



Lument Finance Trust

Investor Presentation

May 2024

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, 2023, 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 May 9th, 2024. 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 LLC, 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 an average of 20+ 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.

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.
- 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 15 U.S. multifamily lender⁽¹⁾
- \$51 billion servicing portfolio (as of December 2023)
- Lument's combined predecessor companies rank 1st in HUD seniors housing and healthcare lending over the past decade, with approximately 1,100 closings totaling over \$8.8 billion since 2010⁽²⁾
- Top 5 Fannie Mae Small Loan lender (2023)
- Top 10 Freddie Mac Small Loan Lender (2023)
- Top ranked FHA MAP lender, with over 800 direct loans closed totaling over \$7.7 billion in the past decade⁽²⁾



Note: (1) According to 2023 MBA Originator Survey.
(2) According to HUD/FHA Multifamily Production and Office of Healthcare Programs Firm Commitments and Endorsements Database.

Lument: A Platform Built for the Benefit of Investors

Diverse Opportunity Set via Lument Origination Platform	<ul style="list-style-type: none">• ~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.
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 \$51 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 Lument’s 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 30 countries and regions• In-house operations, asset management, legal, compliance, HR, etc.

Note: (1) As of December 2023.



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. ORIX USA and its subsidiaries include a team of more than 1,300 employees spanning more than 30 countries and regions worldwide. Its parent company, **ORIX Corporation**, is a publicly owned, Tokyo-based international financial services company:

Global Reach

- Operating in 30 countries and regions
- More than 2,100 locations
- Ranked No. 371 on 2023 Forbes Global 2000⁽¹⁾: World's Largest Public Companies

Publicly Traded

- Listed on the Tokyo (8591) and New York (NYSE: IX) stock exchanges
- Approximately \$21.5 billion market capitalization⁽²⁾

Capital Reach

- Balance sheet assets exceeding \$111 billion⁽²⁾
- Approximately \$430 billion in assets under management across the globe⁽²⁾

Rated

- Long-term debt credit rating of A3 by Moody's and A- by both S&P and Fitch⁽²⁾



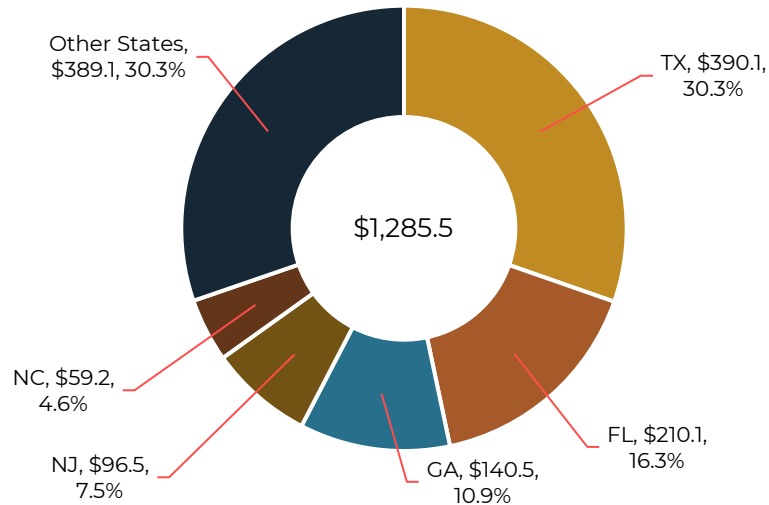
Lument Finance Trust: Target Investments

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

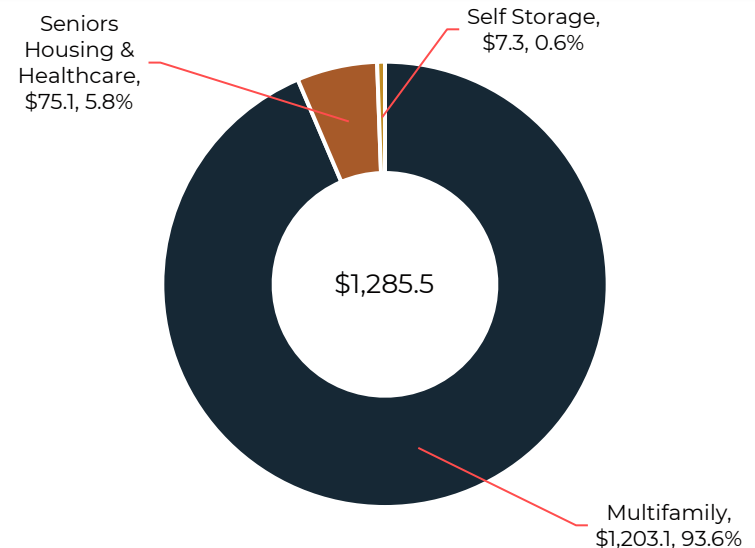
Investment Portfolio

- On March 31, 2024, the Company owned a portfolio of floating-rate CRE loans with a carrying value of \$1.3 billion. 93.6%⁽¹⁾ of the portfolio was invested in loans collateralized by multifamily assets.
- The Company anticipates that it will continue to focus on investment opportunities within multifamily credit. The Company does not currently own any hospitality, retail, or office loan assets and has limited exposure to seniors housing and self-storage.

