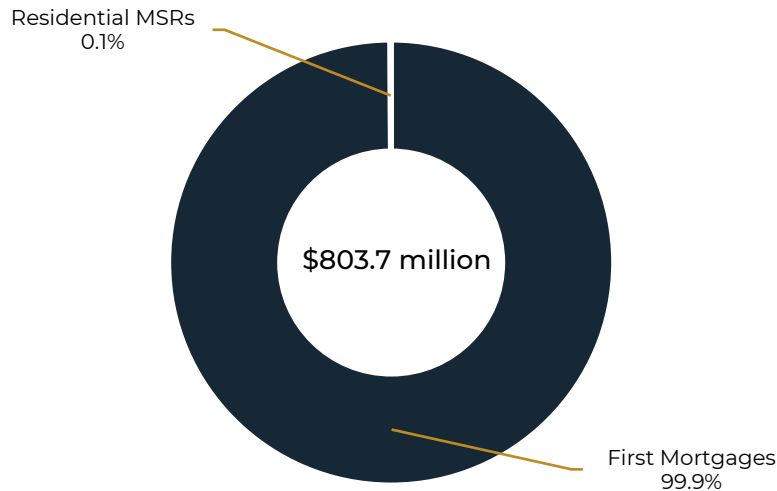
(2) Restricted cash held by LMNT 2021-FL1, the Company's CRE CLO, and available for investment in eligible mortgage assets.

(3) Outstanding notional amount of bonds issued by LMNT 2021-FL1 is \$833.8 million, and the unpaid principal balance of the credit facility is \$47.8 million. For GAAP purposes, these liabilities are carried at their outstanding unpaid principal balance, net of any unamortized discounts and debt issuance costs.

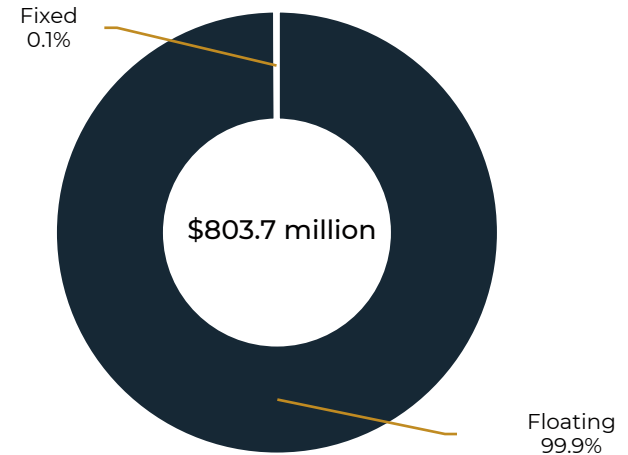
(4) See Appendix for definition of Book Value Per Share of Common Stock.

Q3 2021 Summary of Investment Portfolio

Investment Type



Interest Rate Type



Investment Portfolio as of
September 30, 2021
(thousands)

| | UPB / Notional | Net Carrying Value | Weighted Average Coupon | Weighted Average Remaining Term (months) | Weighted Average As-Is LTV at Loan Origination | Weighted Average As-Stabilized LTV at Loan Origination |
|------------------|----------------|--------------------|-------------------------|--|--|--|
| First Mortgages | \$803,074 | \$803,074 | L + 3.46% | 21 ⁽¹⁾ | 72.34% ⁽²⁾ | 64.30% ⁽²⁾ |
| Residential MSRs | \$110,145 | \$619 | 0.25% | 257 ⁽³⁾ | | |
| Total | \$913,219 | \$803,693 | | | | |

Note:

(1) If all extensions are exercised by the borrowers, the CRE loan portfolio will have a weighted average remaining term of 43 months.

