

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 semi-transparent rectangle.

Lument Finance Trust

Q4 2024 Earnings Supplemental
March 2025

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, 2024, 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 March 19th, 2025. 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.
-



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.

Q4 2024 Updates

Financial Results

- Q4 2024 and FY 2024 GAAP net income attributable to common stockholders of \$0.07 and \$0.34 per share of common stock, respectively.
- Q4 2024 and FY 2024 Distributable Earnings⁽¹⁾ of \$0.10 and \$0.44 per share of common stock, respectively.
- On December 12, 2024, the Company declared a cash dividend for the quarter of \$0.08 per share of common stock. The Company also announced the declaration of a one-time special cash dividend of \$0.09 per share of common stock. Cumulative cash dividends declared for the year totaled \$0.40 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. Cumulative cash dividends declared for the year totaled \$1.96876 per share of 7.875% Cumulative Redeemable Series A Preferred Stock.
- Book Value Per Share of Common Stock was \$3.40⁽²⁾ as of 12/31/2024.

Notable Activity

- During the quarter, the Company funded \$13.0 million of loan assets and experienced \$143.6 million of loan payoffs.
- For the full year 2024, the Company funded \$58.4 million of loan assets and experienced \$390.2 million of loan payoffs.

Portfolio Performance

- As of December 31, 2024, the Company's investment portfolio consisted of floating-rate CRE loans of which approximately 92.3%⁽³⁾ were collateralized by multifamily assets.
- As of December 31, 2024, the Company's \$1.0 billion loan portfolio had a weighted average remaining initial term of 6 months⁽⁴⁾, a weighted average note rate of SOFR + 3.58%, and unamortized aggregate purchase discounts of \$3.5 million.
- As of December 31, 2024, the Company had a Portfolio weighted average risk rating of 3.5, with 63.7% 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:
 - \$513.0 million of investment grade notes issued through 2021-FL1 CLO.
 - \$317.7 million of investment grade notes issued through LMF 2023-1.
- As of December 31, 2024, the Company held cash and cash equivalents of \$69.2 million and its leverage ratio declined quarter-over-quarter from 4.2x to 3.7x.
- The Company's corporate debt matures in 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 26 months.

Q4 2024 Balance Sheet Summary

Balance Sheet (thousands)	December 31, 2024 ⁽¹⁾
Commercial mortgage loans held-for-investment (net of allowance for credit losses)	\$1,048,803
Cash and cash equivalents	69,173
Restricted cash ⁽²⁾	2,391
Accrued interest receivable	5,946
Other assets ⁽³⁾	2,281
Total assets	\$1,128,594
Secured financings ⁽⁴⁾	\$828,390
Credit facility ⁽⁴⁾	47,470
Other liabilities	14,835
Total liabilities	\$890,695
Total equity	\$237,899
Total liabilities / total equity	3.7x
Book Value Per Share of Common Stock⁽⁵⁾	\$3.40

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 \$513.0 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.

Q4 and Full Year 2024 Income Statement Summary

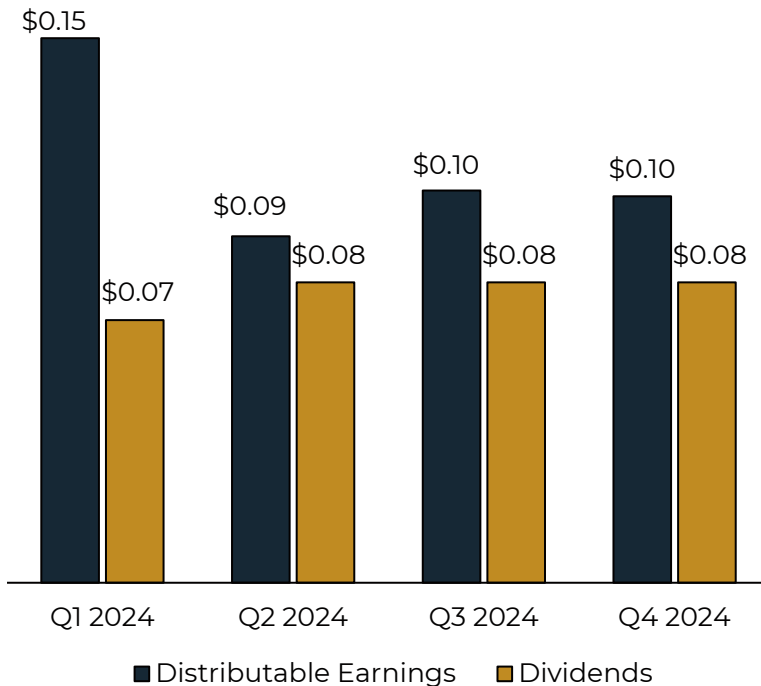
Summary Income Statement (thousands)	Three Months Ended December 31, 2024	Twelve Months Ended December 31, 2024
Net interest income	\$9,357	\$41,357
Total other income (loss)	(1,752)	(5,181)
Operating expenses	(2,809)	(13,508)
Benefit (provision) from income taxes	(5)	(19)
Preferred dividends	(1,185)	(4,740)
Net income attributable to common stockholders	\$3,605	\$17,909
Weighted average shares outstanding during the period, basic and diluted	52,300,100	52,274,904
Net income attributable to common stockholders per share	\$0.07	\$0.34

