

A modern multi-story apartment building is shown. The left side of the image features a grey facade with several windows that have a blue tint. The right side shows a different section of the building with balconies that have bright yellow railings. The sky is bright, suggesting a sunny day, and there is a lens flare effect on the right side of the image.

Lument Finance Trust

Q3 2023 Earnings Supplemental
November 2023

Disclaimer

This presentation contains 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,” the “Company,” “we,” “our,” or “us”) 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,” or “anticipates,” or the negative version of these words or other comparable words or other statements that do not relate strictly to historical or factual matters. 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 on Form 10-K for the year ended December 31, 2022, 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 forward-looking statements contained in this presentation speak only as of November 13th, 2023. 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, including Distributable Earnings. While we believe the non-GAAP information included in this presentation provides supplemental information to assist investors in analyzing our operating results and to assist investors in comparing our operating 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. Please refer to this presentation’s Appendix for a reconciliation of the non-GAAP financial measures included in this presentation to the most directly comparable financial measures prepared in accordance with GAAP.

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 27 years of industry experience across multiple economic cycles.
- Affiliation with ORIX Corporation USA, the US subsidiary of ORIX Corporation, the publicly traded Tokyo-based international financial services firm.

Attractive Investment Profile

- Emphasis on middle market multifamily debt investments which are well positioned for the current environment.
- Strong credit and asset management capabilities.
- Attractive financing source via match term, non-recourse, non mark-to-market, collateralized financing structures.

Q3 2023 Updates

Financial Results

- Q3 2023 GAAP net income attributable to common stockholders of \$5.2 million, or \$0.10 per share of common stock. Q3 2023 Distributable Earnings⁽¹⁾ of \$6.0 million, or \$0.11 per share of common stock.
- On September 14, 2023, the Company declared a cash dividend of \$0.07 per share of common stock, which represents a 17% quarter-over-quarter increase. The Company also declared a cash dividend of \$0.49219 per share of 7.875% Cumulative Redeemable Series A Preferred Stock.
- Q3 2023 Book Value Per Share of Common Stock of \$3.46⁽²⁾.

Highlights

- On July 12, 2023, the Company entered into and closed a match-term non-recourse collateralized commercial real estate financing ("LMF 2023-1"), secured by \$386.4 million of first lien floating-rate multifamily mortgage assets.
 - In connection with the LMF 2023-1 transaction, \$270.4 million of an investment-grade rated senior secured floating rate loan that was placed with a private lender and approximately \$47.3 million of investment grade notes that were issued and sold to an affiliate of our external manager. The Company retained \$68.6 million of subordinate notes.
- During the quarter, the Company experienced \$111.0 million of loan payoffs⁽³⁾ while acquiring and/or funding⁽³⁾ \$452.1 million of loan assets, including the \$386.4 million of loans that were used as initial collateral for the LMF 2023-1 transaction. Loans acquired during the quarter were acquired at an aggregate discount to par of \$7.1 million.

Investment Portfolio Overview

- As of September 30, 2023, 100%⁽³⁾ of LFT's investment portfolio consisted of floating-rate CRE loans. Approximately 93.0%⁽³⁾ of the portfolio was multifamily.
- The Company's \$1.4 billion CRE loan portfolio had a weighted average remaining term of 15 months⁽⁴⁾, a weighted average interest rate of SOFR + 3.47%, and unamortized purchase discounts of \$7.0 million.

Capitalization

- The floating-rate CRE loan portfolio is financed primarily through the Company's two outstanding secured financings:
 - \$833.8 million of investment grade notes issued through LMNT 2021-FL1.
 - \$317.7 million of investment grade notes issued through LMF 2023-1.

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 38 months.

Q3 2023 Balance Sheet Summary

Balance Sheet (thousands)	September 30, 2023 ⁽¹⁾
Commercial mortgage loans held-for-investment (net of allowance for credit losses)	\$1,350,832
Cash and cash equivalents	43,409
Restricted cash ⁽²⁾	6,225
Accrued interest receivable	8,608
Investment related receivable	31,122
Other assets ⁽³⁾	3,136
Total assets	\$1,443,332
Secured financings ⁽⁴⁾	1,145,317
Credit facility ⁽⁴⁾	47,157
Other liabilities	10,262
Total liabilities	\$1,202,737
Total equity	240,595
Total liabilities / total equity	5.00x
Book Value Per Share of Common Stock⁽⁵⁾	\$3.46

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 and the LMF 2023-1 is available for investment in eligible mortgage assets.

(3) Includes mortgage servicing rights, carried at fair value of \$0.7 million.

(4) Outstanding principal amount of investment grade notes issued by LMNT 2021-FL1 and LMF 2023-1 is \$833.8 million and \$317.7 million, respectively. 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.

Q3 2023 Income Statement Summary

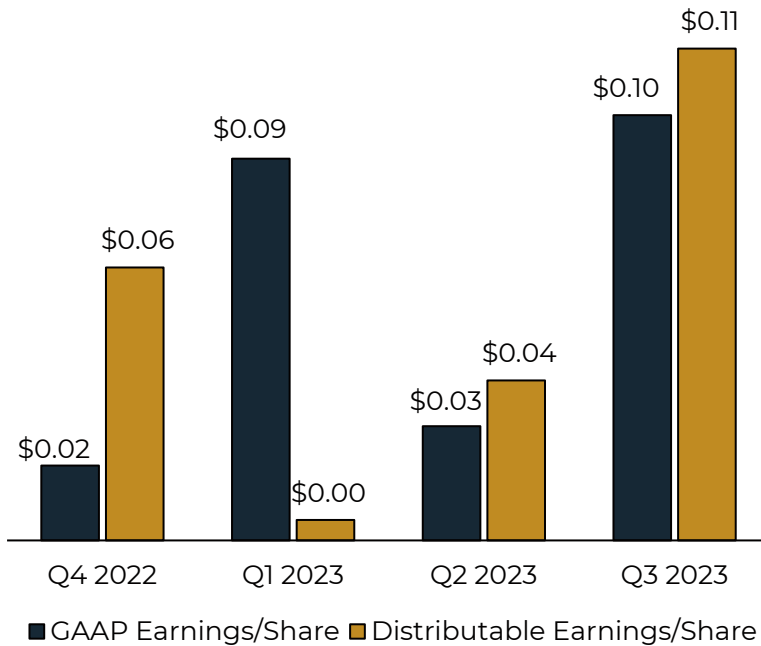
Summary Income Statement (thousands)	Three Months Ended September 30, 2023
Net interest income	\$9,544
Total other income (loss)	(719)
Operating expenses	(2,446)
Benefit (provision) from income taxes	(20)
Preferred dividends	(1,185)
Net income attributable to common stockholders	\$5,175
Weighted average shares outstanding during the period, basic and diluted	52,231,152
Net income attributable to common stockholders per share	\$0.10

