

The background of the slide is a photograph of a modern apartment building. The left side shows a grey facade with several windows. The right side shows a tan facade with yellow balconies. A large, dark blue semi-transparent rectangle covers the center of the image, serving as a background for the text.

Lument Finance Trust

Investor Presentation

March 2022

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 2021 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 2021 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
-



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, the US subsidiary of ORIX Corporation, a publicly traded Tokyo-based international financial services 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 monetary defaults during the COVID era
- Attractive financing source via non-recourse, non mark-to-market CRE CLO

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
- \$50 billion servicing portfolio (as of December 31, 2021)
- 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 (2021)
- Top 3 Freddie Mac Small Loan Lender (2021)
- Top ranked FHA MAP lender



Lument: A Platform Built for the Benefit of Investors

Diverse Opportunity Set via Lument Origination Platform

- 600+ 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

- 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:
 - Real-time intelligence that helps inform investment process
 - Enhanced view of trends and warning signals across markets and asset types
- Lument’s \$50 billion servicing portfolio⁽¹⁾ includes a Fitch-rated servicing unit

Cradle-to-Grave Capital Source

- 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

- Backing from ORIX Corporation USA, an established international parent
- ORIX Corporation (TSE: 8591 and NYSE: IX) operates in 28 countries and regions
- In-house operations, asset management, legal, compliance, HR, etc.

Note: (1) As of December 31, 2021.

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 \$85 billion of assets under management, administration and servicing as of December 2021. ORIX USA and its subsidiaries include a team of more than 1,300 employees spanning more than 30 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 \$24 billion market capitalization as of December 2021

Capital Reach

- Balance sheet assets exceeding \$124 billion (As of December 2021)
- Approximately \$469 billion in assets under management across the globe (As of December 2021)

Rated

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

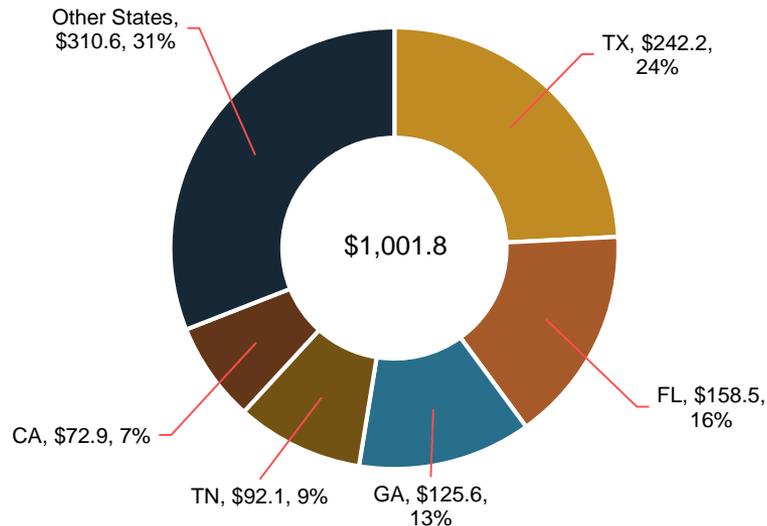
Lument Finance Trust: Target Investments

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	SOFR/LIBOR + 3.00% and higher
Term	3 to 5 years
Amortization	Typically interest only
Recourse	Typically non-recourse except for standard carve-outs

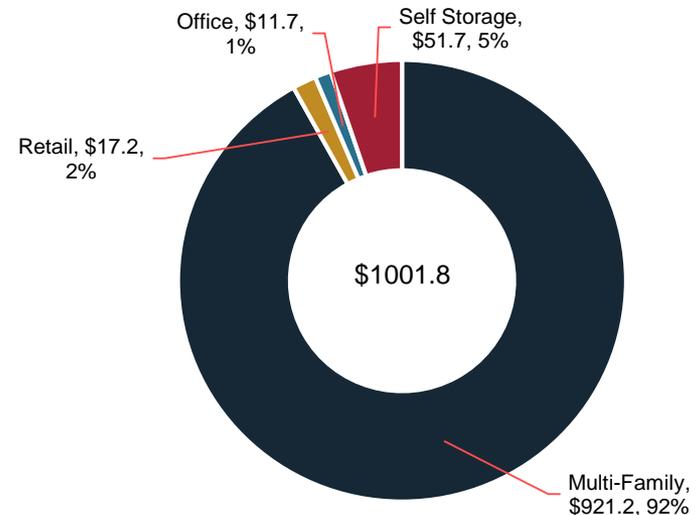
Lument Finance Trust: Investment Portfolio

- At December 31, 2021, the Company owned a portfolio of floating-rate CRE loans with a carrying value of \$1.0 billion. 92%⁽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, office, and self-storage assets (less than 10% of portfolio)
- During the “COVID era,” the Company has not granted a single forbearance nor has it experienced a single monetary loan default

