

A modern multi-story apartment building is the background. The left side shows a grey facade with several windows reflecting a blue sky. The right side shows a similar facade with bright yellow balconies and a strong sun flare effect. The central text is overlaid on a dark blue vertical band.

# Lument Finance Trust

Q3 2024 Earnings Supplemental  
November 2024

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# Disclaimer

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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](http://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 12th, 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

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- 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.

# Q3 2024 Updates

## Financial Results

- Q3 2024 GAAP net income attributable to common stockholders of \$0.10 per share of common stock.
- Q3 2024 Distributable Earnings<sup>(1)</sup> of \$0.10 per share of common stock.
- On September 16, 2024, the Company declared a cash dividend for the quarter of \$0.08 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.
- Book Value Per Share of Common Stock was \$3.50<sup>(2)</sup> as of 9/30/2024.

## Notable Activity

- During the quarter, the Company experienced \$51.4 million of loan payoffs and \$45.4 million of loan fundings.

## Portfolio Performance

- As of September 30, 2024, the Company's investment portfolio consisted of floating-rate CRE loans of which approximately 93.2%<sup>(3)</sup> were collateralized by multifamily assets.
- As of September 30, 2024, the Company's \$1.2 billion loan portfolio had a weighted average remaining initial term of 7 months<sup>(4)</sup>, a weighted average note rate of SOFR + 3.58%, and unamortized aggregate purchase discounts of \$4.3 million.
- Portfolio weighted average risk rating of 3.6, with 60.6% of the portfolio rated "3" (Moderate Risk) or better.

## Capitalization

- The floating-rate CRE loan portfolio was financed primarily through the Company's two outstanding non-mark-to-market secured financings:
  - \$640.0 million of investment grade notes issued through 2021-FL1 CLO.
  - \$317.7 million of investment grade notes issued through LMF 2023-1.
- As of September 30, 2024, the Company held cash and cash equivalents of \$45.6 million and its leverage ratio declined quarter-over-quarter from 4.4x to 4.2x.
- The Company's corporate debt does not mature 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 28 months.

# Q3 2024 Balance Sheet Summary

Balance Sheet (thousands)	September 30, 2024 <sup>(1)</sup>
Commercial mortgage loans held-for-investment (net of allowance for credit losses)	\$1,181,668
Cash and cash equivalents	45,588
Restricted cash <sup>(2)</sup>	19,491
Accrued interest receivable	6,823
Other assets <sup>(3)</sup>	2,430
<b>Total assets</b>	<b>\$1,255,999</b>
Secured financings <sup>(4)</sup>	\$955,095
Credit facility <sup>(4)</sup>	47,407
Other liabilities	10,353
<b>Total liabilities</b>	<b>\$1,012,855</b>
<b>Total equity</b>	<b>\$243,144</b>
<b>Total liabilities / total equity</b>	<b>4.2x</b>
<b>Book Value Per Share of Common Stock<sup>(5)</sup></b>	<b>\$3.50</b>

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 \$0.6 million.

(4) Outstanding principal amount of investment grade notes issued by 2021-FL1 CLO and LMF 2023-1 is \$640.0 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.

