

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549  
FORM 10-Q

(Mark One)

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(D) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended March 31, 2024

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(D) OF THE SECURITIES EXCHANGE ACT OF 1934

Commission file number: 001-40923

**FRANKLIN BSP REALTY TRUST, INC.**

(Exact name of registrant as specified in its charter)

**Maryland**

**46-1406086**

(State or Other Jurisdiction of  
Incorporation or Organization)

(I.R.S. Employer  
Identification No.)

**1345 Avenue of the Americas , Suite 32A**

**New York , New York**

**10105**

(Address of Principal Executive Office)

(Zip Code)

**( 212 ) 588-6770**

(Registrant's Telephone Number, Including Area Code)

Securities registered pursuant to Section 12(b) of the Act:

| Title of each class                                                                 | Trading Symbol(s) | Name of each exchange on which registered |
|-------------------------------------------------------------------------------------|-------------------|-------------------------------------------|
| Common Stock, par value \$0.01 per share                                            | FBRT              | New York Stock Exchange                   |
| 7.50% Series E Cumulative Redeemable Preferred Stock,<br>par value \$0.01 per share | FBRT PRE          | New York Stock Exchange                   |

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes  No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes  No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act:

Large-accelerated filer

Accelerated filer

Non-accelerated filer

Smaller reporting company

Emerging growth filer

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes  No

The number of shares of the registrant's common stock, \$0.01 par value, outstanding as of April 19, 2024 was 81,870,061 .

FRANKLIN BSP REALTY TRUST, INC.

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**PART I. Item 1. Consolidated Financial Statements and Notes (unaudited)**

**FRANKLIN BSP REALTY TRUST, INC.**  
**CONSOLIDATED BALANCE SHEETS**  
(In thousands, except share and per share data)  
(Uunaudited)

|                                                                                                                                                                                                                                                                                          | <b>March 31, 2024</b> | <b>December 31, 2023</b> |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------|--------------------------|
| <b>ASSETS</b>                                                                                                                                                                                                                                                                            |                       |                          |
| Cash and cash equivalents                                                                                                                                                                                                                                                                | \$ 240,030            | \$ 337,595               |
| Restricted cash                                                                                                                                                                                                                                                                          | 8,092                 | 6,092                    |
| Commercial mortgage loans, held for investment, net of allowance for credit losses of \$ 49,215 and \$ 47,175 as of March 31, 2024 and December 31, 2023, respectively                                                                                                                   | 5,184,205             | 4,989,767                |
| Commercial mortgage loans, held for sale, measured at fair value                                                                                                                                                                                                                         | 30,457                | —                        |
| Real estate securities, available for sale, measured at fair value, amortized cost of \$ 217,324 and \$ 243,272 as of March 31, 2024 and December 31, 2023, respectively (includes pledged assets of \$ 217,855 and \$ 167,948 as of March 31, 2024 and December 31, 2023, respectively) | 217,855               | 242,569                  |
| Receivable for loan repayment <sup>(1)</sup>                                                                                                                                                                                                                                             | 26,683                | 55,174                   |
| Accrued interest receivable                                                                                                                                                                                                                                                              | 39,628                | 42,490                   |
| Prepaid expenses and other assets                                                                                                                                                                                                                                                        | 19,911                | 19,213                   |
| Intangible lease asset, net of amortization                                                                                                                                                                                                                                              | 42,037                | 42,793                   |
| Real estate owned, net of depreciation                                                                                                                                                                                                                                                   | 115,169               | 115,830                  |
| Real estate owned, held for sale                                                                                                                                                                                                                                                         | 103,657               | 103,657                  |
| <b>Total assets</b>                                                                                                                                                                                                                                                                      | <b>\$ 6,027,724</b>   | <b>\$ 5,955,180</b>      |
| <b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>                                                                                                                                                                                                                                              |                       |                          |
| Collateralized loan obligations                                                                                                                                                                                                                                                          | \$ 3,530,740          | \$ 3,567,166             |
| Repurchase agreements and revolving credit facilities - commercial mortgage loans                                                                                                                                                                                                        | 412,556               | 299,707                  |
| Repurchase agreements - real estate securities                                                                                                                                                                                                                                           | 194,769               | 174,055                  |
| Mortgage note payable                                                                                                                                                                                                                                                                    | 23,998                | 23,998                   |
| Other financings                                                                                                                                                                                                                                                                         | 12,865                | 36,534                   |
| Unsecured debt                                                                                                                                                                                                                                                                           | 81,320                | 81,295                   |
| Derivative instruments, measured at fair value                                                                                                                                                                                                                                           | 524                   | —                        |
| Interest payable                                                                                                                                                                                                                                                                         | 15,052                | 15,383                   |
| Distributions payable                                                                                                                                                                                                                                                                    | 36,308                | 36,133                   |
| Accounts payable and accrued expenses                                                                                                                                                                                                                                                    | 11,195                | 13,339                   |
| Due to affiliates                                                                                                                                                                                                                                                                        | 20,969                | 19,316                   |
| Intangible lease liability, held for sale                                                                                                                                                                                                                                                | 12,297                | 12,297                   |
| <b>Total liabilities</b>                                                                                                                                                                                                                                                                 | <b>\$ 4,352,593</b>   | <b>\$ 4,279,223</b>      |
| <b>Commitments and Contingencies</b>                                                                                                                                                                                                                                                     |                       |                          |
| <b>Redeemable convertible preferred stock:</b>                                                                                                                                                                                                                                           |                       |                          |
| Redeemable convertible preferred stock Series H, \$ 0.01 par value, 20,000 authorized and 17,950 issued and outstanding as of March 31, 2024 and December 31, 2023                                                                                                                       | \$ 89,748             | \$ 89,748                |
| <b>Total redeemable convertible preferred stock</b>                                                                                                                                                                                                                                      | <b>\$ 89,748</b>      | <b>\$ 89,748</b>         |
| <b>Equity:</b>                                                                                                                                                                                                                                                                           |                       |                          |
| Preferred stock, \$ 0.01 par value; 100,000,000 shares authorized, 7.5 % Cumulative Redeemable Preferred Stock, Series E, 10,329,039 shares issued and outstanding as of March 31, 2024 and December 31, 2023                                                                            | \$ 258,742            | \$ 258,742               |
| Common stock, \$ 0.01 par value, 900,000,000 shares authorized, 83,254,483 and 82,751,913 shares issued and outstanding as of March 31, 2024 and December 31, 2023, respectively                                                                                                         | 820                   | 820                      |
| Additional paid-in capital                                                                                                                                                                                                                                                               | 1,597,611             | 1,599,197                |
| Accumulated other comprehensive income (loss)                                                                                                                                                                                                                                            | 530                   | ( 703 )                  |
| Accumulated deficit                                                                                                                                                                                                                                                                      | ( 299,326 )           | ( 298,942 )              |
| <b>Total stockholders' equity</b>                                                                                                                                                                                                                                                        | <b>\$ 1,558,377</b>   | <b>\$ 1,559,114</b>      |
| Non-controlling interest                                                                                                                                                                                                                                                                 | 27,006                | 27,095                   |
| <b>Total equity</b>                                                                                                                                                                                                                                                                      | <b>\$ 1,585,383</b>   | <b>\$ 1,586,209</b>      |
| <b>Total liabilities, redeemable convertible preferred stock and equity</b>                                                                                                                                                                                                              | <b>\$ 6,027,724</b>   | <b>\$ 5,955,180</b>      |

<sup>(1)</sup> Includes \$ 26.6 million and \$ 55.1 million of cash held by servicer related to the CLOs as of March 31, 2024 and December 31, 2023, respectively.

*The accompanying notes are an integral part of these unaudited consolidated financial statements.*



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**FRANKLIN BSP REALTY TRUST, INC.**  
**CONSOLIDATED STATEMENTS OF OPERATIONS**  
(in thousands, except share and per share data)  
(Uunaudited)

|                                                                                                  | <b>Three Months Ended<br/>March 31,</b> |                  |
|--------------------------------------------------------------------------------------------------|-----------------------------------------|------------------|
|                                                                                                  | <b>2024</b>                             | <b>2023</b>      |
| <b>Income</b>                                                                                    |                                         |                  |
| Interest income                                                                                  | \$ 130,558                              | \$ 130,536       |
| Less: Interest expense                                                                           | 81,318                                  | 71,075           |
| Net interest income                                                                              | 49,240                                  | 59,461           |
| Revenue from real estate owned                                                                   | 4,712                                   | 3,312            |
| <b>Total income</b>                                                                              | <b>\$ 53,952</b>                        | <b>\$ 62,773</b> |
| <b>Expenses</b>                                                                                  |                                         |                  |
| Asset management and subordinated performance fee                                                | \$ 7,865                                | \$ 8,085         |
| Acquisition expenses                                                                             | 238                                     | 378              |
| Administrative services expenses                                                                 | 2,860                                   | 4,029            |
| Professional fees                                                                                | 4,084                                   | 4,814            |
| Share-based compensation                                                                         | 1,799                                   | 1,022            |
| Depreciation and amortization                                                                    | 1,417                                   | 1,805            |
| Other expenses                                                                                   | 2,363                                   | 2,166            |
| <b>Total expenses</b>                                                                            | <b>\$ 20,626</b>                        | <b>\$ 22,299</b> |
| <b>Other income/(loss)</b>                                                                       |                                         |                  |
| (Provision)/benefit for credit losses                                                            | \$ ( 2,880 )                            | \$ ( 4,360 )     |
| Realized gain/(loss) on extinguishment of debt                                                   | —                                       | 4,767            |
| Realized gain/(loss) on real estate securities, available for sale                               | 88                                      | 596              |
| Realized gain/(loss) on sale of commercial mortgage loans, held for sale, measured at fair value | 5,513                                   | —                |
| Unrealized gain/(loss) on commercial mortgage loans, held for sale, measured at fair value       | 457                                     | 347              |
| Gain/(loss) on other real estate investments                                                     | 6                                       | ( 1,339 )        |
| Trading gain/(loss)                                                                              | —                                       | 2,968            |
| Unrealized gain/(loss) on derivatives                                                            | ( 138 )                                 | ( 320 )          |
| Realized gain/(loss) on derivatives                                                              | 290                                     | 44               |
| <b>Total other income/(loss)</b>                                                                 | <b>\$ 3,336</b>                         | <b>\$ 2,703</b>  |
| Income/(loss) before taxes                                                                       | 36,662                                  | 43,177           |
| (Provision)/benefit for income tax                                                               | ( 835 )                                 | 662              |
| <b>Net income/(loss)</b>                                                                         | <b>\$ 35,827</b>                        | <b>\$ 43,839</b> |
| <b>Net (income)/loss attributable to non-controlling interest</b>                                | <b>93</b>                               | <b>( 9 )</b>     |
| <b>Net income/(loss) attributable to Franklin BSP Realty Trust, Inc.</b>                         | <b>\$ 35,920</b>                        | <b>\$ 43,830</b> |
| Less: Preferred stock dividends                                                                  | 6,748                                   | 6,748            |
| <b>Net income/(loss) applicable to common stock</b>                                              | <b>\$ 29,172</b>                        | <b>\$ 37,082</b> |
| Basic earnings per share                                                                         | \$ 0.35                                 | \$ 0.44          |
| Diluted earnings per share                                                                       | \$ 0.35                                 | \$ 0.44          |
| Basic weighted average shares outstanding                                                        | 81,994,096                              | 82,774,771       |
| Diluted weighted average shares outstanding                                                      | 81,994,096                              | 82,774,771       |

*The accompanying notes are an integral part of these unaudited consolidated financial statements.*

**FRANKLIN BSP REALTY TRUST, INC.**  
**CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**  
**(In thousands)**  
**(Unaudited)**

|                                                                                    | <b>Three Months Ended<br/>March 31,</b> |                     |
|------------------------------------------------------------------------------------|-----------------------------------------|---------------------|
|                                                                                    | <b>2024</b>                             | <b>2023</b>         |
| <b>Net income/(loss)</b>                                                           | <b>\$ 35,827</b>                        | <b>\$ 43,839</b>    |
| <b>Amounts related to available for sale real estate securities:</b>               |                                         |                     |
| Change in net unrealized gain/(loss)                                               | \$ 927                                  | \$ ( 1,648 )        |
| Reclassification adjustment for amounts included in net income/(loss)              | 306                                     | ( 677 )             |
|                                                                                    | <b>\$ 1,233</b>                         | <b>\$ ( 2,325 )</b> |
| <b>Comprehensive (income)/loss attributed to non-controlling interest</b>          | <b>93</b>                               | <b>( 9 )</b>        |
| <b>Comprehensive income/(loss) attributable to Franklin BSP Realty Trust, Inc.</b> | <b>\$ 37,153</b>                        | <b>\$ 41,505</b>    |

*The accompanying notes are an integral part of these unaudited consolidated financial statements.*

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**FRANKLIN BSP REALTY TRUST, INC.**  
**CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY**  
(in thousands, except share data)  
(Unaudited)

|                                                                      | Common Stock        |               | Accumulated                      |                                         |                        |                   |                     | Total<br>Stockholders'<br>Equity | Non-<br>Controlling<br>Interest | Total<br>Equity  |
|----------------------------------------------------------------------|---------------------|---------------|----------------------------------|-----------------------------------------|------------------------|-------------------|---------------------|----------------------------------|---------------------------------|------------------|
|                                                                      | Number of<br>Shares | Par<br>Value  | Additional<br>Paid-In<br>Capital | Other<br>Comprehensive<br>Income/(Loss) | Accumulated<br>Deficit | Preferred<br>E    |                     |                                  |                                 |                  |
| 1,599,197                                                            |                     |               |                                  |                                         |                        |                   |                     |                                  |                                 | 1,586,209        |
| <b>Balance, December 31, 2023</b>                                    | <b>82,751,913</b>   | <b>\$ 820</b> | <b>\$</b>                        | <b>\$ ( 703 )</b>                       | <b>\$ ( 298,942 )</b>  | <b>\$ 258,742</b> | <b>\$ 1,559,114</b> | <b>\$ 27,095</b>                 | <b>\$</b>                       | <b>1,586,209</b> |
| Common stock repurchases                                             | ( 151,123 )         | ( 2 )         | ( 1,875 )                        | —                                       | —                      | —                 | ( 1,877 )           | —                                | ( 1,877 )                       |                  |
| Share-based compensation                                             | 766,664             | 2             | 1,797                            | —                                       | —                      | —                 | 1,799               | —                                | 1,799                           |                  |
| Shares canceled for tax withholding on vested<br>equity rewards      | ( 112,971 )         | —             | ( 1,508 )                        | —                                       | —                      | —                 | ( 1,508 )           | —                                | ( 1,508 )                       |                  |
| Net income/(loss) attributable to Franklin BSP<br>Realty Trust, Inc. | —                   | —             | —                                | —                                       | 35,920                 | —                 | 35,920              | —                                | 35,920                          |                  |
| Net income/(loss) attributable to non-controlling<br>interest        | —                   | —             | —                                | —                                       | —                      | —                 | —                   | ( 93 )                           | ( 93 )                          |                  |
| Distributions declared                                               | —                   | —             | —                                | —                                       | ( 36,304 )             | —                 | ( 36,304 )          | —                                | ( 36,304 )                      |                  |
| Other comprehensive income/(loss)                                    | —                   | —             | —                                | 1,233                                   | —                      | —                 | 1,233               | —                                | 1,233                           |                  |
| Contributions/(distributions) in non-controlling<br>interest, net    | —                   | —             | —                                | —                                       | —                      | —                 | —                   | 4                                | 4                               |                  |
| 1,597,611                                                            |                     |               |                                  |                                         |                        |                   |                     |                                  |                                 | 1,585,383        |
| <b>Balance, March 31, 2024</b>                                       | <b>83,254,483</b>   | <b>\$ 820</b> | <b>\$</b>                        | <b>\$ 530</b>                           | <b>\$ ( 299,326 )</b>  | <b>\$ 258,742</b> | <b>\$ 1,558,377</b> | <b>\$ 27,006</b>                 | <b>\$</b>                       | <b>1,585,383</b> |
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|                                                                      |                     |               |                                  |                                         |                        |                   |                     |                                  |                                 |                  |
|                                                                      |                     |               |                                  |                                         |                        |                   |                     |                                  |                                 |                  |
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**FRANKLIN BSP REALTY TRUST, INC.**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**  
**(In thousands)**  
**(Unaudited)**

|                                                                                                     | <b>Three Months Ended March 31,</b> |                   |
|-----------------------------------------------------------------------------------------------------|-------------------------------------|-------------------|
|                                                                                                     | <b>2024</b>                         | <b>2023</b>       |
| <b>Cash flows from operating activities:</b>                                                        |                                     |                   |
| Net income/(loss)                                                                                   | \$ 35,827                           | \$ 43,839         |
| <b>Adjustments to reconcile net income to net cash (used in)/provided by operating activities:</b>  |                                     |                   |
| Premium amortization and (discount accretion), net                                                  | \$ (2,453)                          | \$ (4,163)        |
| Accretion of deferred commitment fees                                                               | (1,513)                             | (2,869)           |
| Amortization of deferred financing costs                                                            | 3,105                               | 1,837             |
| Share-based compensation                                                                            | 1,799                               | 1,022             |
| Realized (gain)/loss on extinguishment of debt                                                      | —                                   | (4,767)           |
| Realized (gain)/loss on sale of available for sale securities, measured at fair value               | (88)                                | (596)             |
| Realized (gain)/loss on sale of commercial mortgage loans, held for sale, measured at fair value    | (5,513)                             | —                 |
| Unrealized (gain)/loss from commercial mortgage loans, held for sale, measured at fair value        | (457)                               | (347)             |
| Unrealized (gain)/loss from derivative instruments                                                  | 138                                 | 320               |
| (Gain)/loss from other real estate investments                                                      | (6)                                 | 1,339             |
| Trading (gain)/loss                                                                                 | —                                   | (2,968)           |
| Depreciation and amortization                                                                       | 1,417                               | 1,642             |
| Straight lining rents                                                                               | (1,559)                             | (307)             |
| Provision/(benefit) for credit losses                                                               | 2,880                               | 4,360             |
| Origination of commercial mortgage loans, held for sale, measured at fair value                     | (130,700)                           | —                 |
| Proceeds from sale or repayment of commercial mortgage loans, held for sale, measured at fair value | 106,213                             | (22)              |
| <b>Changes in assets and liabilities:</b>                                                           |                                     |                   |
| Accrued interest receivable                                                                         | 4,375                               | 539               |
| Prepaid expenses and other assets                                                                   | 940                                 | (735)             |
| Accounts payable and accrued expenses                                                               | (2,757)                             | (3,510)           |
| Due to affiliates                                                                                   | 1,653                               | (1,573)           |
| Interest payable                                                                                    | (331)                               | 217               |
| <b>Net cash (used in)/provided by operating activities</b>                                          | <b>\$ 12,970</b>                    | <b>\$ 33,258</b>  |
| <b>Cash flows from investing activities:</b>                                                        |                                     |                   |
| Origination and purchase of commercial mortgage loans, held for investment                          | \$ (488,291)                        | \$ (195,617)      |
| Principal repayments received on commercial mortgage loans, held for investment                     | 280,292                             | 406,243           |
| Proceeds from sale of real estate owned, held for sale                                              | 42,241                              | —                 |
| Purchase of real estate owned and capital expenditures                                              | —                                   | —                 |
| Purchase of real estate securities, available for sale                                              | (15,717)                            | (20,267)          |
| Proceeds from sale of real estate securities                                                        | 41,755                              | 225,147           |
| Principal collateral on mortgage investments                                                        | —                                   | 7,302             |
| Proceeds from sale/(purchase) of derivative instruments                                             | 386                                 | —                 |
| <b>Net cash (used in)/provided by investing activities</b>                                          | <b>\$ (139,334)</b>                 | <b>\$ 422,808</b> |
| <b>Cash flows from financing activities:</b>                                                        |                                     |                   |
| Payments for common stock repurchases                                                               | (1,877)                             | (3,666)           |
| Shares cancelled for tax withholding on vested equity rewards                                       | (1,508)                             | (812)             |
| Borrowings on collateralized loan obligations                                                       | 27,949                              | —                 |
| Repayments of collateralized loan obligations                                                       | (66,654)                            | (69,042)          |
| Borrowings on repurchase agreements and revolving credit facilities - commercial mortgage loans     | 151,013                             | 157,862           |
| Repayments of repurchase agreements and revolving credit facilities - commercial mortgage loans     | (38,164)                            | (234,300)         |
| Borrowings on repurchase agreements - real estate securities                                        | 57,289                              | 258,881           |
| Repayments of repurchase agreements - real estate securities                                        | (36,575)                            | (469,955)         |

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**FRANKLIN BSP REALTY TRUST, INC.**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**  
**(In thousands)**  
**(Unaudited)**

|                                                                        |                   |                       |
|------------------------------------------------------------------------|-------------------|-----------------------|
| Borrowings on other financings                                         | —                 | 43,615                |
| Repayments on other financings                                         | ( 23,669 )        | ( 40,795 )            |
| Repayments of unsecured debt                                           | —                 | ( 13,367 )            |
| Payments of deferred financing costs                                   | ( 880 )           | ( 1,377 )             |
| Distributions paid                                                     | ( 36,125 )        | ( 36,317 )            |
| <b>Net cash (used in)/provided by financing activities:</b>            | <b>\$ 30,799</b>  | <b>\$ ( 409,273 )</b> |
| <b>Net change in cash, cash equivalents and restricted cash</b>        | <b>( 95,565 )</b> | <b>46,793</b>         |
| <b>Cash, cash equivalents and restricted cash, beginning of period</b> | <b>343,687</b>    | <b>190,487</b>        |
| <b>Cash, cash equivalents and restricted cash, end of period</b>       | <b>\$ 248,122</b> | <b>\$ 237,279</b>     |
| <hr/>                                                                  |                   |                       |
| <b>Reconciliation of cash, cash equivalents and restricted cash:</b>   |                   |                       |
| Cash and cash equivalents, beginning of period                         | 337,595           | 179,314               |
| Restricted cash, beginning of period                                   | 6,092             | 11,173                |
| Cash, cash equivalents and restricted cash, beginning of period        | <b>\$ 343,687</b> | <b>\$ 190,487</b>     |
| Cash and cash equivalents, end of period                               | 240,030           | 230,405               |
| Restricted cash, end of period                                         | 8,092             | 6,874                 |
| <b>Cash, cash equivalents and restricted cash, end of period</b>       | <b>\$ 248,122</b> | <b>\$ 237,279</b>     |
| <hr/>                                                                  |                   |                       |
| <b>Supplemental disclosures of cash flow information:</b>              |                   |                       |
| Cash payments for income taxes                                         | \$ 51             | \$ ( 15 )             |
| Cash payments for interest                                             | 77,589            | 69,263                |
| Pre-close loan fundings held with servicer                             | —                 | ( 2,742 )             |
| <hr/>                                                                  |                   |                       |
| <b>Supplemental disclosures of non - cash flow information:</b>        |                   |                       |
| Distribution payable                                                   | \$ 36,308         | \$ 36,367             |
| Loans transferred to real estate owned                                 | 42,235            | 57,205                |
| Modification accounted for as repayment and new loan                   | ( 42,235 )        | —                     |
| Conversion of preferred stock to common stock                          | —                 | 5,000                 |

*The accompanying notes are an integral part of these unaudited consolidated financial statements.*

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**FRANKLIN BSP REALTY TRUST, INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**March 31, 2024**  
**(Unaudited)**

**Note 1 - Organization and Business Operations**

Franklin BSP Realty Trust, Inc., (the "Company") is a real estate finance company that primarily originates, acquires and manages a diversified portfolio of commercial real estate debt investments secured by properties located within and outside the United States. The Company is a Maryland corporation and has made tax elections to be treated as a real estate investment trust (a "REIT") for U.S. federal income tax purposes since 2013.

The Company believes that it has qualified as a REIT and intends to continue to meet the requirements for qualification and taxation as a REIT. Substantially all of the Company's business is conducted through Benefit Street Partners Realty Operating Partnership, L.P. (the "OP"), a Delaware limited partnership. The Company is the sole general partner and directly or indirectly holds all of the units of limited partner interests in the OP. In addition, the Company, through one or more subsidiaries which are treated as a taxable REIT subsidiary (a "TRS"), is indirectly subject to U.S. federal, state and local income taxes.

The Company has no employees. Benefit Street Partners L.L.C. serves as the Company's advisor (the "Advisor") pursuant to an advisory agreement, as amended on August 18, 2021 (the "Advisory Agreement"). The Advisor, an investment adviser registered with the SEC, is a credit-focused alternative asset management firm.

Established in 2008, the Advisor's credit platform manages funds for institutions and high-net-worth investors across various credit funds and complementary strategies including high yield, levered loans, private/opportunistic debt, liquid credit, structured credit and commercial real estate debt. These strategies complement each other as they all leverage the sourcing, analytical, compliance, and operational capabilities that encompass the platform. The Advisor manages the Company's affairs on a day-to-day basis. The Advisor receives compensation fees and reimbursements for services related to the investment and management of the Company's assets and the operations of the Company. The advisor is a wholly-owned subsidiary of Franklin Resources, Inc., which together with its various subsidiaries operates as "Franklin Templeton".

The Company invests in commercial real estate debt investments, which may include first mortgage loans, subordinated mortgage loans, mezzanine loans and participations in such loans. The Company also originates conduit loans which the Company intends to sell through its TRS into commercial mortgage-backed securities ("CMBS") securitization transactions. Historically this business has focused primarily on CMBS, commercial real estate collateralized loan obligation bonds ("CRE CLO bonds"), collateralized debt obligations ("CDOs") and other securities. The Company also owns real estate that was either acquired by the Company through foreclosure or deed in lieu of foreclosure, or that was purchased for investment, primarily subject to triple net leases.

**Note 2 - Summary of Significant Accounting Policies**

**Basis of Accounting**

The Company's unaudited consolidated financial statements and related footnotes have been prepared on the accrual basis of accounting in conformity with accounting principles generally accepted in the United States of America ("GAAP") for interim financial statements and pursuant to the requirements for reporting on Form 10-Q and Regulation S-X, as appropriate.

These financial statements should be read in conjunction with the audited consolidated financial statements and notes thereto as of, and for the year ended December 31, 2023, which are included in the Company's Annual Report on Form 10-K filed with the Securities and Exchange Commission ("SEC") on February 26, 2024, as certain disclosures that would substantially duplicate those contained in the audited consolidated financial statements have not been included in this report.

**Reclassifications**

Certain prior year balances have been reclassified in order to conform to the current period presentation.

For the three months ended March 31, 2023 \$ 0.3 million related to straight lining of rents was reclassified from *Prepaid expenses and other assets* to *Straight lining rents* in the consolidated statement of cash flows.

**Use of Estimates**

GAAP requires management to make estimates and assumptions that affect the reported amount of assets and liabilities as of the date of the financial statements and the reported amounts of income and expenses during the reported periods. Changes in the economic environment, financial markets and any other parameters used in determining these estimates could cause actual results to differ materially. In the opinion of management, the interim data includes all adjustments, of a normal and recurring nature, necessary for a fair statement of the results for the periods presented. The current period's results of operations will not necessarily be indicative of results that ultimately may be achieved for the entire year or any subsequent interim periods.

**FRANKLIN BSP REALTY TRUST, INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**March 31, 2024**  
**(Unaudited)**

**Principles of Consolidation**

The accompanying consolidated financial statements include the accounts of the Company, the OP and its subsidiaries. All intercompany accounts and transactions have been eliminated in consolidation. In determining whether the Company has a controlling financial interest in a joint venture and the requirement to consolidate the accounts of that entity, management considers factors such as ownership interest, authority to make decisions and contractual and substantive participating rights of the other partners or members, as well as whether the entity is a variable interest entity ("VIE") for which the Company is the primary beneficiary.

The Company has determined the OP is a VIE of which the Company is the primary beneficiary. Substantially all of the Company's assets and liabilities are held by the OP.

The Company consolidates all entities that it controls through either majority ownership or voting rights. In addition, the Company consolidates all VIEs of which the Company is considered the primary beneficiary. VIEs are entities in which equity investors (i) do not have the characteristics of a controlling financial interest and/or (ii) do not have sufficient equity at risk for the entity to finance its activities without additional subordinated financial support from other parties. The entity that consolidates a VIE is its primary beneficiary and is generally the entity with (i) the power to direct the activities that most significantly affect the VIE's economic performance and (ii) the right to receive benefits from the VIE or the obligation to absorb losses of the VIE that could be significant to the VIE. Non-controlling interest represents the equity of consolidated joint ventures that are not owned by the Company.

The accompanying consolidated financial statements include the accounts of collateralized loan obligations ("CLOs") issued and securitized by wholly owned subsidiaries of the Company. The Company has determined the CLOs are VIEs of which the Company's subsidiary is the primary beneficiary. The assets and liabilities of the CLOs are consolidated in the accompanying consolidated balance sheets in accordance with Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") 810, *Consolidation*.

**Cash and Cash Equivalents**

Cash consists of amounts deposited with high quality financial institutions. These deposits are guaranteed by the Federal Deposit Insurance Company up to an insurance limit. Cash and cash equivalent balances may, at a limited number of banks and financial institutions, exceed insurable amounts. The Company believes it mitigates risk by investing in or through major financial institutions and primarily in funds that are currently U.S. federal government insured up to applicable account limits. Recoverability of investments is dependent upon the performance of the issuers. Cash equivalents include short-term, liquid investments in money market funds with original maturities of 90 days or less when purchased.