Geographic Concentration⁽²⁾



Property Type⁽²⁾

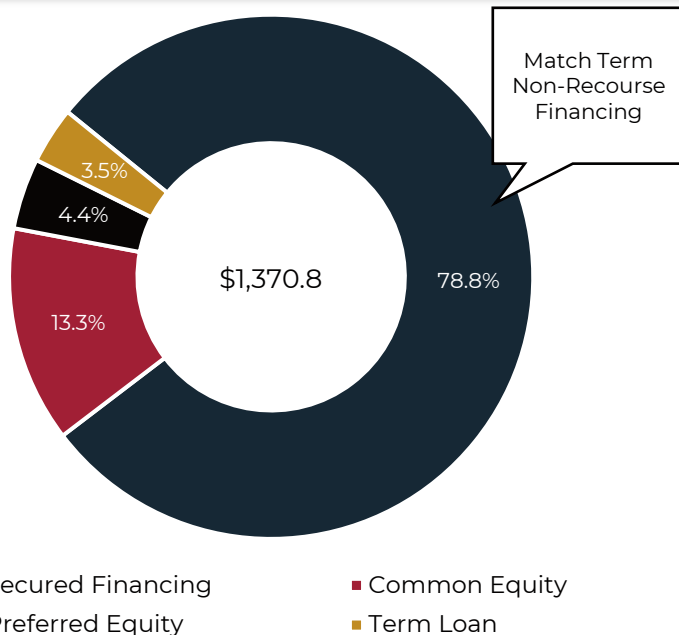


Note: (1) Based on carrying value.
(2) \$ In millions, based on carrying value.

Q1 2024 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⁽¹⁾



Capital Structure Detail

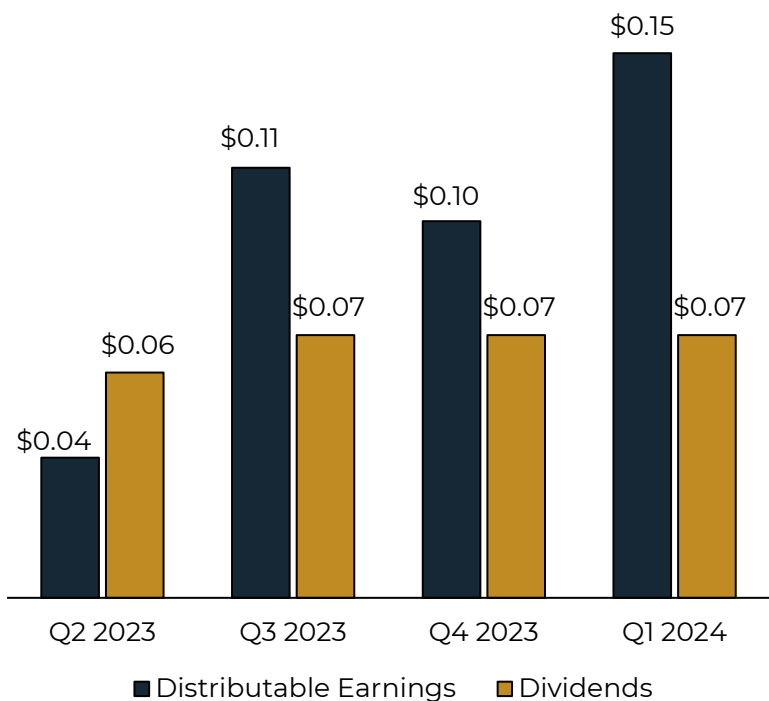
(\$ in millions)

<u>Secured Financings⁽²⁾</u>	<u>Maturity Date</u>	<u>Rate</u>	<u>Advance Rate</u>	<u>Amount</u>
LMNT 2021-FL1	July 2032	S + 1.57%	82.1%	\$762.5
LMF 2023-1 Financing	June 2039	S + 3.14%	82.2%	\$317.7
<u>Credit Facilities</u>				
Term Loan ⁽³⁾	February 2026	7.25%		\$47.8
Total Debt				\$1,128.0
<u>Equity</u>				
Preferred Equity ⁽⁴⁾	N/A	7.875%		\$60.0
Book Value of Common Equity ⁽⁵⁾	N/A			\$182.8
Total Capitalization⁽¹⁾				\$1,370.8

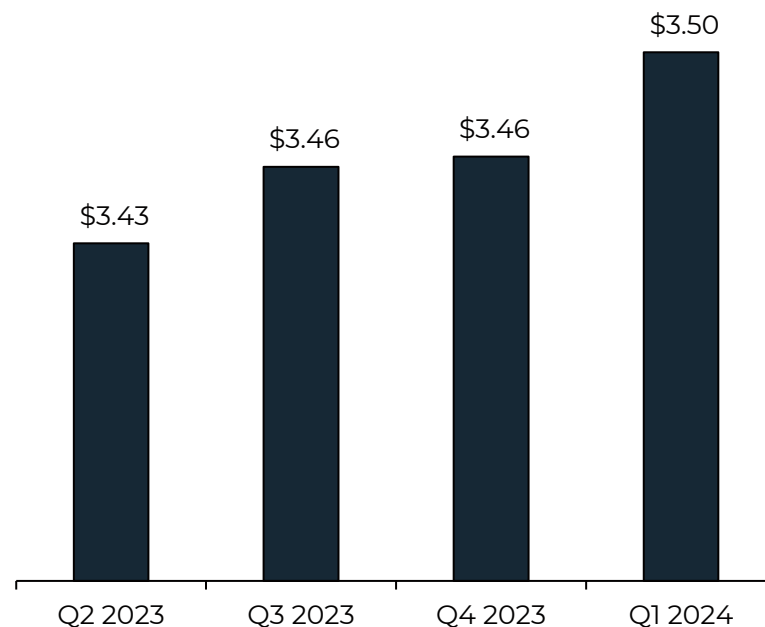
Note: (1) In millions. LFT total capitalization is a non-GAAP measure which excludes certain Balance Sheet items; Please see Appendix for reconciliation to GAAP.
(2) Secured financing shown at par value. LMNT 2021-FL1 GAAP carrying value of \$761.3 million includes \$1.3 million of unamortized debt issuance costs. LMF 2023-1 carrying value of \$314.6 million includes \$3.1 million of unamortized debt issuance costs.
(3) Term loan shown at par value. GAAP carrying value of \$47.3 million includes \$0.5 million of unamortized debt issuance costs.
(4) Preferred equity shown at \$60 million liquidation preference.
(5) Noncontrolling interest was \$99,500 as of 3/31/2024 and is excluded from common equity above.