GAAP Net Income to Distributable Earnings Reconciliation (thousands)	Three Months Ended September 30, 2023
Net Income attributable to common stockholders	\$5,175
Adjustments:	
Unrealized (gains) losses on mortgage servicing rights	(2)
Recognized compensation expense related to restricted stock	0
Unrealized provision for credit losses	792
Provision for (benefit from) income taxes	20
Distributable Earnings ⁽¹⁾	\$5,984
Weighted average shares outstanding during the period, basic and diluted	52,231,152
Distributable Earnings per share of common stock	\$0.11
Dividend per share of common stock	\$0.07

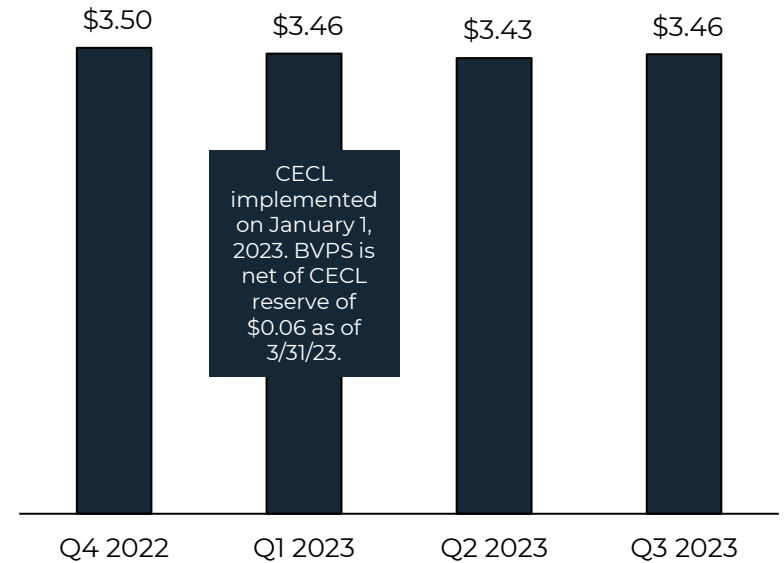
Note: (1) See Appendix for definition of Distributable Earnings and reconciliation to GAAP.

Earnings and Book Value Per Share of Common Stock

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



Book Value Per Share of Common Stock⁽²⁾

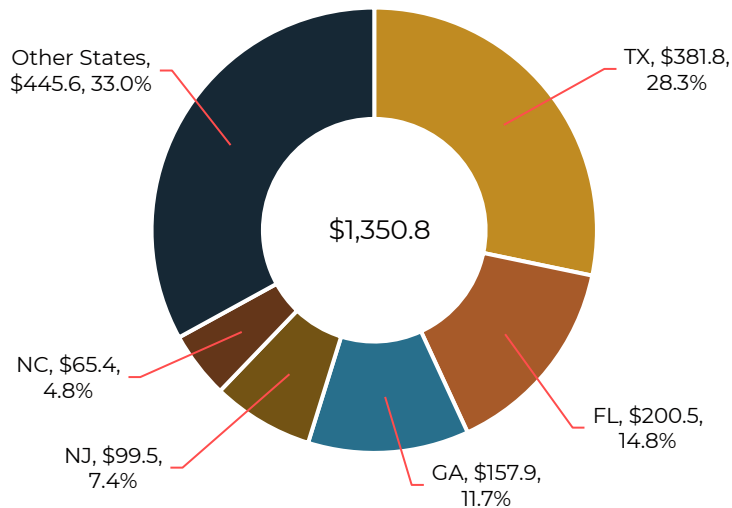


Note: (1) See Appendix for definition of Distributable Earnings and reconciliation to GAAP.
(2) See Appendix for definition of Book Value Per Share of Common Stock.

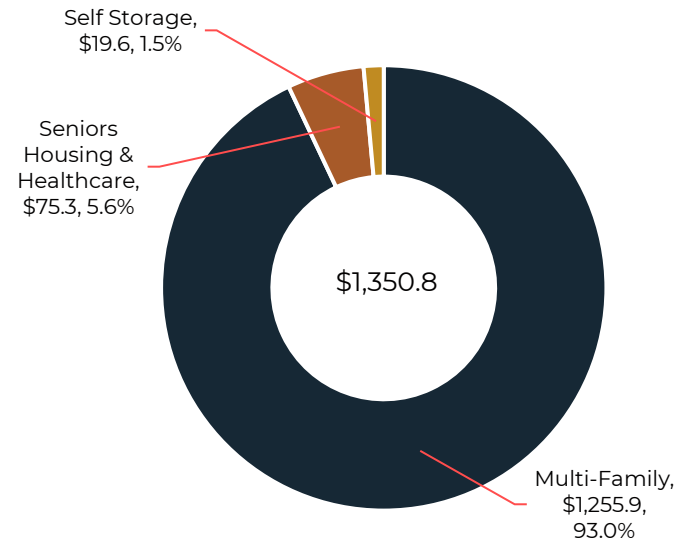
Investment Portfolio

- On September 30, 2023, the Company owned a portfolio of floating-rate CRE loans with a carrying value of \$1.4 billion. 93.0%⁽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, retail, or office assets and has limited exposure to self-storage assets.