**Recently Issued Accounting Pronouncements**

In November 2023, the FASB issued ASU 2023-07 "Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures," or ASU 2023-07. ASU 2023-07 enhances the disclosures required for reportable segments on an annual and interim basis. ASU 2023-07 is effective on a retrospective basis for annual periods beginning after December 15, 2023, for interim periods within fiscal years beginning after December 15, 2024, and early adoption is permitted. The Company is still assessing the impact, if any, to the adoption of ASU 2023-07 on our consolidated financial statements.

In December 2023, the FASB issued Accounting Standards Update, or ASU, 2023-09 "Income Taxes (Topic 740): Improvements to Income Tax Disclosures," or ASU 2023-09. ASU 2023-09 requires additional disaggregated disclosures on the entity's effective tax rate reconciliation and additional details on income taxes paid. ASU 2023-09 is effective on a prospective basis, with the option for retrospective application, for annual periods beginning after December 15, 2024 and early adoption is permitted. We do not expect the adoption of ASU 2023-09 to have a material impact on our consolidated financial statements.

In March 2024, the FASB issued Accounting Standards Update, or ASU, 2024-01 "Compensation — Stock Compensation (Topic 718): Scope Application of Profits Interest and Similar Awards," or ASU 2024-01. ASU 2024-01 improves clarity and operability without changing the guidance. ASU 2024-01 is effective on a prospective basis, with the option for retrospective application, for annual periods beginning after December 15, 2024 and early adoption is permitted. We do not expect the adoption of ASU 2023-09 to have a material impact on our consolidated financial statements.

In March 2024, the FASB issued Accounting Standards Update, or ASU, 2024-02 "Codification Improvements — Amendments to Remove References to the Concepts Statements," or ASU 2024-02. ASU 2024-02 amended certain definitions in the guidance. ASU 2024-02 is effective on a prospective basis, with the option for retrospective application, for annual periods beginning after December 15, 2024 and early adoption is permitted. We do not expect the adoption of ASU 2023-09 to have a material impact on our consolidated financial statements.

**FRANKLIN BSP REALTY TRUST, INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**March 31, 2024**  
**(Unaudited)**

**Note 3 - Commercial Mortgage Loans****Commercial Mortgage Loans, Held for Investment**

The following table is a summary of the Company's commercial mortgage loans, held for investment, carrying values by class (dollars in thousands):

|                                                                  | <b>March 31, 2024</b> | <b>December 31, 2023</b> |
|------------------------------------------------------------------|-----------------------|--------------------------|
| Senior loans                                                     | \$ 5,206,011          | \$ 5,017,569             |
| Mezzanine loans                                                  | 27,409                | 19,373                   |
| Total gross carrying value of loans                              | 5,233,420             | 5,036,942                |
| General allowance for credit losses                              | 48,477                | 47,175                   |
| Specific allowance for credit losses                             | 738                   | —                        |
| Less: Allowance for credit losses                                | 49,215                | 47,175                   |
| <b>Total commercial mortgage loans, held for investment, net</b> | <b>\$ 5,184,205</b>   | <b>\$ 4,989,767</b>      |

For the three months ended March 31, 2024 and year ended December 31, 2023, the activity in the Company's commercial mortgage loans, held for investment carrying values, was as follows (dollars in thousands):

|                                                                  | <b>Three months ended</b> | <b>Year Ended</b>        |
|------------------------------------------------------------------|---------------------------|--------------------------|
|                                                                  | <b>March 31, 2024</b>     | <b>December 31, 2023</b> |
| <b>Amortized cost, beginning of period</b>                       | \$ 5,036,942              | \$ 5,269,776             |
| Acquisitions and originations                                    | 492,800                   | 941,513                  |
| Principal repayments                                             | ( 251,801 )               | ( 1,076,532 )            |
| Net fees capitalized into carrying value of loans                | ( 4,736 )                 | ( 5,242 )                |
| Discount accretion/premium amortization                          | 2,450                     | 13,016                   |
| Transfer to real estate owned <sup>(1)</sup>                     | ( 42,235 )                | ( 103,863 )              |
| Cost recovery                                                    | —                         | ( 1,726 )                |
| <b>Amortized cost, end of period</b>                             | <b>\$ 5,233,420</b>       | <b>\$ 5,036,942</b>      |
| <b>Allowance for credit losses, beginning of period</b>          | \$ ( 47,175 )             | \$ ( 40,848 )            |
| General (provision)/benefit for credit losses                    | ( 1,302 )                 | ( 20,551 )               |
| Specific (provision)/benefit for credit losses                   | ( 738 )                   | ( 12,334 )               |
| Write offs from specific allowance for credit losses             | —                         | 26,558                   |
| <b>Allowance for credit losses, end of period</b>                | <b>\$ ( 49,215 )</b>      | <b>\$ ( 47,175 )</b>     |
| <b>Total commercial mortgage loans, held for investment, net</b> | <b>\$ 5,184,205</b>       | <b>\$ 4,989,767</b>      |

<sup>(1)</sup> In February 2024, the Company, through deed-in-lieu of foreclosure, acquired a multifamily property located in San Antonio, TX, and assumed the senior mortgage note which the Company originated in November 2021. At the time of the deed-in-lieu of foreclosure, the amortized cost of the loan was \$ 42.2 million and contractual interest was satisfied. Subsequently thereafter, the property was sold to a third party. In connection with the sale, the senior mortgage note which the Company originated in November 2021 was assumed by the buyer and immediately modified, resulting in a \$ 5.9 million principal payoff. As a result, the modification was accounted for as a new loan for GAAP purposes and the sale of the real estate owned transaction resulted in a net gain of \$ 6.0 thousand recorded in *Gain/(loss) on other real estate investments* in the consolidated statement of operations.

As of March 31, 2024 and December 31, 2023, the Company's total commercial mortgage loan, held for investment portfolio, was comprised of 145 and 144 loans, respectively.

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**FRANKLIN BSP REALTY TRUST, INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**March 31, 2024**  
**(Unaudited)**

**Loan Portfolio by Collateral Type and Geographic Region**

The following tables represent the composition by loan collateral type and region of the Company's commercial mortgage loans, held for investment portfolio (dollars in thousands):

| Loan Collateral Type | March 31, 2024      |                |                     | December 31, 2023 |  |  |
|----------------------|---------------------|----------------|---------------------|-------------------|--|--|
|                      | Par Value           | Percentage     | Par Value           | Percentage        |  |  |
| Multifamily          | \$ 3,931,501        | 74.9 %         | \$ 3,876,108        | 76.8 %            |  |  |
| Hospitality          | 721,075             | 13.8 %         | 670,274             | 13.3 %            |  |  |
| Office               | 312,894             | 6.0 %          | 269,924             | 5.4 %             |  |  |
| Industrial           | 150,346             | 2.9 %          | 73,724              | 1.5 %             |  |  |
| Retail               | 34,000              | 0.6 %          | 34,000              | 0.7 %             |  |  |
| Other                | 93,984              | 1.8 %          | 121,006             | 2.3 %             |  |  |
| <b>Total</b>         | <b>\$ 5,243,800</b> | <b>100.0 %</b> | <b>\$ 5,045,036</b> | <b>100.0 %</b>    |  |  |

| Loan Region            | March 31, 2024      |                |                     | December 31, 2023 |  |  |
|------------------------|---------------------|----------------|---------------------|-------------------|--|--|
|                        | Par Value           | Percentage     | Par Value           | Percentage        |  |  |
| Southeast              | \$ 2,116,439        | 40.4 %         | \$ 1,989,175        | 39.4 %            |  |  |
| Southwest              | 2,033,484           | 38.8 %         | 1,920,491           | 38.1 %            |  |  |
| Mideast                | 385,710             | 7.4 %          | 455,739             | 9.0 %             |  |  |
| Great Lakes            | 156,627             | 3.0 %          | 161,059             | 3.2 %             |  |  |
| Rocky Mountain         | 134,535             | 2.6 %          | 74,934              | 1.5 %             |  |  |
| Far West               | 104,321             | 2.0 %          | 113,554             | 2.3 %             |  |  |
| New England            | 62,691              | 1.2 %          | 63,274              | 1.3 %             |  |  |
| Various <sup>(1)</sup> | 249,993             | 4.6 %          | 266,810             | 5.2 %             |  |  |
| <b>Total</b>           | <b>\$ 5,243,800</b> | <b>100.0 %</b> | <b>\$ 5,045,036</b> | <b>100.0 %</b>    |  |  |

<sup>(1)</sup> Represents loans secured by a portfolio of properties located in various parts of the United States.

**Allowance for Credit Losses**

The following table presents the quarterly changes in the Company's allowance for credit losses for the three months ended March 31, 2024 (dollars in thousands):

|                          | Specific Allowance<br>for Credit Losses | General Allowance for Credit Losses |                 |                  | Total Allowance for<br>Credit Losses |
|--------------------------|-----------------------------------------|-------------------------------------|-----------------|------------------|--------------------------------------|
|                          |                                         | Funded                              | Unfunded        | Total            |                                      |
| <b>December 31, 2023</b> | \$ —                                    | \$ 47,175                           | \$ 1,133        | \$ 48,308        | \$ 48,308                            |
| <b>Changes:</b>          |                                         |                                     |                 |                  |                                      |
| Provision/(Benefit)      | \$ 738                                  | \$ 1,302                            | \$ 841          | \$ 2,143         | \$ 2,881                             |
| Write offs               | —                                       | —                                   | —               | —                | —                                    |
| <b>March 31, 2024</b>    | <b>\$ 738</b>                           | <b>\$ 48,477</b>                    | <b>\$ 1,974</b> | <b>\$ 50,451</b> | <b>\$ 51,189</b>                     |

**Specific Allowance for Credit Losses**

In June 2022, the Company originated a first mortgage loan with a fully committed principal balance of \$ 58.0 million secured by two multifamily properties in North Carolina. In March 2024, the loan was identified by management as non-performing and placed on non-accrual status. The Company elected to apply a practical expedient for collateral dependent assets in which the allowance for credit losses is calculated as the difference between the estimated fair value of the underlying collateral, less estimated cost to sell, and the amortized cost basis of the loan. The Company estimated the fair value less estimated cost to sell utilizing the market approach with an unobservable input based on a negotiated price noted in a letter of intent from an anticipated buyer. As a result, the Company recorded a specific allowance for credit losses of \$ 0.7 million on this loan.

**FRANKLIN BSP REALTY TRUST, INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**March 31, 2024**  
**(Unaudited)**

**General Allowance for Credit Losses**

The Company recorded a total increase in its general allowance for credit losses during the three months ended March 31, 2024 of \$ 2.1 million. The primary driver for the higher reserve balance is due to the Company utilizing a pessimistic and conservative macro-economic outlook since the end of the prior quarter along with an increase in size of the overall portfolio of commercial mortgage loans, held for investment as of March 31, 2024. Changes in the provision for credit losses for the Company's financial instruments are recorded in *(Provision)/benefit for income tax* in the consolidated statements of operations with a corresponding offset to the financial instrument's amortized cost recorded in the consolidated balance sheets, or as a component of *Accounts payable and accrued expenses* for unfunded loan commitments

**Past Due Status**

The following table presents a summary of the loans amortized cost basis as of March 31, 2024 (dollars in thousands):

|                             | Current      | Less than 90 days past due | 90 or more days past due <sup>(1)</sup> | Total        |
|-----------------------------|--------------|----------------------------|-----------------------------------------|--------------|
|                             | \$ 4,925,874 | \$ 141,806                 | \$ 165,740                              | \$ 5,233,420 |
| <b>As of March 31, 2024</b> |              |                            |                                         |              |

<sup>(1)</sup> Comprised of two mortgage loans collateralized by multifamily properties, both of which are designated as non-performing and placed on non-accrual status. For the three months ended March 31, 2024, the Company has received and recognized \$ 3.4 million in interest proceeds included in *Interest income* in the consolidated statements of operations.

**Non-performing Status**

The following table presents the amortized cost basis of our non-performing loans as of March 31, 2024 and December 31, 2023 (dollars in thousands):

|                                                                       | March 31, 2024    | December 31, 2023 |
|-----------------------------------------------------------------------|-------------------|-------------------|
| Non-performing loan amortized cost at beginning of year, January 1    | \$ 78,185         | \$ 117,379        |
| Addition of non-performing loan amortized cost                        | 292,596           | 118,647           |
| Less: Removal of non-performing loan amortized cost                   | 63,235            | 157,841           |
| <b>Non-performing loan amortized cost end of period<sup>(1)</sup></b> | <b>\$ 307,546</b> | <b>\$ 78,185</b>  |

<sup>(1)</sup> As of March 31, 2024, and December 31, 2023, the Company had four and two loans, respectively, designated as non-performing. As of March 31, 2024, three of the four non-performing loans were placed on non-accrual status and one was placed on cost recovery status. For the loans designated as non-performing and placed on non-accrual status, the Company recognized \$ 3.4 million of interest proceeds included in *Interest income* in the consolidated statements of operations for the three months ended March 31, 2024. As of March 31, 2024, the one loan designated as non-performing and placed on cost recovery was determined to have a \$ 0.7 million specific allowance for credit losses. As of March 31, 2024, the four designated non-performing loans were all collateralized by multifamily properties.

**Loan Credit Characteristics, Quality and Vintage**

As part of the Company's process for monitoring the credit quality of its commercial mortgage loans, excluding those held for sale, measured at fair value, it performs a quarterly loan portfolio assessment and assigns risk ratings to each of its loans. The loans are scored on a scale of 1 to 5 as follows:

| Investment Rating | Summary Description                                                                                                                                                                                                       |
|-------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1                 | <i>Very Low Risk</i> - Investment exceeding fundamental performance expectations and/or capital gain expected. Trends and risk factors since time of investment are favorable.                                            |
| 2                 | <i>Low Risk</i> - Performing consistent with expectations and a full return of principal and interest expected. Trends and risk factors are neutral to favorable.                                                         |
| 3                 | <i>Average Risk</i> - Performing investments requiring closer monitoring. Trends and risk factors show some deterioration.                                                                                                |
| 4                 | <i>High Risk/Delinquent/Defaulted/Potential For Loss</i> - Underperforming investment with the potential of some interest loss but still expecting a positive return on investment. Trends and risk factors are negative. |
| 5                 | <i>Impaired/Defaulted/Loss Likely</i> - Underperforming investment with expected loss of interest and some principal.                                                                                                     |

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All commercial mortgage loans, excluding loans classified as commercial mortgage loans, held for sale, measured at fair value within the consolidated balance sheets, are assigned an initial risk rating of 2. As of March 31, 2024 and December 31, 2023, the weighted average risk rating of loans was 2.3 and 2.3, respectively.

The following tables present the par value and amortized cost of our commercial mortgage loans, held for investment as of March 31, 2024 and December 31, 2023, by the Company's internal risk rating and year of origination (dollars in thousands):

**March 31, 2024**

| Risk Rating  | Number of Loans | Amortized Cost by Year of Origination |                   |                   |                     |                     |                   |                   |                     |                                  | Total Amortized Cost | % of Portfolio |
|--------------|-----------------|---------------------------------------|-------------------|-------------------|---------------------|---------------------|-------------------|-------------------|---------------------|----------------------------------|----------------------|----------------|
|              |                 | Total Par Value                       |                   | 2024              | 2023                | 2022                | 2021              | 2020              | Prior               | Cost                             |                      |                |
|              |                 | 2024                                  | 2023              | 2022              | 2021                | 2020                | Prior             | Cost              | %                   |                                  |                      |                |
| 1            | —               | \$ —                                  | \$ —              | \$ —              | \$ —                | \$ —                | \$ —              | \$ —              | \$ —                | \$ —                             | \$ —                 | — %            |
| 2            | 111             | 3,858,347                             | 435,557           | 659,601           | 1,072,104           | 1,499,359           | 73,004            | 109,128           | 3,848,753           | 3,848,753                        | 3,848,753            | 73.5 %         |
| 3            | 28              | 1,121,569                             | —                 | 57,981            | 459,627             | 539,579             | 47,189            | 16,518            | 1,120,894           | 1,120,894                        | 1,120,894            | 21.5 %         |
| 4            | 6               | 263,884                               | —                 | —                 | 141,806             | 44,913              | —                 | 77,054            | 263,773             | 263,773                          | 263,773              | 5.0 %          |
| 5            | —               | —                                     | —                 | —                 | —                   | —                   | —                 | —                 | —                   | —                                | —                    | — %            |
| <b>Total</b> | <b>145</b>      | <b>\$ 5,243,800</b>                   | <b>\$ 435,557</b> | <b>\$ 717,582</b> | <b>\$ 1,673,537</b> | <b>\$ 2,083,851</b> | <b>\$ 120,193</b> | <b>\$ 202,700</b> | <b>\$ 5,233,420</b> | <b>\$ 5,233,420</b>              | <b>\$ 5,233,420</b>  | <b>100.0 %</b> |
|              |                 |                                       |                   |                   |                     |                     |                   |                   |                     | Allowance for credit losses      | ( 49,215 )           |                |
|              |                 |                                       |                   |                   |                     |                     |                   |                   |                     | <b>Total carrying value, net</b> | <b>\$ 5,184,205</b>  |                |

**December 31, 2023**

| Risk Rating  | Number of Loans | Amortized Cost by Year of Origination |                   |                     |                     |                   |                   |                  |                     |                                  | Total Amortized Cost | % of Portfolio |
|--------------|-----------------|---------------------------------------|-------------------|---------------------|---------------------|-------------------|-------------------|------------------|---------------------|----------------------------------|----------------------|----------------|
|              |                 | Total Par Value                       |                   | 2023                | 2022                | 2021              | 2020              | 2019             | Prior               | Cost                             |                      |                |
|              |                 | 2023                                  | 2022              | 2021                | 2020                | 2019              | Prior             | Cost             | %                   |                                  |                      |                |
| 1            | —               | \$ —                                  | \$ —              | \$ —                | \$ —                | \$ —              | \$ —              | \$ —             | \$ —                | \$ —                             | \$ —                 | — %            |
| 2            | 111             | 3,897,680                             | 694,228           | 1,256,509           | 1,724,734           | 105,477           | 73,743            | 35,734           | 3,890,424           | 3,890,424                        | 3,890,424            | 77.2 %         |
| 3            | 27              | 875,449                               | 2,379             | 273,097             | 468,244             | 74,729            | —                 | 56,362           | 874,811             | 874,811                          | 874,811              | 17.4 %         |
| 4            | 6               | 271,907                               | —                 | 141,740             | 87,126              | —                 | 42,840            | —                | 271,707             | 271,707                          | 271,707              | 5.4 %          |
| 5            | —               | —                                     | —                 | —                   | —                   | —                 | —                 | —                | —                   | —                                | —                    | — %            |
| <b>Total</b> | <b>144</b>      | <b>\$ 5,045,036</b>                   | <b>\$ 696,607</b> | <b>\$ 1,671,346</b> | <b>\$ 2,280,104</b> | <b>\$ 180,206</b> | <b>\$ 116,583</b> | <b>\$ 92,096</b> | <b>\$ 5,036,942</b> | <b>\$ 5,036,942</b>              | <b>\$ 5,036,942</b>  | <b>100.0 %</b> |
|              |                 |                                       |                   |                     |                     |                   |                   |                  |                     | Allowance for credit losses      | ( 47,175 )           |                |
|              |                 |                                       |                   |                     |                     |                   |                   |                  |                     | <b>Total carrying value, net</b> | <b>\$ 4,989,767</b>  |                |

**Commercial Mortgage Loans, Held for Sale, Measured at Fair Value**

As of March 31, 2024 the contractual principal balance outstanding of commercial mortgage loans, held for sale, measured at fair value was \$ 30.0 million, comprised of one loan. As of March 31, 2024, none of the Company's commercial mortgage loans, held for sale, measured at fair value were in default or greater than ninety days past due. As of December 31, 2023, the Company did not hold any commercial mortgage loans, held for sale.

The following tables represent the composition by loan collateral type and region of the Company's commercial mortgage loans, held for sale, measured at fair value as of March 31, 2024 (dollars in thousands):

| Loan Collateral Type | Par Value | Percentage |
|----------------------|-----------|------------|
| Office               | \$ 30,000 | 100.0 %    |
| Loan Region          | Par Value | Percentage |
| Southeast            | \$ 30,000 | 100.0 %    |

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**Note 4 - Real Estate Securities****Real Estate Securities Classified As Available For Sale**

The following is a summary of the Company's real estate securities, available for sale, measured at fair value, as of March 31, 2024 and December 31, 2023 (dollars in thousands):

| <b>CRE CLO Bonds</b> |                        |                                |                                                      |                         |                   |            |
|----------------------|------------------------|--------------------------------|------------------------------------------------------|-------------------------|-------------------|------------|
|                      |                        |                                | <b>Weighted Average Contractual Maturity (years)</b> | <b>Weighted Average</b> |                   |            |
|                      | <b>Number of Bonds</b> | <b>Benchmark Interest Rate</b> | <b>Weighted Average Interest Rate</b>                | <b>Par Value</b>        | <b>Fair Value</b> |            |
| March 31, 2024       | 7                      | 1 Month SOFR                   | 7.93 %                                               | 12.0                    | \$ 217,560        | \$ 217,855 |
| December 31, 2023    | 7                      | 1 Month SOFR                   | 8.12 %                                               | 12.2                    | \$ 243,340        | \$ 242,569 |

The Company classified its CRE CLO bonds as available for sale and reports them at fair value in the consolidated balance sheets with changes in fair value recorded in *Accumulated other comprehensive income/(loss)* in the consolidated balance sheets.

The following table shows the amortized cost, allowance for expected credit losses, unrealized gain/(loss) and fair value of the Company's CRE CLO bonds as of March 31, 2024 and December 31, 2023 (dollars in thousands):

|                   | <b>Amortized Cost</b> | <b>Unrealized Gain</b> | <b>Unrealized (Loss)</b> | <b>Fair Value</b> |
|-------------------|-----------------------|------------------------|--------------------------|-------------------|
| March 31, 2024    | \$ 217,324            | \$ 643                 | \$ ( 112 )               | \$ 217,855        |
| December 31, 2023 | \$ 243,272            | \$ 74                  | \$ ( 777 )               | \$ 242,569        |

As of March 31, 2024, the Company held seven CRE CLO bonds with an amortized cost basis of \$ 217.3 million and a net unrealized gain of \$ 0.5 million, three of which were held in a gross unrealized loss position of \$ 0.1 million. As of December 31, 2023, the Company held seven CRE CLO bonds with an amortized cost basis of \$ 243.3 million and a net unrealized loss of \$ 0.7 million, five of which were held in a gross unrealized loss position of \$ 0.8 million. As of March 31, 2024 and December 31, 2023, zero positions had an unrealized loss for a period greater than twelve months. As of March 31, 2024 and December 31, 2023, the fair value of the Company's CRE CLO bonds that were in an unrealized loss position for less than twelve months, and for which an allowance for credit loss has not been recorded was \$ 72.6 million and \$ 184.2 million, respectively.

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**Note 5 - Real Estate Owned**

**Real Estate Owned, Held for Investment**

The following table summarizes the Company's real estate owned, held for investment assets as of March 31, 2024 and December 31, 2023 (dollars in thousands):

| Acquisition Date              | Property Type | Primary Location(s) | As of March 31, 2024      |                  |                                   |                   |                          |                        |
|-------------------------------|---------------|---------------------|---------------------------|------------------|-----------------------------------|-------------------|--------------------------|------------------------|
|                               |               |                     | Building and Improvements |                  | Furniture, Fixtures and Equipment |                   | Accumulated Depreciation | Real Estate Owned, net |
|                               |               |                     | Land                      | Improvements     | Equipment                         | Depreciation      | Real Estate Owned, net   |                        |
| September 2021 <sup>(1)</sup> | Industrial    | Jeffersonville, GA  | \$ 3,436                  | \$ 84,259        | \$ 2,928                          | \$ (5,755)        | \$ 84,868                |                        |
| August 2023                   | Office        | Portland, OR        | 16,479                    | 2,065            | —                                 | (26)              | 18,518                   |                        |
| October 2023                  | Multifamily   | Lubbock, TX         | 1,618                     | 10,076           | 185                               | (96)              | 11,783                   |                        |
|                               |               |                     | <u>\$ 21,533</u>          | <u>\$ 96,400</u> | <u>\$ 3,113</u>                   | <u>\$ (5,877)</u> | <u>\$ 115,169</u>        |                        |

See note below.

| Acquisition Date              | Property Type | Primary Location(s) | As of December 31, 2023   |                  |                                   |                   |                          |                        |
|-------------------------------|---------------|---------------------|---------------------------|------------------|-----------------------------------|-------------------|--------------------------|------------------------|
|                               |               |                     | Building and Improvements |                  | Furniture, Fixtures and Equipment |                   | Accumulated Depreciation | Real Estate Owned, net |
|                               |               |                     | Land                      | Improvements     | Equipment                         | Depreciation      | Real Estate Owned, net   |                        |
| September 2021 <sup>(1)</sup> | Industrial    | Jeffersonville, GA  | \$ 3,436                  | \$ 84,259        | \$ 2,928                          | \$ (5,179)        | \$ 85,444                |                        |
| August 2023                   | Office        | Portland, OR        | 16,479                    | 2,065            | —                                 | (13)              | 18,531                   |                        |
| October 2023                  | Multifamily   | Lubbock, TX         | 1,618                     | 10,076           | 185                               | (24)              | 11,855                   |                        |
|                               |               |                     | <u>21,533</u>             | <u>\$ 96,400</u> | <u>\$ 3,113</u>                   | <u>\$ (5,216)</u> | <u>\$ 115,830</u>        |                        |

<sup>(1)</sup> In the third quarter of 2021, the Company and an affiliate of the Company entered into a joint venture agreement and formed a joint venture entity, Jeffersonville Member, LLC (the "Jeffersonville JV") to acquire a triple net lease property in Jeffersonville, GA. Refer to Note 11 - Related Party Transactions and Arrangements for details.

Depreciation expense for the three months ended March 31, 2024 and 2023 totaled \$ 0.7 million and \$ 0.8 million, respectively.

**Real Estate Owned, Held for Sale**

The following table summarizes the Company's Real estate owned, held for sale assets and liabilities as of March 31, 2024 and December 31, 2023 (dollars in thousands):

| Property Type           | Primary Location(s) | As of March 31, 2024 |         |                  |        |
|-------------------------|---------------------|----------------------|---------|------------------|--------|
|                         |                     | Assets, Net          |         | Liabilities, Net |        |
|                         |                     | \$                   | 103,657 | \$               | 12,297 |
| As of December 31, 2023 |                     |                      |         |                  |        |
| Property Type           | Primary Location(s) | Assets, Net          |         | Liabilities, Net |        |
|                         |                     | \$                   | 103,657 | \$               | 12,297 |
|                         |                     |                      |         |                  |        |

In November 2022, the Company and an affiliate of the Company entered into a joint venture agreement and formed a joint venture entity, BSPR Walgreens Portfolio, LLC (the "Walgreens JV") to assume the retail Walgreens Portfolio consisting of 24 retail properties with various locations throughout the United States. Refer to Note 11 - Related Party Transactions and Arrangements. During the three months ended September 30, 2023, the Company classified the real estate owned assets and liabilities as held for sale in accordance with ASC 360 - *Property, Plant, and Equipment*. Refer to Note 12 - Fair Value of Financial Instruments for discussion on the properties fair value measurement. As of March 31, 2024, the Company's real estate owned held for sale assets consisted of the remaining 23 retail properties in the Walgreens Portfolio.

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**Note 6 - Leases*****Intangible Lease Assets, Held for Investment***

The following table summarizes the Company's identified intangible lease assets (primarily in-place leases) recognized in the consolidated balance sheets as of March 31, 2024 and December 31, 2023 (dollars in thousands):

| Identified intangible assets:  | December 31,     |                  |
|--------------------------------|------------------|------------------|
|                                | March 31, 2024   | 2023             |
| Gross amount                   | \$ 49,285        | \$ 49,285        |
| Less: Accumulated amortization | 7,248            | 6,492            |
| <b>Total, net</b>              | <b>\$ 42,037</b> | <b>\$ 42,793</b> |

***Rental Income***

Rental income for the three months ended March 31, 2024 and 2023 totaled \$ 4.7 million and \$ 3.1 million, respectively. Rental income is included in *Revenue from real estate owned* in the consolidated statements of operations.

The following table summarizes the Company's schedule of future minimum rents on its real estate owned, held for investment properties, with a remaining lease term of approximately 14.6 years, to be received under the leases (dollars in thousands):

| Future Minimum Rents             | March 31, 2024    |
|----------------------------------|-------------------|
| 2024 (April - December)          | \$ 6,637          |
| 2025                             | 8,425             |
| 2026                             | 8,539             |
| 2027                             | 8,710             |
| 2028                             | 8,884             |
| 2029 and beyond                  | 97,388            |
| <b>Total future minimum rent</b> | <b>\$ 138,583</b> |

***Amortization Expense***

Intangible lease assets are amortized using the straight-line method over the remaining term of the lease. The weighted average life of the intangible assets as of March 31, 2024 is approximately 14.6 years. Amortization expense for the three months ended March 31, 2024 and 2023 totaled \$ 0.8 million and \$ 1.0 million, respectively.