GAAP Net Income to Distributable Earnings Reconciliation (thousands)	Three Months Ended December 31, 2024	Twelve Months Ended December 31, 2024
Net Income attributable to common stockholders	\$3,605	\$17,909
Adjustments:		
Unrealized (gains) losses on mortgage servicing rights	(9)	43
Unrealized provision for credit losses	1,781	5,275
Provision for (benefit from) income taxes	5	19
Distributable Earnings ⁽¹⁾	\$5,382	\$23,246
Weighted average shares outstanding during the period, basic and diluted	52,300,100	52,274,904
Distributable Earnings per share of common stock	\$0.10	\$0.44
Dividend per share of common stock ⁽²⁾	\$0.17	\$0.40

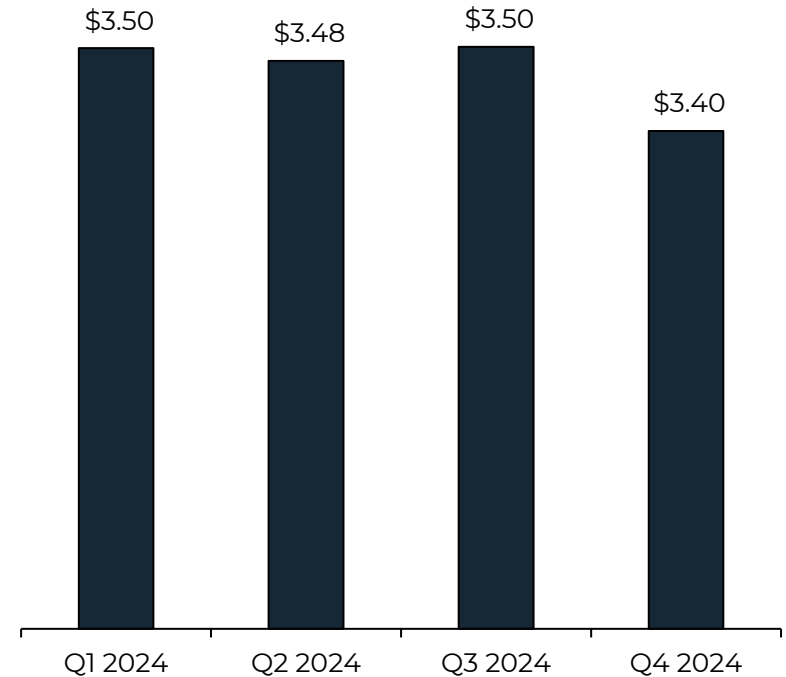
Note: (1) See Appendix for definition of Distributable Earnings and reconciliation to GAAP.
(2) Includes one-time special dividend of \$0.09 per share.

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⁾

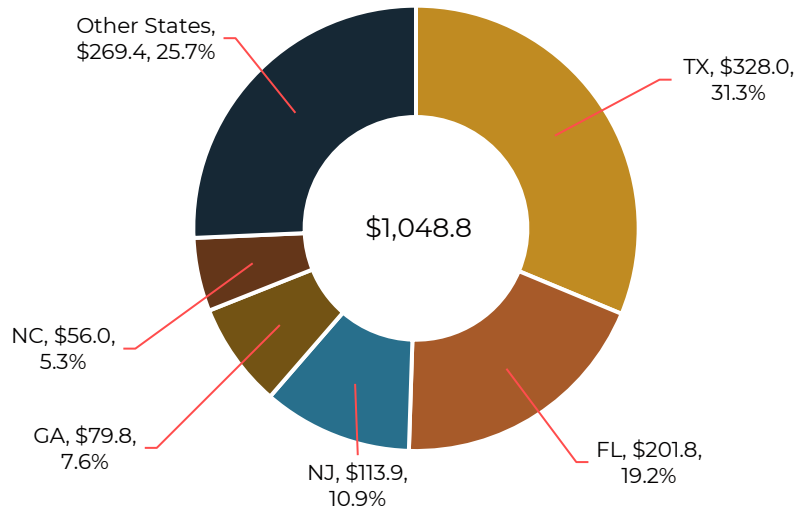


Note: (1) See Appendix for definition of Distributable Earnings. Q4 2024 dividend does not include \$0.09 special dividend. FY 2024 Distributable Earnings were \$0.44 per share of common stock and aggregate common dividends were \$0.31 per share of common stock. (2) See Appendix for definition of Book Value Per Share of Common Stock.

