

Lument Finance Trust

Q3 2026 Earnings Supplemental

November 2026

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. 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, 2025 and Part II, Item 1A "Risk Factors" in the Company's Quarterly Report on Form 10-Q for the quarter ended June 30, 2026, which are available on the SEC's website at www.sec.gov, and/or as disclosed in any subsequent filings. 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 13, 2026. 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 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.

LUMENT FINANCE TRUST

Key Investment Highlights

Strong Sponsorship/Ownership

- Access to extensive loan origination platform through affiliation with Lument, a premier national mortgage originator and asset manager.
- Experienced management team with an average of 20+ years of industry experience across multiple economic cycles.
- Affiliation with ORIX Corporation USA, the U.S. subsidiary of ORIX Corporation, the publicly traded Tokyo-based international financial services firm.

Focused Leveraged Credit Strategy

- Emphasis on middle market multifamily debt investments which are well positioned for the current environment.
- Strong credit and asset management capabilities.
- Utilizes a diverse set of portfolio financing capabilities, including CRE CLOs, repurchase agreements, and other secured financing structures.

Q3 2026 Updates

Financial Results	• Q3 2026 GAAP net loss attributable to common stockholders of $2.57 per share. • Q3 2026 Distributable Loss[1] of $0.13 per share. • The Company 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 $24.97[2] as of 9/30/2026.
Notable Activity	• During the quarter, the Company experienced $67.2 million of loan fundings and $79.3 million of loan payoffs. • On September 18, the Company announced a suspension of its quarterly dividend. • During the quarter, the Company effected a 1-for-10 reverse stock split of its outstanding shares of common stock. As a result, every 10 shares of the Company's issued and outstanding common stock were automatically combined into one share of common stock. All share and per-share amounts presented have been retrospectively adjusted to reflect the reverse stock split for all periods presented.
Portfolio Performance	• As of September 30, 2026, the Company's investment portfolio consisted of floating-rate CRE loans of which approximately 93. 3%[3] were collateralized by multifamily assets. • As of September 30, 2026, the Company's $952.1 million loan portfolio had a weighted average remaining initial term of 8 months[4], a weighted average note rate of SOFR + 3.26%, and unamortized aggregate purchase discounts of $0.4 million. • As of September 30, 2026, the Company's loan portfolio had a weighted average risk rating of 3.2, with 69.7% of the portfolio rated "3" (Moderate Risk) or better.

Capitalization	• The floating-rate CRE loan portfolio was financed through the Company's outstanding non-mark-to-market securitized debt obligations and secured financing arrangements:
	  • $585.0 million of investment grade notes issued through 2025-FL3 CLO.
	  • Master repurchase agreement with $300.0 million borrowing capacity.
	  • Secured lending agreement with $50.0 million borrowing capacity.
	• As of September 30, 2026, the Company held cash and cash equivalents of $26.9 million, and its leverage ratio increased quarter-over-quarter to 4.6x from 4.4x as of June 30, 2026.

Note: (1) We believe that Distributable Earnings (Loss) 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 calculate Core Earnings pursuant to the Management Agreement for purposes of calculating the Manager's incentive fee. 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 18 months.

Q3 2026 Balance Sheet Summary

Balance Sheet (thousands)	September 30, 2026[1]
Commercial mortgage loans held-for-investment (net of allowance for credit losses)	$952,127
Real Estate Owned	76,557
Cash and cash equivalents	26,913
Restricted cash[2]	16,030
Accrued interest receivable	4,651
Other assets[3]	3,540
Total assets	$1,079,818
Secured debt obligations[4]	$581,074
Secured financing arrangements	247,049
Credit facility[4]	49,571
Other liabilities	8,760
Total liabilities	$888,455
Total equity	$191,362
Total liabilities / total equity	4.6x
Book Value Per Share of Common Stock[5]	$24.97

Note: (1) See Appendix for detailed consolidated balance sheet, including the Company's consolidated variable interest entities ("VIEs").
(2) Restricted cash primarily comprises REO operating cash accounts.
(3) Includes mortgage servicing rights, carried at fair value of $0.5 million.
(4) Outstanding principal amount of investment grade notes issued by LMNT 2025-FL3 is $585.0 million. The unpaid principal balance of the credit facility is $50.0 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 2026 Income Statement Summary