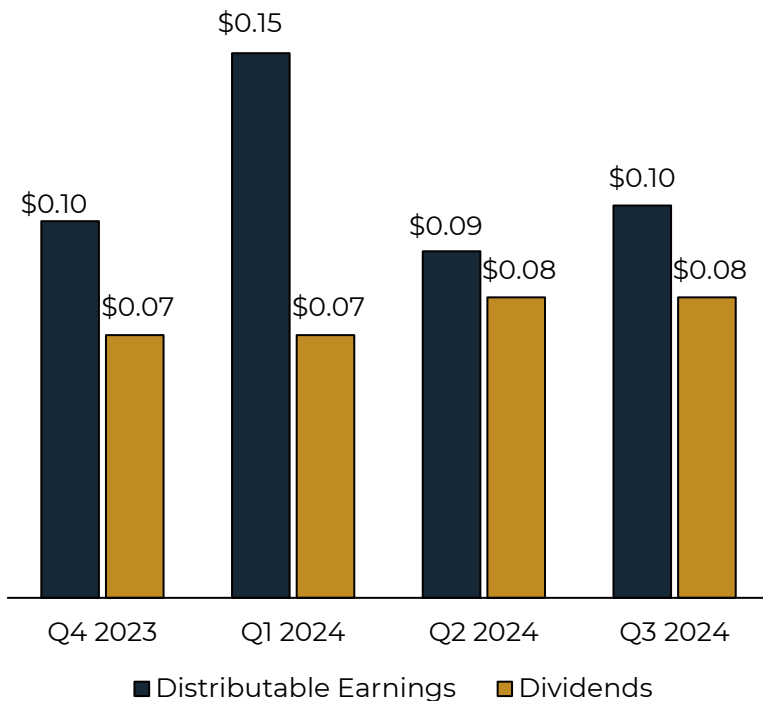
# Q3 2024 Income Statement Summary

Summary Income Statement (thousands)	Three Months Ended September 30, 2024	GAAP Net Income to Distributable Earnings Reconciliation (thousands)	Three Months Ended September 30, 2024
Net interest income	\$9,484	Net Income attributable to common stockholders	\$5,096
Total other income (loss)	(303)	Adjustments:	
Operating expenses	(2,897)	Unrealized (gains) losses on mortgage servicing rights	46
Benefit (provision) from income taxes	(3)	Unrealized provision for credit losses	317
Preferred dividends	(1,185)	Provision for (benefit from) income taxes	3
Net income attributable to common stockholders	\$5,096	Distributable Earnings <sup>(1)</sup>	\$5,463
		Weighted average shares outstanding during the period, basic and diluted	52,283,669
		Distributable Earnings per share of common stock	\$0.10
		Dividend per share of common stock	\$0.08
Weighted average shares outstanding during the period, basic and diluted	52,283,669		
Net income attributable to common stockholders per share	\$0.10		

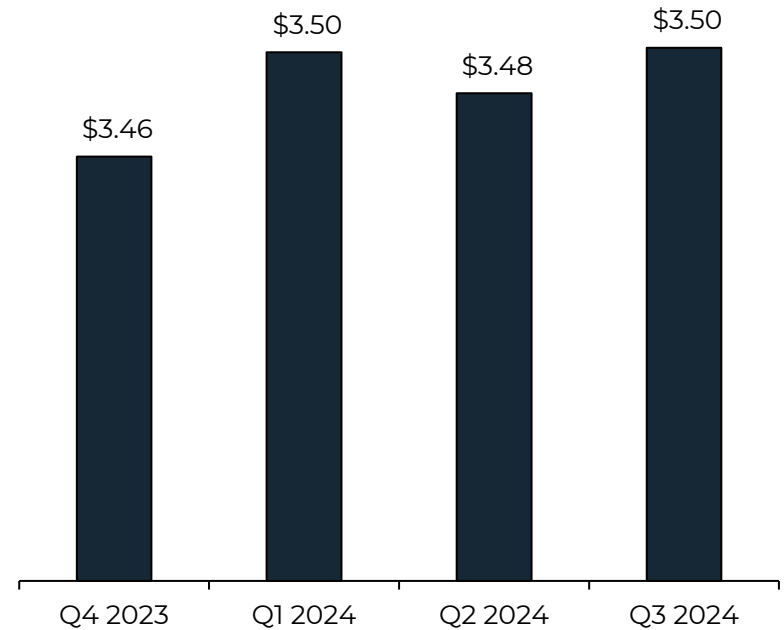
Note: (1) See Appendix for definition of Distributable Earnings and reconciliation to GAAP.

# Earnings and Book Value Per Share of Common Stock

Distributable Earnings<sup>(1)</sup> & Dividends Per Share of Common Share



Book Value Per Share of Common Stock<sup>(2)</sup>

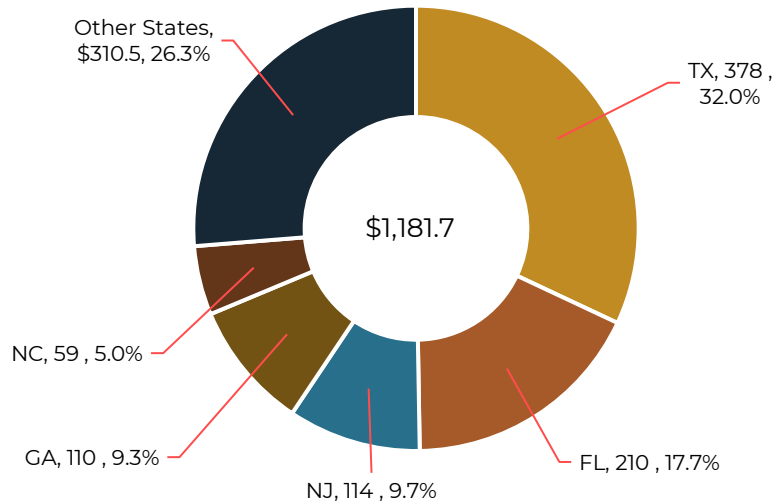


Note: (1) See Appendix for definition of Distributable Earnings.  
(2) See Appendix for definition of Book Value Per Share of Common Stock.