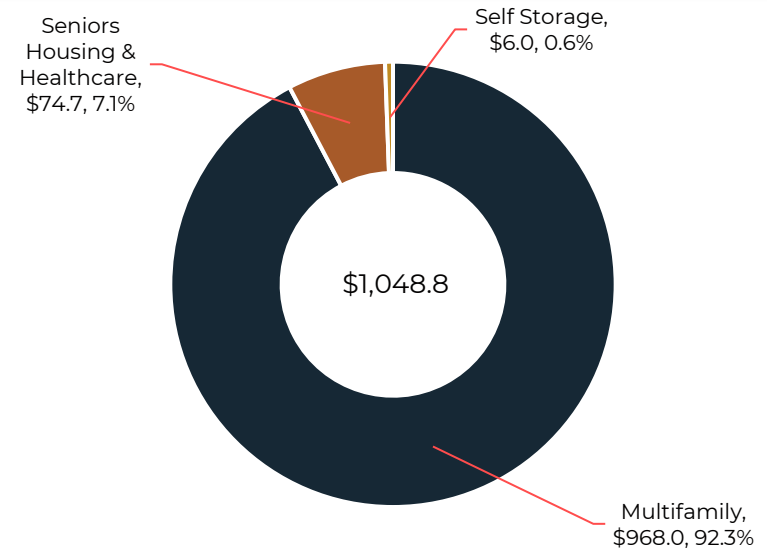
Investment Portfolio

- On December 31, 2024, the Company owned a portfolio of floating-rate CRE loans with a carrying value of \$1.0 billion. 92.3%⁽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⁾

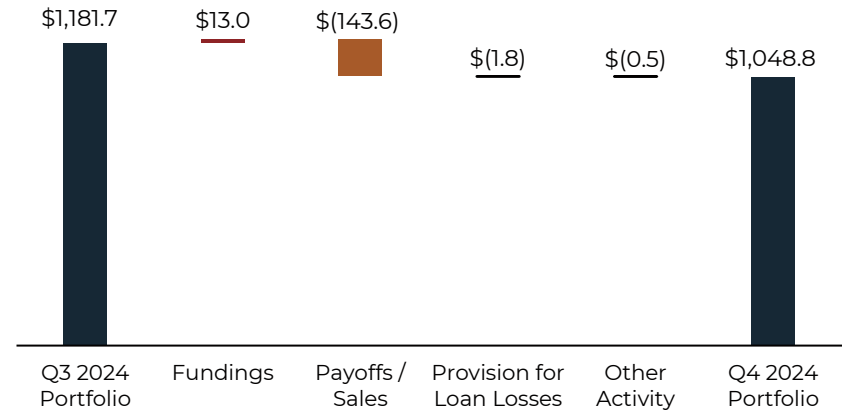


Note: (1) Based on carrying value.
(2) \$ In millions, based on carrying value.

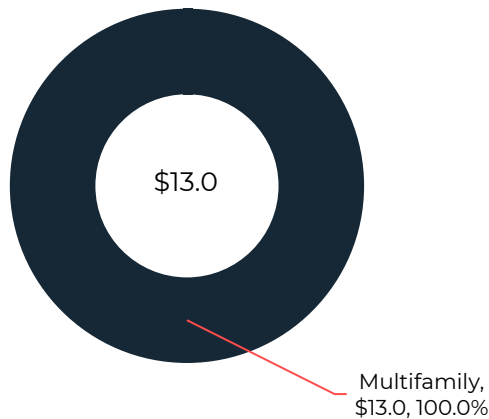
Q4 2024 Loan Activity

- The Company funded \$13.0 million of loan assets and experienced \$143.6 million of loan payoffs during the quarter.