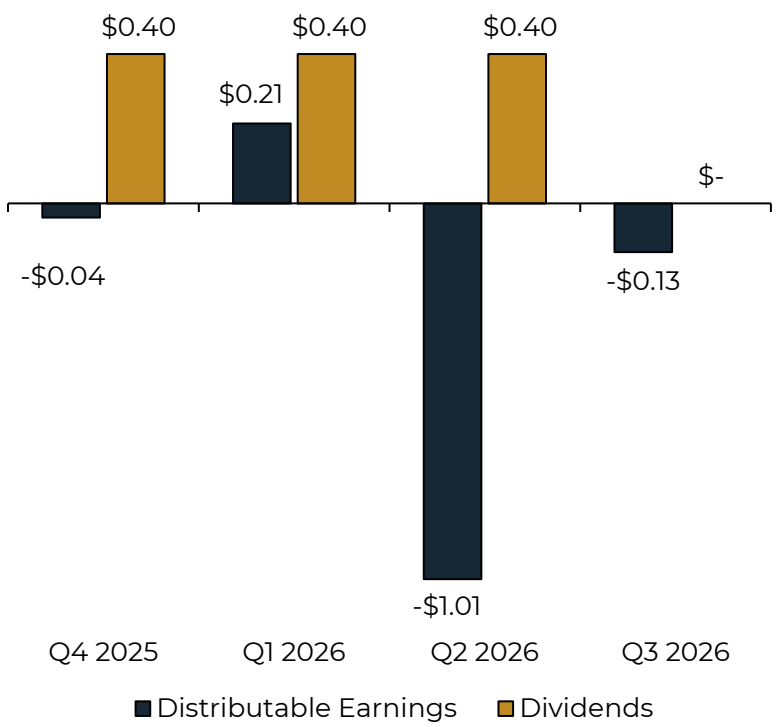
Summary Income Statement (thousands)	Three Months Ended September 30, 2026
Net interest income	$4,563
Total other income (loss)	(12,909)
Operating expenses	(3,969)
Benefit (provision) from income taxes	(9)
Preferred dividends	(1,185)
Net income (loss) attributable to common stockholders	$(13,508)
Weighted average shares outstanding during the period, basic and diluted	5,252,331
Net income (loss) attributable to common stockholders per share	$(2.57)

GAAP Net Income to Distributable Earnings or Loss Reconciliation (thousands)	Three Months Ended September 30, 2026
Net income (loss) attributable to common stockholders	$(13,508)
Adjustments:	
Unrealized (gain) loss on mortgage servicing rights	3
Provision for credit losses	8,600
Depreciation of real estate owned	318
Real estate owned impairment expense	3,892
Provision for (benefit from) income taxes	9
Distributable (Loss) Earnings[1]	$(685)
Weighted average shares outstanding during the period, basic and diluted	5,252,331
Distributable (Loss) Earnings per share of common stock	$(0.13)

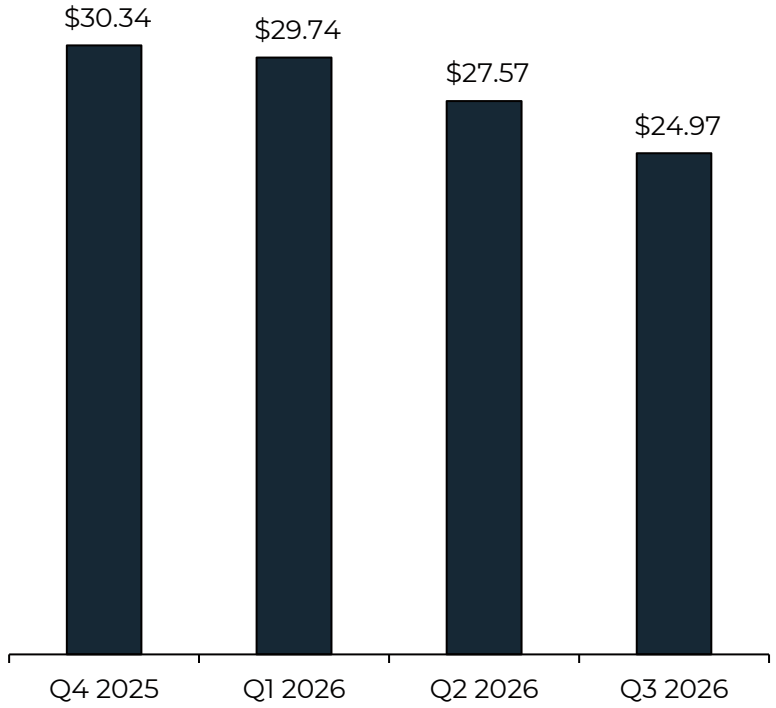
Note: (1) See Appendix for definition of Distributable Earnings or Loss and reconciliation to GAAP.

Earnings and Book Value Per Share of Common Stock

Distributable Earnings or Loss[1,3] & Dividends Per Share of Common Stock[3,4]



Book Value Per Share of Common Stock[2,3]

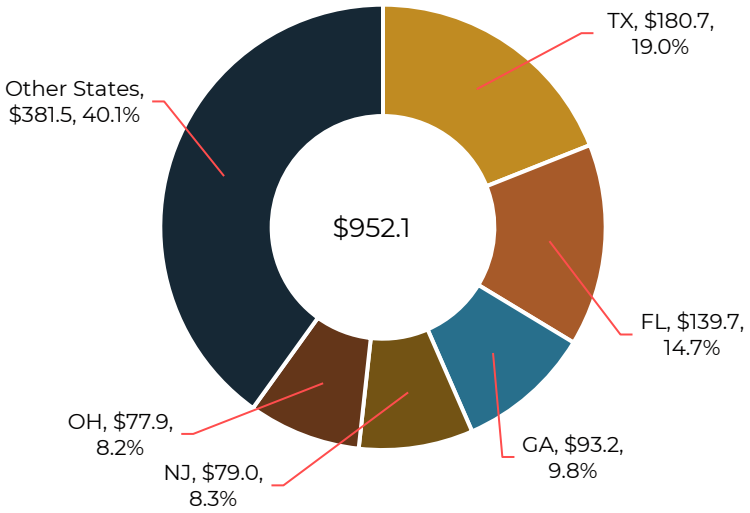


Note: (1) See Appendix for definition of Distributable Earnings or Loss and for reconciliation of GAAP net income to Distributable Earnings.
(2) See Appendix for definition of Book Value Per Share of Common Stock.
(3) All share and per-share amounts presented have been retrospectively adjusted to reflect the reverse stock split for all periods presented.
(4) On September 18, the Company announced a suspension of its quarterly dividend.

