



Lument Finance Trust

Q2 2026 Earnings Supplemental
August 2026

Disclaimer

This presentation contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, which reflect the current views of Lument Finance Trust, Inc. (NYSE: LFT) (“LFT,” the “Company,” “we,” “our,” or “us”) with respect to, among other things, the Company’s operations and financial performance. You can identify these forward-looking statements by the use of words such as “outlook,” “indicator,” “believes,” “expects,” “potential,” “continues,” “may,” “will,” “should,” “seeks,” “approximately,” “predicts,” “projects,” “intends,” “plans,” “estimates,” or “anticipates,” or the negative version of these words or other comparable words or other statements that do not relate strictly to historical or factual matters. Such forward-looking statements are subject to various risks and uncertainties. Accordingly, there are or will be important factors that could cause actual outcomes or results to differ materially from those indicated in these statements. The Company believes these factors include but are not limited to those described under the section entitled “Risk Factors” in its Annual Report on Form 10-K for the year ended December 31, 2025 and Part II, Item 1A “Risk Factors” in the Company’s Quarterly Report on Form 10-Q for the quarter ended June 30, 2026, which are available on the SEC’s website at www.sec.gov, and/or as disclosed in any subsequent filings. These factors should not be construed as exhaustive and should be read in conjunction with the other cautionary statements that are included in this presentation and in the filings. The forward-looking statements contained in this presentation speak only as of August 13th, 2026. The Company assumes no obligation to update or supplement forward-looking statements that become untrue because of subsequent events or circumstances.

This presentation includes non-GAAP financial measures, including Distributable Earnings. While we believe the non-GAAP information included in this presentation provides supplemental information to assist investors in analyzing our operating results and comparing our operating results with other peer issuers, these measures are not in accordance with GAAP, and they should not be considered a substitute for, or superior to, our financial information calculated in accordance with GAAP. Please refer to this presentation’s Appendix for a reconciliation of the non-GAAP financial measures included in this presentation to the most directly comparable financial measures prepared in accordance with GAAP.



Company Overview

- The Company is an externally-managed real estate investment trust focused on investing in, financing and managing a portfolio of commercial real estate debt investments.
 - The Company is externally managed by Lument Investment Management, LLC, an affiliate of ORIX Corporation USA.
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Key Investment Highlights

Strong Sponsorship/Ownership

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

Attractive Investment Profile

- Emphasis on middle market multifamily debt investments which are well positioned for the current environment.
- Strong credit and asset management capabilities.
- Attractive non-recourse CRE CLOs, revolving repurchase agreements, term loan facilities, and other secured financing structures.

Q2 2026 Updates

Financial Results

- Q2 2026 GAAP net loss attributable to common stockholders of \$0.18 per share.
- Q2 2026 Distributable Loss⁽¹⁾ of \$0.10 per share.
- On June 10, 2026, the Company declared a cash dividend for the quarter of \$0.04 per share of common stock.
- The Company also declared a cash dividend for the quarter of \$0.49219 per share of 7.875% Cumulative Redeemable Series A Preferred Stock.
- Book Value Per Share of Common Stock was \$2.76⁽²⁾ as of 6/30/2026.

Notable Activity

- During the quarter, the Company experienced \$91.0 million of loan fundings and \$184.0 million of loan payoffs.
- During the quarter, the Company sold one of the properties located in San Antonio, Texas, to a third party for \$12.2 million and recognized a \$0.1 million realized gain on the sale of the property.

Portfolio Performance

- As of June 30, 2026, the Company's investment portfolio consisted of floating-rate CRE loans of which approximately 91.7%⁽³⁾ were collateralized by multifamily assets.
- As of June 30, 2026, the Company's \$1.0 billion loan portfolio had a weighted average remaining initial term of 9 months⁽⁴⁾, a weighted average note rate of SOFR + 3.30%, and unamortized aggregate purchase discounts of \$0.8 million.
- As of June 30, 2026, the Company's loan portfolio had a weighted average risk rating of 3.1, with 80.7% of the portfolio rated "3" (Moderate Risk) or better.

Capitalization

- The floating-rate CRE loan portfolio was financed through the Company's outstanding non-mark-to-market securitized debt obligation and secured financing arrangements:
 - \$585.0 million of investment grade notes issued through 2025-FL3 CLO.
 - Master repurchase agreement with \$450.0 million borrowing capacity.
 - Secured lending agreement with \$50.0 million borrowing capacity.
- As of June 30, 2026, the Company held cash and cash equivalents of \$29.0 million, and its leverage ratio declined quarter-over-quarter to 4.4x from 4.6x as of March 31, 2026.