The following table summarizes the Company's expected other identified intangible assets, net amortization over the next five years, exclusive of intangible assets that are held for sale, assuming no further acquisitions or dispositions (dollars in thousands):

| Amortization Expense - Other identified intangible assets | March 31, 2024 |
|-----------------------------------------------------------|----------------|
| 2024 (April - December)                                   | \$ 2,203       |
| 2025                                                      | 2,880          |
| 2026                                                      | 2,880          |
| 2027                                                      | 2,880          |
| 2028                                                      | 2,880          |

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**Note 7 - Debt**

Below is a summary of the Company's Repurchase facilities and revolving credit facilities - commercial mortgage loans ("Repo and Revolving Credit Facilities"), Mortgage note payable, Other financing and Unsecured debt as of March 31, 2024 and December 31, 2023 (dollars in thousands):

|                                                                                        | <b>March 31, 2024</b> |                           |                                       |                                              |                        |  |
|----------------------------------------------------------------------------------------|-----------------------|---------------------------|---------------------------------------|----------------------------------------------|------------------------|--|
|                                                                                        | <b>Capacity</b>       | <b>Amount Outstanding</b> | <b>Interest Expense<sup>(1)</sup></b> | <b>Ending Weighted Average Interest Rate</b> | <b>Term Maturity</b>   |  |
| <b>Repo and revolving credit facilities - commercial mortgage loans<sup>(2)</sup>:</b> |                       |                           |                                       |                                              |                        |  |
| JPM Repo Facility <sup>(3)</sup>                                                       | \$ 500,000            | \$ 113,409                | \$ 1,702                              | 7.84 %                                       | 07/2026                |  |
| Atlas Repo Facility <sup>(4)</sup>                                                     | 350,000               | 14,700                    | 610                                   | 7.83 %                                       | 01/2026                |  |
| WF Repo Facility <sup>(5)</sup>                                                        | 400,000               | 79,037                    | 1,613                                 | 7.80 %                                       | 10/2025                |  |
| Barclays Revolver Facility <sup>(6)</sup>                                              | 250,000               | —                         | 117                                   | N/A                                          | 09/2024                |  |
| Barclays Repo Facility <sup>(5)</sup>                                                  | 500,000               | 205,410                   | 2,060                                 | 7.14 %                                       | 03/2025                |  |
| Churchill Repo Facility                                                                | 225,000               | —                         | 34                                    | N/A                                          | N/A                    |  |
| <b>Total/Weighted average</b>                                                          | <b>\$ 2,225,000</b>   | <b>\$ 412,556</b>         | <b>\$ 6,136</b>                       | <b>7.48 %</b>                                |                        |  |
| <b>Mortgage note payable:</b>                                                          |                       |                           |                                       |                                              |                        |  |
| Debt related to our REO <sup>(7)</sup>                                                 | N/A                   | \$ 23,998                 | \$ 512                                | 8.44 %                                       | 10/2024                |  |
| <b>Other financings:</b>                                                               |                       |                           |                                       |                                              |                        |  |
| Other financings <sup>(8)</sup>                                                        | N/A                   | \$ 12,865                 | \$ 481                                | 6.00 %                                       | Various <sup>(8)</sup> |  |
| <b>Unsecured debt<sup>(9)</sup>:</b>                                                   |                       |                           |                                       |                                              |                        |  |
| Junior Note I                                                                          | N/A                   | \$ 17,056                 | \$ 412                                | 9.15 %                                       | 10/2035                |  |
| Junior Note II                                                                         | N/A                   | 39,560                    | 913                                   | 8.95 %                                       | 12/2035                |  |
| Junior Note III                                                                        | N/A                   | 24,704                    | 571                                   | 8.95 %                                       | 09/2036                |  |
| <b>Total/Weighted average</b>                                                          | <b>N/A</b>            | <b>\$ 81,320</b>          | <b>\$ 1,896</b>                       | <b>8.99 %</b>                                |                        |  |

See notes below.

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|                                                                                        | December 31, 2023   |                    |                                 |                                       |               |  |                        |
|----------------------------------------------------------------------------------------|---------------------|--------------------|---------------------------------|---------------------------------------|---------------|--|------------------------|
|                                                                                        | Capacity            | Amount Outstanding | Interest Expense <sup>(1)</sup> | Ending Weighted Average Interest Rate | Term Maturity |  |                        |
| <b>Repo and revolving credit facilities - commercial mortgage loans<sup>(2)</sup>:</b> |                     |                    |                                 |                                       |               |  |                        |
| JPM Repo Facility <sup>(3)</sup>                                                       | \$ 500,000          | \$ 108,574         | \$ 22,401                       | 7.90 %                                |               |  | 07/2026                |
| Atlas Repo Facility <sup>(4)</sup>                                                     | 600,000             | 52,864             | 6,603                           | 7.68 %                                |               |  | 03/2024                |
| WF Repo Facility <sup>(5)</sup>                                                        | 400,000             | 71,730             | 9,580                           | 7.85 %                                |               |  | 10/2025                |
| Barclays Revolver Facility <sup>(6)</sup>                                              | 250,000             | —                  | 940                             | N/A                                   |               |  | 09/2024                |
| Barclays Repo Facility <sup>(5)</sup>                                                  | 500,000             | 66,539             | 11,616                          | 7.22 %                                |               |  | 03/2025                |
| Churchill Repo Facility                                                                | 225,000             | —                  | 30                              | N/A                                   |               |  | N/A                    |
| <b>Total/Weighted average</b>                                                          | <b>\$ 2,475,000</b> | <b>\$ 299,707</b>  | <b>\$ 51,170</b>                | <b>7.70 %</b>                         |               |  |                        |
| <b>Mortgage note payable:</b>                                                          |                     |                    |                                 |                                       |               |  |                        |
| Debt related to our REO <sup>(7)</sup>                                                 | N/A                 | \$ 23,998          | \$ 1,982                        | 8.48 %                                |               |  | 10/2024                |
| <b>Other financings:</b>                                                               |                     |                    |                                 |                                       |               |  |                        |
| Other financings <sup>(8)</sup>                                                        | N/A                 | \$ 36,534          | \$ 5,330                        | 7.36 %                                |               |  | Various <sup>(8)</sup> |
| <b>Unsecured debt<sup>(9)</sup>:</b>                                                   |                     |                    |                                 |                                       |               |  |                        |
| Junior Note I                                                                          | N/A                 | \$ 17,047          | \$ 1,940                        | 9.15 %                                |               |  | 10/2035                |
| Junior Note II                                                                         | N/A                 | 39,550             | 3,519                           | 8.95 %                                |               |  | 12/2035                |
| Junior Note III                                                                        | N/A                 | 24,698             | 2,199                           | 8.95 %                                |               |  | 09/2036                |
| <b>Total/Weighted average</b>                                                          | <b>N/A</b>          | <b>\$ 81,295</b>   | <b>\$ 7,658</b>                 | <b>8.99 %</b>                         |               |  |                        |

<sup>(1)</sup> Represents year to date expense and includes amortization of deferred financing costs.

<sup>(2)</sup> The Company may pledge one or more mortgage loans to the financing entity in exchange for funds typically at an advance rate of between 60 % to 75 % of the principal amount of the mortgage loan being pledged. These loans are all floating rate at the Secured Overnight Financing Rate ("SOFR") plus an applicable spread. Additionally, the Repo and Revolving Credit Facilities generally provide that in the event of a decrease in the value of the Company's collateral, the lenders can demand additional collateral. As of March 31, 2024 and December 31, 2023, the Company is in compliance with all debt covenants.

<sup>(3)</sup> There is a one-year extension option.

<sup>(4)</sup> On January 4, 2024, the Company extended the maturity date to January 5, 2026 with a one-year extension option. Additionally, the committed financing was decreased from \$ 600 million to \$ 350 million.

<sup>(5)</sup> There are two one-year extension options.

<sup>(6)</sup> The Company may increase the total commitment by an amount between \$ 100 million and \$ 150 million for three month intervals, on an unlimited basis prior to maturity.

<sup>(7)</sup> Relates to a mortgage note payable in Jeffersonville JV, a consolidated joint venture. The loan has a principal amount of \$ 112.7 million of which \$ 88.7 million of the loan is owned by the Company and was eliminated in our consolidated financial statements (see Note 5 - Real Estate Owned).

<sup>(8)</sup> Comprised of two note-on-note financings via participation agreements. From inception of the loan, the Company's outstanding loans could increase as a result of future fundings, leading to an increase in amount outstanding via the participation agreement. The weighted average contractual maturity date of these loans is July 2028.

<sup>(9)</sup> The notes are currently redeemable, in whole or in part, without penalty, at the Company's option. Interest paid on unsecured debt totaled \$ 2.0 million and \$ 2.3 million for the three months ended March 31, 2024 and 2023, respectively.

**Repurchase Agreements - Real Estate Securities**

The Company has entered into various Master Repurchase Agreements (the "MRAs") that allow the Company to sell real estate securities while providing a fixed repurchase price for the same real estate securities in the future. The repurchase contracts on each security under an MRA generally mature in 30 - 90 days and terms are adjusted for current market rates as necessary.

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Below is a summary of the Company's MRAs which were included in *Repurchase agreements - real estate securities* in the Company's consolidated balance sheets as of March 31, 2024 and December 31, 2023 (dollars in thousands):

| Counterparty                  | March 31, 2024     |                  |                                   |                                |                                   |
|-------------------------------|--------------------|------------------|-----------------------------------|--------------------------------|-----------------------------------|
|                               | Amount Outstanding | Interest Expense | Collateral Pledged <sup>(1)</sup> | Weighted Average Interest Rate | Weighted Average Days to Maturity |
| JP Morgan Securities LLC      | \$ 85,750          | \$ 1,421         | \$ 96,819                         | 6.18 %                         | 17                                |
| Wells Fargo Securities, LLC   | 8,994              | 139              | 9,995                             | 6.12 %                         | 4                                 |
| Barclays Capital Inc.         | 79,414             | 924              | 89,029                            | 6.06 %                         | 5                                 |
| Lucid Prime Fund              | 20,611             | 114              | 23,393                            | 6.08 %                         | 18                                |
| <b>Total Weighted Average</b> | <b>\$ 194,769</b>  | <b>\$ 2,598</b>  | <b>\$ 219,236</b>                 | <b>6.12 %</b>                  | <b>12</b>                         |

See note below

| Counterparty                  | December 31, 2023  |                  |                                   |                                |                                   |
|-------------------------------|--------------------|------------------|-----------------------------------|--------------------------------|-----------------------------------|
|                               | Amount Outstanding | Interest Expense | Collateral Pledged <sup>(1)</sup> | Weighted Average Interest Rate | Weighted Average Days to Maturity |
| JP Morgan Securities LLC      | \$ 113,111         | \$ 6,717         | \$ 127,602                        | 6.29 %                         | 15                                |
| Wells Fargo Securities, LLC   | 8,994              | 235              | 9,975                             | 6.14 %                         | 5                                 |
| Barclays Capital Inc.         | 51,950             | 3,371            | 58,250                            | 6.19 %                         | 5                                 |
| <b>Total Weighted Average</b> | <b>\$ 174,055</b>  | <b>\$ 10,323</b> | <b>\$ 195,827</b>                 | <b>6.25 %</b>                  | <b>11</b>                         |

<sup>(1)</sup> Includes \$ 1.4 million and \$ 27.9 million of CLO notes, held by the Company, which is eliminated within the *Real estate securities, available for sale, measured at fair value* of the consolidated balance sheets as of March 31, 2024 and December 31, 2023, respectively.

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**Collateralized Loan Obligation**

The following table represents the terms of the notes issued by 2021-FL6 Issuer, 2021-FL7 Issuer, 2022-FL8 Issuer, 2022-FL9 Issuer and 2023-FL10 Issuer (collectively the "CLOs"), as of March 31, 2024 and December 31, 2023:

| CLO Facility                    | Number of<br>Loans in<br>pool <sup>(1)</sup> | Benchmark<br>Interest Rate | March 31, 2024             |                            |                     |                            |                                                           |  |
|---------------------------------|----------------------------------------------|----------------------------|----------------------------|----------------------------|---------------------|----------------------------|-----------------------------------------------------------|--|
|                                 |                                              |                            | Weighted<br>Average Spread |                            | Par Value           | Outstanding <sup>(2)</sup> | Principal Balance<br>of Collateralized<br>Mortgage Assets |  |
|                                 |                                              |                            | Par Value                  | Outstanding <sup>(2)</sup> |                     |                            | Maturity Dates                                            |  |
| 2021-FL6 Issuer                 | 50                                           | Term SOFR                  | 1.44 %                     | \$ 584,500                 | \$ 536,620          | \$ 645,103                 | 3/15/2036                                                 |  |
| 2021-FL7 Issuer                 | 39                                           | Term SOFR                  | 1.66 %                     | 722,250                    | 674,822             | 853,181                    | 12/21/2038                                                |  |
| 2022-FL8 Issuer                 | 45                                           | AVG SOFR                   | 1.72 %                     | 960,000                    | 959,943             | 1,194,783                  | 2/15/2037                                                 |  |
| 2022-FL9 Issuer                 | 49                                           | Term SOFR                  | 2.80 %                     | 670,637                    | 670,639             | 792,676                    | 5/15/2039                                                 |  |
| 2023-FL10 Issuer <sup>(3)</sup> | 27                                           | Term SOFR                  | 2.59 %                     | 717,243                    | 717,243             | 896,219                    | 9/15/2035                                                 |  |
|                                 |                                              |                            |                            | <b>\$ 3,654,630</b>        | <b>\$ 3,559,267</b> | <b>\$ 4,381,962</b>        |                                                           |  |

| CLO Facility     | Number of<br>Loans in<br>pool <sup>(1)</sup> | Benchmark<br>interest rate | December 31, 2023          |                            |                     |                            |                                                           |  |
|------------------|----------------------------------------------|----------------------------|----------------------------|----------------------------|---------------------|----------------------------|-----------------------------------------------------------|--|
|                  |                                              |                            | Weighted<br>Average Spread |                            | Par Value           | Outstanding <sup>(2)</sup> | Principal Balance<br>of Collateralized<br>Mortgage Assets |  |
|                  |                                              |                            | Par Value                  | Outstanding <sup>(2)</sup> |                     |                            | Maturity Dates                                            |  |
| 2021-FL6 Issuer  | 54                                           | Term SOFR                  | 1.43 %                     | \$ 584,500                 | \$ 558,040          | \$ 673,289                 | 3/15/2036                                                 |  |
| 2021-FL7 Issuer  | 40                                           | Term SOFR                  | 1.64 %                     | 722,250                    | 720,000             | 864,079                    | 12/21/2038                                                |  |
| 2022-FL8 Issuer  | 46                                           | AVG SOFR                   | 1.72 %                     | 960,000                    | 960,000             | 1,184,931                  | 2/15/2037                                                 |  |
| 2022-FL9 Issuer  | 51                                           | Term SOFR                  | 2.80 %                     | 670,637                    | 670,639             | 800,638                    | 5/15/2039                                                 |  |
| 2023-FL10 Issuer | 27                                           | Term SOFR                  | 2.57 %                     | 717,243                    | 689,294             | 895,525                    | 9/15/2035                                                 |  |
|                  |                                              |                            |                            | <b>\$ 3,654,630</b>        | <b>\$ 3,597,973</b> | <b>\$ 4,418,462</b>        |                                                           |  |

<sup>(1)</sup> Loan assets may be pledged towards one or multiple CLO pool.

<sup>(2)</sup> Excludes \$ 467.0 million and \$ 495.0 million, respectively, of CLO notes, held by the Company, which are eliminated in *Collateralized loan obligations* in the consolidated balance sheet as of March 31, 2024 and December 31, 2023.

<sup>(3)</sup> During the three months ended March 31, 2024, the Company sold the BSPRT FL10 AS retained tranche with a principal balance of \$ 27.9 million.

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The below table reflects the total assets and liabilities of the Company's outstanding CLOs. The CLOs are considered VIEs and are consolidated into the Company's consolidated financial statements as of March 31, 2024 and December 31, 2023 as the Company is the primary beneficiary of the VIE. The Company is the primary beneficiary of the CLOs because (i) the Company has the power to direct the activities that most significantly affect the VIE's economic performance and (ii) the right to receive benefits from the VIEs or the obligation to absorb losses of the VIEs that could be significant to the VIE. The VIE's are non-recourse to the Company.

|                                                                    | <b>March 31, 2024</b> | <b>December 31, 2023</b> |
|--------------------------------------------------------------------|-----------------------|--------------------------|
| <b>Assets (dollars in thousands)</b>                               |                       |                          |
| Cash <sup>(1)</sup>                                                | \$ 27,442             | \$ 55,914                |
| Commercial mortgage loans, held for investment, net <sup>(2)</sup> | 4,309,148             | 4,379,760                |
| Accrued interest receivable                                        | 20,124                | 23,927                   |
| <b>Total Assets</b>                                                | <b>\$ 4,356,714</b>   | <b>\$ 4,459,601</b>      |
| <b>Liabilities (dollars in thousands)</b>                          |                       |                          |
| Notes payable, net <sup>(3)(4)</sup>                               | \$ 4,026,315          | \$ 4,092,971             |
| Accrued interest payable                                           | 14,902                | 15,171                   |
| <b>Total Liabilities</b>                                           | <b>\$ 4,041,217</b>   | <b>\$ 4,108,142</b>      |

<sup>(1)</sup> Includes \$ 26.6 million and \$ 55.1 million of cash held by the servicer related to CLO loan payoffs as of March 31, 2024 and December 31, 2023, respectively.

<sup>(2)</sup> The balance is presented net of allowance for credit losses of \$ 31.5 million and \$ 32.6 million as of March 31, 2024 and December 31, 2023, respectively.

<sup>(3)</sup> Includes \$ 467.0 million and \$ 495.0 million of CLO notes, held by the Company, which are eliminated in *Collateralized loan obligation* of the consolidated balance sheets as of March 31, 2024 and December 31, 2023, respectively.

<sup>(4)</sup> The balance is presented net of deferred financing cost and discount of \$ 28.5 million and \$ 30.8 million as of March 31, 2024 and December 31, 2023, respectively. The deferred financing costs are amortized over the expected lifetime of each CLO.

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**Note 8 - Earnings Per Share**

The Company uses the two-class method in calculating basic and diluted earnings per share. Net income/(loss) is allocated between our common stock and other participating securities based on their participation rights. Diluted net income per share has been computed using the weighted average number of shares of common stock outstanding and other dilutive securities. The following table presents a reconciliation of the numerators and denominators of the basic and diluted earnings per share computations and the calculation of basic and diluted earnings per share for the three months ended March 31, 2024 and 2023 (in thousands, except share and per share data):

|                                                                                              | <b>Three Months Ended March 31,</b> |                   |
|----------------------------------------------------------------------------------------------|-------------------------------------|-------------------|
|                                                                                              | <b>2024</b>                         | <b>2023</b>       |
| <b>Numerator</b>                                                                             |                                     |                   |
| Net income/(loss)                                                                            | \$ 35,827                           | \$ 43,839         |
| Net (income)/loss from non-controlling interest                                              | 93                                  | ( 9 )             |
| Less: Preferred stock dividends                                                              | 6,748                               | 6,748             |
| Net income/(loss) applicable to common stock                                                 | \$ 29,172                           | \$ 37,082         |
| Less: Participating securities' share in earnings                                            | 449                                 | 797               |
| Net income/(loss) applicable to common stockholders (for basic & diluted earnings per share) | <u>\$ 28,723</u>                    | <u>\$ 36,285</u>  |
| <b>Denominator</b>                                                                           |                                     |                   |
| Weighted-average common shares outstanding for basic earnings per share                      | 81,994,096                          | 82,774,771        |
| Weighted-average common shares outstanding for diluted earnings per share <sup>(1)</sup>     | <u>81,994,096</u>                   | <u>82,774,771</u> |
| Basic earnings per share                                                                     | \$ 0.35                             | \$ 0.44           |
| Diluted earnings per share                                                                   | \$ 0.35                             | \$ 0.44           |

<sup>(1)</sup> The effect of the weighted average dilutive shares excluded restricted shares and stock units as of the three months ended March 31, 2024 and 2023 of 210,665 and 711,000 respectively, as the effect was anti-dilutive. Additionally, the effect of dilutive shares excluded 5,370,498 and 5,430,480 weighted average common share equivalents of convertible preferred stock for the three months ended March 31, 2024 and 2023, respectively, as the effect was anti-dilutive.

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**Note 9 - Redeemable Convertible Preferred Stock and Equity Transactions**

The following table presents the summary of the Company's outstanding shares of redeemable convertible preferred stock, perpetual preferred stock, and common stock as of March 31, 2024 and December 31, 2023 (in thousands, except share and per share amounts):

|                                                | Balance as of  |                   | Shares Outstanding as of |                   | First Quarter 2024                |  |
|------------------------------------------------|----------------|-------------------|--------------------------|-------------------|-----------------------------------|--|
|                                                | March 31, 2024 | December 31, 2023 | March 31, 2024           | December 31, 2023 | Dividend Per Share <sup>(1)</sup> |  |
| <b>Redeemable Convertible Preferred Stock:</b> |                |                   |                          |                   |                                   |  |
| Series H Preferred Stock <sup>(2)</sup>        | \$ 89,748      | \$ 89,748         | 17,950                   | 17,950            | \$ 106.22                         |  |
| <b>Perpetual Preferred Stock:</b>              |                |                   |                          |                   |                                   |  |
| Series E Preferred Stock                       | \$ 258,742     | \$ 258,742        | 10,329,039               | 10,329,039        | \$ 0.46875                        |  |
| <b>Common Stock:</b>                           |                |                   |                          |                   |                                   |  |
| Common Stock - at par value <sup>(3)(4)</sup>  | \$ 820         | \$ 820            | 83,254,483               | 82,751,913        | \$ 0.355                          |  |

<sup>(1)</sup> As declared by the Company's board of directors.

<sup>(2)</sup> On January 10, 2024, the Series H Preferred Stock was amended such that the mandatory conversion date was extended by one year, to January 21, 2025. Unless earlier converted, the Series H Preferred Stock will automatically convert into common stock at a rate of 299.2 shares of common stock per share of Series H Preferred Stock (subject to adjustments as described in the Articles Supplementary for the Series H Preferred Stock) on January 21, 2025. The holder of the Series H Preferred Stock has the right to convert up to 4,487 shares of Series H Preferred Stock one time in each calendar month through December 2024, upon 10 business days' advance notice to the Company.

<sup>(3)</sup> Includes shares issued pursuant to the Company's dividend reinvestment plan ("DRIP") and unvested restricted shares.

<sup>(4)</sup> During the three months ended March 31, 2024, the Company repurchased 151,123 shares of common stock at an average price of \$ 12.42 per share for a total of \$ 1.9 million. All of these shares were retired upon settlement. See discussion in the "Stock Repurchases" section below.

During the three months ended March 31, 2024 and 2023, the Company paid an aggregate of \$ 29.4 million and \$ 29.5 million, respectively, of common stock distributions comprised of quarterly common dividends of \$ 0.355 per share.

**Stock Repurchases**

The Company's board of directors has authorized a \$ 65 million share repurchase program of the Company's common stock. The Company's share repurchase program authorizes share repurchases at prices below the most recently reported book value per share as determined in accordance with GAAP. Repurchases made under the program may be made through open market, block, and privately negotiated transactions, including Rule 10b5-1 plans, as permitted by securities laws and other legal requirements. The timing, manner, price and amount of any purchases by the Company will be determined by the Company in its reasonable business judgment and consistent with the exercise of its legal duties and will be subject to economic and market conditions, stock price, applicable legal requirements and other factors. The share repurchase program does not obligate the Company to acquire any particular amount of common stock. The Company share repurchase program will remain open until at least December 31, 2024 or until the capital committed to the applicable repurchase program has been exhausted, whichever is sooner. Repurchases under the Company's share repurchase program may be suspended from time to time at the Company's discretion without prior notice. As of March 31, 2024, the Company had \$ 34.0 million remaining under the share repurchase program.

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The following table is a summary of the Company's repurchase activity of its common stock during the three months ended March 31, 2024 (in thousands, except share amounts):

|                                                          | <b>For the Three Months Ended March 31, 2024</b> |                                |
|----------------------------------------------------------|--------------------------------------------------|--------------------------------|
|                                                          | <b>Shares</b>                                    | <b>Amount<sup>(1)(2)</sup></b> |
| <b>Beginning of period, authorized repurchase amount</b> |                                                  | \$ 35,917                      |
| Repurchases                                              | 151,123                                          | ( 1,877 )                      |
| <b>Remaining as of March 31, 2024</b>                    |                                                  | <b>\$ 34,040</b>               |

<sup>(1)</sup> For the three months ended March 31, 2024, the average purchase price was \$ 12.42 per share.

<sup>(2)</sup>Amount includes commissions paid associated with share repurchases

**Dividend Reinvestment and Direct Stock Purchase Plan**

The Company has adopted a dividend reinvestment and direct stock purchase plan ("DRIP") under which we registered and reserved for issuance, in the aggregate, up to 63,000,000 shares of common stock. Under the dividend reinvestment component of this plan, the Company's common stockholders can designate all or a portion of their cash dividends to be reinvested in additional shares of common stock (which shares, at the Company's option, are either issued directly from the Company or purchased by the administrator on the open market). The direct stock purchase component allows stockholders, subject to the Company's approval, to purchase shares of common stock directly from us. During the three months ended March 31, 2024 and 2023, no shares were issued, and 40,735 shares and 58,310 shares, respectively, of common stock were purchased by the administrator under the dividend reinvestment component of the DRIP.

**Accumulated Other Comprehensive Income/(Loss)**

The following table sets forth the changes in accumulated other comprehensive income/(loss) related to the Company's real estate securities, available for sale, measured at fair value for the three months ended March 31, 2024 and 2023 (dollars in thousands):

|                                                                       | <b>For the Three Months Ended</b> |                       |
|-----------------------------------------------------------------------|-----------------------------------|-----------------------|
|                                                                       | <b>March 31, 2024</b>             | <b>March 31, 2023</b> |
| <b>Balance, Beginning of Period</b>                                   | \$ ( 703 )                        | \$ 390                |
| Other comprehensive income/(loss)                                     | 927                               | ( 1,648 )             |
| Reclassification adjustment for amounts included in net income/(loss) | 306                               | ( 677 )               |
| <b>Balance, End of Period</b>                                         | <b>\$ 530</b>                     | <b>\$ ( 1,935 )</b>   |

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**Note 10 - Commitments and Contingencies**

***Unfunded Commitments Under Commercial Mortgage Loans***

As of March 31, 2024, the Company had the below unfunded commitments to the Company's borrowers (dollars in thousands):

| <b>Funding Expiration</b> | <b>March 31, 2024</b> |
|---------------------------|-----------------------|
| 2024                      | \$ 85,034             |
| 2025                      | 118,614               |
| 2026                      | 166,005               |
| 2027                      | 18,260                |
| <b>Total</b>              | <b>\$ 387,913</b>     |

The borrowers are generally required to meet or maintain certain metrics in order to qualify for the unfunded commitment amounts.

***Litigation and Regulatory Matters***

The Company is not presently named as a defendant in any material litigation arising outside the ordinary course of business. However, the Company is involved in routine litigation arising in the ordinary course of business, none of which the Company believes, individually or in the aggregate, will have a material impact on the Company's financial condition, operating results or cash flows. Please refer to "Part II, Item 1. Legal Proceedings" for more details about the Company's ongoing litigation matters.

**Note 11 - Related Party Transactions and Arrangements**

***Advisory Agreement Fees and Reimbursements***

Pursuant to the Advisory Agreement, the Company is required to make the following payments and reimbursements to the Advisor:

- The Company reimburses the Advisor's costs of providing services pursuant to the Advisory Agreement, except the salaries and benefits paid by the Advisor to the Company's executive officers.
- The Company pays the Advisor, or its affiliates, a monthly asset management fee equal to one-twelfth of 1.5% of stockholders' equity as calculated pursuant to the Advisory Agreement.
- The Company will pay the Advisor an annual subordinated performance fee calculated on the basis of total return to stockholders, payable monthly in arrears, such that for any year in which total return on stockholders' capital (as defined in the Advisory Agreement) exceeds 6.0 % per annum, our Advisor will be entitled to 15.0 % of the excess total return; provided that in no event will the annual subordinated performance fee payable to our Advisor exceed 10.0 % of the aggregate total return for such year.
- The Company reimburses the Advisor for insourced expenses incurred by the Advisor on the Company's behalf related to selecting, evaluating, originating and acquiring investments in an amount up to 0.5 % of the principal amount funded by the Company to originate or acquire commercial mortgage loans and up to 0.5 % of the anticipated net equity funded by the Company to acquire real estate securities investments.

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The table below shows the costs incurred due to arrangements with our Advisor and its affiliates during the three months ended March 31, 2024 and 2023 and the associated payable as of March 31, 2024 and December 31, 2023 (dollars in thousands):

|                                                    | Three Months Ended March |                  | Payable as of    |                   |
|----------------------------------------------------|--------------------------|------------------|------------------|-------------------|
|                                                    | 31,                      | 2023             | March 31, 2024   | December 31, 2023 |
| Acquisition expenses <sup>(1)</sup>                | \$ 238                   | \$ 378           | \$ —             | \$ —              |
| Administrative services expenses                   | 2,860                    | 4,029            | 2,860            | 3,447             |
| Asset management and subordinated performance fee  | 7,865                    | 8,085            | 16,497           | 15,014            |
| Other related party expenses <sup>(2)(3)</sup>     | 343                      | 211              | 1,612            | 855               |
| <b>Total related party fees and reimbursements</b> | <b>\$ 11,306</b>         | <b>\$ 12,703</b> | <b>\$ 20,969</b> | <b>\$ 19,316</b>  |

<sup>(1)</sup> Total acquisition expenses paid during the three months ended March 31, 2024 and March 31, 2023 were \$ 2.3 million and \$ 1.1 million, respectively, of which \$ 2.1 million and \$ 0.7 million were capitalized within the *Commercial mortgage loans, held for investment* and *Real estate securities, available for sale, measured at fair value* lines of the consolidated balance sheets.