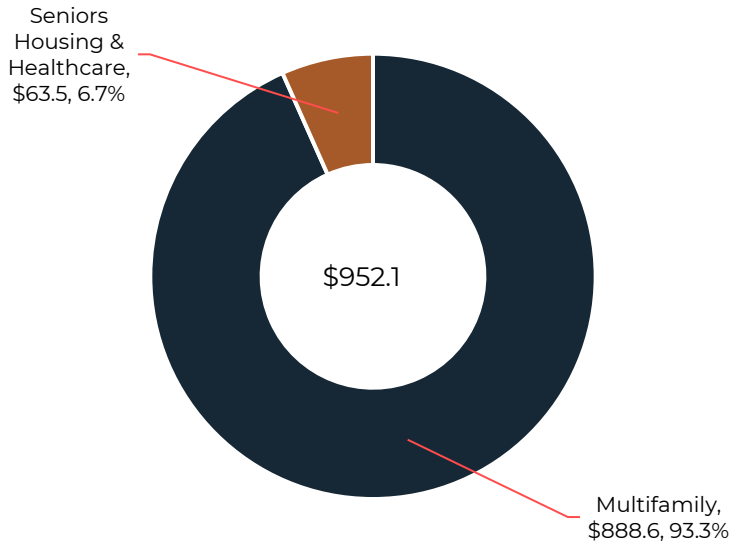
Investment Portfolio

- On September 30, 2026, the Company owned a portfolio of floating-rate CRE loans with a carrying value of $952.1 million. 93.3%(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, self-storage, or office loan assets and has limited exposure to seniors housing and healthcare.

Geographic Concentration(2)



Property Type(2)

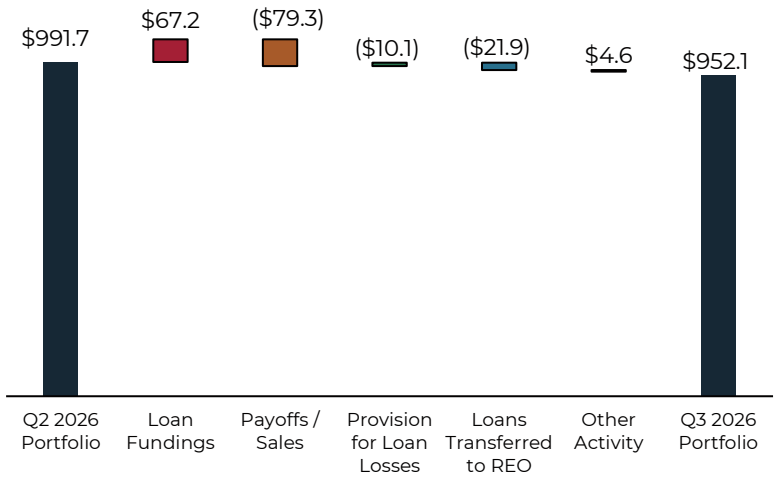


Note: (1) Based on carrying value.
(2) $ In millions, based on carrying value.

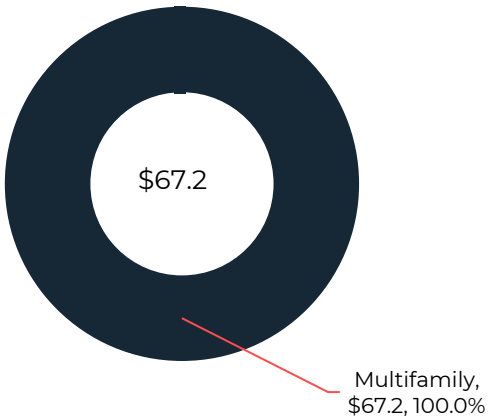
Q3 2026 Loan Activity

- The Company funded $67.2 million of loan assets and experienced $79.3 million of loan payoffs during the quarter.

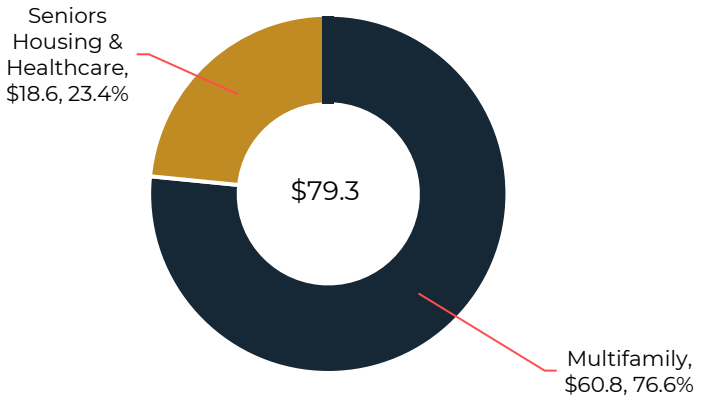
Portfolio Activity(2)



Q3 Fundings by Property Type(1)



Q3 Payoffs by Property Type(1)