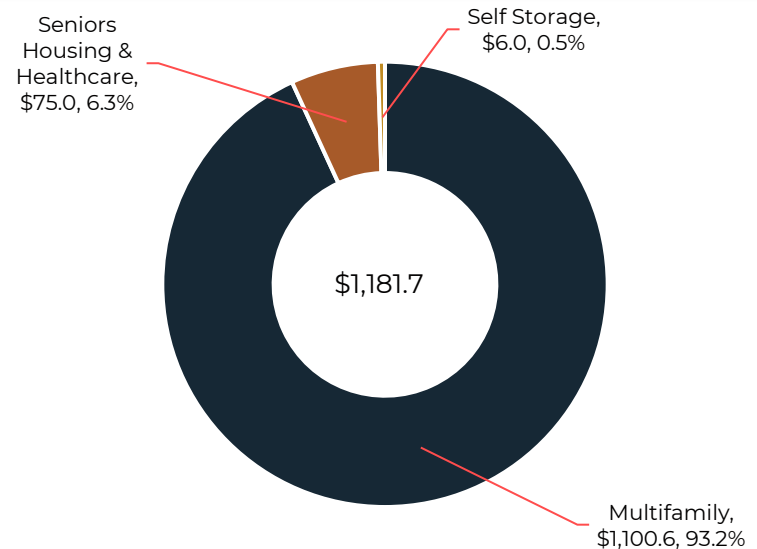
# Investment Portfolio

- On September 30, 2024, the Company owned a portfolio of floating-rate CRE loans with a carrying value of \$1.2 billion. 93.2%<sup>(1)</sup> 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<sup>(2)</sup>



## Property Type<sup>(2)</sup>



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

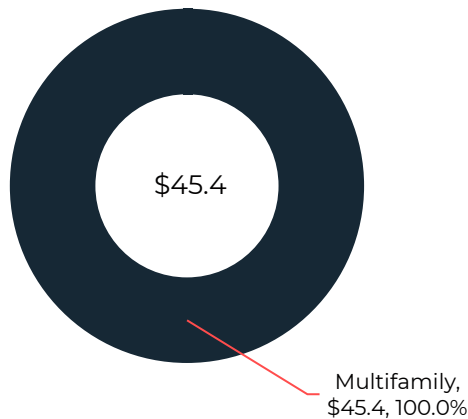


# Q3 2024 Loan Activity

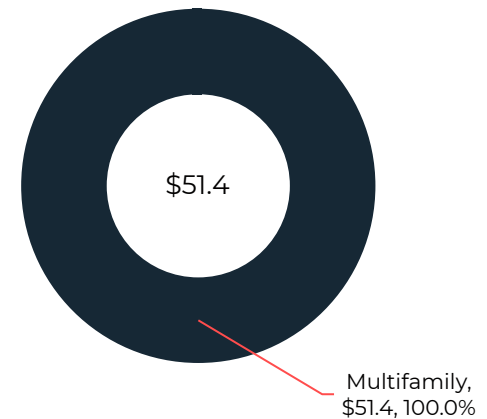
- The Company experienced \$45.4 million of loan fundings and \$51.4 million of loan payoffs during the quarter.



### Q3 Fundings by Property Type<sup>(1)</sup>



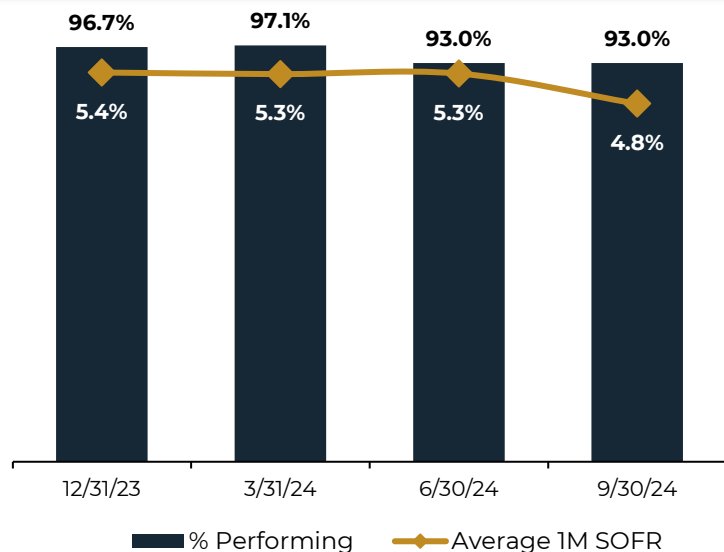
### Q3 Payoffs by Property Type<sup>(1)</sup>