Geographic Concentration⁽²⁾



Property Type⁽²⁾

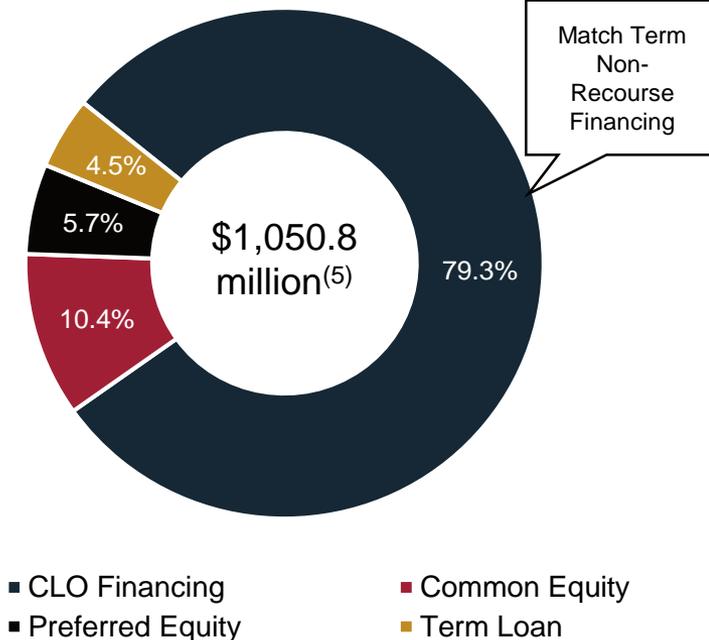


Note: (1) Based on carrying value.
(2) \$ In millions, based on carrying value.

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



Capital Structure Detail

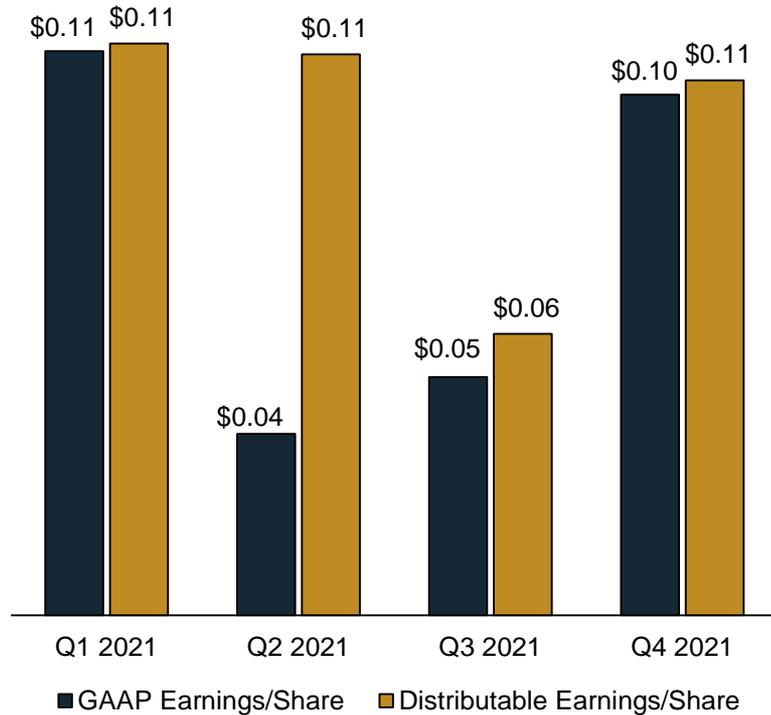
(\$ in m millions)

<u>Collateralized Loan Obligations</u>	<u>Rate</u>	<u>Advance Rate</u>	<u>Amount</u>
LMNT 2021-FL1 ⁽¹⁾	L + 143%	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⁾			\$109.3
Total Capitalization⁽⁵⁾			\$1,050.8

