

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 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, 2026

OR

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

For the transition period from _____ to _____

Commission File Number: 001-40993

Claros Mortgage Trust, Inc.

(Exact Name of Registrant as Specified in its Charter)

Maryland

(State or other jurisdiction of
incorporation or organization)

**c/o Mack Real Estate Credit Strategies, L.P.
60 Columbus Circle, 20th Floor, New York, NY**

(Address of principal executive offices)

47-4074900

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

10023

(Zip Code)

Registrant's telephone number, including area code: (212) 484-0050

Former name, former address and former fiscal year, if changed since last report: N/A

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, \$0.01 par value per share	CMTG	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 company ☐

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 ☒

As of May 5, 2026, the registrant had 140,218,764 shares of common stock, \$0.01 par value per share, outstanding.

Table of Contents

	<u>Page</u>
PART I.	
	<u>FINANCIAL INFORMATION</u>
Item 1.	<u>Financial Statements (Unaudited)</u>
	<u>Consolidated Balance Sheets</u>
	<u>Consolidated Statements of Operations</u>
	<u>Consolidated Statements of Changes in Equity</u>
	<u>Consolidated Statements of Cash Flows</u>
	<u>Notes to Consolidated Financial Statements</u>
Item 2.	<u>Management's Discussion and Analysis of Financial Condition and Results of Operations</u>
Item 3.	<u>Quantitative and Qualitative Disclosures About Market Risk</u>
Item 4.	<u>Controls and Procedures</u>
PART II.	
	<u>OTHER INFORMATION</u>
Item 1.	<u>Legal Proceedings</u>
Item 1A.	<u>Risk Factors</u>
Item 2.	<u>Unregistered Sales of Equity Securities and Use of Proceeds</u>
Item 3.	<u>Defaults Upon Senior Securities</u>
Item 4.	<u>Mine Safety Disclosures</u>
Item 5.	<u>Other Information</u>
Item 6.	<u>Exhibits</u>
<u>Signatures</u>	<u>Signatures</u>

PART I—FINANCIAL INFORMATION

Item 1. Financial Statements.

Claros Mortgage Trust, Inc.
Consolidated Balance Sheets
(unaudited, in thousands, except share data)

	March 31, 2026	December 31, 2025
Assets		
Cash and cash equivalents	\$ 116,782	\$ 173,186
Restricted cash	13,662	17,599
Loans receivable held-for-investment	3,504,010	4,054,152
Less: current expected credit loss reserve	(396,433)	(438,751)
Loans receivable held-for-investment, net	3,107,577	3,615,401
Equity method investment	42,158	42,196
Real estate owned held-for-investment, net	764,763	730,005
Other assets	119,456	143,372
Total assets	\$ 4,164,398	\$ 4,721,759
Liabilities and Equity		
Repurchase agreements	\$ 1,593,114	\$ 1,857,614
Term participation facility	339,160	329,452
Notes payable, net	-	177,522
Secured term loan, net	465,577	549,447
Debt related to real estate owned hotel portfolio, net	231,699	230,992
Other liabilities	34,653	37,063
Management fee payable - affiliate	7,347	7,774
Total liabilities	2,671,550	3,189,864
Commitments and Contingencies - Note 14		
Equity		
Common stock, \$0.01 par value, 500,000,000 shares authorized, 140,218,764 and 140,218,764 shares issued and 140,218,764 and 140,218,764 shares outstanding at March 31, 2026 and December 31, 2025, respectively	1,402	1,402
Additional paid-in capital	2,768,131	2,752,884
Accumulated deficit	(1,276,685)	(1,222,391)
Total equity	1,492,848	1,531,895
Total liabilities and equity	\$ 4,164,398	\$ 4,721,759

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

Claros Mortgage Trust, Inc.
Consolidated Statements of Operations
(unaudited, in thousands, except share and per share data)

	Three Months Ended	
	March 31, 2026	March 31, 2025
Revenue		
Interest and related income	\$ 58,999	\$ 118,038
Less: interest and related expense	50,894	89,227
Net interest income	8,105	28,811
Revenue from real estate owned	21,414	14,564
Total net revenue	29,519	43,375
Expenses		
Management fees - affiliate	7,347	8,397
General and administrative expenses	3,212	4,270
Stock-based compensation expense	2,317	5,074
Real estate owned:		
Operating expenses	18,054	12,915
Interest expense	9,176	6,554
Depreciation and amortization	6,399	438
Total expenses	46,505	37,648
Loss from equity method investment	(38)	(37)
Loss on extinguishment of debt	(5,898)	(547)
Loss on real estate owned held-for-sale	-	(49)
Provision for current expected credit loss reserve	(31,372)	(41,123)
Valuation adjustment for loan receivable held-for-sale	-	(42,594)
Net Loss	\$ (54,294)	\$ (78,623)
Net Loss per share of common stock:		
Basic and diluted	\$ (0.39)	\$ (0.56)
Weighted average shares of common stock outstanding:		
Basic and diluted	140,456,493	139,475,685

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

Claros Mortgage Trust, Inc.
Consolidated Statements of Changes in Equity
(unaudited, in thousands, except share data)

	Common Stock		Additional Paid-In Capital	Accumulated Deficit	Total Equity
	Shares	Par Value			
Balance at December 31, 2025	140,218,764	\$ 1,402	\$ 2,752,884	\$ (1,222,391)	\$ 1,531,895
Stock-based compensation expense	-	-	2,369	-	2,369
Issuance of warrants	-	-	13,500	-	13,500
Equity issuance costs	-	-	(622)	-	(622)
Net loss	-	-	-	(54,294)	(54,294)
Balance at March 31, 2026	140,218,764	\$ 1,402	\$ 2,768,131	\$ (1,276,685)	\$ 1,492,848

	Common Stock		Additional Paid-In Capital	Accumulated Deficit	Total Equity
	Shares	Par Value			
Balance at December 31, 2024	139,362,657	\$ 1,394	\$ 2,740,014	\$ (733,322)	\$ 2,008,086
Stock-based compensation expense	-	-	5,122	-	5,122
Net loss	-	-	-	(78,623)	(78,623)
Balance at March 31, 2025	139,362,657	\$ 1,394	\$ 2,745,136	\$ (811,945)	\$ 1,934,585

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

Claros Mortgage Trust, Inc.
Consolidated Statements of Cash Flows
(unaudited, in thousands)

	Three Months Ended	
	March 31, 2026	March 31, 2025
Cash flows from operating activities		
Net Loss	\$ (54,294)	\$ (78,623)
Adjustments to reconcile net loss to net cash used in operating activities:		
Accretion of fees and discounts on loans receivable	(1,660)	(2,797)
Amortization of deferred financing costs on secured financings	6,487	5,765
Amortization of deferred financing costs on debt related to real estate owned hotel portfolio	707	396
Amortization of discount on secured term loan	569	-
Non-cash stock-based compensation expense	2,369	5,122
Depreciation and amortization on real estate owned, in-place lease values, and deferred leasing costs	6,399	438
Amortization of above and below market lease values, net	258	354
Straight-line rent adjustment	(201)	-
Loss from equity method investment	38	37
Loss on extinguishment of debt	5,898	547
Loss on real estate owned held-for-sale	-	49
Non-cash advances on loans receivable in lieu of interest	(964)	(14,487)
Non-cash advances on secured financings in lieu of interest	-	2,188
Repayment of non-cash advances on loans receivable in lieu of interest	20,036	2,423
Provision for current expected credit loss reserve	31,372	41,123
Valuation adjustment for loan receivable held-for-sale	-	42,594
Changes in operating assets and liabilities:		
Other assets	(12,026)	(15,737)
Other liabilities	(11,039)	(6,554)
Management fee payable - affiliate	(427)	(18,623)
Net cash used in operating activities	<u>(6,478)</u>	<u>(35,785)</u>
Cash flows from investing activities		
Loan originations, acquisitions and advances, net of fees	(21,212)	(27,404)
Advances on loan receivable held-for-sale	-	(12,079)
Repayments of loans receivable	224,693	213,001
Proceeds from sales of loans receivable	197,500	100,985
Extension and exit fees received from loans receivable	168	341
Capital expenditures on real estate owned	(2,264)	(49)
Cash and restricted cash acquired from foreclosures on real estate owned	1,933	-
Payment of transaction costs from foreclosures on real estate owned	(269)	-
Net cash provided by investing activities	<u>400,549</u>	<u>274,795</u>

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

Claros Mortgage Trust, Inc.
Consolidated Statements of Cash Flows
(unaudited, in thousands)

	Three Months Ended	
	March 31, 2026	March 31, 2025
Cash flows from financing activities		
Proceeds from secured financings	10,708	222,776
Proceeds from secured term loan and issuance of warrants	500,000	-
Payment of deferred financing costs	(18,513)	(4,675)
Payment of equity issuance costs	(493)	-
Payment of fees on secured financing	(2,592)	(1,038)
Repayments of secured financings	(387,334)	(438,794)
Repayments of secured term loan	(556,188)	(1,907)
Net cash used in financing activities	(454,412)	(223,638)
Net (decrease) increase in cash, cash equivalents and restricted cash	(60,341)	15,372
Cash, cash equivalents and restricted cash, beginning of period	190,785	133,500
Cash, cash equivalents and restricted cash, end of period	<u>\$ 130,444</u>	<u>\$ 148,872</u>
Cash and cash equivalents, end of period	\$ 116,782	\$ 127,829
Restricted cash, end of period	13,662	21,043
Cash, cash equivalents and restricted cash, end of period	<u>\$ 130,444</u>	<u>\$ 148,872</u>
Supplemental disclosure of cash flow information:		
Cash paid for interest	<u>\$ 54,222</u>	<u>\$ 91,871</u>
Supplemental disclosure of non-cash investing and financing activities:		
Accrued deferred financing costs	<u>\$ 333</u>	<u>\$ 1,851</u>
Accrued equity issuance costs	<u>\$ 9</u>	<u>\$ -</u>
Accrued deferred leasing costs	<u>\$ -</u>	<u>\$ 353</u>
Real estate acquired in foreclosure	<u>\$ 36,504</u>	<u>\$ -</u>
Lease intangibles, net acquired in foreclosures on real estate owned	<u>\$ 896</u>	<u>\$ -</u>
Working capital acquired in foreclosures on real estate owned	<u>\$ (3,272)</u>	<u>\$ -</u>
Settlement of loan receivable in foreclosure on real estate owned	<u>\$ 76,577</u>	<u>\$ -</u>
Settlement of loan receivable through assignment to lender	<u>\$ 56,166</u>	<u>\$ -</u>
Settlement of note payable through assignment to lender	<u>\$ 56,166</u>	<u>\$ -</u>

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

Claros Mortgage Trust, Inc.
Notes to Consolidated Financial Statements
(unaudited)

Note 1. Organization

Claros Mortgage Trust, Inc. (referred to throughout this report as the “Company,” “we,” “us” and “our”) is a Maryland Corporation formed on April 29, 2015 for the purpose of creating a diversified portfolio of income-producing loans collateralized by institutional quality commercial real estate. We commenced operations on August 25, 2015 (“Commencement of Operations”) and generally conduct our business through wholly-owned subsidiaries. Unless the context requires otherwise, any references to the Company refer to the Company and its consolidated subsidiaries. The Company is traded on the New York Stock Exchange, or NYSE, under the symbol “CMTG”.

We elected and intend to maintain our qualification to be taxed as a real estate investment trust (“REIT”) under the requirements of the Internal Revenue Code of 1986, as amended (the “Internal Revenue Code”), for U.S. federal income tax purposes. As such, we generally are not subject to U.S. federal income tax on that portion of our income that we distribute to stockholders. See Note 13 – Income Taxes for further detail.

We are externally managed by Claros REIT Management LP (the “Manager”), our affiliate, through a management agreement (the “Management Agreement”) pursuant to which our Manager provides a management team and other professionals who are responsible for implementing our business strategy, subject to the supervision of our board of directors (the “Board”). In exchange for its services, our Manager is entitled to management fees and, upon the achievement of required performance hurdles, incentive fees. See Note 11 – Related Party Transactions for further detail.

Note 2. Summary of Significant Accounting Policies

Basis of Presentation and Principles of Consolidation

The accompanying consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America (“GAAP”).

These unaudited consolidated financial statements have been prepared in accordance with the instructions to Form 10-Q and should be read in conjunction with the consolidated financial statements and notes thereto included in our Annual Report on Form 10-K for the year ended December 31, 2025, as filed with the U.S. Securities and Exchange Commission (the “SEC”). In the opinion of management, all adjustments (consisting only of normal recurring adjustments) necessary for a fair statement of our financial position, results of operations and cash flows have been included. Our results of operations for the three months ended March 31, 2026 are not necessarily indicative of the results to be expected for the full year or any other future period.

We consolidate all entities that are controlled either through majority ownership or voting rights. We also identify entities for which control is achieved through means other than through voting rights (a variable interest entity or “VIE”) using the analysis as set forth in Accounting Standards Codification (“ASC”) 810, *Consolidation of Variable Interest Entities*, and determine when and which variable interest holder, if any, should consolidate the VIE. We do not have any consolidated variable interest entities as of March 31, 2026 and December 31, 2025. All significant intercompany transactions and balances have been eliminated in consolidation.

Use of Estimates

The preparation of financial statements in conformity with GAAP requires us to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities as of the date of the consolidated financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates. Estimates that are particularly susceptible to our judgment include, but are not limited to, the adequacy of our current expected credit loss reserve, the determination of the fair value of real estate assets acquired and liabilities assumed, and the impairment of certain assets.

Current Expected Credit Losses

The current expected credit loss (“CECL”) reserve required under ASC 326, *Financial Instruments – Credit Losses*, reflects our current estimate of potential credit losses related to our loan portfolio. Changes to the CECL reserve are recognized through a provision for or reversal of current expected credit loss reserve on our consolidated statements of operations. ASC 326 specifies the reserve should

be based on relevant information about past events, including historical loss experience, current loan portfolio, market conditions and reasonable and supportable macroeconomic forecasts through each loan within our loan portfolio's expected remaining duration.

General CECL Reserve

Our loans are typically collateralized by real estate, or in the case of mezzanine loans, by an equity interest in an entity that owns real estate. We consider key credit quality indicators in underwriting loans and estimating credit losses, including: the capitalization of borrowers and sponsors; the expertise of the borrowers and sponsors in a particular real estate sector and geographic market; collateral type; geographic region; use and occupancy of the property; property market value; loan-to-value ("LTV") ratio; loan amount and lien position; our risk ratings; and prior experience with the borrower/sponsor. This information is used to assess the financial and operating capability, experience and profitability of the borrower/sponsor. Ultimate repayment of our loans is sensitive to interest rate changes, general economic conditions, performance of the collateral asset, financial wherewithal of the borrower/sponsor, LTV ratio, existence of a liquid investment sales market for commercial properties, and availability of replacement financing.

We regularly evaluate on a loan-by-loan basis, the extent and impact of any credit deterioration associated with the performance and/or value of the collateral property, the financial and operating capability of the borrower/sponsor, the financial strength of loan guarantors, if any, and the overall economic environment, real estate sector, and geographic sub-market in which the borrower operates. Such analyses are completed and reviewed by asset management personnel and evaluated by senior management on at least a quarterly basis, utilizing various data sources, including, to the extent available, (i) periodic financial data such as property occupancy, tenant profile, rental rates, operating expenses, the borrower's exit plan, and capitalization and discount rates, (ii) site inspections, (iii) sales and financing comparables, (iv) current credit spreads for refinancing and (v) other relevant market data.

We primarily arrive at our general CECL reserve using the Weighted Average Remaining Maturity, or WARM method, which is considered an acceptable loss-rate method for estimating CECL reserves by the Financial Accounting Standards Board ("FASB"). The application of the WARM method to estimate a general CECL reserve requires judgment, including the appropriate historical loan loss reference data, the expected timing and amount of future loan fundings and repayments, the current credit quality of our portfolio, and our expectations of performance and market conditions over the relevant time period.

The WARM method requires us to reference historical loan loss data from a comparable data set and apply such loss rate to each of our loans over their expected remaining duration, taking into consideration expected economic conditions over the forecasted timeframe. Our general CECL reserve reflects our forecast of the current and future macroeconomic conditions that may impact the performance of the commercial real estate assets securing our loans and each borrower's ultimate ability to repay. These estimates include unemployment rates, price indices for commercial properties, and market liquidity, all of which may influence the likelihood and magnitude of potential credit losses for our loans during their expected remaining duration. Additionally, further adjustments may be made based upon loan positions senior to ours, the risk rating of a loan, whether a loan is a construction loan, timing of the loan's initial maturity, or the economic conditions specific to the property type of a loan's collateral property.

To estimate an annual historical loss rate, we obtained historical loss rate data for loans most comparable to our loan portfolio from a commercial mortgage-backed securities database licensed by a third party, Trepp, LLC, which contains historical loss data from the 1990s through March 31, 2026. We believe this CMBS data is the most relevant, available, and comparable data set to our portfolio.

When evaluating the current and future macroeconomic environment, we consider the aforementioned macroeconomic factors. Historical data for each metric is compared to historical commercial real estate credit losses in order to determine the relationship between the two variables. We use projections of each macroeconomic factor, obtained from a third party, to approximate the impact the macroeconomic outlook may have on our loss rate. Selections of these economic forecasts require judgment about future events that, while based on the information available to us as of the balance sheet date, are ultimately subjective and uncertain, and the actual economic conditions could vary significantly from the estimates we made. Following a reasonable and supportable forecast period, we use a straight-line method of reverting to the historical loss rate. Additionally, we assess the obligation to extend credit through our unfunded loan commitments through their expected remaining duration, adjusted for projected fundings from interest reserves, if applicable, which is considered in the estimate of the general CECL reserve. For both the funded and unfunded portions of our loans, we consider our internal risk rating of each loan as the primary credit quality indicator underlying our assessment.

We evaluate the credit quality of each of our loans receivable on an individual basis and assign a risk rating at least quarterly. We have developed a loan grading system for all of our outstanding loans receivable that are collateralized directly or indirectly by real estate. Grading criteria include, but are not limited to, as-is or as-stabilized debt yield, term of loan, property type, property or collateral location, loan type, structure, collateral cash flow volatility and other more subjective variables that include, but are not limited to, as-is or as-stabilized collateral value, market conditions, industry conditions, borrower/sponsor financial stability, and borrower/sponsor

exit plan. While evaluating the credit quality of each loan within our portfolio, we assess these quantitative and qualitative factors as a whole and with no pre-prescribed weight on their impact to our determination of a loan's risk rating. However, based upon the facts and circumstances for each loan and the overall market conditions, we may consider certain previously mentioned factors more or less relevant than others. We utilize the grading system to determine each loan's risk of loss and to provide a determination as to whether an individual loan is impaired and whether a specific CECL reserve is necessary. Based on a 5-point scale, the loans are graded "1" through "5," from less risk to greater risk, which gradings are defined as follows:

1. Very Low Risk
2. Low Risk
3. Medium Risk
4. High Risk/Potential for Loss: A loan that has a risk of realizing a principal loss
5. Impaired/Loss Likely: A loan that has a very high risk of realizing a principal loss or has otherwise incurred a principal loss

Specific CECL Reserve

In certain circumstances, we may determine that a loan is no longer suited for the WARM method because (i) it has unique risk characteristics, (ii) we have deemed the borrower/sponsor to be experiencing financial difficulty and the repayment of the loan's principal is collateral-dependent, (iii) we anticipate assuming legal title and/or physical possession of the collateral property and the fair value of the collateral asset is determined to be below the carrying value of our loan, and/or (iv) recovery of our loan may occur at an amount below our loan's carrying value. We may instead elect to employ different methods to estimate credit losses that also conform to ASC 326 and related guidance. For such loans, we would separately measure the specific reserve for each loan by using the estimated fair value of the loan's collateral. In certain circumstances, we may recognize a specific reserve based upon anticipated proceeds from the disposition of our loan. If the estimated fair value of the collateral or anticipated proceeds from the disposition of our loan is less than the carrying value of the loan, an asset-specific reserve is created as a component of our overall current expected credit loss reserve. Specific reserves are equal to the excess of a loan's carrying value over the estimated fair value of the collateral or anticipated proceeds from the disposition of our loan. If recovery of our loan is expected from the sale of the collateral, specific reserves are equal to the excess of a loan's carrying value over the estimated fair value of the collateral less estimated costs to sell.

If we have determined that a loan or a portion of a loan is uncollectible, we will write off the amount deemed uncollectible through an adjustment to our CECL reserve. If we have determined that accrued interest receivable previously recognized under our revenue recognition policy is uncollectible, we will either reverse such amount against interest income or reserve for such amount through an adjustment to our CECL reserve. Significant judgment is required in determining impairment and in estimating the resulting credit loss reserve, and actual losses, if any, could materially differ from those estimates.

See Note 3 - Loan Portfolio - Current Expected Credit Losses for further detail.

Real Estate Owned (and Related Debt)

To maximize recovery from certain defaulted loans, we may from time to time assume legal title and/or physical possession of the collateral property of a defaulted loan through foreclosure, a deed-in-lieu of foreclosure, or an assignment-in-lieu of foreclosure. We account for acquisitions of real estate, including foreclosures, deed-in-lieu of foreclosures, or assignment-in-lieu of foreclosures, in accordance with ASC 805, *Business Combinations*, which first requires that we determine if the real estate investment is the acquisition of an asset or a business combination. Under this model, we identify and determine the estimated fair value of any assets acquired and liabilities assumed. This generally results in the allocation of the purchase price to the assets acquired and liabilities assumed based on the relative estimated fair values of each respective asset and liability.

In such instances, the asset is classified as real estate owned held-for-investment, net on our consolidated balance sheets. Real estate owned is initially recorded at estimated fair value, plus acquisition costs in the instance of an asset acquisition, and is subsequently presented net of accumulated depreciation. Depreciation on real estate assets held-for-investment, except for land, is computed using a straight-line method over estimated useful lives ranging from 5 to 40 years and is recognized in depreciation and amortization expense on our consolidated statements of operations. If the held-for-sale criteria prescribed by ASC 360, *Property, Plant, and Equipment*, are met, the asset is classified as real estate owned held-for-sale and reflected at the lower of (i) amortized cost and (ii) estimated fair value less estimated transaction costs on our consolidated balance sheets. Once classified as real estate owned held-for-sale, we cease recognition of the related depreciation and amortization. If a real estate owned asset no longer meets the held-for-sale criteria, the asset is reclassified as real estate owned held-for-investment and reflected at the lower of (i) amortized cost prior to classification to held-for-sale with adjustments for depreciation during the held-for-sale period, if applicable, and (ii) estimated fair value.

Assets acquired and liabilities assumed generally include land, building, building improvements, tenant improvements, furniture, fixtures and equipment, mortgages payable, and identified intangible assets and liabilities, which generally consists of above or below market lease values, in-place lease values, and other lease-related values. In estimating fair values for allocating the purchase price of our real estate owned, we may utilize various methods, including a market approach, which considers recent sales of similar properties, adjusted for differences in location and state of the physical asset, or a replacement cost approach, which considers the composition of physical assets acquired, adjusted based on industry standard information and the remaining useful life of the acquired property. In estimating fair values of intangible assets acquired or liabilities assumed, we consider the estimated cost of leasing our real estate owned assuming the property was vacant, the value of the current lease agreements relative to market-rate leases, and the estimation of total lease-up time, including lost rents. In-place, above market, and other lease values, net are included within other assets on our consolidated balance sheets. Below market lease values, net, are included within other liabilities on our consolidated balance sheets. Amortization of in-place and other lease values is recognized in depreciation and amortization expense on our consolidated statements of operations. Amortization of above and below market lease values is recognized in revenue from real estate owned on our consolidated statements of operations.

Real estate assets held-for-investment are evaluated for indicators of impairment on a quarterly basis. Factors that we may consider in our impairment analysis include, among others: (i) significant underperformance relative to historical or anticipated operating results; (ii) significant negative industry or economic trends; (iii) costs necessary to extend the life or improve the real estate asset; (iv) significant increase in competition; and (v) ability to hold and dispose of the real estate asset in the ordinary course of business. A real estate asset is considered impaired when the sum of estimated future undiscounted cash flows expected to be generated by the real estate asset over the estimated remaining holding period is less than the carrying amount of such real estate asset. Cash flows include operating cash flows and anticipated capital proceeds generated by the sale of the real estate asset. If the sum of such estimated undiscounted cash flows is less than the carrying amount of the real estate asset, an impairment charge is recorded equal to the excess of the carrying value of the real estate asset over its estimated fair value. When determining the estimated fair value of a real estate asset, we make certain assumptions including consideration of projected operating cash flows, comparable selling prices and projected cash flows from the eventual disposition of the real estate asset based upon our estimate of a capitalization rate and discount rate. There were no impairments of our real estate owned held-for-investment assets through March 31, 2026.

Debt assumed in a foreclosure, deed-in-lieu of foreclosure, or assignment-in-lieu of foreclosure of real estate is recorded at its estimated fair value at the time of the acquisition.

See Note 5 - Real Estate Owned for further detail.

Recent Accounting Guidance

The FASB issued ASU 2025-11, "Interim Reporting (Topic 270): Narrow-Scope Improvements" ("ASU 2025-11"). The standard clarifies required form and content of interim financial statements and notes and requires entities issuing condensed financial statements to disclose certain events occurring since the end of the most recent fiscal year that have a material impact on the entity. ASU 2025-11 is effective for interim reporting periods within annual reporting periods beginning after December 15, 2027, with early adoption permitted. The adoption of ASU 2025-11 is not expected to have a material impact on our consolidated financial statements.

The FASB issued ASU 2024-03, "Disaggregation of Income Statement Expenses" ("ASU 2024-03"). The standard provides improvements to disclosure of the nature of expenses included in the statement of operations via tabular disclosure in the footnotes that disaggregates relevant expenses into certain expense categories. Further, the FASB issued ASU 2025-01, "Clarifying the Effective Date," which clarifies the effective date of ASU 2024-03. ASU 2024-03 is effective for annual periods beginning after December 15, 2026, and interim reporting periods beginning after December 15, 2027, with early adoption permitted. The adoption of ASU 2024-03 is not expected to have a material impact on our consolidated financial statements.

Note 3. Loan Portfolio

Loans Receivable

Our loan receivable held-for-investment portfolio as of March 31, 2026 was comprised of the following loans (\$ in thousands):

	Number of Loans	Loan Commitment ⁽¹⁾	Unpaid Principal Balance	Carrying Value ⁽²⁾	Weighted Average Spread ⁽³⁾	Weighted Average Interest Rate ⁽⁴⁾
Loans receivable held-for-investment:						
<i>Variable:</i>						
Senior loans ⁽⁵⁾	26	\$ 3,583,712	\$ 3,379,441	\$ 3,028,634	+ 2.81%	4.80%
	26	3,583,712	3,379,441	3,028,634	+ 2.81%	4.80%
<i>Fixed:</i>						
Senior loans ⁽⁵⁾	1	\$ 1,607	\$ 1,607	\$ 1,607	N/A	0.00%
Subordinate loans	1	125,000	125,000	124,954	N/A	8.50%
	2	126,607	126,607	126,561		8.39%
Total/Weighted Average	28	\$ 3,710,319	\$ 3,506,048	\$ 3,155,195	N/A	4.93%
General CECL reserve				(47,618)		
Loans receivable held-for-investment, net				\$ 3,107,577		

(1) Loan commitment represents principal outstanding plus remaining unfunded loan commitments.

(2) Net of specific CECL reserves of \$348.8 million.

(3) The weighted average spread is expressed as a spread over the relevant floating benchmark rates. One-month term Secured Overnight Financing Rate ("SOFR") as of March 31, 2026 was 3.66%. Weighted average is based on unpaid principal balance as of March 31, 2026. For loans placed on non-accrual, the spread used in calculating the weighted average spread is 0%.

(4) Reflects the weighted average interest rate based on the applicable floating benchmark rate (if applicable), including SOFR floors (if applicable). Weighted average is based on unpaid principal balance as of March 31, 2026 and includes loans on non-accrual status. For loans placed on non-accrual, the interest rate used in calculating the weighted average interest rate is 0%.

(5) Senior loans include senior mortgages and similar credit quality loans, including related contiguous subordinate loans (if any), and pari passu participations in senior mortgage loans.