Geographic Concentration⁽²⁾



Property Type⁽²⁾

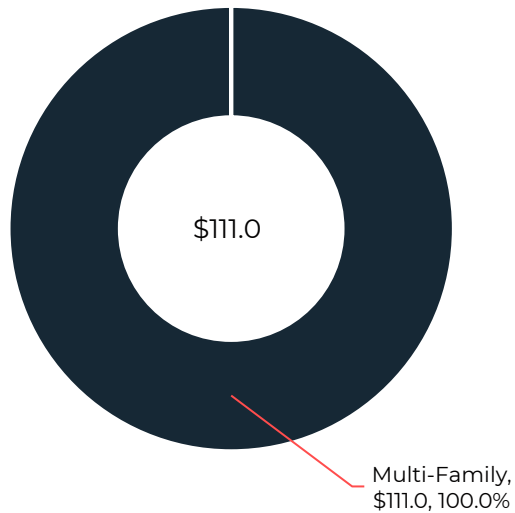


Note: (1) Based on carrying value.
 (2) \$ In millions, based on carrying value.

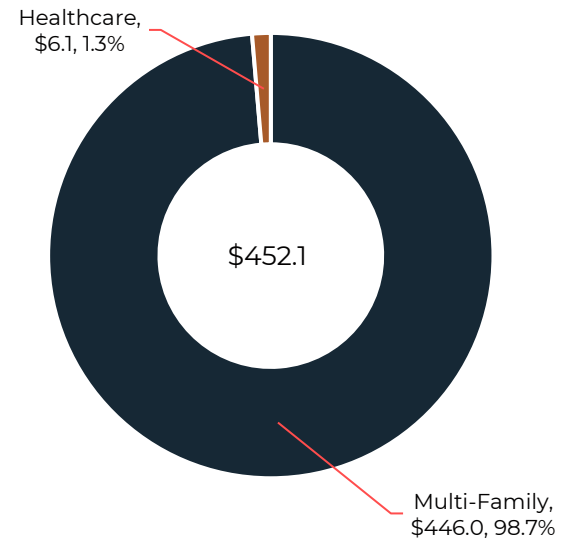
Q3 2023 Loan Activity

- The Company experienced \$111.0 million of loan payoffs during the quarter.
- The Company acquired \$452.1 million of loans during the quarter.

Payoffs by Property Type⁽¹⁾



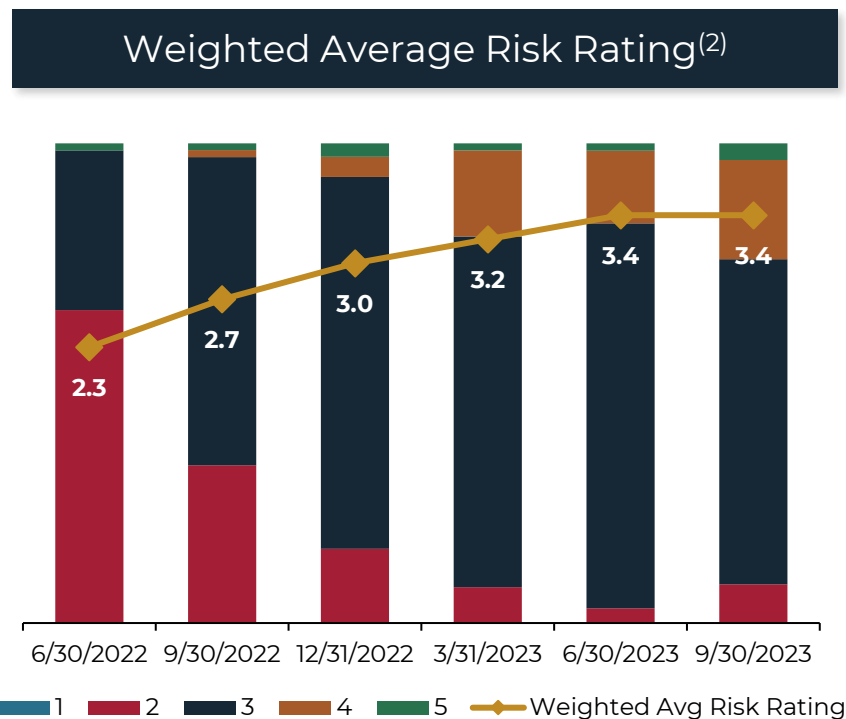
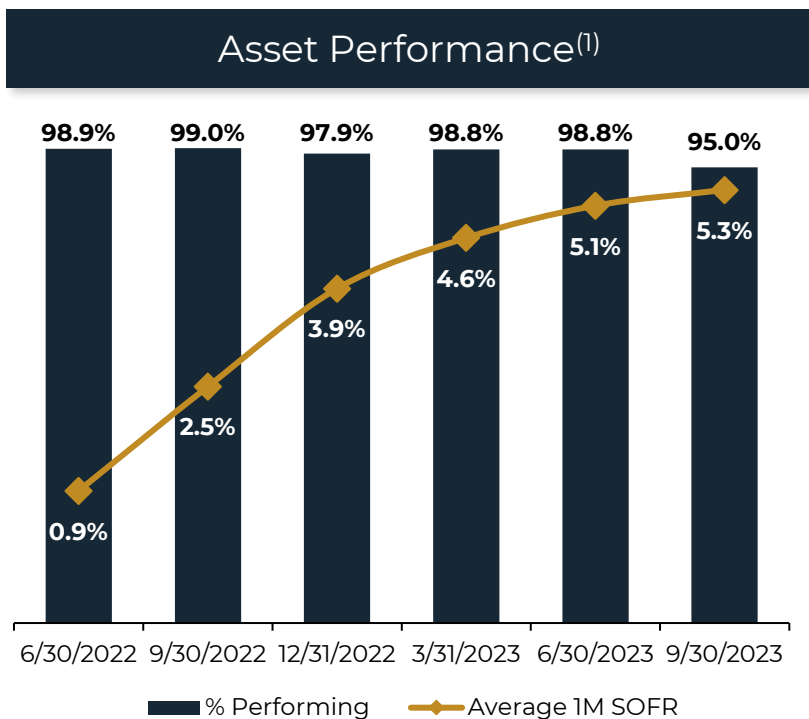
Acquisitions by Property Type⁽¹⁾



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

Portfolio Credit

- 95.0% of the Company's portfolio is performing, with 75% of the portfolio rated "3" (Moderate Risk) or better.
- Weighted average risk rating remained stable quarter over quarter.