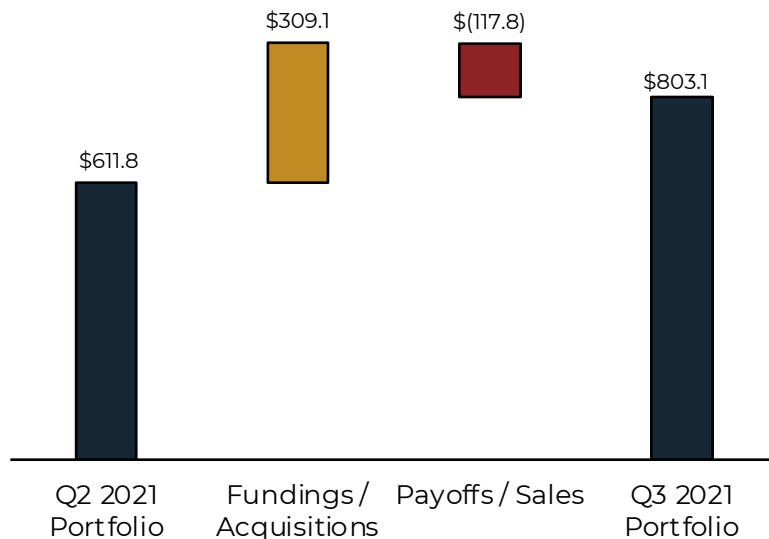
(2) Underwritten LTVs on an "as-is" and "as-stabilized" basis as of the date the loan was originated by an affiliate. LTV has not been updated for any subsequent draws or loan modifications and is not reflective of any changes in value which may have occurred subsequent to the origination date.

(3) The weighted average remaining term of the residential MSR portfolio is based on the maturity dates of the underlying residential loan pool and excludes the impact of potential borrower prepayments. We anticipate that the weighted average remaining term of the portfolio to be less than 257 months.

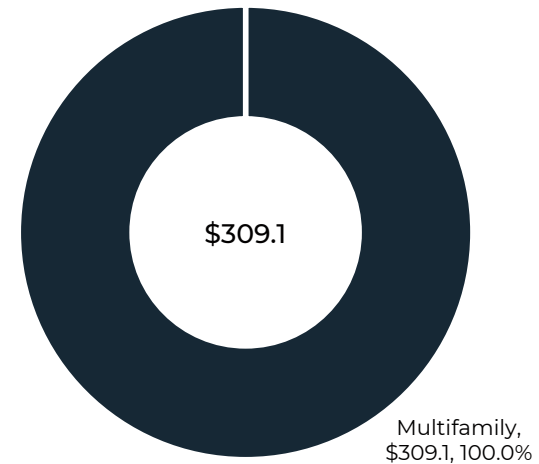
Q3 2021 Balance Sheet Summary

- The CRE loan portfolio increased by \$191.3 million in Q3 2021.
- We acquired and/or funded \$309.1 million of loans at par from an affiliate of the Manager and we experienced \$117.8 million of loan payoffs

Net Funding Activity^(1,2)

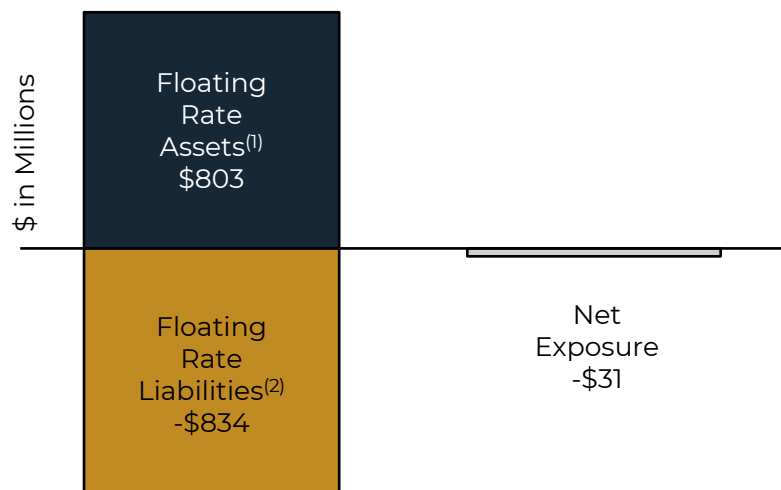


Q3 2021 Loan Acquisitions and Fundings^(1,2)