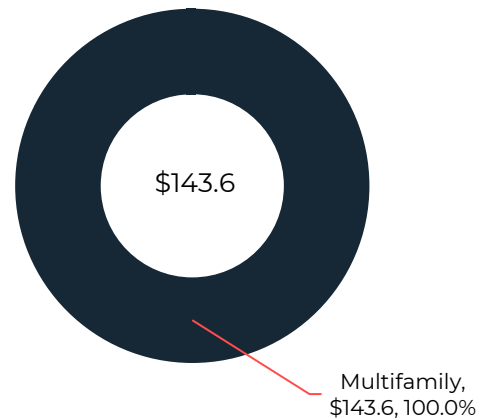
Portfolio Activity⁽²⁾ Use portfolio



Q4 Fundings by Property Type⁽¹⁾

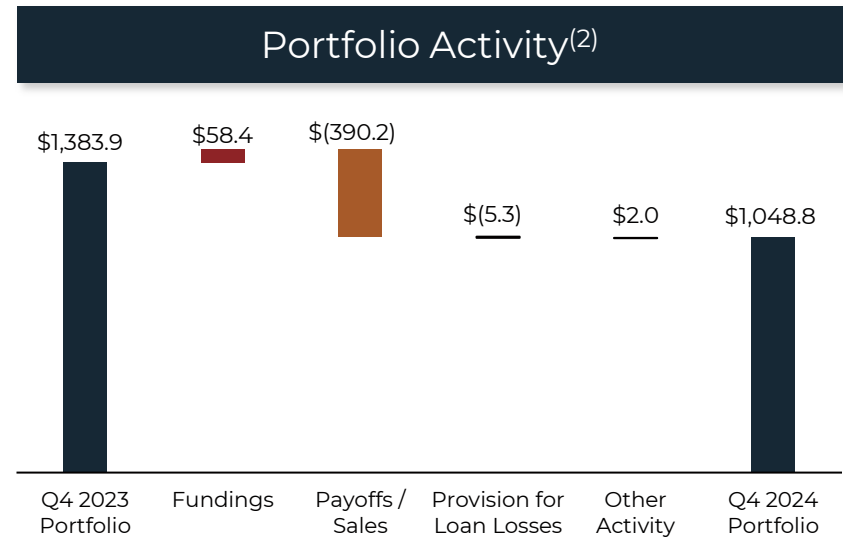


Q4 Payoffs by Property Type⁽¹⁾

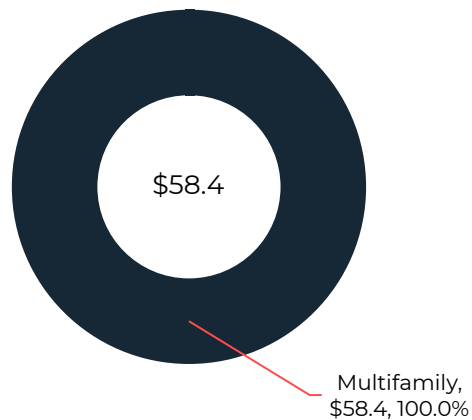


FY 2024 Loan Activity

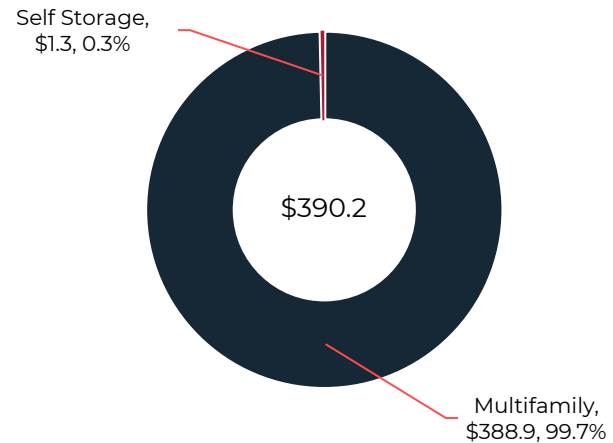
- The Company funded \$58.4 million of loan assets and experienced \$390.2 million of loan payoffs during FY 2024.



FY 2024 Fundings by Property Type⁽¹⁾



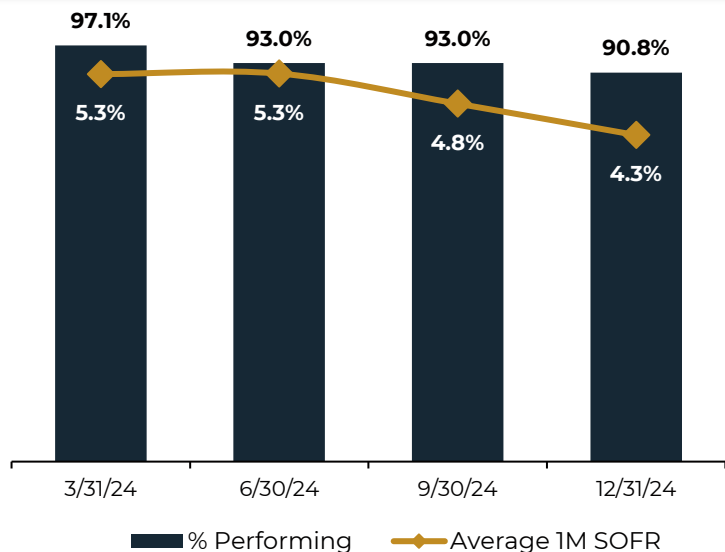
FY 2024 Payoffs by Property Type⁽¹⁾



Portfolio Credit

- As of December 31, 2024, 90.8% of the Company's portfolio was performing⁽¹⁾, with 63.7% of the portfolio rated "3" (Moderate Risk) or better.
- Weighted average risk rating⁽²⁾ of 3.5.
- During the quarter, management applied a "5" risk-rating to six loans with an aggregate principal value of \$98.3 million.

Asset Performance⁽¹⁾



Weighted Average Risk Rating⁽²⁾

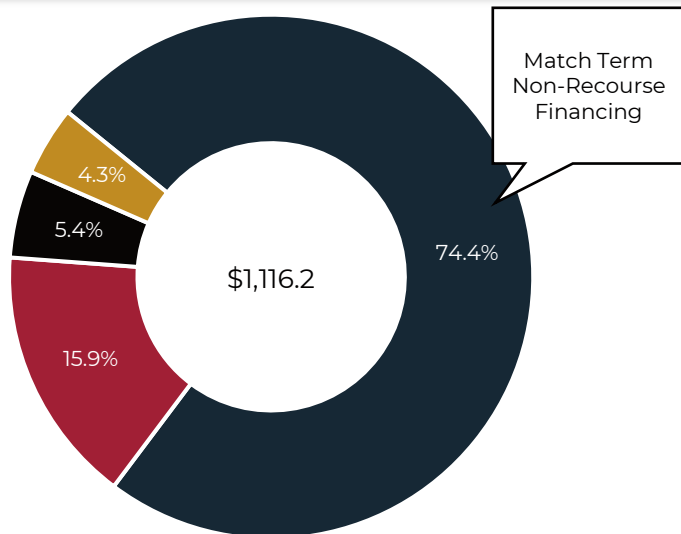


Note: (1) "Performing" defined as loans that are neither in default nor on non-accrual status.
 (2) Weighted average risk rating is weighted based on carrying value of portfolio assets.