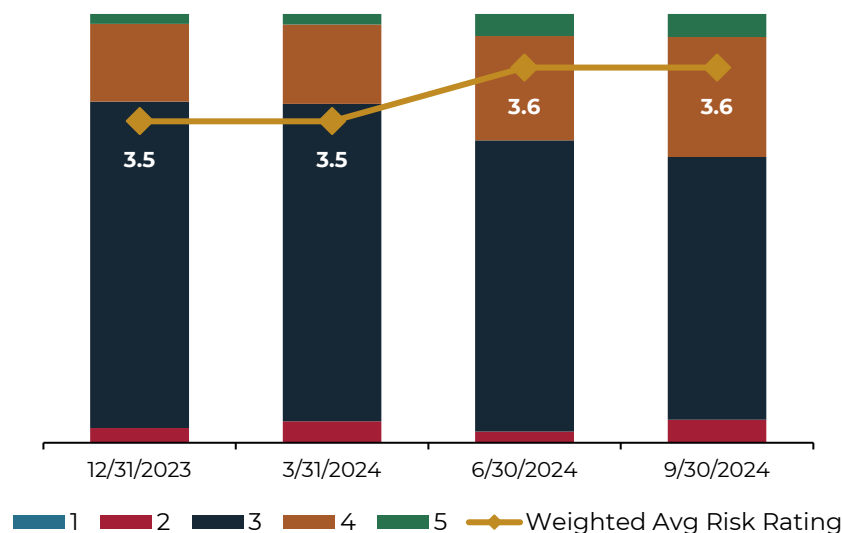
# Portfolio Credit

- As of September 30, 2024, 93.0% of the Company's portfolio was performing<sup>(1)</sup>, with 60.6% of the portfolio rated "3" (Moderate Risk) or better.
- Weighted average risk rating<sup>(2)</sup> of 3.6.
- During the quarter, management applied a "5" risk-rating to four loans with an aggregate principal value of \$83.8 million.

## Asset Performance<sup>(1)</sup>



## Weighted Average Risk Rating<sup>(2)</sup>

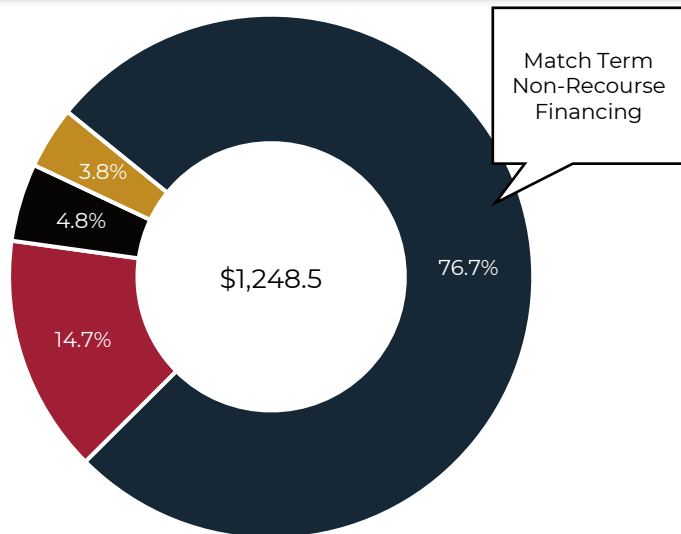


Note: (1) "Performing" defined as loans that are neither in default nor on non-accrual status.  
 (2) Weighted average risk rating is weighted based on carrying value of portfolio assets.

# Q3 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 loan assets from repo or warehouse lenders.
- Primary sources of financing include two secured financings (2021-FL1 CLO and LMF 2023-1), preferred stock, and a corporate term loan.

## Capital Structure Composition<sup>(1)</sup>



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

## Capital Structure Detail

(\$ in millions)

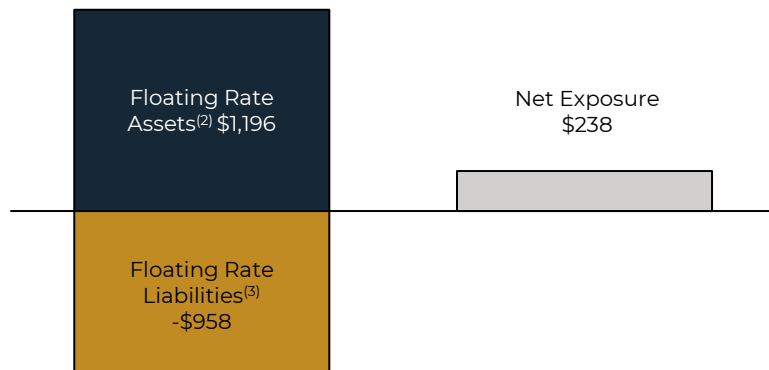
<u>Secured Financings<sup>(2)</sup></u>	<u>Maturity Date</u>	<u>Rate</u>	<u>Advance Rate</u>	<u>Amount</u>
2021-FL1 CLO	July 2032	S + 1.64%	78.7%	\$640.0
LMF 2023-1 Financing	June 2039	S + 3.14%	82.2%	\$317.7
<b>Credit Facilities</b>				
Term Loan <sup>(3)</sup>	February 2026	7.25%		\$47.8
<b>Total Debt</b>				<b>\$1,005.4</b>
<b>Equity</b>				
Preferred Equity <sup>(4)</sup>	N/A	7.875%		\$60.0
Book Value of Common Equity <sup>(5)</sup>	N/A			\$183.0
<b>Total Capitalization<sup>(1)</sup></b>				<b>\$1,248.5</b>

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. 2021-FL1 CLO GAAP carrying value of \$640.0 million includes \$0.0 million of unamortized debt issuance costs. LMF 2023-1 carrying value of \$315.1 million includes \$2.6 million of unamortized debt issuance costs.  
 (3) Term loan shown at par value. GAAP carrying value of \$47.4 million includes \$0.3 million of unamortized debt issuance costs.  
 (4) Preferred equity shown at \$60 million liquidation preference.  
 (5) Noncontrolling interest was \$99,500 as of 9/30/2024 and is excluded from common equity above.