Earnings and Book Value Per Share of Common Stock

Distributable Earnings⁽¹⁾ & Dividends Per Share of Common Share



Book Value Per Share of Common Stock⁽²⁾



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

Conclusion



LUMENT FINANCE TRUST

Key Investment Highlights

Strong Sponsorship/Ownership

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Appendix

Q1 2024 Financial Updates

Q1 2024 Updates

Financial Results

- Q1 2024 GAAP net income attributable to common stockholders of \$0.11 per share of common stock.
- Q1 2024 Distributable Earnings⁽¹⁾ of \$0.15 per share of common stock.
- On March 15, 2024, the Company declared a cash dividend for the quarter of \$0.07 per share of common stock.
- The Company also declared a cash dividend for the quarter of \$0.49219 per share of 7.875% Cumulative Redeemable Series A Preferred Stock.
- Q1 2024 Book Value Per Share of Common Stock of \$3.50⁽²⁾.

Notable Activity

- During the quarter, the Company experienced \$97.4 million of loan payoffs.

Portfolio Performance

- As of March 31, 2024, the Company's investment portfolio consisted of floating-rate CRE loans of which approximately 93.6%⁽³⁾ were collateralized by multifamily assets.
- As of March 31, 2024, the Company's \$1.3 billion loan portfolio had a weighted average remaining term of 11 months⁽⁴⁾, a weighted average interest rate of SOFR + 3.60%, and unamortized purchase discounts of \$6.3 million.
- The weighted average risk rating of the portfolio remained unchanged from the prior quarter at 3.5, with 76.9% of the portfolio rated "3" (Moderate Risk) or better.
- No asset-specific reserves were recorded during the period.

Capitalization

- The floating-rate CRE loan portfolio is financed primarily through the Company's two outstanding non-mark-to-market secured financings:
 - \$762.5 million of investment grade notes issued through LMNT 2021-FL1.
 - \$317.7 million of investment grade notes issued through LMF 2023-1.
- As of March 31, 2024, the Company held cash and cash equivalents of \$64.6 million with a leverage ratio of 4.7x, a decrease of 0.3x from 5.0x in the prior quarter.
- No corporate debt maturities until 2026.

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 33 months.



Q1 2024 Income Statement Summary

Summary Income Statement (thousands)	Three Months Ended March 31, 2024
Net interest income	\$12,993
Total other income (loss)	(1,734)
Operating expenses	(4,268)
Benefit (provision) from income taxes	(11)
Preferred dividends	(1,185)
Net income attributable to common stockholders	\$5,795
Weighted average shares outstanding during the period, basic and diluted	52,249,299
Net income attributable to common stockholders per share	\$0.11

GAAP Net Income to Distributable Earnings Reconciliation (thousands)	Three Months Ended March 31, 2024
Net Income attributable to common stockholders	\$5,795
Adjustments:	
Unrealized (gains) losses on mortgage servicing rights	(5)
Unrealized provision for credit losses	1,777
Provision for (benefit from) income taxes	11
Distributable Earnings ⁽¹⁾	\$7,578
Weighted average shares outstanding during the period, basic and diluted	52,249,299
Distributable Earnings per share of common stock	\$0.15
Dividend per share of common stock	\$0.07

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

Q1 2024 Balance Sheet Summary

Balance Sheet (thousands)	March 31, 2024 ⁽¹⁾
Commercial mortgage loans held-for-investment (net of allowance for credit losses)	\$1,285,479
Cash and cash equivalents	64,573
Restricted cash ⁽²⁾	72
Accrued interest receivable	8,463
Investment related receivable	17,320
Other assets ⁽³⁾	2,284
Total assets	\$1,378,192
Secured financings ⁽⁴⁾	\$1,075,890
Credit facility ⁽⁴⁾	47,282
Other liabilities	12,084
Total liabilities	\$1,135,257
Total equity	\$242,935
Total liabilities / total equity	4.7x
Book Value Per Share of Common Stock ⁽⁵⁾	\$3.50

Note:

(1) See Appendix for detailed consolidated balance sheet, including the Company's consolidated variable interest entities ("VIE's").

(2) Restricted cash held by 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 \$762.5 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.