<sup>(2)</sup> These are related to reimbursable costs incurred related to the increase in loan origination activities and are included in *Other expenses* in the Company's consolidated statements of operations.

<sup>(3)</sup> As of March 31, 2024 and December 31, 2023, the related party payables include \$ 1.5 million and \$ 0.7 million, respectively, of payments made by the Advisor to third party vendors on behalf of the Company.

The payables as of March 31, 2024 and December 31, 2023, in the table above are included in *Due to affiliates* on the Company's consolidated balance sheets.

#### **Other Transactions**

In the third quarter of 2021, the Company and an affiliate of the Company entered into the Jeffersonville JV to acquire a \$ 139.5 million triple net lease property in Jeffersonville, GA. The Company has a 79 % interest in the Jeffersonville JV, while the affiliate has a 21 % interest. The Company invested a total of \$ 109.8 million, made up of \$ 88.7 million in debt and \$ 21.1 million in equity, representing 79 % of the ownership interest in the Jeffersonville JV. The affiliated fund made up the remaining \$ 29.8 million composed of a \$ 24.0 million mortgage note payable and \$ 5.8 million in non-controlling interest. The Company has majority control of Jeffersonville JV and, therefore, consolidates the accounts of Jeffersonville JV into its consolidated financial statements. The Company's \$ 88.7 million mortgage note payable to Jeffersonville JV is eliminated in consolidation (see Note 7 - Debt).

Pursuant to the Company's 2021 Incentive Plan, in the first quarter of 2024 the Company issued awards of restricted stock units to its officers and certain other personnel of the Advisor who provide services to the Company under the Advisory Agreement.

As of March 31, 2024 and December 31, 2023, our commercial mortgage loans, held for investment, includes an aggregate of \$ 123.6 million and \$ 124.1 million, respectively, carrying value of loans to affiliates of our Advisor. The Company recognized \$ 2.6 million and \$ 2.3 million of interest income from these loans for the three months ended March 31, 2024 and 2023, respectively, in the Company's consolidated statement of operations.

In the second quarter of 2022, the Company fully funded a \$ 149.7 million first mortgage consisting of 24 retail properties with various locations throughout the United States. The Company entered into a joint venture agreement and formed a joint venture entity, BSPRT Walgreens Portfolio, LLC (the "Walgreens Portfolio") to acquire 76 % ownership interest in the Walgreens Portfolio, while the affiliated fund has 24 % interest (see Note 5 - Real Estate Owned).

#### **Note 12 - Fair Value of Financial Instruments**

GAAP establishes a hierarchy of valuation techniques based on the observability of inputs used in measuring financial instruments at fair values. GAAP establishes market-based or observable inputs as the preferred source of values, followed by valuation models using management assumptions in the absence of market inputs. The three levels of the hierarchy are described below:

- Level I - Inputs are unadjusted, quoted prices in active markets for identical assets or liabilities at the measurement date.

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- Level II - Inputs (other than quoted prices included in Level I) are either directly or indirectly observable for the asset or liability through correlation with market data at the measurement date and for the duration of the instrument's anticipated life.
- Level III - Unobservable inputs that reflect the entity's own assumptions about the assumptions that market participants would use in the pricing of the asset or liability and are consequently not based on market activity, but rather through particular valuation techniques.

The determination of where an asset or liability falls in the above hierarchy requires significant judgment and factors specific to the asset or liability. In instances where the determination of the fair value measurement is based on inputs from different levels of the fair value hierarchy, the level in the fair value hierarchy within which the entire fair value measurement falls is based on the lowest level input that is significant to the fair value measurement in its entirety. The Company evaluates its hierarchy disclosures each quarter and depending on various factors, it is possible that an asset or liability may be classified differently from quarter to quarter.

The Company has implemented valuation control processes to validate the fair value of the Company's financial instruments measured at fair value including those derived from pricing models. These control processes are designed to assure that the values used for financial reporting are based on observable inputs wherever possible. In the event that observable inputs are not available, the control processes are designed to assure that the valuation approach utilized is appropriate and consistently applied and the assumptions are reasonable.

***Financial Instruments Measured at Fair Value on a Recurring Basis***

**CRE CLO bonds**, recorded in real estate securities, available for sale, measured at fair value on the consolidated balance sheets are valued utilizing both observable and unobservable market inputs. These factors include projected future cash flows, ratings, subordination levels, vintage, remaining lives, credit issues, and recent trades of similar real estate securities. Depending upon the significance of the fair value inputs used in determining these fair values, these real estate securities are classified in either Level II or Level III of the fair value hierarchy. The Company obtains third party pricing for determining the fair value of each CRE CLO investment, resulting in a Level II classification.

**Commercial mortgage loans held for sale, measured at fair value** in the Company's TRS are initially recorded at transaction price, which are considered to be the best initial estimate of fair value. The Company engaged the services of a third party independent valuation firm to determine fair value of certain investments held by the Company. Fair value is determined using a discounted cash flow model that primarily considers changes in interest rates and credit spreads, weighted average life and current performance of the underlying collateral. Commercial mortgage loans held for sale, measured at fair value that are originated in the last month of the reporting period are held and marked to the transaction price. The Company classified its commercial mortgage loans held for sale, measured at fair value as Level III.

**Other real estate investments, measured at fair value** on the consolidated balance sheets are valued using unobservable inputs. The Company engaged the services of a third party independent valuation firm to determine fair value of certain investments, including preferred equity investments, held by the Company. Fair value is determined using a discounted cash flow model that primarily considers changes in interest rates and credit spreads, weighted average life and current performance of the underlying collateral. The Company generally classifies its other real estate investments, measured at fair value as Level III.

**Derivative instruments, measured at fair value** are valued using market prices. Treasury note futures trade on the Chicago Mercantile Exchange ("CME"). The instruments are a variety of recently issued 10-year U.S. Treasury notes. The future contracts are liquid and are centrally cleared through the CME. Treasury note futures are categorized as Level I.

The fair value for credit default swaps and interest rate swaps contracts are derived using pricing models that are widely accepted by marketplace participants. Credit default swaps and some interest rate swaps are traded in the over the counter ("OTC") market. The pricing models take into account multiple inputs including specific contract terms, interest rate yield curves, interest rates, credit curves, recovery rates, and/or current credit spreads obtained from swap counterparties and other market participants. Most inputs into the models are not subjective as they are observable in the marketplace or set per the contract. Valuation is primarily determined by the difference between the contract spread and the current market spread. The contract spread (or rate) is generally fixed and the market spread is determined by the credit risk of the underlying debt or reference entity. If the underlying indices are liquid and the OTC market for the current spread is active, credit default swaps and interest rate swaps are categorized in Level II of the fair value hierarchy. If the underlying indices are illiquid and the OTC market for the current spread is not active, credit default swaps are categorized in Level III of the fair value hierarchy. The Company classified its credit default swaps and interest rate swaps as Level II.

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**(Unaudited)**

A review of the fair value hierarchy classification is conducted on a quarterly basis. Changes in the type of inputs may result in a reclassification for certain assets or liabilities. The Company's policy with respect to transfers between levels of the fair value hierarchy is to recognize transfers into and out of each level as of the beginning of the reporting period. There were no material transfers between levels within the fair value hierarchy for the period ended March 31, 2024 and December 31, 2023.

The following table presents the Company's financial instruments carried at fair value on a recurring basis in the consolidated balance sheets by its level in the fair value hierarchy as of March 31, 2024 and December 31, 2023 (dollars in thousands). The Company did not have any liabilities carried at fair value as of December 31, 2023.

|                                                                    | <b>March 31, 2024</b> |                |                   |                  |
|--------------------------------------------------------------------|-----------------------|----------------|-------------------|------------------|
|                                                                    | <b>Total</b>          | <b>Level I</b> | <b>Level II</b>   | <b>Level III</b> |
| <b>Assets, at fair value</b>                                       |                       |                |                   |                  |
| Real estate securities, available for sale, measured at fair value | \$ 217,855            | \$ —           | \$ 217,855        | \$ —             |
| Commercial mortgage loans, held for sale, measured at fair value   | 30,457                | —              | —                 | 30,457           |
| <b>Total assets, at fair value</b>                                 | <b>\$ 248,312</b>     | <b>\$ —</b>    | <b>\$ 217,855</b> | <b>\$ 30,457</b> |

|                                         | <b>March 31, 2024</b> |                |                 |                  |
|-----------------------------------------|-----------------------|----------------|-----------------|------------------|
|                                         | <b>Total</b>          | <b>Level I</b> | <b>Level II</b> | <b>Level III</b> |
| <b>Liabilities, at fair value</b>       |                       |                |                 |                  |
| Credit default swaps                    | \$ 429                | \$ —           | \$ 429          | \$ —             |
| Treasury note futures                   | 95                    | 95             | —               | —                |
| <b>Total liabilities, at fair value</b> | <b>\$ 524</b>         | <b>\$ 95</b>   | <b>\$ 429</b>   | <b>\$ —</b>      |

|                                                                    | <b>December 31, 2023</b> |                |                   |                  |
|--------------------------------------------------------------------|--------------------------|----------------|-------------------|------------------|
|                                                                    | <b>Total</b>             | <b>Level I</b> | <b>Level II</b>   | <b>Level III</b> |
| <b>Assets, at fair value</b>                                       |                          |                |                   |                  |
| Real estate securities, available for sale, measured at fair value | \$ 242,569               | \$ —           | \$ 242,569        | \$ —             |
| <b>Total assets, at fair value</b>                                 | <b>\$ 242,569</b>        | <b>\$ —</b>    | <b>\$ 242,569</b> | <b>\$ —</b>      |

Both observable and unobservable inputs may be used to determine the fair value of positions that the Company has classified within the Level III category. The following table summarizes the valuation method and significant unobservable inputs used for the Company's financial instruments that are categorized within Level III of the fair value hierarchy as of March 31, 2024 and December 31, 2023 (dollars in thousands). The Company did not hold any applicable positions as of December 31, 2023.

| <b>Asset Category</b>                                            | <b>March 31, 2024</b> |                                |                                          |              |              |
|------------------------------------------------------------------|-----------------------|--------------------------------|------------------------------------------|--------------|--------------|
|                                                                  | <b>Fair Value</b>     | <b>Valuation Methodologies</b> | <b>Unobservable Inputs<sup>(1)</sup></b> | <b>Yield</b> | <b>Range</b> |
| Commercial mortgage loans, held for sale, measured at fair value | \$ 30,457             | Discounted Cash Flow           | Yield                                    | 8.2 %        | N/A          |

<sup>(1)</sup> In determining certain inputs, the Company evaluates a variety of factors including economic conditions, industry and market developments, market valuations of comparable companies and company specific developments including exit strategies and realization opportunities. The Company has determined that market participants would take these inputs into account when valuing the investments.

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Increases or decreases in any of the above unobservable inputs in isolation would result in a lower or higher fair value measurement for such assets. The following table presents additional information about the Company's financial instruments which are measured at fair value on a recurring basis as of March 31, 2024 and December 31, 2023 for which the Company has used Level III inputs to determine fair value (dollars in thousands):

|                                                                                                      | <b>March 31, 2024</b> |
|------------------------------------------------------------------------------------------------------|-----------------------|
| Beginning balance, January 1, 2024                                                                   | \$ —                  |
| Transfers into Level III <sup>(1)</sup>                                                              | —                     |
| Originations                                                                                         | 130,700               |
| Sales/paydowns                                                                                       | ( 106,213 )           |
| Total realized and unrealized gain/(loss) included in earnings:                                      |                       |
| Realized gain/(loss) on sale of commercial mortgage loans, held for sale                             | 5,513                 |
| Unrealized gain/(loss) on commercial mortgage loans, held for sale and other real estate investments | 457                   |
| Transfers out of Level III <sup>(1)</sup>                                                            | —                     |
| <b>Ending Balance, March 31, 2024</b>                                                                | <b>\$ 30,457</b>      |

<sup>(1)</sup> There were no transfers in or out of Level III as of March 31, 2024.

|                                                                                                      | <b>December 31, 2023</b>     |
|------------------------------------------------------------------------------------------------------|------------------------------|
| Beginning balance, January 1, 2023                                                                   | \$ 235,728      \$ 15,559    |
| Transfers into Level III <sup>(1)</sup>                                                              | —                            |
| Originations                                                                                         | —      102,500               |
| Sales/paydowns                                                                                       | ( 235,123 )      ( 121,976 ) |
| Total realized and unrealized gain/(loss) included in earnings:                                      |                              |
| Realized gain/(loss) on sale of commercial mortgage loans, held for sale                             | —      3,873                 |
| Unrealized gain/(loss) on commercial mortgage loans, held for sale and other real estate investments | —      44                    |
| Trading gain/(loss)                                                                                  | ( 605 )      —               |
| Transfers out of Level III <sup>(1)</sup>                                                            | —      —                     |
| <b>Ending Balance, December 31, 2023</b>                                                             | <b>\$ —      \$ —</b>        |

<sup>(1)</sup> There were no transfers in or out of Level III as of December 31, 2023.

The fair value of cash and cash equivalents and restricted cash are measured using observable quoted market prices, or Level I inputs and their carrying value approximate their fair value. The fair value of borrowings under repurchase agreements approximate their carrying value on the consolidated balance sheets due to their short-term nature and are measured using Level III inputs.

***Financial Instruments Measured at Fair Value on a Nonrecurring Basis***

**Real Estate Owned, held for sale**, on the consolidated balance sheets are valued at fair value on a non-recurring basis in accordance with ASC 820 and are classified as Level III investments. In its evaluation of fair value, the Company applied the market approach utilizing an exit capitalization rate range between 5.00 % - 5.75 % as its significant unobservable input. As of March 31, 2024 and December 31, 2023 the Company's Real estate owned, held for sale assets and liabilities, had a fair value of \$ 91.4 million, net, representing 23 retail properties in the Walgreens Portfolio.

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**Financial Instruments Not Measured at Fair Value**

The fair values of the Company's commercial mortgage loans, held for investment and collateralized loan obligations, which are not reported at fair value on the consolidated balance sheets are reported below as of March 31, 2024 and December 31, 2023 (dollars in thousands):

|                                                               | March 31, 2024 |                 |              |              | December 31, 2023 |              |              |  |
|---------------------------------------------------------------|----------------|-----------------|--------------|--------------|-------------------|--------------|--------------|--|
|                                                               | Level          | Carrying Amount | Fair Value   | Level        | Carrying Amount   | Fair Value   |              |  |
| Commercial mortgage loans, held for investment <sup>(1)</sup> | Asset          | III             | \$ 5,233,420 | \$ 5,195,238 | III               | \$ 5,036,942 | \$ 5,010,580 |  |
| Collateralized loan obligations <sup>(2)</sup>                | Liability      | II              | 3,530,740    | 3,503,916    | II                | 3,567,166    | 3,521,274    |  |
| Mortgage note payable                                         | Liability      | III             | 23,998       | 23,998       | III               | 23,998       | 23,998       |  |
| Other financings                                              | Liability      | III             | 12,865       | 12,865       | III               | 36,534       | 36,534       |  |
| Unsecured debt                                                | Liability      | III             | 81,320       | 71,500       | III               | 81,295       | 64,900       |  |

<sup>(1)</sup> The carrying value is gross of \$ 49.2 million and \$ 47.2 million of allowance for credit losses as of March 31, 2024 and December 31, 2023, respectively.

<sup>(2)</sup> Depending upon the significance of the fair value inputs utilized in determining these fair values, our collateralized loan obligations are classified as either Level II or Level III of the fair value hierarchy. Beginning in the third quarter of 2023, the transfers from Level III to Level II were a result of the availability of current and reliable market data provided by third party pricing services or other valuation techniques which utilized observable inputs.

Repurchase agreements - commercial mortgage loans of \$ 412.6 million and \$ 299.7 million as of March 31, 2024 and December 31, 2023, respectively, and repurchase agreements - real estate securities of \$ 194.8 million and \$ 174.1 million as of March 31, 2024 and December 31, 2023, respectively, are not carried at fair value and does not include accrued interest expense, which are presented in Note 7 – Debt. For these instruments, carrying value generally approximates fair value and are classified as Level III.

The fair value of the commercial mortgage loans, held for investment is estimated using a discounted cash flow analysis, based on the Advisor's experience with similar types of investments. The Company estimates the fair value of the collateralized loan obligations using external broker quotes. The Mortgage note payable was recorded at transaction proceeds, which are considered to be the best initial estimate of fair value. The fair value of the Other financings is generally estimated using a discounted cash flow analysis. The fair value of the Unsecured debt is based on discounted cash flows using Company estimates for market yields on similarly structured debt instruments.

**Note 13 - Derivative Instruments**

The Company uses derivative instruments primarily to manage the fair value variability of fixed rate assets caused by interest rate fluctuations and overall portfolio market risk.

The following derivative instruments were outstanding as of March 31, 2024 (dollars in thousands):

| Contract type         | Notional         | Fair Value  |               |
|-----------------------|------------------|-------------|---------------|
|                       |                  | Assets      | Liabilities   |
| Credit default swaps  | \$ 18,750        | \$ —        | \$ 429        |
| Interest rate swaps   | —                | —           | —             |
| Treasury note futures | 27,300           | —           | 95            |
| <b>Total</b>          | <b>\$ 46,050</b> | <b>\$ —</b> | <b>\$ 524</b> |

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The following table indicates the net realized and unrealized gains and losses on derivatives, by primary underlying risk exposure, as included in loss on derivative instruments in the consolidated statements of operations for the three months ended March 31, 2024 and 2023 (dollars in thousands):

| Contract type         | Three Months Ended March 31, 2024 |                      | Three Months Ended March 31, 2023 |                      |
|-----------------------|-----------------------------------|----------------------|-----------------------------------|----------------------|
|                       | Unrealized Gain/(Loss)            | Realized Gain/(Loss) | Unrealized Gain/(Loss)            | Realized Gain/(Loss) |
| Credit default swaps  | \$ (43)                           | \$ (96)              | \$ 63                             | \$ —                 |
| Interest rate swaps   | —                                 | —                    | (291)                             | —                    |
| Treasury note futures | (95)                              | 386                  | (92)                              | 44                   |
| <b>Total</b>          | <b>\$ (138)</b>                   | <b>\$ 290</b>        | <b>\$ (320)</b>                   | <b>\$ 44</b>         |

Interest rate swap agreements are measured at fair value on a recurring basis primarily using Level II Inputs in accordance with ASU 2010-06, Fair Value Measurements and Disclosures (Topic 820). In determining fair value estimates for swaps, the Company utilizes the standard methodology of netting the discounted future fixed cash payments and the discounted future variable cash receipts which are based on expected future interest rates derived from observable market interest rate curves. The Company also incorporates both its own nonperformance risk and its counterparties' nonperformance risk in determining fair value. In considering the effect of nonperformance risk, the Company considered the impact of netting and credit enhancements, such as collateral postings and guarantees, and has concluded that counterparty risk is not significant to the overall valuation.

**Note 14 - Offsetting Assets and Liabilities**

The Company's consolidated balance sheets used a gross presentation of repurchase agreements and collateral pledged. As of March 31, 2024 and December 31, 2023, there were no assets which were presented gross within the scope of ASC 210-20, *Balance Sheet - Offsetting*. The table below provides a gross presentation, the effects of offsetting, and a net presentation of the Company's derivative instruments and repurchase agreements as of March 31, 2024 and December 31, 2023 (dollars in thousands):

| Liabilities                                       | Gross Amounts Not Offset on the Balance Sheet |                                           |                                                          |                                |            |                       | Net Amount                     |
|---------------------------------------------------|-----------------------------------------------|-------------------------------------------|----------------------------------------------------------|--------------------------------|------------|-----------------------|--------------------------------|
|                                                   | Gross Amounts of Recognized Liabilities       | Gross Amounts Offset on the Balance Sheet | Net Amount of Liabilities Presented on the Balance Sheet |                                |            | Financial Instruments | Cash Collateral <sup>(1)</sup> |
|                                                   |                                               |                                           | Financial Instruments                                    | Cash Collateral <sup>(1)</sup> | Net Amount |                       |                                |
| <b>March 31, 2024</b>                             |                                               |                                           |                                                          |                                |            |                       |                                |
| Repurchase agreements - commercial mortgage loans | \$ 412,556                                    | \$ —                                      | \$ 412,556                                               | \$ 412,556                     | \$ —       | \$ —                  | \$ —                           |
| Repurchase agreements - real estate securities    | 194,769                                       | —                                         | 194,769                                                  | 194,769                        | —          | —                     | —                              |
| Derivative instruments, at fair value             | 524                                           | —                                         | 524                                                      | —                              | 524        | —                     | —                              |
| <b>December 31, 2023</b>                          |                                               |                                           |                                                          |                                |            |                       |                                |
| Repurchase agreements - commercial mortgage loans | \$ 299,707                                    | \$ —                                      | \$ 299,707                                               | \$ 299,707                     | \$ —       | \$ —                  | \$ —                           |
| Repurchase agreements - real estate securities    | 174,055                                       | —                                         | 174,055                                                  | 174,055                        | —          | —                     | —                              |
| Derivative instruments, at fair value             | —                                             | —                                         | —                                                        | —                              | —          | —                     | —                              |

<sup>(1)</sup> Included in Restricted cash in the Company's consolidated balance sheets.

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**Note 15 - Segment Reporting**

The Company conducts its business through the following segments:

- The real estate debt business focuses on originating, acquiring and asset managing commercial real estate debt investments, including first mortgages, subordinate mortgages, mezzanine loans and participations in such loans.
- The real estate securities business focuses on investing in and asset managing real estate securities. Historically this business has focused primarily on CMBS, CRE CLO bonds, CDO notes, and other securities.
- The commercial real estate conduit business operated through the Company's TRS, which is focused on generating risk-adjusted returns by originating and subsequently selling fixed-rate commercial real estate loans into the CMBS securitization market at a profit. The TRS may also hold certain mezzanine loans that don't qualify as good REIT assets due to any potential loss from foreclosure.
- The real estate owned business represents real estate acquired by the Company through foreclosure, deed in lieu of foreclosure, or purchase.

Profit or loss on segment operations is measured by *Net income/(loss)* included in the consolidated statements of operations. The following table represents the Company's operations by segment for the three months ended March 31, 2024 and 2023 (dollars in thousands):

| <b>Three Months Ended March 31, 2024</b> | <b>Total</b>     | <b>Real Estate Debt and Other Real Estate Investments</b> |                                      |                         | <b>Real Estate Securities</b> | <b>TRS</b> | <b>Real Estate Owned</b> |
|------------------------------------------|------------------|-----------------------------------------------------------|--------------------------------------|-------------------------|-------------------------------|------------|--------------------------|
|                                          |                  | <b>Real Estate Securities</b>                             | <b>Other Real Estate Investments</b> | <b>Real Estate Debt</b> |                               |            |                          |
| Interest income                          | \$ 130,558       | \$ 123,765                                                | \$ 4,601                             | \$ 1,946                | \$ 246                        |            |                          |
| Revenue from real estate owned           | 4,712            | —                                                         | —                                    | —                       | —                             |            | 4,712                    |
| Interest expense                         | 81,318           | 78,023                                                    | 2,589                                | 194                     | 512                           |            |                          |
| Net income/(loss)                        | 35,827           | 27,941                                                    | 1,751                                | 4,290                   | 1,845                         |            |                          |
| <b>Total assets as of March 31, 2024</b> | <b>6,027,724</b> | <b>5,427,910</b>                                          | <b>221,868</b>                       | <b>106,902</b>          | <b>271,044</b>                |            |                          |

**Three Months Ended March 31, 2023**

|                                             |                  |                  |                |               |                |
|---------------------------------------------|------------------|------------------|----------------|---------------|----------------|
| Interest income                             | \$ 130,536       | \$ 125,949       | \$ 3,568       | \$ 322        | \$ 697         |
| Revenue from real estate owned              | 3,312            | —                | —              | —             | 3,312          |
| Interest expense                            | 71,075           | 66,958           | 3,446          | 216           | 455            |
| Net income/(loss)                           | 43,839           | 43,531           | 3,295          | ( 3,314 )     | 327            |
| <b>Total assets as of December 31, 2023</b> | <b>5,955,180</b> | <b>5,372,371</b> | <b>245,949</b> | <b>66,503</b> | <b>270,357</b> |

For the purposes of the table above, management fees have been allocated to the business segments using an agreed upon percentage of each respective segment's prior period equity. Administrative fees are derived from an agreed upon reimbursable amount based on employee time charged and allocated to the business segments.

**Note 16 - Subsequent Events**

The Company has evaluated subsequent events through the filing of this Quarterly Report on Form 10-Q. Based on this evaluation, there were no subsequent events from March 31, 2024 through the date the financial statements were issued.

## **Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations**

The following discussion and analysis should be read in conjunction with the accompanying financial statements of Franklin BSP Realty Trust, Inc. the notes thereto and other financial information included elsewhere in this Quarterly Report on Form 10-Q, as well as our Annual Report on Form 10-K for the fiscal year ended December 31, 2023 filed with the U.S. Securities and Exchange Commission (the "SEC") on February 26, 2024.

As used herein, the terms "the Company," "we," "our" and "us" refer to Franklin BSP Realty Trust, Inc., a Maryland corporation and, as required by context, to Benefit Street Partners Realty Operating Partnership, L.P., a Delaware limited partnership, which we refer to as the "OP," and to its subsidiaries. We are externally managed by Benefit Street Partners L.L.C. (the "Advisor").

Certain statements included in this Quarterly Report on Form 10-Q are forward-looking statements. Those statements include statements regarding the intent, belief or current expectations of the Company and members of our management team, as well as the assumptions on which such statements are based, and generally are identified by the use of words such as "may," "will," "seeks," "anticipates," "believes," "estimates," "expects," "plans," "intends," "should" or similar expressions. Actual results may differ materially from those contemplated by such forward-looking statements. Further, forward-looking statements speak only as of the date they are made, and we undertake no obligation to update or revise forward-looking statements to reflect changed assumptions, the occurrence of unanticipated events or changes to future operating results over time, unless required by law.

Our 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, and thus our investors should not place undue reliance on these statements. We believe these factors include but are not limited to those described under the section entitled "Risk Factors" in our Annual Report on Form 10-K for the year ended December 31, 2023, as such factors may be updated from time to time in our periodic filings with the Securities and Exchange Commission (the "SEC"), which are accessible on the SEC's website at <http://www.sec.gov>. These factors include:

- changes in our business and investment strategy;
- our ability to make investments in a timely manner or on acceptable terms;
- changes in credit market conditions and our ability to obtain long-term financing for our investments in a timely manner and on terms that are consistent with what we project when we invest;
- the effect of general market, real estate market, economic and political conditions, including changing interest rate environments (and sustained high interest rates) and inflation;
- our ability to make scheduled payments on our debt obligations;
- our ability to generate sufficient cash flows to make distributions to our stockholders;
- our ability to generate sufficient debt and equity capital to fund additional investments;
- our ability to refinance our existing financing arrangements;
- our ability to recover unpaid principal on defaulted loans;
- the degree and nature of our competition;
- the availability of qualified personnel;
- our ability to recover or mitigate estimated losses on non-performing assets;
- the impact of national health crises;
- our ability to maintain our qualification as a real estate investment trust ("REIT"); and
- other factors set forth under the caption "Risk Factors" in our Annual Report on Form 10-K for the year ended December 31, 2023.

## Overview

The Company is a Maryland corporation and has made tax elections to be treated as a real estate investment trust ("REIT") for U.S. federal income tax purposes since 2013. The Company, through one or more subsidiaries which are each treated as a taxable REIT subsidiary ("TRS"), is indirectly subject to U.S. federal, state and local income taxes. We commenced business in May 2013. We primarily originate, acquire and manage a diversified portfolio of commercial real estate debt investments secured by properties located within and outside of the United States. Substantially all of our business is conducted through the OP, a Delaware limited partnership. We are the sole general partner and directly or indirectly hold all of the units of limited partner interests in the OP.

The Company has no employees. We are managed by the Advisor pursuant to the Advisory Agreement (the "Advisory Agreement"). The Advisor manages our affairs on a day-to-day basis. The Advisor receives compensation and fees for services related to the investment and management of our assets and our operations.

The Advisor, an SEC-registered investment adviser, is a credit-focused alternative asset management firm. The Advisor manages funds for institutions and high-net-worth investors across various credit funds and complementary strategies including high yield, levered loans, private / opportunistic debt, liquid credit, structured credit and commercial real estate debt. These strategies complement each other as they all leverage the sourcing, analytical, compliance, and operational capabilities that encompass the Advisor's robust platform. The Advisor is a wholly-owned subsidiary of Franklin Resources, Inc., which together with its various subsidiaries operates as "Franklin Templeton".

The Company invests in commercial real estate debt investments, which may include first mortgage loans, subordinated mortgage loans, mezzanine loans and participations in such loans. The Company also originates conduit loans which the Company intends to sell through its TRS into commercial mortgage-backed securities ("CMBS") securitization transactions. Historically this business has focused primarily on CMBS, commercial real estate collateralized loan obligation bonds ("CRE CLO bonds"), collateralized debt obligations ("CDOs") and other securities. The Company also owns real estate that was either acquired by the Company through foreclosure or deed in lieu of foreclosure, or that was purchased for investment, primarily subject to triple net leases.