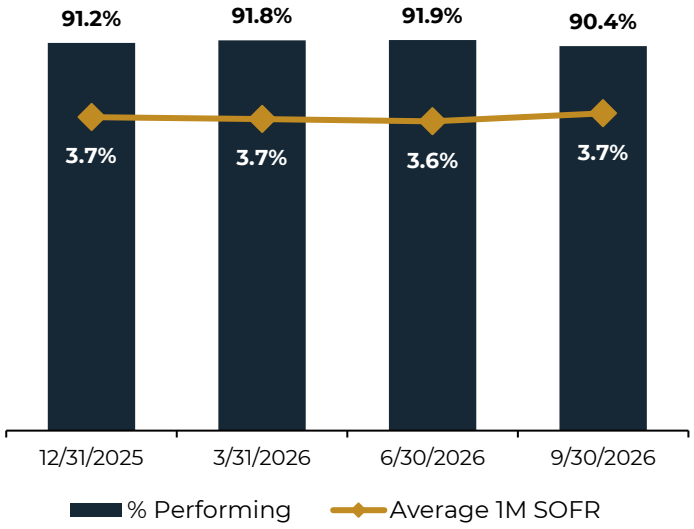


Note:
(1) $ In millions, based on UPB.
(2) Portfolio balances shown based on carrying value net of allowances. "Other Activity" is comprised of changes in capitalized origination fees, extension fees, and purchase discounts.

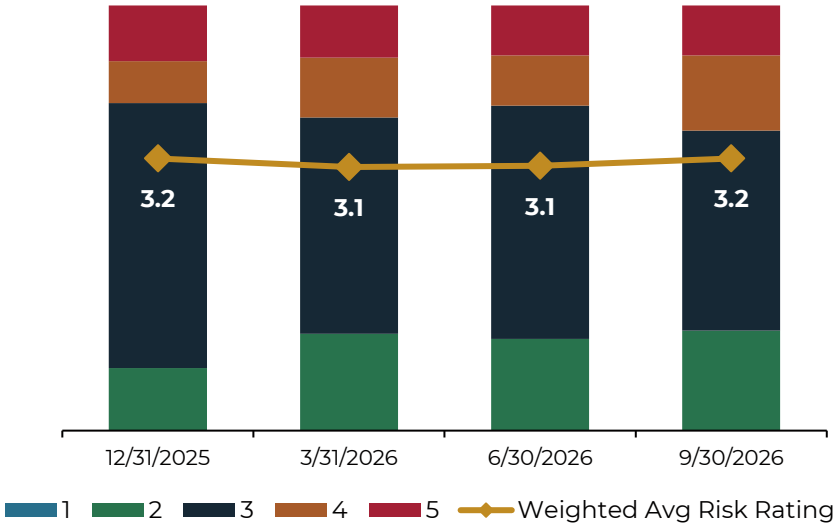
Portfolio Credit

- As of September 30, 2026, 90.4% of the Company's portfolio was performing[1], with 69.7% of the portfolio rated "3" (Moderate Risk) or better.
- Weighted average risk rating[2] of 3.2.
- During the quarter, management applied a "5" risk-rating to six loans with an aggregate principal value of $94.1 million.

Asset Performance[1]



Weighted Average Risk Rating[2]



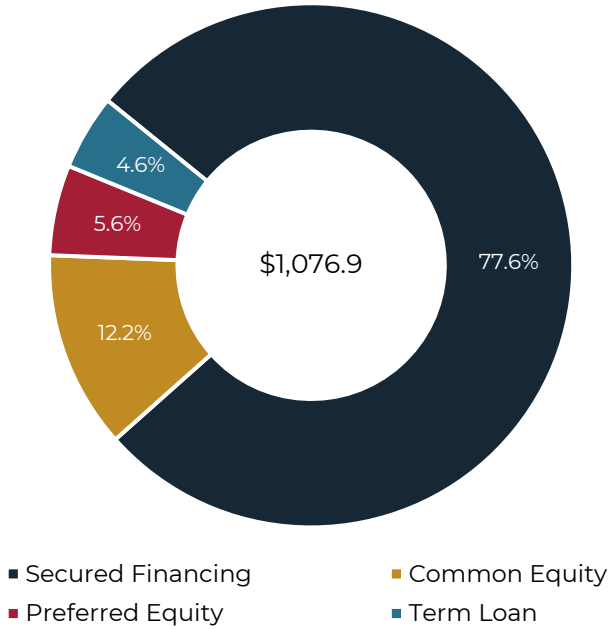
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Note: (1) "Performing" defined as loans that are neither in default nor on non-accrual status.
(2) Weighted average risk rating is weighted based on carrying value of portfolio assets.

Q3 2026 Capital Structure Overview

Primary sources of financing include a CRE CLO (2025-FL3 CLO), secured financing agreements, preferred stock, and a corporate term loan.