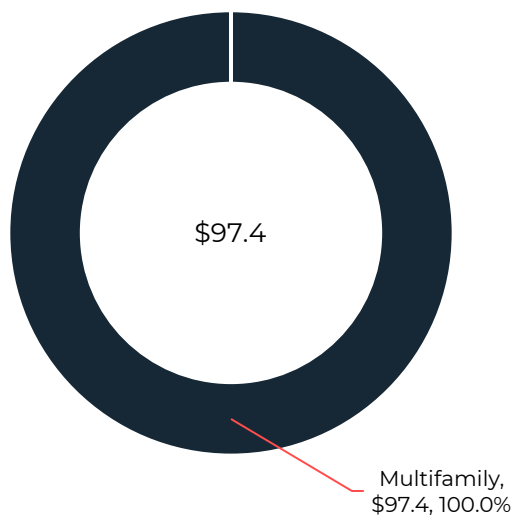


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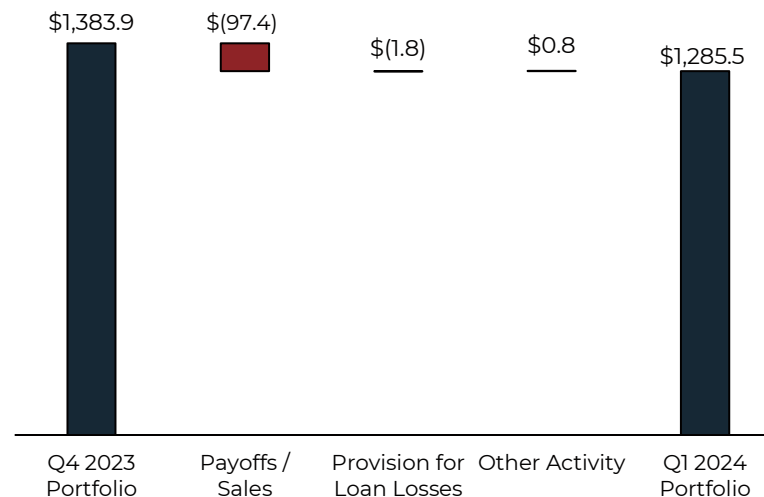
Q1 2024 Loan Activity

- The Company experienced \$97.4 million of loan payoffs during the quarter.

Q1 Payoffs by Property Type⁽¹⁾

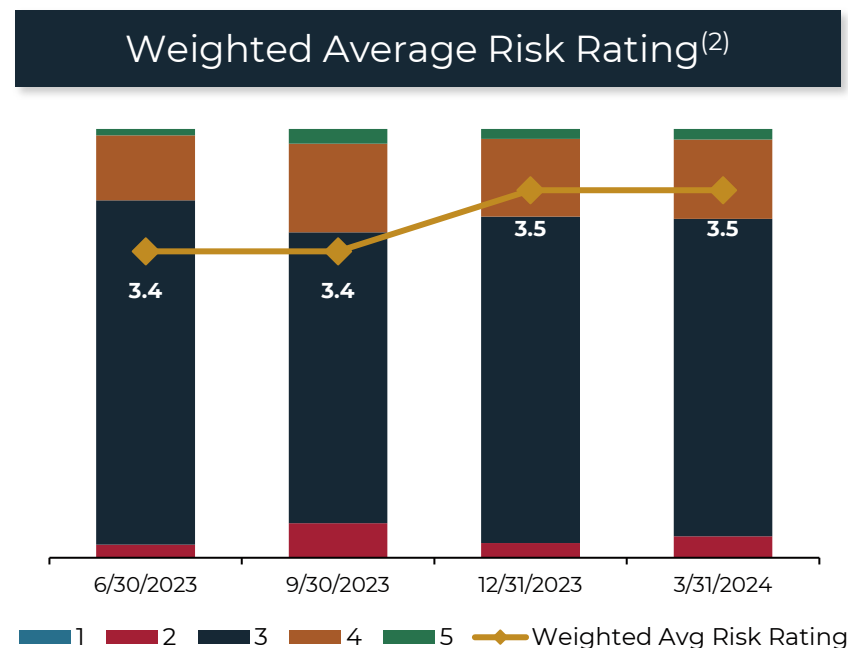
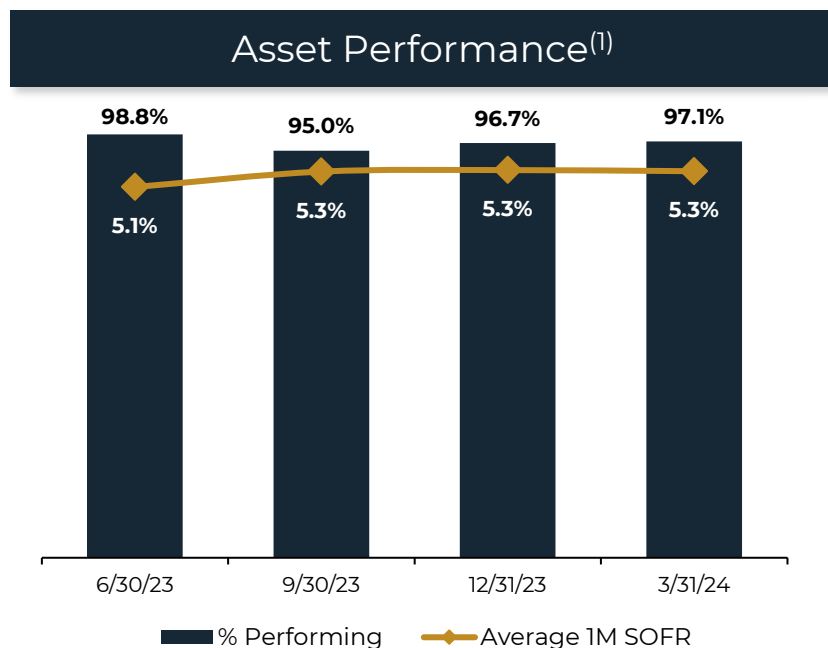


Portfolio Activity⁽²⁾



Portfolio Credit

- As of March 31, 2024, 97.1% of the Company's portfolio was performing⁽¹⁾, with 76.9% of the portfolio rated "3" (Moderate Risk) or better.
- Weighted average risk rating⁽²⁾ of 3.5 remained unchanged quarter over quarter.