Q4 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⁽¹⁾



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

Capital Structure Detail

(\$ in millions)

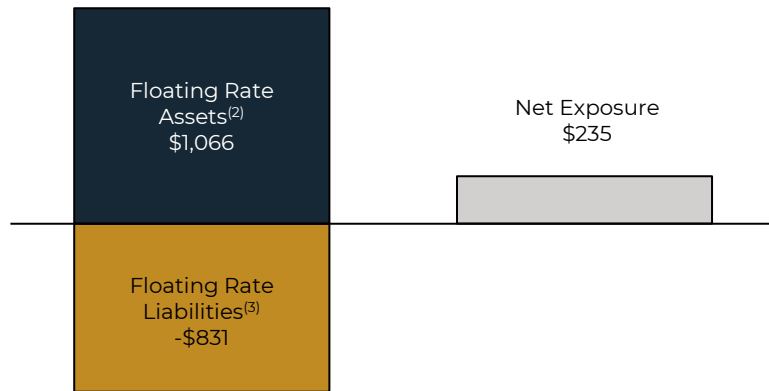
<u>Secured Financings⁽²⁾</u>	<u>Maturity Date</u>	<u>Rate</u>	<u>Advance Rate</u>	<u>Amount</u>
2021-FL1 CLO	July 2032	S + 1.71%	75.3%	\$513.0
LMF 2023-1 Financing	June 2039	S + 3.14%	82.7%	\$317.7
Credit Facilities				
Term Loan ⁽³⁾	February 2026	7.25%		\$47.8
Total Debt				\$878.4
Equity				
Preferred Equity ⁽⁴⁾	N/A	7.875%		\$60.0
Book Value of Common Equity ⁽⁵⁾	N/A			\$177.8
Total Capitalization⁽¹⁾				\$1,116.2

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 \$513.0 million includes \$0.0 million of unamortized debt issuance costs. LMF 2023-1 carrying value of \$315.4 million includes \$2.3 million of unamortized debt issuance costs.
 (3) Term loan shown at par value. GAAP carrying value of \$47.5 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 12/31/2024 and is excluded from common equity above.

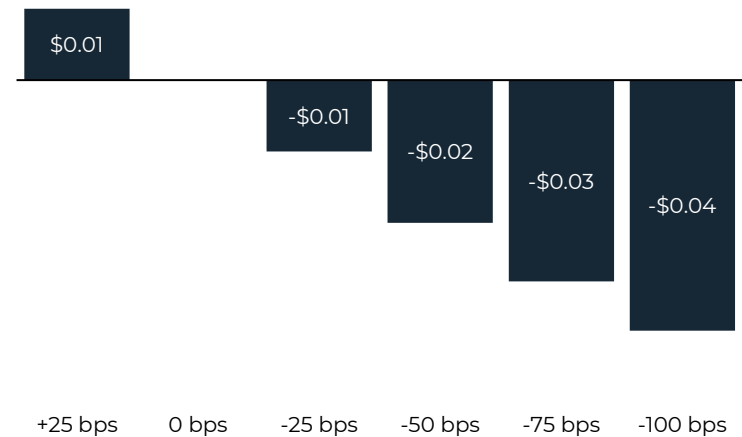
Net Interest Income Sensitivity to Shifts in Term SOFR