Note:

(1) We believe that Distributable Earnings (Loss) provides meaningful information to consider in addition to our net income (loss) and cash flows from operating activities determined in accordance with GAAP. Distributable Earnings mirrors how we calculate Core Earnings pursuant to the Management Agreement for purposes of calculating the Manager's incentive fee. Please see Appendix for reconciliation to GAAP.
(2) See Appendix for definition of Book Value Per Share of Common Stock.
(3) Based on carrying value.
(4) If all extensions are exercised by the borrowers, the CRE loan portfolio will have a weighted average remaining term of 18 months.



Q2 2026 Balance Sheet Summary

5.1: Balance Sheet

Balance Sheet (thousands)	June 30, 2026 ⁽¹⁾
Commercial mortgage loans held-for-investment (net of allowance for credit losses)	\$991,665
Real Estate Owned	61,602
Cash and cash equivalents	28,979
Restricted cash ⁽²⁾	25,698
Accrued interest receivable	4,510
Other assets ⁽³⁾	3,005
Total assets	\$1,115,459
Secured debt obligations ⁽⁴⁾	\$580,687
Secured financing arrangements	271,140
Credit facility ⁽⁴⁾	49,667
Other liabilities	9,147
Total liabilities	\$910,641
Total equity	\$204,818
Total liabilities / total equity	4.4x
Book Value Per Share of Common Stock⁽⁵⁾	\$2.76

Note:

(1) See Appendix for detailed consolidated balance sheet, including the Company's consolidated variable interest entities ("VIEs").

(2) Restricted cash primarily comprises REO operating cash accounts.

(3) Includes mortgage servicing rights, carried at fair value of \$0.5 million.

(4) Outstanding principal amount of investment grade notes issued by LMNT 2025-FL3 is \$585.0 million. The unpaid principal balance of the credit facility is \$50.0 million. For GAAP purposes, these liabilities are carried at their outstanding unpaid principal balance, net of any unamortized discounts and debt issuance costs.

(5) See Appendix for definition of Book Value Per Share of Common Stock.



Q2 2026 Income Statement Summary

6.2: Summary Income Statement

Summary Income Statement (thousands)	Three Months Ended June 30, 2026
Net interest income	\$4,503
Total other income (loss)	(8,671)
Operating expenses	(3,856)
Benefit (provision) from income taxes	11
Preferred dividends	(1,185)
Net income (loss) attributable to common stockholders	\$ (9,198)
Weighted average shares outstanding during the period, basic and diluted	52,459,976
Net income (loss) attributable to common stockholders per share	\$ (0.18)

6.3: GAAP Net Income to Distributable Earnings Reconciliation

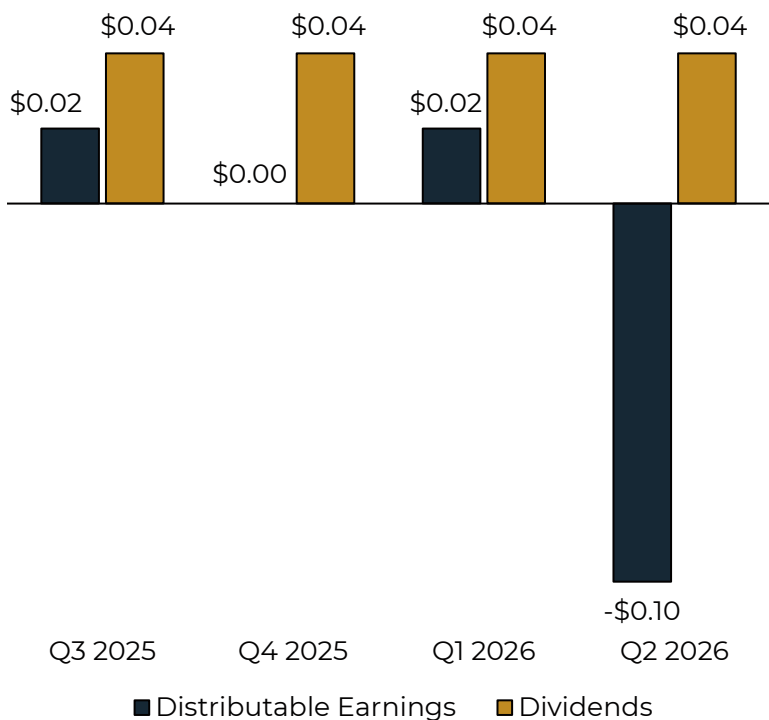
GAAP Net Income to Distributable Earnings Reconciliation (thousands)	Three Months Ended June 30, 2026
Net income (loss) attributable to common stockholders	\$ (9,198)
Adjustments:	
Unrealized (gain) loss on mortgage servicing rights	17
(Release of) credit losses	8,626
Depreciation of real estate owned	390
Realized gain (loss) on sale of real estate owned	(3,268)
Realized gain (loss) on mortgage loans	(1,842)
Provision for (benefit from) income taxes	(11)
Distributable Earnings (Loss) ⁽¹⁾	\$ (5,285)
Weighted average shares outstanding during the period, basic and diluted	52,459,976
Distributable Earnings (Loss) per share of common stock	\$ (0.10)
Dividend per share of common stock	\$ 0.04