### Book Value Per Share

The following table calculates our book value per share as of March 31, 2024 and December 31, 2023 (in thousands, except share and per share amounts):

|                                                 | <b>March 31, 2024</b> | <b>December 31, 2023</b> |
|-------------------------------------------------|-----------------------|--------------------------|
| Stockholders' equity applicable to common stock | \$ 1,299,635          | \$ 1,300,372             |
| Shares:                                         |                       |                          |
| Common stock                                    | 81,990,061            | 81,942,656               |
| Restricted stock and restricted stock units     | 1,264,422             | 809,257                  |
| Total outstanding shares                        | <b>83,254,483</b>     | <b>82,751,913</b>        |
| Book value per share                            | <b>\$ 15.61</b>       | <b>\$ 15.71</b>          |

The following table calculates our fully-converted book value per share as of March 31, 2024 and December 31, 2023 (in thousands, except share and per share amounts):

|                                                             | <b>March 31, 2024</b> | <b>December 31, 2023</b> |
|-------------------------------------------------------------|-----------------------|--------------------------|
| Stockholders' equity applicable to convertible common stock | \$ 1,389,383          | \$ 1,390,120             |
| Shares:                                                     |                       |                          |
| Common stock                                                | 81,990,061            | 81,942,656               |
| Restricted stock and restricted stock units                 | 1,264,422             | 809,257                  |
| Series H convertible preferred stock                        | 5,370,498             | 5,370,498                |
| Total outstanding shares                                    | <b>88,624,981</b>     | <b>88,122,411</b>        |
| Fully-converted book value per share <sup>(1)(2)</sup>      | <b>\$ 15.68</b>       | <b>\$ 15.77</b>          |

<sup>(1)</sup> Fully-converted book value per share reflects full conversion of our outstanding series of convertible preferred stock and vesting of our outstanding equity compensation awards.

<sup>(2)</sup> Excluding the amounts for accumulated depreciation and amortization of real property of \$10.4 million and \$9.4 million as of March 31, 2024 and December 31, 2023, respectively, would result in a fully-converted book value per share of \$15.79 and \$15.88 as of March 31, 2024 and December 31, 2023, respectively.

#### **Critical Accounting Estimates**

Our financial statements are prepared in conformity with accounting principles generally accepted in the United States of America ("GAAP"), which requires us to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting periods. Critical accounting estimates are those that require the application of management's most difficult, subjective or complex judgments on matters that are inherently uncertain and that may change in subsequent periods. In preparing the financial statements, management has made estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting periods. In preparing the financial statements, management has utilized available information, including our past history, industry standards and the current economic environment, among other factors, in forming its estimates and judgments, giving due consideration to materiality. Actual results may differ from these estimates. In addition, other companies may utilize different estimates, which may impact the comparability of our results of operations to those of companies in similar businesses.

During the three months ended March 31, 2024, there were no material changes to our critical accounting estimates as compared to the critical accounting estimates disclosed in Management's Discussion and Analysis of Financial Condition and Results of Operations contained in Part II, Item 7 of our Annual Report on Form 10-K for the year ended December 31, 2023.

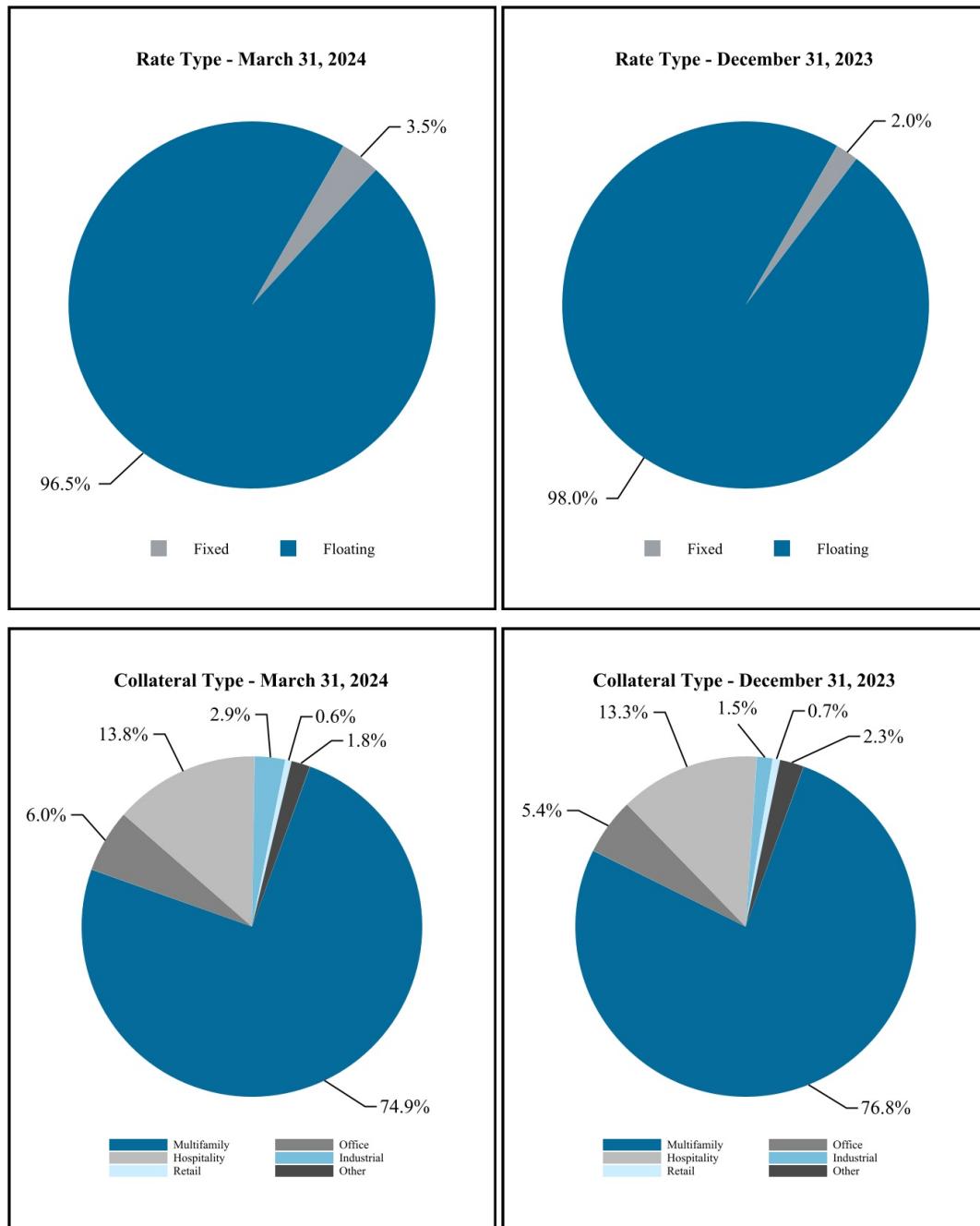
#### **Portfolio**

As of March 31, 2024 and December 31, 2023, our portfolio consisted of 145 and 144 commercial mortgage loans, held for investment, respectively. The commercial mortgage loans, held for investment, net of allowance for credit losses, as of March 31, 2024 and December 31, 2023 had a total carrying value of \$5,184.2 million and \$4,989.8 million, respectively. As of March 31, 2024 the contractual principal balance outstanding of commercial mortgage loans, held for sale, measured at fair value was \$30.0 million, comprised of one loans, which was not in default or greater than ninety days past due. As of December 31, 2023 the Company did not hold any commercial mortgage loans, held for sale. As of March 31, 2024 and December 31, 2023, we had \$217.9 million and \$242.6 million, respectively, of real estate securities, available for sale, measured at fair value. As of March 31, 2024 and December 31, 2023, our real estate owned, held for investment portfolio was composed of three investments with carrying values of \$115.2 million and \$115.8 million, respectively. As of March 31, 2024 and December 31, 2023, we had 23 properties classified as real estate owned, held for sale with combined carrying values of \$103.7 million.

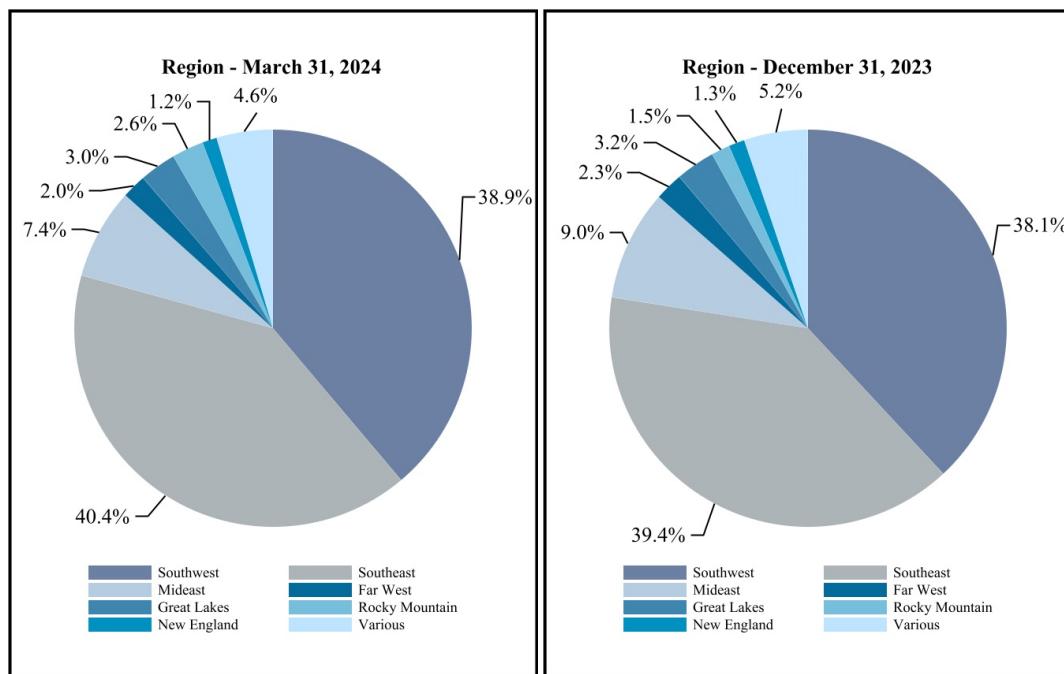
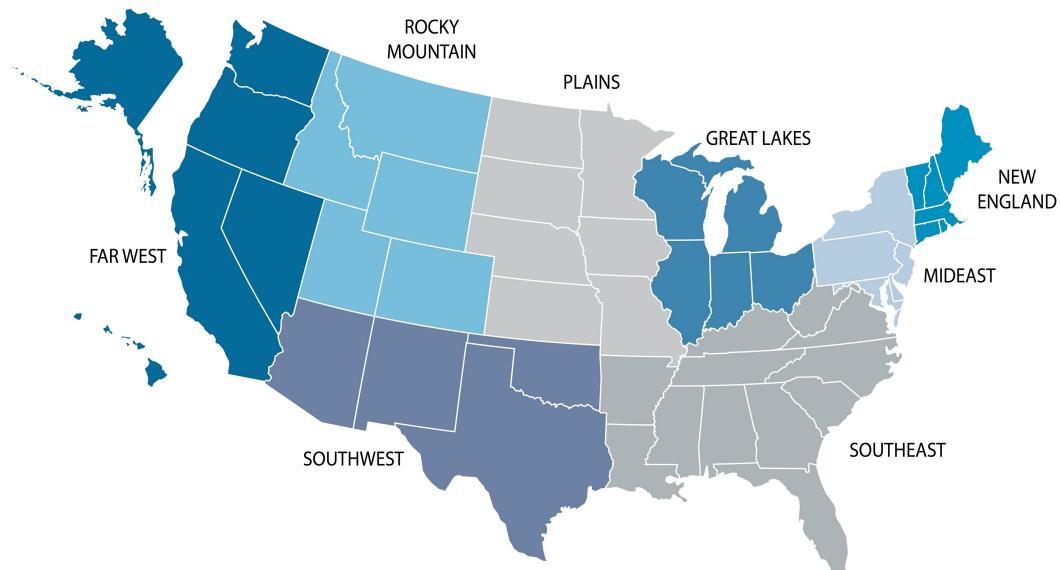
As of March 31, 2024, we had 4 loans (all secured by multifamily properties) designated as non-performing status with a total amortized cost of \$307.5 million. As of March 31, 2024, one loan designated as non-performing and put on cost recovery method was determined to have a \$0.7 million specific allowance for credit losses. During the quarter ended March 31, 2024, one multifamily loan which was designated as non-performing as of December 31, 2023 was assumed by the Company through a deed-in-lieu of foreclosure, and subsequently sold (see "Note 3 - Commercial Mortgage Loans").

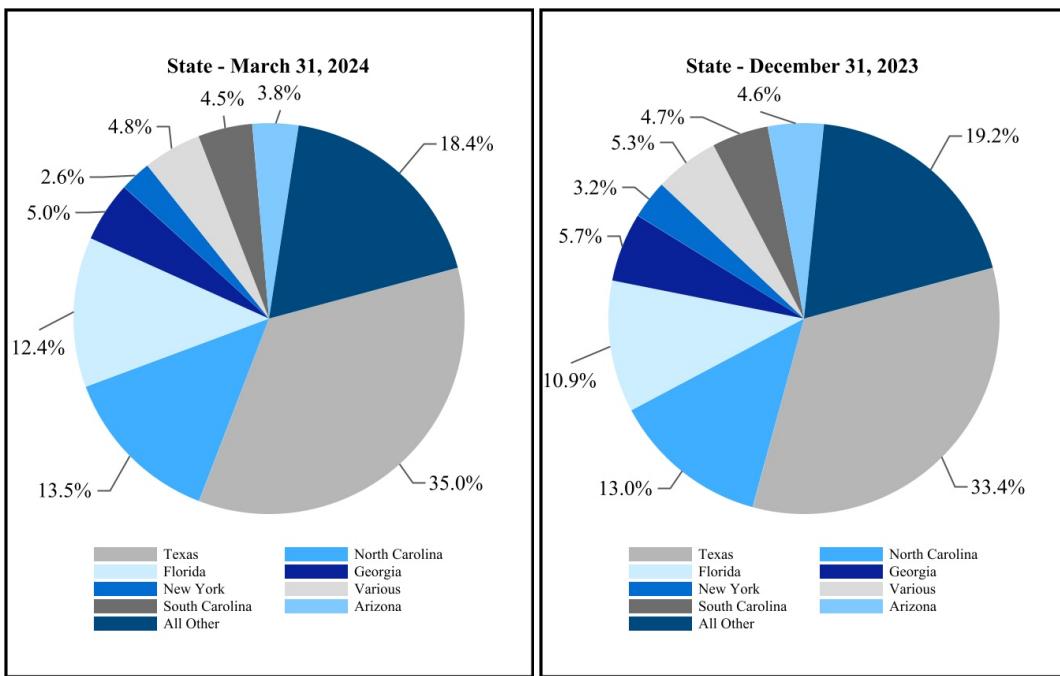
As of March 31, 2024 and December 31, 2023 our commercial mortgage loans, held for investment, excluding commercial mortgage loans on non-performing status, had a weighted average coupon of 9.2% and 9.2%, respectively, and a weighted average remaining contractual maturity life of 1.0 years and 0.9 years, respectively.

The following charts summarize our commercial mortgage loans, held for investment, by coupon rate type, collateral type geographical region and state as of March 31, 2024 and December 31, 2023:



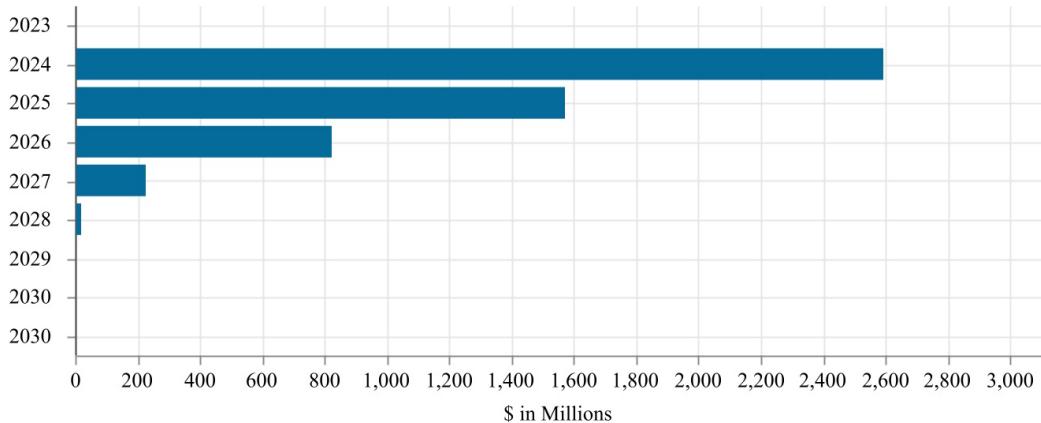
An investments region classification is defined according to the below map based on the location of investments secured property.



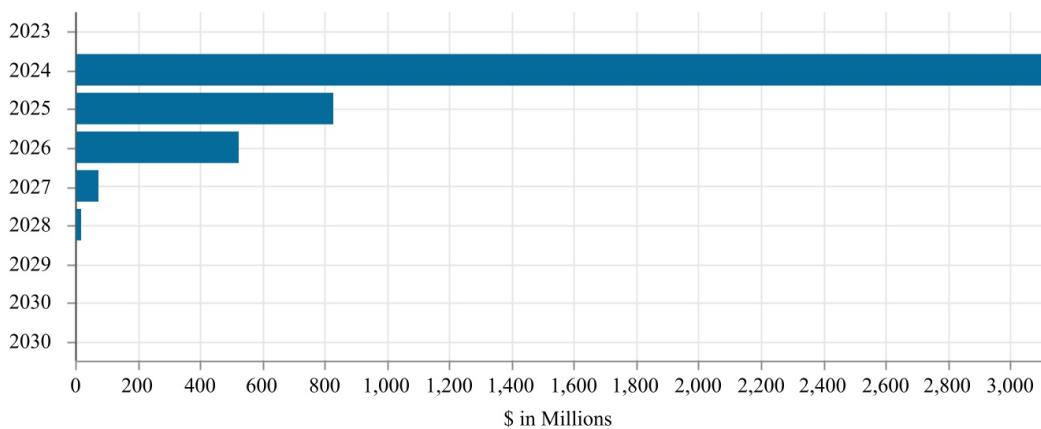


The following charts show the par value by contractual maturity year for the commercial mortgage loans, held for investment (excluding commercial mortgage loans in principal default) in our portfolio as of March 31, 2024 and December 31, 2023:

**Investment Par by Maturity Year as of March 31, 2024**



**Investment Par by Maturity Year as of December 31, 2023**



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The following table shows selected data from our commercial mortgage loans, held for investment in our portfolio as of March 31, 2024 (dollars in thousands):

| Loan Type      | Risk Rating <sup>(1)</sup> | Property Type        | State          | Par Value | Amortized Cost | Origination Date <sup>(2)</sup> | Fully Extended Maturity <sup>(3)</sup> | Interest Rate <sup>(4)(5)</sup> | Effective Yield <sup>(6)</sup> | Loan to Value <sup>(7)</sup> |
|----------------|----------------------------|----------------------|----------------|-----------|----------------|---------------------------------|----------------------------------------|---------------------------------|--------------------------------|------------------------------|
| Senior Debt 1  | 4                          | Multifamily          | Ohio           | \$35,212  | \$35,212       | 4/23/2018                       | 9/9/2025                               | 1M SOFR Term + 4.50%            | 9.83%                          | 83.6%                        |
| Senior Debt 2  | 2                          | Hospitality          | Louisiana      | 21,717    | 21,717         | 6/28/2018                       | 3/9/2025                               | 1M SOFR Term + 4.25%            | 9.58%                          | 68.8%                        |
| Senior Debt 3  | 2                          | Office               | New Jersey     | 13,874    | 13,874         | 8/28/2018                       | 9/9/2024                               | 1M SOFR Term + 5.50%            | 10.83%                         | 70.0%                        |
| Senior Debt 4  | 2                          | Office               | Maryland       | 41,085    | 41,085         | 4/30/2019                       | 5/9/2025                               | 1M SOFR Term + 3.56%            | 8.89%                          | 71.0%                        |
| Senior Debt 5  | 4                          | Hospitality          | Texas          | 18,398    | 18,398         | 7/18/2019                       | 4/9/2024                               | 1M SOFR Term + 3.84%            | 9.17%                          | 62.6%                        |
| Senior Debt 6  | 2                          | Hospitality          | Michigan       | 12,879    | 12,879         | 9/17/2019                       | 10/9/2025                              | 1M SOFR Term + 4.41%            | 9.74%                          | 56.4%                        |
| Senior Debt 7  | 2                          | Hospitality          | New York       | 4,805     | 4,805          | 7/9/2019                        | 7/9/2025                               | 1M SOFR Term + 5.25%            | 10.58%                         | 47.7%                        |
| Senior Debt 8  | 2                          | Office               | Arizona        | 14,768    | 14,768         | 11/22/2019                      | 12/9/2024                              | 1M SOFR Term + 4.00%            | 9.33%                          | 70.9%                        |
| Senior Debt 9  | 4                          | Office               | Georgia        | 23,444    | 23,444         | 12/17/2019                      | 1/9/2026                               | 1M SOFR Term + 2.25%            | 7.58%                          | 64.9%                        |
| Senior Debt 10 | 2                          | Manufactured Housing | Arkansas       | 1,293     | 1,293          | 4/22/2020                       | 5/9/2025                               | 5.50%                           | 5.50%                          | 62.8%                        |
| Senior Debt 11 | 3                          | Office               | Texas          | 17,003    | 17,003         | 10/6/2020                       | 10/9/2025                              | Adj. 1M SOFR Term + 4.50%       | 9.94%                          | 47.9%                        |
| Senior Debt 12 | 2                          | Office               | Massachusetts  | 62,691    | 62,582         | 10/8/2020                       | 10/9/2025                              | 5.15%                           | 5.15%                          | 52.5%                        |
| Senior Debt 13 | 3                          | Office               | Michigan       | 30,186    | 30,186         | 10/14/2020                      | 7/9/2025                               | 1M SOFR Term + 2.81%            | 8.14%                          | 66.0%                        |
| Senior Debt 14 | 2                          | Office               | Texas          | 9,129     | 9,129          | 11/6/2020                       | 11/9/2025                              | Adj. 1M SOFR Term + 5.00%       | 10.44%                         | 67.8%                        |
| Senior Debt 15 | 2                          | Multifamily          | Texas          | 11,536    | 11,536         | 1/22/2021                       | 2/9/2026                               | Adj. 1M SOFR Term + 4.55%       | 9.99%                          | 73.0%                        |
| Senior Debt 16 | 4                          | Office               | Colorado       | 44,913    | 44,913         | 3/1/2021                        | 3/9/2028                               | 5.50%                           | 5.50%                          | 53.9%                        |
| Senior Debt 17 | 2                          | Multifamily          | Texas          | 34,190    | 34,190         | 3/5/2021                        | 3/9/2025                               | 1M SOFR Term + 4.10%            | 9.43%                          | 78.2%                        |
| Senior Debt 18 | 3                          | Multifamily          | Texas          | 55,000    | 55,000         | 3/16/2021                       | 5/9/2026                               | 1M SOFR Term + 4.00%            | 9.33%                          | 71.6%                        |
| Senior Debt 19 | 2                          | Multifamily          | Texas          | 14,700    | 14,700         | 3/15/2021                       | 4/9/2026                               | Adj. 1M SOFR Term + 3.39%       | 8.83%                          | 70.6%                        |
| Senior Debt 20 | 2                          | Multifamily          | Pennsylvania   | 8,898     | 8,897          | 3/23/2021                       | 4/9/2026                               | Adj. 1M SOFR Term + 3.80%       | 9.24%                          | 69.9%                        |
| Senior Debt 21 | 3                          | Multifamily          | Texas          | 19,804    | 19,803         | 3/25/2021                       | 4/9/2026                               | Adj. 1M SOFR Term + 3.60%       | 9.04%                          | 70.8%                        |
| Senior Debt 22 | 2                          | Multifamily          | Texas          | 43,246    | 43,238         | 4/1/2021                        | 4/9/2026                               | Adj. 1M SOFR Term + 2.95%       | 8.39%                          | 71.6%                        |
| Senior Debt 23 | 2                          | Hospitality          | Louisiana      | 25,700    | 25,700         | 4/15/2021                       | 5/9/2026                               | Adj. 1M SOFR Term + 5.60%       | 11.04%                         | 61.0%                        |
| Senior Debt 24 | 2                          | Mixed Use            | Washington     | 32,500    | 32,500         | 6/30/2021                       | 1/9/2026                               | Adj. 1M SOFR Term + 3.70%       | 9.14%                          | 69.7%                        |
| Senior Debt 25 | 3                          | Multifamily          | Texas          | 75,928    | 75,904         | 3/31/2021                       | 4/9/2026                               | Adj. 1M SOFR Term + 2.95%       | 8.39%                          | 72.6%                        |
| Senior Debt 26 | 3                          | Multifamily          | Texas          | 20,450    | 20,443         | 4/22/2021                       | 5/9/2026                               | Adj. 1M SOFR Term + 3.60%       | 9.04%                          | 67.7%                        |
| Senior Debt 27 | 2                          | Multifamily          | Texas          | 30,320    | 30,311         | 3/31/2021                       | 4/9/2026                               | Adj. 1M SOFR Term + 2.95%       | 8.39%                          | 70.4%                        |
| Senior Debt 28 | 2                          | Multifamily          | Texas          | 35,466    | 35,459         | 4/1/2021                        | 4/9/2026                               | Adj. 1M SOFR Term + 2.95%       | 8.39%                          | 71.7%                        |
| Senior Debt 29 | 2                          | Multifamily          | Texas          | 33,588    | 33,583         | 4/1/2021                        | 4/9/2026                               | Adj. 1M SOFR Term + 2.95%       | 8.39%                          | 72.2%                        |
| Senior Debt 30 | 2                          | Multifamily          | Florida        | 154,814   | 154,610        | 5/26/2021                       | 6/9/2026                               | 1M SOFR Term + 4.35%            | 9.68%                          | 47.8%                        |
| Senior Debt 31 | 2                          | Hospitality          | Florida        | 36,750    | 36,734         | 5/20/2021                       | 6/9/2026                               | Adj. 1M SOFR Term + 6.25%       | 11.69%                         | 59.2%                        |
| Senior Debt 32 | 2                          | Multifamily          | North Carolina | 35,116    | 35,015         | 7/22/2021                       | 3/9/2027                               | Adj. 1M SOFR Term + 8.00%       | 13.44%                         | N/A                          |
| Senior Debt 33 | 2                          | Multifamily          | Texas          | 16,395    | 16,395         | 10/6/2021                       | 10/9/2026                              | Adj. 1M SOFR Term + 3.75%       | 9.19%                          | 76.9%                        |
| Senior Debt 34 | 2                          | Multifamily          | South Carolina | 41,449    | 41,449         | 9/2/2021                        | 9/9/2025                               | Adj. 1M SOFR Term +             | 8.84%                          | 79.9%                        |

| Senior Debt 34 | 2 | Manufacturing        | South Carolina | 12,113 | 12,113 | 9/2/2021   | 9/2/2026  | 3.40%                     | 5.57%  | 75.5% |
|----------------|---|----------------------|----------------|--------|--------|------------|-----------|---------------------------|--------|-------|
| Senior Debt 35 | 3 | Multifamily          | Texas          | 34,760 | 34,728 | 9/20/2021  | 10/9/2024 | Adj. 1M SOFR Term + 3.64% | 9.08%  | 66.0% |
| Senior Debt 36 | 2 | Multifamily          | Oregon         | 8,500  | 8,493  | 9/8/2021   | 9/9/2026  | Adj. 1M SOFR Term + 3.75% | 9.19%  | 79.4% |
| Senior Debt 37 | 3 | Multifamily          | Texas          | 14,890 | 14,890 | 9/9/2021   | 9/9/2026  | Adj. 1M SOFR Term + 3.15% | 8.59%  | 79.8% |
| Senior Debt 38 | 2 | Multifamily          | South Carolina | 69,500 | 69,372 | 9/20/2021  | 10/9/2026 | Adj. 1M SOFR Term + 3.25% | 8.69%  | 77.1% |
| Senior Debt 39 | 2 | Multifamily          | Georgia        | 11,325 | 11,312 | 9/22/2021  | 10/9/2026 | Adj. 1M SOFR Term + 3.75% | 9.19%  | 70.0% |
| Senior Debt 40 | 2 | Multifamily          | Texas          | 27,199 | 27,172 | 9/30/2021  | 10/9/2026 | Adj. 1M SOFR Term + 3.20% | 8.64%  | 77.3% |
| Senior Debt 41 | 2 | Hospitality          | Texas          | 17,122 | 17,122 | 9/30/2021  | 10/9/2026 | Adj. 1M SOFR Term + 5.25% | 10.69% | 61.0% |
| Senior Debt 42 | 2 | Multifamily          | Texas          | 56,150 | 56,097 | 9/30/2021  | 10/9/2026 | Adj. 1M SOFR Term + 3.10% | 8.54%  | 78.9% |
| Senior Debt 43 | 2 | Multifamily          | Texas          | 38,365 | 38,251 | 10/14/2021 | 11/9/2026 | Adj. 1M SOFR Term + 2.90% | 8.34%  | 72.2% |
| Senior Debt 44 | 2 | Multifamily          | Texas          | 54,444 | 54,444 | 11/23/2021 | 12/9/2025 | Adj. 1M SOFR Term + 3.10% | 8.54%  | 67.2% |
| Senior Debt 45 | 3 | Multifamily          | Arizona        | 38,153 | 38,114 | 11/16/2021 | 12/9/2026 | Adj. 1M SOFR Term + 2.90% | 8.34%  | 72.0% |
| Senior Debt 46 | 3 | Multifamily          | Texas          | 68,165 | 68,165 | 10/29/2021 | 11/9/2026 | Adj. 1M SOFR Term + 2.85% | 8.29%  | 70.6% |
| Senior Debt 47 | 2 | Multifamily          | Texas          | 32,655 | 32,613 | 11/23/2021 | 12/9/2026 | Adj. 1M SOFR Term + 3.25% | 8.69%  | 80.0% |
| Senior Debt 48 | 2 | Multifamily          | South Carolina | 61,600 | 61,600 | 11/10/2021 | 11/9/2026 | Adj. 1M SOFR Term + 3.35% | 8.79%  | 78.0% |
| Senior Debt 49 | 2 | Multifamily          | Texas          | 45,204 | 45,204 | 11/16/2021 | 12/9/2026 | Adj. 1M SOFR Term + 3.00% | 8.44%  | 74.8% |
| Senior Debt 50 | 2 | Multifamily          | Texas          | 47,286 | 47,175 | 11/9/2021  | 11/9/2026 | Adj. 1M SOFR Term + 2.75% | 8.19%  | 68.1% |
| Senior Debt 51 | 2 | Multifamily          | New Jersey     | 86,000 | 86,000 | 2/25/2022  | 3/9/2026  | 1M SOFR Term + 3.24%      | 8.56%  | 60.0% |
| Senior Debt 52 | 3 | Manufactured Housing | Georgia        | 6,700  | 6,691  | 12/13/2021 | 12/9/2026 | Adj. 1M SOFR Term + 4.50% | 9.94%  | 77.9% |