Our loans receivable held-for-investment portfolio as of December 31, 2025 was comprised of the following loans (\$ in thousands):

	Number of Loans	Loan Commitment ⁽¹⁾	Unpaid Principal Balance	Carrying Value ⁽²⁾	Weighted Average Spread ⁽³⁾	Weighted Average Interest Rate ⁽⁴⁾
Loans receivable held-for-investment:						
<i>Variable:</i>						
Senior loans ⁽⁵⁾	31	\$ 4,202,628	\$ 3,930,750	\$ 3,562,183	+ 3.17%	5.46%
	31	4,202,628	3,930,750	3,562,183	+ 3.17%	5.46%
<i>Fixed:</i>						
Senior loans ⁽⁵⁾	1	\$ 1,607	\$ 1,607	\$ 1,607	N/A	0.00%
Subordinate loans	1	125,000	125,000	124,939	N/A	8.50%
	2	126,607	126,607	126,546		8.39%
Total/Weighted Average	33	\$ 4,329,235	\$ 4,057,357	\$ 3,688,729	N/A	5.55%
General CECL reserve				(73,328)		
Loans receivable held-for-investment, net				\$ 3,615,401		

(1) Loan commitment represents principal outstanding plus remaining unfunded loan commitments.

(2) Net of specific CECL reserves of \$365.4 million.

(3) The weighted average spread is expressed as a spread over the relevant floating benchmark rates. SOFR as of December 31, 2025 was 3.69%. Weighted average is based on unpaid principal balance as of December 31, 2025. For loans placed on non-accrual, the spread used in calculating the weighted average spread is 0%.

(4) Reflects the weighted average interest rate based on the applicable floating benchmark rate (if applicable), including SOFR floors (if applicable). Weighted average is based on unpaid principal balance as of December 31, 2025 and includes loans on non-accrual status. For loans placed on non-accrual, the interest rate used in calculating the weighted average interest rate is 0%.

(5) Senior loans include senior mortgages and similar credit quality loans, including related contiguous subordinate loans (if any), and pari passu participations in senior mortgage loans.

Activity relating to our loans receivable held-for-investment portfolio for the three months ended March 31, 2026 (\$ in thousands):

	Unpaid Principal Balance	Deferred Fees and Discounts	Specific CECL Reserve	Carrying Value ⁽¹⁾
Balance at December 31, 2025	\$ 4,057,357	\$ (3,204)	\$ (365,424)	\$ 3,688,729
Advances on existing loans	21,212	-	-	21,212
Non-cash advances in lieu of interest	964	-	-	964
Origination fees, discounts, extension fees and exit fees	-	(168)	-	(168)
Repayments of loans receivable	(224,693)	-	-	(224,693)
Assignment of loan receivable to lender	(71,356)	-	17,784	(53,572)
Repayments of non-cash advances in lieu of interest	(20,036)	-	-	(20,036)
Accretion of fees and discounts	-	1,660	-	1,660
Sales of loans receivable	(220,000)	(326)	29,855	(190,471)
Transfer to real estate owned, held-for-investment (See Note 5)	(37,400)	-	1,338	(36,062)
Provision for specific CECL reserve	-	-	(32,368)	(32,368)
Balance at March 31, 2026	<u>\$ 3,506,048</u>	<u>\$ (2,038)</u>	<u>\$ (348,815)</u>	<u>\$ 3,155,195</u>
General CECL reserve				(47,618)
Carrying Value				<u>\$ 3,107,577</u>

(1) Balance at December 31, 2025 does not include general CECL reserve.

Sales of Loans Receivable

The following table summarizes our loan receivable sold during the three months ended March 31, 2026 (\$ in thousands):

Property Type ⁽¹⁾	Location	Loan Commitment	Unpaid Principal Balance Before Principal Charge-Off	Carrying Value Before Principal Charge-Off	Principal Charge-Off	Net Sale Proceeds	Risk Rating ⁽²⁾
Hospitality ⁽³⁾	CA	\$ 235,000	\$ 220,000	\$ 220,326	\$ (29,855)	\$ 190,471	4

- (1) For each loan receivable sold, the financial asset was legally isolated, control of the financial asset was transferred to the transferee, the transfer imposed no condition that would constrain the transferee from pledging the financial asset received, and we have no continuing involvement with the transferred financial asset. As such, we have determined each transaction constituted a sale.
- (2) Reflects risk rating of the loan receivable prior to the loan sale or reclassification to held-for-sale.
- (3) In March 2026, this loan was sold for a gross sales price of \$197.5 million. Pursuant to the terms of the sale, a reconciliation of working capital was required by May 24, 2026 to determine any necessary purchase price adjustments. The maximum liability due to the purchaser was \$6.75 million, which is included within other liabilities on our consolidated balance sheet as of March 31, 2026 and within the principal charge-off. In May 2026, the reconciliation was completed and \$6.75 million was paid to the purchaser.

During the year ended December 31, 2023, we sold a senior loan collateralized by a portfolio of multifamily properties located in San Francisco, CA. We obtained a true-sale-at-law opinion and determined the transaction constituted a sale. Concurrent with the sale, we entered into an agreement with the transferee which provides for a share of cash flows from the senior loan upon the transferee achieving certain financial metrics. As of March 31, 2026, we have not recognized any value to this interest on our consolidated financial statements.

Concentration of Risk

The following table presents our loans receivable held-for-investment by loan type, as well as property type and geographic location of the properties collateralizing these loans as of March 31, 2026 and December 31, 2025 (\$ in thousands):

Loan Type	March 31, 2026		December 31, 2025	
	Carrying Value ⁽¹⁾	Percentage	Carrying Value ⁽²⁾	Percentage
Senior loans ⁽³⁾	\$ 3,030,241	96%	\$ 3,563,790	97%
Subordinate loans	124,954	4%	124,939	3%
	<u>\$ 3,155,195</u>	<u>100%</u>	<u>\$ 3,688,729</u>	<u>100%</u>
General CECL reserve	(47,618)		(73,328)	
	<u>\$ 3,107,577</u>		<u>\$ 3,615,401</u>	

Property Type	Carrying Value ⁽¹⁾	Percentage	Carrying Value ⁽²⁾	Percentage
Multifamily	\$ 1,400,368	44%	\$ 1,603,610	44%
Hospitality	592,001	19%	806,913	22%
Office	533,981	17%	589,152	16%
Mixed-Use ⁽⁴⁾	319,005	10%	312,467	8%
Retail	151,788	5%	151,535	4%
Land	120,100	4%	187,100	5%
Other	37,952	1%	37,952	1%
	<u>\$ 3,155,195</u>	<u>100%</u>	<u>\$ 3,688,729</u>	<u>100%</u>
General CECL reserve	(47,618)		(73,328)	
	<u>\$ 3,107,577</u>		<u>\$ 3,615,401</u>	

Geographic Location	Carrying Value ⁽¹⁾	Percentage	Carrying Value ⁽²⁾	Percentage
United States				
West	\$ 1,141,684	36%	\$ 1,583,143	43%
Northeast	683,643	22%	744,852	20%
Midwest	418,561	13%	418,503	11%
Southeast	384,556	12%	378,169	10%
Mid Atlantic	249,864	8%	249,775	7%
Southwest	238,935	8%	276,335	8%
Other	37,952	1%	37,952	1%
	<u>\$ 3,155,195</u>	<u>100%</u>	<u>\$ 3,688,729</u>	
General CECL reserve	(47,618)		(73,328)	
	<u>\$ 3,107,577</u>		<u>\$ 3,615,401</u>	

(1) Net of specific CECL reserves of \$348.8 million at March 31, 2026.

(2) Net of specific CECL reserves of \$365.4 million at December 31, 2025.

(3) Senior loans include senior mortgages and similar credit quality loans, including related contiguous subordinate loans and pari passu participations in senior mortgage loans.

(4) At March 31, 2026, mixed-use consists of 3% office, 2% life science, 2% hospitality, 2% multifamily, and 1% retail. At December 31, 2025, mixed-use consists of 2% office, 2% life science, 2% hospitality, 1% multifamily, and 1% retail.

Interest Income and Accretion

The following table summarizes our interest and accretion income from our loan portfolio and interest on cash balances for the three months ended March 31, 2026 and 2025, respectively (\$ in thousands):

	Three Months Ended	
	March 31, 2026	March 31, 2025
Coupon interest	\$ 56,167	\$ 114,477
Accretion of fees and discounts	1,660	2,797
Interest on cash, cash equivalents, and other income	1,172	764
Total interest and related income ⁽¹⁾	<u>\$ 58,999</u>	<u>\$ 118,038</u>

(1) For the three months ended March 31, 2026 and 2025, we recognized \$0.5 million and \$0.0 million, respectively, of default interest, late fees, pre-payment penalties, and/or accelerated fees following repayments prior to maturity.

Loan Risk Ratings

As further described in Note 2 – Summary of Significant Accounting Policies, we evaluate the credit quality of our loan portfolio on a quarterly basis. In conjunction with our quarterly loan portfolio review, we assess the risk factors of each loan and assign a risk rating based on several factors including, but not limited to, as-is or as-stabilized debt yield, term of loan, property type, property or collateral location, loan type, structure, collateral cash flow volatility and other more subjective variables that include, but are not limited to, as-is or as-stabilized collateral value, market conditions, industry conditions, borrower/sponsor financial stability, and borrower/sponsor exit plan. While evaluating the credit quality of each loan within our portfolio, we assess these quantitative and qualitative factors as a whole and with no pre-prescribed weight on their impact to our determination of a loan's risk rating. However, based upon the facts and circumstances for each loan and the current market conditions, we may consider certain previously mentioned factors more or less relevant than others. Loans are rated "1" (less risk) through "5" (greater risk), which ratings are defined in Note 2 – Summary of Significant Accounting Policies.

The following tables allocate the principal balance and carrying value of our loans receivable held-for-investment based on our internal risk ratings as of March 31, 2026 and December 31, 2025 (\$ in thousands):

March 31, 2026				
Risk Rating	Number of Loans	Unpaid Principal Balance	Carrying Value ⁽¹⁾	% of Total of Carrying Value
1	-	\$ -	\$ -	0%
2	1	130,000	129,764	4%
3	14	1,624,306	1,624,262	52%
4	4	451,549	451,162	14%
5	9	1,300,193	950,007	30%
	28	\$ 3,506,048	\$ 3,155,195	100%
General CECL reserve			(47,618)	
			<u>\$ 3,107,577</u>	

(1) Net of specific CECL reserves of \$348.8 million.

December 31, 2025				
Risk Rating	Number of Loans	Unpaid Principal Balance	Carrying Value ⁽¹⁾	% of Total of Carrying Value
1	-	\$ -	\$ -	0%
2	2	303,779	302,914	8%
3	15	1,732,088	1,731,270	47%
4	5	613,714	613,652	17%
5	11	1,407,776	1,040,893	28%
	33	\$ 4,057,357	\$ 3,688,729	100%
General CECL reserve			(73,328)	
			<u>\$ 3,615,401</u>	

(1) Net of specific CECL reserves of \$365.4 million.

As of March 31, 2026 and December 31, 2025, the average risk rating of our loans receivable held-for-investment portfolio was 3.7 and 3.6, respectively, weighted by carrying value net of specific CECL reserves.

The following table presents the carrying value and significant characteristics of our loans receivable held-for-investment on non-accrual status as of March 31, 2026 (\$ in thousands):

Property Type	Location	Risk Rating	Unpaid Principal Balance	Carrying Value Before Specific CECL Reserve	Specific CECL Reserve	Net Carrying Value	Interest Recognition Method / as of Date
Multifamily	CA	5	\$ 402,341	\$ 402,223	\$ (102,223)	\$ 300,000	Cash Basis/ 6/30/2025
Office	GA	5	225,746	225,746	(34,946)	190,800	Cost Recovery/ 12/31/2025
Multifamily	CO	5	170,000	170,000	(72,000)	98,000	Cash Basis/ 9/30/2025
Land	VA	5	157,644	157,644	(37,544)	120,100	Cost Recovery/ 1/1/2023
Multifamily	TX	5	139,237	138,722	(48,722)	90,000	Cash Basis/ 7/1/2024
Office	CA	5	111,542	111,263	(23,363)	87,900	Cost Recovery/ 4/1/2023
Office	GA	5	66,642	66,244	(27,044)	39,200	Cost Recovery/ 9/1/2023
Multifamily ⁽¹⁾	TX	5	25,434	25,373	(2,973)	22,400	Cash Basis/ 7/1/2024
Other ⁽²⁾	Other	5	1,607	1,607	-	1,607	Cost Recovery/ 7/1/2020
Total risk rated 5 loans			1,300,193	1,298,822	(348,815)	950,007	
Multifamily	AZ	4	155,000	155,000	-	155,000	Cash Basis/ 3/31/2026
Office	CA	4	91,514	91,127	-	91,127	Cost Recovery/ 9/1/2023
Total risk rated 4 loans			246,514	246,127	-	246,127	
Total non-accrual			\$ 1,546,707	\$ 1,544,949	\$ (348,815)	\$ 1,196,134	

(1) In May 2026, we acquired legal title to the collateral property through a mortgage foreclosure.

(2) Amounts deemed uncollectible have been charged-off as of March 31, 2026.

As of March 31, 2026, loans receivable classified as non-accrual represented 37.9% of our total loans receivable held-for-investment, based on carrying value net of specific CECL reserves. During the three months ended March 31, 2026, we (i) recognized \$3.0 million of interest income on a cash basis upon the repayment of a non-accrual loan in January 2026 and (ii) received \$3.6 million of cost recovery proceeds for loans on non-accrual status, of which \$0.7 million was applied against past due interest and reduced the related CECL reserve. Further, the above table excludes one loan with an aggregate carrying value of \$78.5 million that is in maturity default but remains on accrual status as interest is deemed collectible based on the collateral property's value.

The following table presents the carrying value and significant characteristics of our loans receivable held-for-investment on non-accrual status as of December 31, 2025 (\$ in thousands):

Property Type	Location	Risk Rating	Unpaid Principal Balance	Carrying Value Before Specific CECL Reserve	Specific CECL Reserve	Net Carrying Value	Interest Recognition Method / as of Date
Multifamily	CA	5	\$ 402,341	\$ 402,223	\$ (102,223)	\$ 300,000	Cash Basis/ 6/30/2025
Office	GA	5	225,497	225,497	(34,697)	190,800	Cost Recovery/ 12/31/2025
Multifamily	CO	5	170,000	170,000	(72,000)	98,000	Cash Basis/ 9/30/2025
Land	VA	5	157,129	157,129	(37,029)	120,100	Cost Recovery/ 1/1/2023
Multifamily	TX	5	137,696	137,181	(47,181)	90,000	Cash Basis/ 7/1/2024
Office	CA	5	111,542	111,263	(23,363)	87,900	Cost Recovery/ 4/1/2023
Office	GA	5	67,892	67,494	(28,294)	39,200	Cost Recovery/ 9/1/2023
Multifamily ⁽¹⁾⁽²⁾	TX	5	37,400	37,400	-	37,400	Cash Basis/ 6/30/2025
Multifamily	TX	5	25,373	25,312	(2,912)	22,400	Cash Basis/ 7/1/2024
Other ⁽²⁾	Other	5	1,607	1,607	-	1,607	Cost Recovery/ 7/1/2020
Total risk rated 5 loans ⁽³⁾			1,336,477	1,335,106	(347,699)	987,407	
Office	CA	4	93,214	92,827	-	92,827	Cost Recovery/ 9/1/2023
Land ⁽⁴⁾	NY	4	67,000	67,000	-	67,000	Cash Basis/ 11/1/2021
Total risk rated 4 loans			160,214	159,827	-	159,827	
Total non-accrual			\$ 1,496,691	\$ 1,494,933	\$ (347,699)	\$ 1,147,234	

(1) In January 2026, we acquired legal title to the collateral property through a mortgage foreclosure. In anticipation of such foreclosure, we recognized a principal charge-off of \$39.1 million as of December 31, 2025.

(2) Amounts deemed uncollectible have been charged-off as of December 31, 2025.

(3) Amount excludes one risk rated 5 loan with an unpaid principal balance of \$71.3 million and a carrying value net of specific CECL reserves of \$53.5 million that remained on accrual status as monthly debt service was satisfied through borrower funded reserves. In February 2026, we

assigned our right, title, and interest in this loan receivable and the collateral property to our financing counterparty in exchange for the full extinguishment of amounts due under the related financing. Upon assignment, we recognized a principal charge-off of \$17.8 million which includes \$2.6 million paid to our financing counterparty under the terms of our guarantee. See Note 6 - Debt Obligations - Notes Payable for further detail.

- (4) In January 2026, this loan was repaid in full. During the year ended December 31, 2025, we recognized \$3.0 million of interest income on a cash basis from this loan, which is included in the \$6.0 million of interest income recognized on a cash basis as discussed below for the year ended December 31, 2025. Upon repayment in January 2026, we recognized an additional \$3.0 million of interest income on a cash basis from this loan, which is included in cash basis interest income discussed above for the three months ended March 31, 2026.

As of December 31, 2025, loans receivable classified as non-accrual represented 31.1% of our total loans receivable held-for-investment, based on carrying value net of specific CECL reserves. During the year ended December 31, 2025, we (i) recognized \$6.0 million of interest income on a cash basis for loans on non-accrual status and (ii) received \$16.2 million of cost recovery proceeds for loans on non-accrual status, of which \$13.6 million was applied against past due interest and reduced the related CECL reserve. Further, the above table excludes three loans with an aggregate carrying value of \$453.8 million that are in maturity default but remain on accrual status as the borrower is current on interest payments and/or interest is deemed collectible based on the collateral property's value.

Current Expected Credit Losses

The current expected credit loss reserve required under GAAP reflects our current estimate of potential credit losses related to our loan commitments. See Note 2 for further detail of our current expected credit loss reserve methodology.

The following table illustrates the changes in the current expected credit loss reserve for our loans receivable held-for-investment for the three months ended March 31, 2026 and 2025, respectively (\$ in thousands):

	Specific CECL Reserve	General CECL Reserve			Accrued Interest Receivable ⁽¹⁾	Total CECL Reserve
		Loans Receivable Held-for-Investment	Unfunded Loan Commitments ⁽²⁾	Total General CECL Reserve		
Total reserve, December 31, 2024	\$ 120,920	\$ 122,110	\$ 5,546	\$ 127,656	\$ 17,794	\$ 266,370
Provision (reversal)	41,458	(3,975)	100	(3,875)	3,540	41,123
Charge-offs	(43,113)	-	-	-	(3,540)	(46,653)
Total reserve, March 31, 2025	\$ 119,265	\$ 118,135	\$ 5,646	\$ 123,781	\$ 17,794	\$ 260,840
Total reserve, December 31, 2025	\$ 365,424	\$ 73,328	\$ 4,340	\$ 77,668	\$ 26,782	\$ 469,874
Provision (reversal)	32,368	(25,710)	(1,864)	(27,574)	26,578	31,372
Charge-offs	(48,977)	-	-	-	(12,884)	(61,861)
Total reserve, March 31, 2026	\$ 348,815	\$ 47,618	\$ 2,476	\$ 50,094	\$ 40,476	\$ 439,385

(1) CECL reserves for accrued interest receivable, if any, are included in other assets on our consolidated balance sheets.

(2) CECL reserve for unfunded commitments is included in other liabilities on our consolidated balance sheets.

The following table illustrates our specific and general CECL reserves as a percentage of total unpaid principal balance of loans receivable held-for-investment as of March 31, 2026, December 31, 2025, March 31, 2025, and December 31, 2024:

	Specific CECL Reserve ⁽¹⁾	General CECL Reserve ⁽²⁾	Total CECL Reserve ⁽³⁾
Reserve at December 31, 2024	18.2%	2.3%	4.0%
Reserve at March 31, 2025	16.4%	2.4%	4.1%
Reserve at December 31, 2025	26.0%	2.9%	10.9%
Reserve at March 31, 2026	26.8%	2.3%	11.4%

(1) Represents specific CECL reserves on loans receivable held-for-investment as a percentage of unpaid principal balance of risk rated 5 loans.

(2) Represents general CECL reserves on loans receivable held-for-investment and related unfunded loan commitments as a percentage of unpaid principal balance of loans subject to the general CECL reserve.

(3) Represents total CECL reserves on loans receivable held-for-investment and related unfunded loan commitments as a percentage of total unpaid principal balance of loans receivable held-for-investment.

During the three months ended March 31, 2026, we recorded a provision for current expected credit losses of \$31.4 million, which consisted of a \$32.4 million increase in our specific CECL reserves prior to principal and exit fee charge-offs and a \$26.6 million

increase in CECL reserves on accrued interest receivable prior to charge-offs, offset in part by a \$27.6 million decrease in our general CECL reserves. The increase in our specific CECL reserves was primarily attributable to protective advances made on certain loans and a specific reserve determined on a loan sold which was not previously classified as held-for-sale, offset in part by principal charge-offs recognized. The increase in our CECL reserves on accrued interest receivable is attributable to reserving against outstanding interest due to us upon a loan being placed on non-accrual status during the three months ended March 31, 2026, offset in part by a reduction in reserves upon the receipt of past due interest and charge-offs recognized in connection with the sale of a delinquent loan. The decrease in our general CECL reserves was primarily attributable to seasoning of our loan portfolio, a reduction in the size of our loan portfolio subject to determination of the general CECL reserve, and changes in the historical loss rate of the analogous data set, offset in part by changes in risk ratings and expected remaining duration within our loan portfolio. As of March 31, 2026, our total current expected credit loss reserve was \$439.4 million.

During the three months ended March 31, 2025, we recorded a provision for current expected credit losses of \$41.1 million, which consisted of a \$41.5 million increase in our specific CECL reserve prior to charge-offs of principal and exit fees and a \$3.5 million increase in CECL reserves on accrued interest receivable prior to charge-offs, offset in part by a \$3.9 million decrease in our general CECL reserve. The increase in our specific CECL reserves was primarily attributable to specific reserves determined on a discounted loan repayment, offset in part by changes to collateral values and protective advances made. The reversal of our general CECL reserves was primarily attributable to changes in the historical loss rate of the analogous data set, seasoning of our loan portfolio, and a reduction in the size of our loan portfolio subject to determination of the general CECL reserve. As of March 31, 2025, our total current expected credit loss reserve was \$260.8 million.

Specific CECL Reserves

In certain circumstances, we may determine that a borrower is experiencing financial difficulty, and, if the repayment of the loan's principal is collateral dependent, the loan is no longer suited for the WARM model. In these instances, there have been diminutions in the fair value and performance of the collateral property primarily as a result of reduced tenant and/or capital markets demand for such property types in the markets in which these assets and borrowers operate. For such loans, we seek resolutions through a variety of means including, but not limited to, foreclosures on the collateral asset, sales of our loan receivable, and discounted repayments. If we anticipate assuming legal title and/or physical possession of the collateral property and the fair value of the collateral asset is determined to be below the carrying value of our loan, we may recognize a specific CECL reserve. Furthermore, in certain circumstances, we may recognize a specific CECL reserve based upon anticipated proceeds from the disposition of our loan. The following table presents a summary of our risk rated 5 loans receivable held-for-investment as of March 31, 2026 (\$ in thousands):

Property Type	Location	Unpaid Principal Balance	Carrying Value Before Specific CECL Reserve	Specific CECL Reserve	Net Carrying Value
Multifamily	CA	\$ 402,341	\$ 402,223	\$ (102,223)	\$ 300,000
Multifamily	CO	170,000	170,000	(72,000)	98,000
Multifamily	TX	139,237	138,722	(48,722)	90,000
Multifamily ⁽¹⁾	TX	25,434	25,373	(2,973)	22,400
Total Multifamily		737,012	736,318	(225,918)	510,400
Land	VA	157,644	157,644	(37,544)	120,100
Total Land		157,644	157,644	(37,544)	120,100
Office	GA	225,746	225,746	(34,946)	190,800
Office	CA	111,542	111,263	(23,363)	87,900
Office	GA	66,642	66,244	(27,044)	39,200
Total Office		403,930	403,253	(85,353)	317,900
Other ⁽²⁾	Other	1,607	1,607	-	1,607
Total Other		1,607	1,607	-	1,607
Total		\$ 1,300,193	\$ 1,298,822	\$ (348,815)	\$ 950,007

(1) In May 2026, we acquired legal title to the collateral property through a mortgage foreclosure.

(2) Amounts deemed uncollectible have been charged-off as of March 31, 2026.

Fair values of collateral assets used to determine specific CECL reserves are calculated using a discounted cash flow model, a sales comparison approach, or a market capitalization approach. Estimates of fair values used to determine specific CECL reserves may include, among others, assumptions of property specific cash flows over estimated holding periods, assumptions of property redevelopment costs, assumptions of leasing activities, discount rates, market and terminal capitalization rates, and, with respect to land, value per buildable square foot. These assumptions are based upon the nature of the properties, recent and projected property cash flows, recent sales and lease comparables, and anticipated real estate and capital market conditions, among other factors which we may deem relevant. Estimates of fair values used to determine specific CECL reserves as of March 31, 2026 include discount rates ranging from 6.0% to 9.5%, market and terminal capitalization rates ranging from 4.72% to 8.25%, and, with respect to the land loan, value per buildable square foot of \$140 based on current entitlements.

Our primary credit quality indicator is our internal risk rating, which is further discussed above. The following table presents the carrying value of our loans receivable held-for-investment as of March 31, 2026 by year of origination and risk rating, and principal charge-offs recognized during the three months ended March 31, 2026 (\$ in thousands):

Risk Rating	Number of Loans	Carrying Value ⁽¹⁾	Carrying Value by Origination Year as of March 31, 2026							
			2025	2024 ⁽²⁾	2023	2022	2021	2020	2019	2018
1	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2	1	129,764	-	-	-	-	129,764	-	-	-
3	14	1,624,262	-	101,788	-	775,995	324,763	-	201,366	220,350
4	4	451,162	-	-	-	360,035	91,127	-	-	-
5	9	950,007	-	-	-	210,400	339,200	87,900	192,407	120,100
	28	\$ 3,155,195	\$ -	\$ 101,788	\$ -	\$ 1,346,430	\$ 884,854	\$ 87,900	\$ 393,773	\$ 340,450
Principal Charge-offs ⁽³⁾			\$ -	\$ -	\$ -	\$ 47,639	\$ 1,338	\$ -	\$ -	\$ -

(1) Net of specific CECL reserves of \$348.8 million.

(2) Reflects a loan receivable acquired in connection with a full loan repayment in 2024.

(3) Principal charge-offs pertain to loans receivable previously included in our loan receivable held-for-investment portfolio and were resolved during the three months ended March 31, 2026.

The following table details overall statistics for our loans receivable held-for-investment:

	March 31, 2026	December 31, 2025
Weighted average yield to maturity ⁽¹⁾	5.6%	6.2%
Weighted average term to initial maturity	0.4 years	0.5 years
Weighted average term to fully extended maturity ⁽²⁾	0.9 years	1.1 years

(1) Represents the weighted average annualized yield to initial maturity of each loan, inclusive of coupon and contractual fees, based on the applicable floating benchmark rate/floors (if applicable), in place as of March 31, 2026 and December 31, 2025. For loans placed on non-accrual, the annualized yield to initial maturity used in calculating the weighted average annualized yield to initial maturity is 0%.

(2) Term to fully extended maturity is determined based on the maximum maturity of each of the corresponding loans, assuming all extension options are exercised by the borrower; provided, however, that our loans may be repaid prior to such date.

Note 4. Equity Method Investment

As of March 31, 2026 and December 31, 2025, we hold a 51% interest in CMTG/TT Mortgage REIT LLC ("CMTG/TT"). We are not deemed to be the primary beneficiary of CMTG/TT in accordance with ASC 810, therefore we do not consolidate this joint venture. During its active investment period, CMTG/TT originated loans collateralized by institutional quality commercial real estate. As of March 31, 2026, the sole remaining loan held by CMTG/TT had a carrying value of \$83.2 million and was placed on non-accrual status effective April 1, 2023. As of March 31, 2026, the carrying value of our 51% equity interest in CMTG/TT approximated \$42.2 million.