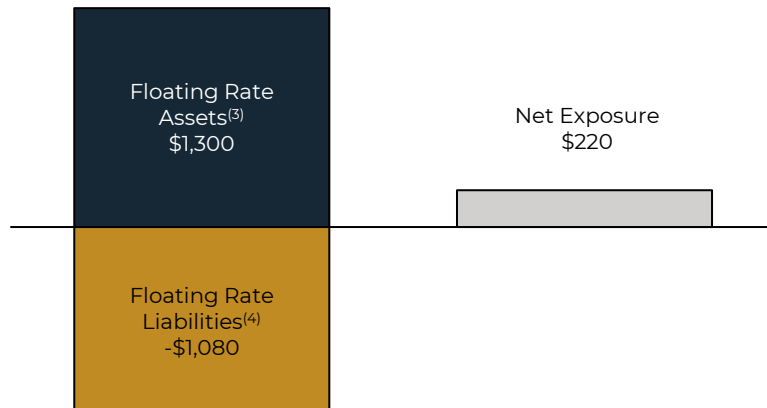


Note: (1) An asset is defined as performing if it is not in default, or not on non-accrual status.
(2) Weighted average risk rating is weighted based on carrying value of portfolio assets.

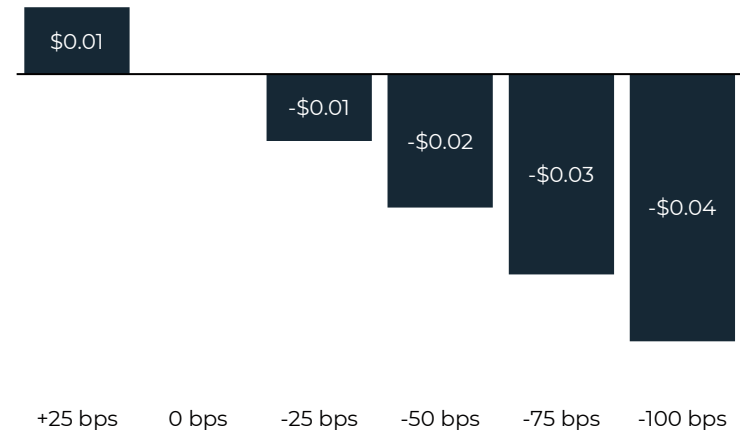
Net Interest Income Sensitivity to Shifts in Term SOFR

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

Floating-Rate Exposure⁽²⁾



Net Interest Income Per Share Sensitivity to Change in SOFR⁽⁵⁾



Note:

(1) The Company converted its LIBOR-based loans and CLO liabilities to term SOFR on July 6th, 2023.

(2) In millions. Net Exposure represents UPB of floating rate portfolio assets net of par value of secured floating rate debt outstanding.

(3) Figure reflects unpaid principal balance of floating-rate loan portfolio.

(4) Comprised of outstanding securitization notes related to 2021-FL1 and LMF 2023-1, both of which are indexed to one-month SOFR. Figure reflects par value of notes.

(5) Annualized impact per common share. Assumes starting 30-day term SOFR of 5.31%.

3/31/2024 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	Multifamily	Daytona	FL	51,375,000	3.16%	0	37	71.70%
2	Loan 2	6/8/2021	7/5/2024	Multifamily	Chattanooga	TN	33,360,000	3.76%	0	37	79.76%
3	Loan 3	11/22/2019	4/5/2024	Multifamily	Virginia Beach	VA	33,227,466	4.11%	0	53	77.10%
4	Loan 4	3/22/2022	4/5/2025	Multifamily	Seneca	SC	31,876,244	3.35%	(547,294)	37	74.54%
5	Loan 5	6/28/2022	7/3/2025	Multifamily	Dallas	TX	31,602,808	3.90%	(449,810)	36	71.59%
6	Loan 6	12/29/2021	1/6/2025	Multifamily	Multi	NC	30,709,146	3.96%	0	36	59.90%
7	Loan 7	6/8/2021	7/5/2024	Multifamily	Miami	FL	30,576,666	3.31%	0	37	74.26%
8	Loan 8	5/20/2021	6/6/2024	Multifamily	Marietta	GA	30,220,508	3.21%	(8,361)	37	77.02%
9	Loan 9	8/25/2022	9/5/2025	Multifamily	Wilmington	NC	28,653,440	4.00%	0	36	71.45%
10	Loan 10	6/7/2021	7/5/2024	Multifamily	San Antonio	TX	27,569,521	3.51%	(2,165)	37	80.00%
11	Loan 11	11/2/2021	11/5/2024	Multifamily	Melbourne	FL	26,049,291	3.81%	(153,724)	36	72.09%
12	Loan 12	8/26/2021	8/5/2024	Multifamily	Clarkston	GA	25,440,413	3.61%	(728)	35	79.00%
13	Loan 13	11/15/2021	12/6/2024	Multifamily	El Paso	TX	24,330,000	3.21%	0	37	75.96%
14	Loan 14	10/18/2021	11/6/2024	Multifamily	Cherry Hill	NJ	23,348,000	3.11%	0	37	72.40%
15	Loan 15	8/26/2021	9/5/2024	Multifamily	Union City	GA	22,872,354	3.46%	(2,501)	36	70.40%
16	Loan 16	4/27/2022	5/5/2025	Multifamily	North Brunswick	NJ	22,182,443	3.40%	(119,952)	36	79.90%
17	Loan 17	3/22/2022	4/5/2025	Multifamily	York	PA	21,934,375	3.30%	(489,334)	37	79.17%
18	Loan 18	11/16/2021	12/5/2024	Multifamily	Dallas	TX	21,916,753	3.31%	(6,836)	37	73.54%
19	Loan 19	7/8/2022	8/5/2025	Multifamily	Arlington	TX	21,818,465	3.75%	(288,166)	37	67.10%
20	Loan 20	8/31/2021	9/6/2024	Multifamily	Houston	TX	21,644,684	3.41%	(1,454)	36	74.20%
21	Loan 21	11/29/2022	12/5/2025	Seniors Housing & Healthcare	Glendale	WI	20,360,000	4.00%	0	36	45.00%

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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.