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| Loan Type      | Risk Rating <sup>(1)</sup> | Property Type | State          | Par Value | Amortized Cost | Origination Date <sup>(2)</sup> | Fully Extended Maturity <sup>(3)</sup> | Interest Rate <sup>(4)(5)</sup> | Effective Yield <sup>(6)</sup> | Loan to Value <sup>(7)</sup> |
|----------------|----------------------------|---------------|----------------|-----------|----------------|---------------------------------|----------------------------------------|---------------------------------|--------------------------------|------------------------------|
| Senior Debt 53 | 2                          | Multifamily   | Texas          | 58,680    | 58,680         | 12/10/2021                      | 1/9/2027                               | Adj. 1M SOFR Term + 3.45%       | 8.89%                          | 74.8%                        |
| Senior Debt 54 | 2                          | Multifamily   | Kentucky       | 14,933    | 14,912         | 11/19/2021                      | 12/9/2026                              | Adj. 1M SOFR Term + 3.20%       | 8.64%                          | 62.4%                        |
| Senior Debt 55 | 2                          | Multifamily   | Texas          | 38,376    | 38,328         | 11/22/2021                      | 12/9/2026                              | Adj. 1M SOFR Term + 3.00%       | 8.44%                          | 73.3%                        |
| Senior Debt 56 | 3                          | Multifamily   | Texas          | 69,415    | 69,415         | 11/30/2021                      | 12/9/2026                              | Adj. 1M SOFR Term + 2.88%       | 8.32%                          | 74.8%                        |
| Senior Debt 57 | 3                          | Multifamily   | Texas          | 66,742    | 66,742         | 11/30/2021                      | 12/9/2026                              | Adj. 1M SOFR Term + 2.88%       | 8.32%                          | 75.5%                        |
| Senior Debt 58 | 2                          | Multifamily   | Texas          | 18,500    | 18,500         | 12/30/2021                      | 1/9/2027                               | 1M SOFR Term + 3.50%            | 8.83%                          | 71.7%                        |
| Senior Debt 59 | 2                          | Multifamily   | Michigan       | 59,232    | 59,190         | 12/9/2021                       | 12/9/2026                              | Adj. 1M SOFR Term + 2.75%       | 8.19%                          | 73.9%                        |
| Senior Debt 60 | 3                          | Multifamily   | Pennsylvania   | 22,240    | 22,240         | 12/16/2021                      | 1/9/2027                               | 1M SOFR Term + 2.96%            | 8.29%                          | 79.4%                        |
| Senior Debt 61 | 2                          | Multifamily   | Texas          | 32,428    | 32,428         | 12/16/2021                      | 1/9/2028                               | 1M SOFR Term + 3.20%            | 8.53%                          | 74.2%                        |
| Senior Debt 62 | 2                          | Multifamily   | Florida        | 78,416    | 78,186         | 12/21/2021                      | 1/9/2027                               | 1M SOFR Term + 3.45%            | 8.78%                          | 78.8%                        |
| Senior Debt 63 | 2                          | Multifamily   | North Carolina | 81,247    | 81,184         | 12/15/2021                      | 1/9/2027                               | 1M SOFR Term + 3.21%            | 8.54%                          | 76.1%                        |
| Senior Debt 64 | 2                          | Multifamily   | North Carolina | 24,000    | 24,000         | 12/17/2021                      | 1/9/2028                               | 1M SOFR Term + 3.10%            | 8.43%                          | 72.7%                        |
| Senior Debt 65 | 2                          | Retail        | New York       | 31,000    | 30,959         | 12/23/2021                      | 1/9/2027                               | 1M SOFR Term + 3.29%            | 8.62%                          | 42.5%                        |
| Senior Debt 66 | 3                          | Multifamily   | Texas          | 37,605    | 37,605         | 5/12/2022                       | 2/9/2027                               | 1M SOFR Term + 3.55%            | 8.88%                          | 66.2%                        |
| Senior Debt 67 | 2                          | Multifamily   | Georgia        | 23,855    | 23,855         | 1/28/2022                       | 2/9/2027                               | 1M SOFR Term + 2.95%            | 8.28%                          | 65.6%                        |
| Senior Debt 68 | 2                          | Multifamily   | North Carolina | 10,978    | 10,978         | 1/14/2022                       | 2/9/2027                               | 1M SOFR Term + 3.30%            | 8.63%                          | 75.7%                        |
| Senior Debt 69 | 3                          | Multifamily   | Texas          | 47,444    | 47,444         | 12/21/2021                      | 1/9/2027                               | 1M SOFR Term + 2.86%            | 8.19%                          | 68.2%                        |
| Senior Debt 70 | 2                          | Multifamily   | Texas          | 36,824    | 36,824         | 12/22/2021                      | 1/9/2027                               | 1M SOFR Term + 2.86%            | 8.19%                          | 69.7%                        |
| Senior Debt 71 | 2                          | Hospitality   | North Carolina | 10,800    | 10,783         | 1/19/2022                       | 2/9/2027                               | 1M SOFR Term + 5.30%            | 10.63%                         | 68.2%                        |
| Senior Debt 72 | 2                          | Multifamily   | Florida        | 82,000    | 82,000         | 2/10/2022                       | 2/9/2027                               | 1M SOFR Term + 3.20%            | 8.53%                          | 74.5%                        |
| Senior Debt 73 | 2                          | Industrial    | Arizona        | 55,000    | 55,000         | 3/15/2022                       | 3/9/2027                               | 1M SOFR Term + 3.50%            | 8.83%                          | 70.1%                        |
| Senior Debt 74 | 2                          | Multifamily   | Texas          | 39,375    | 39,375         | 3/14/2022                       | 3/9/2027                               | 1M SOFR Term + 3.10%            | 8.43%                          | 74.1%                        |
| Senior Debt 75 | 2                          | Multifamily   | Arizona        | 35,220    | 35,220         | 3/2/2022                        | 3/9/2027                               | 1M SOFR Term + 2.95%            | 8.28%                          | 63.1%                        |
| Senior Debt 76 | 2                          | Mixed Use     | New York       | 19,000    | 19,000         | 3/7/2022                        | 3/9/2026                               | 1M SOFR Term + 3.42%            | 8.75%                          | 65.1%                        |
| Senior Debt 77 | 2                          | Multifamily   | North Carolina | 85,500    | 85,500         | 2/24/2022                       | 3/9/2027                               | 1M SOFR Term + 3.15%            | 8.48%                          | 69.6%                        |
| Senior Debt 78 | 2                          | Multifamily   | North Carolina | 31,900    | 31,899         | 3/29/2022                       | 4/9/2027                               | 1M SOFR Term + 3.30%            | 8.63%                          | 76.9%                        |
| Senior Debt 79 | 2                          | Hospitality   | Colorado       | 35,210    | 34,976         | 5/20/2022                       | 6/9/2027                               | 1M SOFR Term + 7.05%            | 12.38%                         | N/A                          |
| Senior Debt 80 | 2                          | Multifamily   | Texas          | 24,229    | 23,521         | 7/20/2022                       | 4/9/2027                               | 1M SOFR Term + 6.75%            | 12.08%                         | N/A                          |
| Senior Debt 81 | 2                          | Hospitality   | Georgia        | 44,862    | 44,862         | 3/30/2022                       | 4/9/2027                               | 1M SOFR Term + 4.90%            | 10.23%                         | 61.1%                        |
| Senior Debt 82 | 2                          | Hospitality   | New York       | 15,634    | 15,576         | 11/8/2022                       | 11/9/2027                              | 1M SOFR Term + 5.34%            | 10.67%                         | 57.7%                        |
| Senior Debt 83 | 3                          | Multifamily   | Nevada         | 35,950    | 35,950         | 6/3/2022                        | 6/9/2027                               | 1M SOFR Term + 6.05%            | 11.38%                         | 62.4%                        |
| Senior Debt 84 | 3                          | Multifamily   | Virginia       | 56,616    | 56,504         | 4/29/2022                       | 5/9/2027                               | 1M SOFR Term + 3.95%            | 9.28%                          | 73.2%                        |
| Senior Debt 85 | 3                          | Multifamily   | Texas          | 30,360    | 30,296         | 10/21/2022                      | 11/9/2027                              | 1M SOFR Term + 4.00%            | 9.33%                          | 70.9%                        |
| Senior Debt 86 | 3                          | Multifamily   | North Carolina | 56,859    | 56,859         | 8/23/2022                       | 10/9/2027                              | 1M SOFR Term + 6.70%            | 12.03%                         | 46.5%                        |
| Senior Debt 87 | 2                          | Multifamily   | Texas          | 12,788    | 12,784         | 5/2/2022                        | 5/9/2027                               | 1M SOFR Term + 3.55%            | 8.88%                          | 67.7%                        |
| Senior Debt 88 | 2                          | Industrial    | Florida        | 18,724    | 18,691         | 9/13/2022                       | 9/9/2027                               | 1M SOFR Term + 4.90%            | 10.23%                         | 64.6%                        |
| Senior Debt 89 | 2                          | Multifamily   | Tennessee      | 19,899    | 19,889         | 5/18/2022                       | 6/9/2027                               | 1M SOFR Term + 3.50%            | 8.83%                          | 64.5%                        |
| Senior Debt 90 | 3                          | Multifamily   | Texas          | 28,979    | 28,960         | 5/26/2022                       | 6/9/2027                               | 1M SOFR Term + 3.65%            | 8.98%                          | 71.0%                        |
| Senior Debt 91 | 3                          | Multifamily   | Texas          | 17,330    | 17,319         | 5/26/2022                       | 6/9/2027                               | 1M SOFR Term + 3.65%            | 8.98%                          | 73.9%                        |
| Senior Debt 92 | 2                          | Multifamily   | Georgia        | 70,750    | 70,716         | 5/18/2022                       | 6/9/2027                               | 1M SOFR Term + 3.80%            | 9.13%                          | 77.9%                        |
| Senior Debt 93 | 4                          | Multifamily   | North Carolina | 83,914    | 83,849         | 6/1/2022                        | 6/9/2027                               | 1M SOFR Term + 3.95%            | 9.28%                          | 71.8%                        |
| Senior Debt 94 | 3                          | Multifamily   | North Carolina | 45,583    | 45,559         | 6/1/2022                        | 6/9/2027                               | 1M SOFR Term + 3.95%            | 9.28%                          | 75.9%                        |
| Senior Debt 95 | 4                          | Multifamily   | North Carolina | 58,003    | 57,957         | 6/1/2022                        | 6/9/2027                               | 1M SOFR Term + 3.95%            | 9.28%                          | 73.7%                        |
| Senior Debt 96 | 3                          | Multifamily   | North Carolina | 20,797    | 20,785         | 6/1/2022                        | 6/9/2027                               | 1M SOFR Term + 3.95%            | 9.28%                          | 75.1%                        |
| Senior Debt 97 | 3                          | Multifamily   | Various        | 129,992   | 129,790        | 6/1/2022                        | 6/9/2027                               | 1M SOFR Term + 3.95%            | 9.28%                          | 67.8%                        |
| Senior Debt 98 | 2                          | Multifamily   | Kentucky       | 55,000    | 54,973         | 6/1/2022                        | 6/9/2027                               | 1M SOFR Term + 3.80%            | 9.13%                          | 73.8%                        |

|                 |   |                      |                      |        |        |            |           |                      |        |       |
|-----------------|---|----------------------|----------------------|--------|--------|------------|-----------|----------------------|--------|-------|
| Senior Debt 99  | 2 | Multifamily          | North Carolina       | 11,675 | 11,665 | 11/3/2022  | 11/9/2027 | 1M SOFR Term + 4.45% | 9.78%  | 74.8% |
| Senior Debt 100 | 2 | Multifamily          | Georgia              | 70,750 | 70,672 | 6/14/2022  | 6/9/2027  | 1M SOFR Term + 3.45% | 8.78%  | 71.6% |
| Senior Debt 101 | 2 | Hospitality          | District of Columbia | 39,525 | 39,372 | 8/2/2022   | 8/9/2027  | 1M SOFR Term + 6.94% | 12.27% | 71.2% |
| Senior Debt 102 | 2 | Multifamily          | Pennsylvania         | 4,663  | 4,301  | 2/17/2023  | 9/9/2026  | 1M SOFR Term + 6.31% | 11.64% | N/A   |
| Senior Debt 103 | 2 | Hospitality          | Alabama              | 17,847 | 17,845 | 9/20/2022  | 10/9/2027 | 1M SOFR Term + 5.75% | 11.08% | 62.1% |
| Senior Debt 104 | 2 | Manufactured Housing | Florida              | 11,720 | 11,700 | 9/13/2022  | 9/9/2027  | 1M SOFR Term + 4.75% | 10.08% | 53.8% |
| Senior Debt 105 | 2 | Hospitality          | Texas                | 6,861  | 6,422  | 1/31/2023  | 11/9/2027 | 1M SOFR Term + 7.50% | 12.83% | 6.2%  |
| Senior Debt 106 | 2 | Multifamily          | North Carolina       | 49,156 | 49,095 | 12/29/2022 | 1/9/2028  | 1M SOFR Term + 4.20% | 9.53%  | 70.1% |
| Senior Debt 107 | 2 | Multifamily          | South Carolina       | 51,000 | 50,908 | 12/2/2022  | 12/9/2027 | 1M SOFR Term + 3.75% | 9.08%  | 64.6% |
| Senior Debt 108 | 2 | Multifamily          | South Carolina       | 14,635 | 14,603 | 12/16/2022 | 1/9/2027  | 1M SOFR Term + 4.25% | 9.58%  | 68.1% |

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| Loan Type                      | Risk Rating <sup>(1)</sup> | Property Type        | State                | Par Value          | Amortized Cost     | Origination Date <sup>(2)</sup> | Fully Extended Maturity <sup>(3)</sup> | Interest Rate <sup>(4)(5)</sup> | Effective Yield <sup>(6)</sup> | Loan to Value <sup>(7)</sup> |
|--------------------------------|----------------------------|----------------------|----------------------|--------------------|--------------------|---------------------------------|----------------------------------------|---------------------------------|--------------------------------|------------------------------|
| Senior Debt 109                | 2                          | Hospitality          | North Carolina       | 28,300             | 28,300             | 12/15/2022                      | 1/9/2026                               | 1M SOFR Term + 5.25%            | 10.58%                         | 54.9%                        |
| Senior Debt 110                | 3                          | Multifamily          | Arizona              | 55,500             | 55,381             | 4/10/2023                       | 4/9/2026                               | 1M SOFR Term + 3.85%            | 9.18%                          | 44.7%                        |
| Senior Debt 111                | 2                          | Hospitality          | Florida              | 10,500             | 10,471             | 4/4/2023                        | 4/9/2028                               | 1M SOFR Term + 5.50%            | 10.83%                         | 39.6%                        |
| Senior Debt 112                | 2                          | Hospitality          | Various              | 120,000            | 119,607            | 2/9/2023                        | 2/9/2028                               | 1M SOFR Term + 4.90%            | 10.23%                         | 53.6%                        |
| Senior Debt 113                | 2                          | Multifamily          | Florida              | 64,500             | 64,466             | 4/19/2023                       | 5/9/2025                               | 1M SOFR Term + 5.00%            | 10.33%                         | 62.3%                        |
| Senior Debt 114                | 2                          | Hospitality          | New York             | 40,443             | 40,528             | 4/17/2023                       | 12/27/2024                             | 1M SOFR Term + 3.75%            | 9.08%                          | 39.1%                        |
| Senior Debt 115                | 2                          | Multifamily          | District of Columbia | 21,700             | 21,629             | 6/30/2023                       | 7/9/2027                               | 1M SOFR Term + 3.95%            | 9.28%                          | 29.4%                        |
| Senior Debt 116                | 2                          | Manufactured Housing | Florida              | 21,771             | 21,640             | 7/28/2023                       | 8/9/2028                               | 1M SOFR Term + 4.25%            | 9.58%                          | 43.2%                        |
| Senior Debt 117                | 2                          | Multifamily          | New York             | 19,793             | 19,877             | 6/28/2023                       | 7/9/2028                               | 4.75%                           | 4.75%                          | 85.7%                        |
| Senior Debt 118                | 2                          | Multifamily          | Texas                | 78,996             | 78,713             | 8/1/2023                        | 8/9/2028                               | 1M SOFR Term + 3.20%            | 8.53%                          | 58.7%                        |
| Senior Debt 119                | 2                          | Hospitality          | Florida              | 23,000             | 22,873             | 8/10/2023                       | 8/9/2028                               | 1M SOFR Term + 5.45%            | 10.78%                         | 72.8%                        |
| Senior Debt 120                | 2                          | Office               | Texas                | 55,800             | 54,967             | 3/27/2024                       | 4/9/2026                               | 1M SOFR Term + 9.38%            | 14.71%                         | 38.3%                        |
| Senior Debt 121                | 2                          | Hospitality          | Georgia              | 12,420             | 12,330             | 8/17/2023                       | 9/9/2028                               | 1M SOFR Term + 4.85%            | 10.18%                         | 53.5%                        |
| Senior Debt 122 <sup>(8)</sup> | 2                          | Industrial           | South Carolina       | —                  | —                  | 3/21/2024                       | 10/9/2027                              | 1M SOFR Term + 4.75%            | 10.08%                         | N/A                          |
| Senior Debt 123                | 2                          | Multifamily          | Texas                | 38,750             | 38,594             | 10/18/2023                      | 11/9/2026                              | 1M SOFR Term + 4.50%            | 9.83%                          | 62.4%                        |
| Senior Debt 124                | 2                          | Hospitality          | Florida              | 31,300             | 31,095             | 10/17/2023                      | 11/9/2028                              | 1M SOFR Term + 4.25%            | 9.58%                          | 48.9%                        |
| Senior Debt 125                | 2                          | Multifamily          | Texas                | 42,750             | 42,579             | 10/17/2023                      | 11/9/2026                              | 1M SOFR Term + 3.85%            | 9.18%                          | 61.4%                        |
| Senior Debt 126                | 2                          | Multifamily          | Texas                | 17,119             | 16,978             | 10/12/2023                      | 10/9/2028                              | 1M SOFR Term + 3.20%            | 8.53%                          | 55.1%                        |
| Senior Debt 127                | 2                          | Multifamily          | Texas                | 21,632             | 21,547             | 12/6/2023                       | 12/9/2026                              | 1M SOFR Term + 3.75%            | 9.08%                          | 63.6%                        |
| Senior Debt 128                | 2                          | Hospitality          | Tennessee            | 41,071             | 40,871             | 11/14/2023                      | 12/9/2028                              | 1M SOFR Term + 3.65%            | 8.98%                          | 50.0%                        |
| Senior Debt 129                | 2                          | Multifamily          | Texas                | 36,380             | 36,060             | 2/14/2024                       | 2/9/2025                               | 9.00%                           | 9.00%                          | 84.4%                        |
| Senior Debt 130                | 2                          | Hospitality          | Colorado             | 54,412             | 54,073             | 2/5/2024                        | 2/9/2029                               | 1M SOFR Term + 4.50%            | 9.83%                          | 41.6%                        |
| Senior Debt 131                | 2                          | Hospitality          | Nevada               | 25,750             | 25,613             | 12/15/2023                      | 1/9/2028                               | 1M SOFR Term + 3.95%            | 9.28%                          | 42.4%                        |
| Senior Debt 132                | 2                          | Industrial           | California           | 1,622              | 942                | 3/19/2024                       | 10/6/2026                              | 13.00%                          | 13.00%                         | 8.6%                         |
| Senior Debt 133 <sup>(8)</sup> | 2                          | Multifamily          | Florida              | —                  | —                  | 2/12/2024                       | 8/9/2028                               | 1M SOFR Term + 5.50%            | 10.83%                         | N/A                          |
| Senior Debt 134                | 2                          | Multifamily          | Florida              | 50,750             | 50,511             | 2/9/2024                        | 8/9/2026                               | 1M SOFR Term + 3.75%            | 9.08%                          | 56.7%                        |
| Senior Debt 135                | 2                          | Multifamily          | Texas                | 78,175             | 77,692             | 2/16/2024                       | 3/9/2029                               | 1M SOFR Term + 3.65%            | 8.98%                          | 53.3%                        |
| Senior Debt 136                | 2                          | Multifamily          | Florida              | 67,000             | 66,677             | 2/29/2024                       | 3/9/2029                               | 1M SOFR Term + 3.25%            | 8.58%                          | 58.7%                        |
| Senior Debt 137                | 2                          | Industrial           | North Carolina       | 75,000             | 74,815             | 3/7/2024                        | 3/9/2029                               | 2.70%                           | 8.03%                          | 58.6%                        |
| Senior Debt 138                | 2                          | Multifamily          | Texas                | 20,012             | 19,820             | 3/7/2024                        | 3/9/2029                               | 1M SOFR Term + 3.75%            | 9.08%                          | 57.2%                        |
| Senior Debt 139                | 3                          | Hospitality          | Illinois             | 16,518             | 16,518             | 12/4/2017                       | 10/6/2025                              | 5.99%                           | 5.99%                          | 52.9%                        |
| Mezzanine Loan 1               | 2                          | Retail               | New York             | 3,000              | 2,996              | 12/23/2021                      | 1/9/2027                               | 1M SOFR Term + 12.00%           | 17.33%                         | 46.6%                        |
| Mezzanine Loan 2               | 2                          | Mixed Use            | New York             | 1,000              | 1,000              | 3/7/2022                        | 3/9/2026                               | 1M SOFR Term + 11.00%           | 16.33%                         | 68.5%                        |
| Mezzanine Loan 3               | 2                          | Hospitality          | New York             | 1,350              | 1,346              | 11/8/2022                       | 11/9/2027                              | 1M SOFR Term + 9.25%            | 14.58%                         | 64.6%                        |
| Mezzanine Loan 4               | 2                          | Hospitality          | Texas                | 7,900              | 7,805              | 1/31/2023                       | 11/9/2027                              | 1M SOFR Term + 10.00%           | 15.33%                         | 6.2%                         |
| Mezzanine Loan 5               | 3                          | Multifamily          | Ohio                 | 2,600              | 2,600              | 3/9/2023                        | 9/9/2025                               | 1M SOFR Term + 4.50%            | 9.83%                          | 58.2%                        |
| Mezzanine Loan 6               | 2                          | Multifamily          | District of Columbia | 11,700             | 11,662             | 6/30/2023                       | 7/9/2027                               | 1M SOFR Term + 3.95%            | 9.28%                          | 45.2%                        |
|                                |                            |                      |                      | <b>\$5,243,800</b> | <b>\$5,233,420</b> |                                 |                                        | <b>Weighted Average:</b>        | <b>9.15%</b>                   | <b>64.3%</b>                 |

<sup>(1)</sup> For a discussion of risk ratings, see Note 3 - Commercial Mortgage Loans in our Consolidated Financial Statements included in this Form 10-Q.

<sup>(2)</sup> Date loan was originated or acquired by us. The origination or acquisition date is not updated for subsequent loan modifications.

<sup>(3)</sup> Fully extended maturity assumes all extension options are exercised by the borrower; provided, however, that our loans may be repaid prior to such date.

<sup>(4)</sup> Our floating rate loan agreements generally contain the contractual obligation for the borrower to maintain an interest rate cap to protect against rising interest rates.

In a simple interest rate cap, the borrower pays a premium for a notional principal amount based on a capped interest rate (the "cap rate"). When the floating rate exceeds the cap rate, the borrower receives a payment from the cap counterparty equal to the difference between the floating rate and the cap rate on the same notional principal amount for a specified period of time. When interest rates rise, the value of an interest rate cap will increase, thereby reducing the borrower's exposure to rising interest rates.

<sup>(5)</sup> On March 5, 2021, the Financial Conduct Authority of the U.K. (the "FCA") announced that LIBOR tenors would cease to be published or no longer be representative. The Alternative Reference Rates Committee (the "ARRC") interpreted this announcement to constitute a benchmark transition event. The benchmark index of LIBOR interest rate will convert from LIBOR to compounded SOFR, plus a benchmark adjustment of 11.448 basis points. As of March 31, 2024, all of our commercial mortgage loans, held for investment which had been indexed at LIBOR were converted to SOFR utilizing the 11.448 basis points adjustment and the applicable spreads remain unchanged. The loans which have the SOFR adjustment are indicated with "Adj. 1M SOFR Term."

<sup>(6)</sup> Effective yield is calculated as the spread of the loan plus the greater of the applicable index or index floor.

<sup>(7)</sup> Loan-to-value percentage ("LTV") represents the ratio of the loan amount to the appraised value of the property at the time of origination. However, for predevelopment construction loans at origination, LTV is not applicable and is therefore nil.

<sup>(8)</sup> Commitment on the loan was unfunded as of March 31, 2024.

The following table shows selected data from our commercial mortgage loans, held for sale, measured at fair value as of March 31, 2024 (dollars in thousands):

| Loan Type         | Property Type | State   | Par Value | Interest Rate | Effective Yield | Loan to Value <sup>(1)</sup> |
|-------------------|---------------|---------|-----------|---------------|-----------------|------------------------------|
| TRS Senior Debt 1 | Office        | Georgia | \$ 30,000 | 7.98%         | 7.98%           | 57.5%                        |

<sup>(1)</sup> Loan-to-value percentage (LTV) represents the ratio of the loan amount to the appraised value of the property at the time of origination.

The following table shows selected data from our real estate owned, held for investment assets in our portfolio as of March 31, 2024 (dollars in thousands):

| Type                | Acquisition Date | Primary Location   | Property Type | Real Estate Owned, Net | Intangible Lease Asset, Net | Total      |
|---------------------|------------------|--------------------|---------------|------------------------|-----------------------------|------------|
| Real Estate Owned 1 | September 2021   | Jeffersonville, GA | Industrial    | \$ 84,868              | \$ 41,993                   | \$ 126,861 |
| Real Estate Owned 2 | August 2023      | Portland, OR       | Office        | 18,518                 | —                           | \$ 18,518  |
| Real Estate Owned 3 | October 2023     | Lubbock, TX        | Multifamily   | 11,783                 | 44                          | \$ 11,827  |
|                     |                  |                    |               | \$ 115,169             | \$ 42,037                   | \$ 157,206 |

The following table shows selected data from our real estate owned, held for sale assets in our portfolio as of March 31, 2024 (dollars in thousands):

| Type                               | Acquisition Date | Primary Location(s) | Property Type | Assets, Net | Liabilities, Net |
|------------------------------------|------------------|---------------------|---------------|-------------|------------------|
| Real Estate Owned, held for sale 1 | Various          | Various             | Retail        | \$ 103,657  | \$ 12,297        |

The following table shows selected data from our real estate securities, measured at fair value as of March 31, 2024 (dollars in thousands):

| Type           | Interest Rate        | Maturity   | Par Value  | Fair Value | Effective Yield |
|----------------|----------------------|------------|------------|------------|-----------------|
| CRE CLO bond 1 | 1 month SOFR + 2.27% | 9/19/2038  | \$ 53,000  | 53,218     | 7.60%           |
| CRE CLO bond 2 | 1 month SOFR + 3.11% | 9/19/2038  | 12,000     | 11,987     | 8.43%           |
| CRE CLO bond 3 | 1 month SOFR + 2.78% | 8/19/2035  | 20,000     | 20,051     | 8.11%           |
| CRE CLO bond 4 | 1 month SOFR + 2.90% | 10/19/2039 | 28,340     | 28,344     | 8.27%           |
| CRE CLO bond 5 | 1 month SOFR + 3.20% | 5/25/2038  | 43,333     | 43,639     | 8.53%           |
| CRE CLO bond 6 | 1 month SOFR + 2.36% | 4/16/2028  | 45,000     | 44,976     | 7.69%           |
| CRE CLO bond 7 | 1 month SOFR + 1.36% | 11/15/2036 | 15,887     | 15,640     | 6.89%           |
|                |                      |            | \$ 217,560 | \$ 217,855 | 7.93%           |

#### Results of Operations

The Company conducts its business through the following segments:

- The real estate debt business focuses on originating, acquiring and asset managing commercial real estate debt investments, including first mortgages, subordinate mortgages, mezzanine loans and participations in such loans.