The following tables present CMTG/TT's consolidated balance sheets as of March 31, 2026 and December 31, 2025 (\$ in thousands):

	March 31, 2026	December 31, 2025
Assets		
Cash and cash equivalents	\$ 11	\$ 16
Loans receivable held-for-investment	83,167	83,167
Other assets	5	7
Total assets	<u>\$ 83,183</u>	<u>\$ 83,190</u>
Liabilities and Members' Capital		
Other liabilities	\$ 520	\$ 452
Total liabilities	<u>520</u>	<u>452</u>
Members' capital	82,663	82,738
Total capital	<u>82,663</u>	<u>82,738</u>
Total liabilities and members' capital	<u>\$ 83,183</u>	<u>\$ 83,190</u>

The following tables present CMTG/TT's consolidated statements of operations for the three months ended March 31, 2026 and 2025 (\$ in thousands):

	Three Months Ended	
	March 31, 2026	March 31, 2025
Revenue		
Interest and related income	\$ -	\$ -
Total revenue	-	-
Expenses		
Management fees - affiliate	52	52
General and administrative expenses	23	22
Total expenses	<u>75</u>	<u>74</u>
Net loss	<u>\$ (75)</u>	<u>\$ (74)</u>

At each reporting period, we assess whether there are any indicators of other-than-temporary impairment of our equity investment. There were no other than temporary impairments of our equity method investment through March 31, 2026.

Note 5. Real Estate Owned

The following table presents additional detail related to our real estate owned held-for-investment, net, as of March 31, 2026 and December 31, 2025 (\$ in thousands):

	March 31, 2026	December 31, 2025
Land	\$ 301,980	\$ 296,373
Building, building improvements, and site improvements	464,541	431,905
Tenant improvements	2,318	2,318
Furniture, fixtures and equipment	6,996	6,140
Real estate owned held-for-investment	<u>775,835</u>	<u>736,736</u>
Less: accumulated depreciation	<u>(11,072)</u>	<u>(6,731)</u>
Real estate owned held-for-investment, net	<u>\$ 764,763</u>	<u>\$ 730,005</u>

Depreciation expense related to our real estate owned held-for-investment assets for the three months ended March 31, 2026 and 2025 was \$4.3 million and \$0.2 million, respectively. At each reporting period, we assess whether there are any indicators of impairment of our real estate owned held-for-investment assets. There were no impairments of our real estate owned held-for-investment assets through March 31, 2026.

The following table presents detail related to changes in our real estate owned held-for-investment, net, during the three months ended March 31, 2026 (\$ in thousands):

	Gross Cost	Accumulated Depreciation	Real Estate Owned Held-for-Investment, Net
Total, December 31, 2025	\$ 736,736	\$ (6,731)	\$ 730,005
Foreclosure of multifamily property including capitalized transaction costs	36,835	-	36,835
Capital expenditures	2,264	-	2,264
Depreciation expense	-	(4,341)	(4,341)
Total, March 31, 2026	<u>\$ 775,835</u>	<u>\$ (11,072)</u>	<u>\$ 764,763</u>

The following table presents additional detail related to the revenues and operating expenses of our real estate owned assets (\$ in thousands):

	Three Months Ended	
	March 31, 2026	March 31, 2025
Revenue		
Hotel portfolio	\$ 13,364	\$ 12,690
Mixed-use property fixed rents	1,306	2,087
Mixed-use property variable rents	170	116
Mixed-use property amortization of above and below market leases, net	(295)	(354)
Mixed-use property straight-line rent adjustment	201	25
Multifamily properties fixed rents	5,147	-
Multifamily properties variable rents	1,484	-
Multifamily property amortization of below market leases, net	37	-
Total revenue from real estate owned	<u>\$ 21,414</u>	<u>\$ 14,564</u>
Operating expenses		
Hotel portfolio	\$ 11,833	\$ 11,404
Mixed-use property	451	1,511
Multifamily properties	5,603	-
Land	167	-
Total operating expenses from real estate owned	<u>\$ 18,054</u>	<u>\$ 12,915</u>
Interest expense		
Hotel portfolio	\$ 4,737	\$ 6,554
Mixed-use property	-	-
Multifamily properties ⁽¹⁾	4,439	-
Total interest expense from real estate owned	<u>\$ 9,176</u>	<u>\$ 6,554</u>

(1) Such assets are pledged to certain of our repurchase agreements and, accordingly, excludes any allocation of amortization of deferred financing costs related to such repurchase agreement.

Multifamily Property.

On January 7, 2026, we acquired legal title to a multifamily property located in Dallas, TX through a mortgage foreclosure. Prior to such date, the multifamily property represented the collateral for a senior loan with an unpaid principal balance prior to principal charge-off of \$76.6 million. As of December 31, 2025 and in anticipation of the mortgage foreclosure, we recognized a principal charge-off of \$39.1 million based upon the multifamily property's \$37.4 million estimated fair value as determined by a third-party appraisal. During the three months ended March 31, 2026, we recognized an additional principal charge-off of \$1.3 million upon the assumption of net working capital. In connection with the mortgage foreclosure, we incurred \$0.3 million of transaction costs. As of March 31, 2026, the multifamily property appears as part of real estate owned held-for-investment, net and related lease intangibles appear within other assets on our consolidated balance sheet.

Fair values of collateral assets used to determine the initial estimated fair value of real estate owned are calculated using a discounted cash flow model, a sales comparison approach, or a market capitalization approach. Estimates of fair values used to determine real estate owned upon acquisition may include, among others, assumptions of property specific cash flows over estimated holding periods, assumptions of property redevelopment costs, assumptions of leasing activities, discount rates, market and terminal capitalization rates, and, with respect to land, value per buildable square foot. These assumptions are based upon the nature of the properties, recent and projected property cash flows, recent sales and lease comparables, and anticipated real estate and capital market conditions, among other factors which we may deem relevant. Estimates of fair values used to determine real estate owned upon acquisition during the three months ended March 31, 2026 include assumptions of a market capitalization rate of 5.75% and a discount rate of 8.00%.

In accordance with ASC 805, we allocated the fair value of assets acquired and liabilities assumed in connection with the above mentioned mortgage foreclosure as follows (\$ in thousands):

Land	\$	5,549
Building		28,632
Site improvements		1,471
Furniture, fixtures and equipment		852
In-place lease values ⁽¹⁾		896
Total	\$	37,400

(1) Included within other assets on our consolidated balance sheets.

The following table presents additional detail of the assets acquired and liabilities assumed in connection with the above mentioned mortgage foreclosure (\$ in thousands):

Assets		
Cash	\$	261
Restricted cash		1,672
Real estate owned		36,504
In-place lease values ⁽¹⁾		896
Other assets		359
Total assets		39,692
Liabilities		
Other liabilities	\$	3,631
Total liabilities		3,631
Equity		
		36,061
Carrying value of loan prior to charge-offs ⁽²⁾		(76,453)
Principal Charge-off	\$	(40,392)

(1) Included within other assets on our consolidated balance sheets.

(2) Represents carrying value of loan prior to charge-offs recognized as of December 31, 2025 and during the three months ended March 31, 2026. Amount is net of \$0.1 million of unamortized fees.

Leases

We have non-cancelable operating leases for space in our mixed-use and multifamily properties. These leases provide for fixed rent payments, which we recognize on a straight-line basis, and variable rent payments, including reimbursement of certain operating expenses and miscellaneous fees, which we recognize when earned. As of March 31, 2026, the future minimum fixed rents under our non-cancellable leases for each of the next five years and thereafter are as follows (\$ in thousands):

Year	Amount
2026 ⁽¹⁾	\$ 4,124
2027	5,540
2028	5,662
2029	6,390
2030	6,437
Thereafter	29,311
Total	<u>\$ 57,464</u>

(1) Contractual lease payments due for the remaining nine months of 2026.

Lease Intangibles

As of March 31, 2026 and December 31, 2025, our lease intangibles are comprised of the following (\$ in thousands):

Intangible	March 31, 2026	December 31, 2025
In-place, above market, and other lease values	\$ 29,279	\$ 28,383
Less: accumulated amortization	(11,068)	(8,632)
In-place, above market, and other lease values, net ⁽¹⁾	<u>\$ 18,211</u>	<u>\$ 19,751</u>
Below market lease values	\$ (4,612)	\$ (4,612)
Less: accumulated amortization	1,148	1,016
Below market lease values, net ⁽²⁾	<u>\$ (3,464)</u>	<u>\$ (3,596)</u>

(1) Included within other assets on our consolidated balance sheets.

(2) Included within other liabilities on our consolidated balance sheets.

Amortization of our lease intangibles for the three months ended March 31, 2026 and 2025 is as follows (\$ in thousands):

Intangible	Three Months Ended	
	March 31, 2026	March 31, 2025
In-place and other lease values ⁽¹⁾	\$ 2,046	\$ 200
Above market lease values ⁽²⁾	(390)	(448)
Below market lease values ⁽²⁾	132	94

(1) Amortization of in-place and other lease values is recognized in depreciation and amortization expense on our consolidated statements of operations.

(2) Amortization of above and below market lease values, net is recognized in revenue from real estate owned on our consolidated statements of operations.

As of March 31, 2026, the estimated amortization of our lease intangibles is approximately as follows (\$ in thousands):

	In-place and Other Lease Values ⁽¹⁾	Above Market Lease Values ⁽²⁾	Below Market Lease Values ⁽²⁾
2026 ⁽³⁾	\$ 2,564	\$ (1,169)	\$ 396
2027	684	(1,559)	528
2028	593	(1,559)	402
2029	410	(1,559)	377
2030	410	(1,559)	377
Thereafter	1,205	(4,940)	1,384
Total	<u>\$ 5,866</u>	<u>\$ (12,345)</u>	<u>\$ 3,464</u>

(1) Amortization of in-place and other lease values is recognized in depreciation and amortization expense on our consolidated statements of operations.

- (2) Amortization of above and below market lease values, net is recognized in revenue from real estate owned on our consolidated statements of operations.
- (3) Amortization of lease intangibles for the remaining nine months of 2026.

The weighted average amortization period for in-place lease values acquired during the three months ended March 31, 2026 was 1.0 year.

Note 6. Debt Obligations

As of March 31, 2026 and December 31, 2025, we financed certain of our loans receivable using repurchase agreements, a term participation facility, and/or notes payable. Further, we have debt related to real estate owned hotel portfolio and a secured term loan. Our financings bear interest at a rate equal to SOFR plus a credit spread.

The following table summarizes our financings as of March 31, 2026 and December 31, 2025 (\$ in thousands):

	March 31, 2026			December 31, 2025		
	Capacity	Borrowings Outstanding	Weighted Average Spread ⁽¹⁾	Capacity	Borrowings Outstanding	Weighted Average Spread ⁽¹⁾
Repurchase agreements and term participation facility ⁽²⁾	\$ 3,638,348	\$ 1,932,274	+ 2.91%	\$ 4,180,546	\$ 2,187,066	+ 2.92%
Notes payable	-	-	-	195,830	177,999	+ 3.22%
Secured term loan	500,000	500,000	+ 6.75%	556,188	556,188	+ 4.50%
Debt related to real estate owned hotel portfolio	235,000	235,000	+ 3.18%	235,000	235,000	+ 3.18%
Total/Weighted Average	\$ 4,373,348	\$ 2,667,274	+ 3.65%	\$ 5,167,564	\$ 3,156,253	+ 3.23%

- (1) Weighted average spread over the applicable benchmark rate is based on unpaid principal balance. SOFR as of March 31, 2026 and December 31, 2025 was 3.66% and 3.69%, respectively.
- (2) The repurchase agreements and term participation facility are partially recourse to us. As of March 31, 2026 and December 31, 2025, the weighted average recourse on our repurchase agreements and term participation facility was 30% and 30%, respectively.

Repurchase Agreements and Term Participation Facility

Repurchase Agreements

The following table summarizes our repurchase agreements by lender as of March 31, 2026 (\$ in thousands):

Lender	Initial Maturity	Fully Extended Maturity ⁽¹⁾	Maximum Capacity	Borrowings Outstanding and Carrying Value	Undrawn Capacity	Carrying Value of Collateral ⁽²⁾
JP Morgan Chase Bank, N.A.	7/28/2026	7/28/2030	\$ 1,882,487	\$ 655,675	\$ 1,226,812	\$ 1,192,585
JP Morgan Chase Bank, N.A. ⁽³⁾	3/31/2028	3/31/2030	908,753	887,439	21,314	1,196,764
Morgan Stanley Bank, N.A.	1/26/2027	1/26/2028	250,000	50,000	200,000	113,809
Wells Fargo Bank, N.A. ⁽⁴⁾	4/30/2026	4/30/2028	250,000	-	250,000	-
Total			\$ 3,291,240	\$ 1,593,114	\$ 1,698,126	\$ 2,503,158

- (1) Facility maturity dates may be extended, subject to meeting prescribed conditions.
- (2) Net of specific CECL reserves, if any.
- (3) Repurchase agreement specifically provides for the ability to finance (i) loans receivable, including those which may be delinquent or in default, and (ii) real estate owned assets subsequent to assuming legal title and/or physical possession of the collateral property. As of March 31, 2026, (i) \$232.5 million of borrowings outstanding on this repurchase agreement relate to our multifamily real estate owned assets, and (ii) the carrying value of collateral for this repurchase agreement includes our multifamily real estate owned assets included in real estate owned, held-for-investment, related lease intangibles included in other assets, and below market lease values included in other liabilities on our consolidated balance sheet.
- (4) In April 2026, we extended the initial maturity of this repurchase agreement to July 29, 2026.

The following table summarizes our repurchase agreements by lender as of December 31, 2025 (\$ in thousands):

Lender	Initial Maturity	Fully Extended Maturity ⁽¹⁾	Maximum Capacity	Borrowings Outstanding and Carrying Value	Undrawn Capacity	Carrying Value of Collateral ⁽²⁾
JP Morgan Chase Bank, N.A.	7/28/2026	7/28/2028	\$ 1,882,487	\$ 880,675	\$ 1,001,812	\$ 1,479,384
JP Morgan Chase Bank, N.A. ⁽³⁾	3/31/2028	3/31/2030	948,253	926,939	21,314	1,193,842
Morgan Stanley Bank, N.A.	1/26/2026	1/26/2028	750,000	50,000	700,000	113,809
Wells Fargo Bank, N.A.	4/30/2026	4/30/2028	250,000	-	250,000	-
Total			<u>\$ 3,830,740</u>	<u>\$ 1,857,614</u>	<u>\$ 1,973,126</u>	<u>\$ 2,787,035</u>

- (1) Facility maturity dates may be extended, subject to meeting prescribed conditions.
(2) Net of specific CECL reserves, if any.
(3) Repurchase agreement specifically provides for the ability to finance (i) loans receivable, including those which may be delinquent or in default, and (ii) real estate owned assets subsequent to assuming legal title and/or physical possession of the collateral property. As of December 31, 2025, (i) \$195.3 million of borrowings outstanding on this repurchase agreement relate to our multifamily real estate owned assets, and (ii) the carrying value of collateral for this repurchase agreement includes our multifamily real estate owned assets included in real estate owned, held-for-investment, related lease intangibles included in other assets, and below market lease values included in other liabilities on our consolidated balance sheet.

Term Participation Facility

On November 4, 2022, we entered into a master participation and administration agreement to finance certain of our loans receivable.

Our term participation facility as of March 31, 2026 is summarized as follows (\$ in thousands):

Contractual Maturity Date	Total Commitments	Borrowings Outstanding and Carrying Value	Carrying Value of Collateral
12/23/2029	\$ 347,108	\$ 339,160	\$ 602,797

Our term participation facility as of December 31, 2025 is summarized as follows (\$ in thousands):

Contractual Maturity Date	Total Commitments	Borrowings Outstanding and Carrying Value	Carrying Value of Collateral ⁽¹⁾
12/23/2029	\$ 349,806	\$ 329,452	\$ 590,237

Notes Payable

As of March 31, 2026, none of our loans receivable were financed with notes payable. Our notes payable as of December 31, 2025 are summarized as follows (\$ in thousands):

Contractual Maturity Date	Maximum Extension Date	Borrowing Outstanding	Carrying Value	Carrying Value of Collateral
9/2/2026 ⁽¹⁾	9/2/2027	\$ 121,833	\$ 121,454	\$ 173,239
2/2/2026 ⁽²⁾	2/2/2027	56,166	56,068	53,487
Total		<u>\$ 177,999</u>	<u>\$ 177,522</u>	<u>\$ 226,726</u>

- (1) In January 2026, this note payable was repaid in full upon the repayment of the associated loan receivable.
(2) In February 2026, we assigned our right, title, and interest in the loan receivable and collateral property to our financing counterparty in exchange for the full extinguishment of amounts due under the related note payable.

Secured Term Loan

On August 9, 2019, we entered into a secured term loan which accrued interest at the greater of (i) SOFR plus a 0.10% credit spread adjustment and (ii) 0.50%, plus a credit spread of 4.50%. In January 2026, we refinanced our secured term loan with a new secured term loan which provides for an aggregate principal amount of \$500.0 million, a maturity date of January 30, 2030, and incurs interest at a rate of SOFR plus 6.75%, subject to a floor of 2.50%. In connection with the repayment of our prior secured term loan, we recognized a loss on extinguishment of debt of \$5.9 million, representing unamortized deferred financing costs at the time of repayment. Our new secured term loan is collateralized by a pledge of equity in certain subsidiaries and their related assets. As consideration for and in connection with entering into our new secured term loan, we issued detachable warrants exercisable until January 2037. In accordance with ASC 470, *Debt*, based on relative fair values at January 30, 2026 and prior to original issue discount and deferred financing costs, we allocated \$486.5 million of value to the secured term loan using a discounted cash flow model, incorporating Level 3 assumptions of an implied yield on the value of the warrants. Value allocated to the detachable warrants is classified as equity and creates a corresponding discount on our secured term loan in the same amount which is amortized to interest expense using the effective interest method. Furthermore, we incurred \$23.0 million of transaction costs which were allocated proportionately between deferred financing costs and equity issuance costs in the same manner. See Note 9 - Equity - Warrants for further detail.

Our secured term loan as of March 31, 2026 is summarized as follows (\$ in thousands):

Contractual Maturity Date	Stated Rate ⁽¹⁾	Interest Rate	Borrowing Outstanding	Carrying Value
1/30/2030	S + 6.75%	10.41%	\$ 500,000	\$ 465,577

(1) SOFR at March 31, 2026 was 3.66%.

Our prior secured term loan as of December 31, 2025 is summarized as follows (\$ in thousands):

Contractual Maturity Date	Stated Rate ⁽¹⁾	Interest Rate	Borrowing Outstanding	Carrying Value
8/9/2026	S + 4.50%	8.29%	\$ 556,188	\$ 549,447

(1) SOFR at December 31, 2025 was 3.69%.

Debt Related to Real Estate Owned Hotel Portfolio

On February 8, 2021, we assumed a \$300.0 million securitized senior mortgage in connection with a foreclosure on a hotel portfolio which, subsequent thereto, was modified to provide for, among other things, total principal payments of \$25.0 million, an extension of the contractual maturity date to February 9, 2025, and the designation of a portion of the loan becoming partial recourse to us. Concurrent with each modification, we acquired interest rate caps with notional amounts equal to the borrowing outstanding, strike rates ranging from 3.0% to 5.0%, and maturity dates matching the associated financing. Upon maturity in February 2025, we entered into forbearance agreements with our lender through September 9, 2025 and concurrently repaid \$5.0 million of the principal balance. During the forbearance period, interest accrued at additional rates ranging from 3.0% to 5.0% per annum. On June 9, 2025, we refinanced our debt related to real estate owned hotel portfolio with a non-recourse senior mortgage in the amount of \$235.0 million. Such financing matures on June 9, 2027, and we may extend the maturity to June 9, 2030 pursuant to three one-year extension options, subject to meeting prescribed conditions.

Our debt related to real estate owned hotel portfolio as of March 31, 2026 is summarized as follows (\$ in thousands):

Contractual Maturity Date	Stated Rate ⁽¹⁾	Net Interest Rate ⁽¹⁾	Borrowing Outstanding	Carrying Value
6/9/2027	S + 3.18%	6.84%	\$ 235,000	\$ 231,699

(1) SOFR at March 31, 2026 was 3.66%, which was below the 6.79% strike rate provided by our interest rate cap. See Note 7 – Derivatives for further detail.

Our debt related to real estate owned hotel portfolio as of December 31, 2025 is summarized as follows (\$ in thousands):

Contractual Maturity Date	Stated Rate ⁽¹⁾	Net Interest Rate ⁽¹⁾	Borrowing Outstanding	Carrying Value
6/9/2027	S + 3.18%	6.87%	\$ 235,000	\$ 230,992

(1) SOFR at December 31, 2025 was 3.69%, which was below the 6.79% strike rate provided by our interest rate cap. See Note 7 – Derivatives for further detail.

Interest Expense and Amortization

The following table summarizes our interest and amortization expense on our secured financings, debt related to real estate owned hotel portfolio, and secured term loan for the three months ended March 31, 2026 and 2025, respectively (\$ in thousands):

	Three Months Ended	
	March 31, 2026	March 31, 2025
Interest expense on secured financings	\$ 31,249	\$ 67,414
Interest expense on secured term loan	12,589	16,048
Amortization of deferred financing costs	6,487	5,765
Amortization of discount on secured term loan	569	-
Interest and related expense	50,894	89,227
Interest expense on debt related to real estate owned hotel portfolio ⁽¹⁾	4,737	6,554
Interest expense on multifamily real estate owned properties ⁽²⁾	4,439	-
Total interest and related expense	\$ 60,070	\$ 95,781

- (1) For the three months ended March 31, 2026 and 2025, interest expense on debt related to real estate owned hotel portfolio includes \$0.7 million and \$0.4 million respectively, of amortization of deferred financing costs.
- (2) Our multifamily real estate owned assets are pledged to certain of our repurchase agreements. Thus, amount excludes any allocation of amortization of deferred financing costs related to such repurchase agreement.

Financial Covenants

Our financing agreements generally contain certain financial covenants. As of March 31, 2026, we are in compliance with all financial covenants under our financing agreements.

Future compliance with our financial covenants is dependent upon the results of our operating activities, our financial condition, and the overall market conditions in which we and our borrowers operate. The impact of macroeconomic conditions on the commercial real estate and capital markets, including elevated benchmark interest rates compared to recent historical levels and the effects thereof on our and our borrowers' operating performance, may make it more difficult for us to satisfy these financial covenants in the future. Non-compliance with financial covenants may result in our lenders exercising their rights and remedies as provided for in the respective agreements. As the results of our operating activities, our financial condition, and the overall market conditions in which we and our borrowers operate evolve, we may continue to work with our counterparties on modifying financial covenants as needed; however, there is no assurance that our counterparties will agree to such modifications.

Repurchase Agreements and Term Participation Facility

As calculated in accordance with our repurchase agreements and our term participation facility and as of March 31, 2026, (i) our tangible net worth shall not be less than \$1.0 billion plus 75% of the aggregate cash proceeds received by us after January 30, 2026 from any equity issuances, capital contributions, and/or subscriptions (net of any related costs), (ii) our total debt to equity ratio shall not exceed 3.50 to 1.00, and (iii) our cash liquidity shall not be less than the greater of (x) \$20.0 million or (y) 5% of total recourse indebtedness (which includes our secured term loan). For the quarters ending March 31, 2026 to June 30, 2027, there is no measurement of our ratio of earnings before interest, taxes, depreciation, and amortization to interest charges (our "Interest Coverage Ratio"). Commencing with the quarters ending September 30, 2027 and December 31, 2027, our Interest Coverage Ratio shall not be less than 1.10 to 1.00. Subsequent thereto, our Interest Coverage Ratio shall not be less than (i) 1.20 to 1.00 for the quarters ending March 31, 2028 and June 30, 2028 and (ii) 1.30 to 1.00 for the quarters ending September 30, 2028 and thereafter.

Secured Term Loan

As calculated in accordance with our new secured term loan agreement and effective upon its closing, (i) our tangible net worth shall not be less than \$1.0 billion plus 75% of the aggregate cash proceeds received by us after January 30, 2026 from any equity issuances, capital contributions, and/or subscriptions (net of any related costs) and (ii) our total debt to equity ratio shall not exceed 3.50 to 1.00. For the quarters ending March 31, 2026 to June 30, 2027, there is no measurement of our Interest Coverage Ratio. Commencing with the quarters ending September 30, 2027 and December 31, 2027, our Interest Coverage Ratio shall not be less than 1.10 to 1.00. Subsequent thereto, our Interest Coverage Ratio shall not be less than (i) 1.20 to 1.00 for the quarters ending March 31, 2028 and June 30, 2028 and (ii) 1.30 to 1.00 for the quarters ending September 30, 2028 and thereafter.

Note 7. Derivatives

Prior to the June 2025 refinance of our debt related to real estate owned hotel portfolio, we acquired interest rate caps with maturity dates and notional amounts equal to that of the then maturity dates and outstanding principal balance of our debt related to real estate owned hotel portfolio, respectively, and strike rates ranging from 3.0% to 5.0% which effectively limited the maximum interest rate to 7.94%. Concurrent with refinancing our debt related to real estate owned hotel portfolio in June 2025, we acquired an interest rate cap for a price of \$71,000 with a notional amount of \$235.0 million, a strike rate of 6.79%, and a maturity date of June 2027, which effectively limits the maximum interest rate of our debt related to real estate owned hotel portfolio to 9.97%.

Changes in the fair value of our interest rate cap are recorded as an unrealized gain or loss on interest rate cap on our consolidated statements of operations and the fair value is recorded in other assets on our consolidated balance sheets. Proceeds received from our counterparty related to the interest rate cap are recorded as proceeds from interest rate cap on our consolidated statements of operations. As of March 31, 2026 and December 31, 2025, the fair value of our interest rate cap was de minimis. During the three months ended March 31, 2026 and 2025, we did not recognize any proceeds from our interest rate caps.

Note 8. Fair Value Measurements

ASC 820, “Fair Value Measurements and Disclosures” establishes a framework for measuring fair value as well as disclosures about fair value measurements. It emphasizes that fair value is a market-based measurement, not an entity-specific measurement. Therefore, a fair value measurement should be determined based on the assumptions that market participants would use when pricing an asset or liability. As a basis for considering market participant assumptions in fair value measurements, the standards establish a fair value hierarchy that distinguishes between market participant assumptions based on market data obtained from sources independent of the reporting entity (observable inputs that are classified within Levels 1 and 2 of the hierarchy) and the reporting entity’s own assumptions about market participant assumptions (unobservable inputs classified within Level 3 of the hierarchy).

Level 1 inputs utilize unadjusted quoted prices in active markets for identical assets or liabilities that we have the ability to access. Level 2 inputs are inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly. Level 2 inputs may include quoted prices for similar assets and liabilities in active markets, as well as inputs that are observable for the asset or liability other than quoted prices, such as interest rates, foreign exchange rates, and yield curves that are observable at commonly quoted intervals. Level 3 inputs are unobservable inputs for the asset or liability which are typically based on an entity’s own assumptions, as there is little, if any, related market activity. 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. Our assessment of the significance of a particular input to the fair value measurement in its entirety requires judgment and considers factors specific to the asset or liability.

Financial Instruments Reported at Fair Value

The fair value of our interest rate caps are determined by using the market standard methodology of discounting the future expected cash receipts that would occur if variable interest rates rise above the strike rate of the interest rate caps. The variable interest rates used in the calculation of projected receipts on the interest rate caps are based on a third-party expert’s expectation of future interest rates derived from observable market interest rate curves and volatilities. Our interest rate caps are classified as Level 2 in the fair value hierarchy. As of March 31, 2026 and December 31, 2025, the fair value of our interest rate cap was de minimis.