3/31/2024 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	6/10/2022	7/5/2025	Multifamily	Various	GA	20,250,372	3.75%	(293,429)	37	75.79%
23	Loan 23	11/5/2021	11/5/2024	Multifamily	Orlando	FL	19,625,274	3.11%	(3,944)	36	78.05%
24	Loan 24	4/13/2022	5/5/2025	Multifamily	Decatur	GA	18,989,494	3.55%	(305,685)	37	75.70%
25	Loan 25	11/21/2022	12/5/2025	Seniors Housing & Healthcare	Houston	TX	18,920,000	4.00%	0	37	67.00%
26	Loan 26	11/23/2021	12/5/2024	Multifamily	Orange	NJ	18,834,024	3.31%	(4,062)	36	78.00%
27	Loan 27	2/2/2022	2/6/2025	Multifamily	Houston	TX	18,660,822	3.50%	(115,127)	36	77.50%
28	Loan 28	2/11/2022	3/5/2025	Multifamily	Tampa	FL	18,599,480	3.60%	0	37	77.99%
29	Loan 29	5/26/2022	6/6/2024	Multifamily	Brooklyn	NY	17,263,000	3.75%	0	24	64.30%
30	Loan 30	3/31/2022	4/5/2025	Multifamily	Tallahassee	FL	16,956,276	3.30%	(341,568)	36	74.80%
31	Loan 31	11/10/2022	12/5/2025	Seniors Housing & Healthcare	Austin	TX	16,690,000	4.00%	0	37	65.00%
32	Loan 32	12/1/2021	12/5/2024	Multifamily	Horn Lake	MS	15,449,323	3.41%	(11,673)	36	75.70%
33	Loan 33	2/1/2022	2/5/2025	Multifamily	San Antonio	TX	15,400,000	3.45%	0	36	79.79%
34	Loan 34	4/6/2022	4/4/2025	Multifamily	Vineland	NJ	15,347,180	3.75%	(231,868)	36	77.00%
35	Loan 35	4/6/2022	4/5/2025	Multifamily	Haltom City	TX	15,156,425	3.45%	(235,915)	36	74.10%
36	Loan 36	12/2/2021	12/6/2024	Multifamily	Colorado Springs	CO	15,010,343	3.11%	0	36	72.48%
37	Loan 37	2/22/2022	3/5/2025	Multifamily	Philadelphia	PA	15,000,000	3.80%	0	36	80.00%
38	Loan 38	6/15/2022	7/5/2025	Multifamily	Denton	TX	14,511,455	3.90%	(8,425)	37	73.00%
39	Loan 39	7/26/2022	8/5/2025	Multifamily	Atlanta	GA	14,351,599	3.65%	(253,084)	36	65.15%
40	Loan 40	4/27/2022	5/5/2025	Multifamily	Houston	TX	14,171,704	3.70%	(209,847)	36	79.60%
41	Loan 41	1/13/2022	2/5/2025	Multifamily	Indianapolis	IN	14,119,842	3.75%	(148,918)	37	80.00%
42	Loan 42	11/21/2022	12/5/2025	Seniors Housing & Healthcare	Southlake	TX	14,030,000	4.00%	0	37	48.00%
43	Loan 43	12/28/2021	1/3/2025	Multifamily	Houston	TX	14,000,000	3.25%	(199,045)	36	71.22%
44	Loan 44	5/13/2022	6/5/2025	Multifamily	Decatur	AL	13,885,769	3.50%	(111,969)	37	59.21%

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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.