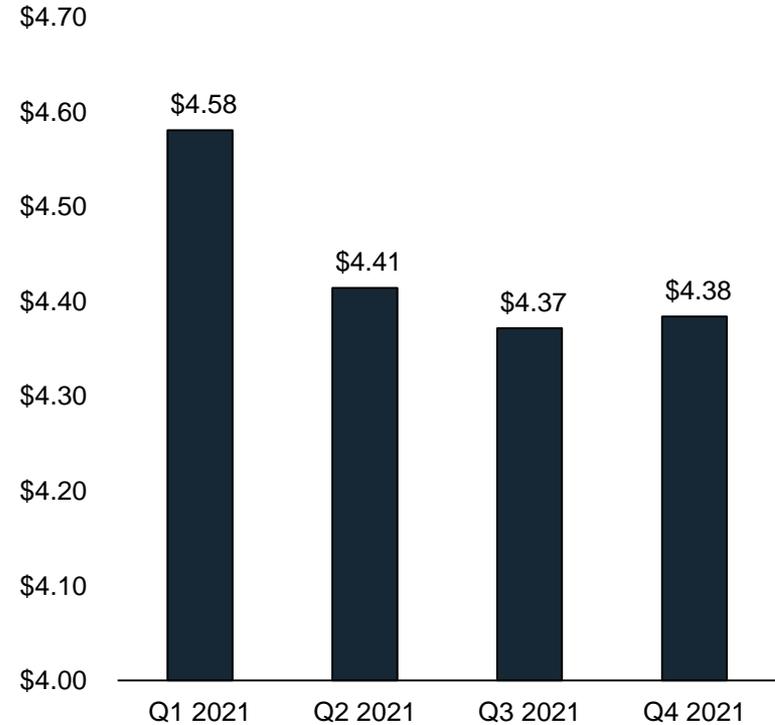
- Subsequent to year-end 2021, the Company raised approximately \$81.1 million of net proceeds and issued 27.3 million new shares of common stock via a transferable rights offering. After the impact of this transaction, the Company's total shares outstanding was 52.2 million, total book equity was \$250.5 million, total common book value was \$190.4 million and book value per share of common stock was \$3.65

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 monetary defaults during the COVID era
- Attractive financing sources via non-recourse, non mark-to-market CRE CLOs

Appendix

Q4 2021 Financial Updates

Full Year 2021 Business Update

Portfolio	<ul style="list-style-type: none">• 100% of the loans in our CRE investment portfolio were current as of as of 12/31/21
Highlights	<ul style="list-style-type: none">• Increased size of the CRE investment portfolio by 83% from \$547 million as of 12/31/20 to \$1.0 billion as of 12/31/21• Achieved a dividend coverage ratio of 108% for the full year on a distributable EPS basis• Continued to demonstrate strong asset performance with zero delinquencies, monetary defaults, or impairments in the investment portfolio• Maintained multifamily investment focus, increasing multifamily investment exposure from 90% as of 12/31/20 to 92% as of year-end 12/31/21• Raised \$58.1 million of preferred equity via successful offering of 2.4 million shares of 7.875% Series A Cumulative Redeemable Preferred Stock at \$25.00 per share• Successfully closed a \$1.0 billion commercial real estate collateralized loan obligation (“LMNT 2021-FL1”) and redeemed all outstanding bonds of two prior CRE CLOs in conjunction with the transaction• Subsequent to year-end 2021, the Company raised approximately \$81.1 million of net proceeds and issued 27.3 million new shares of common stock via a transferable rights offering. After the impact of this transaction, the Company’s total shares outstanding was 52.2 million, total book equity was \$250.5 million, total common book value was \$190.4 million and book value per share of common stock was \$3.65• Gained incremental sell-side equity research coverage during the year
Lending Environment	<ul style="list-style-type: none">• The bridge loan market in 2021 featured robust activity that supported elevated multifamily acquisition transaction volume during the period. As of year-end, our Manager and its affiliates continued to control a healthy pipeline of deal flow going into 2022

Q4 2021 Updates

Financial Results

- Q4 2021 GAAP net income attributable to common stockholders of \$2.5 million, or \$0.10 per share of common stock. FY 2021 net income attributable to common stockholders of \$7.4 million, or \$0.30 per share of common stock
- Q4 2021 Distributable Earnings⁽¹⁾ of \$2.6 million, or \$0.11 per share of common stock. FY 2021 Distributable Earnings of \$9.7 million or \$0.39 per share of common stock
- Q4 2021 Book Value Per Share of Common Stock of \$4.38⁽²⁾

Highlights

- During Q4 2021, the Company acquired \$336.2 million of new loans at a weighted average interest rate of L + 3.21% and a weighted average LIBOR floor of 0.12%. 100%⁽³⁾ of the new acquisitions were loans backed by multifamily assets. The Company experienced \$137.1 million of loan payoffs during the quarter
- For the full year 2021, the Company acquired and/or funded \$983.7 million of new loans and participations at a weighted average spread of LIBOR + 3.46% and a weighted average LIBOR floor of 0.46%

Investment Portfolio Overview

- As of December 31, 2021, 99.9%⁽³⁾ of LFT's investment portfolio consisted of floating-rate CRE loans. 91.9%⁽³⁾ of the portfolio was multifamily. The \$1.0 billion CRE loan portfolio had a weighted average remaining term of 24 months⁽⁴⁾, a weighted average interest rate of L + 3.41% and a weighted average LIBOR floor of 0.49%

Capitalization

- The floating-rate CRE loan portfolio is financed with \$833.8 million of investment grade notes issued through LMNT 2021-FL1, a CRE CLO

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 45 months.