- The real estate securities business focuses on investing in and asset managing real estate securities. Historically this business has focused primarily on CMBS, CRE CLO bonds, CDO notes, and other securities.
- The commercial real estate conduit business operated through the Company's TRS, which is focused on generating risk-adjusted returns by originating and subsequently selling fixed-rate commercial real estate loans into the CMBS securitization market at a profit. The TRS may also hold certain mezzanine loans that don't qualify as good REIT assets due to any potential loss from foreclosure.
- The real estate owned business represents real estate acquired by the Company through foreclosure, deed in lieu of foreclosure, or purchase.

**Comparison of the Three Months Ended March 31, 2024 to the Three Months Ended March 31, 2023**

**Net Interest Income**

Net interest income is generated on our interest-earning assets less related interest-bearing liabilities and is recorded as part of our real estate debt, real estate securities and TRS segments.

The following table presents the average balance of interest-earning assets less related interest-bearing liabilities, associated interest income and expense and corresponding yield earned and incurred for the three months ended March 31, 2024 and 2023 (dollars in thousands):

|                                                                    | Three Months Ended March 31,          |                                               |                                           |                                       |                                        |                                           |  |  |  |  |
|--------------------------------------------------------------------|---------------------------------------|-----------------------------------------------|-------------------------------------------|---------------------------------------|----------------------------------------|-------------------------------------------|--|--|--|--|
|                                                                    | 2024                                  |                                               |                                           |                                       |                                        | 2023                                      |  |  |  |  |
|                                                                    | Average Carrying Value <sup>(1)</sup> | Interest Income/Expense <sup>(2)</sup><br>(3) | WA Yield/Financing Cost <sup>(4)(5)</sup> | Average Carrying Value <sup>(1)</sup> | Interest Income/Expense <sup>(2)</sup> | WA Yield/Financing Cost <sup>(4)(5)</sup> |  |  |  |  |
| <b>Interest-earning assets:</b>                                    |                                       |                                               |                                           |                                       |                                        |                                           |  |  |  |  |
| Real estate debt                                                   | \$ 5,026,589                          | \$ 123,765                                    | 9.8 %                                     | \$ 5,127,298                          | \$ 126,646                             | 9.9 %                                     |  |  |  |  |
| Real estate conduit                                                | 49,366                                | 1,946                                         | 15.8 %                                    | 15,625                                | 322                                    | 8.2 %                                     |  |  |  |  |
| Real estate securities                                             | 225,499                               | 4,601                                         | 8.2 %                                     | 280,233                               | 3,568                                  | 5.1 %                                     |  |  |  |  |
| <b>Total</b>                                                       | <b>\$ 5,301,454</b>                   | <b>\$ 130,312</b>                             | <b>9.8 %</b>                              | <b>\$ 5,423,156</b>                   | <b>\$ 130,536</b>                      | <b>9.6 %</b>                              |  |  |  |  |
| <b>Interest-bearing liabilities:</b>                               |                                       |                                               |                                           |                                       |                                        |                                           |  |  |  |  |
| Repurchase agreements - commercial mortgage loans                  | \$ 274,750                            | \$ 6,959                                      | 10.1 %                                    | \$ 671,580                            | \$ 14,533                              | 8.7 %                                     |  |  |  |  |
| Other financing and loan participation - commercial mortgage loans | 26,823                                | 379                                           | 5.7 %                                     | 72,160                                | 1,440                                  | 8.0 %                                     |  |  |  |  |
| Repurchase agreements - real estate securities                     | 166,483                               | 2,589                                         | 6.2 %                                     | 274,935                               | 3,446                                  | 5.0 %                                     |  |  |  |  |
| Collateralized loan obligations                                    | 3,591,621                             | 69,495                                        | 7.7 %                                     | 3,110,153                             | 49,537                                 | 6.4 %                                     |  |  |  |  |
| Unsecured debt                                                     | 81,308                                | 1,896                                         | 9.3 %                                     | 98,708                                | 2,119                                  | 8.6 %                                     |  |  |  |  |
| <b>Total</b>                                                       | <b>\$ 4,140,985</b>                   | <b>\$ 81,318</b>                              | <b>7.9 %</b>                              | <b>\$ 4,227,536</b>                   | <b>\$ 71,075</b>                       | <b>6.7 %</b>                              |  |  |  |  |
| Net interest income/spread                                         |                                       | \$ 48,994                                     | 1.9 %                                     |                                       | \$ 59,461                              | 2.9 %                                     |  |  |  |  |
| Average leverage % <sup>(6)</sup>                                  | 78.1 %                                |                                               |                                           | 78.0 %                                |                                        |                                           |  |  |  |  |
| Weighted average levered yield <sup>(7)</sup>                      |                                       |                                               | 16.9 %                                    |                                       |                                        | 19.9 %                                    |  |  |  |  |

<sup>(1)</sup> Based on amortized cost for real estate debt and real estate securities and principal amount for interest-bearing liabilities. Amounts are calculated based on daily averages for the three months ended March 31, 2024 and 2023, respectively.

<sup>(2)</sup> Includes the effect of amortization of premium or accretion of discount and deferred fees.

<sup>(3)</sup> Excludes other income on the real estate owned business segment.

<sup>(4)</sup> Calculated as interest income or expense divided by average carrying value.

<sup>(5)</sup> Annualized.

<sup>(6)</sup> Calculated by dividing total average interest-bearing liabilities by total average interest-earning assets.

<sup>(7)</sup> Calculated by dividing net interest income/spread by the average interest-earning assets less average interest-bearing liabilities.

*Interest Income*

Interest income for the three months ended March 31, 2024 and 2023 totaled \$130.6 million and \$130.5 million, respectively, remaining relatively constant between periods. The minor increase in interest income during the three months ended March 31, 2024 was due to an approximate 80 basis point increase in daily average SOFR and SOFR equivalent rates coupled with an increase of \$33.7 million in the average carrying value of our conduit portfolio partially offset by a decrease of \$100.7 million in the average carrying value of our real estate debt along with a decrease due to the loans placed on non-accrual status during the three months ended March 31, 2024. As of March 31, 2024, our portfolio consisted of (i) 145 commercial mortgage loans, held for investment, (ii) one commercial mortgage loan, held for sale, measured at fair value and (iii) seven real estate securities, available for sale, measured at fair value. As of March 31, 2023, our portfolio consisted of (i) 157 commercial mortgage loans, held for investment, (ii) two commercial mortgage loans, held for sale, measured at fair value and (iii) five real estate securities, available for sale, measured at fair value and (iv) ARMs.

*Interest Expense*

Interest expense for the three months ended March 31, 2024 and 2023 totaled \$81.3 million and \$71.1 million, respectively, an increase of \$10.2 million. The increase was primarily due to an approximate 80 basis point increase in daily average SOFR and SOFR equivalent rates coupled with an increase in deferred fee amortization due to the utilization of expected duration of our CLOs compared to contractual duration partially offset by a decrease of \$396.8 million in the average carrying value of our repurchase agreements - commercial mortgage loans.

*Revenue from Real Estate Owned*

For the three months ended March 31, 2024 and 2023, revenue from real estate owned was \$4.7 million and \$3.3 million, respectively. The \$1.4 million increase was primarily the result of rental income obtained from additional retail properties in our real estate owned portfolio.

*(Provision)/Benefit for Credit losses*

Provision for credit losses was \$2.9 million during the three months ended March 31, 2024 compared to a provision of \$4.4 million during the three months ended March 31, 2023. The following paragraphs set forth explanations for changes in the general and specific reserves for the three months ended March 31, 2024 and 2023.

For the three months ended March 31, 2024 and 2023, general provision for credit losses was \$2.1 million and \$3.5 million, respectively, attributable to a more pessimistic view of the macroeconomic scenario utilized for the CECL model compared to preceding periods. For the three months ended March 31, 2024, the increase in general reserve balance was also the result of an increase in the size of our loan portfolio compared to the preceding period.

For the three months ended March 31, 2024, the increase in specific reserve of \$0.7 million was related to a non-performing multifamily loan secured by two properties in North Carolina placed on cost recovery status. For the three months ended March 31, 2023, the increase in specific reserve of \$0.8 million was related to higher capitalization rates on the assumed fair value of the Walgreens properties which was partially offset by the cost recovery proceeds received during the quarter.

**Realized Gain/(Loss) on Extinguishment of Debt**

The Company did not realize a gain or loss on extinguishment of debt for the three months ended March 31, 2024. Realized gain on extinguishment for debt for the three months ended March 31, 2023 was \$4.8 million primarily related to the redemption of \$17.5 million of our \$100 million par value unsecured debt at a price equal to 75% of par.

**Realized Gain/(Loss) on Real Estate Securities, Available for Sale**

Realized gain on real estate securities, available for sale for the three months ended March 31, 2024 of \$0.1 million was related to the sale of three CRE CLO bonds. Realized gain on real estate securities, available for sale for the three months ended March 31, 2023 was \$0.6 million related to the sale of four CRE CLO bonds.

**Realized Gain/(Loss) on Commercial Mortgage Loans, Held for Sale, Measured at Fair Value**

Realized gain on commercial mortgage loans, held for sale, measured at fair value for the three months ended March 31, 2024 of \$5.5 million was related to the sale of \$100.7 million in principal amount of commercial real estate loans into the CMBS securitization market resulting in proceeds of \$106.2 million. There were no sales of commercial mortgage loans, held for sale, measured at fair value for the three months ended March 31, 2023.

**Unrealized Gain/(Loss) on Commercial Mortgage Loans, Held for Sale, Measured at Fair Value**

Unrealized gain on commercial mortgage loans, held for sale, measured at fair value, for the three months ended March 31, 2024 was \$0.5 million compared to an unrealized gain of \$0.4 million for the three months ended March 31, 2023. The \$0.1 million increase was primarily the result of the change in market values of these loans.

**Gain/(Loss) on Other Real Estate Investments**

Gain on other real estate investments for the three months ended March 31, 2024 was \$6.0 thousand related to the sale of one real estate owned, held for sale property located in San Antonio, TX, compared to a loss of \$1.3 million for the three months ended March 31, 2023 which was related to additional loss on our real estate owned, held for sale multifamily asset in New Rochelle, NY.

**Trading Gain/(Loss)**

The Company did not hold any trading securities as of March 31, 2024. Trading gain for the three months ended March 31, 2023 of \$3.0 million was attributable to \$7.5 million of principal paydowns, \$95.5 million of sales of ARM Agency Securities and changes in market values on these securities.

**Net Result from Derivative Transactions**

Net result from derivative transactions for the three months ended March 31, 2024 of a \$0.2 million gain was composed of a realized gain of \$0.3 million was primarily related to the termination and settlement of credit default swaps and treasury note futures partially offset by an unrealized loss of \$0.1 million. This is compared to a net loss on our derivative portfolio of \$0.3 million composed of a realized gain of \$44.0 thousand offset by an unrealized loss of \$0.3 million for the three months ended March 31, 2023 primarily related to the decreasing values on our interest rate swap portfolio.

**(Provision)/Benefit for Income Tax**

Provision for income tax for the three months ended March 31, 2024 was \$0.8 million compared to a benefit of \$0.7 million for the three months ended March 31, 2023. The difference is related to changes in taxable income/loss in our TRS segment.

**Net (Income)/Loss Attributable to Non-controlling Interest**

Net loss attributable to non-controlling interest in our consolidated joint ventures for the three months ended March 31, 2024 was \$0.1 million compared to a net income attributable to non-controlling interest of \$9.0 thousand for the three months ended March 31, 2023.

*Expenses from operations*

Expenses from operations for the three months ended March 31, 2024 and 2023 consisted of the following (dollars in thousands):

|                                                   | <b>Three Months Ended March 31,</b> |                  |
|---------------------------------------------------|-------------------------------------|------------------|
|                                                   | <b>2024</b>                         | <b>2023</b>      |
| Asset management and subordinated performance fee | \$ 7,865                            | \$ 8,085         |
| Acquisition expenses                              | 238                                 | 378              |
| Administrative services expenses                  | 2,860                               | 4,029            |
| Professional fees                                 | 4,084                               | 4,814            |
| Share-based compensation                          | 1,799                               | 1,022            |
| Depreciation and amortization                     | 1,417                               | 1,805            |
| Other expenses                                    | 2,363                               | 2,166            |
| <b>Total expenses from operations</b>             | <b>\$ 20,626</b>                    | <b>\$ 22,299</b> |

The decrease in operating expenses was primarily related to (i) a decrease in administrative services expenses due to less time spent on asset workout during the three months ended March 31, 2024 compared to three months ended March 31, 2023, (ii) a decrease in professional fees due to the reduction in legal costs associated with our recovery efforts related to a hotel asset and the Walgreens Portfolio partially offset by (iii) an increase in share-based compensation due to equity compensation awards issued to our executive officers and other employees of the Advisor under the Company's 2021 Incentive Plan during the three months ended March 31, 2024.

**Comparison of the Three months ended March 31, 2024 to the Three months ended, December 31, 2023**

Net interest income is generated on our interest-earning assets less related interest-bearing liabilities and is recorded as part of our real estate debt, real estate securities and TRS segments.

The following table presents the average balance of interest-earning assets less related interest-bearing liabilities, associated interest income and expense and corresponding yield earned and incurred for the three months ended March 31, 2024 and December 31, 2023 (dollars in thousands):

|                                                                    | Three Months Ended                    |                                           |                                           |                                       |                                           |                                           |  |  |  |  |
|--------------------------------------------------------------------|---------------------------------------|-------------------------------------------|-------------------------------------------|---------------------------------------|-------------------------------------------|-------------------------------------------|--|--|--|--|
|                                                                    | March 31, 2024                        |                                           |                                           |                                       |                                           | December 31, 2023                         |  |  |  |  |
|                                                                    | Average Carrying Value <sup>(1)</sup> | Interest Income/Expense <sup>(2)(3)</sup> | WA Yield/Financing Cost <sup>(4)(5)</sup> | Average Carrying Value <sup>(1)</sup> | Interest Income/Expense <sup>(2)(3)</sup> | WA Yield/Financing Cost <sup>(4)(5)</sup> |  |  |  |  |
| <b>Interest-earning assets:</b>                                    |                                       |                                           |                                           |                                       |                                           |                                           |  |  |  |  |
| Real estate debt                                                   | \$ 5,026,589                          | \$ 123,765                                | 9.8 %                                     | \$ 4,778,141                          | \$ 125,816                                | 10.5 %                                    |  |  |  |  |
| Real estate conduit                                                | 49,366                                | 1,946                                     | 15.8 %                                    | 10,826                                | 1,065                                     | 39.4 %                                    |  |  |  |  |
| Real estate securities                                             | 225,499                               | 4,601                                     | 8.2 %                                     | 232,430                               | 4,835                                     | 8.3 %                                     |  |  |  |  |
| <b>Total</b>                                                       | <b>\$ 5,301,454</b>                   | <b>\$ 130,312</b>                         | <b>9.8 %</b>                              | <b>\$ 5,021,397</b>                   | <b>\$ 131,716</b>                         | <b>10.5 %</b>                             |  |  |  |  |
| <b>Interest-bearing liabilities:</b>                               |                                       |                                           |                                           |                                       |                                           |                                           |  |  |  |  |
| Repurchase agreements - commercial mortgage loans                  | \$ 274,750                            | \$ 6,959                                  | 10.1 %                                    | \$ 245,775                            | \$ 8,093                                  | 13.2 %                                    |  |  |  |  |
| Other financing and loan participation - commercial mortgage loans | 26,823                                | 379                                       | 5.7 %                                     | 26,051                                | 657                                       | 10.1 %                                    |  |  |  |  |
| Repurchase agreements - real estate securities                     | 166,483                               | 2,589                                     | 6.2 %                                     | 248,456                               | 3,979                                     | 6.4 %                                     |  |  |  |  |
| Collateralized loan obligations                                    | 3,591,621                             | 69,495                                    | 7.7 %                                     | 3,508,595                             | 66,579                                    | 7.6 %                                     |  |  |  |  |
| Unsecured debt                                                     | 81,308                                | 1,896                                     | 9.3 %                                     | 81,283                                | 1,924                                     | 9.5 %                                     |  |  |  |  |
| <b>Total</b>                                                       | <b>\$ 4,140,985</b>                   | <b>\$ 81,318</b>                          | <b>7.9 %</b>                              | <b>\$ 4,110,160</b>                   | <b>\$ 81,232</b>                          | <b>7.9 %</b>                              |  |  |  |  |
| Net interest income/spread                                         |                                       | \$ 48,994                                 | 1.9 %                                     |                                       | \$ 50,484                                 | 2.6 %                                     |  |  |  |  |
| Average leverage % <sup>(6)</sup>                                  | 78.1 %                                |                                           |                                           | 81.9 %                                |                                           |                                           |  |  |  |  |
| Weighted average levered yield <sup>(7)</sup>                      |                                       |                                           | 16.9 %                                    |                                       |                                           | 22.2 %                                    |  |  |  |  |

<sup>(1)</sup> Based on amortized cost for real estate debt and real estate securities and principal amount for interest-bearing liabilities. Amounts are calculated based on daily averages for the three months ended March 31, 2024 and December 31, 2023, respectively.

<sup>(2)</sup> Includes the effect of amortization of premium or accretion of discount and deferred fees.

<sup>(3)</sup> Excludes other income on the real estate owned business segment.

<sup>(4)</sup> Calculated as interest income or expense divided by average carrying value.

<sup>(5)</sup> Annualized.

<sup>(6)</sup> Calculated by dividing total average interest-bearing liabilities by total average interest-earning assets.

<sup>(7)</sup> Calculated by dividing net interest income/spread by the average interest-earning assets less average interest-bearing liabilities.

**Interest Income**

Interest income for the three months ended March 31, 2024 and December 31, 2023 totaled \$130.6 million and \$132.0 million, respectively, a decrease of \$1.4 million. The decrease was primarily due to the loans placed on non-accrual status during the three months ended March 31, 2024. Daily average SOFR and SOFR equivalent rates remained relatively constant between periods. As of March 31, 2024, our portfolio consisted of (i) 145 commercial mortgage loans, held for investment, (ii) one commercial mortgage loan, held for sale, measured at fair value and (iii) seven real estate securities, available for sale, measured at fair value. As of December 31, 2023, our portfolio consisted of (i) 144 commercial mortgage loans, held for investment and (ii) seven real estate securities, available for sale, measured at fair value.

#### *Interest Expense*

Interest expense for the three months ended March 31, 2024 and December 31, 2023 was \$81.3 million and \$81.2 million, respectively, an increase of \$0.1 million. The increase was primarily due to an increase of \$83.0 million in the average carrying value of our collateralized loan obligations partially offset by lower borrowing rates on our repurchase agreements - commercial mortgage loans.

#### *Revenue from Real Estate Owned*

For the three months ended March 31, 2024 and December 31, 2023, revenue from real estate owned was \$4.7 million and \$4.0 million, respectively. The \$0.7 million increase was primarily the result of recoveries received from an office tenant who has vacated one of our real estate owned properties.

#### *Provision/(Benefit) for Credit losses*

Provision for credit losses was \$2.9 million during the three months ended March 31, 2024 compared to a provision of \$5.4 million during the three months ended December 31, 2023. The following paragraphs set forth explanations for changes in the general and specific reserves for the three months ended March 31, 2024 and December 31, 2023.

For the three months ended March 31, 2024 and December 31, 2023, general provision for credit losses was \$2.1 million and \$5.4 million, respectively, attributable to a more pessimistic view of the macroeconomic scenario utilized for the CECL model compared to preceding periods. For the three months ended March 31, 2024, the increase in general reserve balance is also the result of an increase in the size of our loan portfolio compared to the preceding period.

For the three months ended March 31, 2024, the increase in specific reserve of \$0.7 million was related to a non-performing multifamily loan secured by two properties in North Carolina placed on cost recovery status. The Company did not recognize a specific provision/benefit for credit losses for the three months ended December 31, 2023.

#### *Realized Gain/(Loss) on Real Estate Securities, Available for Sale*

Realized gain on real estate securities, available for sale for the three months ended March 31, 2024 of \$0.1 million was related to the sale of three CRE CLO bonds. Realized loss on real estate securities, available for sale for the three months ended December 31, 2023 of \$30.0 thousand was related to the sale of two CRE CLO Bonds.

#### *Realized Gain/(Loss) on Commercial Mortgage Loans, Held for Sale, Measured at Fair Value*

Realized gain on commercial mortgage loans, held for sale, measured at fair value for the three months ended March 31, 2024 of \$5.5 million was related to the sale of \$100.7 million in principal amount of commercial real estate loans into the CMBS securitization market resulting in proceeds of \$106.2 million. Realized gain on commercial mortgage loans, held for sale, measured at fair value for the three months ended December 31, 2023 of \$0.8 million was related to the sale of \$26.3 million in principal amount of commercial real estate loans into the CMBS securitization market resulting in proceeds of \$27.1 million.

#### *Gain/(Loss) on Other Real Estate Investments*

Gain on other real estate investments for the three months ended March 31, 2024 was \$6.0 thousand related to the sale of one real estate owned, held for sale property located in San Antonio, TX, compared to a gain of \$0.1 million for the three months ended December 31, 2023 related to amounts recorded on a multifamily property in Lubbock, TX.

#### *Net Result from Derivative Transactions*

Net result from derivative transactions for the three months ended March 31, 2024 of a \$0.2 million gain was composed of a realized gain of \$0.3 million was primarily related to the termination and settlement of credit default swaps and treasury note futures partially offset by an unrealized loss of \$0.1 million. This is compared to a net gain on our derivative portfolio of \$0.3 million composed primarily of realized gains related to the termination and settlement of interest rate swap positions for the three months ended December 31, 2023.

#### *(Provision)/Benefit for Income Tax*

Provision for income tax for the three months ended March 31, 2024 was \$0.8 million compared to a benefit of \$0.3 million for the three months ended December 31, 2023. The difference is related to changes in taxable income/loss in our TRS segment.

**Net (Income)/Loss Attributable to Non-controlling Interest**

Net loss attributable to non-controlling interest in our consolidated joint ventures for the three months ended March 31, 2024 amounted to \$0.1 million compared to a net income attributable to non-controlling interest of \$16.0 thousand for the three months ended December 31, 2023.

**Expenses from Operations**

Expenses from operations for the three months ended March 31, 2024 and December 31, 2023 consisted of the following (dollars in thousands):

|                                                   | <b>Three Months Ended</b> |                          |
|---------------------------------------------------|---------------------------|--------------------------|
|                                                   | <b>March 31, 2024</b>     | <b>December 31, 2023</b> |
| Asset management and subordinated performance fee | \$ 7,865                  | \$ 8,954                 |
| Acquisition expenses                              | 238                       | 264                      |
| Administrative services expenses                  | 2,860                     | 3,447                    |
| Professional fees                                 | 4,084                     | 3,509                    |
| Share-based compensation                          | 1,799                     | 1,256                    |
| Depreciation and amortization                     | 1,417                     | 1,614                    |
| Other expenses                                    | 2,363                     | 1,812                    |
| <b>Total expenses from operations</b>             | <b>\$ 20,626</b>          | <b>\$ 20,856</b>         |

Overall, operating expenses were consistent with prior quarter, with a decrease of \$0.2 million primarily related to (i) a decrease in asset management and subordinated performance fees due to a larger amount of incentive fees incurred during the three months ended December 31, 2023 and (ii) a decrease in administrative service expenses due to less time spent on asset workout during the three months ended March 31, 2024 compared to the three months ended December 31, 2023 partially offset by (iii) an increase in professional fees due to increases in tax consulting fees and broker fees and (iv) an increase in share-based compensation due to equity awards issued under the Company's 2021 Incentive Plan during the three months ended March 31, 2024.

## Liquidity and Capital Resources

### Overview

Our expected material cash requirements over the next twelve months and thereafter are composed of (i) contractually obligated payments, including payments of principal and interest and contractually-obligated fundings on our loans; (ii) other essential expenditures, including operating and administrative expenses and dividends paid in accordance with REIT distribution requirements; and (iii) opportunistic investments, including new loans.

Our contractually obligated payments primarily consist of payment obligations under the debt financing arrangements which are set forth below, and included in "Contractual Obligations and Commitments."

We may from time to time purchase or retire outstanding debt securities or repurchase or redeem our equity securities. Such purchases, if any, will depend on prevailing market conditions, liquidity requirements and other factors.

We closely monitor our liquidity position and believe that we have sufficient current liquidity and access to additional liquidity to meet our financial obligations for the next 12 months and beyond.

#### Debt-to-Equity Ratio and Total Leverage Ratio

The following table presents our debt-to-equity and total leverage ratios:

|                                         | March 31, 2024 | December 31, 2023 |
|-----------------------------------------|----------------|-------------------|
| Net debt-to-equity ratio <sup>(1)</sup> | 2.4x           | 2.3x              |
| Total leverage ratio <sup>(2)</sup>     | 2.5x           | 2.5x              |

<sup>(1)</sup> Represents (i) total outstanding borrowings under secured financing arrangements, including collateralized loan obligations, repurchase agreements - commercial mortgage loans, repurchase agreements - real estate securities, asset-specific financing arrangements, and unsecured debt, less cash and cash equivalents, to (ii) total equity and total redeemable convertible preferred stock, at period end. Recourse net debt-to-equity ratio was 0.3x and 0.2x as of March 31, 2024 and December 31, 2023, respectively.

<sup>(2)</sup> Represents (i) total outstanding borrowings under secured financing arrangements, including collateralized loan obligations, repurchase agreements - commercial mortgage loans, repurchase agreements - real estate securities, asset-specific financing arrangements, and unsecured debt, to (ii) total equity and total redeemable convertible preferred stock, at period end. Recourse leverage ratio was 0.4x and 0.4x as of March 31, 2024 and December 31, 2023, respectively.

### Sources of Liquidity

Our primary sources of liquidity include unrestricted cash, capacity in our collateralized loan obligations available for reinvestment, and financings available and in progress on financing lines.

Our current sources of near-term liquidity as of March 31, 2024 and December 31, 2023 are set forth in the following table (dollars in millions):

|                                                   | March 31, 2024  | December 31, 2023 |
|---------------------------------------------------|-----------------|-------------------|
| Unrestricted cash                                 | \$ 240          | \$ 338            |
| CLO reinvestment available <sup>(1)</sup>         | 11              | 55                |
| Financings available & in progress <sup>(2)</sup> | 787             | 1,131             |
| <b>Total</b>                                      | <b>\$ 1,038</b> | <b>\$ 1,524</b>   |

<sup>(1)</sup> See discussion below for further information on the Company's collateralized loan obligations.

<sup>(2)</sup> Represents cash available we can invest at a market advance rate utilizing our available capacity on financing lines.

We expect to use additional debt and equity financing as a source of capital. Our board of directors currently intends to operate at a leverage level of between one to three times book value of equity. However, our board of directors may change this target without shareholder approval. We anticipate that our debt and equity financing sources and our anticipated cash generated from operations will be adequate to fund our anticipated uses of capital.

We have an effective shelf registration statement for offerings of equity securities that is not limited on the amount of securities we may issue. We also have authorized an at-the-market sales program ("ATM") pursuant to which we may sell up to

\$200 million of shares of our common stock from time to time. We have not sold any shares of common stock under the ATM to date. We also may access liquidity through our dividend reinvestment and direct stock purchase plan ("DRIP").

In addition to our current mix of financing sources, we may also access additional forms of financings, including credit facilities, securitizations, public and private, secured and unsecured debt issuances by the Company or its subsidiaries, or through capital recycling initiatives whereby we sell certain assets in our portfolio and reinvest the proceeds in assets with more attractive risk-adjusted returns.

#### *Collateralized Loan Obligations*

As of March 31, 2024, the Company had \$10.8 million of reinvestment capital available across all outstanding collateralized loan obligations. The following table shows the par value outstanding for each CLO and the respective reinvestment end dates (dollars in millions):

| CLO Name         | Debt Amount | Reinvestment End Date |
|------------------|-------------|-----------------------|
| 2021-FL6 Issuer  | \$ 536.62   | Ended                 |
| 2021-FL7 Issuer  | \$ 674.82   | Ended                 |
| 2022-FL8 Issuer  | \$ 959.94   | Ended                 |
| 2022-FL9 Issuer  | \$ 670.64   | 07/08/24              |
| 2023-FL10 Issuer | \$ 717.24   | 04/08/25              |

#### *Repurchase Agreements and Revolving Credit Facilities ("Repo and Revolving Credit Facilities")*

The Repo and Revolving Credit Facilities are financing sources through which the Company may pledge one or more mortgage loans to the financing entity in exchange for funds at an advance rate that typically ranges between 60% to 75% of the principal amount of the mortgage loan being pledged.

We expect to use the advances from these Repo and Revolving Credit Facilities to finance the acquisition or origination of eligible loans, including first mortgage loans, subordinated mortgage loans, mezzanine loans and participation interests therein.

The Repo and Revolving Credit Facilities generally provide that in the event of a decrease in the value of our collateral, the lenders can demand additional collateral. Should the value of our collateral decrease as a result of deteriorating credit quality, resulting margin calls may cause an adverse change in our liquidity position.