Capital Structure Composition[1]



Capital Structure Detail

($ in millions)

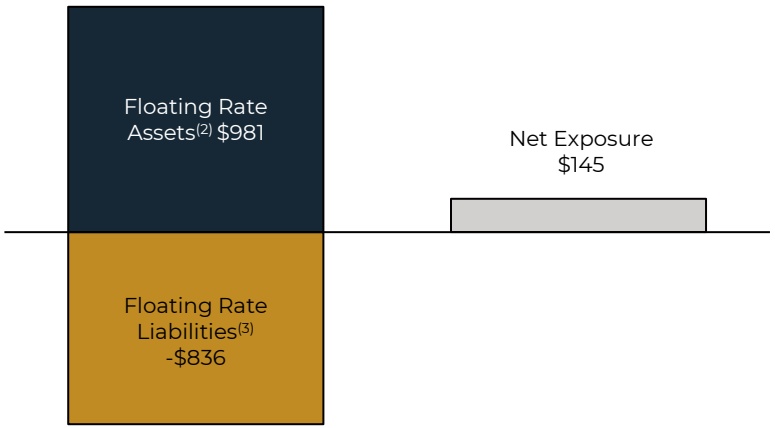
Secured Financings[2]	Maturity Date	Rate	Advance Rate	Amount
LMNT 2025-FL3	July 2043	S + 1.91%	88.1%	$585.0
Secured financing agreements	Various	Various	Various	$250.7
Credit Facilities				
Term Loan[3]	February 2030	9.75%		$50.0
Total Debt				**$885.7**
Equity				
Preferred Equity[4]	N/A	7.875%		$60.0
Book Value of Common Equity[5]	N/A			$131.3
Total Capitalization[1]				**$1,076.9**

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 financings shown at par value. 2025-FL3 CLO GAAP carrying value of $581.1 includes $3.9 million of unamortized debt issuance costs. Secured financing agreements carrying value of $249.0 million includes $1.6 million of unamortized debt issuance costs.
(3) Term loan shown at par value. GAAP carrying value of $49.6 million includes $0.4 million of unamortized debt issuance costs.
(4) Preferred equity shown at $60 million liquidation preference.
(5) Noncontrolling interest was $99,500 as of 9/30/2026 and is excluded from common equity above.

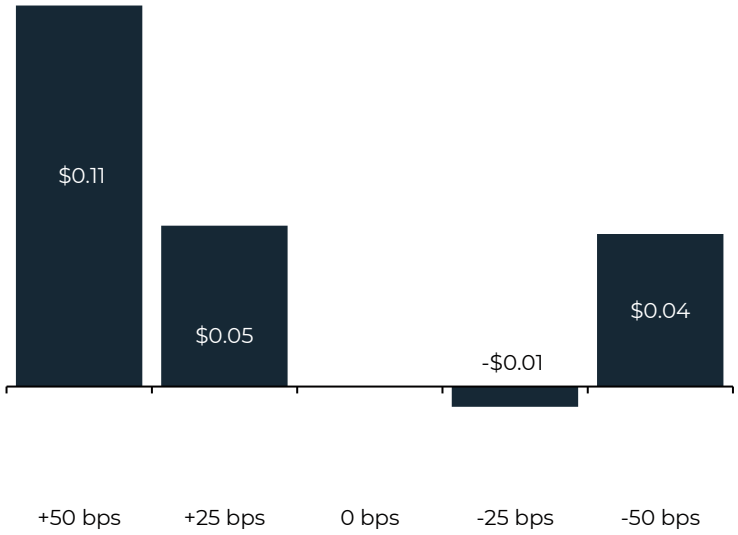
Net Interest Income Sensitivity to Shifts in Term SOFR

- 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]



Note: (1) In millions. Net Exposure represents UPB of floating rate loan portfolio assets net of par value of secured floating rate debt outstanding.
(2) Figure reflects unpaid principal balance of floating-rate loan portfolio.
(3) Comprised of secured financing arrangements and outstanding securitization notes related to 2025-FL3, all of which are indexed to one-month SOFR. Figure reflects par value of notes.
(4) Annualized impact per common share. Assumes starting 30-day term SOFR of 3.91%. Our loan assets feature rate floors which partially mitigate the adverse earnings impact of declines in SOFR.