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

Floating-Rate Exposure⁽¹⁾



Net Interest Income Per Share Sensitivity to Change in SOFR⁽⁴⁾



Appendix

12/31/2024 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	4/12/2021	5/5/2025	Multifamily	Cedar Park	TX	13,666,721	3.86%	0	49	66.70%
2	Loan 2	4/23/2021	5/6/2025	Multifamily	Tualatin	OR	10,986,357	3.31%	0	49	73.90%
3	Loan 3	4/30/2021	5/5/2025	Multifamily	Daytona Beach	FL	5,285,500	3.76%	0	48	77.40%
4	Loan 4	6/8/2021	10/3/2025	Multifamily	Miami	FL	29,543,566	3.31%	0	52	74.26%
5	Loan 5	6/7/2021	7/6/2025	Multifamily	San Antonio	TX	26,609,785	3.51%	0	49	80.00%
6	Loan 6	5/21/2021	6/6/2025	Multifamily	Youngtown	AZ	5,994,000	3.76%	0	49	71.40%
7	Loan 7	7/1/2021	7/6/2025	Multifamily	Harker Heights	TX	7,169,838	3.71%	0	48	72.30%
8	Loan 8	8/26/2021	9/5/2025	Multifamily	Union City	GA	22,872,354	3.46%	0	49	70.40%
9	Loan 9	8/26/2021	8/5/2025	Multifamily	Clarkston	GA	24,468,032	3.61%	0	48	79.00%
10	Loan 10	8/31/2021	9/6/2025	Multifamily	Houston	TX	21,644,684	3.41%	0	48	74.20%
11	Loan 11	9/28/2021	10/6/2025	Multifamily	Chicago	IL	7,286,000	3.76%	0	48	75.90%
12	Loan 12	9/30/2021	1/3/2025	Multifamily	Clearfield	UT	10,795,000	3.26%	0	39	67.98%
13	Loan 13	10/18/2021	11/6/2025	Multifamily	Cherry Hill	NJ	23,348,000	3.11%	0	49	72.40%
14	Loan 14	10/28/2021	11/6/2025	Multifamily	Tampa	FL	11,202,535	3.06%	0	49	75.70%
15	Loan 15	11/5/2021	11/5/2024	Multifamily	Orlando	FL	19,625,274	3.11%	0	36	78.05%
16	Loan 16	11/16/2021	12/5/2024	Multifamily	Dallas	TX	21,916,753	3.31%	0	37	73.54%
17	Loan 17	11/23/2021	12/5/2024	Multifamily	Orange	NJ	18,834,024	3.31%	0	36	78.00%
18	Loan 18	12/1/2021	2/5/2025	Multifamily	Horn Lake	MS	15,449,323	3.41%	0	38	75.70%
19	Loan 19	12/2/2021	12/6/2024	Multifamily	Colorado Springs	CO	15,010,343	3.11%	0	36	72.48%
20	Loan 20	12/16/2021	1/3/2025	Multifamily	Daytona Beach	FL	51,375,000	3.16%	0	37	71.70%
21	Loan 21	12/28/2021	1/3/2025	Multifamily	Houston	TX	12,322,717	3.25%	(684)	36	71.20%
22	Loan 22	2/1/2022	2/5/2025	Multifamily	San Antonio	TX	15,400,000	3.45%	0	36	79.79%
23	Loan 23	4/27/2022	5/5/2025	Multifamily	North Brunswick	NJ	21,739,237	3.40%	(38,632)	36	79.90%
24	Loan 24	1/14/2022	2/5/2025	Multifamily	Houston	TX	9,609,250	3.60%	0	37	78.76%
25	Loan 25	6/15/2022	7/5/2025	Multifamily	Denton	TX	14,511,455	3.90%	(3,515)	37	73.00%
26	Loan 26	6/22/2022	7/3/2025	Multifamily	Des Moines	IA	8,175,500	4.00%	0	36	72.03%
27	Loan 27	6/28/2022	7/4/2025	Multifamily	Colorado Springs	CO	10,531,845	3.90%	0	36	73.06%
28	Loan 28	11/10/2022	12/5/2025	Healthcare	Austin	TX	16,690,000	4.00%	0	37	65.00%
29	Loan 29	11/21/2022	12/5/2025	Healthcare	Houston	TX	18,920,000	4.00%	0	37	67.00%
30	Loan 30	11/21/2022	12/5/2025	Healthcare	Southlake	TX	14,030,000	4.00%	0	37	48.00%