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The following tables summarize our Repo and Revolving Credit Facilities and our master repurchase agreements ("MRAs") for the three months ended March 31, 2024, 2023, and 2022, respectively (dollars in thousands):

| As of March 31, 2024                                  |                    |                             |         |
|-------------------------------------------------------|--------------------|-----------------------------|---------|
|                                                       | Amount Outstanding | Average Outstanding Balance |         |
|                                                       | Q1                 | Q1                          |         |
| Repurchase agreements and revolving credit facilities |                    |                             |         |
| - commercial mortgage loans                           | \$ 412,556         | \$ 382,313                  |         |
| Repurchase agreements, real estate securities         | 194,769            |                             | 217,012 |
| <b>Total</b>                                          | <b>\$ 607,325</b>  | <b>\$ 599,325</b>           |         |

| As of March 31, 2023                                            |                    |                             |         |
|-----------------------------------------------------------------|--------------------|-----------------------------|---------|
|                                                                 | Amount Outstanding | Average Outstanding Balance |         |
|                                                                 | Q1                 | Q1                          |         |
| Repurchase agreements and revolving credit facilities           |                    |                             |         |
| - commercial mortgage loans                                     | \$ 604,421         | \$ 725,300                  |         |
| Repurchase agreements - real estate securities                  | 107,934            |                             | 217,389 |
| Repurchase agreements - real estate securities, held as trading | 121,000            |                             | 149,387 |
| <b>Total</b>                                                    | <b>\$ 833,355</b>  | <b>\$ 1,092,076</b>         |         |

| As of March 31, 2022                                            |                     |                             |           |
|-----------------------------------------------------------------|---------------------|-----------------------------|-----------|
|                                                                 | Amount Outstanding  | Average Outstanding Balance |           |
|                                                                 | Q1                  | Q1                          |           |
| Repurchase agreements and revolving credit facilities           |                     |                             |           |
| - commercial mortgage loans                                     | \$ 522,890          | \$ 813,144                  |           |
| Repurchase agreements - real estate securities                  | 54,610              |                             | 44,744    |
| Repurchase agreements - real estate securities, held as trading | 1,659,931           |                             | 3,055,413 |
| <b>Total</b>                                                    | <b>\$ 2,237,431</b> | <b>\$ 3,913,301</b>         |           |

The use of our warehouse lines is dependent upon a number of factors including but not limited to: origination volume, loan repayments and prepayments, our use of other financing sources such as collateralized loan obligations, our liquidity needs and types of loan assets and underlying collateral that we hold.

During the three months ended March 31, 2024, the maximum average outstanding balance was \$569.8 million, of which \$378.3 million was related to repurchase agreements on our commercial mortgage loans and \$191.5 million for repurchase agreements on our real estate securities.

During the three months ended March 31, 2023, the maximum average outstanding balance was \$1.1 billion, of which \$0.7 billion was related to repurchase agreements on our commercial mortgage loans and \$0.4 billion for repurchase agreements on our real estate securities.

During the three months ended March 31, 2022, the maximum average outstanding balance was \$5.3 billion, of which \$1.1 billion was related to repurchase agreements on our commercial mortgage loans and \$4.2 billion for repurchase agreements on our real estate securities.

#### Distributions

In order to maintain our election to qualify as a REIT, we must currently distribute, at a minimum, an amount equal to 90% of our taxable income, without regard to the deduction for distributions paid and excluding net capital gains. The Company must distribute 100% of its taxable income (including net capital gains) to avoid paying corporate U.S. federal income taxes.

Distributions on our common stock are payable when declared by our board of directors.

Dividends payable on each share of Series H convertible preferred stock ("Series H Preferred Stock") is generally equal to the quarterly dividend that would have been paid had such share of preferred stock been converted to a share of common stock, except to the extent common stock dividends have been reduced below certain specified levels. To the extent dividends on shares of preferred stock are not authorized and declared by our board of directors and paid by the Company monthly, the dividend amounts will accrue.

Holders of shares of the Company's 7.50% Series E Cumulative Redeemable Preferred Stock ("Series E Preferred Stock") are entitled to receive, when, as and if authorized by our board of directors and declared by the Company, out of funds legally available for the payment of dividends, cumulative cash dividends at the rate of 7.50% of the \$25.00 per share liquidation preference per annum (equivalent to \$1.875 per annum per share).

In March 2024, the Company's board of directors declared the following: (i) a first quarter 2024 dividend of \$0.355 per share on the Company's common stock (equivalent to \$1.42 per annum), (ii) a first quarter 2024 dividend of \$106.22 per share on the Company's Series H Preferred Stock, and (iii) a first quarter 2024 dividend of \$0.46875 per share on the Company's Series E Preferred Stock, all of which were paid in April 2024 to holders of record on March 31, 2024.

Under the Company's DRIP, the Company may elect to supply shares for reinvestment via newly issued shares of common stock under the DRIP or via shares of common stock purchased by the DRIP administrator on the open market. During the three months ended March 31, 2024 and 2023, no shares were issued, and 40,735 shares and 58,310 shares, respectively, of common stock were purchased by the administrator under the dividend reinvestment component of the DRIP.

During the three months ended March 31, 2024 and 2023, the Company paid an aggregate of \$29.4 million and \$29.5 million, respectively, of common stock distributions.

## Cash Flows

The following table sets forth changes in cash, cash equivalents and restricted cash for the three months ended March 31, 2024 and 2023:

|                                                                       | <b>For the Three Months Ended March 31,</b> |             |
|-----------------------------------------------------------------------|---------------------------------------------|-------------|
|                                                                       | <b>2024</b>                                 | <b>2023</b> |
| Cash Flows From Operating Activities                                  | \$ 12,970                                   | \$ 33,258   |
| Cash Flows From Investing Activities                                  | (139,334)                                   | 422,808     |
| Cash Flows From Financing Activities                                  | 30,799                                      | (409,273)   |
| Net Increase/(Decrease) in Cash, Cash Equivalents and Restricted Cash | \$ (95,565)                                 | \$ 46,793   |

### **Cash Flows from Operating Activities**

During the three months ended March 31, 2024 our cash flows from operating activities were primarily driven by net income of \$35.8 million and net cash outflow of \$24.5 million related to originations and sales of commercial mortgage loans, held for sale, measured at fair value.

During the three months ended March 31, 2023 our cash flows from operating activities were primarily driven by net income of \$43.8 million, offset by certain non-cash income.

### **Cash Flows from Investing Activities**

During the three months ended March 31, 2024 our cash inflows from investing activities were primarily driven by (i) proceeds from principal repayments of \$280.3 million received on commercial mortgage loans, held for investment, (ii) proceeds received from the sale of real estate securities of \$41.8 million and (iii) proceeds from the sale of real estate owned, held for sale assets of \$42.2 million. Inflows were partially offset by (i) the origination and purchase of \$488.3 million of commercial mortgage loans, held for investment and (ii) the purchase of real estate securities for \$15.7 million.

During the three months ended March 31, 2023 our cash inflows were primarily driven by (i) proceeds from principal repayments on commercial mortgage loans, held for investment of \$406.2 million, (ii) proceeds from the sale of real estate securities of \$225.1 million, and (iii) principal collateral received on mortgage investments of \$7.3 million. Inflows were offset by (i) originations and purchases of \$195.6 million of commercial mortgage loans, held for investment and (ii) \$20.3 million for the purchase of real estate securities, available for sale.

### **Cash Flows from Financing Activities**

During the three months ended March 31, 2024 our cash outflows from financing activities were primarily driven by (i) net repayments from borrowings on collateralized loan obligations of \$38.7 million, (ii) \$36.1 million of distributions paid and (iii) repayments on our other financings of \$23.7 million. Outflows were partially offset by (i) net borrowings on repurchase agreements and revolving credit facilities for commercial mortgage loans of \$112.8 million and (ii) net borrowings on repurchase agreements for real estate securities of \$20.7 million.

During the three months ended March 31, 2023 our cash outflows were primarily driven by (i) repayments from borrowings on collateralized loan obligations of \$69.0 million, (ii) net repayments on repurchase agreements and revolving credit facilities for commercial mortgage loans of \$76.4 million, (iii) net repayments on repurchase agreements for real estate securities of \$211.1 million, (iv) repayments from borrowings on unsecured debt of \$13.4 million and (v) \$36.3 million of distributions paid.

### **Election as a REIT**

We elected to be taxed as a REIT under Sections 856 through 860 of the Internal Revenue Code commencing with the taxable year ended December 31, 2013. As a REIT, if we meet certain organizational and operational requirements and distribute at least 90% of our "REIT taxable income" (determined before the deduction of dividends paid and excluding net capital gains) to our stockholders in a year, we will not be subject to U.S. federal income tax to the extent of the income that we distribute. Even if we qualify for taxation as a REIT, we may be subject to certain state and local taxes on our income and property, and U.S. federal income and excise taxes on our undistributed income.

## Contractual Obligations and Commitments

Our contractual obligations, excluding interest obligations (as amounts are not fixed or determinable), as of March 31, 2024 are summarized as follows (dollars in thousands):

|                                                   | Less than 1<br>year |                | 1 to 3 years |                | 3 to 5 years |               | More than 5<br>years |                  | Total               |
|---------------------------------------------------|---------------------|----------------|--------------|----------------|--------------|---------------|----------------------|------------------|---------------------|
|                                                   | \$                  | 104,268        | \$           | 283,645        | \$           | —             | \$                   | —                |                     |
| Unfunded loan commitments <sup>(1)</sup>          | \$                  | 104,268        | \$           | 283,645        | \$           | —             | \$                   | —                | \$ 387,913          |
| Repurchase agreements - commercial mortgage loans | —                   |                | 412,556      |                | —            |               | —                    |                  | 412,556             |
| Repurchase agreements - real estate securities    | 194,769             |                | —            |                | —            |               | —                    |                  | 194,769             |
| CLOs <sup>(2)</sup>                               | —                   |                | —            |                | —            |               | 3,559,267            |                  | 3,559,267           |
| Mortgage Note Payable                             | 23,998              |                | —            |                | —            |               | —                    |                  | 23,998              |
| Unsecured debt                                    | —                   |                | —            |                | —            |               | 81,320               |                  | 81,320              |
| Other financings                                  | —                   |                | —            |                | 12,865       |               | —                    |                  | 12,865              |
| <b>Total</b>                                      | <b>\$</b>           | <b>323,035</b> | <b>\$</b>    | <b>696,201</b> | <b>\$</b>    | <b>12,865</b> | <b>\$</b>            | <b>3,640,587</b> | <b>\$ 4,672,688</b> |

<sup>(1)</sup> The allocation of our unfunded loan commitments is based on the earlier of the commitment expiration date or the loan maturity date.

<sup>(2)</sup> Excludes \$467.0 million of CLO notes, held by the Company, which are eliminated within the collateralized loan obligations line of the consolidated balance sheet as of March 31, 2024. This reflects the contractual CLO maturity dates.

In addition to its cash requirements, the Company pays a quarterly dividend and has an existing share repurchase authorization. As of March 31, 2024, the Company's quarterly cash dividend was \$0.355 per share of common stock (which was paid on an as-converted basis on the Company's shares of Series H Preferred Stock), and \$0.46875 per share on the Company's shares of Series E Preferred Stock. The payment of future dividends is subject to declaration by the board of directors. The Company's board of directors also has authorized a \$65.0 million share repurchase program, of which \$34.0 million remained available as of March 31, 2024. The authorization does not obligate the Company to acquire any specific number of shares. The Company repurchased 151,123 shares at an average price of \$12.42 per share during the three months ended March 31, 2024.

## Related Party Arrangements

Refer to "Note 11 - Related Party Transactions and Arrangements" for a summary of the Company's related party arrangements.

## Non-GAAP Financial Measures

### Distributable Earnings and Distributable Earnings to Common

Distributable Earnings is a non-GAAP measure, which the Company defines as GAAP net income (loss), adjusted for (i) non-cash CLO amortization acceleration and amortization over the expected useful life of the Company's CLOs, (ii) unrealized gains and losses on loans, derivatives and ARMs, including CECL reserves and impairments, (iii) non-cash equity compensation expense, (iv) depreciation and amortization, (v) subordinated performance fee accruals/(reversal), (vi) realized gains and losses on debt extinguishment and CLO calls, and (vii) certain other non-cash items. Further, Distributable Earnings to Common, a non-GAAP measure, presents Distributable Earnings net of (i) perpetual preferred stock dividend payments and (ii) non-controlling interests in joint ventures.

The Company believes that Distributable Earnings and Distributable Earnings to Common provide meaningful information to consider in addition to the disclosed GAAP results. The Company believes Distributable Earnings and Distributable Earnings to Common are useful financial metrics for existing and potential future holders of its common stock as historically, over time, Distributable Earnings to Common has been an indicator of common dividends per share. As a REIT, the Company generally must distribute annually at least 90% of its taxable income, subject to certain adjustments, and therefore believes dividends are one of the principal reasons stockholders may invest in its common stock. Further, Distributable Earnings to Common helps investors evaluate performance excluding the effects of certain transactions and GAAP adjustments that the Company does not believe are necessarily indicative of current loan portfolio performance and the Company's operations and is one of the performance metrics the Company's board of directors considers when dividends are declared.

Distributable Earnings and Distributable Earnings to Common do not represent net income (loss) and should not be considered as an alternative to GAAP net income (loss). The methodology for calculating Distributable Earnings and Distributable Earnings to Common may differ from the methodologies employed by other companies and thus may not be comparable to the Distributable Earnings reported by other companies.

The following table provides a reconciliation of GAAP net income to Distributable Earnings and Distributable Earnings to Common as of the three months ended March 31, 2024 and 2023 (amounts in thousands, except share and per share data):

|                                                                          | Three months ended March 31, |           |
|--------------------------------------------------------------------------|------------------------------|-----------|
|                                                                          | 2024                         | 2023      |
| <b>GAAP Net Income (Loss)</b>                                            | \$ 35,827                    | \$ 43,839 |
| <b>Adjustments:</b>                                                      |                              |           |
| CLO amortization acceleration <sup>(1)</sup>                             | —                            | (1,468)   |
| Unrealized (gain)/loss on financial instruments <sup>(2)</sup>           | (325)                        | 1,312     |
| Unrealized (gain)/loss - ARMs                                            | —                            | (734)     |
| (Reversal of)/Provision for credit losses                                | 2,880                        | 4,360     |
| Non-Cash Compensation Expense                                            | 1,799                        | 1,022     |
| Depreciation and amortization                                            | 1,417                        | 1,805     |
| Subordinated performance fee <sup>(3)</sup>                              | (554)                        | (594)     |
| Realized (gain)/loss on debt extinguishment / CLO call                   | —                            | (4,767)   |
| <b>Distributable Earnings</b>                                            | \$ 41,044                    | \$ 44,775 |
| 7.5% Series E Cumulative Redeemable Preferred Stock Dividend             | (4,842)                      | (4,842)   |
| Non-controlling interests in joint ventures net income/(loss)            | 93                           | (9)       |
| Noncontrolling Interests in Joint Ventures Depreciation and Amortization | (276)                        | (360)     |
| <b>Distributable Earnings to Common</b>                                  | \$ 36,019                    | \$ 39,564 |
| Average Common Stock & Common Stock Equivalents <sup>(4)</sup>           | 1,389,912                    | 1,422,565 |
| GAAP Net Income/(Loss) ROE                                               | 8.9%                         | 11.0%     |
| Distributable Earnings ROE                                               | 10.4%                        | 11.1%     |
| GAAP Net Income/(Loss) Per Share, Diluted                                | \$ 0.35                      | \$ 0.44   |
| GAAP Net Income/(Loss) Per Share, Fully Converted <sup>(5)</sup>         | \$ 0.35                      | \$ 0.44   |
| Distributable Earnings Per Share, Fully Converted <sup>(5)</sup>         | \$ 0.41                      | \$ 0.44   |

<sup>(1)</sup> Before Q1 2024, we adjusted GAAP income for non-cash CLO amortization acceleration to effectively amortize the issuance costs of our CLOs over the expected lifetime of the CLOs. We assume our CLOs will be outstanding for approximately four years and amortized the financing costs over approximately four years in our distributable earnings as compared to effective yield methodology in our GAAP earnings. Starting in Q1 2024, we amortized the issuance costs incurred on our CLOs over the expected lifetime of the CLOs in our GAAP presentation, making our previous adjustment no longer necessary.

<sup>(2)</sup> Represents unrealized gains and losses on (i) commercial mortgage loans, held for sale, measured at fair value, (ii) other real estate investments, measured at fair value and (iii) derivatives.

<sup>(3)</sup> Represents accrued and unpaid subordinated performance fee. In addition, reversal of subordinated performance fee represents cash payment obligations in the quarter.

<sup>(4)</sup> Represents the average of all classes of equity except the Series E Preferred Stock.

<sup>(5)</sup> Fully Converted assumes conversion of our series of convertible preferred stock and full vesting of our outstanding equity compensation awards.

**Item 3. Quantitative and Qualitative Disclosures about Market Risk.***Credit Risk*

Our investments are subject to a high degree of credit risk. Credit risk is the exposure to loss from loan defaults. Default rates are subject to a wide variety of factors, including, but not limited to, borrower financial condition, property performance, property management, supply/demand factors, construction trends, consumer behavior, regional economics, interest rates, the strength of the U.S. economy, and other factors beyond our control. All loans are subject to a certain probability of default. We manage credit risk through the underwriting process, acquiring our investments at the appropriate discount to face value, if any, and establishing loss assumptions. We also carefully monitor the performance of the loans, as well as external factors that may affect their value.

*Capital Market Risk*

We are exposed to risks related to the debt capital markets, and our related ability to finance our business through borrowings under repurchase obligations or other debt instruments. As a REIT, we are required to distribute a significant portion of our taxable income annually, which constrains our ability to accumulate operating cash flow and therefore requires us to utilize debt or equity capital to finance our business. We seek to mitigate these risks by monitoring the debt capital markets to inform our decisions on the amount, timing and terms of capital we raise.

Market uncertainty and volatility may cause fluctuation in market value of certain asset classes within our portfolio. We have and may continue to receive margin calls from our lenders as a result of the decline in the market value of the assets pledged by us to our lenders under our repurchase agreements and warehouse credit facilities, and if we fail to resolve such margin calls when due by payment of cash or delivery of additional collateral, the lenders may exercise remedies including demanding payment by us of our aggregate outstanding financing obligations and/or taking ownership of the loans or other assets securing the applicable obligations and liquidating them at inopportune prices.

*Interest Rate Risk*

Our market risk arises primarily from interest rate risk relating to interest rate fluctuations. Many factors including governmental monetary and tax policies, domestic and international economic and political considerations and other factors that are beyond our control contribute to interest rate risk. To meet our short and long-term liquidity requirements, we may borrow funds at fixed and variable rates. Our interest rate risk management objectives are to limit the impact of interest rate changes in earnings and cash flows and to lower our overall borrowing costs. To achieve these objectives, from time to time, we may enter into interest rate hedge contracts such as swaps, collars and treasury lock agreements in order to mitigate our interest rate risk with respect to various debt instruments. While hedging activities may insulate us against adverse changes in interest rates, they may also limit our ability to participate in benefits of lower interest rates with respect to our portfolio of investments with fixed interest rates. We do not have any foreign denominated investments, and thus, we are not exposed to foreign currency fluctuations.

As of March 31, 2024 and December 31, 2023, our portfolio included 145 and 141 variable rate investments, respectively, based on LIBOR and SOFR (or "indexing rates") for various terms. As of June 2023, the Company has fully transitioned all loans on LIBOR indexing rates to SOFR indexing rates. Borrowings under our financing arrangements are based on SOFR. The following table quantifies the potential changes in interest income net of interest expense should interest rates increase by 50 or 100 basis points or decrease by 25 basis points, assuming that our current balance sheet was to remain constant, and no actions were taken to alter our existing interest rate sensitivity. The changes in the portfolio for each basis points increase/decrease is a change from the base scenario.

**Estimated Percentage Change in Interest Income Net of Interest Expense**

| <b>Change in Interest Rates</b> | <b>March 31, 2024</b> | <b>December 31, 2023</b> |
|---------------------------------|-----------------------|--------------------------|
| (-) 25 Basis Points             | (1.42)%               | (1.49) %                 |
| Base Interest Rate              | — %                   | — %                      |
| (+) 50 Basis Points             | 2.88 %                | 3.01 %                   |
| (+) 100 Basis Points            | 5.75 %                | 6.03 %                   |

**Real Estate Risk**

The market values of commercial mortgage assets are subject to volatility and may be affected adversely by a number of factors, including, but not limited to, national, regional and local economic conditions (which may be adversely affected by industry slowdowns and other factors); local real estate conditions; changes or continued weakness in specific industry segments; and demographic factors. In addition, decreases in property values reduce the value of the collateral and the potential proceeds available to a borrower to repay the underlying loans, which could also cause us to suffer losses.

**Item 4. Controls and Procedures.**

**Disclosure Controls and Procedures**

In accordance with Rules 13a-15(b) and 15d-15(b) of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), management with the participation of our Chief Executive Officer and Chief Financial Officer, has evaluated the effectiveness of our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) of the Exchange Act) as of the end of the period covered by this Quarterly Report on Form 10-Q. Based on such evaluation, our Chief Executive Officer and Chief Financial Officer have concluded, as of the end of such period, that our disclosure controls and procedures are effective in recording, processing, summarizing and reporting, on a timely basis, information required to be disclosed by us in our reports that we file or submit under the Exchange Act.

**Changes in Internal Control Over Financial Reporting**

During the quarter ended March 31, 2024, there were no changes in our internal control over financial reporting that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

**PART II****Item 1. Legal Proceedings.**

Please refer to "Litigation and Regulatory Proceedings" in "Note 10 - Commitments and Contingencies" to the consolidated financial statements included in this report. The Company believes that these proceedings, individually or in the aggregate, will not have a material impact on the Company's financial condition, operating results or cash flows.

***Loan Fraud Lawsuit***

The Company originated a loan in April 2022 secured by a portfolio of 24 properties net leased to Walgreens (the "Collateral Properties"). As described in more detail in Part I, Item 3, "Legal Proceedings" in the Company's Annual Report on Form 10-K for the year ended December 31, 2022, due to the sponsor's fraud and default under the loan the Company foreclosed on all of the Collateral Properties in 2022 and 2023. The Company is marketing the Collateral Properties for sale and is actively pursuing its civil remedies. Note that the collectability, if any, of legal judgments we have achieved to date and that we may achieve in the future is not currently determinable.

**Item 1A. Risk Factors.**

Our potential risks and uncertainties are presented in the section entitled "Risk Factors" contained in our Annual Report on Form 10-K for the year ended December 31, 2023. There have been no material changes from these risk factors.

**Item 2. Unregistered Sales of Equity Securities and Use of Proceeds.**Purchases of Equity Securities by the Issuer and Affiliated Purchasers

The Company's board of directors has authorized a \$65 million share repurchase program that permits share repurchases at prices below the most recently reported book value per share as determined in accordance with GAAP. Purchases made under the Company's program may be made through open market, block, and privately negotiated transactions, including Rule 10b5-1 plans, as permitted by securities laws and other legal requirements. The timing, manner, price and amount of any purchases by the Company are determined by the Company in its reasonable business judgment and consistent with the exercise of its legal duties and are subject to economic and market conditions, stock price, applicable legal requirements and other factors. The Company's share repurchase program does not obligate the Company to acquire any particular amount of common stock. The Company's share repurchase program will remain open until at least December 31, 2024 or until the capital committed to the repurchase program has been exhausted, whichever is sooner. Repurchases under the share repurchase program may be suspended from time to time at the Company's discretion without prior notice.

The following table sets forth purchases of the Company's common stock under the share repurchase program for the three months ended March 31, 2024 (in thousands, except share and per share data):

|                                      | <b>Total number of shares purchased</b> | <b>Average price paid per share<sup>(1)</sup></b> | <b>Total number of shares purchased as part of publicly announced plans or programs<sup>(2)</sup></b> | <b>Approximate dollar value of shares that may yet be purchased under the plans or programs<sup>(2)</sup></b> |
|--------------------------------------|-----------------------------------------|---------------------------------------------------|-------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------|
| January 1, 2024 - January 31, 2024   | —                                       | \$ —                                              | —                                                                                                     | \$ 35,917                                                                                                     |
| February 1, 2024 - February 29, 2024 | 151,123                                 | 12.42                                             | —                                                                                                     | 34,040                                                                                                        |
| March 1, 2024 - March 31, 2024       | —                                       | —                                                 | —                                                                                                     | 34,040                                                                                                        |
| <b>Total</b>                         | <b>151,123</b>                          | <b>\$ 12.42</b>                                   | <b>—</b>                                                                                              | <b>\$ 34,040</b>                                                                                              |

<sup>(1)</sup> The average price paid per share represents the average purchase price per share, inclusive of any broker's fees or commissions.

<sup>(2)</sup> All of the purchases listed in the table above were made in the open market under the Company's share repurchase program announced on July 26, 2021, including under a Rule 10b5-1 plan adopted by the Company.

The Company repurchased 151,123 shares of common stock at an average price of \$12.42 per share for a total of \$1.9 million during the three months ended March 31, 2024. Subsequent to March 31, 2024, the Company repurchased 160,000 shares of common stock at an average price of \$12.33 for a total of \$2.0 million. As of April 19, 2024, \$32.1 million remains available under the Company's share repurchase program.

Unregistered Sales of Equity Securities

None.

**Item 3. Defaults upon Senior Securities.**

Not applicable.

**Item 4. Mine Safety Disclosures.**

Not applicable.

**Item 5. Other Information.**

During the quarter ended March 31, 2024, no director or officer of the Company adopted or terminated a “Rule 10b5-1 trading arrangement” or “non-Rule 10b5-1 trading arrangement,” as each term is defined in Item 408(a) of Regulation S-K.

**Item 6. Exhibits.**

**EXHIBITS INDEX**

The following exhibits are included in this Quarterly Report on Form 10-Q for the quarter ended March 31, 2024 (and are numbered in accordance with Item 601 of Regulation S-K).

| Exhibit No. | Description                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
|-------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 3.1         | <u>Amendment No. 2 to Articles Supplementary of Franklin BSP Realty Trust, Inc., effective January 10, 2024, relating to Series H Convertible Preferred Stock (incorporated by reference to Exhibit 3.1 to the Current Report on Form 8-K filed with the SEC on January 12, 2024)</u>                                                                                                                                                                                                                         |
| 31.1*       | <u>Certification of the Principal Executive Officer of the Company pursuant to Securities Exchange Act Rule 13a - 14(a) or 15(d) - 14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.</u>                                                                                                                                                                                                                                                                                           |
| 31.2*       | <u>Certification of the Principal Financial Officer of the Company pursuant to Securities Exchange Act Rule 13a - 14(a) or 15(d) - 14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.</u>                                                                                                                                                                                                                                                                                           |
| 32*         | <u>Written statements of the Principal Executive Officer and Principal Financial Officer of the Company pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.</u>                                                                                                                                                                                                                                                                                         |
| 101*        | <u>XBRL (eXtensible Business Reporting Language). The following materials from Benefit Street Partners Realty Trust, Inc.'s Quarterly Report on Form 10-Q for the quarter ended March 31, 2024, formatted in XBRL: (i) the Consolidated Balance Sheets, (ii) the Consolidated Statements of Operations and Comprehensive Income (Loss), (iii) the Consolidated Statement of Changes in Equity, (iv) the Consolidated Statements of Cash Flows and (v) the Notes to the Consolidated Financial Statements.</u> |
| 104*        | <u>Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101).</u>                                                                                                                                                                                                                                                                                                                                                                                                              |

\*Filed herewith.

**SIGNATURES**

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, as amended, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

**Franklin BSP Realty Trust, Inc.**

April 29, 2024

By /s/ Richard J. Byrne

Name: Richard J. Byrne

Title: Chief Executive Officer

(Principal Executive Officer)

April 29, 2024

By /s/ Jerome S. Baglien

Name: Jerome S. Baglien

Title: Chief Financial Officer, Chief Operating Officer and Treasurer

(Principal Financial and Accounting Officer)

I, Richard J. Byrne, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q for the quarter ended March 31, 2024 of Franklin BSP Realty Trust, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

- (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
- (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

April 29, 2024

/s/ Richard J. Byrne

Richard J. Byrne  
Chief Executive Officer

I, Jerome S. Baglien, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q for the quarter ended March 31, 2024 of Franklin BSP Realty Trust, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

- (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
- (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

April 29, 2024

/s/ Jerome S. Baglien

Jerome S. Baglien

Chief Financial Officer and Chief Operating Officer  
(Principal Financial and Accounting Officer)

#### SECTION 1350 CERTIFICATIONS

This Certificate is being delivered pursuant to the requirements of Section 1350 of Chapter 63 (Mail Fraud) of Title 18 (Crimes and Criminal Procedures) of the United States Code, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, and shall not, except to the extent required by the Sarbanes-Oxley Act of 2002, be deemed filed for purposes of Section 18 of the Securities Exchange Act of 1934, as amended.

The undersigned, who are the Chief Executive Officer and Chief Financial Officer of Franklin BSP Realty Trust, Inc. (the "Company"), each hereby certify to his knowledge as follows:

The Quarterly Report Form 10-Q of the Company for the quarter ended March 31, 2024, which accompanies this Certificate, fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, and all information contained in this Quarterly Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

April 29, 2024

/s/ Richard J. Byrne

Richard J. Byrne  
Chief Executive Officer  
(Principal Executive Officer)

/s/ Jerome S. Baglien

Jerome S. Baglien  
Chief Financial Officer and Chief Operating Officer  
(Principal Financial and Accounting Officer)