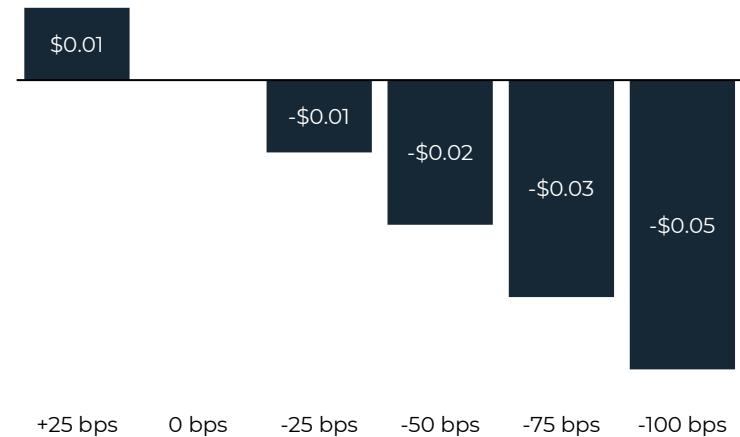
# Net Interest Income Sensitivity to Shifts in Term SOFR

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

## Floating-Rate Exposure<sup>(1)</sup>



## Net Interest Income Per Share Sensitivity to Change in SOFR<sup>(4)</sup>



# Appendix

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# 9/30/2024 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 <sup>(1)</sup>
1	Loan 1	12/16/2021	1/3/2025	Multifamily	Daytona Beach	FL	51,375,000	3.05%	0	37	71.70%
2	Loan 2	3/22/2022	4/5/2025	Multifamily	Seneca	SC	31,876,244	3.35%	(466,439)	37	74.54%
3	Loan 3	6/28/2022	7/3/2025	Multifamily	Dallas	TX	31,602,808	3.90%	(389,541)	36	71.59%
4	Loan 4	12/29/2021	1/6/2025	Multifamily	Multi	NC	30,709,146	3.85%	0	36	59.90%
5	Loan 5	6/8/2021	10/3/2024	Multifamily	Miami	FL	30,576,666	3.20%	0	40	74.26%
6	Loan 6	8/25/2022	9/5/2025	Multifamily	Wilmington	NC	28,653,440	4.00%	0	36	71.45%
7	Loan 7	4/19/2024	11/5/2025	Multifamily	Battle Creek	MI	27,120,000	3.05%	0	18	74.00%
8	Loan 8	6/7/2021	7/6/2025	Multifamily	San Antonio	TX	26,782,045	3.40%	0	49	80.00%
9	Loan 9	11/2/2021	11/5/2024	Multifamily	Melbourne	FL	26,049,291	3.70%	(25,288)	36	72.09%
10	Loan 10	8/26/2021	8/5/2025	Multifamily	Clarkston	GA	24,468,032	3.50%	0	48	79.00%
11	Loan 11	11/15/2021	12/6/2024	Multifamily	El Paso	TX	24,330,000	3.10%	0	37	75.96%
12	Loan 12	10/18/2021	11/6/2024	Multifamily	Cherry Hill	NJ	23,348,000	3.00%	0	37	72.40%
13	Loan 13	8/26/2021	9/5/2025	Multifamily	Union City	GA	22,872,354	3.35%	0	49	70.40%
14	Loan 14	3/22/2022	4/5/2025	Multifamily	York	PA	21,934,375	3.30%	(417,182)	37	79.17%
15	Loan 15	11/16/2021	12/5/2024	Multifamily	Dallas	TX	21,916,753	3.20%	(1,835)	37	73.54%
16	Loan 16	7/8/2022	8/5/2025	Multifamily	Arlington	TX	21,818,465	3.75%	(250,585)	37	67.10%
17	Loan 17	4/27/2022	5/5/2025	Multifamily	North Brunswick	NJ	21,739,237	3.40%	(66,490)	36	79.90%
18	Loan 18	8/31/2021	9/6/2025	Multifamily	Houston	TX	21,644,684	3.30%	0	48	74.20%
19	Loan 19	11/29/2022	12/5/2025	Healthcare	Glendale	WI	20,360,000	4.00%	0	36	45.00%
20	Loan 20	6/10/2022	7/5/2025	Multifamily	Various	GA	20,250,372	3.75%	0	37	75.79%
21	Loan 21	11/5/2021	11/5/2024	Multifamily	Orlando	FL	19,625,274	3.00%	(649)	36	78.05%
22	Loan 22	4/13/2022	5/5/2025	Multifamily	Decatur	GA	18,989,494	3.55%	(169,843)	37	75.70%
23	Loan 23	11/21/2022	12/5/2025	Healthcare	Houston	TX	18,920,000	4.00%	0	37	67.00%
24	Loan 24	11/23/2021	12/5/2024	Multifamily	Orange	NJ	18,834,024	3.20%	(1,091)	36	78.00%
25	Loan 25	2/2/2022	2/6/2025	Multifamily	Houston	TX	18,660,822	3.50%	(48,515)	36	77.50%
26	Loan 26	2/11/2022	3/5/2025	Multifamily	Tampa	FL	18,599,480	3.60%	0	37	77.99%
27	Loan 27	4/30/2024	5/5/2025	Multifamily	Garfield	NJ	18,303,744	3.50%	0	12	66.07%
28	Loan 28	5/26/2022	6/6/2024	Multifamily	Brooklyn	NY	17,263,000	3.75%	0	24	64.30%
29	Loan 29	3/31/2022	4/5/2025	Multifamily	Tallahassee	FL	16,956,276	3.30%	(291,148)	36	74.80%
30	Loan 30	11/10/2022	12/5/2025	Healthcare	Austin	TX	16,690,000	4.00%	0	37	65.00%

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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.