Financial Instruments Not Reported at Fair Value

The carrying value and estimated fair value of financial instruments not recorded at fair value on a recurring basis but required to be disclosed at fair value were as follows (\$ in thousands):

	March 31, 2026					
	Carrying Value	Unpaid Principal Balance	Fair Value	Fair Value Hierarchy Level		
				Level 1	Level 2	Level 3
Loans receivable held-for-investment, net	\$ 3,107,577	\$ 3,506,048	\$ 3,072,630	\$ -	\$ -	\$ 3,072,630
Repurchase agreements	1,593,114	1,593,114	1,593,114	-	-	1,593,114
Term participation facility	339,160	339,160	335,082	-	-	335,082
Secured term loan, net	465,577	500,000	492,699	-	-	492,699
Debt related to real estate owned hotel portfolio, net	231,699	235,000	235,082	-	-	235,082

	December 31, 2025					
	Carrying Value	Unpaid Principal Balance	Fair Value	Fair Value Hierarchy Level		
				Level 1	Level 2	Level 3
Loans receivable held-for-investment, net	\$ 3,615,401	\$ 4,057,357	\$ 3,636,499	\$ -	\$ -	\$ 3,636,499
Repurchase agreements	1,857,614	1,857,614	1,857,614	-	-	1,857,614
Term participation facility	329,452	329,452	325,837	-	-	325,837
Notes payable, net	177,522	177,999	177,861	-	-	177,861
Secured term loan, net	549,447	556,188	538,112	-	-	538,112
Debt related to real estate owned hotel portfolio, net	230,992	235,000	235,216	-	-	235,216

Note 9. Equity

Common Stock

Our charter provides for the issuance of up to 500,000,000 shares of common stock with a par value of \$0.01 per share. As of March 31, 2026 and December 31, 2025, we had 140,218,764 and 140,218,764 shares of common stock issued and outstanding, respectively. During the three months ended March 31, 2026 and 2025, we did not issue, repurchase, or retire any shares of our common stock.

At the Market Stock Offering Program

On May 10, 2024, we entered into an equity distribution agreement with certain sales agents, pursuant to which we may sell, from time to time, up to an aggregate sales price of \$150.0 million of our common stock pursuant to a continuous offering program (the “ATM Agreement”) under our in place effective shelf registration. Sales of our common stock made pursuant to the ATM Agreement may be made in negotiated transactions or transactions that are deemed to be “at the market” offerings as defined in Rule 415 under the Securities Act of 1933, as amended. The timing and amount of actual sales will depend on a variety of factors, including market conditions, the trading price of our common stock, our capital needs, and our determination of the appropriate sources of funding to meet such needs. During the three months ended March 31, 2026, we did not issue any shares of our common stock pursuant to the ATM Agreement. As of March 31, 2026, the ATM Agreement has not been utilized, and \$150.0 million of our common stock remained available for issuance pursuant to the ATM Agreement.

Dividends

The Board did not declare any dividends during the three months ended March 31, 2026 and 2025.

Warrants

As consideration for and in connection with entering into our new secured term loan in January 2026, we issued detachable warrants to purchase up to 7,542,227 shares of our common stock at an exercise price of \$4.00 per share, with an expiration date of January 2037. In accordance with ASC 470, *Debt*, based on relative fair values at January 30, 2026, we allocated \$13.5 million of value to the warrants using Level 3 inputs within a Black-Scholes model, incorporating terms of the warrants, historical volatility of our common stock, and current dividend levels. Value allocated to warrants is classified as equity with no subsequent remeasurement and creates a corresponding discount on our secured term loan in the same amount. See Note 6 - Debt Obligations - Secured Term Loan for further detail. As of March 31, 2026, none of the warrants have been exercised.

Note 10. Earnings Per Share

We calculate basic earnings per share (“EPS”) using the two-class method, which defines unvested share-based payment awards that contain nonforfeitable rights to dividends as participating securities. Under the two-class method, both distributed and undistributed earnings are allocated to common stock and participating securities based on their respective rights. Basic EPS is calculated by dividing our net income (loss) less participating securities’ share in earnings by the weighted average number of shares of common stock outstanding during each period.

Diluted EPS is calculated under the more dilutive of the treasury stock or the two-class method. Under the treasury stock method, diluted EPS is calculated by dividing net income (loss) by the weighted average number of shares of common stock outstanding plus the incremental potential shares of common stock assumed issued during the period if they are dilutive.

For the three months ended March 31, 2026 and 2025, we had no dilutive securities. As a result, basic and diluted EPS are the same. The calculation of basic and diluted EPS is as follows (\$ in thousands, except per share data):

	Three Months Ended	
	March 31, 2026	March 31, 2025
Net loss	\$ (54,294)	\$ (78,623)
Dividends on participating securities ⁽¹⁾	-	-
Participating securities' share in earnings	-	-
Basic loss	\$ (54,294)	\$ (78,623)
Weighted average shares of common stock outstanding, basic and diluted ⁽²⁾	140,456,493	139,475,685
Net (loss) income per share of common stock, basic and diluted	\$ (0.39)	\$ (0.56)

(1) For the three months ended March 31, 2026 and 2025, our Board did not declare any dividends.

(2) Amounts for the three months ended March 31, 2026 and 2025 include 237,920 and 113,151 fully vested RSUs, respectively.

For the three months ended March 31, 2026 and 2025, 3,003,627 and 2,717,009 of weighted average unvested RSUs, respectively, were excluded from the calculation of diluted EPS because the effect was anti-dilutive. For the three months ended March 31, 2026, 7,542,227 of weighted average warrants were excluded from the calculation of diluted EPS because the effect was anti-dilutive. For the three months ended March 31, 2025, we had no outstanding warrants.

Note 11. Related Party Transactions

Our activities are managed by our Manager. Pursuant to the terms of the Management Agreement, our Manager is responsible for originating investment opportunities, providing asset management services and administering our day-to-day operations. Our Manager is entitled to receive a management fee, an incentive fee and a termination fee as defined below.

Management Fees

Effective October 1, 2015, our Manager earns a base management fee in an amount equal to 1.50% per annum of Stockholders' Equity, as defined in the Management Agreement. Management fees are reduced by our pro rata share of any management fees and incentive fees (if incentive fees are not incurred by us) incurred to our Manager by CMTG/TT. During the three months ended March 31, 2026 and 2025, we incurred \$7.3 million and \$8.4 million, respectively, of management fees. Management fees are generally paid quarterly, in arrears, and \$7.3 million and \$7.8 million were accrued and were included in management fee payable – affiliate, on our consolidated balance sheets at March 31, 2026 and December 31, 2025, respectively.

Incentive Fees

Our Manager is entitled to an incentive fee equal to 20% of the excess of our Core Earnings on a rolling four-quarter basis, as defined in the Management Agreement, over a 7.00% return on Stockholders' Equity. Incentive fees are reduced by our pro rata share of any incentive fees incurred to our Manager by CMTG/TT.

Termination Fees

On January 30, 2026 and in connection with our new secured term loan, we amended our Management Agreement and our by-laws. Our new secured term loan provides the lenders with the right to appoint two non-voting observers to our Board, each of whom must qualify as independent under the standards of the New York Stock Exchange and be reasonably satisfactory to us. The new secured term loan also provides additional governance rights upon the occurrence and continuance of a material event of default ("MEOD"), including the right to have the two board observers be automatically appointed to our Board (the "Designated Directors") and to have such Designated Directors, through a restructuring committee, participate in a review of our Manager and have such restructuring committee make a recommendation to the Board regarding whether or not to terminate our Manager. In such instances and prior to termination, only fees and expenses incurred subsequent to the MEOD necessary to cover our Manager's operating costs may be paid by us. Such amendment is only effective until our new secured term loan is repaid in full.

If we elect to terminate the Management Agreement aside from instances discussed above, we are required to pay our Manager a termination fee equal to three times the sum of the average total annual amount of management fees and the average annual incentive fee paid by us over the prior two years.

Reimbursable Expenses

Our Manager or its affiliates are entitled to reimbursement for certain documented costs and expenses incurred by them on our behalf, as set forth in the Management Agreement, excluding any expenses specifically required to be borne by our Manager under the Management Agreement. For the three months ended March 31, 2026 and 2025, we incurred \$0.7 million and \$0.7 million, respectively, of reimbursable expenses incurred on our behalf by our Manager, which are included in general and administrative expenses on our consolidated statements of operations. As of March 31, 2026 and December 31, 2025, \$0.7 million and \$1.0 million, respectively, of reimbursable expenses incurred on our behalf and due to our Manager are included in other liabilities on our consolidated balance sheets.

Note 12. Stock-Based Compensation

Incentive Award Plan

We are externally managed and do not currently have any employees. On March 30, 2016, we adopted the 2016 Incentive Award Plan (the “Plan”) to promote the success and enhance the value of the Company by linking the individual interests of employees of our Manager and its affiliates to those of our stockholders. As of March 31, 2026, the maximum remaining number of shares that may be issued under the Plan is 871,264 shares. Subsequent thereto, we issued 22,898 shares and 848,366 shares remain available under the Plan. Awards granted under the Plan may be granted with the right to receive dividend equivalents and generally vest in equal installments on the specified anniversaries of the grant.

Deferred Compensation Plan

On May 24, 2022, we adopted the Deferred Compensation Plan to provide our directors and certain executives with an opportunity to defer payment of their stock-based compensation or RSUs and director cash fees, if applicable, pursuant to the terms of the Deferred Compensation Plan.

Under our Deferred Compensation Plan, certain of our Board members elected to receive the annual fees and/or time-based RSUs to which they are entitled under our Non-Employee Director Compensation Program in the form of deferred RSUs. Accordingly, during the three months ended March 31, 2026 and 2025, we issued 17,192 and 11,088, respectively, of deferred RSUs in lieu of cash fees to such directors, and recognized an expense of approximately \$53,000 and \$53,000, respectively. Such expense is included in general and administrative expenses on our consolidated statements of operations.

Non-Employee Director Compensation Program

Our Board awards time-based RSUs to eligible non-employee Board members on an annual basis as part of such Board members’ annual compensation in accordance with the Non-Employee Director Compensation Program. The time-based awards are generally issued in the second quarter on the date of the annual meeting of our stockholders, in conjunction with the director’s election to our Board, and the awards vest on the earlier of (x) the one-year anniversary of the grant date and (y) the date of the next annual meeting of our stockholders following the grant date, subject to the applicable participants’ continued service through such vesting date.

Eligible non-executive members of our Board were granted the time-based RSUs under the Plan. Each RSU was granted with the right to receive dividend equivalents. Additionally, certain directors elected to defer their RSUs pursuant to the terms of the Deferred Compensation Plan. Such deferred awards will become payable on the earliest to occur of the participant’s separation from service or a change in control.

Stock-Based Compensation Expense

For the three months ended March 31, 2026 and 2025, we recognized \$2.3 million and \$5.1 million, respectively, of stock-based compensation expense related to the RSUs. As of March 31, 2026, total unrecognized compensation expense was \$9.2 million based on the grant date fair value of RSUs granted. This expense is expected to be recognized over a remaining period of 2.0 years from March 31, 2026.

Certain participants of the Plan are required to settle their tax liabilities through a reduction of their vested RSU delivery. Such amount will result in a corresponding adjustment to additional paid-in capital and a cash payment to our Manager or its affiliates in order to remit the required statutory tax withholding to each respective taxing authority. During the three months ended March 31, 2026 and 2025, there were no deliveries of shares of common stock for vested RSUs.

The following table details the time-based RSU activity during the three months ended March 31, 2026 and 2025:

	Three Months Ended March 31, 2026		Three Months Ended March 31, 2025	
	Number of Restricted Share Units	Weighted Average Grant Date Fair Value Per Share	Number of Restricted Share Units	Weighted Average Grant Date Fair Value Per Share
Unvested, beginning of period	2,845,627	\$ 5.19	2,722,295	\$ 11.70
Granted	1,185,000	2.08	24,509	4.08
Forfeited	-	-	(25,838)	10.69
Unvested, end of period	<u>4,030,627</u>	<u>4.27</u>	<u>2,720,966</u>	<u>11.64</u>

Note 13. Income Taxes

We have elected to be taxed as a REIT under Sections 856 through 860 of the Internal Revenue Code commencing with our taxable year ended December 31, 2015 and expect to continue to operate so as to qualify as a REIT. As a result, we will generally not be subject to federal and state income tax on that portion of our income that we distribute to stockholders if we (i) distribute at least 90% of our taxable income, determined without regard to the deduction for dividends paid and excluding any net capital gains, and (ii) comply with certain other requirements to qualify as a REIT. Since Commencement of Operations, we have been in compliance with all REIT requirements and we plan to continue to operate so that we meet the requirements for taxation as a REIT. Therefore, other than amounts relating to our taxable REIT subsidiary ("TRS"), as described below, we have not provided for current income tax expense related to our REIT taxable income for the three months ended March 31, 2026 and 2025, respectively. Additionally, no provision has been made for federal or state income taxes in the accompanying financial statements, as we believe we have met the prescribed requisite requirements.

In December 2024, our Board paused our quarterly dividend on our common stock commencing with the fourth quarter 2024 dividend that would have otherwise been paid in January 2025. The timing and amount of any future dividends declared by our Board depend on a variety of factors, including cash generated by operating activities, our financial condition, capital requirements, annual distribution requirements under the REIT provisions of the Internal Revenue Code, and such other factors as our Board deems relevant.

Our real estate owned hotel portfolio is held in a TRS. A TRS is a corporation that is owned directly or indirectly by a REIT and has jointly elected with the REIT to be treated as a TRS for tax purposes. Given the TRS's history of generating taxable losses, we are not able to conclude that it is more likely than not that we will realize the future benefit of the TRS's deferred tax assets and therefore recorded a full valuation allowance. Given the full valuation allowance, we did not record a provision or benefit for income taxes for the three months ended March 31, 2026 and 2025, and we did not have any deferred tax assets, net of valuation allowances or deferred tax liabilities, net of any valuation allowances as of March 31, 2026 and December 31, 2025. Our gross deferred tax asset and valuation allowance at March 31, 2026 were \$57.7 million. As of December 31, 2025, our gross deferred tax asset and valuation allowance were each \$54.8 million.

We recognize tax benefits for uncertain tax positions only if it is more likely than not that the position is sustainable based on its technical merits. Interest and penalties on uncertain tax positions, if applicable, are included as a component of the provision for income taxes in our consolidated statements of operations. As of March 31, 2026 and December 31, 2025, we have not recorded any amounts for uncertain tax positions.

Our tax returns are subject to audit by taxing authorities. As of the date of this filing, tax years 2022 and onward remain open to examination by major taxing jurisdictions in which we are subject to taxes.

Note 14. Commitments and Contingencies

We hold a 51% interest in CMTG/TT as a result of committing to invest \$124.9 million in CMTG/TT. As of March 31, 2026 and December 31, 2025, we have contributed \$163.1 million to CMTG/TT and have received return of capital distributions of \$123.3 million, of which \$111.1 million were recallable. As of March 31, 2026 and December 31, 2025, our remaining capital commitment to CMTG/TT was \$72.9 million.

As of March 31, 2026 and December 31, 2025, we had aggregate unfunded loan commitments of \$204.3 million and \$271.9 million, respectively, which amounts will generally be funded to finance construction or leasing related expenditures by our borrowers,

subject to them achieving certain conditions precedent to such funding. These future commitments will expire over the remaining term of the loans, none of which exceed five years.

To the extent a financing is expected to reach final maturity, we may seek replacement financings, extension of existing financings, or other capital solutions as deemed appropriate by management. Our contractual payments due under all financings were as follows as of March 31, 2026 (\$ in thousands):

Year	Initial Maturity ⁽¹⁾	Fully Extended Maturity ⁽²⁾
2026 ⁽³⁾	\$ 1,469,857	\$ 1,028,023
2027	279,869	381,092
2028	16,578	122,189
2029	168,460	168,460
2030	732,510	967,510
Total	<u>\$ 2,667,274</u>	<u>\$ 2,667,274</u>

(1) Initial maturity is based on the earlier of the initial maturity date of each individual corresponding loan receivable or the maximum maturity date under the respective financing agreement, assuming conditions to extend are met.

(2) Fully extended maturity is based on the earlier of the fully extended maturity date of each individual corresponding loan receivable or the maximum maturity date under the respective financing agreement, assuming conditions to extend are met.

(3) Includes financings outstanding of \$584.9 million related to eight loans in maturity default with aggregate unpaid principal balance of \$1.4 billion.

In the normal course of business, we may enter into contracts that contain a variety of representations and provide for general indemnifications. Our maximum exposure under these arrangements is unknown, as this would involve future claims that may be made against us that have not yet occurred. However, based on experience, we expect the risk of loss to be remote.

Note 15. Segment Reporting

We have determined that we have two operating segments and two reporting segments, with activities related to investing in income-producing loans collateralized by institutional quality commercial real estate and activities related to the operations of our real estate owned assets. Our Chief Operating Decision Maker is J. Michael McGillis, our Chief Financial Officer, President, and Director, who primarily utilizes Distributable Earnings (Loss) as described below.

Distributable Earnings (Loss) is a non-GAAP measure used to evaluate our performance excluding the effects of certain transactions, non-cash items and GAAP adjustments. Distributable Earnings (Loss) is a non-GAAP measure, which we define as net income (loss) in accordance with GAAP, excluding (i) non-cash stock-based compensation expense, (ii) real estate owned held-for-investment depreciation and amortization, (iii) any unrealized gains or losses from mark-to-market valuation changes (other than permanent impairments) that are included in net income (loss) for the applicable period, (iv) one-time events pursuant to changes in GAAP and (v) certain non-cash items, which in the judgment of our Manager, should not be included in Distributable Earnings (Loss).

The following table provides a calculation of Distributable Loss for our loan and REO portfolios, as well as a reconciliation to net loss, for the three months ended March 31, 2026 and 2025 (\$ in thousands):

	Three Months Ended March 31, 2026			Three Months Ended March 31, 2025		
	Loan Portfolio	REO Portfolio	Total	Loan Portfolio	REO Portfolio	Total
Interest and related income	\$ 58,999	\$ -	\$ 58,999	\$ 118,038	\$ -	\$ 118,038
Interest and related expense	(50,894)	-	(50,894)	(89,227)	-	(89,227)
Revenue from real estate owned	-	21,414	21,414	-	14,564	14,564
Amortization of above and below market leases, net	-	258	258	-	354	354
Management fees - affiliate	(7,347)	-	(7,347)	(8,397)	-	(8,397)
General and administrative expenses	(3,212)	-	(3,212)	(4,270)	-	(4,270)
Real estate owned:						
Operating expenses	-	(18,054)	(18,054)	-	(12,915)	(12,915)
Interest expense	-	(9,176)	(9,176)	-	(6,554)	(6,554)
Loss from equity method investment	(38)	-	(38)	(37)	-	(37)
Amortization of discount on secured term loan	569	-	569	-	-	-
Loss on extinguishment of debt	(5,898)	-	(5,898)	(547)	-	(547)
Principal charge-offs ⁽¹⁾	(61,861)	-	(61,861)	(46,653)	-	(46,653)
Valuation adjustment for real estate owned held-for-sale	-	-	-	-	(49)	(49)
Distributable Loss	<u>\$ (69,682)</u>	<u>\$ (5,558)</u>	<u>\$ (75,240)</u>	<u>\$ (31,093)</u>	<u>\$ (4,600)</u>	<u>\$ (35,693)</u>
Reconciliation to net loss						
Principal charge-offs ⁽¹⁾			61,861			46,653
Provision for current expected credit loss reserve			(31,372)			(41,123)
Valuation adjustment for loan receivable held-for-sale			-			(42,594)
Depreciation and amortization			(6,399)			(438)
Amortization of above and below market leases, net			(258)			(354)
Amortization of discount on secured term loan			(569)			-
Stock-based compensation expense			(2,317)			(5,074)
Net loss			<u>\$ (54,294)</u>			<u>\$ (78,623)</u>

- (1) For the three months ended March 31, 2026, amount includes a \$12.9 million charge-off of accrued interest receivable and \$0.3 million charge-off of an exit fee related to the sale of a hospitality loan in March 2026. For the three months ended March 31, 2025, amount includes a \$3.5 million charge-off of accrued interest receivable and a \$0.5 million charge-off of an exit fee related to the discounted payoff of a land loan in March 2025.

Note 16. Subsequent Events

We have evaluated subsequent events through the filing of this Quarterly Report on Form 10-Q and note the following transactions or events that have occurred:

- In May 2026, we completed a mortgage foreclosure on a multifamily property located in Dallas, TX. As of March 31, 2026, the multifamily property represented the collateral for a risk rated 5 loan receivable with an unpaid principal balance of \$25.4 million. See Note 3 - Loan Portfolio for further detail.
- In May 2026, we entered into a binding agreement to sell a 239-unit multifamily property located in Dallas, TX to an unaffiliated purchaser for a gross sales price of \$48.0 million. As of March 31, 2026, the property's carrying value was \$46.8 million, inclusive of lease intangible assets. The property previously served as partial collateral for a loan receivable and we foreclosed on the property in July 2025.

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

The following discussion should be read in conjunction with our unaudited consolidated financial statements and notes thereto appearing elsewhere in this Quarterly Report on Form 10-Q. References herein to "Claros Mortgage Trust," "Company," "we," "us" or "our" refer to Claros Mortgage Trust, Inc. and its subsidiaries unless the context specifically requires otherwise. References to our "Manager" refer to Claros REIT Management LP and references to our "Sponsor" refer to Mack Real Estate Credit Strategies, L.P. ("MRECS"), the CRE lending and debt investment business affiliated with our Manager and Mack Real Estate Group, LLC ("MREG"). Although MRECS and MREG are distinct legal entities, for convenience, references to our "Sponsor" are deemed to include references to MRECS and MREG, individually or collectively, as appropriate for the context and unless otherwise indicated. References to "CRE" throughout this Quarterly Report on Form 10-Q means commercial real estate.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

We make forward-looking statements herein and will make forward-looking statements in future filings with the SEC, press releases or other written or oral communications within the meaning of Section 27A of the Securities Act of 1933, as amended (the "Securities Act"), and Section 21E of the Securities Exchange Act of 1934, as amended (the "Exchange Act"). For these statements, we claim the protections of the safe harbor for forward-looking statements contained in such Sections. Forward-looking statements are subject to substantial risks and uncertainties, many of which are difficult to predict and are generally beyond our control. These forward-looking statements include information about possible or assumed future results of our business, financial condition, liquidity, results of operations, plans and objectives. When we use the words "believe," "expect," "anticipate," "estimate," "plan," "continue," "intend," "should," "may" or similar expressions, we intend to identify forward-looking statements. Statements regarding the following subjects, among others, may be forward-looking: our business and investment strategy; changes in interest rates and their impact on our borrowers and on the availability and cost of our financing; our projected operating results; defaults by borrowers in paying debt service on outstanding loans; anticipated timing, amount, and pace of resolutions of our investments; the timing of cash flows, if any, from our investments; our ability to maintain levels of liquidity that meet or exceed our liquidity needs; the state of and uncertainty surrounding the U.S. and global economy generally or in specific geographic regions; reduced demand for office, multifamily or retail space, including as a result of the increase in remote and/or hybrid work trends which allow work from remote locations other than the employer's office premises; governmental actions and initiatives and changes to government regulations and policies, including changes in monetary policy; the amount of commercial mortgage loans requiring refinancing; our ability to obtain and maintain financing arrangements on attractive terms, or at all; our ability to maintain compliance with covenants under our financing arrangements; current and prospective financing costs and advance rates for our existing and target assets; our expected leverage; general volatility of the capital markets and the markets in which we may invest and in which our borrowers operate; the state of the regional, national, and global banking systems; the return on or impact of current and future investments, including our loan portfolio and real estate owned assets; allocation of investment opportunities to us by our Manager and our Sponsor; changes in the markets in which we and our borrowers operate and the impacts thereof; changes in the market value of our investments and collateral underlying our investments; the effects of hedging instruments on our existing and target assets; rates of default, decreased recovery rates, and/or increased loss severity rates on our existing and target assets and related impairment charges, including as these relate to our real estate owned assets; the degree to which our hedging strategies may or may not protect us from interest rate volatility; changes in governmental regulations, tax laws and rates, and similar matters (including the interpretation thereof); our ability to maintain our qualification as a real estate investment trust ("REIT"); our ability to maintain our exclusion from registration under the Investment Company Act of 1940, as amended (the "1940 Act"); the availability and attractiveness of investment opportunities we are able to originate in our target assets; the ability of our Manager to locate suitable investments for us, monitor, service and administer our investments and execute our investment strategy; the availability of qualified personnel from our Sponsor and its affiliates, including our Manager; estimates relating to our ability to pay or resume paying dividends to our stockholders in the future; our understanding of our competition; impact of increased competition on projected returns; the risk of securities class action litigation or stockholder activism; geopolitical or economic conditions or uncertainty, which may include military conflicts and activities (including the military conflicts between Russia and Ukraine, Israel and Hamas, and elsewhere throughout the Middle East, North Africa, and South America more broadly), tensions involving Russia, China, and Iran, political instability, social unrest, civil disturbances, terrorism, natural disasters and pandemics; and market trends in our industry, interest rates, real estate values, the debt markets generally, the CRE debt market or the general economy.

The forward-looking statements are based on our beliefs, assumptions and expectations of our future performance, taking into account all information currently available to us. You should not place undue reliance on these forward-looking statements. These beliefs, assumptions and expectations can change as a result of many possible events or factors, not all of which are known to us. See "Item 1A. Risk Factors" of this Quarterly Report on Form 10-Q and our Annual Report on Form 10-K. These and other risks, uncertainties, and factors, including those described in the annual, quarterly and current reports that we file with the SEC, could cause our actual results to differ materially from those included in any forward-looking statements we make. Factors that could cause or

contribute to these differences include, but are not limited to, those identified below and those discussed in the section titled “Risk Factors” of this filing. If a change occurs, our business, financial condition, liquidity, results of operations and prospects may vary materially from those expressed in our forward-looking statements. Any forward-looking statement speaks only as of the date on which it is made. New risks and uncertainties arise over time, and it is not possible for us to predict those events or how they may affect us. Except as required by law, we are not obligated to, and do not intend to, update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

Introduction

We are a CRE finance company focused primarily on originating senior and subordinate loans on transitional CRE assets located in major U.S. markets, including mortgage loans secured by a first priority or subordinate mortgage on transitional CRE assets, and subordinate loans including mezzanine loans secured by a pledge of equity ownership interests in the direct or indirect property owner rather than directly in the underlying commercial properties. These loans are subordinate to a mortgage loan but senior to the property owner’s equity ownership interests. Transitional CRE assets are properties that require repositioning, renovation, rehabilitation, leasing, development or redevelopment or other value-added elements in order to maximize value. We believe our Sponsor’s real estate development, ownership and operations experience, and infrastructure differentiates us in lending on these transitional CRE assets. Our objective is to be a premier provider of debt capital for transitional CRE assets and, in doing so, to generate attractive risk-adjusted returns for our stockholders over time, primarily through dividends. We strive to create a diversified investment portfolio of CRE loans that we generally intend to hold to maturity. We focus primarily on originating loans ranging from \$50 million to \$300 million on transitional CRE assets located in U.S. markets with attractive fundamental characteristics supported by macroeconomic tailwinds.

Our loan origination and repayment volume may fluctuate based on market conditions or other conditions inherent in our portfolio. As such, we may modify our investment strategy from time to time by shifting focus to optimizing outcomes within our existing portfolio, which may include actions such as selling a loan or syndicating a portion of a loan, working with our borrowers to enhance the value of underlying properties that constitute our collateral, and, in certain circumstances in order to maximize recovery from a defaulted loan, assuming legal title and/or physical possession of the collateral property.

We were organized as a Maryland corporation on April 29, 2015 and commenced operations on August 25, 2015, and our common stock is traded on the New York Stock Exchange, or NYSE, under the symbol “CMTG.” We have elected and believe we have qualified to be taxed as a REIT for U.S. federal income tax purposes commencing with our taxable year ended December 31, 2015. We are externally managed and advised by our Manager, an investment adviser registered with the U.S. Securities and Exchange Commission (“SEC”) pursuant to the Investment Advisers Act of 1940, as amended (the “Advisers Act”). We operate our business in a manner that permits us to maintain our exclusion from registration under the 1940 Act.

I. Key Financial Measures and Indicators

As a CRE finance company, we believe the key financial measures and indicators for our business are net income (loss) per share, Distributable Earnings (Loss) per share, Distributable Earnings (Loss) per share prior to realized gains and losses, which such gains and losses includes charge-offs of principal, accrued interest receivable, and/or exit fees, dividends declared per share, book value per share, adjusted book value per share, Net Debt-to-Equity Ratio and Total Leverage Ratio. During the three months ended March 31, 2026, we had net loss per share of \$0.39, Diluted Distributable Loss per share of \$0.52, Diluted Distributable Loss per share prior to realized losses of \$0.05, and our Board did not declare any dividends. As of March 31, 2026, our book value per share was \$10.33, our adjusted book value per share was \$10.83, our Net Debt-to-Equity Ratio was 1.7x, and our Total Leverage Ratio was 2.2x. We use Net Debt-to-Equity Ratio and Total Leverage Ratio, financial measures which are not prepared in accordance with GAAP, to evaluate our financial leverage, which in the case of our Total Leverage Ratio, makes certain adjustments that we believe provide a more conservative measure of our financial condition.