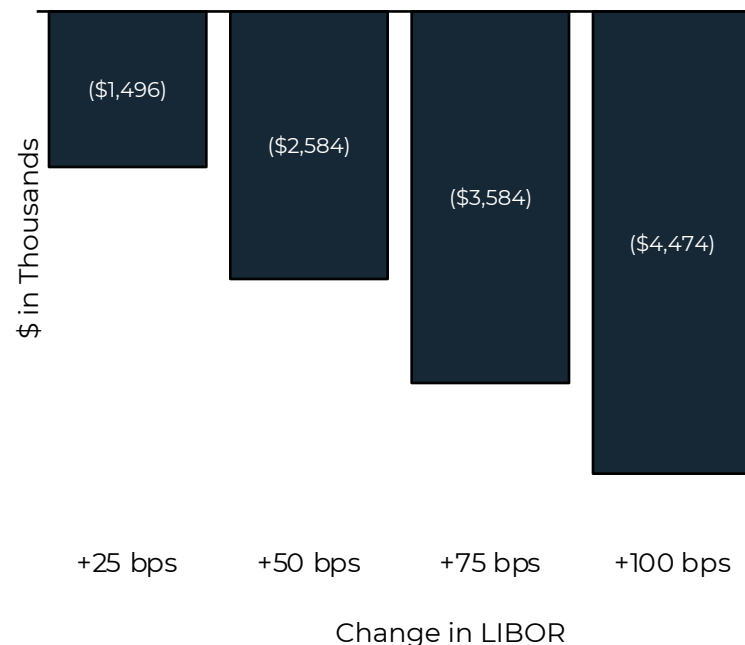


Interest Rate Sensitivity as of September 30, 2021

Floating-Rate Exposure



Annual Net Interest Income Sensitivity to Shifts in One-Month LIBOR^(3,4)



Note: (1) Comprised of the Company's portfolio of floating-rate CRE loans.
(2) Comprised of outstanding securitization notes in the CRE CLO.
(3) Assumes starting one-month LIBOR rate of 0.08025%.
(4) Negative LIBOR will not have further impacts on P&L.