# 9/30/2024 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 <sup>(1)</sup>
31	Loan 31	12/1/2021	12/5/2024	Multifamily	Horn Lake	MS	15,449,323	3.30%	(3,135)	36	75.70%
32	Loan 32	2/1/2022	2/5/2025	Multifamily	San Antonio	TX	15,400,000	3.45%	0	36	79.79%
33	Loan 33	4/6/2022	4/4/2025	Multifamily	Vineland	NJ	15,347,180	3.75%	(197,761)	36	77.00%
34	Loan 34	4/6/2022	4/5/2025	Multifamily	Haltom City	TX	15,156,425	3.45%	(201,080)	36	74.10%
35	Loan 35	12/2/2021	12/6/2024	Multifamily	Colorado Springs	CO	15,010,343	3.00%	0	36	72.48%
36	Loan 36	2/22/2022	3/5/2025	Multifamily	Philadelphia	PA	14,652,030	3.80%	0	36	80.00%
37	Loan 37	6/15/2022	7/5/2025	Multifamily	Denton	TX	14,511,455	3.90%	(5,198)	37	73.00%
38	Loan 38	7/26/2022	8/5/2025	Multifamily	Atlanta	GA	14,351,599	3.65%	(220,105)	36	65.15%
39	Loan 39	4/27/2022	5/5/2025	Multifamily	Houston	TX	14,171,704	3.70%	(116,605)	36	79.60%
40	Loan 40	1/13/2022	2/5/2025	Multifamily	Indianapolis	IN	14,119,842	3.75%	(62,614)	37	80.00%
41	Loan 41	11/21/2022	12/5/2025	Healthcare	Southlake	TX	14,030,000	4.00%	0	37	48.00%
42	Loan 42	12/28/2021	1/3/2025	Multifamily	Houston	TX	14,000,000	3.25%	(166,564)	36	71.22%
43	Loan 43	4/12/2021	5/5/2025	Multifamily	Cedar Park	TX	13,666,721	3.75%	0	49	66.70%
44	Loan 44	6/10/2022	7/5/2025	Multifamily	Blakely	PA	13,625,505	3.90%	(80,635)	37	75.00%
45	Loan 45	10/6/2023	10/4/2024	Multifamily	Garfield	NJ	13,191,852	4.00%	0	12	65.50%
46	Loan 46	12/28/2021	1/3/2025	Multifamily	Houston	TX	12,322,717	3.25%	(31,635)	36	71.20%
47	Loan 47	1/25/2022	2/6/2025	Multifamily	Corpus Christi	TX	12,249,079	3.55%	(116,046)	36	78.76%
48	Loan 48	5/12/2022	6/5/2025	Multifamily	Ypsilanti	MI	11,926,591	3.50%	(155,077)	37	68.40%
49	Loan 49	12/10/2021	1/5/2025	Multifamily	Los Angeles	CA	11,662,582	3.50%	(219,448)	37	67.93%
50	Loan 50	3/4/2022	3/5/2025	Multifamily	Houston	TX	11,467,505	3.45%	(210,970)	36	78.30%
51	Loan 51	10/28/2021	11/6/2024	Multifamily	Tampa	FL	11,202,535	2.95%	0	36	75.70%
52	Loan 52	4/23/2021	5/6/2025	Multifamily	Tualatin	OR	10,986,357	3.20%	0	49	73.90%
53	Loan 53	5/3/2022	5/5/2025	Multifamily	Port Richey	FL	10,818,945	3.55%	(184,397)	36	79.05%
54	Loan 54	9/30/2021	10/4/2024	Multifamily	Clearfield	UT	10,795,000	3.15%	0	36	67.98%
55	Loan 55	12/29/2021	1/3/2025	Multifamily	Phoenix	AZ	10,615,094	3.65%	(4,524)	36	75.90%
56	Loan 56	6/28/2022	7/4/2025	Multifamily	Colorado Springs	CO	10,531,845	3.90%	0	36	73.06%
57	Loan 57	12/2/2021	12/6/2024	Multifamily	Tomball	TX	9,975,000	3.40%	0	36	68.50%
58	Loan 58	11/23/2021	12/5/2024	Multifamily	Atlanta	GA	9,856,000	3.35%	0	36	79.50%
59	Loan 59	1/14/2022	2/5/2025	Multifamily	Houston	TX	9,609,250	3.60%	0	37	78.76%
60	Loan 60	7/14/2022	8/5/2025	Multifamily	Bradenton	FL	9,429,206	3.90%	(64,137)	37	74.40%

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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.