Q4 and Full Year 2021 Income Statement Summary

Summary Income Statement (thousands)	Three Months Ended December 31, 2021	Twelve Months Ended December 31, 2021	GAAP Net Income to Distributable Earnings Reconciliation (thousands)	Three Months Ended December 31, 2021	Twelve Months Ended December 31, 2021
Net interest income	\$6,174	\$20,679	Net Income attributable to common stockholders	\$2,479	\$7,414
Total other income (loss)	6	(1,633)	Adjustments:		
Operating expenses	(2,407)	(8,441)	Unrealized losses on mortgage servicing rights	56	357
Benefit (provision) from income taxes	(109)	(78)	Loss on extinguishment of debt	0	1,664
Preferred dividends	(1,185)	(3,113)	Purchase premium payoffs	0	151
Net income attributable to common stockholders	\$2,479	\$7,414	Recognized compensation expense related to restricted stock	5	16
			Adjustment for income taxes	109	78
			Distributable Earnings ⁽¹⁾	\$2,649	\$9,680
Weighted average shares outstanding during the period, basic and diluted	24,947,883	24,945,824	Weighted average shares outstanding during the period, basic and diluted	24,947,883	24,945,824
Net income attributable to common stockholders per share	\$0.10	\$0.30	Distributable Earnings per share of common stock	\$0.11	\$0.39
			Dividend per share of common stock	\$0.09	\$0.36

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

Q4 2021 Balance Sheet Summary

Balance Sheet (thousands)	December 31, 2021 ⁽¹⁾
Commercial mortgage loans held-for-investment	\$1,001,825
Cash and cash equivalents	14,749
Restricted cash ⁽²⁾	3,530
Accrued interest receivable	3,978
Investment Related Receivable	22,400
Other assets ⁽³⁾	2,441
Total assets	\$1,048,923
Collateralized loan obligations ⁽⁴⁾	\$826,783
Credit facility ⁽⁴⁾	46,846
Other liabilities	5,920
Total liabilities	\$879,548
Total equity	\$169,375
Total liabilities / total equity	5.19x
Book Value Per Share of Common Stock⁽⁵⁾	\$4.38

Note:

(1) See Appendix for detailed consolidated balance sheet, including 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) Includes mortgage servicing rights, carried at fair value of \$552k

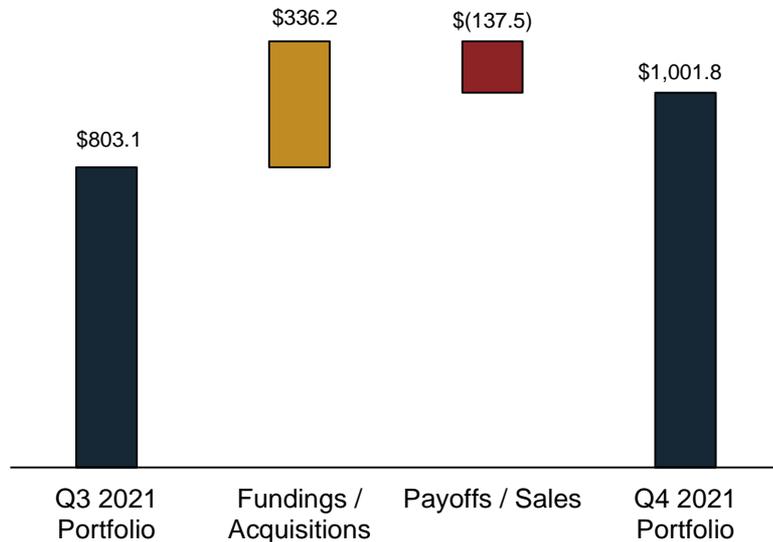
(4) Outstanding notional amount of bonds issued by LMNT 2021-FL1 is \$833.8 million, and the unpaid principal balance of the credit facility is \$47.8 million. For GAAP purposes, these liabilities are carried at their outstanding unpaid principal balance, net of any unamortized discounts and debt issuance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

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

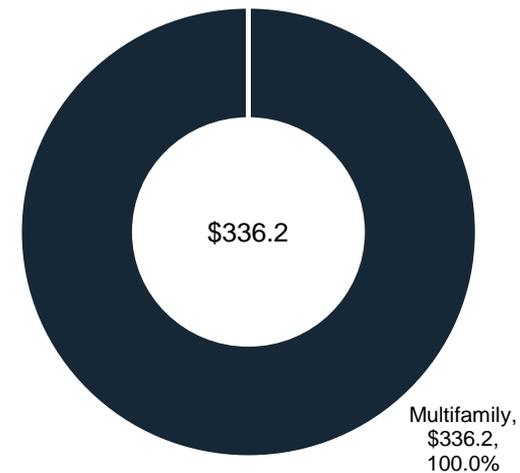
Q4 2021 Balance Sheet Summary

- The CRE loan portfolio increased by \$198.8 million in Q4 2021
- We acquired \$336.2 million of loans at par from an affiliate of the Manager and we experienced \$137.5 million of loan payoffs