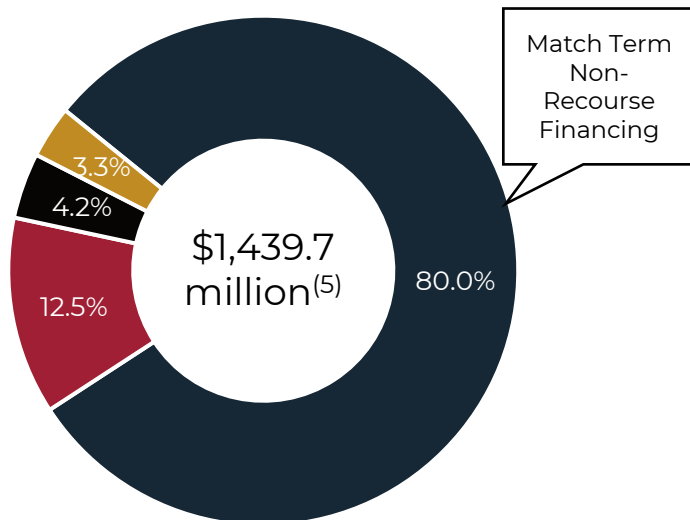


Note: (1) An asset is defined as performing if it is not in default, or not on non-accrual status.
 (2) Weighted average risk rating is weighted based on carrying value of portfolio assets.

Q3 2023 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 two secured financings (LMNT 2021-FL1 and LMF 2023-1), preferred stock, and a corporate term loan.

Capital Structure Composition



- Secured Financing
- Preferred Equity
- Common Equity
- Term Loan

Capital Structure Detail

(\$ in millions)

<u>Secured Financings⁽¹⁾</u>	<u>Rate</u>	<u>Advance Rate</u>	<u>Amount</u>
LMNT 2021-FL1	S + 1.43%	83.4%	\$833.8
LMF 2023-1 Financing	S + 3.10%	82.2%	\$317.7
<u>Credit Facilities</u>			
Term Loan ⁽²⁾	7.25%		\$47.8
Total Debt			\$1,199.2
<u>Equity</u>			
Preferred Equity ⁽³⁾	7.875%		\$60.0
Book Value of Common Equity ⁽⁴⁾			\$180.5
Total Pro-Forma Capitalization⁽⁵⁾			\$1,439.7

Note: (1) Secured financing shown at par value. LMNT 2021-FL1 GAAP carrying value of \$831.2 million includes \$2.5 million of unamortized debt issuance costs. LMF 2023-1 carrying value of \$314.1 million includes \$3.6 million of unamortized debt issuance costs.

(2) Term loan shown at par value. GAAP carrying value of \$47.2 million includes \$0.6 million of unamortized debt issuance costs.

(3) Preferred equity shown at \$60 million liquidation preference.

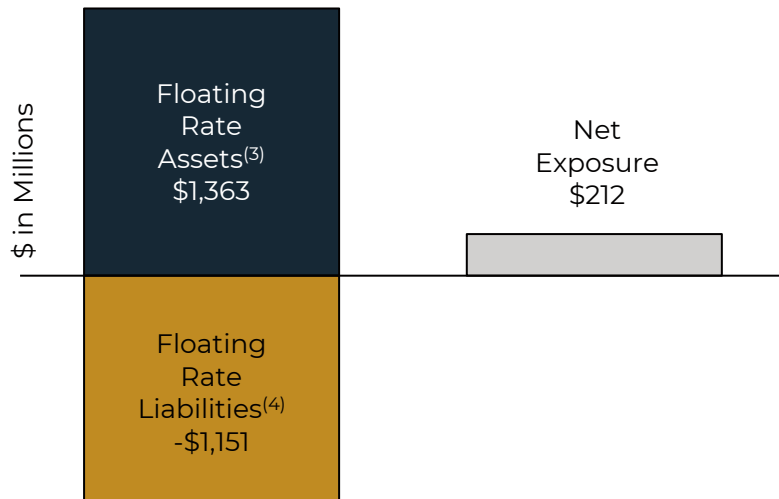
(4) Noncontrolling interest was \$99,500 as of 9/30/2023 and is excluded from common equity above.

(5) LFT total capitalization is a non-GAAP measure which excludes certain Balance Sheet items; Please see Appendix for reconciliation to GAAP.