# 9/30/2024 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 <sup>(1)</sup>
61	Loan 61	8/5/2022	8/5/2025	Multifamily	San Antonio	TX	9,127,649	4.35%	(35,715)	36	75.00%
62	Loan 62	10/29/2021	11/5/2024	Multifamily	Riverside	MO	8,717,380	3.40%	(824)	36	76.60%
63	Loan 63	6/22/2022	7/3/2025	Multifamily	Des Moines	IA	8,175,500	4.00%	0	36	72.03%
64	Loan 64	5/26/2022	6/5/2025	Multifamily	Haltom City	TX	8,116,833	4.00%	(62,064)	36	74.38%
65	Loan 65	6/24/2022	7/6/2025	Multifamily	Moncks Corner	SC	7,934,160	4.15%	0	36	67.80%
66	Loan 66	9/28/2021	10/4/2024	Multifamily	Chicago	IL	7,286,000	3.65%	0	36	75.90%
67	Loan 67	7/1/2021	7/6/2025	Multifamily	Harker Heights	TX	7,169,838	3.60%	0	48	72.30%
68	Loan 68	10/7/2022	11/5/2024	Multifamily	Fairborn	OH	7,000,000	4.10%	0	25	79.10%
69	Loan 69	10/24/2022	11/6/2024	Healthcare	Various	FL	6,100,000	4.50%	0	24	71.00%
70	Loan 70	4/8/2022	5/5/2025	Multifamily	St. Petersburg	FL	6,096,412	4.00%	(43,629)	37	75.50%
71	Loan 71	6/3/2022	6/5/2025	Self Storage	Deer Park	NY	6,067,500	3.60%	(33,569)	36	72.50%
72	Loan 72	5/21/2021	6/6/2025	Multifamily	Youngtown	AZ	5,994,000	3.65%	0	49	71.40%
73	Loan 73	11/19/2021	12/5/2024	Multifamily	Huntsville	AL	5,519,604	3.75%	(346)	37	78.75%
74	Loan 74	4/30/2021	5/5/2025	Multifamily	Daytona Beach	FL	5,285,500	3.65%	0	48	77.40%
75	Loan 75	10/6/2023	10/4/2024	Multifamily	Garfield	NJ	4,808,148	4.00%	0	12	65.50%
<b>Total / Average</b>							<b>1,195,799,231</b>	<b>3.53%</b>	<b>(4,344,687)</b>	<b>36</b>	<b>72.65%</b>

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, 2024 <sup>(1)</sup>	December 31, 2023 <sup>(1)</sup>
	(unaudited)	
<b>ASSETS</b>		
Cash and cash equivalents	\$ 45,587,573	\$ 51,247,063
Restricted cash	19,490,910	270,129
Commercial mortgage loans held-for-investment, at amortized cost	1,191,183,049	1,389,940,203
Less: Allowance for credit losses	(9,515,493)	(6,059,006)
Commercial mortgage loans held-for-investment, net of allowance for credit losses	1,181,667,556	1,383,881,197
Mortgage servicing rights, at fair value	640,309	691,973
Accrued interest receivable	6,823,190	8,588,805
Other assets	1,789,333	2,253,280
Total assets	<u>\$ 1,255,998,871</u>	<u>\$ 1,446,932,447</u>
<b>LIABILITIES AND EQUITY</b>		
<b>LIABILITIES</b>		
Collateralized loan obligations and secured financings, net	955,094,679	1,146,210,752
Secured term loan, net	47,407,286	47,220,226
Accrued interest payable	3,153,060	4,092,701
Dividends payable	5,184,660	4,654,904
Fees and expenses payable to Manager	1,486,946	1,587,875
Other liabilities <sup>(2)</sup>	528,018	2,373,609
Total liabilities	<u>1,012,854,649</u>	<u>1,206,140,067</u>
<b>COMMITMENTS AND CONTINGENCIES (NOTES 10 &amp; 11)</b>		
<b>EQUITY</b>		
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, 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, 52,292,107 and 52,248,631 shares issued and outstanding, at September 30, 2024 and December 31, 2023, respectively	522,922	522,487
Additional paid-in capital	314,657,793	314,587,299
Cumulative distributions to stockholders	(194,624,189)	(179,045,749)
Accumulated earnings	65,233,261	47,373,908
Total stockholders' equity	243,044,722	240,692,880
Noncontrolling interests	\$ 99,500	\$ 99,500
Total equity	<u>\$ 243,144,222</u>	<u>\$ 240,792,380</u>
Total liabilities and equity	<u>\$ 1,255,998,871</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 September 30, 2024 and December 31, 2023, assets of consolidated VIEs totaled \$1,187,880,140 and \$1,384,136,334, respectively and the liabilities of consolidated VIEs totaled \$958,170,808 and \$1,150,207,290 respectively. See Note 4 for further discussion.