3/31/2024 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	4/12/2021	5/5/2024	Multifamily	Cedar Park	TX	13,666,721	3.86%	0	37	66.70%
46	Loan 46	6/10/2022	7/5/2025	Multifamily	Blakely	PA	13,625,505	3.90%	(93,166)	37	75.00%
47	Loan 47	10/6/2023	10/4/2024	Multifamily	Garfield	NJ	13,191,852	4.00%	0	12	65.50%
48	Loan 48	12/13/2021	1/5/2025	Multifamily	Evansville	IN	12,600,000	3.41%	0	37	74.30%
49	Loan 49	12/28/2021	1/3/2025	Multifamily	Houston	TX	12,322,717	3.25%	(90,937)	36	71.20%
50	Loan 50	1/25/2022	2/6/2025	Multifamily	Corpus Christi	TX	12,249,079	3.55%	(137,716)	36	78.76%
51	Loan 51	5/12/2022	6/5/2025	Multifamily	Ypsilanti	MI	11,926,591	3.50%	(179,969)	37	68.40%
52	Loan 52	12/10/2021	1/5/2025	Multifamily	Los Angeles	CA	11,662,582	3.61%	(261,761)	37	67.93%
53	Loan 53	3/4/2022	3/5/2025	Multifamily	Houston	TX	11,467,505	3.45%	(248,625)	36	78.30%
54	Loan 54	4/14/2022	5/5/2025	Multifamily	Irving	TX	11,287,602	3.50%	(182,312)	37	74.90%
55	Loan 55	10/28/2021	11/6/2024	Multifamily	Tampa	FL	11,202,535	3.06%	0	36	75.70%
56	Loan 56	4/23/2021	5/6/2024	Multifamily	Tualatin	OR	10,986,357	3.31%	(684)	36	73.90%
57	Loan 57	5/3/2022	5/5/2025	Multifamily	Port Richey	FL	10,818,945	3.55%	(215,083)	36	79.05%
58	Loan 58	9/30/2021	10/4/2024	Multifamily	Clearfield	UT	10,795,000	3.26%	0	36	67.98%
59	Loan 59	12/29/2021	1/3/2025	Multifamily	Phoenix	AZ	10,615,094	3.76%	(5,400)	36	75.90%
60	Loan 60	6/28/2022	7/4/2025	Multifamily	Colorado Springs	CO	10,531,845	3.90%	0	36	73.06%
61	Loan 61	12/2/2021	12/6/2024	Multifamily	Tomball	TX	9,975,000	3.51%	0	36	68.50%
62	Loan 62	11/23/2021	12/5/2024	Multifamily	Atlanta	GA	9,856,000	3.46%	0	36	79.50%
63	Loan 63	1/14/2022	2/5/2025	Multifamily	Houston	TX	9,609,250	3.60%	0	37	78.76%
64	Loan 64	7/14/2022	8/5/2025	Multifamily	Bradenton	FL	9,429,206	3.90%	(73,762)	37	74.40%
65	Loan 65	8/5/2022	8/5/2025	Multifamily	San Antonio	TX	9,127,649	4.35%	(41,043)	36	75.00%
66	Loan 66	10/29/2021	11/5/2024	Multifamily	Riverside	MO	8,717,380	3.51%	(5,008)	36	76.60%

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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.



3/31/2024 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⁾
67	Loan 67	6/22/2022	7/3/2025	Multifamily	Des Moines	IA	8,175,500	4.00%	0	36	72.03%
68	Loan 68	5/26/2022	6/5/2025	Multifamily	Haltom City	TX	8,116,833	4.00%	(72,028)	36	74.38%
69	Loan 69	6/24/2022	7/6/2025	Multifamily	Moncks Corner	SC	7,934,160	4.15%	0	36	67.80%
70	Loan 70	6/3/2022	6/5/2025	Self Storage	Deer Park	NY	7,367,500	3.60%	(57,051)	36	72.50%
71	Loan 71	9/28/2021	10/4/2024	Multifamily	Chicago	IL	7,286,000	3.76%	0	36	75.90%
72	Loan 72	7/1/2021	7/5/2024	Multifamily	Harker Heights	TX	7,169,838	3.71%	0	36	72.30%
73	Loan 73	10/7/2022	11/5/2024	Multifamily	Fairborn	OH	7,000,000	4.10%	0	25	79.10%
74	Loan 74	10/24/2022	11/6/2024	Seniors Housing & Healthcare	Various	FL	6,100,000	4.50%	0	24	71.00%
75	Loan 75	4/8/2022	5/5/2025	Multifamily	St. Petersburg	FL	6,096,412	4.00%	(78,539)	37	75.50%
76	Loan 76	5/21/2021	6/6/2024	Multifamily	Youngtown	AZ	5,994,000	3.76%	0	37	71.40%
77	Loan 77	7/14/2021	8/6/2024	Multifamily	Birmingham	AL	5,913,912	3.81%	(368)	37	71.69%
78	Loan 78	11/19/2021	12/5/2024	Multifamily	Huntsville	AL	5,519,604	3.86%	(1,290)	37	78.75%
79	Loan 79	4/30/2021	5/5/2024	Multifamily	Daytona Beach	FL	5,285,500	3.76%	0	36	77.40%
80	Loan 80	12/13/2021	1/5/2025	Multifamily	Evansville	IN	5,250,000	3.41%	0	37	73.90%
81	Loan 81	10/6/2023	10/4/2024	Multifamily	Garfield	NJ	4,808,148	4.00%	0	12	65.50%
Total / Average							1,299,971,777	3.60%	(6,289,627)	36	73.02%

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

	March 31, 2024 ⁽¹⁾	December 31, 2023 ⁽¹⁾
	(unaudited)	
ASSETS		
Cash and cash equivalents	\$ 64,573,372	\$ 51,247,063
Restricted cash	72,182	270,129
Commercial mortgage loans held-for-investment, at amortized cost	1,293,295,378	1,389,940,203
Less: Allowance for credit losses	(7,816,462)	(6,059,006)
Commercial mortgage loans held-for-investment, net of allowance for credit losses	1,285,478,916	1,383,881,197
Mortgage servicing rights, at fair value	696,600	691,973
Accrued interest receivable	8,463,278	8,588,805
Investment related receivable	17,320,000	—
Other assets	1,587,577	2,253,280
Total assets	<u>\$ 1,378,191,925</u>	<u>\$ 1,446,932,447</u>
LIABILITIES AND EQUITY		
LIABILITIES		
Collateralized loan obligations and secured financings, net	1,075,890,203	1,146,210,752
Secured term loan, net	47,282,352	47,220,226
Accrued interest payable	3,850,616	4,092,701
Dividends payable	4,659,261	4,654,904
Fees and expenses payable to Manager	3,072,500	1,587,875
Other liabilities ⁽²⁾	501,691	2,373,609
Total liabilities	<u>1,135,256,623</u>	<u>1,206,140,067</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 March 31, 2024 and December 31, 2023, respectively	57,254,935	57,254,935
Common Stock: par value \$0.01 per share; 450,000,000 shares authorized, 52,257,315 and 52,248,631 shares issued and outstanding, at March 31, 2024 and December 31, 2023, respectively	522,574	522,487
Additional paid-in capital	314,592,963	314,587,299
Cumulative distributions to stockholders	(183,888,760)	(179,045,749)
Accumulated earnings	54,354,090	47,373,908
Total stockholders' equity	<u>242,835,802</u>	<u>240,692,880</u>
Noncontrolling interests	\$ 99,500	\$ 99,500
Total equity	<u>\$ 242,935,302</u>	<u>\$ 240,792,380</u>
Total liabilities and equity	<u>\$ 1,378,191,925</u>	<u>\$ 1,446,932,447</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 March 31, 2024 and December 31, 2023, assets of consolidated VIEs totaled \$1,311,421,901 and \$1,384,136,334, respectively and the liabilities of consolidated VIEs totaled \$1,079,644,656 and \$1,150,207,290 respectively. See Note 4 for further discussion.