Net Loss Per Share and Dividends Declared Per Share

The following table sets forth the calculation of basic and diluted net loss per share and dividends declared per share (\$ in thousands, except per share data):

	Three Months Ended	
	March 31, 2026	December 31, 2025
Net loss	\$ (54,294)	\$ (219,211)
Weighted average shares of common stock outstanding, basic and diluted	140,456,493	140,439,492
Basic and diluted net loss per share of common stock	\$ (0.39)	\$ (1.56)
Dividends declared per share of common stock	\$ -	\$ -

On December 16, 2024, our Board paused our quarterly dividend on our common stock commencing with the fourth quarter dividend that would have otherwise been paid in January 2025. Such action was taken to preserve capital and create added financial flexibility for capital allocation decisions, including to effectuate the refinancing of our prior secured term loan and reduce leverage on other financings, with the objective of enhancing stockholder value over the long-term. The timing and amount of any future dividends declared by our Board depend on a variety of factors, including cash generated by operating activities, our financial condition, capital requirements, annual distribution requirements under the REIT provisions of the Internal Revenue Code, and such other factors as our Board deems relevant.

Distributable Earnings (Loss)

Distributable Earnings (Loss) is a non-GAAP measure used to evaluate our performance excluding the effects of certain transactions, non-cash items and GAAP adjustments, as determined by our Manager. Distributable Earnings (Loss) is a non-GAAP measure, which we define as net income (loss) in accordance with GAAP, excluding (i) non-cash stock-based compensation expense, (ii) real estate owned held-for-investment depreciation and amortization, (iii) any unrealized gains or losses from mark-to-market valuation changes (other than permanent impairments) that are included in net income (loss) for the applicable period, (iv) one-time events pursuant to changes in GAAP and (v) certain non-cash items, which in the judgment of our Manager, should not be included in Distributable Earnings (Loss). Furthermore, we present Distributable Earnings (Loss) prior to realized gains and losses, which such gains and losses include charge-offs of principal, accrued interest receivable, and/or exit fees, as we believe this more easily allows our Board, Manager, and investors to compare our operating performance to our peers, to assess our ability to declare and pay dividends, and to determine our compliance with certain financial covenants. Pursuant to the Management Agreement, we use Core Earnings, which is substantially the same as Distributable Earnings (Loss) excluding incentive fees, to determine the incentive fees we pay our Manager.

We believe that Distributable Earnings (Loss) and Distributable Earnings (Loss) prior to realized gains and losses provide meaningful information to consider in addition to our net income (loss) and cash flows from operating activities in accordance with GAAP. Distributable Earnings (Loss) and Distributable Earnings (Loss) prior to realized gains and losses do not represent net income (loss) or cash flows from operating activities in accordance with GAAP and should not be considered as an alternative to GAAP net income (loss), an indication of our cash flows from operating activities, a measure of our liquidity or an indication of funds available for our cash needs. In addition, our methodology for calculating these non-GAAP measures may differ from the methodologies employed by other companies to calculate the same or similar supplemental performance measures and, accordingly, our reported Distributable Earnings (Loss) and Distributable Earnings (Loss) prior to realized gains and losses may not be comparable to the Distributable Earnings (Loss) and Distributable Earnings (Loss) prior to realized gains and losses reported by other companies.

In order to maintain our status as a REIT, we are required to distribute at least 90% of our REIT taxable income, determined without regard to the deduction for dividends paid and excluding net capital gain, as dividends. Distributable Earnings (Loss), Distributable Earnings (Loss) prior to realized gains and losses, and other similar measures, have historically been a useful indicator over time of a mortgage REIT's ability to cover its dividends, and to mortgage REITs themselves in determining the amount of any dividends to declare. Distributable Earnings (Loss) and Distributable Earnings (Loss) prior to realized gains and losses are key factors, among others, considered by our Board in determining the dividend each quarter and as such we believe Distributable Earnings (Loss) and Distributable Earnings (Loss) prior to realized gains and losses are also useful to investors.

While Distributable Earnings (Loss) excludes the impact of our provision for or reversal of current expected credit loss reserve, charge-offs of principal, accrued interest receivable, and/or exit fees are recognized through Distributable Earnings (Loss) when deemed non-recoverable. Non-recoverability is determined (i) upon the resolution of a loan (i.e., when the loan is repaid, fully or partially, when we acquire title in the case of foreclosure, deed-in-lieu of foreclosure, or assignment-in-lieu of foreclosure, or when the loan is sold or anticipated to be sold for an amount less than its carrying value), or (ii) with respect to any amount due under any loan, when such amount is determined to be uncollectible.

In determining Distributable Earnings (Loss) per share and Distributable Earnings (Loss) per share prior to realized gains and losses, the dilutive effects of unvested RSUs and warrants outstanding are considered. The weighted average diluted shares outstanding used for Distributable Earnings (Loss) and Distributable Earnings (Loss) per share prior to realized gains and losses have been adjusted from weighted average diluted shares under GAAP to include weighted average unvested RSUs and warrants outstanding, if the exercise price of the warrants outstanding exceeds the average share price of our common stock during such period.

The table below summarizes the reconciliation from weighted average diluted shares under GAAP to the weighted average diluted shares used for Distributable Loss and Distributable Earnings (Loss) prior to realized losses for the three months ended March 31, 2026 and December 31, 2025:

Weighted Averages	Three Months Ended	
	March 31, 2026	December 31, 2025
Diluted Shares - GAAP	140,456,493	140,439,492
Unvested RSUs	3,003,627	2,516,918
Diluted Shares - Distributable Loss	143,460,120	142,956,410

The following table provides a reconciliation of net loss to Distributable Loss and Distributable Earnings (Loss) prior to realized gains and losses (\$ in thousands, except per share data):

	Three Months Ended	
	March 31, 2026	December 31, 2025
Net loss	\$ (54,294)	\$ (219,211)
Adjustments:		
Non-cash stock-based compensation expense	2,317	2,242
Provision for current expected credit loss reserve	31,372	211,681
Depreciation and amortization expense	6,399	5,731
Amortization of above and below market lease values, net	258	258
Amortization of discount on secured term loan	569	-
Loss on extinguishment of debt	5,898	847
Loss on partial sales of real estate owned, net	-	1,382
Distributable (loss) earnings prior to realized losses	\$ (7,481)	\$ 2,930
Loss on extinguishment of debt	(5,898)	(847)
Principal charge-offs ⁽¹⁾	(61,861)	(102,222)
Loss on partial sales of real estate owned, net	-	(1,382)
Previously recognized depreciation and amortization on portion of real estate owned ⁽²⁾	-	(142)
Distributable loss	\$ (75,240)	\$ (101,663)
Weighted average diluted shares - Distributable loss	143,460,120	142,956,410
Diluted Distributable (loss) earnings per share prior to realized losses	\$ (0.05)	\$ 0.02
Diluted Distributable loss per share	\$ (0.52)	\$ (0.71)

- (1) For the three months ended March 31, 2026, amount includes a \$12.9 million charge-off of accrued interest receivable and a \$0.3 million charge-off of an exit fee related to the sale of a hospitality loan in March 2026. For the three months ended December 31, 2025, amount includes a \$16.9 million charge-off of accrued interest receivable related to the foreclosure on a land parcel in December 2025 and the mortgage foreclosure of a multifamily property in January 2026.
- (1) For the three months ended December 31, 2025, amounts reflect previously recognized depreciation and amortization on the portions of our mixed-use real estate owned asset that were sold. Amounts not previously recognized in Distributable Earnings (Loss).

Book Value Per Share

We believe that presenting book value per share adjusted for our general current expected credit loss reserve and accumulated depreciation and amortization on our real estate owned held-for-investment is useful for investors as it enhances the comparability to our peers who may not hold real estate investments. Further, we believe that our investors and lenders consider book value excluding these items as an important metric related to our overall capitalization.

The following table sets forth the calculation of our book value and our adjusted book value per share, a non-GAAP financial measure, as of March 31, 2026 and December 31, 2025 (\$ in thousands, except per share data):

	March 31, 2026	December 31, 2025
Total Equity	\$ 1,492,848	\$ 1,531,895
Number of shares of common stock outstanding and RSUs ⁽¹⁾	144,487,311	143,285,119
Book Value per share ⁽²⁾	\$ 10.33	\$ 10.69
Add back: accumulated depreciation and amortization on real estate owned and related lease intangibles	0.15	0.10
Add back: general CECL reserve	0.35	0.54
Adjusted Book Value per share	\$ 10.83	\$ 11.33

- (1) As of March 31, 2026, amount excludes 7,542,227 warrants outstanding as the exercise price of \$4.00 per share exceeded the closing share price of our common stock.
- (2) Calculated as (i) total equity divided by (ii) number of shares of common stock outstanding and RSUs at period end.

II. Our Portfolio

The table below summarizes our loans receivable held-for-investment as of March 31, 2026 (\$ in thousands):

	Number of Loans	Loan Commitment ⁽¹⁾	Unpaid Principal Balance	Carrying Value ⁽²⁾	Weighted Average ⁽³⁾			Weighted Average Origination LTV ⁽⁶⁾	Weighted Average Adjusted LTV ⁽⁷⁾
					Yield to Maturity ⁽⁴⁾	Term to Initial Maturity	Term to Fully Extended Maturity ⁽⁵⁾		
Senior and subordinate loans	28	\$ 3,710,319	\$ 3,506,048	\$ 3,155,195	5.6%	0.4 years	0.9 years	72.3%	77.2%

- (1) Loan commitment represents principal outstanding plus remaining unfunded loan commitments.
- (2) Net of specific CECL reserves of \$348.8 million.
- (3) Weighted averages are based on unpaid principal balance.
- (4) Represents the weighted average annualized yield to initial maturity of each loan, inclusive of coupon, and fees received, based on the applicable floating benchmark rate/floors (if applicable), in place as of March 31, 2026. For loans placed on non-accrual, the annualized yield to initial maturity used in calculating the weighted average annualized yield to initial maturity is 0%.
- (5) Fully extended maturity assumes all extension options are exercised by the borrower upon satisfaction of the applicable conditions.
- (6) Origination LTV represents “loan-to-value” or “loan-to-cost,” which is calculated as our total loan commitment upon origination, as if fully funded, plus any financings that are pari passu with or senior to our loan, divided by our estimate of either (1) the value of the underlying real estate, determined in accordance with our underwriting process (typically consistent with, if not less than, the value set forth in a third-party appraisal) or (2) the borrower’s projected, fully funded cost basis in the asset, in each case as we deem appropriate for the relevant loan and other loans with similar characteristics. Underwritten values and projected costs should not be assumed to reflect our judgment of current market values or project costs, which may have changed materially since the date of origination. Weighted average origination LTV is based on loan commitment, including non-consolidated senior interests and pari passu interests, and excludes risk rated 5 loans.
- (7) Adjusted LTV represents origination LTV updated only in connection with a partial loan paydown and/or release of collateral, material changes to expected project costs, the receipt of a new appraisal (typically in connection with financing or refinancing activity) or a change in our loan commitment. Adjusted LTV should not be assumed to reflect our judgment of current market values or project costs, which may have changed materially since the date of the most recent determination of LTV. Weighted average adjusted LTV is based on loan commitment, including non-consolidated senior interests, pari passu interests, and risk rated 5 loans. Loans with specific CECL reserves are reflected as 100% LTV.

Portfolio Activity and Overview

The following table details our individual loans receivable held-for-investment based on unpaid principal balances as of March 31, 2026 (\$ in thousands):

Loan Number	Loan Type	Origination Date	Loan Commitment ⁽¹⁾	Unpaid Principal Balance	Carrying Value ⁽²⁾	Origination LTV ⁽³⁾	Fully Extended Maturity ⁽⁴⁾	Property Type ⁽⁵⁾	Construction	Location	Risk Rating ⁽⁶⁾
1	Senior	12/16/2021	\$ 405,000	\$ 402,341	\$ 300,000	n/m	7/31/2025	Multifamily	-	CA	5
2	Senior	9/26/2019	319,900	225,746	190,800	n/m	3/31/2026	Office	-	GA	5
3	Senior	6/30/2022	224,938	224,938	224,593	63.9%	6/30/2029	Hospitality	-	CA	3
4	Senior	7/12/2018	219,000	219,000	220,350	52.9%	8/1/2028	Hospitality	-	NY	3
5	Senior	4/14/2022	187,480	179,798	179,798	55.7%	4/14/2027	Multifamily	-	MI	3
6	Senior	1/14/2022	170,000	170,000	98,000	n/m	1/14/2027	Multifamily	-	CO	5
7	Senior	1/9/2018	157,644	157,644	120,100	n/m	1/9/2024	Land	-	VA	5
8	Senior	9/8/2022	160,000	155,000	155,000	63.5%	9/8/2027	Multifamily	-	AZ	4
9	Senior	4/26/2022	151,698	139,237	90,000	n/m	4/26/2027	Multifamily	-	TX	5
10	Senior	12/10/2021	130,000	130,000	129,764	75.6%	12/10/2026	Multifamily	-	VA	2
11	Senior	6/17/2022	126,535	126,535	126,535	62.8%	6/17/2027	Multifamily	-	TX	4
12	Subordinate	12/9/2021	125,000	125,000	124,954	80.3%	1/1/2027	Office	-	IL	3
13	Senior	11/4/2022	124,200	118,066	117,984	43.1%	11/9/2026	Mixed-use	Y	MA	3
14	Senior	4/29/2019	117,323	115,489	115,021	61.5%	10/29/2026	Mixed-use	-	NY	3
15	Senior	7/20/2021	113,468	113,468	113,809	76.2%	7/20/2026	Multifamily	-	IL	3
16	Senior	2/13/2020	123,910	111,542	87,900	n/m	2/13/2025	Office	-	CA	5
17	Senior	12/21/2022	109,600	109,600	109,463	60.9%	12/21/2027	Multifamily	-	WA	3
18	Senior	7/30/2024	104,455	102,376	101,788	82.4%	10/21/2026	Retail	-	NJ	3
19	Senior	8/2/2021	93,300	91,514	91,127	68.5%	8/2/2026	Office	-	CA	4
20	Senior	12/15/2021	86,000	86,000	86,000	58.5%	12/15/2026	Mixed-use	-	TN	3
21	Senior	8/1/2022	115,250	78,500	78,500	82.1%	7/30/2026	Hospitality	Y	NY	4
22	Senior	7/27/2022	75,550	75,550	75,601	66.1%	7/27/2027	Multifamily	-	UT	3
23	Senior	1/19/2022	73,677	68,676	68,556	51.2%	1/19/2027	Hospitality	-	TN	3
24	Senior	8/27/2021	79,960	66,642	39,200	n/m	8/27/2026	Office	-	GA	5
25	Senior	4/5/2019	50,000	50,000	50,000	49.0%	4/6/2028	Retail	-	NY	3
26	Senior	4/5/2019	36,345	36,345	36,345	n/m	4/5/2028	Other	-	Other	3
27 ⁽⁸⁾	Senior	2/17/2022	28,479	25,434	22,400	n/m	2/17/2027	Multifamily	-	TX	5
28	Senior	7/1/2019	1,607	1,607	1,607	n/m	12/30/2020	Other	-	Other	5
Total			3,710,319	3,506,048	3,155,195						
General CECL reserve					(47,618)						
Grand Total/Weighted Average			\$ 3,710,319	\$ 3,506,048	\$ 3,107,577					6%	3.7

(1) Loan commitment represents principal outstanding plus remaining unfunded loan commitments.

(2) Net of specific CECL reserves of \$348.8 million.

(3) Origination LTV represents “loan-to-value” or “loan-to-cost,” which is calculated as our total loan commitment upon origination, as if fully funded, plus any financings that are pari passu with or senior to our loan, divided by our estimate of either (1) the value of the underlying real estate, determined in accordance with our underwriting process (typically consistent with, if not less than, the value set forth in a third-party appraisal) or (2) the borrower’s projected, fully funded cost basis in the asset, in each case as we deem appropriate for the relevant loan and other loans with similar characteristics. Underwritten values and projected costs should not be assumed to reflect our judgment of current market values or project costs, which may have changed materially since the date of origination. Weighted average origination LTV of 72.3% is based on loan commitment, including non-consolidated senior interests and pari passu interests, and excludes risk rated 5 loans.

(4) Fully extended maturity assumes all extension options are exercised by the borrower upon satisfaction of the applicable conditions.

(5) Classification of property type and construction status reflect the state of collateral as of March 31, 2026.

(6) Percent of total construction loans based on loan commitments as of March 31, 2026.

(7) Weighted average risk rating weighted by carrying value net of specific CECL reserves.

(8) In May 2026, we acquired legal title to the collateral property through a mortgage foreclosure.

The following table summarizes changes in unpaid principal balance for our loans receivable held-for-investment (\$ in thousands):

	Three Months Ended March 31, 2026
Unpaid principal balance, beginning of period	\$ 4,057,357
Advances on existing loans	22,176
Repayments of loans receivable	(244,729)
Assignment of loan receivable to lender	(71,356)
Sale of loan receivable	(220,000)
Transfer to real estate owned, held-for-investment (See Note 5)	(37,400)
Unpaid principal balance, end of period	<u>\$ 3,506,048</u>

During the three months ended March 31, 2026, we resolved \$608.8 million of unpaid principal balance prior to charge-offs, including \$434.9 million of watchlist loans, and received \$4.0 million of partial loan repayments. Such resolutions included (i) \$240.8 million of full loan repayments, (ii) \$220.0 million of loan sales below par, (iii) \$76.6 million of mortgage foreclosures prior to charge-offs, and (iv) \$71.4 million related to the assignment of our right, title, and interest in a loan receivable and the collateral property to our financing counterparty in exchange for the full extinguishment of amounts due under the related financing. Subsequent to March 31, 2026, we resolved a watchlist loan with \$25.4 million of unpaid principal balance prior to charge-offs through a mortgage foreclosure and received \$8.0 million of partial loan repayments.

Real Estate Owned

To maximize recovery from certain defaulted loans, we have assumed legal title and/or physical possession of the collateral property underlying such loan receivables. As of March 31, 2026, our portfolio includes nine real estate owned assets with a total carrying value of \$780.2 million (including related net lease intangible assets and deferred leasing costs), of which one was acquired through a mortgage foreclosure during the quarter ended March 31, 2026. Such real estate owned assets are not included in the summary of our loan portfolio table above. The following table details the carrying value of each of our real estate owned held-for-investment assets reflected on our consolidated balance sheet as of March 31, 2026 (\$ in thousands):

Property Type	Location	Acquisition Date	Carrying Value			Total
			Real Estate, Net	Lease Intangibles, Net ⁽¹⁾	Deferred Leasing Costs, Net ⁽¹⁾	
Hotel Portfolio	New York, NY	February 2021	\$ 319,471	\$ -	\$ -	\$ 319,471
Mixed-use	New York, NY	June 2023	67,335	12,325	654	80,314
Multifamily	Phoenix, AZ	May 2025	40,490	268	-	40,758
Multifamily	Henderson, NV	June 2025	74,676	688	-	75,364
Multifamily	Dallas, TX	July 2025	24,181	172	-	24,353
Multifamily ⁽²⁾	Dallas, TX	July 2025	107,740	622	42	108,404
Land Parcel	New York, NY	December 2025	94,277	-	-	94,277
Multifamily	Dallas, TX	January 2026	36,593	672	-	37,265
Total, March 31, 2026			<u>\$ 764,763</u>	<u>\$ 14,747</u>	<u>\$ 696</u>	<u>\$ 780,206</u>

(1) Amounts included in other assets or other liabilities on our consolidated balance sheet.

(2) Represents two multifamily properties which previously represented the collateral property for one loan receivable. In May 2026, we entered into a binding agreement to sell one of the multifamily properties to an unaffiliated purchaser for a gross sales price of \$48.0 million. As of March 31, 2026, the individual property's carrying value was \$46.8 million, inclusive of lease intangible assets.

The following table presents detail related to changes in our real estate owned held-for-investment, net, during the three months ended March 31, 2026 (\$ in thousands):

	Gross Cost	Accumulated Depreciation	Real Estate Owned Held-for-Investment, Net
Total, December 31, 2025	\$ 736,736	\$ (6,731)	\$ 730,005
Foreclosure of multifamily property including capitalized transaction costs	36,835	-	36,835
Capital expenditures	2,264	-	2,264
Depreciation expense	-	(4,341)	(4,341)
Total, March 31, 2026	\$ 775,835	\$ (11,072)	\$ 764,763

Fair values of collateral assets used to determine the initial estimated fair value of real estate owned are calculated using a discounted cash flow model, a sales comparison approach, or a market capitalization approach. Estimates of fair values used to determine real estate owned upon acquisition may include, among others, assumptions of property specific cash flows over estimated holding periods, assumptions of property redevelopment costs, assumptions of leasing activities, discount rates, market and terminal capitalization rates, and, with respect to land, value per buildable square foot. These assumptions are based upon the nature of the properties, recent and projected property cash flows, recent sales and lease comparables, and anticipated real estate and capital market conditions, among other factors which we may deem relevant. Estimates of fair values used to determine real estate owned upon acquisition during the three months ended March 31, 2026 include assumptions of a market capitalization rate of 5.75% and a discount rate of 8.00%.

See Note 5 - Real Estate Owned to our consolidated financial statements for further detail.

Asset Management

Our Manager proactively manages our portfolio from each investment's closing to final resolution and our Sponsor has dedicated asset management employees to perform asset management services. Following the closing of an investment, the asset management team rigorously monitors the investment, with an emphasis on ongoing analyses of both quantitative and qualitative matters, including financial, legal, and market conditions. Through the final resolution, the asset management team maintains regular contact with borrowers, servicers, property managers, and local market experts while monitoring the performance of the asset, anticipating borrower, property and market issues, and enforcing our rights and remedies when appropriate.

Some of our borrowers may experience delays in the execution of their business plans, changes in their capital position and available liquidity and/or changes in market conditions which may impact the performance of the collateral property, borrower, or sponsor. As a transitional lender, we may from time to time execute loan modifications with borrowers when and if appropriate, which may include additional equity contributions from them, repurposing of reserves, pledges of additional collateral or other forms of credit support, additional guarantees, temporary deferrals of interest or principal, partial deferral of coupon interest as payment-in-kind interest, and/or a discounted loan payoff. To the extent warranted by ongoing conditions specific to our borrowers or overall market conditions, we may make additional modifications and/or in certain circumstances when and if appropriate, and depending on the business plans, financial condition, liquidity and results of operations of our borrowers, among other factors, (i) assume legal title and/or physical possession of the collateral property or (ii) assign our right, title, and interest in our loan and the collateral property to our financing counterparty in exchange for the extinguishment of amounts due under the related financing.

Our Manager evaluates the credit quality of each of our loans receivable on an individual basis and assigns a risk rating at least quarterly. We have developed a loan grading system for all of our outstanding loans receivable that are collateralized directly or indirectly by real estate. Grading criteria include, but are not limited to, as-is or as-stabilized debt yield, term of loan, property type, property or collateral location, loan type, structure, collateral cash flow volatility and other more subjective variables that include, but are not limited to, as-is or as-stabilized collateral value, market conditions, industry conditions, borrower/sponsor financial stability, and borrower/sponsor exit plan. While evaluating the credit quality of each loan within our portfolio, we assess these quantitative and qualitative factors as a whole and with no pre-prescribed weight on their impact to our determination of a loan's risk rating. However, based upon the facts and circumstances for each loan and the overall market conditions, we may consider certain previously mentioned factors more or less relevant than others. We utilize the grading system to determine each loan's risk of loss and to provide a determination as to whether an individual loan is impaired and whether a specific CECL reserve is necessary. Based on a 5-point scale, the loans are graded "1" through "5," from less risk to greater risk, respectively. The weighted average risk rating of our loans receivable held-for-investment portfolio was 3.7 as of March 31, 2026, weighted by carrying value net of specific CECL reserves.

Current Expected Credit Losses

The current expected credit loss reserve required under GAAP reflects our current estimate of potential credit losses related to our loan portfolio, which may fluctuate depending on market conditions and changes in our loan portfolio. See Note 2 to our consolidated financial statements for further detail of our current expected credit loss reserve methodology. The following table illustrates the changes in the current expected credit loss reserve for our loans receivable held-for-investment for the three months ended March 31, 2026 and 2025 (\$ in thousands):

		General CECL Reserve				
	Specific CECL Reserve	Loans Receivable Held-for-Investment	Unfunded Loan Commitments ⁽²⁾	Total General CECL Reserve	Accrued Interest Receivable ⁽¹⁾	Total CECL Reserve
Total reserve, December 31, 2024	\$ 120,920	\$ 122,110	\$ 5,546	\$ 127,656	\$ 17,794	\$ 266,370
Provision (reversal)	41,458	(3,975)	100	(3,875)	3,540	41,123
Charge-offs	(43,113)	-	-	-	(3,540)	(46,653)
Total reserve, March 31, 2025	\$ 119,265	\$ 118,135	\$ 5,646	\$ 123,781	\$ 17,794	\$ 260,840
Total reserve, December 31, 2025	\$ 365,424	\$ 73,328	\$ 4,340	\$ 77,668	\$ 26,782	\$ 469,874
Provision (reversal)	32,368	(25,710)	(1,864)	(27,574)	26,578	31,372
Charge-offs	(48,977)	-	-	-	(12,884)	(61,861)
Total reserve, March 31, 2026	\$ 348,815	\$ 47,618	\$ 2,476	\$ 50,094	\$ 40,476	\$ 439,385

- (1) CECL reserves for accrued interest receivable, if any, are included in other assets on our consolidated balance sheets.
(2) CECL reserves for unfunded commitments are included in other liabilities on our consolidated balance sheets.

The following table illustrates our specific and general CECL reserves as a percentage of total unpaid principal balance of loans receivable held-for-investment as of March 31, 2026, December 31, 2025, March 31, 2025, and December 31, 2024:

	Specific CECL Reserve ⁽¹⁾	General CECL Reserve ⁽²⁾	Total CECL Reserve ⁽³⁾
Reserve at December 31, 2024	18.2%	2.3%	4.0%
Reserve at March 31, 2025	16.4%	2.4%	4.1%
Reserve at December 31, 2025	26.0%	2.9%	10.9%
Reserve at March 31, 2026	26.8%	2.3%	11.4%

- (1) Represents specific CECL reserves on loans receivable held-for-investment as a percentage of unpaid principal balance of risk rated 5 loans.
(2) Represents general CECL reserves on loans receivable held-for-investment and related unfunded loan commitments as a percentage of unpaid principal balance of loans subject to the general CECL reserve.
(3) Represents total CECL reserves on loans receivable held-for-investment and related unfunded loan commitments as a percentage of total unpaid principal balance of loans receivable held-for-investment.

Specific CECL Reserves

In certain circumstances, we may determine that a borrower is experiencing financial difficulty, and, if the repayment of the loan's principal is collateral dependent, the loan is no longer suited for the WARM model. In these instances, there have been diminutions in the fair value and performance of the collateral property primarily as a result of reduced tenant and/or capital markets demand for such property types in the markets in which these assets and borrowers operate. For such loans, we seek resolutions through a variety of means including, but not limited to, foreclosures on the collateral asset, sales of our loan receivable, and discounted repayments. If we anticipate assuming legal title and/or physical possession of the collateral property and the fair value of the collateral property is determined to be below the carrying value of our loan, we may recognize a specific CECL reserve. Furthermore, in certain circumstances, we may recognize a specific CECL reserve based upon anticipated proceeds from the disposition of our loan. The following table presents a summary of our risk rated 5 loans receivable held-for-investment as of March 31, 2026 (\$ in thousands):

Property Type	Location	Unpaid Principal Balance	Carrying Value Before Specific CECL Reserve	Specific CECL Reserve	Net Carrying Value
Multifamily	CA	\$ 402,341	\$ 402,223	\$ (102,223)	\$ 300,000
Multifamily	CO	170,000	170,000	(72,000)	98,000
Multifamily	TX	139,237	138,722	(48,722)	90,000
Multifamily ⁽¹⁾	TX	25,434	25,373	(2,973)	22,400
Total Multifamily		737,012	736,318	(225,918)	510,400
Land	VA	157,644	157,644	(37,544)	120,100
Total Land		157,644	157,644	(37,544)	120,100
Office	GA	225,746	225,746	(34,946)	190,800
Office	CA	111,542	111,263	(23,363)	87,900
Office	GA	66,642	66,244	(27,044)	39,200
Total Office		403,930	403,253	(85,353)	317,900
Other ⁽²⁾	Other	1,607	1,607	-	1,607
Total Other		1,607	1,607	-	1,607
Total		\$ 1,300,193	\$ 1,298,822	\$ (348,815)	\$ 950,007

(1) In May 2026, we acquired legal title to the collateral property through a mortgage foreclosure.