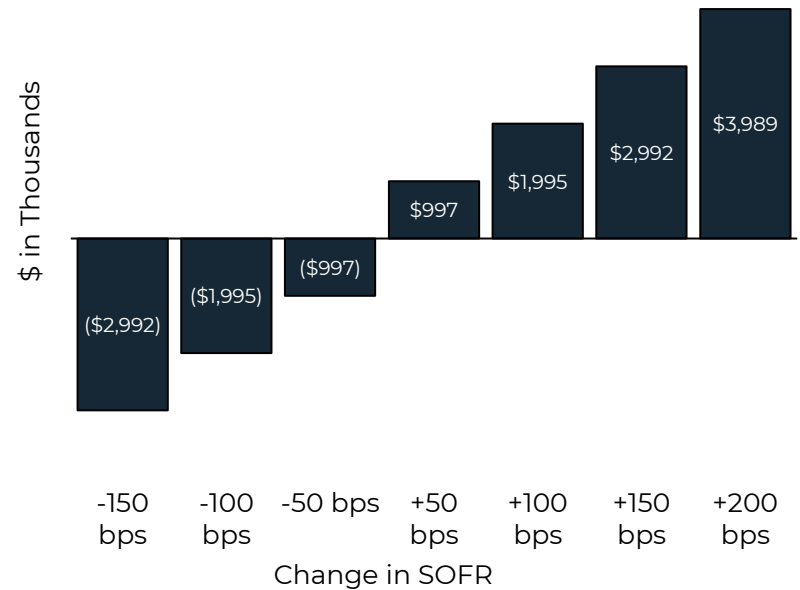
Net Interest Income Sensitivity to Shifts in Term SOFR

- 100% floating-rate loan portfolio.
- 100% of portfolio is indexed to 30-day term SOFR⁽¹⁾.

Floating-Rate Exposure⁽²⁾



Annual Net Interest Income Sensitivity to Shifts in Term SOFR⁽⁵⁾



Appendix

9/30/2023 CRE Loan Portfolio Details

#	Loan Name	Closing Date	Maturity Date	Property Type	City	State	Unpaid Principal Balance	Note Spread	Unamortized Discount/Premium	Initial Term (months)	As-Is LTV at Origination ⁽¹⁾
1	Loan 1	12/16/2021	1/3/2025	Multi-Family	Daytona	FL	51,375,000	3.05%	0	37	71.70%
2	Loan 2	11/22/2019	11/3/2023	Multi-Family	Virginia Beach	VA	36,781,588	3.27%	0	48	77.10%
3	Loan 3	6/28/2021	7/6/2024	Multi-Family	Barrington	NJ	36,658,084	3.05%	(17,133)	36	78.13%
4	Loan 4	6/8/2021	7/5/2024	Multi-Family	Chattanooga	TN	33,360,000	3.65%	0	37	79.76%
5	Loan 5	3/22/2022	4/5/2025	Multi-Family	Seneca	SC	31,876,244	3.35%	(624,471)	37	74.54%
6	Loan 6	6/28/2022	7/3/2025	Multi-Family	Dallas	TX	31,602,808	3.90%	(507,221)	36	71.59%
7	Loan 7	12/29/2021	1/6/2025	Multi-Family	Multi	NC	30,709,146	3.85%	0	36	59.90%
8	Loan 8	6/8/2021	7/5/2024	Multi-Family	Miami	FL	30,576,666	3.20%	0	37	74.26%
9	Loan 9	5/20/2021	6/6/2024	Multi-Family	Marietta	GA	30,220,508	3.10%	(30,747)	37	77.02%
10	Loan 10	8/25/2022	9/5/2025	Multi-Family	Wilmington	NC	28,653,440	4.00%	0	36	71.45%
11	Loan 11	6/7/2021	7/5/2024	Multi-Family	San Antonio	TX	27,569,521	3.40%	(6,190)	37	80.00%
12	Loan 12	8/26/2021	8/5/2024	Multi-Family	Clarkston	GA	25,440,413	3.50%	(1,746)	35	79.00%
13	Loan 13	11/15/2021	12/6/2024	Multi-Family	El Paso	TX	24,330,000	3.10%	0	37	75.96%
14	Loan 14	10/18/2021	11/6/2023	Multi-Family	Cherry Hill	NJ	23,348,000	3.00%	0	24	72.40%
15	Loan 15	8/26/2021	9/5/2024	Multi-Family	Union City	GA	22,872,354	3.35%	(5,295)	36	70.40%
16	Loan 16	3/22/2022	4/5/2025	Multi-Family	York	PA	21,934,375	3.30%	(558,154)	37	79.17%
17	Loan 17	11/16/2021	12/5/2024	Multi-Family	Dallas	TX	21,916,753	3.20%	(11,605)	37	73.54%
18	Loan 18	7/8/2022	8/5/2025	Multi-Family	Arlington	TX	21,818,465	3.75%	(323,999)	37	67.10%
19	Loan 19	8/31/2021	9/6/2024	Multi-Family	Houston	TX	21,644,684	3.30%	(3,070)	36	74.20%
20	Loan 20	11/29/2022	12/5/2025	Healthcare	Glendale	WI	20,360,000	4.00%	0	36	45.00%
21	Loan 21	6/10/2022	7/5/2025	Multi-Family	Various	GA	20,250,372	3.75%	(330,986)	37	75.79%

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9/30/2023 CRE Loan Portfolio Details