Appendix

9/30/2026 CRE Loan Portfolio Details

#	Loan Name	Closing Date	Maturity Date	Property Type	City	State	Unpaid Principal Balance	Note Spread	Unamortized Discount/Premium	As-Is LTV at Origination[1]
1	Loan 1	12/20/2024	1/5/2028	Multifamily	Olympia	WA	59,836,911	3.75%	0	68.49%
2	Loan 2	12/16/2021	1/6/2027	Multifamily	Multi	FL	51,375,000	3.16%	0	71.70%
3	Loan 3	12/23/2024	1/5/2027	Multifamily	Macon	GA	36,800,000	2.90%	0	66.10%
4	Loan 4	1/16/2025	11/5/2026	Multifamily	Noblesville	IN	36,000,000	3.00%	0	67.57%
5	Loan 5	1/29/2025	2/5/2027	Multifamily	Manchaca	TX	35,500,000	3.00%	0	52.21%
6	Loan 6	7/23/2026	8/3/2029	Multifamily	Huntsville	AL	35,000,000	2.75%	0	75.80%
7	Loan 7	3/22/2022	4/5/2027	Multifamily	Seneca	SC	31,627,625	3.35%	(103,708)	74.54%
8	Loan 8	6/28/2022	4/5/2027	Multifamily	Dallas	TX	29,623,930	3.40%	(117,739)	71.59%
9	Loan 9	4/3/2025	4/5/2027	Multifamily	Lockport	IL	27,500,000	2.81%	0	64.50%
10	Loan 10	11/2/2021	10/5/2026	Multifamily	Melbourne	FL	26,049,291	3.21%	0	72.09%
11	Loan 11	10/27/2025	11/5/2027	Multifamily	Columbus	OH	25,833,333	2.35%	0	75.00%
12	Loan 12	9/17/2024	10/5/2026	Multifamily	Marysville	OH	25,500,000	2.85%	0	73.80%
13	Loan 13	4/27/2022	11/5/2026	Multifamily	North Brunswick	NJ	24,525,000	3.40%	0	79.90%
14	Loan 14	8/26/2021	8/5/2027	Multifamily	Clarkston	GA	24,468,032	3.61%	0	79.00%
15	Loan 15	10/18/2021	11/6/2026	Multifamily	Cherry Hill	NJ	23,348,000	3.11%	0	72.40%
16	Loan 16	6/30/2026	7/5/2029	Multifamily	Phoenix	AZ	23,125,000	2.50%	0	65.00%
17	Loan 17	8/26/2021	3/6/2027	Multifamily	Union City	GA	22,872,354	3.46%	0	70.40%
18	Loan 18	8/31/2021	8/5/2026	Multifamily	Houston	TX	21,644,684	3.41%	0	74.20%
19	Loan 19	11/29/2022	12/31/2026	Healthcare	Glendale	WI	20,360,000	4.00%	0	45.00%
20	Loan 20	11/5/2021	6/5/2027	Multifamily	Orlando	FL	19,625,274	3.11%	0	78.05%
21	Loan 21	2/18/2026	3/5/2029	Multifamily	Holt	MI	19,500,000	3.10%	0	76.30%
22	Loan 22	2/11/2022	3/6/2026	Multifamily	Tampa	FL	19,445,670	3.60%	0	77.99%
23	Loan 23	11/21/2022	12/31/2026	Healthcare	Houston	TX	18,920,000	4.00%	0	67.00%
24	Loan 24	2/2/2022	10/4/2026	Multifamily	Houston	TX	17,936,729	3.50%	0	77.50%
25	Loan 25	11/23/2021	12/4/2026	Multifamily	Orange	NJ	17,781,968	3.31%	0	78.00%
26	Loan 26	3/26/2025	4/5/2027	Multifamily	Kannapolis	NC	17,780,000	2.91%	0	60.40%

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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.

9/30/2026 CRE Loan Portfolio Details

#	Loan Name	Closing Date	Maturity Date	Property Type	City	State	Unpaid Principal Balance	Note Spread	Unamortized Discount/Premium	As-Is LTV at Origination[1]
27	Loan 27	9/15/2026	10/5/2027	Multifamily	Waterbury	CT	17,700,000	3.00%	0	46.70%
28	Loan 28	12/20/2024	10/5/2026	Multifamily	Lafayette	IN	17,010,000	3.15%	0	68.00%
29	Loan 29	3/31/2022	4/5/2026	Multifamily	Tallahassee	FL	16,956,276	3.00%	(64,773)	74.80%
30	Loan 30	3/28/2025	4/5/2027	Multifamily	Lansing	MI	16,500,000	2.90%	0	73.50%
31	Loan 31	7/31/2025	8/4/2028	Multifamily	Oswego	IL	16,237,935	4.15%	0	64.70%
32	Loan 32	11/21/2022	12/31/2026	Healthcare	Southlake	TX	15,735,000	4.00%	0	48.00%
33	Loan 33	4/27/2022	5/5/2026	Multifamily	Houston	TX	14,171,704	3.70%	0	79.60%
34	Loan 34	4/12/2021	5/5/2025	Multifamily	Cedar Park	TX	13,666,721	3.86%	0	66.70%
35	Loan 35	6/3/2025	6/4/2027	Multifamily	Bound Brook	NJ	13,510,000	3.95%	0	67.60%
36	Loan 36	5/12/2022	6/5/2025	Multifamily	Ypsilanti	MI	11,926,591	3.50%	(42,925)	68.40%
37	Loan 37	1/25/2022	6/9/2027	Multifamily	Corpus Christi	TX	11,261,792	3.55%	(18,834)	78.76%
38	Loan 38	10/28/2021	11/6/2026	Multifamily	Tampa	FL	11,202,535	3.06%	0	75.70%
39	Loan 39	10/27/2025	11/5/2027	Multifamily	Columbus	OH	10,600,000	2.35%	0	75.00%
40	Loan 40	7/26/2022	8/5/2027	Multifamily	Atlanta	GA	10,320,477	3.65%	(71,654)	65.15%
41	Loan 41	9/30/2021	10/6/2026	Multifamily	Clearfield	UT	9,815,615	3.26%	0	67.98%
42	Loan 42	2/19/2026	3/5/2029	Multifamily	Wadsworth	OH	9,500,000	3.20%	0	66.40%
43	Loan 43	7/14/2022	8/5/2026	Multifamily	Bradenton	FL	9,429,206	3.90%	(20,862)	74.40%
44	Loan 44	4/15/2024	11/5/2026	Healthcare	Multi	ID	8,500,000	4.65%	0	54.00%
45	Loan 45	12/19/2025	1/5/2028	Multifamily	San Antonio	TX	6,960,000	2.75%	0	76.50%
46	Loan 46	5/28/2026	6/5/2028	Multifamily	Des Moines	IA	6,880,000	1.75%	0	72.03%
47	Loan 47	10/7/2022	11/5/2026	Multifamily	Fairborn	OH	6,816,701	4.10%	0	79.10%
48	Loan 48	12/19/2024	1/5/2027	Multifamily	Bellflower	CA	5,987,732	3.00%	0	30.40%
49	Loan 49	9/3/2026	9/5/2029	Multifamily	Seattle	WA	5,000,000	2.35%	0	68.50%
50	Loan 50	12/29/2021	1/6/2027	Multifamily	Multi	NC	1,720,405	3.96%	0	59.90%
51	Loan 51	5/28/2026	6/5/2028	Multifamily	Des Moines	IA	1,220,000	1.75%	0	72.03%
	Total / Average						**980,607,490**	**3.26%**	**(440,495)**	**69.30%**