(2) Includes \$63,064 and \$43,647 of Current Expected Credit Loss ("CECL") allowance related to unfunded commitments on commercial mortgage loans, net as of March 31, 2024 and December 31, 2023, respectively.



Consolidated Statement of Income

	Three Months Ended March 31, 2024	Three Months Ended March 31, 2023
Revenues:		
Interest income:		
Commercial mortgage loans held-for-investment	\$ 34,790,118	\$ 21,944,661
Cash and cash equivalents	651,403	261,665
Interest expense:		
Collateralized loan obligations and secured financings	(21,511,754)	(13,033,046)
Secured term loan	(937,210)	(926,912)
Net interest income	12,992,557	8,246,368
Expenses:		
Management and incentive fees	2,568,207	1,087,262
General and administrative expenses	1,134,136	948,066
Operating expenses reimbursable to Manager	470,167	509,986
Other operating expenses	36,480	64,584
Compensation expense	58,750	62,108
Total expenses	4,267,740	2,672,006
Other income and expense:		
(Provision for) reversal of credit losses, net	(1,776,873)	179,684
Change in unrealized (loss) gain on mortgage servicing rights	4,627	(49,129)
Servicing income, net	38,503	51,528
Total other income and expense	(1,733,743)	182,083
Net income before provision for income taxes	6,991,074	5,756,445
(Provision for) benefit from income taxes	(10,892)	10,246
Net income	6,980,182	5,766,691
Dividends accrued to preferred stockholders	(1,184,999)	(1,184,958)
Net income attributable to common stockholders	\$ 5,795,183	\$ 4,581,733
Earnings per share:		
Net income attributable to common stockholders (basic and diluted)	\$ 5,795,183	\$ 4,581,733
Weighted average number of shares of common stock outstanding	52,249,299	52,231,152
Basic and diluted income per share	\$ 0.11	\$ 0.09
Dividends declared per share of common stock	\$ 0.07	\$ 0.06



Detailed Walk of Allowance for Loan Losses

	Three months ended	
	March 31, 2024	March 31, 2023
Allowance for credit losses at beginning of period	\$ 6,059,006	\$ 4,258,668
Cumulative-effect adjustment upon adoption of ASU 2016-13	—	3,549,501
Provision for (reversal of) credit losses	1,757,456	(178,970)
Charge offs	—	(4,271,672)
Allowance for credit losses at end of period	<u>\$ 7,816,462</u>	<u>\$ 3,357,527</u>

Reconciliation of Net Income to Distributable Earnings

GAAP to Distributable Earnings Reconciliation	For the Three Months Ended			
	March 31, 2024	December 31, 2023	September 30, 2023	June 30, 2023
<i>Reconciliation of GAAP to non-GAAP Information</i>				
Net income attributable to common stockholders	\$5,795,183	\$3,828,893	\$5,174,685	\$1,389,185
<i>Adjustments for non-Distributable earnings</i>				
Unrealized losses (gains) on mortgage servicing rights	(4,627)	56,334	(1,573)	(206)
Unrealized provision for credit losses	1,776,873	1,357,254	791,563	555,083
Subtotal	1,772,246	1,413,588	789,990	554,877
<i>Other Adjustments</i>				
Recognized compensation expense related to restricted common stock	-	-	-	2,836
Adjustment for income taxes	10,892	(4,057)	19,803	223
Subtotal	10,892	(4,057)	19,803	3,059
Distributable Earnings	\$7,578,321	\$5,238,424	\$5,984,478	\$1,947,121
Weighted average shares outstanding, basic and diluted	52,249,299	52,231,722	52,231,152	52,231,152
Distributable Earnings per share of common stock, basic and diluted	\$0.15	\$0.10	\$0.11	\$0.04

Detailed Walk of Capitalization as of 3/31/2024

<i>(in 000's)</i>	3/31/2024
Total GAAP liabilities and stockholders' equity	\$1,378,092
<i>Adjustments for Capitalization</i>	
(-) Accrued interest payable	(3,851)
(-) Dividends payable	(4,659)
(-) Fees and expenses payable to Manager	(3,073)
(-) Other accounts payable and accrued expenses	(502)
(+) Other capitalized financing & issuance costs	4,823
LFT Capitalization	\$1,370,832

Book Value Per Share of Common Stock as of 3/31/2024

<i>(in 000's)</i>		Book Value per Share of Common Stock
Total stockholders' equity		\$242,935
(-) Preferred equity ⁽¹⁾		(60,000)
(-) Non-controlling interest		(100)
Common equity		\$182,836
Shares outstanding		52,257,315
Book Value Per Share of Common Stock		\$3.50



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.



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May 2024