#	Loan Name	Closing Date	Maturity Date	Property Type	City	State	Unpaid Principal Balance	Note Spread	Unamortized Discount/Premium	Initial Term (months)	As-Is LTV at Origination ⁽¹⁾
22	Loan 22	10/13/2017	11/20/2023	Self Storage	Seattle	WA	19,648,818	3.60%	3,052	74	46.50%
23	Loan 23	11/5/2021	11/5/2024	Multi-Family	Orlando	FL	19,625,274	3.00%	(7,080)	36	78.05%
24	Loan 24	4/13/2022	5/5/2025	Multi-Family	Decatur	GA	18,989,494	3.55%	(434,556)	37	75.70%
25	Loan 25	11/21/2022	12/5/2025	Healthcare	Houston	TX	18,920,000	4.00%	0	37	67.00%
26	Loan 26	11/23/2021	12/5/2024	Multi-Family	Orange	NJ	18,834,024	3.20%	(6,890)	36	78.00%
27	Loan 27	2/2/2022	2/6/2025	Multi-Family	Houston	TX	18,660,822	3.50%	(178,647)	36	77.50%
28	Loan 28	2/11/2022	3/5/2025	Multi-Family	Tampa	FL	18,599,480	3.60%	0	37	77.99%
29	Loan 29	10/12/2021	11/5/2023	Multi-Family	Atlanta	GA	17,500,000	3.15%	0	25	42.90%
30	Loan 30	5/26/2022	6/6/2024	Multi-Family	Brooklyn	NY	17,263,000	3.75%	0	24	64.30%
31	Loan 31	3/31/2022	4/5/2025	Multi-Family	Tallahassee	FL	16,956,276	3.30%	(389,679)	36	74.80%
32	Loan 32	11/10/2022	12/5/2025	Healthcare	Austin	TX	16,690,000	4.00%	0	37	65.00%
33	Loan 33	12/1/2021	12/5/2024	Multi-Family	Horn Lake	MS	15,449,323	3.30%	(19,803)	36	75.70%
34	Loan 34	2/1/2022	2/5/2025	Multi-Family	San Antonio	TX	15,400,000	3.45%	0	36	79.79%
35	Loan 35	4/6/2022	4/4/2025	Multi-Family	Vineland	NJ	15,347,180	3.75%	(264,371)	36	77.00%
36	Loan 36	4/6/2022	4/5/2025	Multi-Family	Haltom City	TX	15,156,425	3.45%	(269,158)	36	74.10%
37	Loan 37	12/2/2021	12/6/2023	Multi-Family	Colorado Springs	CO	15,010,343	3.00%	(440)	24	72.48%
38	Loan 38	2/22/2022	3/5/2025	Multi-Family	Philadelphia	PA	15,000,000	3.80%	0	36	80.00%
39	Loan 39	6/15/2022	7/5/2025	Multi-Family	Denton	TX	14,511,455	3.90%	(11,497)	37	73.00%
40	Loan 40	7/26/2022	8/5/2025	Multi-Family	Atlanta	GA	14,351,599	3.65%	(284,521)	36	65.15%
41	Loan 41	4/12/2021	5/5/2024	Multi-Family	Cedar Park	TX	14,193,375	3.75%	0	37	66.70%
42	Loan 42	4/27/2022	5/5/2025	Multi-Family	Houston	TX	14,171,704	3.70%	(298,286)	36	79.60%
43	Loan 43	1/13/2022	2/5/2025	Multi-Family	Indianapolis	IN	14,119,842	3.75%	(230,817)	37	80.00%
44	Loan 44	11/21/2022	12/5/2025	Healthcare	Southlake	TX	14,030,000	4.00%	0	37	48.00%

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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.

9/30/2023 CRE Loan Portfolio Details

#	Loan Name	Closing Date	Maturity Date	Property Type	City	State	Unpaid Principal Balance	Note Spread	Unamortized Discount/Premium	Initial Term (months)	As-Is LTV at Origination ⁽¹⁾
45	Loan 45	12/28/2021	1/3/2025	Multi-Family	Houston	TX	14,000,000	3.25%	(230,075)	36	71.22%
46	Loan 46	5/13/2022	6/5/2025	Multi-Family	Decatur	AL	13,885,769	3.50%	(126,866)	37	59.21%
47	Loan 47	6/10/2022	7/5/2025	Multi-Family	Blakely	PA	13,625,505	3.90%	(105,119)	37	75.00%
48	Loan 48	12/13/2021	1/5/2024	Multi-Family	Evansville	IN	12,600,000	3.30%	0	25	74.30%
49	Loan 49	1/25/2022	2/6/2025	Multi-Family	Corpus Christi	TX	12,249,079	3.55%	(158,400)	36	78.76%
50	Loan 50	8/16/2021	9/6/2024	Multi-Family	Columbus	OH	12,196,596	0.00%	0	37	75.00%
51	Loan 51	10/1/2021	10/4/2024	Multi-Family	Nashville	TN	12,100,000	3.35%	0	36	79.08%
52	Loan 52	5/12/2022	6/5/2025	Multi-Family	Ypsilanti	MI	11,926,591	3.50%	(203,688)	37	68.40%
53	Loan 53	12/10/2021	1/5/2025	Multi-Family	Los Angeles	CA	11,662,582	3.50%	(302,024)	37	67.93%
54	Loan 54	6/28/2022	7/4/2025	Multi-Family	Colorado Springs	CO	11,470,000	3.90%	0	36	73.06%
55	Loan 55	3/4/2022	3/5/2025	Multi-Family	Houston	TX	11,467,505	3.45%	(284,457)	36	78.30%
56	Loan 56	4/14/2022	5/5/2025	Multi-Family	Irving	TX	11,287,602	3.50%	(207,151)	37	74.90%
57	Loan 57	10/28/2021	11/6/2024	Multi-Family	Tampa	FL	11,202,535	2.95%	0	36	75.70%
58	Loan 58	4/23/2021	5/6/2024	Multi-Family	Tualatin	OR	10,986,357	3.20%	(4,155)	36	73.90%
59	Loan 59	5/3/2022	5/5/2025	Multi-Family	Port Richey	FL	10,818,945	3.55%	(244,331)	36	79.05%
60	Loan 60	9/30/2021	10/6/2023	Multi-Family	Clearfield	UT	10,795,000	3.15%	0	24	67.98%
61	Loan 61	12/29/2021	1/3/2025	Multi-Family	Phoenix	AZ	10,615,094	3.65%	(6,235)	36	75.90%
62	Loan 62	12/2/2021	12/6/2024	Multi-Family	Tomball	TX	9,975,000	3.40%	0	36	68.50%
63	Loan 63	11/23/2021	12/5/2024	Multi-Family	Atlanta	GA	9,856,000	3.35%	0	36	79.50%
64	Loan 64	1/14/2022	2/5/2025	Multi-Family	Houston	TX	9,609,250	3.60%	0	37	78.76%
65	Loan 65	7/14/2022	8/5/2025	Multi-Family	Bradenton	FL	9,429,206	3.90%	(82,941)	37	74.40%
66	Loan 66	8/5/2022	8/5/2025	Multi-Family	San Antonio	TX	9,127,649	4.35%	(46,116)	36	75.00%

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9/30/2023 CRE Loan Portfolio Details