9/30/2021 CRE Loan Portfolio Details

| # | Loan Name | Closing Date | Maturity Date | Property Type | City | State | Current Balance | Note Spread | Initial Term (months) | As-Is LTV at Origination ⁽¹⁾ |
|----|-----------|--------------|---------------|---------------|-----------------|-------|-----------------|-------------|-----------------------|---|
| 1 | Loan 1 | 11/22/2019 | 8/6/2022 | Multi-Family | Virginia Beach | VA | 36,781,588 | 2.75% | 32 | 77.10% |
| 2 | Loan 2 | 11/30/2018 | 12/6/2021 | Multi-Family | Nacogdoches | TX | 17,733,821 | 4.05% | 36 | 70.39% |
| 3 | Loan 3 | 11/26/2019 | 12/6/2021 | Multi-Family | Atlanta | GA | 31,115,334 | 2.75% | 24 | 76.10% |
| 4 | Loan 4 | 2/25/2021 | 3/6/2022 | Multi-Family | Sacramento | CA | 28,000,000 | 3.50% | 12 | 63.60% |
| 5 | Loan 5 | 4/22/2021 | 5/6/2022 | Multi-Family | Los Angeles | CA | 27,750,000 | 3.25% | 12 | 55.00% |
| 6 | Loan 6 | 12/10/2019 | 7/6/2022 | Multi-Family | San Antonio | TX | 27,411,724 | 3.15% | 31 | 71.90% |
| 7 | Loan 7 | 1/15/2020 | 7/6/2022 | Multi-Family | Chattanooga | TN | 25,094,805 | 2.95% | 30 | 80.60% |
| 8 | Loan 8 | 3/31/2021 | 4/5/2023 | Multi-Family | Jacksonville | FL | 22,000,000 | 3.65% | 24 | 77.70% |
| 9 | Loan 9 | 10/13/2017 | 11/20/2023 | Self Storage | Seattle | WA | 19,648,818 | 3.60% | 74 | 46.50% |
| 10 | Loan 10 | 12/28/2018 | 1/6/2022 | Retail | Austin | TX | 17,172,623 | 4.10% | 36 | 60.50% |
| 11 | Loan 11 | 4/12/2021 | 5/5/2024 | Multi-Family | Cedar Park | TX | 15,000,000 | 3.75% | 37 | 66.70% |
| 12 | Loan 12 | 10/11/2019 | 10/11/2022 | Self Storage | Pompano Beach | FL | 14,500,000 | 3.75% | 36 | 75.00% |
| 13 | Loan 13 | 2/28/2018 | 2/28/2022 | Multi-Family | Portland | OR | 14,257,251 | 7.50% | 48 | 75.90% |
| 14 | Loan 14 | 8/8/2019 | 8/6/2022 | Multi-Family | Fort Worth | TX | 13,671,010 | 3.00% | 36 | 75.83% |
| 15 | Loan 15 | 7/23/2018 | 8/6/2022 | Office | Chicago | IL | 12,148,199 | 3.75% | 49 | 72.74% |
| 16 | Loan 16 | 3/12/2021 | 4/5/2024 | Multi-Family | Mesa | AZ | 12,375,000 | 3.55% | 37 | 75.00% |
| 17 | Loan 17 | 2/8/2019 | 2/7/2024 | Self Storage | Federal Way | WA | 10,676,822 | 4.75% | 60 | 65.80% |
| 18 | Loan 18 | 4/23/2021 | 5/6/2024 | Multi-Family | Tualatin | OR | 10,497,000 | 3.20% | 36 | 73.90% |
| 19 | Loan 19 | 3/26/2021 | 4/6/2022 | Multi-Family | Alhambra | CA | 9,623,000 | 3.25% | 12 | 49.01% |
| 20 | Loan 20 | 11/13/2019 | 12/6/2021 | Multi-Family | Holly Hill | FL | 8,620,367 | 2.90% | 25 | 77.80% |
| 21 | Loan 21 | 1/13/2020 | 2/6/2022 | Multi-Family | Fort Lauderdale | FL | 8,037,399 | 3.15% | 25 | 78.40% |
| 22 | Loan 22 | 4/7/2021 | 5/6/2024 | Multi-Family | Phoenix | AZ | 7,963,794 | 3.60% | 37 | 69.46% |
| 23 | Loan 23 | 3/12/2018 | 4/6/2022 | Multi-Family | Waco | TX | 7,912,000 | 4.75% | 49 | 72.90% |
| 24 | Loan 24 | 3/19/2021 | 4/6/2024 | Multi-Family | Glendora | CA | 7,513,000 | 3.60% | 37 | 72.20% |
| 25 | Loan 25 | 2/3/2020 | 2/3/2024 | Self Storage | Fort Worth | TX | 6,959,953 | 3.75% | 48 | 63.80% |
| 26 | Loan 26 | 3/31/2021 | 4/5/2024 | Multi-Family | Tucson | AZ | 6,893,000 | 3.55% | 36 | 72.75% |
| 27 | Loan 27 | 6/10/2019 | 7/6/2022 | Multi-Family | San Antonio | TX | 6,888,915 | 3.40% | 37 | 77.70% |

Continued on the following page

Note: (1) LTV as of the date the loan was originated by an affiliate. LTV has not been updated for any subsequent draws or loan modifications and is not reflective of any changes in value which may have occurred subsequent to the origination date.