(2) Includes \$81,184 and \$43,647 of Current Expected Credit Loss ("CECL") allowance related to unfunded commitments on commercial mortgage loans, net as of September 30, 2024 and December 31, 2023, respectively.

# Consolidated Statement of Income

	Three Months Ended September 30, 2024	Three Months Ended September 30, 2023
<b>Revenues:</b>		
Interest income:		
Commercial mortgage loans held-for-investment	\$ 28,926,111	\$ 31,067,350
Cash and cash equivalents	744,724	789,442
Interest expense:		
Collateralized loan obligations and secured financings	(19,238,862)	(21,364,918)
Secured term loan	(947,510)	(947,509)
Net interest income	<u>9,484,463</u>	<u>9,544,365</u>
<b>Expenses:</b>		
Management and incentive fees	1,126,820	1,072,569
General and administrative expenses	1,160,346	861,447
Operating expenses reimbursable to Manager	418,553	284,859
Other operating expenses	80,098	168,062
Compensation expense	111,250	58,750
Total expenses	<u>2,897,067</u>	<u>2,445,687</u>
<b>Other income and expense:</b>		
Provision for credit losses, net	(317,448)	(791,563)
Change in unrealized (loss) gain on mortgage servicing rights	(46,017)	1,573
Servicing income, net	60,283	70,842
Total other income and expense	<u>(303,182)</u>	<u>(719,148)</u>
Net income before provision for income taxes	6,284,214	6,379,530
Benefit from (provision for) income taxes	(3,489)	(19,803)
Net income	<u>6,280,725</u>	<u>6,359,727</u>
Dividends accrued to preferred stockholders	(1,185,041)	(1,185,042)
Net income attributable to common stockholders	<u>\$ 5,095,684</u>	<u>\$ 5,174,685</u>
Earnings per share:		
Net income attributable to common stockholders (basic and diluted)	<u>\$ 5,095,684</u>	<u>\$ 5,174,685</u>
Weighted average number of shares of common stock outstanding	52,283,669	52,231,152
Basic and diluted income per share	<u>\$ 0.10</u>	<u>\$ 0.10</u>
Dividends declared per share of common stock	<u>\$ 0.08</u>	<u>\$ 0.07</u>

# Detailed Walk of Allowance for Loan Losses

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	Three months ended	
	September 30, 2024	September 30, 2023
Allowance for credit losses at beginning of period	\$ 9,193,174	\$ 3,897,895
Cumulative-effect adjustment upon adoption of ASU 2016-13	—	—
Provision for credit losses	322,319	818,335
Charge offs	—	—
Allowance for credit losses at end of period	<u>\$ 9,515,493</u>	<u>\$ 4,716,230</u>

# Reconciliation of Net Income to Distributable Earnings

GAAP to Distributable Earnings Reconciliation	For the Three Months Ended			
	Sep 30, 2024	Jun 30, 2024	Mar 31, 2024	Dec 31, 2023
<i>Reconciliation of GAAP to non-GAAP Information</i>				
Net income attributable to common stockholders	\$5,095,684	\$3,413,445	\$5,795,183	\$3,828,893
<i>Adjustments for non-Distributable earnings</i>				
Unrealized losses (gains) on mortgage servicing rights	46,017	10,274	(4,627)	56,334
Unrealized provision for credit losses	317,448	1,399,703	1,776,873	1,357,254
Subtotal	363,465	1,409,977	1,772,246	1,413,588
<i>Other Adjustments</i>				
Adjustment for income taxes	3,489	(1,030)	10,892	(4,057)
Subtotal	3,489	(1,030)	10,892	(4,057)
Distributable Earnings	\$5,462,638	\$4,822,392	\$7,578,321	\$5,238,424
Weighted average shares outstanding, basic and diluted	52,283,669	52,266,174	52,249,299	52,231,722
Distributable Earnings per share of common stock, basic and diluted	\$0.10	\$0.09	\$0.15	\$0.10

# Detailed Walk of Capitalization as of 9/30/2024

LFT Capitalization Reconciliation (in 000's)	9/30/2024
Total GAAP liabilities and stockholders' equity <sup>(1)</sup>	\$1,255,899
<i>Adjustments for Capitalization</i>	
( - ) Accrued interest payable	(3,153)
( - ) Dividends payable	(5,185)
( - ) Fees and expenses payable to Manager	(1,487)
( - ) Other accounts payable and accrued expenses	(528)
( + ) Other capitalized financing & issuance costs	2,921
<b>LFT Capitalization</b>	<b>\$1,248,468</b>



# Book Value Per Share of Common Stock as of 9/30/2024

<i>Book Value Per Common Share (in 000's)</i>	Sep 30, 2024
Total stockholders' equity	\$243,144
( - ) Preferred equity <sup>(1)</sup>	(60,000)
( - ) Non-controlling interest	(100)
Common equity	\$183,045
Shares outstanding	52,292,107
Book Value Per Share of Common Stock	\$3.50



# Key Definitions

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“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 2024

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