#	Loan Name	Closing Date	Maturity Date	Property Type	City	State	Unpaid Principal Balance ⁽¹⁾	Note Spread ⁽²⁾	Unamortized Discount/Premium	Initial Term (months)	As-Is LTV at Origination ⁽³⁾
67	Loan 67	10/21/2021	11/5/2024	Multi-Family	Madison	TN	9,100,000	3.20%	0	37	68.42%
68	Loan 68	10/29/2021	11/5/2024	Multi-Family	Riverside	MO	8,717,380	3.40%	(8,994)	36	76.60%
69	Loan 69	5/12/2021	6/5/2024	Multi-Family	Lakeland	FL	8,220,000	3.35%	0	37	76.80%
70	Loan 70	6/22/2022	7/3/2025	Multi-Family	Des Moines	IA	8,175,500	4.00%	0	36	72.03%
71	Loan 71	5/26/2022	6/5/2025	Multi-Family	Haltom City	TX	8,116,833	4.00%	(81,523)	36	74.38%
72	Loan 72	6/24/2022	7/6/2025	Multi-Family	Moncks Corner	SC	7,934,160	4.15%	0	36	67.80%
73	Loan 73	11/16/2021	12/6/2023	Multi-Family	Cape Coral	FL	7,680,000	3.25%	0	25	79.18%
74	Loan 74	9/28/2021	10/4/2024	Multi-Family	Chicago	IL	7,286,000	3.65%	0	36	75.90%
75	Loan 75	7/1/2021	7/5/2024	Multi-Family	Harker Heights	TX	7,169,838	3.60%	0	36	72.30%
76	Loan 76	10/7/2022	11/5/2024	Multi-Family	Fairborn	OH	7,000,000	4.10%	0	25	79.10%
77	Loan 77	12/19/2022	1/6/2025	Multi-Family	Asheville	NC	6,325,000	3.75%	0	24	41.10%
78	Loan 78	10/24/2022	11/6/2024	Healthcare	Various	FL	6,100,000	4.50%	0	24	71.00%
79	Loan 79	4/8/2022	5/5/2025	Multi-Family	St. Petersburg	FL	6,096,412	4.00%	(111,669)	37	75.50%
80	Loan 80	4/27/2022	5/5/2025	Multi-Family	North Brunswick	NJ	6,000,000	3.40%	0	36	79.90%
81	Loan 81	5/21/2021	6/6/2024	Multi-Family	Youngtown	AZ	5,994,000	3.65%	0	37	71.40%
82	Loan 82	7/14/2021	8/6/2024	Multi-Family	Birmingham	AL	5,913,912	3.70%	(879)	37	71.69%
83	Loan 83	10/26/2021	11/6/2023	Multi-Family	Indianapolis	IN	5,812,000	3.85%	0	24	77.08%
84	Loan 84	11/19/2021	12/5/2024	Multi-Family	Huntsville	AL	5,519,604	3.75%	(2,191)	37	78.75%
85	Loan 85	4/30/2021	5/5/2024	Multi-Family	Daytona Beach	FL	5,285,500	3.65%	0	36	77.40%
86	Loan 86	12/13/2021	1/5/2024	Multi-Family	Evansville	IN	5,250,000	3.30%	0	25	73.90%
87	Loan 87	12/28/2021	1/3/2025	Multi-Family	Houston	TX	2,800,000	3.25%	0	36	71.20%
Total / Average							1,363,109,257	3.47%	(7,020,125)	36	72.42%

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, 2023 ⁽¹⁾	December 31, 2022 ⁽¹⁾
	(unaudited)	
ASSETS		
Cash and cash equivalents	\$ 43,408,581	\$ 43,858,515
Restricted cash	6,225,360	3,507,850
Commercial mortgage loans held-for-investment, at amortized cost	1,355,547,986	1,076,148,186
Less: Allowance for credit losses	(4,716,230)	(4,258,668)
Commercial mortgage loans held-for-investment, net of allowance for credit losses	1,350,831,756	1,071,889,518
Mortgage servicing rights, at fair value	748,307	795,656
Accrued interest receivable	8,607,899	5,797,991
Investment related receivable	31,121,852	—
Other assets	2,388,093	2,116,007
Total assets	<u>\$ 1,443,331,848</u>	<u>\$ 1,127,965,537</u>
LIABILITIES AND EQUITY		
LIABILITIES		
Collateralized loan obligations and secured financings, net	1,145,317,374	829,310,498
Secured term loan, net	47,157,418	46,971,042
Accrued interest payable	3,832,841	2,360,809
Dividends payable	4,657,473	4,131,369
Fees and expenses payable to Manager	1,364,097	1,606,333
Other liabilities ⁽²⁾	407,298	583,989
Total liabilities	<u>1,202,736,501</u>	<u>884,964,040</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 shares issued and outstanding at September 30, 2023 and December 31, 2022, respectively	57,254,935	57,254,935
Common Stock: par value \$0.01 per share; 450,000,000 shares authorized, 52,231,152 shares issued and outstanding, at September 30, 2023 and December 31, 2022, respectively	522,312	522,252
Additional paid-in capital	314,561,930	314,598,384
Cumulative distributions to stockholders	(174,203,387)	(160,724,426)
Accumulated earnings	42,360,057	31,250,852
Total stockholders' equity	240,495,847	242,901,997
Noncontrolling interests	\$ 99,500	\$ 99,500
Total equity	<u>\$ 240,595,347</u>	<u>\$ 243,001,497</u>
Total liabilities and equity	<u>\$ 1,443,331,848</u>	<u>\$ 1,127,965,537</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, 2023 and December 31, 2022, assets of consolidated VIEs totaled \$1,384,961,307 and \$1,005,507,371, respectively and the liabilities of consolidated VIEs totaled \$1,149,063,668 and \$831,575,144 respectively. See Note 4 for further discussion.

(2) Includes \$35,480 and \$0 of Current Expected Credit Loss ("CECL") allowance related to unfunded commitments on commercial mortgage loans, net as of September 30, 2023 and December 31, 2022, respectively.