9/30/2021 CRE Loan Portfolio Details

| # | Loan Name | Closing Date | Maturity Date | Property Type | City | State | Current Balance | Note Spread | Initial Term (months) | As-Is LTV at Origination ⁽¹⁾ |
|-----------------|-----------|--------------|---------------|---------------|----------------|-------|-----------------|-------------|-----------------------|---|
| 28 | Loan 28 | 12/9/2019 | 1/6/2022 | Multi-Family | Fort Worth | TX | 6,344,748 | 3.15% | 25 | 77.70% |
| 29 | Loan 29 | 8/28/2019 | 8/6/2022 | Multi-Family | Austin | TX | 6,054,427 | 3.25% | 35 | 69.90% |
| 30 | Loan 30 | 12/13/2019 | 1/6/2022 | Multi-Family | Jacksonville | FL | 5,632,870 | 2.90% | 25 | 74.90% |
| 31 | Loan 31 | 6/10/2019 | 7/6/2022 | Multi-Family | San Antonio | TX | 5,295,605 | 2.90% | 37 | 62.92% |
| 32 | Loan 32 | 4/30/2021 | 5/5/2024 | Multi-Family | Daytona Beach | FL | 5,285,500 | 3.65% | 36 | 77.40% |
| 33 | Loan 33 | 12/29/2020 | 1/6/2022 | Multi-Family | Fayetteville | NC | 4,920,000 | 3.95% | 12 | 70.30% |
| 34 | Loan 34 | 11/30/2018 | 11/30/2021 | Multi-Family | Anderson | SC | 4,446,000 | 3.25% | 36 | 53.70% |
| 35 | Loan 35 | 5/31/2019 | 6/6/2022 | Multi-Family | Austin | TX | 4,275,035 | 3.50% | 36 | 74.09% |
| 36 | Loan 36 | 11/12/2019 | 12/6/2021 | Self Storage | Chesapeake | VA | 4,225,000 | 3.15% | 25 | 64.50% |
| 37 | Loan 37 | 6/8/2021 | 7/5/2024 | Multi-Family | Miami | FL | 30,576,666 | 3.20% | 37 | 74.26% |
| 38 | Loan 38 | 6/8/2021 | 7/5/2024 | Multi-Family | Chattanooga | TN | 33,360,000 | 3.65% | 37 | 79.76% |
| 39 | Loan 39 | 6/7/2021 | 7/5/2024 | Multi-Family | San Antonio | TX | 26,400,000 | 3.40% | 37 | 80.00% |
| 40 | Loan 40 | 5/28/2021 | 6/6/2023 | Multi-Family | Houston | TX | 13,332,734 | 3.35% | 24 | 73.76% |
| 41 | Loan 41 | 5/21/2021 | 6/6/2024 | Multi-Family | Youngtown | AZ | 5,994,000 | 3.65% | 37 | 71.40% |
| 42 | Loan 42 | 7/8/2021 | 8/5/2023 | Multi-Family | Knoxville | TN | 17,000,000 | 3.95% | 25 | 69.67% |
| 43 | Loan 43 | 5/20/2021 | 6/6/2024 | Multi-Family | Marietta | GA | 27,803,800 | 3.10% | 37 | 77.02% |
| 44 | Loan 44 | 7/1/2021 | 7/5/2024 | Multi-Family | Harker Heights | TX | 6,290,000 | 3.60% | 36 | 72.30% |
| 45 | Loan 45 | 6/30/2021 | 7/5/2024 | Multi-Family | Jacksonville | FL | 20,188,700 | 3.50% | 36 | 77.10% |
| 46 | Loan 46 | 6/28/2021 | 7/6/2024 | Multi-Family | Barrington | NJ | 34,690,000 | 3.05% | 36 | 78.13% |
| 47 | Loan 47 | 6/30/2021 | 7/5/2024 | Multi-Family | Porter | TX | 28,650,000 | 3.25% | 36 | 71.63% |
| 48 | Loan 48 | 7/14/2021 | 8/6/2024 | Multi-Family | Birmingham | AL | 5,248,000 | 3.70% | 37 | 71.69% |
| 49 | Loan 49 | 5/12/2021 | 6/5/2024 | Multi-Family | Lakeland | FL | 8,220,000 | 3.35% | 37 | 76.80% |
| 50 | Loan 50 | 5/12/2021 | 6/5/2024 | Multi-Family | Fort Worth | TX | 13,026,000 | 3.35% | 37 | 74.86% |
| 51 | Loan 51 | 8/26/2021 | 9/5/2024 | Multi-Family | Union City | GA | 21,957,240 | 3.35% | 36 | 70.40% |
| 52 | Loan 52 | 8/26/2021 | 8/5/2024 | Multi-Family | Clarkston | GA | 24,832,000 | 3.50% | 35 | 79.00% |
| 53 | Loan 53 | 8/16/2021 | 9/6/2024 | Multi-Family | Columbus | OH | 12,750,000 | 3.65% | 37 | 75.00% |
| Total / Average | | | | | | | 803,043,750 | 3.46% | 34 | 72.34% |

Note: (1) LTV as of the date the loan was originated by an affiliate. LTV has not been updated for any subsequent draws or loan modifications and is not reflective of any changes in value which may have occurred subsequent to the origination date.