Continued on the following page

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

12/31/2024 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⁾
31	Loan 31	11/29/2022	12/5/2025	Healthcare	Glendale	WI	20,360,000	4.00%	0	36	45.00%
32	Loan 32	2/11/2022	3/5/2025	Multifamily	Tampa	FL	18,599,480	3.60%	0	37	77.99%
33	Loan 33	2/22/2022	3/5/2025	Multifamily	Philadelphia	PA	15,000,000	3.80%	0	36	80.00%
34	Loan 34	12/29/2021	1/6/2025	Multifamily	Multi	NC	27,549,146	3.96%	0	36	59.90%
35	Loan 35	2/2/2022	2/6/2025	Multifamily	Houston	TX	18,660,822	3.50%	(13,813)	36	77.50%
36	Loan 36	10/24/2022	11/6/2024	Healthcare	Various	FL	6,100,000	4.50%	0	24	71.00%
37	Loan 37	4/13/2022	5/5/2025	Multifamily	Decatur	GA	18,989,494	3.55%	(98,800)	37	75.70%
38	Loan 38	4/27/2022	5/5/2025	Multifamily	Houston	TX	14,171,704	3.70%	(67,834)	36	79.60%
39	Loan 39	11/2/2021	11/5/2025	Multifamily	Melbourne	FL	26,049,291	3.81%	0	48	72.09%
40	Loan 40	10/6/2023	4/4/2025	Multifamily	Garfield	NJ	4,808,148	4.00%	0	18	65.50%
41	Loan 41	6/3/2022	6/5/2025	Self Storage	Deer Park	NY	6,067,500	3.60%	(21,324)	36	72.50%
42	Loan 42	3/22/2022	4/5/2025	Multifamily	Seneca	SC	31,876,244	3.35%	(424,348)	37	74.54%
43	Loan 43	6/28/2022	7/3/2025	Multifamily	Dallas	TX	31,602,808	3.90%	(358,118)	36	71.59%
44	Loan 44	8/25/2022	9/5/2025	Multifamily	Wilmington	NC	28,653,440	4.00%	0	36	71.45%
45	Loan 45	3/22/2022	4/5/2025	Multifamily	York	PA	21,934,375	3.30%	(379,601)	37	79.17%
46	Loan 46	7/8/2022	8/5/2025	Multifamily	Arlington	TX	21,818,465	3.75%	(231,006)	37	67.10%
47	Loan 47	3/31/2022	4/5/2025	Multifamily	Tallahassee	FL	16,956,276	3.30%	(264,895)	36	74.80%
48	Loan 48	4/6/2022	4/4/2025	Multifamily	Vineland	NJ	15,347,180	3.75%	(179,984)	36	77.00%
49	Loan 49	7/26/2022	8/5/2025	Multifamily	Atlanta	GA	14,351,599	3.65%	(202,920)	36	65.15%
50	Loan 50	12/28/2021	1/3/2025	Multifamily	Houston	TX	14,000,000	3.25%	(149,667)	36	71.22%
51	Loan 51	6/10/2022	7/5/2025	Multifamily	Blakely	PA	13,625,505	3.90%	(74,107)	37	75.00%
52	Loan 52	1/25/2022	2/6/2025	Multifamily	Corpus Christi	TX	12,249,079	3.55%	(104,765)	36	78.76%
53	Loan 53	5/12/2022	6/5/2025	Multifamily	Ypsilanti	MI	11,926,591	3.50%	(142,103)	37	68.40%
54	Loan 54	12/10/2021	1/5/2025	Multifamily	Los Angeles	CA	11,662,582	3.61%	(197,370)	37	67.93%
55	Loan 55	3/4/2022	3/5/2025	Multifamily	Houston	TX	11,467,505	3.45%	(191,323)	36	78.30%
56	Loan 56	5/3/2022	5/5/2025	Multifamily	Port Richey	FL	10,818,945	3.55%	(168,406)	36	79.05%
57	Loan 57	12/29/2021	1/3/2025	Multifamily	Phoenix	AZ	10,615,094	3.76%	(4,068)	36	75.90%
58	Loan 58	7/14/2022	8/5/2025	Multifamily	Bradenton	FL	9,429,206	3.90%	(59,123)	37	74.40%
59	Loan 59	8/5/2022	8/5/2025	Multifamily	San Antonio	TX	9,127,649	4.35%	(32,936)	36	75.00%
60	Loan 60	5/26/2022	6/5/2025	Multifamily	Haltom City	TX	8,116,833	4.00%	(56,871)	36	74.38%

Continued on the following page

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

12/31/2024 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⁾
61	Loan 61	10/7/2022	11/5/2025	Multifamily	Fairborn	OH	7,000,000	4.10%	0	37	79.10%
62	Loan 62	10/6/2023	4/4/2025	Multifamily	Garfield	NJ	13,191,852	4.00%	0	18	65.50%
63	Loan 63	4/19/2024	11/5/2025	Multifamily	Battle Creek	MI	27,120,000	3.05%	0	18	74.00%
64	Loan 64	4/30/2024	5/5/2025	Multifamily	Garfield	NJ	18,303,744	3.50%	0	12	66.07%
65	Loan 65	12/20/2024	1/5/2028	Multifamily	Olympia	WA	13,000,000	3.75%	0	37	68.49%
Total / Average							1,065,563,646	3.58%	(3,466,212)	38	72.45%

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

	December 31, 2024 ⁽¹⁾	December 31, 2023 ⁽¹⁾
ASSETS		
Cash and cash equivalents	\$ 69,173,444	\$ 51,247,063
Restricted cash	2,390,654	270,129
Commercial mortgage loans held-for-investment, at amortized cost	1,060,123,298	1,389,940,203
Allowance for credit losses	(11,320,220)	(6,059,006)
Commercial mortgage loans held-for-investment, net of allowance for credit losses	1,048,803,078	1,383,881,197
Mortgage servicing rights, at fair value	649,287	691,973
Accrued interest receivable	5,945,874	8,588,805
Other assets	1,632,041	2,253,280
Total assets	<u>\$ 1,128,594,378</u>	<u>\$ 1,446,932,447</u>
LIABILITIES AND EQUITY		
LIABILITIES:		
Collateralized loan obligations, net	\$ 828,390,189	\$ 1,146,210,752
Secured term loan	47,470,094	47,220,226
Accrued interest payable	2,697,963	4,092,701
Dividends payable	9,890,066	4,654,904
Fees and expenses payable to Manager	1,574,218	1,587,875
Other liabilities	672,816	2,373,609
Total liabilities	<u>890,695,346</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 December 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, 52,309,209 and 52,248,631 shares issued and outstanding, at December 31, 2024 and December 31, 2023, respectively	523,093	522,487
Additional paid-in capital	314,700,120	314,587,299
Cumulative distributions to stockholders	(204,701,714)	(179,045,749)
Accumulated earnings	70,023,098	47,373,908
Total stockholders' equity	<u>237,799,532</u>	<u>240,692,880</u>
Noncontrolling interests	99,500	99,500
Total equity	<u>237,899,032</u>	<u>240,792,380</u>
Total liabilities and equity	<u>\$ 1,128,594,378</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 December 31, 2024 and December 31, 2023, assets of the consolidated VIEs totaled \$1,058,138,406 and \$1,384,136,334, respectively and the liabilities of consolidated VIEs totaled \$831,001,605 and \$1,150,207,290, respectively. See Note 4 for further discussion.