Net Funding Activity^(1,2)

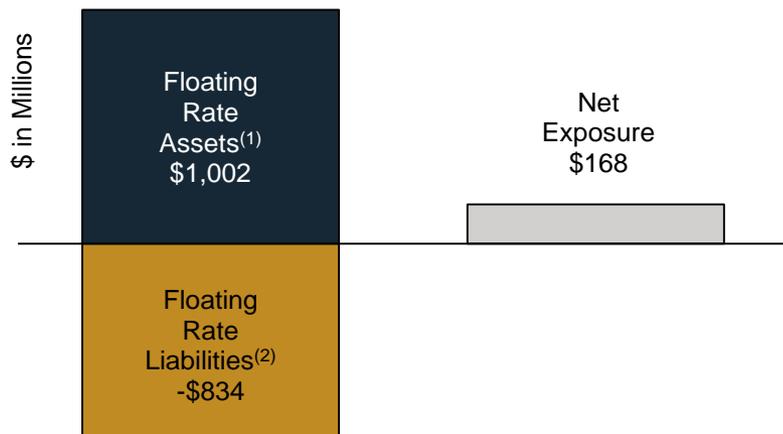


Q4 2021 Loan Acquisitions and Fundings^(1,2)

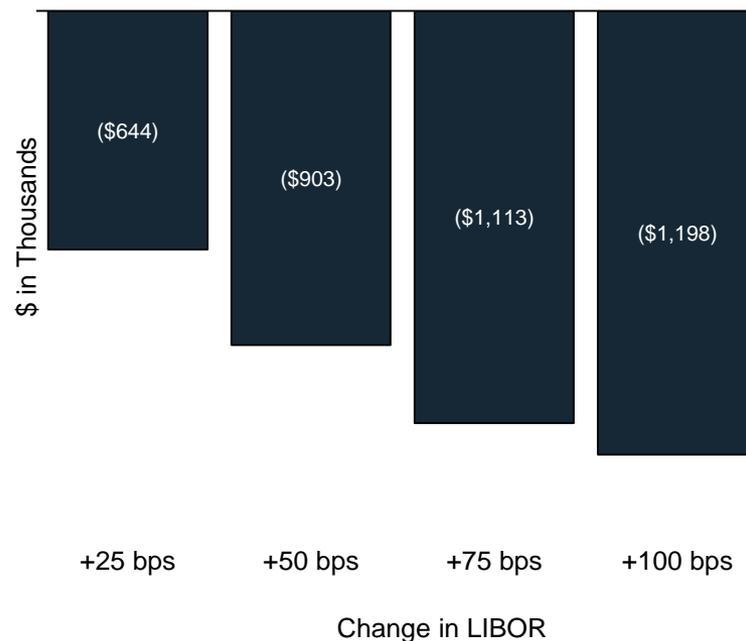


Interest Rate Sensitivity as of December 31, 2021

Floating-Rate Exposure



Annual Net Interest Income Sensitivity to Shifts in One-Month LIBOR^(3,4,5)