Consolidated Balance Sheets

| | September 30, 2021 ⁽¹⁾ (unaudited) | December 31, 2020 ⁽¹⁾ |
|--|--|----------------------------------|
| ASSETS | | |
| Cash and cash equivalents | \$ 44,080,327 | \$ 11,375,960 |
| Restricted cash | 148,066,240 | 57,999,396 |
| Commercial mortgage loans held-for-investment, at amortized cost | 803,074,256 | 547,345,334 |
| Mortgage servicing rights, at fair value | 619,012 | 919,678 |
| Accrued interest receivable | 3,082,676 | 2,015,617 |
| Investment related receivable | 48,890,010 | — |
| Other assets | 2,205,526 | 1,833,794 |
| Total assets | <u>\$ 1,050,018,047</u> | <u>\$ 621,489,779</u> |
| LIABILITIES AND EQUITY | | |
| LIABILITIES: | | |
| Collateralized loan obligations, net | 826,145,358 | 463,060,090 |
| Secured term loan, net | 46,805,417 | 39,556,198 |
| Accrued interest payable | 649,046 | 432,936 |
| Dividends payable | 3,246,601 | 3,242,640 |
| Fees and expenses payable to Manager | 1,628,539 | 1,156,340 |
| Other accounts payable and accrued expenses | 2,381,544 | 338,423 |
| Total liabilities | <u>880,856,505</u> | <u>507,786,627</u> |
| COMMITMENTS AND CONTINGENCIES (NOTES 10 & 11) | | |
| EQUITY: | | |
| Preferred Stock: par value \$0.01 per share; 50,000,000 shares authorized; 7.875% Series A Cumulative Redeemable, \$60,000,000 aggregate liquidation preference, 2,400,000 and 0 shares issued and outstanding at September 30, 2021 and December 31, 2020, respectively | 57,258,435 | — |
| Common Stock: par value \$0.01 per share; 450,000,000 shares authorized, 24,947,883 and 24,943,383 shares issued and outstanding, at September 30, 2021 and December 31, 2020, respectively | 249,434 | 249,389 |
| Additional paid-in capital | 233,849,892 | 233,850,271 |
| Cumulative distributions to stockholders | (140,019,042) | (131,355,978) |
| Accumulated earnings | 17,723,323 | 10,859,970 |
| Total stockholders' equity | <u>169,062,042</u> | <u>113,603,652</u> |
| Noncontrolling interests | \$ 99,500 | \$ 99,500 |
| Total equity | <u>\$ 169,161,542</u> | <u>\$ 113,703,152</u> |
| Total liabilities and equity | <u>\$ 1,050,018,047</u> | <u>\$ 621,489,779</u> |

(1) Our consolidated balance sheets include assets and liabilities of consolidated variable interest entities ("VIEs") as the Company was the primary beneficiary of these VIEs. As of September 30, 2021 and December 31, 2020, assets of consolidated VIEs totaled \$1,003,113,182 and \$591,318,506, respectively and the liabilities of consolidated VIEs totaled \$826,707,857 and \$463,411,967 respectively. See Note 4 for further discussion.