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, 2026[1]	December 31, 2025[1]
	(unaudited)	
ASSETS		
Cash and cash equivalents	$ 26,913,031	$ 23,112,995
Restricted cash	16,029,720	3,505,087
Commercial mortgage loans held-for-investment, at amortized cost	979,251,405	1,136,706,113
Less: Allowance for credit losses	(27,124,534)	(22,658,121)
Commercial mortgage loans held-for-investment, net of allowance for credit losses	952,126,871	1,114,047,992
Real estate owned, held-for-investment, net	26,717,902	26,839,010
Real estate owned, held-for-sale	49,839,418	24,099,072
Mortgage servicing rights, at fair value	503,297	554,246
Accrued interest receivable	4,650,549	5,428,255
Investment related receivable	—	15,449,323
Other assets	3,037,023	2,944,179
Total assets	$ 1,079,817,811	$ 1,215,980,159
LIABILITIES AND EQUITY		
LIABILITIES		
Securitized debt obligations, net	581,074,424	748,433,484
Secured financing agreements, net	249,049,330	191,943,220
Secured term loan, net	49,571,179	47,719,278
Accrued interest payable	1,493,093	1,869,876
Dividends payable	1,001,291	3,093,470
Fees and expenses payable to Manager	2,862,099	1,428,500
Other liabilities	3,403,938	2,405,613
Total liabilities	888,455,354	996,893,441
COMMITMENTS AND CONTINGENCIES (NOTE 12)		
EQUITY		
Preferred Stock: par value $0.01 per share; 50,000,000 shares authorized; 7.875% Series A Cumulative Redeemable, $60,000,000 aggregate liquidation preference, 2,400,000 shares issued and outstanding at September 30, 2026 and December 31, 2025, respectively	57,254,935	57,254,935
Common Stock: par value $0.01 per share; 450,000,000 shares authorized, 5,256,364 and 5,239,926 shares issued and outstanding, at September 30, 2026 and December 31, 2025, respectively	52,567	52,402
Additional paid-in capital	315,517,833	315,360,794
Cumulative distributions to stockholders	(228,710,768)	(220,958,702)
Accumulated earnings	47,148,390	67,277,789
Total stockholders' equity	191,262,957	218,987,218
Noncontrolling interests	$ 99,500	$ 99,500
Total equity	$ 191,362,457	$ 219,086,718
Total liabilities and equity	$ 1,079,817,811	$ 1,215,980,159

(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, 2026 and December 31, 2025, assets of consolidated VIEs totaled $661,135,004 and $889,507,091, respectively, and the liabilities of consolidated VIEs totaled $582,016,240 and $750,274,556, respectively. See Note 4 for further discussion.

Consolidated Statement of Income

	Three Months Ended September 30, 2026	Three Months Ended September 30, 2025	Nine Months Ended September 30, 2026	Nine Months Ended September 30, 2025
Revenues:				
Interest income:				
Commercial mortgage loans held-for-investment	$ 18,400,076	$ 17,696,281	$ 58,248,021	$ 59,357,526
Cash and cash equivalents	184,198	592,519	452,873	1,820,049
Interest expense:				
Securitized debt obligations	(8,738,103)	(12,213,561)	(27,695,908)	(38,496,809)
Secured financing agreements	(3,997,629)	—	(12,553,383)	—
Secured term loan	(1,285,083)	(1,023,777)	(3,688,736)	(2,933,991)
Net interest income	4,563,459	5,051,462	14,762,867	19,746,775
Expenses:				
Management and incentive fees	1,062,849	1,099,959	3,246,365	3,515,799
General and administrative expenses	960,536	1,144,444	3,436,881	3,075,465
Operating expenses reimbursable to Manager	350,543	451,778	1,440,378	1,351,199
Other operating expenses	1,483,512	269,732	3,023,410	411,491
Compensation expense	111,250	111,250	333,750	333,750
Total expenses	3,968,690	3,077,163	11,480,784	8,687,704
Other income and expense:				
Provision for credit losses, net	(8,599,694)	29,660	(16,493,016)	(5,762,769)
Net (expense) from real estate owned operations	(492,633)	(188,945)	(794,886)	(327,722)
Gain on sale of real estate owned	—	—	145,435	—
Real estate owned impairment expense	(3,892,329)	—	(5,242,764)	—
Change in unrealized (loss) on mortgage servicing rights	(3,436)	(24,700)	(50,949)	(83,674)
Loss on extinguishment of debt	—	—	(1,152,861)	—
Servicing income, net	79,477	50,423	171,397	128,502
Total other income and expense	(12,908,615)	(133,562)	(23,417,644)	(6,045,663)
Net (loss) income before provision for income taxes	(12,313,846)	1,840,737	(20,135,561)	5,013,408
Benefit from (provision for) income taxes	(9,231)	2,902	6,162	(1,564)
Net (loss) income	(12,323,077)	1,843,639	(20,129,399)	5,011,844
Dividends accrued to preferred stockholders	(1,185,041)	(1,185,042)	(3,555,042)	(3,555,042)
Net (loss) income attributable to common stockholders	$ (13,508,118)	$ 658,597	$ (23,684,441)	$ 1,456,802
Earnings per share:				
Net (loss) income attributable to common stockholders (basic and diluted)	$ (13,508,118)	$ 658,597	$ (23,684,441)	$ 1,456,802
Weighted average number of shares of common stock outstanding	5,252,331	5,235,247	5,246,160	5,233,171
Basic and diluted income per share	$ (2.57)	$ 0.13	$ (4.51)	$ 0.28
Dividends declared per share of common stock	$ —	$ 0.40	$ 0.80	$ 1.80