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

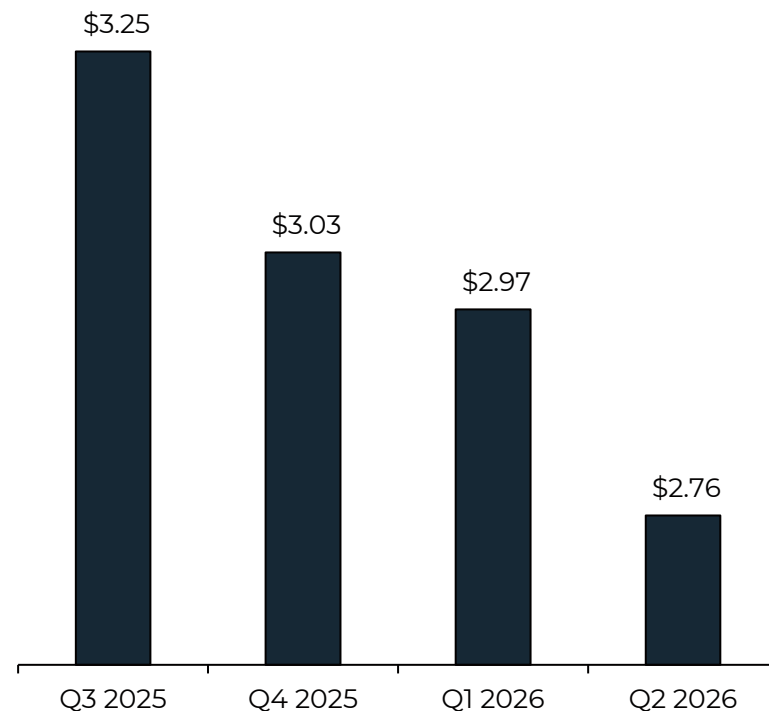


Earnings and Book Value Per Share of Common Stock

Distributable Earnings⁽¹⁾ & Dividends Per Share of Common Stock



Book Value Per Share of Common Stock⁽²⁾



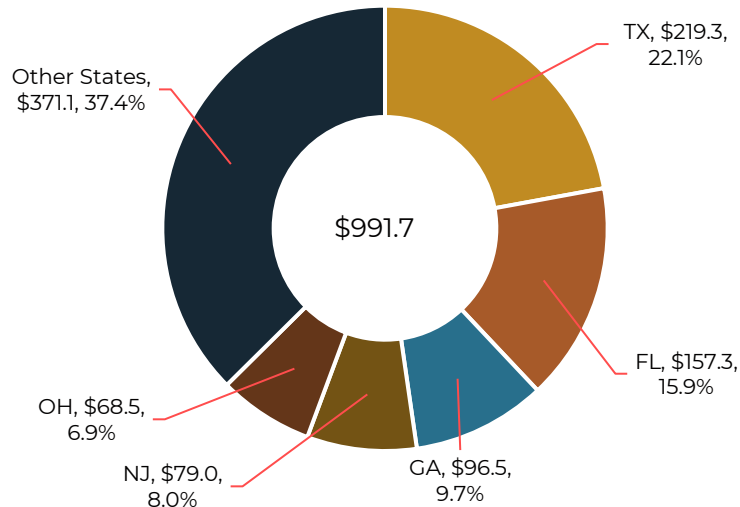
Note: (1) See Appendix for definition of Distributable Earnings and for reconciliation of GAAP net income to Distributable Earnings.
(2) See Appendix for definition of Book Value Per Share of Common Stock.