Consolidated Statement of Income

| | Three Months Ended September 30, 2021 | Three Months Ended September 30, 2020 | Nine Months Ended September 30, 2021 | Nine Months Ended September 30, 2020 |
|--|---|---|--|--|
| Revenues: | | | | |
| Interest income: | | | | |
| Commercial mortgage loans held-for-investment | \$ 9,465,332 | \$ 8,111,324 | \$ 25,163,428 | \$ 25,749,282 |
| Cash and cash equivalents | 5,724 | 5,674 | 22,802 | 41,461 |
| Interest expense: | | | | |
| Collateralized loan obligations | (3,891,089) | (2,495,996) | (8,288,278) | (9,649,523) |
| Secured term loan | (846,988) | (789,018) | (2,393,216) | (2,349,900) |
| Net interest income | 4,732,979 | 4,831,984 | 14,504,736 | 13,791,320 |
| Other income (loss): | | | | |
| Unrealized (loss) on mortgage servicing rights | (59,776) | (350,127) | (300,666) | (1,603,052) |
| Loss on extinguishment of debt | — | — | (1,663,926) | — |
| Servicing income, net | 106,392 | 187,989 | 326,314 | 586,516 |
| Other income | — | — | — | 2 |
| Total other income (loss) | 46,616 | (162,138) | (1,638,278) | (1,016,534) |
| Expenses: | | | | |
| Management and incentive fees | 807,967 | 675,107 | 2,254,431 | 1,850,139 |
| General and administrative expenses | 935,817 | 786,651 | 2,136,144 | 2,531,385 |
| Operating expenses reimbursable to Manager | 511,117 | 441,349 | 1,320,170 | 1,249,123 |
| Other operating expenses | 91,378 | 309,125 | 174,185 | 1,444,049 |
| Compensation expense | 50,991 | 49,199 | 149,617 | 156,093 |
| Total expenses | 2,397,270 | 2,261,431 | 6,034,547 | 7,230,789 |
| Net income before provision for income taxes | 2,382,325 | 2,408,415 | 6,831,911 | 5,543,997 |
| Benefit from income taxes | (7,857) | 142,595 | 31,442 | 437,387 |
| Net income | 2,374,468 | 2,551,010 | 6,863,353 | 5,981,384 |
| Dividends accrued to preferred stockholders | (1,198,167) | (3,792) | (1,927,542) | (11,292) |
| Net income attributable to common stockholders | \$ 1,176,301 | \$ 2,547,218 | \$ 4,935,811 | \$ 5,970,092 |
| Earnings per share: | | | | |
| Net income attributable to common stockholders (basic and diluted) | \$ 1,176,301 | \$ 2,547,218 | \$ 4,935,811 | \$ 5,970,092 |
| Weighted average number of shares of common stock outstanding | 24,947,883 | 24,943,383 | 24,944,790 | 24,931,254 |
| Basic and diluted income per share | \$ 0.05 | \$ 0.10 | \$ 0.20 | \$ 0.24 |
| Dividends declared per share of common stock | \$ 0.09 | \$ 0.08 | \$ 0.27 | \$ 0.24 |

Reconciliation of GAAP to Distributable Earnings

| GAAP to Distributable Earnings Reconciliation | For the Three Months Ended | | | |
|---|----------------------------|---------------|----------------|----------------------|
| | September 30, 2021 | June 30, 2021 | March 31, 2021 | December 31, 2020 |
| <i>Reconciliation of GAAP to non-GAAP Information</i> | | | | |
| Net income attributable to common stockholders | \$1,176,301 | \$954,575 | \$2,804,935 | \$2,464,678 |
| <i>Adjustments for non-Distributable earnings</i> | | | | |
| Unrealized loss on mortgage servicing rights | 59,776 | 220,435 | 20,455 | 177,476 |
| Purchase premium payoffs | 150,990 | - | - | - |
| Loss on extinguishment of debt | - | 1,663,926 | - | - |
| Subtotal | 210,766 | 1,884,361 | 20,455 | 177,476 |
| <i>Other Adjustments</i> | | | | |
| Recognized compensation expense related to restricted common stock | 4,741 | 3,241 | 2,885 | 2,949 |
| Adjustment for income taxes | 7,857 | (54,012) | 14,713 | (38,861) |
| Subtotal | 12,598 | (50,771) | 17,598 | (35,912) |
| Distributable Earnings | \$1,399,665 | \$2,788,165 | \$2,842,988 | \$2,606,242 |
| Weighted average shares outstanding, basic and diluted | 24,947,883 | 24,944,075 | 24,943,383 | 24,943,383 |
| Distributable Earnings per share of common stock, basic and diluted | \$0.06 | \$0.11 | \$0.11 | \$0.10 |