12/31/2021 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	6/28/2021	7/6/2024	Multi-Family	Barrington	NJ	34,690,000	3.05%	36	78.13%
3	Loan 3	11/2/2021	11/6/2023	Multi-Family	Warner Robbins	GA	33,500,000	3.00%	24	51.40%
4	Loan 4	6/8/2021	7/5/2024	Multi-Family	Chattanooga	TN	33,360,000	3.65%	37	79.76%
5	Loan 5	6/8/2021	7/5/2024	Multi-Family	Miami	FL	30,576,666	3.20%	37	74.26%
6	Loan 6	6/30/2021	7/5/2024	Multi-Family	Porter	TX	28,650,000	3.25%	36	71.63%
7	Loan 7	2/25/2021	3/6/2022	Multi-Family	Sacramento	CA	28,000,000	3.50%	12	63.60%
8	Loan 8	5/20/2021	6/6/2024	Multi-Family	Marietta	GA	27,803,800	3.10%	37	77.02%
9	Loan 9	4/22/2021	5/6/2022	Multi-Family	Los Angeles	CA	27,750,000	3.25%	12	55.00%
10	Loan 10	12/10/2019	7/6/2022	Multi-Family	San Antonio	TX	27,411,724	3.15%	31	71.90%
11	Loan 11	6/7/2021	7/5/2024	Multi-Family	San Antonio	TX	26,400,000	3.40%	37	80.00%
12	Loan 12	12/16/2021	1/3/2025	Multi-Family	Daytona	FL	25,000,000	3.05%	37	71.70%
13	Loan 13	8/26/2021	8/5/2024	Multi-Family	Clarkston	GA	24,832,000	3.50%	35	79.00%
14	Loan 14	11/15/2021	12/6/2024	Multi-Family	El Paso	TX	24,330,000	3.10%	37	75.96%
15	Loan 15	10/18/2021	11/6/2023	Multi-Family	Cherry Hill	NJ	23,348,000	3.00%	24	72.40%
16	Loan 16	8/26/2021	9/5/2024	Multi-Family	Union City	GA	21,957,240	3.35%	36	70.40%
17	Loan 17	11/16/2021	12/5/2024	Multi-Family	Dallas	TX	20,960,000	3.20%	37	73.54%
18	Loan 18	8/31/2021	9/6/2024	Multi-Family	Houston	TX	20,700,000	3.30%	36	74.20%
19	Loan 19	10/29/2021	11/5/2024	Multi-Family	Knoxville	TN	20,500,000	3.75%	36	69.97%
20	Loan 20	6/30/2021	7/5/2024	Multi-Family	Jacksonville	FL	20,188,700	3.50%	36	77.10%
21	Loan 21	10/13/2017	11/20/2023	Self Storage	Seattle	WA	19,648,818	3.60%	74	46.50%
22	Loan 22	11/5/2021	11/5/2024	Multi-Family	Orlando	FL	19,200,000	3.00%	36	78.05%
23	Loan 23	10/12/2021	11/5/2023	Multi-Family	Atlanta	GA	17,500,000	3.15%	25	42.90%
24	Loan 24	12/28/2018	1/6/2022	Retail	Austin	TX	17,172,623	4.10%	36	60.50%
25	Loan 25	7/8/2021	8/5/2023	Multi-Family	Knoxville	TN	17,000,000	3.95%	25	69.67%
26	Loan 26	9/30/2021	10/5/2024	Multi-Family	Hanahan	SC	16,663,000	3.15%	36	76.44%
27	Loan 27	4/12/2021	5/5/2024	Multi-Family	Cedar Park	TX	15,000,000	3.75%	37	66.70%
28	Loan 28	10/11/2019	10/11/2022	Self Storage	Pompano Beach	FL	14,500,000	3.75%	36	75.00%
29	Loan 29	2/28/2018	2/28/2022	Multi-Family	Portland	OR	14,230,100	7.50%	48	75.90%
30	Loan 30	11/3/2021	11/6/2023	Multi-Family	Louisville	KY	13,720,000	3.35%	24	75.38%
31	Loan 31	10/14/2021	11/5/2022	Multi-Family	Bridgeton	NJ	13,440,000	3.25%	12	70.00%
32	Loan 32	5/28/2021	6/6/2023	Multi-Family	Houston	TX	13,332,734	3.35%	24	73.76%
33	Loan 33	5/12/2021	6/5/2024	Multi-Family	Fort Worth	TX	13,026,000	3.35%	37	74.86%

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 occurred subsequent to the origination date.