(2) Amounts deemed uncollectible have been charged-off as of March 31, 2026.

Fair values of collateral assets used to determine specific CECL reserves are calculated using a discounted cash flow model, a sales comparison approach, or a market capitalization approach. Estimates of fair values used to determine specific CECL reserves may include, among others, assumptions of property specific cash flows over estimated holding periods, assumptions of property redevelopment costs, assumptions of leasing activities, discount rates, market and terminal capitalization rates, and, with respect to land, value per buildable square foot. These assumptions are based upon the nature of the properties, recent and projected property cash flows, recent sales and lease comparables, and anticipated real estate and capital market conditions, among other factors which we may deem relevant. Estimates of fair values used to determine specific CECL reserves as of March 31, 2026 include discount rates ranging from 6.0% to 9.5%, market and terminal capitalization rates ranging from 4.72% to 8.25%, and, with respect to the land loan, value per buildable square foot of \$140 based on current entitlements.

Historical Originations and Realizations

The following table presents our loan commitment originations, loan commitment realizations, and the amount of principal charge-offs recognized for each origination vintage year as of March 31, 2026 by year of origination (\$ in thousands):

	Total by Origination Year as of March 31, 2026								
	Total	2026	2025	2024 ⁽²⁾	2023	2022	2021	2020	2019 and Prior
Loan Commitment Originations ⁽¹⁾	\$ 18,148,694	\$ -	\$ -	\$ 104,455	\$ 101,059	\$ 3,463,564	\$ 2,959,122	\$ 401,743	\$ 11,118,751
Loan Commitment Realizations through Repayment, Sale, or Assignment	\$ 13,468,185	\$ -	\$ -	\$ -	\$ 101,059	\$ 1,567,843	\$ 1,813,911	\$ 276,933	\$ 9,708,439
Principal Charge-offs from Repayment or Sale	\$ 420,307	\$ -	\$ -	\$ -	\$ 315	\$ 94,122	\$ 8,251	\$ 23,675	\$ 293,944
Loan Commitment Realizations through REO	\$ 806,414	\$ -	\$ -	\$ -	\$ -	\$ 320,868	\$ 83,901	\$ -	\$ 401,645
Principal Charge-offs from REO ⁽³⁾	\$ 152,397	\$ -	\$ -	\$ -	\$ -	\$ 45,896	\$ 39,053	\$ -	\$ 67,448

(1) Loan commitment upsizes and protective advances subsequent to origination are reflected as increases in loan commitment in the year that the loan was originated.

(2) Reflects a loan receivable acquired in connection with a full loan repayment.

(3) Excludes loss recognized in connection with the reclassification of our real estate owned hotel portfolio to held-for-sale and loss on partial sales of our mixed-use real estate owned asset, net.

Portfolio Financing

Our financing arrangements include repurchase arrangements, a term participation facility, asset-specific financings, debt related to real estate owned hotel portfolio, and secured term loan borrowings.

The following table summarizes our secured financings (\$ in thousands):

	March 31, 2026		
	Capacity	Borrowings Outstanding	Weighted Average Spread ⁽¹⁾
Repurchase agreements and term participation facility	\$ 3,638,348	\$ 1,932,274	+ 2.91%
Secured term loan	500,000	500,000	+ 6.75%
Debt related to real estate owned hotel portfolio	235,000	235,000	+ 3.18%
Total/Weighted Average	\$ 4,373,348	\$ 2,667,274	+ 3.65%

(1) Weighted average spread over the applicable benchmark rate is based on unpaid principal balance. SOFR as of March 31, 2026 was 3.66%.

See Note 6 - Debt Obligations to our consolidated financial statements for further detail.

Repurchase Agreements and Term Participation Facility

We finance certain of our loans and multifamily real estate owned properties using repurchase agreements and a term participation facility. As of March 31, 2026, aggregate borrowings outstanding under our repurchase agreements and term participation facility totaled \$1.9 billion, with a weighted average spread of SOFR plus 2.91% per annum based on unpaid principal balance. As of March 31, 2026, the loans receivable securing the outstanding borrowings under these facilities had a weighted average term to initial maturity and fully extended maturity of 0.4 years and 0.9 years, respectively, assuming all conditions to extend are met. Further, we have a repurchase agreement that specifically provides for the ability to finance (i) loans receivable, including those which may be delinquent or in default, and (ii) real estate owned assets subsequent to assuming legal title and/or physical possession of the collateral property. As of March 31, 2026, \$232.5 million of borrowings outstanding relate to our multifamily real estate owned assets.

Each repurchase agreement contains “margin maintenance” provisions, which are designed to allow the counterparty to require the delivery of cash or other assets to de-lever financings on assets that are determined to have experienced a diminution in value. Since inception through March 31, 2026, we have not received any margin calls under any of our repurchase agreements.

Secured Term Loan

In January 2026, we refinanced our prior secured term loan with a new secured term loan which provides for an aggregate principal amount of \$500.0 million and a maturity date of January 30, 2030. Our secured term loan is presented net of any discounts and transaction costs which are deferred and recognized as interest expense over the life of the loan using the effective interest method. As of March 31, 2026, our secured term loan has an unpaid principal balance of \$500.0 million and a carrying value of \$465.6 million. As consideration for and in connection with entering into our new secured term loan in January 2026, we issued detachable warrants to purchase up to 7,542,227 shares of our common stock at an exercise price of \$4.00 per share, with an expiration date of January 2037.

Debt Related to Real Estate Owned Hotel Portfolio

On February 8, 2021, we assumed a \$300.0 million securitized senior mortgage in connection with a foreclosure on a hotel portfolio which, subsequent thereto, was modified to provide for, among other things, total principal payments of \$25.0 million, an extension of the contractual maturity date to February 9, 2025, and the designation of a portion of the loan becoming partial recourse to us. Upon maturity in February 2025, we entered into forbearance agreements with our lender through September 9, 2025 and concurrently repaid \$5.0 million of the principal balance. On June 9, 2025, we refinanced our debt related to real estate owned hotel portfolio with a non-recourse senior mortgage in the amount of \$235.0 million. Such financing matures on June 9, 2027, and we may extend the maturity to June 9, 2030 pursuant to three one-year extension options, subject to meeting prescribed conditions. As of March 31, 2026, our debt related to real estate owned hotel portfolio has an unpaid principal balance of \$235.0 million, a carrying value of \$231.7 million and a stated rate of SOFR plus 3.18%. See Derivatives below for further detail of our interest rate cap.

Derivatives

Prior to the June 2025 refinance of our debt related to real estate owned hotel portfolio, we acquired interest rate caps with maturity dates and notional amounts equal to that of the then maturity dates and outstanding principal balance of our debt related to real estate owned hotel portfolio, respectively, and strike rates ranging from 3.0% to 5.0% which effectively limited the maximum interest rate to 7.94%. Concurrent with refinancing our debt related to real estate owned hotel portfolio in June 2025, we acquired an interest rate cap for a price of \$71,000 with a notional amount of \$235.0 million, a strike rate of 6.79%, and a maturity date of June 2027, which effectively limits the maximum interest rate of our debt related to real estate owned hotel portfolio to 9.97%.

Changes in the fair value of our interest rate cap are recorded as an unrealized gain or loss on interest rate cap on our consolidated statements of operations and the fair value is recorded in other assets on our consolidated balance sheets. Proceeds received from our counterparty related to the interest rate cap are recorded as proceeds from interest rate cap on our consolidated statements of operations. As of March 31, 2026 and December 31, 2025, the fair value of our interest rate cap was de minimis. During the three months ended March 31, 2026 and 2025, we did not recognize any proceeds from our interest rate caps.

Financial Covenants

Our financing agreements generally contain certain financial covenants. As of March 31, 2026, we are in compliance with all financial covenants under our financing agreements.

Future compliance with our financial covenants is dependent upon the results of our operating activities, our financial condition, and the overall market conditions in which we and our borrowers operate. The impact of macroeconomic conditions on the commercial real estate and capital markets, including elevated benchmark interest rates compared to recent historical levels and the effects thereof on our and our borrowers' operating performance, may make it more difficult for us to satisfy these financial covenants in the future. Non-compliance with financial covenants may result in our lenders exercising their rights and remedies as provided for in the respective agreements. As the results of our operating activities, our financial condition, and the overall market conditions in which we and our borrowers operate evolve, we may continue to work with our counterparties on modifying financial covenants as needed; however, there is no assurance that our counterparties will agree to such modifications.

Repurchase Agreements and Term Participation Facility

As calculated in accordance with our repurchase agreements and our term participation facility and as of March 31, 2026, (i) our tangible net worth shall not be less than \$1.0 billion plus 75% of the aggregate cash proceeds received by us after January 30, 2026 from any equity issuances, capital contributions, and/or subscriptions (net of any related costs), (ii) our total debt to equity ratio shall not exceed 3.50 to 1.00, and (iii) our cash liquidity shall not be less than the greater of (x) \$20.0 million or (y) 5% of total recourse indebtedness (which includes our secured term loan). For the quarters ending March 31, 2026 to June 30, 2027, there is no measurement of our ratio of earnings before interest, taxes, depreciation, and amortization to interest charges (our "Interest Coverage Ratio"). Commencing with the quarters ending September 30, 2027 and December 31, 2027, our Interest Coverage Ratio shall not be less than 1.10 to 1.00. Subsequent thereto, our Interest Coverage Ratio shall not be less than (i) 1.20 to 1.00 for the quarters ending March 31, 2028 and June 30, 2028 and (ii) 1.30 to 1.00 for the quarters ending September 30, 2028 and thereafter.

Secured Term Loan

As calculated in accordance with our new secured term loan agreement and effective upon its closing, (i) our tangible net worth shall not be less than \$1.0 billion plus 75% of the aggregate cash proceeds received by us after January 30, 2026 from any equity issuances, capital contributions, and/or subscriptions (net of any related costs) and (ii) our total debt to equity ratio shall not exceed 3.50 to 1.00. For the quarters ending March 31, 2026 to June 30, 2027, there is no measurement of our Interest Coverage Ratio. Commencing with the quarters ending September 30, 2027 and December 31, 2027, our Interest Coverage Ratio shall not be less than 1.10 to 1.00. Subsequent thereto, our Interest Coverage Ratio shall not be less than (i) 1.20 to 1.00 for the quarters ending March 31, 2028 and June 30, 2028 and (ii) 1.30 to 1.00 for the quarters ending September 30, 2028 and thereafter.

Non-Consolidated Senior Interests Sold and Non-Consolidated Senior Interests Held by Third Parties

In certain instances, we use structural leverage through the non-recourse syndication of a match-term senior loan interest to a third party which qualifies for sale accounting under GAAP, or through the acquisition of a subordinate loan for which a non-recourse senior interest is retained by a third party. In such instances, the senior loan is not included on our consolidated balance sheet.

The following table summarizes our non-consolidated senior interest and related retained subordinate interest as of March 31, 2026 (\$ in thousands):

	Loan Count	Loan Commitment	Unpaid Principal Balance	Carrying Value	Weighted Average Interest Rate ⁽¹⁾	Term to Initial Maturity (in years)	Term to Fully Extended Maturity (in years) ⁽²⁾
Fixed rate non-consolidated senior loans	1	\$ 830,000	\$ 830,000	N/A	3.47%	0.8	0.8
Retained fixed rate subordinate loans	1	\$ 125,000	\$ 125,000	\$ 124,954	8.50%	0.8	0.8

(1) Weighted average is based on unpaid principal balance.

(2) Term to fully extended maturity is determined based on the maximum maturity of each of the corresponding loans, assuming all extension options are exercised by the borrower; provided, however, that our loans may be repaid prior to such date.

Floating and Fixed Rate Portfolio

Our business model seeks to minimize our exposure to changing interest rates by originating floating rate loans and financing them with floating rate liabilities. Further, we seek to match the benchmark rate index in the floating rate loans we originate with the benchmark index used in the related floating rate financings. Generally, we use SOFR as the benchmark rate index in both our floating rate loans and floating rate financings. As of March 31, 2026, 96.4% of our loans receivable held-for-investment based on unpaid principal balance were floating rate and indexed to SOFR. All of our financing is floating rate and indexed to SOFR, which resulted in approximately \$712.2 million of net floating rate exposure.

The following table details our net floating rate exposure as of March 31, 2026 (\$ in thousands):

	Net Floating Rate Exposure
Floating rate loans receivable	\$ 3,379,441
Floating rate liabilities secured by loans receivable	(1,699,764)
Net floating rate exposure - loan portfolio ⁽¹⁾	1,679,677
Floating rate liabilities secured by real estate owned assets	(467,510)
Secured term loan	(500,000)
Net floating rate exposure	\$ 712,167

(1) As of March 31, 2026, amount includes \$960.2 million of net floating rate exposure related to loans on non-accrual status.

As of March 31, 2026 and aside from our interest rate cap on our debt related to real estate owned hotel portfolio, we do not employ interest rate derivatives (interest rate swaps, caps, collars or floors) to hedge our asset or liability portfolio, but we may do so in the future.

Results of Operations – Three Months Ended March 31, 2026 and December 31, 2025

As previously disclosed, beginning with our Quarterly Report on Form 10-Q for the quarter ended September 30, 2021, and for all subsequent reporting periods, we have elected to present results of operations by comparing to the immediately preceding period, as well as the same year to date period in the prior year. Given the dynamic nature of our business and the sensitivity to the real estate and capital markets, we believe providing analysis of results of operations by comparing to the immediately preceding period is more meaningful to our stockholders in assessing the overall performance of our current business.

Operating Results

The following table sets forth information regarding our consolidated results of operations for the three months ended March 31, 2026, and December 31, 2025 (\$ in thousands, except per share data):

	Three Months Ended		\$ Change
	March 31, 2026	December 31, 2025	
Revenue			
Interest and related income	\$ 58,999	\$ 74,427	\$ (15,428)
Less: interest and related expense	50,894	61,929	(11,035)
Net interest income	8,105	12,498	(4,393)
Revenue from real estate owned	21,414	34,249	(12,835)
Total net revenue	29,519	46,747	(17,228)
Expenses			
Management fees - affiliate	7,347	7,774	(427)
General and administrative expenses	3,212	5,869	(2,657)
Stock-based compensation expense	2,317	2,242	75
Real estate owned:			
Operating expenses	18,054	21,375	(3,321)
Interest expense	9,176	9,026	150
Depreciation and amortization	6,399	5,731	668
Total expenses	46,505	52,017	(5,512)
Loss on partial sales of real estate owned, net	-	(1,382)	1,382
Loss from equity method investment	(38)	(31)	(7)
Loss on extinguishment of debt	(5,898)	(847)	(5,051)
Provision for current expected credit loss reserve	(31,372)	(211,681)	180,309
Net loss	\$ (54,294)	\$ (219,211)	\$ 164,917
Net loss per share of common stock:			
Basic and diluted	\$ (0.39)	\$ (1.56)	\$ 1.17

Comparison of the three months ended March 31, 2026 and December 31, 2025

Net Revenue

Total net revenue decreased \$17.2 million during the three months ended March 31, 2026, compared to the three months ended December 31, 2025. The decrease is primarily due to a decrease in revenue from real estate owned of \$12.8 million attributable to a decrease in revenue at the hotel portfolio compared to the three months ended December 31, 2025, due to expected seasonally lower overall occupancy, average daily rate (“ADR”) and revenue per available room (“RevPAR”) levels, as well as a decrease in net interest income of \$4.4 million, which was driven by a decrease in interest income of \$15.4 million as a result of decreased average loans receivable balances and additional loans on non-accrual status, partially offset by a decrease in interest expense of \$11.0 million as a result of lower average borrowing levels during the three months ended March 31, 2026 compared to the three months ended December 31, 2025 as a result of loan realizations during the quarter in addition to incremental deleveraging.

Expenses

Expenses are primarily comprised of base management fees payable to our Manager, general and administrative expenses, stock-based compensation expense, operating expenses from real estate owned, interest expense from real estate owned, and depreciation and amortization on real estate owned and related in-place and other lease intangible values. Operating expenses from real estate owned primarily include real estate taxes, utilities, repairs and maintenance, personnel costs of third-party property managers, property management fees incurred to third-parties, insurance, marketing, and general and administrative expenses specific to our real estate

owned properties. Expenses decreased by \$5.5 million during the three months ended March 31, 2026, as compared to the three months ended December 31, 2025, primarily due to:

- (i) a decrease in operating expenses from real estate owned of \$3.3 million during the comparative period, due to lower variable operating expenses in connection with lower occupancy levels at the hotel portfolio due to seasonality;
- (ii) a decrease in general and administrative expenses of \$2.7 million primarily as a result of a decrease in certain non-recurring charges incurred over the comparative period generally related to legal and professional fees incurred in connection with the modification of our prior secured term loan in November 2025;
- (iii) a decrease in management fees of \$0.4 million as a result of lower stockholders' equity compared to the comparative period;
- (iv) partially offset by an increase in depreciation and amortization from real estate owned of \$0.7 million due to depreciation and amortization expense recognized relating to the multifamily property we foreclosed on during the three months ended March 31, 2026.

Loss on Partial Sales of Real Estate Owned, Net

During the three months ended December 31, 2025, we sold the remaining office floors and the signage component of our mixed-use real estate owned asset to unaffiliated purchasers, which resulted in a loss on partial sale of \$1.3 million. During the three months ended March 31, 2026, there were no partial sales of our real estate owned assets.

Loss from Equity Method Investment

During the three months ended March 31, 2026 and December 31, 2025, we recognized de minimis losses from our equity method investment as a result of the net losses recognized by our investee during each respective period.

Loss on Extinguishment of Debt

During the three months ended March 31, 2026 and December 31, 2025, we recognized losses on extinguishment of debt of \$5.9 million and \$0.8 million, respectively, relating to the accelerated recognition of unamortized deferred financing costs resulting from the repayment of financing balances prior to maturity. The loss on extinguishment of debt incurred during the three months ended March 31, 2026 was in connection with the refinancing of our prior secured term loan; the loss on extinguishment of debt incurred during the three months ended December 31, 2025 was in connection with a \$150.0 million partial repayment of our prior secured term loan as part of a modification to its terms.

Provision for Current Expected Credit Loss Reserve

During the three months ended March 31, 2026, we recorded a provision for current expected credit losses of \$31.4 million, which consisted of a \$32.4 million increase in our specific CECL reserves prior to principal and exit fee charge-offs and a \$26.6 million increase in CECL reserves on accrued interest receivable prior to charge-offs, offset in part by a \$27.6 million decrease in our general CECL reserves. The increase in our specific CECL reserves was primarily attributable to protective advances made on certain loans and a specific reserve determined on a loan sold which was not previously classified as held-for-sale, offset in part by principal charge-offs recognized. The increase in our CECL reserves on accrued interest receivable is attributable to reserving against outstanding interest due to us upon a loan being placed on non-accrual status during the three months ended March 31, 2026, offset in part by a reduction in reserves upon the receipt of past due interest and charge-offs recognized in connection with the sale of a delinquent loan. The decrease in our general CECL reserves was primarily attributable to seasoning of our loan portfolio, a reduction in the size of our loan portfolio subject to determination of the general CECL reserve, and changes in the historical loss rate of the analogous data set, offset in part by changes in risk ratings and expected remaining duration within our loan portfolio. During the three months ended December 31, 2025, we recorded a provision for current expected credit losses of \$211.7 million, which consisted of a \$282.9 million increase in our specific CECL reserve prior to principal charge-offs, offset in part by a \$62.1 million decrease in our general CECL reserve and a \$9.1 million decrease in CECL reserves on accrued interest receivable. The increase of our specific CECL reserves was primarily attributable to specific reserves determined on loans now classified as risk rated 5, changes to collateral values, and protective advances made, offset in part by principal charge-offs recognized. The decrease in our general CECL reserve was primarily attributable to a reduction in the size of our loan portfolio subject to determination of the general CECL reserve, partially offset by changes in expected remaining duration within our loan portfolio. The decrease in our CECL reserves on accrued interest receivable was attributable to interest receipts on outstanding amounts owed that were previously reserved against.

Results of Operations – Three Months Ended March 31, 2026 and March 31, 2025

The following table sets forth information regarding our consolidated results of operations for the three months ended March 31, 2026 and 2025 (\$ in thousands, except per share data):

	Three Months Ended		
	March 31, 2026	March 31, 2025	\$ Change
Revenue			
Interest and related income	\$ 58,999	\$ 118,038	\$ (59,039)
Less: interest and related expense	50,894	89,227	(38,333)
Net interest income	8,105	28,811	(20,706)
Revenue from real estate owned	21,414	14,564	6,850
Total net revenue	29,519	43,375	(13,856)
Expenses			
Management fees - affiliate	7,347	8,397	(1,050)
General and administrative expenses	3,212	4,270	(1,058)
Stock-based compensation expense	2,317	5,074	(2,757)
Real estate owned:			
Operating expenses	18,054	12,915	5,139
Interest expense	9,176	6,554	2,622
Depreciation and amortization	6,399	438	5,961
Total expenses	46,505	37,648	8,857
Loss from equity method investment	(38)	(37)	(1)
Loss on extinguishment of debt	(5,898)	(547)	(5,351)
Loss on real estate owned held-for-sale	-	(49)	49
Provision for current expected credit loss reserve	(31,372)	(41,123)	9,751
Valuation adjustment for loan receivable held-for-sale	-	(42,594)	42,594
Net loss	\$ (54,294)	\$ (78,623)	\$ 24,329
Net loss per share of common stock:			
Basic and diluted	\$ (0.39)	\$ (0.56)	\$ 0.17

Comparison of the three months ended March 31, 2026 and March 31, 2025

Net Revenue

Total net revenue decreased \$13.9 million during the three months ended March 31, 2026, compared to the three months ended March 31, 2025. The decrease is primarily due to a decrease in net interest income of \$20.7 million, which was driven by a decrease in interest income of \$59.0 million as a result of a reduction in the size of our loan portfolio and an increase in the portion of loans on non-accrual status during the three months ended March 31, 2026 as compared to the three months ended March 31, 2025, partially offset by a decrease in interest expense of \$38.3 million primarily as a result of lower average borrowing levels. The decrease in total net revenue was partially offset by an increase in revenue from real estate owned of \$6.9 million attributable to revenue recognized from the multifamily properties we foreclosed on in 2025 and January 2026 and attributable to higher overall average occupancy, RevPAR, and ADR levels at our hotel portfolio compared to the three months ended March 31, 2025, offset in part by a reduction in revenue from our mixed-use real estate owned asset as a result of partial asset sales during 2025.

Expenses

Expenses are primarily comprised of base management fees payable to our Manager, general and administrative expenses, stock-based compensation expense, operating expenses from real estate owned, interest expense from real estate owned, and depreciation and amortization on real estate owned and related in-place and other lease intangible values. Operating expenses from real estate owned primarily include real estate taxes, utilities, repairs and maintenance, personnel costs of third-party property managers, property management fees incurred to third-parties, insurance, marketing, and general and administrative expenses specific to our real estate owned properties. Expenses increased by \$8.9 million during the three months ended March 31, 2026, as compared to the three months ended March 31, 2025, primarily due to:

- (i) an increase in operating expenses from real estate owned of \$5.1 million during the comparative period, due to operating expenses such as real estate taxes, utilities, and repairs and maintenance expenses incurred from the multifamily properties we foreclosed on in 2025 and January 2026;
- (ii) an increase in interest expense on real estate owned of \$2.6 million during the comparative period, due to interest expense recognized on debt related to the multifamily properties we foreclosed on in 2025 and January 2026;
- (iii) an increase in depreciation and amortization from real estate owned of \$6.0 million primarily due to depreciation and amortization expense recognized on the multifamily properties we foreclosed on in 2025 and January 2026 and depreciation expense not being recognized on the hotel portfolio during the three months ended March 31, 2025 while the hotel portfolio was classified as held-for sale;
- (iv) partially offset by a decrease in stock-based compensation of \$2.8 million due to the vesting period of previously issued restricted stock units ending on July 1, 2025 and the remaining unvested restricted stock unit grants having a grant date fair value less than that of the grant which vested;
- (v) further offset by a decrease in general and administrative expenses of \$1.1 million primarily as a result of a decrease in non-recurring costs incurred over the comparative period, generally related to legal and professional fees related to loan enforcement and financing related matters;
- (vi) further offset by a decrease in management fees of \$1.1 million as a result of lower stockholders' equity compared to the comparative period;

Loss from Equity Method Investment

During the three months ended March 31, 2026 and 2025, we recognized de minimis losses from our equity method investment as a result of the net losses recognized by our investee during each respective period.

Loss on Extinguishment of Debt

During the three months ended March 31, 2026 and 2025, we recognized losses on extinguishment of debt of \$5.9 million and \$0.6 million, respectively, due to the recognition of unamortized deferred financing costs resulting from the repayment of financing balances prior to maturity.

Loss on Real Estate Owned, Held-for-Sale

During the three months ended March 31, 2025, we recognized an additional \$49,000 of loss on real estate owned held-for-sale as a result of capital expenditures incurred at our hotel portfolio which was classified as held-for-sale at that time.

Provision for Current Expected Credit Loss Reserve

During the three months ended March 31, 2026, we recorded a provision for current expected credit losses of \$31.4 million, which consisted of a \$32.4 million increase in our specific CECL reserves prior to principal and exit fee charge-offs and a \$26.6 million increase in CECL reserves on accrued interest receivable prior to charge-offs, offset in part by a \$27.6 million decrease in our general CECL reserves. The increase in our specific CECL reserves was primarily attributable to protective advances made on certain loans and a specific reserve determined on a loan sold which was not previously classified as held-for-sale, offset in part by principal charge-offs recognized. The increase in our CECL reserves on accrued interest receivable is attributable to reserving against outstanding interest due to us upon a loan being placed on non-accrual status during the three months ended March 31, 2026, offset in part by a reduction in reserves upon the receipt of past due interest and charge-offs recognized in connection with the sale of a delinquent loan. The decrease in our general CECL reserves was primarily attributable to seasoning of our loan portfolio, a reduction in the size of our loan portfolio subject to determination of the general CECL reserve, and changes in the historical loss rate of the analogous data set, offset in part by changes in risk ratings and expected remaining duration within our loan portfolio. During the three months ended March 31, 2025, we recorded a provision for current expected credit losses of \$41.1 million, which consisted of a \$41.5 million increase in our specific CECL reserve prior to charge-offs of principal and exit fees and a \$3.5 million increase in CECL reserves on accrued interest receivable prior to charge-offs, offset in part by a \$3.9 million decrease in our general CECL reserve. The increase in our specific CECL reserves was primarily attributable to specific reserves determined on a discounted loan repayment, offset in part by changes to collateral values and protective advances made. The reversal of our general CECL reserves was primarily attributable to changes in the historical loss rate of the analogous data set, seasoning of our loan portfolio, and a reduction in the size of our loan portfolio subject to determination of the general CECL reserve.

Valuation Adjustment for Loan Receivable Held-for-Sale

During the three months ended March 31, 2025, we recognized a valuation adjustment of \$42.6 million for our loan receivable held-for-sale as a result of a reduction in anticipated proceeds from the sale of such loan.

Liquidity and Capital Resources

Capitalization

We have capitalized our business to date primarily through the issuance of shares of our common stock, issuance of warrants, and borrowings under our secured financings and secured term loan. As of March 31, 2026, we had 140,218,764 shares of our common stock outstanding, representing \$1.5 billion of equity, and, in connection with entering into our new secured term loan in January 2026, had 7,542,227 of warrants outstanding with an exercise price of \$4.00 per share. Further, we had \$2.7 billion of outstanding borrowings under our secured financings, our secured term loan, and our debt related to real estate owned hotel portfolio. As of March 31, 2026, our secured financings consisted of four repurchase agreements with capacity of \$3.3 billion and a combined outstanding balance of \$1.6 billion, and a term participation facility with a capacity of \$347.1 million and an outstanding balance of \$339.2 million. As of March 31, 2026, our debt related to real estate owned hotel portfolio had an outstanding balance of \$235.0 million and our secured term loan had an outstanding balance of \$500.0 million.