Detailed Walk of Capitalization

(in 000's)

Total GAAP liabilities and stockholders' equity

9/30/2021

\$1,050,018

Adjustments for Capitalization

(-) Accrued interest payable

(649)

(-) Dividends payable

(3,247)

(-) Fees and expenses payable to Manager

(1,629)

(-) Other accounts payable and accrued expenses

(2,382)

(+) Other capitalized financing & issuance costs

8,450

LFT Capitalization

\$1,050,562

Book Value Per Share of Common Stock

| <i>(in 000's)</i> | Book Value per Share of Common Stock |
|---|--|
| Total stockholders' equity | \$169,062 |
| (-) Preferred equity | (60,000) ⁽¹⁾ |
| Common equity | 109,062 |
| Shares outstanding | 24,947,883 |
| Book Value Per Share of Common Stock | \$4.37 |

Note: (1) Reflects 2.4 million shares of the Company's 7.875% Series A Cumulative Redeemable Preferred Stock outstanding at a \$25 liquidation preference per share.

Key Definitions

“Book Value Per Share of Common Stock” is calculated as: a) total stockholders' equity computed in accordance with GAAP less the value of the issued and outstanding preferred stock at its stated liquidation preference of \$25.00 per share, divided by b) the weighted average number of shares of common stock issued and outstanding during the period, basic and diluted.

“Distributable Earnings” is a non-GAAP measure, which we define as GAAP net income (loss) attributable to holders' of common stock, or, without duplication, owners of the Company's subsidiaries, computed in accordance with GAAP, including realized losses not otherwise included in GAAP net income (loss) and excluding (i) non-cash equity compensation, (ii) incentive compensation payable to the Manager, (iii) depreciation and amortization, (iv) any unrealized gains or losses or other similar non-cash items that are included in net income for that applicable repotting period, regardless of whether such items are included in other comprehensive income (loss) or net income (loss), and (v) one-time events pursuant to changes in GAAP and certain material non-cash income or expense items after discussions with the Company's board of directors and approved by a majority of the Company's independent directors. We also add back one-time charges such as acquisition costs and one-time gains/losses on the early extinguishment of debt and redemption of preferred stock. Distributable Earnings mirrors how we calculate Core Earnings pursuant to the terms of our management agreement between our Manager and us, or our Management Agreement, for purposes of calculating the incentive fee payable to our Manager. While Distributable Earnings excludes the impact of any unrealized provisions for credit losses, any loan losses are charged off and realized through Distributable Earnings when deemed non-recoverable. Non-recoverability is determined (i) upon the resolution of a loan (i.e. when the loan is repaid, fully or partially, or in the case of foreclosures, when the underlying asset is sold), or (ii) with respect to any amount due under any loan, when such amount is determined to be non-collectible.

We believe that Distributable Earnings provides meaningful information to consider in addition to our net income (loss) and cash flows from operating activities determined in accordance with GAAP. We believe Distributable Earnings is a useful financial metric for existing and potential future holders of our common stock as historically, over time, Distributable Earnings has been a strong indicator of our dividends per share. As a REIT, we generally must distribute annually at least 90% of our taxable income, subject to certain adjustments, and therefore we believe our dividends are one of the principal reasons stockholders may invest in our common stock. Refer to Note 16 to our consolidated financial statements for further discussion of our distribution requirements as a REIT. Furthermore, Distributable Earnings help us to evaluate our performance excluding the effects of certain transactions and GAAP adjustments that we believe are not necessarily indicative of our current loan portfolio and operations, and is a performance metric we consider when declaring our dividends.

Distributable Earnings does not represent net income (loss) or cash generated from operating activities and should not be considered as an alternative to GAAP net income (loss), or an indication of GAAP cash flows from operations, a measure of our liquidity, or an indication of funds available for our cash needs. In addition, our methodology for calculating Distributable Earnings may differ from the methodologies employed by other companies to calculate the same or similar performance measures, and accordingly, our reported Distributable Earnings may not be comparable to the Distributable Earnings reported by other companies.



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November 2021