Consolidated Statement of Income

	Three Months Ended September 30, 2023	Three Months Ended September 30, 2022	Nine Months Ended September 30, 2023	Nine Months Ended September 30, 2022
Revenues:				
Interest income:				
Commercial mortgage loans held-for-investment	\$ 31,067,350	\$ 14,743,563	\$ 74,830,619	\$ 37,386,399
Cash and cash equivalents	789,442	4,969	1,878,550	14,736
Interest expense:				
Collateralized loan obligations and secured financings	(21,364,918)	(8,317,893)	(48,597,825)	(17,607,021)
Secured term loan	(947,509)	(947,509)	(2,811,631)	(2,807,362)
Net interest income	9,544,365	5,483,130	25,299,713	16,986,752
Expenses:				
Management and incentive fees	1,072,569	1,096,144	3,253,205	3,111,413
General and administrative expenses	861,447	851,528	2,692,236	2,664,680
Operating expenses reimbursable to Manager	284,859	555,307	1,372,511	1,594,662
Other operating expenses	168,062	83,574	2,042,346	237,572
Compensation expense	58,750	73,016	182,444	178,797
Total expenses	2,445,687	2,659,569	9,542,742	7,787,124
Other income and expense:				
Provision for credit losses, net	(791,563)	(1,521,023)	(1,166,962)	(1,872,937)
Change in unrealized (loss) gain on mortgage servicing rights	1,573	37,312	(47,350)	265,910
Servicing income, net	70,842	62,451	167,766	185,685
Total other income and expense	(719,148)	(1,421,260)	(1,046,546)	(1,421,342)
Net income before provision for income taxes	6,379,530	1,402,301	14,710,425	7,778,286
Benefit from (provision for) income taxes	(19,803)	97,974	(9,780)	20,640
Net income	6,359,727	1,500,275	14,700,645	7,798,926
Dividends accrued to preferred stockholders	(1,185,042)	(1,185,042)	(3,555,042)	(3,555,042)
Net income attributable to common stockholders	<u>\$ 5,174,685</u>	<u>\$ 315,233</u>	<u>\$ 11,145,603</u>	<u>\$ 4,243,884</u>
Earnings per share:				
Net income attributable to common stockholders (basic and diluted)	<u>\$ 5,174,685</u>	<u>\$ 315,233</u>	<u>\$ 11,145,603</u>	<u>\$ 4,243,884</u>
Weighted average number of shares of common stock outstanding	52,231,152	52,231,152	52,231,152	47,031,833
Basic and diluted income per share	<u>\$ 0.10</u>	<u>\$ 0.01</u>	<u>\$ 0.21</u>	<u>\$ 0.09</u>
Dividends declared per share of common stock	<u>\$ 0.07</u>	<u>\$ 0.06</u>	<u>\$ 0.19</u>	<u>\$ 0.18</u>

Detailed Walk of Allowance for Loan Losses

	Three months ended		Nine months ended	
	September 30, 2023	September 30, 2022	September 30, 2023	September 30, 2022
Allowance for credit losses at beginning of period	\$ 3,897,895	\$ 351,914	\$ 4,258,668	\$ —
Cumulative-effect adjustment upon adoption of ASU 2016-13	—	—	3,549,501	—
Provision for credit losses	818,335	1,521,023	1,179,734	1,872,937
Charge offs	—	—	(4,271,673)	—
Allowance for credit losses at end of period	<u>\$ 4,716,230</u>	<u>\$ 1,872,937</u>	<u>\$ 4,716,230</u>	<u>\$ 1,872,937</u>

Reconciliation of GAAP to Distributable Earnings

GAAP to Distributable Earnings Reconciliation	For the Three Months Ended			
	September 30, 2023	June 30, 2023	March 31, 2023	December 31, 2022
<i>Reconciliation of GAAP to non-GAAP Information</i>				
Net income attributable to common stockholders	\$5,174,685	\$1,389,185	\$4,581,733	\$879,776
<i>Adjustments for non-Distributable earnings</i>				
Unrealized losses (gains) on mortgage servicing rights	(1,573)	(206)	49,129	22,251
Realized loss on commercial mortgage loans	-	-	(4,271,672)	-
Unrealized provision for credit losses	791,563	555,083	(179,684)	2,385,731
Subtotal	789,990	554,877	(4,402,227)	2,407,982
<i>Other Adjustments</i>				
Recognized compensation expense related to restricted common stock	-	2,836	3,358	3,433
Adjustment for income taxes	19,803	223	(10,246)	31,728
Subtotal	19,803	3,059	(6,888)	35,161
Distributable Earnings	5,984,478	1,947,121	172,618	3,322,919
Weighted average shares outstanding, basic and diluted	52,231,152	52,231,152	52,231,152	52,231,152
Distributable Earnings per share of common stock, basic and diluted	\$0.11	\$0.04	\$0.00	\$0.06

Detailed Walk of Capitalization as of 9/30/2023

<i>(in 000's)</i>	9/30/2023
Total GAAP liabilities and stockholders' equity	\$1,443,232
<i>Adjustments for Capitalization</i>	
(-) Accrued interest payable	(3,833)
(-) Dividends payable	(4,657)
(-) Fees and expenses payable to Manager	(1,364)
(-) Other accounts payable and accrued expenses	(407)
(+) Other capitalized financing & issuance costs	6,725
<u>LFT Capitalization</u>	<u>\$1,439,696</u>

Book Value Per Share of Common Stock as of 9/30/2023

<i>(in 000's)</i>	Book Value per Share of Common Stock
Total stockholders' equity	\$240,595
(-) Preferred equity	(60,000) ⁽¹⁾
(-) Non-controlling interest	(100)
Common equity	180,496
Shares outstanding	52,231,152
Book Value Per Share of Common Stock	\$3.46



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) depreciation and amortization, (iii) 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 (iv) 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.



November 2023