Net Debt-to-Equity Ratio and Total Leverage Ratio

Net Debt-to-Equity Ratio and Total Leverage Ratio are non-GAAP measures that we use to evaluate our financial leverage, which in the case of our Total Leverage Ratio, makes certain adjustments that we believe provide a more conservative measure of our financial condition.

Net Debt-to-Equity Ratio is calculated as the ratio of asset-specific debt (repurchase agreements, term participation facility, notes payable, net, and debt related to real estate owned hotel portfolio, net) and secured term loan, less cash and cash equivalents to total equity.

Total Leverage Ratio is similar to Net Debt-to-Equity Ratio; however, it includes non-consolidated senior interests sold and non-consolidated senior interests held by third parties. Non-consolidated senior interests sold and non-consolidated senior interests held by third parties, as applicable, are secured by the same collateral as our loan and are structurally senior in repayment priority relative to our loan. We believe the inclusion of non-consolidated senior interests sold and non-consolidated senior interests held by third parties provides a meaningful measure of our financial leverage.

The following table presents our Net Debt-to-Equity Ratios and Total Leverage Ratios as of March 31, 2026 and December 31, 2025 (\$ in thousands):

	March 31, 2026	December 31, 2025
Asset-specific debt	\$ 2,163,973	\$ 2,595,580
Secured term loan, net	465,577	549,447
Total debt	2,629,550	3,145,027
Less: cash and cash equivalents	(116,782)	(173,186)
Net Debt	\$ 2,512,768	\$ 2,971,841
Total Equity	\$ 1,492,848	\$ 1,531,895
Net Debt-to-Equity Ratio	1.7x	1.9x
Non-consolidated senior loans	830,000	830,000
Total Leverage	\$ 3,342,768	\$ 3,801,841
Total Leverage Ratio	2.2x	2.5x

Sources of Liquidity

Our primary sources of liquidity include cash and cash equivalents, interest income from our loans, proceeds from loan repayments, available borrowings under our repurchase agreements based on existing collateral, available borrowing capacity related to our asset-specific financings based on existing collateral, proceeds from the issuance of incremental secured term loan or other corporate debt issuances, and proceeds from the issuance of our common stock. As circumstances warrant and to the extent permissible, we and our subsidiaries may also issue common equity, preferred equity, warrants, and/or debt, incur other debt, including term loans, or explore sales of certain of our loans receivable or real estate owned assets from time to time, dependent upon market conditions and available pricing.

Although we generally intend to hold our loans to maturity, sales of loans receivable, which may result in realized losses, discounted loan payoffs, and/or sales of real estate owned assets may occur in order to redeploy capital to more accretive opportunities, meet operating objectives, adapt to market conditions, and/or manage liquidity needs. Furthermore, we cannot predict the timing or

impact of future asset sales or loan repayments, and, since many of our loans and real estate owned assets are financed, a portion, or in some cases all, of the net proceeds from the sales or repayments of our loans or our real estate owned assets are expected to be used to de-lever our secured financings.

The following table sets forth, as of March 31, 2026 and December 31, 2025, our sources of available liquidity (\$ in thousands):

	March 31, 2026	December 31, 2025
Cash and cash equivalents	\$ 116,782	\$ 173,186
Approved and undrawn credit capacity ⁽¹⁾	14,879	11,446
Total sources of liquidity	<u>\$ 131,661</u>	<u>\$ 184,632</u>

(1) Amounts based on existing collateral.

Under the terms of our loan agreements with certain of our borrowers, we require and have oversight of borrower funds held in reserve accounts with third-party loan servicers for our benefit which provide additional collateral support for our loans. Upon the occurrence of certain events or the borrower meeting prescribed conditions in accordance with the terms of the loan agreement, these funds may be transferred by the third-party loan servicers to the borrower or to other third parties, subject to our approval, to satisfy certain obligations. In instances where the borrower is in monetary default under the terms of the loan agreement, we have the ability to direct the third-party loan servicers to release such reserve funds to us to satisfy past due amounts. To date, funds held in such reserve accounts are not and have not been reflected on our consolidated balance sheets.

The following table presents a summary of our unencumbered loans receivable held-for-investment as of March 31, 2026 (\$ in thousands):

Loan Type	Loan Commitment	Unpaid Principal Balance	Carrying Value	Property Type	Construction	Location	Risk Rating
Subordinate	\$ 125,000	\$ 125,000	\$ 124,954	Office	-	IL	3
Senior	115,250	78,500	78,500	Hospitality	Y	NY	4
Senior	93,300	91,514	91,127	Office	-	CA	4
Senior ⁽¹⁾	79,960	66,642	39,200	Office	-	GA	5
Senior	1,607	1,607	1,607	Other	-	Other	5
Total	<u>\$ 415,117</u>	<u>\$ 363,263</u>	<u>\$ 335,388</u>				

(1) Carrying value reflects amount net of specific CECL reserves of \$27.0 million.

As of March 31, 2026, we held unencumbered real estate owned assets with a total carrying value of \$174.6 million, comprised of our mixed-use real estate owned asset with a carrying value of \$80.3 million (including related net lease intangible assets and deferred leasing costs) and our land parcel real estate owned asset with a carrying value of \$94.3 million were unencumbered.

Our ability to finance or sell certain of these unencumbered assets is subject to one or more counterparties' willingness to finance or purchase such loans or real estate owned assets.

To facilitate future offerings of equity, debt and other securities, we have in place an effective shelf registration statement (the "Shelf") with the SEC. The securities covered by this Shelf include up to \$250,000,000 in the aggregate of: (i) common stock, (ii) preferred stock, (iii) debt securities, (iv) depositary shares, (v) warrants, (vi) purchase contracts, and (vii) units, and up to 16,058,983 shares of common stock offered by the selling securityholders. The specifics of any future offerings, along with the use of proceeds of any securities offered, will be described in detail in a prospectus supplement, or other offering material, at the time of any offering.

On May 10, 2024, we entered into an equity distribution agreement with certain sales agents, pursuant to which we may sell, from time to time, up to an aggregate sales price of \$150.0 million of our common stock pursuant to a continuous offering program (the "ATM Agreement") under our in place effective shelf registration. Sales of our common stock made pursuant to the ATM Agreement may be made in negotiated transactions or transactions that are deemed to be "at the market" offerings as defined in Rule 415 under the Securities Act of 1933, as amended. The timing and amount of actual sales will depend on a variety of factors, including market conditions, the trading price of our common stock, our capital needs, and our determination of the appropriate sources of funding to meet such needs. During the three months ended March 31, 2026, we did not issue any shares of our common stock pursuant to the

ATM Agreement. As of March 31, 2026, the ATM Agreement has not been utilized, and \$150.0 million of our common stock remained available for issuance pursuant to the ATM Agreement.

Liquidity Needs

Our primary liquidity needs generally include loan origination and acquisitions, future fundings to our borrowers on our unfunded loan commitments, interest payment and principal repayment obligations on outstanding borrowings under our financings, operating expenses, management fees, and dividend payments to our stockholders necessary to satisfy REIT dividend requirements, if any. We currently maintain, and seek to maintain, cash and liquidity to i) comply with minimum liquidity covenants under certain of our financing agreements and ii) meet our above mentioned primary liquidity needs. Further, we seek to meet such liquidity needs through our sources of liquidity discussed above.

During the three months ended March 31, 2026 and the year ended December 31, 2025, we made deleveraging payments to certain of our financing counterparties in the amounts of \$142.1 million and \$579.7 million, respectively, which include \$56.2 million and \$150.0 million of deleveraging upon the refinancing of our secured term loan in January 2026 and the modification of our prior secured term loan in November 2025, respectively. Such deleveraging payments are generally funded from proceeds generated from the resolution of our loans receivable and real estate owned assets. In April 2026, we further deleveraged certain of our financing counterparties in the amount of \$8.0 million and expect to continue to do so as agreed with our lenders. Our ability to make any future deleveraging payments or required principal repayments will depend upon the results of our operating activities, our total sources of liquidity, the timing, amount, and pace of resolutions of our loans and real estate owned assets, our financial condition, and the overall market conditions in which we operate, among other factors.

As of March 31, 2026, we had aggregate unfunded loan commitments of \$204.3 million which is comprised of funding for capital expenditures and construction, leasing costs, and carry costs. The timing of these fundings will vary depending on the progress of capital projects, leasing, and cash flows at the properties securing our loans and equity contributions from our borrowers, if required. Therefore, the exact timing and amounts of such future loan fundings are uncertain and will depend on the current and future performance of the collateral property, but are expected to occur over the remaining loan term. In certain circumstances, conditions to funding may not be met by our borrowers and portions of our unfunded loan commitments may never become eligible to be drawn on.

We may from time to time use capital to retire, redeem, or repurchase our equity or debt securities, term loans or other debt instruments through open market purchases, privately negotiated transactions or otherwise. The execution of such retirements, redemptions or repurchases, if any, will depend on prevailing market conditions, our liquidity requirements, contractual restrictions and/or other factors deemed relevant.

Contractual Obligations and Commitments

Our contractual obligations and commitments as of March 31, 2026 were as follows (\$ in thousands):

	Payment Timing				
	Total Obligations	Less than 1 year	1 to 3 years	3 to 5 years	More than 5 years
Unfunded loan commitments ⁽¹⁾	\$ 204,271	\$ 55,430	\$ 148,841	\$ -	\$ -
Unfunded loan commitments for non-accrual, maturity default, risk rated 5 and/or delinquent loans	(181,541)	(32,700)	(148,841)	-	-
Secured financings, secured term loan, and debt related to real estate owned hotel portfolio - principal ⁽²⁾⁽³⁾	2,667,274	1,072,892	458,412	1,135,970	-
Secured financings, secured term loan, and debt related to real estate owned hotel portfolio - interest ⁽²⁾⁽³⁾	470,942	172,045	214,933	83,964	-
Total	\$ 3,160,946	\$ 1,267,667	\$ 673,345	\$ 1,219,934	\$ -

- (1) The estimated allocation of our unfunded loan commitments for loans receivable held-for-investment is based on the earlier of our expected funding date and the commitment expiration date. As of March 31, 2026, we have \$91.4 million of in-place financings to fund our remaining commitments, excluding \$14.9 million of approved and undrawn credit capacity based on existing collateral.
- (2) The allocation of our secured financings and secured term loan is based on the earlier of the fully extended maturity date (assuming conditions to extend are met) of each individual corresponding loan receivable or the maximum maturity date under the respective financing agreement, and assumes eight loans with an aggregate unpaid principal balance of \$1.4 billion that are in maturity default that represent collateral for aggregate borrowings outstanding of \$584.9 million have a contractual obligation to pay in less than one year.
- (3) Amounts include the related future interest payment obligations, which are estimated by assuming the amounts outstanding under our secured financing agreements and SOFR in effect as of March 31, 2026, will remain constant into the future. Actual amounts borrowed and rates will vary over time. Our floating rate loans and related liabilities are indexed to SOFR. Totals exclude non-consolidated senior interests.

In certain circumstances, conditions to funding may not be met by our borrowers and portions of our unfunded loan commitments may not become eligible to be or expected to be drawn on. Of the \$204.3 million of unfunded loan commitments for our loans receivable held-for-investment as of March 31, 2026, the following table details the portion of unfunded loan commitments and in-place financings to fund our remaining commitments for loans receivable held-for-investment whereby conditions to funding are not currently being met, including loans on non-accrual status, in maturity default, risk rated 5, and/or which are delinquent in accordance with our revenue recognition policy (\$ in thousands):

	Unfunded Loan Commitments	In-place Financing Commitments	Net Loan Commitment
Gross total commitment	\$ 204,271	\$ 91,444	\$ 112,827
Non-accrual, maturity default, risk rated 5 and/or delinquent loans	(181,541)	(73,779)	(107,762)
Net loan commitment	<u>\$ 22,730</u>	<u>\$ 17,665</u>	<u>\$ 5,065</u>

Subject to borrowers meeting future funding conditions provided for in our loan agreements, we expect to fund our \$5.1 million of net loan commitments over the remaining maximum term of the related loans.

We incur to our Manager, payable in cash, a base management fee and incentive fee (to the extent earned), which are generally paid quarterly, in arrears. The tables above do not include the amounts payable to our Manager under the Management Agreement which are reflected as management fee payable - affiliate on our consolidated balance sheet.

Loan Maturities

The following table summarizes the future scheduled repayments of principal for loans receivable held-for-investment as of March 31, 2026 (\$ in thousands):

Year	Initial Maturity		Fully Extended Maturity	
	Unpaid Principal Balance ⁽¹⁾	Loan Commitment ⁽¹⁾	Unpaid Principal Balance ⁽¹⁾	Loan Commitment ⁽¹⁾
2026	\$ 1,648,883	\$ 1,718,466	\$ 902,055	\$ 963,956
2027	683,347	708,854	1,174,830	1,208,019
2028	50,000	50,000	305,345	305,345
2029	224,938	224,938	224,938	224,938
2030	-	-	-	-
Thereafter	-	-	-	-
Total	<u>\$ 2,607,168</u>	<u>\$ 2,702,258</u>	<u>\$ 2,607,168</u>	<u>\$ 2,702,258</u>

(1) Excludes \$898.9 million in unpaid principal balance and \$1.0 billion in loan commitments of loans receivable held-for-investment that are in maturity default with no available extension options.

Cash Flows

The following table provides a breakdown of the net change in our cash and cash equivalents and restricted cash for the three months ended March 31, 2026 and 2025 (\$ in thousands):

	Three Months Ended	
	March 31, 2026	March 31, 2025
Net cash flows used in operating activities	\$ (6,478)	\$ (35,785)
Net cash flows provided by investing activities	400,549	274,795
Net cash flows used in financing activities	(454,412)	(223,638)
Net (decrease) increase in cash, cash equivalents, and restricted cash	<u>\$ (60,341)</u>	<u>\$ 15,372</u>

We experienced a net decrease in cash, cash equivalents, and restricted cash of \$60.3 million during the three months ended March 31, 2026, compared to a net increase of \$15.4 million during the three months ended March 31, 2025.

During the three months ended March 31, 2026, we received \$224.7 million from loan repayments, received \$197.5 million of loan sale proceeds, and received \$489.1 million of proceeds from borrowings under our financing arrangements, net of payments for

deferred financing costs, fees, and equity issuance costs. Additionally, we made \$21.2 million of advances on loans and made repayments on financings arrangements of \$943.5 million (inclusive of \$142.1 million of deleveraging repayments).

Income Taxes

We have elected and believe we have qualified to be taxed as a REIT for U.S. federal income tax purposes, commencing with our initial taxable year ended December 31, 2015. We generally must distribute annually at least 90% of our REIT taxable income, determined without regard to the deduction for dividends paid and excluding net capital gain, to maintain our REIT status. To the extent that we satisfy this distribution requirement but distribute less than 100% of our REIT taxable income, we will be subject to U.S. federal income tax on our undistributed REIT taxable income. In addition, we will be subject to a 4% nondeductible excise tax if the actual amount that we pay (or are treated as paying) out to our stockholders in a calendar year is less than a minimum amount specified under U.S. federal tax laws. Our real estate owned hotel portfolio is held in a TRS. Our TRS is not consolidated for U.S. federal income tax purposes and is taxed separately as a corporation. For financial reporting purposes, a provision or benefit for current and deferred taxes is established for the portion of earnings or expense recognized by us with respect to our TRS.

Our qualification as a REIT also depends on our ability to meet various other requirements imposed by the Internal Revenue Code, which relate to organizational structure, diversity of stock ownership and certain restrictions with regard to the nature of our assets and the sources of our income. Even if we qualify as a REIT, we may be subject to certain U.S. federal income and excise taxes and state and local taxes on our income and assets. If we fail to maintain our qualification as a REIT for any taxable year, we may be subject to material penalties as well as federal, state and local income tax on our REIT taxable income at regular corporate rates and we would not be able to qualify as a REIT for the subsequent four full taxable years. As of March 31, 2026, we were in compliance with all REIT requirements.

Off-Balance Sheet Arrangements

As of March 31, 2026, we had no off-balance sheet arrangements aside from those discussed in Note 3 - Loan Portfolio, Note 4 - Equity Method Investment, and Note 14 - Commitments and Contingencies to our consolidated financial statements.

Critical Accounting Policies and Estimates

Our discussion and analysis of our financial condition and results of operations is based upon our consolidated financial statements, which have been prepared in accordance with GAAP. The preparation of these financial statements requires our Manager to make estimates, judgments and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting periods. We believe that all of the decisions and estimates are reasonable, based upon the information available to us. We believe that the following accounting policies are those most critical to the judgments and estimates used in the preparation of our financial statements. The assumptions within our accounting policies may vary from quarter to quarter as our portfolio changes and market and economic conditions evolve.

See Note 2 to our consolidated financial statements for a description of our significant accounting policies.

Current Expected Credit Losses

The CECL reserve required under ASC 326, *Financial Instruments – Credit Losses*, reflects our current estimate of potential credit losses related to our loan portfolio. Changes to the CECL reserve are recognized through a provision for or reversal of current expected credit loss reserve on our consolidated statements of operations. ASC 326 specifies the reserve should be based on relevant information about past events, including historical loss experience, current loan portfolio, market conditions and reasonable and supportable macroeconomic forecasts through each loan within our loan portfolio's expected remaining duration.

For our loan portfolio, we perform a quantitative assessment of the impact of CECL primarily using the Weighted Average Remaining Maturity, or WARM, method. The application of the WARM method to estimate a general CECL reserve requires judgment, including the appropriate historical loan loss reference data, the expected timing and amount of future loan fundings and repayments, the current credit quality of our portfolio, and our expectations of performance and market conditions over the relevant time period.

The WARM method requires us to reference historical loan loss data from a comparable data set and apply such loss rate to each of our loans over their expected remaining duration, taking into consideration expected economic conditions over the forecasted timeframe. Our general CECL reserve reflects our forecast of the current and future macroeconomic conditions that may impact the performance of the commercial real estate assets securing our loans and each borrower's ultimate ability to repay. These estimates include unemployment rates, price indices for commercial properties, and market liquidity, all of which may influence the likelihood

and magnitude of potential credit losses for our loans during their expected remaining duration. Additionally, further adjustments may be made based upon loan positions senior to ours, the risk rating of a loan, whether a loan is a construction loan, timing of the loan's initial maturity, or the economic conditions specific to the property type of a loan's collateral property.

To estimate an annual historical loss rate, we obtained historical loss rate data for loans most comparable to our loan portfolio from a commercial mortgage-backed securities database licensed by a third party, Trepp, LLC, which contains historical loss data from the 1990s through March 31, 2026. We believe this CMBS data is the most relevant, available, and comparable data set to our portfolio.

When evaluating the current and future macroeconomic environment, we consider the aforementioned macroeconomic factors. Historical data for each metric is compared to historical commercial real estate credit losses in order to determine the relationship between the two variables. We use projections of each macroeconomic factor, obtained from a third party, to approximate the impact the macroeconomic outlook may have on our loss rate. Selections of these economic forecasts require judgment about future events that, while based on the information available to us as of the balance sheet date, are ultimately subjective and uncertain, and the actual economic conditions could vary significantly from the estimates we made. Following a reasonable and supportable forecast period, we use a straight-line method of reverting to the historical loss rate. Additionally, we assess the obligation to extend credit through our unfunded loan commitments through their expected remaining duration, adjusted for projected fundings from interest reserves, if applicable, which is considered in the estimate of the general CECL reserve. For both the funded and unfunded portions of our loans, we consider our internal risk rating of each loan as the primary credit quality indicator underlying our assessment.

We evaluate the credit quality of each of our loans receivable on an individual basis and assign a risk rating at least quarterly. We have developed a loan grading system for all of our outstanding loans receivable that are collateralized directly or indirectly by real estate. Grading criteria include, but are not limited to, as-is or as-stabilized debt yield, term of loan, property type, property or collateral location, loan type, structure, collateral cash flow volatility and other more subjective variables that include, but are not limited to, as-is or as-stabilized collateral value, market conditions, industry conditions, borrower/sponsor financial stability, and borrower/sponsor exit plan. While evaluating the credit quality of each loan within our portfolio, we assess these quantitative and qualitative factors as a whole and with no pre-prescribed weight on their impact to our determination of a loan's risk rating. However, based upon the facts and circumstances for each loan and the overall market conditions, we may consider certain previously mentioned factors more or less relevant than others. We utilize the grading system to determine each loan's risk of loss and to provide a determination as to whether an individual loan is impaired and whether a specific CECL reserve is necessary.

In certain circumstances, we may determine that a loan is no longer suited for the WARM method because (i) it has unique risk characteristics, (ii) we have deemed the borrower/sponsor to be experiencing financial difficulty and the repayment of the loan's principal is collateral-dependent, (iii) we anticipate assuming legal title and/or physical possession of the collateral property and the fair value of the collateral property is determined to be below the carrying value of our loan, and/or (iv) recovery of our loan may occur at an amount below our loan's carrying value. We may instead elect to employ different methods to estimate credit losses that also conform to ASC 326 and related guidance.

For such loans, we would separately measure the specific reserve for each loan by using the estimated fair value of the loan's collateral. In certain circumstances, we may recognize a specific reserve based upon anticipated proceeds from the disposition of our loan. If the estimated fair value of the collateral or anticipated proceeds from the disposition of our loan is less than the carrying value of the loan, an asset-specific reserve is created as a component of our overall current expected credit loss reserve. Specific reserves are equal to the excess of a loan's carrying value over the estimated fair value of the collateral or anticipated proceeds from the disposition of our loan. If recovery of our loan is expected from the sale of the collateral, specific reserves are equal to the excess of a loan's carrying value over the estimated fair value of the collateral less estimated costs to sell.

Fair values of collateral assets used to determine specific CECL reserves are calculated using a discounted cash flow model, a sales comparison approach, or a market capitalization approach. Estimates of fair values used to determine specific CECL reserves may include, among others, assumptions of property specific cash flows over estimated holding periods, assumptions of property redevelopment costs, assumptions of leasing activities, discount rates, market and terminal capitalization rates, and, with respect to land, value per buildable square foot. These assumptions are based upon the nature of the properties, recent and projected property cash flows, recent sales and lease comparables, and anticipated real estate and capital market conditions, among other factors which we may deem relevant. Estimates of fair values used to determine specific CECL reserves as of March 31, 2026 include discount rates ranging from 6.0% to 9.5%, market and terminal capitalization rates ranging from 4.72% to 8.25%, and, with respect to the land loan, value per buildable square foot of \$140 based on current entitlements.

Significant judgment is required in determining impairment and in estimating the resulting credit loss reserve, and actual losses, if any, could materially differ from those estimates.

Real Estate Owned

To maximize recovery from certain defaulted loans, we may from time to time assume legal title and/or physical possession of the collateral property of a defaulted loan through foreclosure, a deed-in-lieu of foreclosure, or an assignment-in-lieu of foreclosure.

We account for acquisitions of real estate, including foreclosures, deed-in-lieu of foreclosures, or assignment-in-lieu of foreclosures, in accordance with ASC 805, *Business Combinations*, which first requires that we determine if the real estate investment is the acquisition of an asset or a business combination. Under this model, we identify and determine the estimated fair value of any assets acquired and liabilities assumed. This generally results in the allocation of the purchase price to the assets acquired and liabilities assumed based on the relative estimated fair values of each respective asset and liability. Debt related to real estate owned hotel portfolio is initially recorded at its estimated fair value at the time of foreclosure, deed-in-lieu of foreclosure, or assignment-in-lieu of foreclosure.

Assets acquired and liabilities assumed generally include land, building, building improvements, tenant improvements, furniture, fixtures and equipment, mortgages payable, and identified intangible assets and liabilities, which generally consists of above or below market lease values, in-place lease values, and other lease-related values. In estimating fair values for allocating the purchase price of our real estate owned, we may utilize various methods, including a market approach, which considers recent sales of similar properties, adjusted for differences in location and state of the physical asset, or a replacement cost approach, which considers the composition of physical assets acquired, adjusted based on industry standard information and the remaining useful life of the acquired property. In estimating fair values of intangible assets acquired or liabilities assumed, we consider the estimated cost of leasing our real estate owned assuming the property was vacant, the value of the current lease agreements relative to market-rate leases, and the estimation of total lease-up time, including lost rents.

Real estate assets held-for-investment are evaluated for indicators of impairment on a quarterly basis. Factors that we may consider in our impairment analysis include, among others: (i) significant underperformance relative to historical or anticipated operating results; (ii) significant negative industry or economic trends; (iii) costs necessary to extend the life or improve the real estate asset; (iv) significant increase in competition; and (v) ability to hold and dispose of the real estate asset in the ordinary course of business. A real estate asset is considered impaired when the sum of estimated future undiscounted cash flows expected to be generated by the real estate asset over the estimated remaining holding period is less than the carrying amount of such real estate asset. Cash flows include operating cash flows and anticipated capital proceeds generated by the sale of the real estate asset. If the sum of such estimated undiscounted cash flows is less than the carrying amount of the real estate asset, an impairment charge is recorded equal to the excess of the carrying value of the real estate asset over its estimated fair value.

Fair values of collateral assets used to determine the initial estimated fair value of real estate owned are calculated using a discounted cash flow model, a sales comparison approach, or a market capitalization approach. Estimates of fair values used to determine real estate owned upon acquisition may include, among others, assumptions of property specific cash flows over estimated holding periods, assumptions of property redevelopment costs, assumptions of leasing activities, discount rates, market and terminal capitalization rates, and, with respect to land, value per buildable square foot. These assumptions are based upon the nature of the properties, recent and projected property cash flows, recent sales and lease comparables, and anticipated real estate and capital market conditions, among other factors which we may deem relevant. Estimates of fair values used to determine real estate owned upon acquisition during the three months ended March 31, 2026 include assumptions of a market capitalization rate of 5.75% and a discount rate of 8.00%.

There were no impairments of our real estate owned held-for-investment assets through March 31, 2026.

Item 3. Quantitative and Qualitative Disclosures About Market Risk.

Interest Rate Risk

In early 2022, the U.S. Federal Reserve began a campaign to combat inflation by increasing interest rates, ultimately resulting in benchmark interest rates increasing by 5.25% by the end of 2023. Although the U.S. Federal Reserve has reduced benchmark interest rates between September 2024 and December 2025, such benchmark rates remain elevated relative to recent historical levels. Additionally, the U.S. Federal Reserve has indicated that further changes in benchmark interest rates are dependent upon changes in prices and employment markets. The timing, direction, and extent of any future adjustment to benchmark interest rates by the U.S. Federal Reserve is uncertain. Elevated benchmark interest rates imposed by the U.S. Federal Reserve may continue to increase our interest expense, negatively impact the ability of our borrowers to service their debt, and reduce the value of the CRE collateral underlying our loans. Conversely, in a period of declining interest rates, the interest income on floating rate investments would decline, while any decline in the interest we are charged on our floating rate debt may not equal or exceed the decrease in interest income and the interest expense we incur. Exclusive of the impact of non-accrual loans, rising interest rates will generally increase our net interest income, while declining interest rates will generally decrease our net interest income.

The following table illustrates as of March 31, 2026 the impact on our net interest income and net interest income per share for loans receivable held-for-investment for the twelve-month period following March 31, 2026, assuming a decrease in SOFR of 50 and 100 basis points and an increase in SOFR of 50 and 100 basis points in the applicable interest rate benchmark (based on SOFR of 3.66% as of March 31, 2026) (\$ in thousands, except per share data):

Net Floating Rate Exposure	Change in	Decrease		Increase	
		100 Basis Points	50 Basis Points	50 Basis Points	100 Basis Points
\$ 712,167	Net interest income	\$ 8,203	\$ 4,545	\$ (4,165)	\$ (8,329)
	Net interest income per share	\$ 0.06	\$ 0.03	\$ (0.03)	\$ (0.06)

Risks related to fluctuations in cash flows and asset values associated with movements in interest rates may also contribute to the risk of nonperformance on floating rate assets. In the case of a significant increase in interest rates, the cash flows of the collateral real estate assets to our loans may be insufficient to pay debt service due, which may contribute to nonperformance of our loans. We seek to manage this risk by, among other things, generally requiring our borrowers to acquire interest rate caps from an unaffiliated third-party.