may have

12/31/2021 CRE Loan Portfolio Details

#	Loan Name	Closing Date	Maturity Date	Property Type	City	State	Current Balance	Note Spread	Initial Term (m onths)	As-Is LTV at Origination ⁽¹⁾
34	Loan 34	8/16/2021	9/6/2024	Multi-Fam ily	Colum bus	OH	12,750,000	3.65%	37	75.00%
35	Loan 35	3/12/2021	4/5/2024	Multi-Fam ily	Mesa	AZ	12,375,000	3.55%	37	75.00%
36	Loan 36	7/23/20 18	8/6/2022	Office	Chicago	IL	11,748,199	3.75%	49	72.74%
37	Loan 37	10/1/2021	10/4/2024	Multi-Fam ily	East Nashville	TN	12,100,000	3.35%	36	79.08%
38	Loan 38	10/28/2021	11/6/2024	Multi-Fam ily	Tam pa	FL	11,202,535	2.95%	36	75.70%
39	Loan 39	9/30/2021	10/6/2023	Multi-Fam ily	Clearfield	UT	10,795,000	3.15%	24	67.98%
40	Loan 40	2/8/20 19	2/7/2024	Self Storage	Federal Way	WA	10,676,822	4.75%	60	65.80%
41	Loan 41	4/23/2021	5/6/2024	Multi-Fam ily	Tualatin	OR	10,497,000	3.20%	36	73.90%
42	Loan 42	3/26/2021	4/6/2022	Multi-Fam ily	Alham bra	CA	9,623,000	3.25%	12	49.01%
43	Loan 43	10/21/2021	11/5/2024	Multi-Fam ily	Madison	TN	9,100,000	3.20%	37	68.42%
44	Loan 44	11/13/20 19	6/6/2022	Multi-Fam ily	Holly Hill	FL	8,620,367	2.90%	31	77.80%
45	Loan 45	5/12/2021	6/5/2024	Multi-Fam ily	Lakeland	FL	8,220,000	3.35%	37	76.80%
46	Loan 46	1/13/2020	2/6/2022	Multi-Fam ily	Fort Lauderdale	FL	8,037,399	3.15%	25	78.40%
47	Loan 47	4/7/2021	5/6/2024	Multi-Fam ily	Phoenix	AZ	7,963,794	3.60%	37	69.46%
48	Loan 48	10/29/2021	11/5/2024	Multi-Fam ily	Riverside	MO	7,934,000	3.40%	36	76.60%
49	Loan 49	3/12/20 18	4/6/2022	Multi-Fam ily	Waco	TX	7,912,000	4.75%	49	72.90%
50	Loan 50	11/16/2021	12/6/2023	Multi-Fam ily	Cape Coral	FL	7,680,000	3.25%	25	79.18%
51	Loan 51	10/27/2021	11/5/2024	Multi-Fam ily	Ambler	PA	7,624,400	3.30%	36	79.92%
52	Loan 52	3/19/2021	4/6/2024	Multi-Fam ily	Glendora	CA	7,513,000	3.60%	37	72.20%
53	Loan 53	9/28/2021	10/4/2024	Multi-Fam ily	Chicago	IL	7,286,000	3.65%	36	75.90%
54	Loan 54	2/3/2020	2/3/2024	Self Storage	Fort Worth	TX	6,959,953	3.75%	48	63.80%
55	Loan 55	3/31/2021	4/5/2024	Multi-Fam ily	Tucson	AZ	6,893,000	3.55%	36	72.75%
56	Loan 56	7/1/2021	7/5/2024	Multi-Fam ily	Harker Heights	TX	6,290,000	3.60%	36	72.30%
57	Loan 57	8/28/20 19	8/6/2022	Multi-Fam ily	Austin	TX	6,054,427	3.25%	35	69.90%
58	Loan 58	5/21/2021	6/6/2024	Multi-Fam ily	Youngtown	AZ	5,994,000	3.65%	37	71.40%
59	Loan 59	10/26/2021	11/6/2023	Multi-Fam ily	Indianapolis	IN	5,812,000	3.85%	24	77.08%
60	Loan 60	6/10/20 19	7/6/2022	Multi-Fam ily	San Antonio	TX	5,295,605	2.90%	37	62.92%
61	Loan 61	4/30/2021	5/5/2024	Multi-Fam ily	Daytona Beach	FL	5,285,500	3.65%	36	77.40%
62	Loan 62	7/14/2021	8/6/2024	Multi-Fam ily	Birm ingham	AL	5,248,000	3.70%	37	71.69%
63	Loan 63	11/19/2021	12/5/2024	Multi-Fam ily	Huntsville	AL	5,040,000	3.75%	37	78.75%
64	Loan 64	12/29/2020	1/6/2022	Multi-Fam ily	Fayetteville	NC	4,920,000	3.95%	12	70.30%
65	Loan 65	11/30/20 18	11/30/2022	Multi-Fam ily	Anderson	SC	4,446,000	3.25%	48	53.70%
66	Loan 66	12/28/2021	1/3/2025	Multi-Fam ily	Houston	TX	2,800,000	3.15%	36	71.20%
Total / Average							1,001,869,994	3.41%	34	71.15%

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 occurred subsequent to the origination date.

may have

Consolidated Balance Sheets

	December 31, 2021 ⁽¹⁾	December 31, 2020 ⁽¹⁾
ASSETS		
Cash and cash equivalents	14,749,046	\$ 11,375,960
Restricted cash	3,530,006	57,999,396
Commercial mortgage loans held-for-investment, at amortized cost	1,001,825,294	547,345,334
Mortgage servicing rights, at fair value	551,997	919,678
Accrued interest receivable	3,977,752	2,015,617
Investment related receivable	22,400,000	—
Other assets	1,889,258	1,833,794
Total assets	<u>\$ 1,048,923,353</u>	<u>\$ 621,489,779</u>
LIABILITIES AND EQUITY		
LIABILITIES:		
Collateralized loan obligations, net	826,782,543	463,060,090
Secured term loan	46,845,502	39,556,198
Accrued interest payable	704,055	432,936
Dividends payable	3,242,809	3,242,640
Fees and expenses payable to Manager	1,825,142	1,156,340
Other accounts payable and accrued expenses	147,802	338,423
Total liabilities	<u>879,547,853</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 December 31, 2021 and December 31, 2020, respectively	57,254,935	—
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 December 31, 2021 and December 31, 2020, respectively	249,434	249,389
Additional paid-in capital	233,833,749	233,850,271
Cumulative distributions to stockholders	(143,449,310)	(131,355,978)
Accumulated earnings	21,387,192	10,859,970
Total stockholders' equity	<u>169,276,000</u>	<u>113,603,652</u>
Noncontrolling interests	\$ 99,500	\$ 99,500
Total equity	<u>\$ 169,375,500</u>	<u>\$ 113,703,152</u>
Total liabilities and equity	<u>\$ 1,048,923,353</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 December 31, 2021 and December 31, 2020, assets of the consolidated VIEs totaled \$1,003,896,995 and \$591,318,506, respectively and the liabilities of consolidated VIEs totaled \$827,390,435 and \$463,411,967, respectively. See Note 4 for further discussion.