Consolidated Statement of Income

	Year Ended December 31, 2024	Year Ended December 31, 2023
Revenues:		
Interest income:		
Commercial mortgage loans held-for-investment	\$ 119,400,799	\$ 106,821,510
Cash and cash equivalents	2,728,098	2,372,488
Interest expense:		
Collateralized loan obligations	(77,002,847)	(71,041,861)
Secured term loan	(3,769,441)	(3,759,141)
Net interest income	<u>41,356,609</u>	<u>34,392,996</u>
Expenses:		
Management and incentive fees	6,630,571	4,335,904
General and administrative expenses	4,398,409	3,620,589
Operating expenses reimbursable to Manager	1,799,570	1,897,699
Other operating expenses	234,483	2,158,488
Compensation expense	445,000	241,194
Total expenses	<u>13,508,033</u>	<u>12,253,874</u>
Other income (loss):		
Provision for credit losses	(5,275,122)	(2,524,216)
Change in unrealized (loss) on mortgage servicing rights	(42,686)	(103,684)
Servicing income, net	137,230	208,997
Total other (loss)	<u>(5,180,578)</u>	<u>(2,418,903)</u>
Net income before provision for income taxes	22,667,998	19,720,219
(Provision for) income taxes	(18,808)	(5,723)
Net income	<u>22,649,190</u>	<u>19,714,496</u>
Dividends to preferred stockholders	(4,740,000)	(4,740,000)
Net income attributable to common stockholders	<u>\$ 17,909,190</u>	<u>\$ 14,974,496</u>
Earnings per share:		
Net income attributable to common stockholders (basic and diluted)	<u>\$ 17,909,190</u>	<u>\$ 14,974,496</u>
Weighted average number of shares of common stock outstanding	52,274,904	52,231,296
Basic and diluted income per share	<u>\$ 0.34</u>	<u>\$ 0.29</u>
Dividends declared per weighted average share of common stock	<u>\$ 0.40</u>	<u>\$ 0.26</u>

Detailed Walk of Allowance for Loan Losses

	Year ended	
	December 31, 2024	December 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 credit losses	5,261,214	2,522,510
Charge offs	—	(4,271,673)
Allowance for credit losses at end of period	<u>\$ 11,320,220</u>	<u>\$ 6,059,006</u>

Reconciliation of Net Income to Distributable Earnings

GAAP to Distributable Earnings Reconciliation	For the Three Months Ended			
	Mar 31, 2024	Jun 30, 2024	Sep 30, 2024	Dec 31, 2024
<i>Reconciliation of GAAP to non-GAAP Information</i>				
Net income attributable to common stockholders	\$5,795,183	\$3,413,445	\$5,095,684	\$3,604,879
<i>Adjustments for non-Distributable earnings</i>				
Unrealized losses (gains) on mortgage servicing rights	(4,627)	10,274	46,017	(8,978)
Unrealized provision for credit losses	1,776,873	1,399,703	317,448	1,781,098
Subtotal	1,772,246	1,409,977	363,465	1,772,120
<i>Other Adjustments</i>				
Adjustment for income taxes	10,892	(1,030)	3,489	5,457
Subtotal	10,892	(1,030)	3,489	5,457
Distributable Earnings	\$7,578,321	\$4,822,392	\$5,462,638	\$5,382,456
Weighted average shares outstanding, basic and diluted	52,249,299	52,266,174	52,283,669	52,300,100
Distributable Earnings per share of common stock, basic and diluted	\$0.15	\$0.09	\$0.10	\$0.10

Detailed Walk of Capitalization as of 12/31/2024

LFT Capitalization Reconciliation (in 000's)	12/31/2024
Total GAAP liabilities and stockholders' equity ⁽¹⁾	\$1,128,495
<i>Adjustments for Capitalization</i>	
(-) Accrued interest payable	(2,698)
(-) Dividends payable	(9,890)
(-) Fees and expenses payable to Manager	(1,574)
(-) Other accounts payable and accrued expenses	(673)
(+) Other capitalized financing & issuance costs	2,588
LFT Capitalization	\$1,116,248



Book Value Per Share of Common Stock as of 12/31/2024

<i>Book Value Per Common Share (in 000's)</i>	Dec 31, 2024
Total stockholders' equity	\$237,899
(-) Preferred equity ⁽¹⁾	(60,000)
(-) Non-controlling interest	(100)
Common equity	\$177,800
Shares outstanding	52,300,286
Book Value Per Share of Common Stock	\$3.40



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.



March 2025