Credit Risk

Our loans and other investments are also subject to credit risk, including the risk of default. In particular, changes in general economic conditions, including interest rates, will affect the creditworthiness of borrowers and/or the value of underlying real estate collateral relating to our investments. By its nature, our investment strategy emphasizes prudent risk management and capital preservation by primarily originating senior loans utilizing underwriting techniques requiring relatively conservative loan-to-value ratio levels to insulate us from credit losses absent a significant diminution in collateral value. In addition, we seek to manage credit risk by performing extensive due diligence on our collateral, borrower and guarantors, as applicable, evaluating, among other things, title, environmental and physical condition of collateral, comparable sales and leasing analysis of similar collateral, the quality of and alternative uses for the real estate collateral being underwritten, submarket trends, our borrower's track record and the reasonableness of the borrower's projections prior to originating a loan. Subsequent to origination, we also manage credit risk by proactively monitoring our investments and, whenever possible, limiting our own leverage to partial recourse or non-recourse, match-funding financing. Notwithstanding these efforts, there can be no assurance that we will be able to avoid losses in all circumstances. The performance and value of our loans and investments depend upon, among other things, the borrower's ability to improve and operate the properties that serve as our collateral so that they produce cash flows adequate to pay interest and principal due to us. To monitor this risk, our Sponsor's asset management team rigorously monitors the performance of our loan portfolio and our Sponsor's asset management and origination teams maintain regular contact with borrowers, property managers, co-lenders and local market experts to monitor the performance of the underlying loan collateral, anticipate borrower, property and market issues and, to the extent necessary or appropriate, enforce our rights as the lender.

In addition, we are exposed to the risks generally associated with the CRE market, including variances in occupancy rates, capitalization rates, absorption rates and other macroeconomic factors beyond our control, including changes in benchmark interest rates, cost increases associated with construction materials and energy prices, employment conditions, and supply chain and labor market disruptions. We manage these risks through our underwriting, loan structuring, financing structuring, and asset management processes.

In the event that we are forced to foreclose, our broader Sponsor platform includes professionals experienced in CRE development, ownership, property management, and asset management which enables us to execute the workout of a troubled loan and protect investors' capital in a way that we believe many non-traditional lenders cannot.

Capital Markets Risk

We are exposed to risks related to the equity and debt capital markets which impact our related ability to raise capital through the issuance of our common stock or other debt or equity-related instruments. As a REIT, we are required to distribute a significant portion of our REIT taxable income annually, which constrains our ability to retain and accumulate operating earnings and therefore requires us to utilize debt or equity capital to finance the growth of our business. We seek to mitigate these risks by constantly monitoring the debt and equity capital markets, the maturity profile of our in-place loan portfolio and financings, and other potential liquidity requirements to inform our decisions on the amount, timing, and terms of any capital we may raise.

Each of our repurchase agreements contain "margin maintenance" provisions, which allow the lender to require the delivery of cash or other assets to reduce the financing amount against loans that have been deemed to have experienced a diminution in value. A substantial deterioration in the commercial real estate capital markets, among other things, may negatively impact the value of assets financed with lenders that have margin maintenance provisions in their facilities. Certain of our repurchase agreements permit valuation adjustments solely as a result of collateral-specific credit events, while other repurchase agreements contain provisions also allowing our lenders to make margin calls upon the occurrence of adverse changes in the capital markets or as a result of interest rate or spread fluctuations, subject to minimum thresholds, among other factors. As of March 31, 2026, we have not received any margin calls under any of our repurchase agreements.

Financing Risk

We finance and have financed our business through a variety of means, including the syndication of non-consolidated senior interests, notes payable, borrowings under our repurchase and participation facilities, the syndication of senior participations in our originated senior loans, and secured term loan. Over time, as market conditions change, we may use other forms of financing in addition to these methods of financing. Weakness or volatility in the debt capital markets, the CRE and mortgage markets, changes in regulatory requirements, geopolitical volatility, global trade tensions, and fluctuation in interest rates and the resulting market disruptions therefrom, among other things, could adversely affect one or more of our lenders or potential lenders and could cause one or more of our lenders or potential lenders to be unwilling or unable to provide us with financing, increase the costs of or reduce the advance rate on existing financing or otherwise offer unattractive terms for that financing. In addition, we may seek to finance our business through the issuance of our common stock or other equity or equity-related instruments, though there is no assurance that such financing will be available on a timely basis with attractive terms, or at all.

Counterparty Risk

The nature of our business requires us to hold cash and cash equivalents with various financial institutions, as well as obtain financing from various financial institutions. This exposes us to the risk that these financial institutions may not fulfill their obligations to us under various contractual arrangements. We mitigate this exposure by depositing our cash and cash equivalents and entering into financing agreements with high credit-quality institutions.

Our relationships with our lenders subject us to counterparty risks including the risk that a counterparty is unable to fund undrawn credit capacity, particularly if such counterparty enters bankruptcy, among other detrimental effects. We seek to manage this risk by seeking diverse financing sources across counterparties and financing types and generally obtaining financing from high credit quality institutions.

The nature of our loans and other investments also exposes us to the risks our borrowers face, which may result in our borrowers being unable to execute their business plans, and as a result do not make required interest and principal payments on scheduled due dates, as well as the impact of our borrowers' tenants not making scheduled rent payments when contractually due. Such risks faced by our borrowers may include those discussed herein and may include the interplay thereof and factors beyond the control of our borrowers, including local, regional, national, and global conditions. We manage this risk through a comprehensive credit analysis prior to making an investment and rigorous monitoring of our borrowers' progress in executing their business plans as well as market conditions that may affect the collateral property, through our asset management process. Each loan is structured with various lender protections that are designed to discourage and deter fraudulent behavior and other bad acts by borrowers, as well as require borrowers to adhere to their stated business plans while the loan is outstanding. Such protections may include, without limitation: cash management accounts, "bad boy" carveout guarantees, completion guarantees, guarantor minimum net worth and liquidity requirements, partial or full recourse to sponsors and/or guarantors, approval rights over major decisions, and performance tests throughout the loan term.

Prepayment Risk

Prepayment risk is the risk that principal will be repaid prior to initial maturity, which may require us to identify new investment opportunities to deploy such capital at a similar rate of return in order to avoid an overall reduction in our net interest income. We may structure our loans with spread maintenance, minimum multiples and make-whole provisions to protect against early repayment. Typically, investments are structured with the equivalent of 12 to 24 months' spread maintenance or a minimum level of income that an investment is contractually obligated to return. In general, an increase in prepayment rates accelerates the accretion of deferred income, including origination fees and exit fees, which increases interest income earned on the asset during the period of repayment. Conversely, if capital that is repaid is not subsequently redeployed into investment opportunities generating a similar return, future periods may experience reduced net interest income.

Repayment / Extension Risk

Loans are generally expected to be repaid at maturity, unless the borrower repays early or meets contractual conditions to qualify for a maturity extension. The granting of these extensions may cause a loan's term to extend beyond the term of its related secured financing. Elevated interest rates recently imposed by the U.S. Federal Reserve relative to recent historical levels may lead to an increase in the number of our borrowers who exercise or request additional extension options, or who may become unwilling or unable to make contractual payments when due. Some of our borrowers may experience delays in the execution of their business plans, changes in their capital position and available liquidity, and/or changes in market conditions which may impact the performance of the collateral property, borrower, or sponsor. Accordingly, this may result in the borrower not meeting certain extension conditions such as minimum debt yield, maximum LTV, and/or the ability of the borrower to purchase replacement interest rate caps. Elevated interest rates may also increase the number of our borrowers who may default because, among other things, they may not be able to find replacement financing for our loan. Furthermore, there may be certain instances where, for loans which have been modified, we may not be able to maintain the associated financing on its existing terms. This could have a negative impact on our results of operations, and in some situations, we may be forced to sell assets to maintain adequate liquidity, which could cause us to incur losses.

Currency Risk

To date, we have made no loans and hold no assets or liabilities denominated or payable in foreign currencies, although we may do so in the future.

We may in the future hold assets denominated or payable in foreign currencies, which would expose us to foreign currency risk. As a result, a change in foreign currency exchange rates may have a positive or an adverse impact on the valuation of our assets, as well as our income and dividends. Any such changes in foreign currency exchange rates may impact the measurement of such assets or income for the purposes of our REIT tests and may affect the amounts available for payment of dividends to our stockholders.

Although not required, if applicable, we may hedge any currency exposures. However, such currency hedging strategies may not eliminate all of our currency risk due to, among other things, uncertainties in the timing and/or amount of payments received on the related investments and/or unequal, inaccurate or unavailability of hedges to perfectly offset changes in future exchange rates. Additionally, we may be required under certain circumstances to collateralize our currency hedges for the benefit of the hedge counterparty, which could adversely affect our liquidity.

Real Estate Risk

The market values of loans secured directly or indirectly by CRE assets and CRE assets themselves are subject to volatility and may be adversely affected by a number of factors, including the interest rate environment; persistent inflation; increases in remote work trends; natural disasters or pandemics; national, regional, local and foreign economic conditions (which may be adversely affected by industry slowdowns, global trade tensions, geopolitical volatility, energy prices, and other factors); changes in government laws, regulations, and actions (such as tax, real estate, environmental and climate, rent control, zoning laws, bank reserve requirements, and changes in monetary policy); supply chain and labor market disruptions; changes in social conditions; changes in employment conditions; regional or local real estate conditions; changes or continued weakness in specific industry segments; construction quality, age and design; changes to construction costs; demographic factors; changes to building or similar codes; and changes in real property tax rates. In addition, decreases in property values reduce the value of the loan collateral and the potential proceeds available to a borrower to repay the underlying loans, which could also cause us to suffer losses. We may realize losses related to foreclosures, repayments of our loans at an amount below our carrying value, the sale of our loans, the restructuring of the loans in our investment portfolio on terms that may be more favorable to borrowers than those underwritten at origination, or the sale of real estate owned assets. We seek to manage these risks through our underwriting, loan structuring, financing structuring and asset management processes.

Item 4. Controls and Procedures.**Disclosure Controls and Procedures**

We maintain disclosure controls and procedures that are designed to provide reasonable assurance that information required to be disclosed in our reports filed or submitted with the SEC is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms, and that such information is accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosure.

There were no changes in our internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act of 1934) during the three months ended March 31, 2026 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

As of March 31, 2026, an evaluation was performed under the supervision and with the participation of our management, including the Chief Executive Officer and Chief Financial Officer, of the effectiveness of the design and operation of our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934). Based on that evaluation, the Chief Executive Officer and Chief Financial Officer concluded that our disclosure controls and procedures were effective at the reasonable assurance level as of March 31, 2026.

PART II—OTHER INFORMATION

Item 1. Legal Proceedings.

From time to time, we and our Manager are or may become party to legal proceedings, which arise in the ordinary course of our respective businesses. Neither we nor our Manager is currently subject to any legal proceedings that we or our Manager consider reasonably likely to have a material impact on our respective financial conditions. See Note 14 to our consolidated financial statements for information on our commitments and contingencies.

Item 1A. Risk Factors.

For a discussion of our potential risks and uncertainties, see the information under the heading “Risk Factors” in our Annual Report on Form 10-K. There have been no material changes to our principal risks that we believe are material to our business, results of operations, and financial condition from the risk factors disclosed in our Annual Report on Form 10-K for the year ended December 31, 2025, which is accessible on the SEC’s website at www.sec.gov.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds.

None.

Item 3. Defaults Upon Senior Securities.

None.

Item 4. Mine Safety Disclosures.

Not applicable.

Item 5. Other Information.

- (a) None.
- (b) None.
- (c) During the three months ended March 31, 2026, 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 such term is defined in Item 408(a) of Regulation S-K.

Item 6. Exhibits.

Exhibit Number	Description
3.1	<u>Articles of Amendment and Restatement of Claros Mortgage Trust, Inc. (incorporated by reference to Exhibit 3.1 to the Current Report on Form 8-K, dated November 5, 2021, filed by the Company, Commission File No. 001-40993)</u>
3.2	<u>Amended and Restated Bylaws of Claros Mortgage Trust, Inc. (incorporated by reference to Exhibit 3.1 to the Current Report on Form 8-K, dated January 30, 2026, filed by the Company, Commission File No. 001-40993)</u>
10.1	<u>Amendment No. 1 Amended and Restated Management Agreement, dated as of January 30, 2026, by and between Claros Mortgage Trust, Inc. and Claros REIT Management LP (incorporated by reference to Exhibit 10.3 to the Current Report on Form 8-K, dated January 30, 2026, filed by the Company, Commission File No. 001-40993)</u>
10.2+	<u>Registration Rights Agreement, dated as of January 30, 2026 by and among Claros Mortgage Trust, Inc. and the investors named therein (incorporated by reference to Exhibit 4.1 to the Current Report on Form 8-K, dated January 30, 2026, filed by the Company, Commission File No. 001-40993)</u>
10.3	<u>Fourteenth Amendment to Master Repurchase and Securities Contract Agreement and Fifth Amendment to Guaranty, dated as of January 30, 2026 by and among Claros Mortgage Trust, Inc., CMTG MS Finance LLC, and Morgan Stanley Bank, N.A. (incorporated by reference to Exhibit 10.7 to the Current Report on Form 8-K dated January 30, 2026, filed by the Company, Commission File No. 001-40993)</u>
10.4	<u>Amendment No. 5 to Guarantee Agreement, dated as of January 30, 2026, by and between Claros Mortgage Trust, Inc. and Wells Fargo Bank, National Association (incorporated by reference to Exhibit 10.8 to the Current Report on Form 8-K, dated January 30, 2026, filed by the Company, Commission File No. 001-40993)</u>
10.5	<u>Amendment No. 6 to Guarantee Agreement dated as of January 30, 2026, by and between Claros Mortgage Trust, Inc. and JPMorgan Chase Bank, National Association (incorporated by reference to Exhibit 10.6 to the Current Report on Form 8-K, dated January 30, 2026, filed by the Company, Commission File No. 001-40993)</u>
10.6	<u>Amendment No. 8 to Amended and Restated Master Repurchase Agreement and Amendment No. 4 to Guarantee Agreement, dated as of January 30, 2026, by and among Claros Mortgage Trust Inc., CMTG JP Finance LLC, and JPMorgan Chase Bank, National Association (incorporated by reference to Exhibit 10.4 to the Current Report on Form 8-K, dated January 30, 2026, filed by the Company, Commission File No. 001-40993)</u>
10.7	<u>Amendment No. 2 to Amended and Restated Master Repurchase Agreement dated as of January 30, 2026, by and among CMTG JNP Finance LLC, Claros Mortgage Trust, Inc., and JPMorgan Chase Bank, National Association (incorporated by reference to Exhibit 10.5 to the Current Report on Form 8-K, dated January 30, 2026, filed by the Company, Commission File No. 001-40993)</u>
10.8+	<u>Term Loan Credit Agreement, dated as of January 30, 2026, by and among Claros Mortgage Trust, Inc., as borrower, HPS Investment Partners, LLC, as administrative agent, and the lenders party thereto (incorporated by reference to Exhibit 10.1 to the Current Report on Form 8-K, dated January 30, 2026, filed by the Company, Commission File No. 001-40993)</u>
10.9+	<u>Warrant Agreement, dated as of January 30, 2026, by and among Claros Mortgage Trust, Inc. and the purchasers named therein (incorporated by reference to Exhibit 10.2 to the Current Report on Form 8-K, dated January 30, 2026, filed by the Company, Commission File No. 001-40993)</u>
10.10*	<u>Short-Term Extension Letter Agreement by and among Claros Mortgage Trust, Inc., CMTG WF Finance LLC, CMTG WF Finance Holdco LLC and Wells Fargo Bank, National Association, dated as of April 29, 2026</u>
31.1*	<u>Certification of Principal Executive Officer Pursuant to Rules 13a-14(a) and 15d-14(a) under the Securities Exchange Act of 1934, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002</u>

- 31.2* [Certification of Principal Financial Officer Pursuant to Rules 13a-14\(a\) and 15d-14\(a\) under the Securities Exchange Act of 1934, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002](#)
- 32.1* [Certification of Principal Executive Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002](#)
- 32.2* [Certification of Principal Financial Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002](#)
- 101.INS Inline XBRL Instance Document – the instance document does not appear in the Interactive Data File because XBRL tags are embedded within the Inline XBRL document.
- 101.SCH Inline XBRL Taxonomy Extension Schema With Embedded Linkbase Documents
- 104 Cover Page Interactive Data File (embedded within the Inline XBRL document)
- * Filed herewith
- + Portions of this exhibit (indicated by asterisks) have been omitted pursuant to Regulation S-K, Item 601(b)(10) or certain schedules and attachments to this exhibit have been omitted pursuant to Regulation S-K, Item 601(a)(5). Such omitted information is not material and would likely cause competitive harm to the registrant if publicly disclosed.

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.

Claros Mortgage Trust, Inc.

Date: May 6, 2026

By: /s/ Richard J. Mack

Richard J. Mack
Chief Executive Officer and Chairman
(Principal Executive Officer)

Date: May 6, 2026

By: /s/ J. Michael McGillis

J. Michael McGillis
Chief Financial Officer, President and Director
(Principal Financial and Accounting Officer)

SHORT-TERM EXTENSION LETTER AGREEMENT

April 29, 2026

CMTG WF Finance LLC
c/o Mack Real Estate Credit Strategies
60 Columbus Circle
20th Floor
New York, New York 10023

Claros Mortgage Trust, Inc.
c/o Mack Real Estate Credit Strategies
60 Columbus Circle
20th Floor
New York, New York 10023

Re: That certain (i) Master Repurchase and Securities Contract, dated as of September 29, 2021 (as the same has been and may be further amended, modified and/or restated from time to time, the “Repurchase Agreement”), by and between CMTG WF Finance LLC (“Seller”) and Wells Fargo Bank, National Association (“Buyer”) and (ii) Guarantee Agreement, dated as of September 29, 2021 (as the same has been and may be further amended, modified and/or restated from time to time, the “Guarantee Agreement”), made by Claros Mortgage Trust, Inc. (“Guarantor”) for the benefit of Buyer.

Ladies and Gentlemen:

This letter agreement (as amended, modified, restated, replaced, waived, substituted, supplemented or extended from time to time, the “Letter Agreement”) is delivered to you on the date set forth above (the “Effective Date”), in connection with the Repurchase Agreement and the other Repurchase Documents. Capitalized terms used herein that are not otherwise defined herein shall have the meanings set forth in the Repurchase Agreement or the Guarantee Agreement, as applicable. In the event of any conflict between the terms of this Letter Agreement and any other Repurchase Document, the terms of this Letter Agreement shall control.

SECTION 1. Short-Term Extension of Maturity Date and Revolving Period Expiration Date.

(a) Buyer and Seller acknowledge and agree that the Maturity Date and the Revolving Period Expiration Date shall be extended from April 30, 2026 to July 29, 2026 for all purposes under the Repurchase Documents; provided that, if Seller shall exercise the first of its two remaining options to extend the scheduled Maturity Date in accordance with Section 3.06(a) of the Repurchase Agreement, the scheduled Maturity Date after giving effect to such extension shall be April 30, 2027.

(b) By signing this Letter Agreement below, Seller hereby represents and warrants that, as of the date of this Letter Agreement: (i) [reserved], (ii) each of the representations and warranties made by Seller in the Repurchase Agreement is true and

correct as if made on and as of the date of this Letter Agreement (except for (x) any such representation or warranty that by its terms refers to a specific date other than the date first above written (in which case it shall be true and correct in all respects as of such other date), (y) the representations and warranties set forth in Schedule 1 of the Repurchase Agreement, and (z) the representations and warranties set forth in Section 7.10 of the Repurchase Agreement) and (iii) Seller has performed all agreements and satisfied all conditions that the Repurchase Agreement provides shall be performed or satisfied by it as of the date hereof.

SECTION 2. Reserved.

SECTION 3. Miscellaneous.

(a) This Letter Agreement is a Repurchase Document executed pursuant to the Repurchase Agreement and shall be construed, administered and applied in accordance with the terms and provisions thereof. Guarantor hereby acknowledges and confirms that the Guarantee Agreement remains in full force and effect notwithstanding this Letter Agreement and reaffirms its obligations under the Guarantee Agreement. Pledgor hereby acknowledges and confirms that the Pledge Agreement remains in full force and effect notwithstanding this Letter Agreement, and hereby reaffirms its obligations under the Pledge Agreement.

(b) THIS LETTER AGREEMENT AND ANY CLAIM, CONTROVERSY OR DISPUTE ARISING UNDER OR RELATED TO THIS LETTER AGREEMENT, THE RELATIONSHIP OF THE PARTIES TO THIS LETTER AGREEMENT, AND/OR THE INTERPRETATION AND ENFORCEMENT OF THE RIGHTS AND DUTIES OF THE PARTIES TO THIS LETTER AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE INTERNAL LAWS AND DECISIONS OF THE STATE OF NEW YORK, WITHOUT REGARD TO THE CHOICE OF LAW RULES THEREOF. THE PARTIES HERETO INTEND THAT THE PROVISIONS OF SECTION 5-1401 OF THE NEW YORK GENERAL OBLIGATIONS LAW SHALL APPLY TO THIS LETTER AGREEMENT.

(c) By signing or countersigning below, Buyer, Seller, Pledgor and Guarantor each acknowledge and agree to the terms of this Letter Agreement. This Letter Agreement may be executed in counterparts (including using any electronic signature covered by the United States E-SIGN Act of 2000, Uniform Electronic Transactions Act, the Electronic Signatures and Records Act or other applicable law, e.g., www.docusign.com), and such counterparts may be delivered in electronic format, including by facsimile, email or other transmission method. Such delivery of counterparts shall be conclusive evidence of the intent to be bound hereby and each such counterpart, including those delivered in electronic format, and copies produced therefrom shall have the same effect as an originally signed counterpart. To the extent applicable, the foregoing constitutes the election of the parties to invoke any law authorizing electronic signatures. Minor variations in the form of the signature page, including footers from earlier versions of this Letter Agreement, shall be disregarded in determining a party's intent or the effectiveness of such signature. No party shall raise the use the delivery of

signatures to this Letter Agreement in electronic format as a defense to the formation of a contract and each such party forever waives any such defense.

(d) Each of Seller, Pledgor and Guarantor acknowledges and agrees that as of the date hereof it has no known defenses, rights of setoff, claims, counterclaims or causes of action of any kind or description against Buyer arising under or in respect of the Repurchase Agreement or any other Repurchase Document and any such known defenses, rights of setoff, claims, counterclaims or causes of action as of the date hereof are hereby irrevocably waived.

(e) In consideration of Buyer entering into this Letter Agreement, Seller, Pledgor and Guarantor hereby waive, release and discharge Buyer and Buyer's officers, employees, representatives, agents, counsel and directors from any and all actions, causes of action, claims, demands, damages and liabilities of whatever kind or nature, in law or in equity, now known to Seller, Pledgor and Guarantor to the extent that any of the foregoing exist as of the date hereof and arise out of or from or in any way relating to or in connection with the Repurchase Agreement or the other Repurchase Documents, including, but not limited to, any action or failure to act under the Repurchase Agreement or the other Repurchase Documents on or prior to the date hereof, except, with respect to any such Person being released hereby, any actions, causes of action, claims, demands, damages and liabilities arising out of such Person's gross negligence or willful misconduct in connection with the Repurchase Agreement or the other Repurchase Documents.

(f) Guarantor hereby acknowledges the execution and delivery of this Letter Agreement and agrees that it continues to be bound by the Guarantee Agreement to the extent of the Guaranteed Obligations (as defined therein).

(g) Seller agrees to pay and reimburse Buyer for all reasonable out-of-pocket costs and expenses incurred by Buyer in connection with the preparation, execution and delivery of this Letter Agreement, including, without limitation, the reasonable fees and disbursements of Mayer Brown LLP, counsel to Buyer.

[Signature Pages Follow]

Please evidence your agreement to the terms of this Letter Agreement by signing a counterpart of this Letter Agreement and returning it to the undersigned.

Sincerely,

**WELLS FARGO BANK, NATIONAL
ASSOCIATION**

By: /s/ Allen Lewis

Name: Allen Lewis

Title: Managing Director

AGREED TO AND ACCEPTED BY:

CMTG WF FINANCE LLC

By: /s/ J. Michael McGillis Name: J.
Michael McGillis
Title: Authorized Representative

AGREED TO AND ACCEPTED BY:

CMTG WF FINANCE HOLDCO LLC

By: /s/ J. Michael McGillis Name: J.
Michael McGillis
Title: Authorized Representative

AGREED TO AND ACCEPTED BY:

CLAROS MORTGAGE TRUST, INC.

By: /s/ J. Michael McGillis Name: J.
Michael McGillis
Title: President and Chief Financial Officer

**CERTIFICATION OF PRINCIPAL EXECUTIVE OFFICER
PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Richard J. Mack, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Claros Mortgage Trust, Inc. for the quarter ended March 31, 2026;
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 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 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.

Date: May 6, 2026

/s/ Richard J. Mack
Richard J. Mack
Chief Executive Officer and Chairman
(Principal Executive Officer)

**CERTIFICATION OF PRINCIPAL FINANCIAL OFFICER
PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, J. Michael McGillis, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Claros Mortgage Trust, Inc. for the quarter ended March 31, 2026;
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 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 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.

Date: May 6, 2026

/s/ J. Michael McGillis

J. Michael McGillis

Chief Financial Officer, President and Director
(Principal Financial and Accounting Officer)

CERTIFICATION
PURSUANT TO 18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

The following certification is being furnished solely to accompany the Quarterly Report on Form 10-Q of Claros Mortgage Trust, Inc. for the quarter ended March 31, 2026, pursuant to 18 U.S.C. § 1350 and in accordance with SEC Release No. 33-8238. This certification shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, nor shall it be incorporated by reference in any filing of Claros Mortgage Trust, Inc. under the Securities Act of 1933, as amended, whether made before or after the date hereof, regardless of any general incorporation language in such filing.

Certification of Principal Executive Officer

I, Richard J. Mack, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that the Quarterly Report on Form 10-Q of Claros Mortgage Trust, Inc. for the quarter ended March 31, 2026, fully complies with the requirements of Section 13(a) or 15(d), as applicable, of the Securities Exchange Act of 1934, as amended, and that the information contained in such report fairly presents, in all material respects, the financial condition and results of operations of Claros Mortgage Trust, Inc.

Date: May 6, 2026

/s/ Richard J. Mack

Richard J. Mack
Chief Executive Officer and Chairman
(Principal Executive Officer)

A signed original of this written statement required by Section 906 has been provided to Claros Mortgage Trust, Inc. and will be retained by Claros Mortgage Trust, Inc. and furnished to the Securities and Exchange Commission or its staff upon request.

**CERTIFICATION
PURSUANT TO 18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

The following certification is being furnished solely to accompany the Quarterly Report on Form 10-Q of Claros Mortgage Trust, Inc. for the quarter ended March 31, 2026, pursuant to 18 U.S.C. § 1350 and in accordance with SEC Release No. 33-8238. This certification shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, nor shall it be incorporated by reference in any filing of Claros Mortgage Trust, Inc. under the Securities Act of 1933, as amended, whether made before or after the date hereof, regardless of any general incorporation language in such filing.

Certification of Principal Financial Officer

I, J. Michael McGillis, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that the Quarterly Report on Form 10-Q of Claros Mortgage Trust, Inc. for the quarter ended March 31, 2026, fully complies with the requirements of Section 13(a) or 15(d), as applicable, of the Securities Exchange Act of 1934, as amended, and that the information contained in such report fairly presents, in all material respects, the financial condition and results of operations of Claros Mortgage Trust, Inc.

Date: May 6, 2026

/s/ J. Michael McGillis

J. Michael McGillis

Chief Financial Officer, President and Director
(Principal Financial and Accounting Officer)

A signed original of this written statement required by Section 906 has been provided to Claros Mortgage Trust, Inc. and will be retained by Claros Mortgage Trust, Inc. and furnished to the Securities and Exchange Commission or its staff upon request.