Consolidated Statement of Income

	Year Ended December 31, 2021	Year Ended December 31, 2020
Revenues:		
Interest income:		
Commercial mortgage loans held-for-investment	36,162,050	33,570,949
Cash and cash equivalents	28,779	45,782
Interest expense:		
Collateralized loan obligations	(12,178,545)	(12,047,300)
Secured term loan	(3,333,536)	(3,138,917)
Net interest income	<u>20,678,748</u>	<u>18,430,514</u>
Other income:		
Realized loss on mortgage servicing rights	(10,910)	—
Change in unrealized loss on mortgage servicing rights	(356,772)	(1,780,528)
Loss on extinguishment of debt	(1,663,926)	—
Servicing income, net	398,939	709,565
Other income	—	2
Total other (loss)	<u>(1,632,669)</u>	<u>(1,070,961)</u>
Expenses:		
Management and incentive fees	3,041,600	2,524,139
General and administrative expenses	2,879,655	3,518,500
Operating expenses reimbursable to Manager	2,038,130	1,644,886
Other operating expenses	280,970	1,493,214
Compensation expense	200,608	205,292
Total expenses	<u>8,440,963</u>	<u>9,386,031</u>
Net income before provision for income taxes	10,605,116	7,973,522
(Provision for) benefit from income taxes	(77,894)	476,248
Net income	<u>10,527,222</u>	<u>8,449,770</u>
Dividends to preferred stockholders	(3,112,500)	(15,000)
Net income attributable to common stockholders	<u>\$ 7,414,722</u>	<u>\$ 8,434,770</u>
Earnings per share:		
Net income attributable to common stockholders (basic and diluted)	<u>\$ 7,414,722</u>	<u>\$ 8,434,770</u>
Weighted average number of shares of common stock outstanding	24,945,824	24,934,505
Basic and diluted income per share	<u>\$ 0.30</u>	<u>\$ 0.34</u>
Dividends declared per weighted average share of common stock	<u>\$ 0.36</u>	<u>\$ 0.37</u>

Reconciliation of GAAP to Distributable Earnings

GAAP to Distributable Earnings Reconciliation	For the Three Months Ended			
	December 31, 2021	September 30, 2021	June 30, 2021	March 31, 2021
<i>Reconciliation of GAAP to non-GAAP Information</i>				
Net income attributable to common stockholders	\$2,478,911	\$1,176,301	\$954,575	\$2,804,935
<i>Adjustments for non-Distributable earnings</i>				
Unrealized loss on mortgage servicing rights	56,106	59,776	220,435	20,455
Purchase premium payoffs	-	150,990	-	-
Loss on extinguishment of debt	-	-	1,663,926	-
Subtotal	56,106	210,766	1,884,361	20,455
<i>Other Adjustments</i>				
Recognized compensation expense related to restricted common stock	4,741	4,741	3,241	2,885
Adjustment for income taxes	109,336	7,857	(54,012)	14,713
Subtotal	114,077	12,598	(50,771)	17,598
Distributable Earnings	\$2,649,094	\$1,399,665	\$2,788,165	\$2,842,988
Weighted average shares outstanding, basic and diluted	24,947,883	24,947,883	24,944,075	24,943,383
Distributable Earnings per share of common stock, basic and diluted	\$0.11	\$0.06	\$0.11	\$0.11

Detailed Walk of Capitalization as of 12/31/2021

<i>(in 000's)</i>	12/31/2021
Total GAAP liabilities and stockholders' equity	\$1,048,824
<i>Adjustments for Capitalization</i>	
(-) Accrued interest payable	(704)
(-) Dividends payable	(3,243)
(-) Fees and expenses payable to Manager	(1,825)
(-) Other accounts payable and accrued expenses	(148)
(+) Other capitalized financing & issuance costs	7,872
LFT Capitalization	\$1,050,776

Book Value Per Share of Common Stock as of 12/31/2021

<i>(in 000's)</i>	Book Value per Share of Common Stock
Total stockholders' equity	\$169,276
(-) Preferred equity	(60,000) ⁽¹⁾
Common equity	109,276
Shares outstanding	24,947,883
Book Value Per Share of Common Stock	\$4.38

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 reporting 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.



LUMENT

March 2022