Detailed Walk of Allowance for Loan Losses

	Three months ended		Nine Months Ended	
	September 30, 2026	September 30, 2025	September 30, 2026	September 30, 2025
Allowance for credit losses at beginning of period	$ 21,248,582	$ 14,252,268	$ 22,658,121	$ 11,320,220
Provision for credit losses	8,599,694	(31,664)	16,493,016	5,810,769
Charge-offs	(2,723,742)	(200,196)	(12,026,603)	(3,110,581)
Allowance for credit losses at end of period	**$ 27,124,534**	**$ 14,020,408**	**$ 27,124,534**	**$ 14,020,408**

Reconciliation of Net Income to Distributable Earnings or Loss

GAAP to Distributable Earnings or Loss Reconciliation	For the Three Months Ended December 31, 2025	March 31, 2026	June 30, 2026	September 30, 2026
Reconciliation of GAAP to non-GAAP Information				
Net income attributable to common stockholders	$(8,942,111)	$(978,375)	$(9,197,948)	$(13,508,118)
Adjustments for non-Distributable earnings				
Unrealized losses (gains) on mortgage servicing rights	11,367	30,245	17,268	3,436
Provision for (release of) credit losses	8,628,158	(732,373)	8,625,695	8,599,694
Realized gain (loss) on sale of real estate owned	(200,196)	0	(3,267,833)	0
Realized gain (loss) on mortgage loans	0	0	(1,841,615)	0
Depreciation of real estate owned	295,698	304,885	390,272	318,237
Real estate owned impairment expense	0	1,350,435	0	3,892,329
Loss on extinguishment of debt	0	1,152,861	0	0
Subtotal	8,735,027	2,106,053	3,923,787	12,813,696
Other Adjustments				
Adjustment for income taxes	6,629	(4,648)	(10,745)	9,231
Subtotal	6,629	(4,648)	(10,745)	9,231
Distributable (Loss) Earnings	$(200,455)	$1,123,030	$(5,284,906)	$(685,191)
Weighted average shares outstanding, basic and diluted	5,238,172	5,240,016	5,245,998	5,252,331
Distributable (Loss) Earnings per share of common stock, basic and diluted	$(0.04)	$0.21	$(1.01)	$(0.13)

Detailed Walk of Capitalization as of 9/30/2026

LFT Capitalization Reconciliation *(in 000's)*	9/30/2026
Total GAAP liabilities and stockholders' equity[1]	$1,1079,718
Adjustments for Capitalization	
(-) Accrued interest payable	(1,493)
(-) Dividends payable	(1,001)
(-) Fees and expenses payable to Manager	(2,862)
(-) Other accounts payable and accrued expenses	(3,404)
(+) Other capitalized financing & issuance costs	5,981
LFT Capitalization	$1,076,939

Note: (1) Net of non-controlling interest.

Book Value Per Share of Common Stock as of 9/30/2026

Book Value Per Common Share (in 000's)	September 30, 2026
Total stockholders' equity	$191,362
(-) Preferred equity[1]	(60,000)
(-) Non-controlling interest	(100)
Common equity	$131,263
Shares outstanding	5,256
Book Value Per Share of Common Stock	$24.97

Note: (1) Reflects 2.4 million shares of the Company's 7.875% Series A Cumulative Redeemable Preferred Stock outstanding at a $25 liquidation preference per share.

Key Definitions

"Book Value Per Share of Common Stock" is calculated as: a) total stockholders' equity computed in accordance with GAAP less the value of the issued and outstanding preferred stock at its stated liquidation preference of $25.00 per share, divided by b) the weighted average number of shares of common stock issued and outstanding during the period, basic and diluted.

"Distributable Earnings (Loss)" is a non-GAAP financial measure, which we define as GAAP net income (loss) attributable to holders of common stock 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. Distributable Earnings or Loss mirrors how we calculate "Core Earnings" pursuant to the terms of our management agreement with our manager, Lument Investment Management, LLC ("Manager"), for purposes of calculating the incentive fee payable to our Manager. While Distributable Earnings or Loss excludes the impact of any unrealized provisions for credit losses, any loan losses are charged off and realized through Distributable Earnings or Loss 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 or Loss 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 or Loss is a useful financial metric for existing and potential future holders of our common stock as historically, over time, Distributable Earnings or Loss has been a strong indicator of our dividends per share of common stock. Dividends are one of the principal reasons investors invest in REITs. As a REIT, we generally must distribute annually at least 90% of our taxable income, subject to certain adjustments. Furthermore, we use Distributable Earnings or Loss to 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. We also consider Distributable Earnings or Loss as a performance metric when considering and declaring dividends on our common stock.

Distributable Earnings or Loss 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.

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November 2026