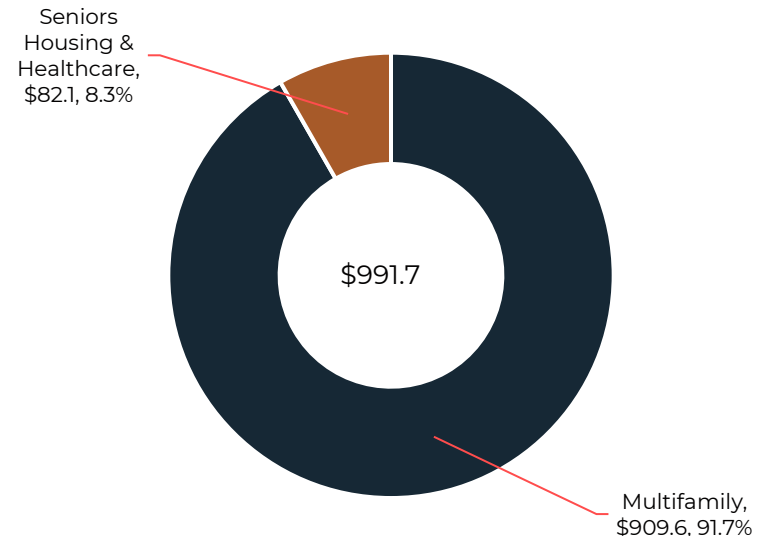
Investment Portfolio

- On June 30, 2026, the Company owned a portfolio of floating-rate CRE loans with a carrying value of \$1.0 billion. 91.7%⁽¹⁾ of the portfolio was invested in loans collateralized by multifamily assets.
- The Company anticipates that it will continue to focus on investment opportunities within multifamily credit. The Company does not currently own any hospitality, retail, self-storage, or office loan assets and has limited exposure to seniors housing and healthcare.

Geographic Concentration⁽²⁾



Property Type⁽²⁾

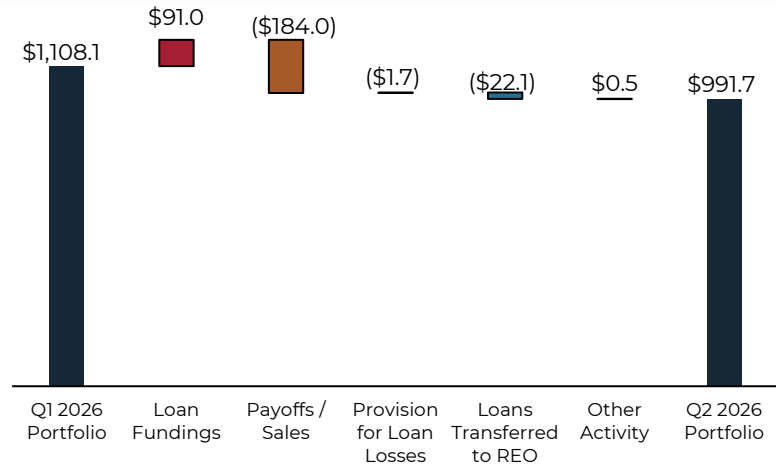


Note: (1) Based on carrying value.
(2) \$ In millions, based on carrying value.

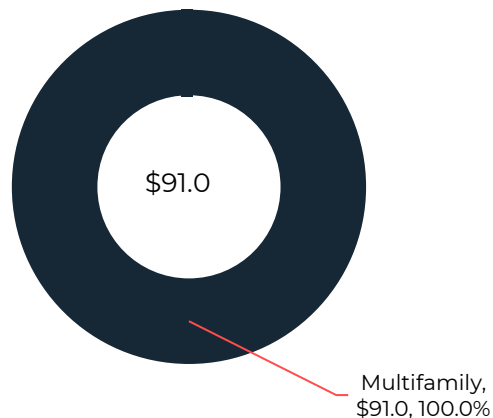
Q2 2026 Loan Activity

- The Company funded \$91.0 million of loan assets and experienced \$184.0 million of loan payoffs during the quarter.

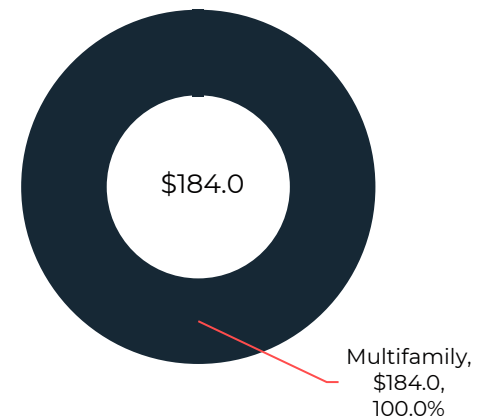
Portfolio Activity⁽²⁾



Q2 Fundings by Property Type⁽¹⁾



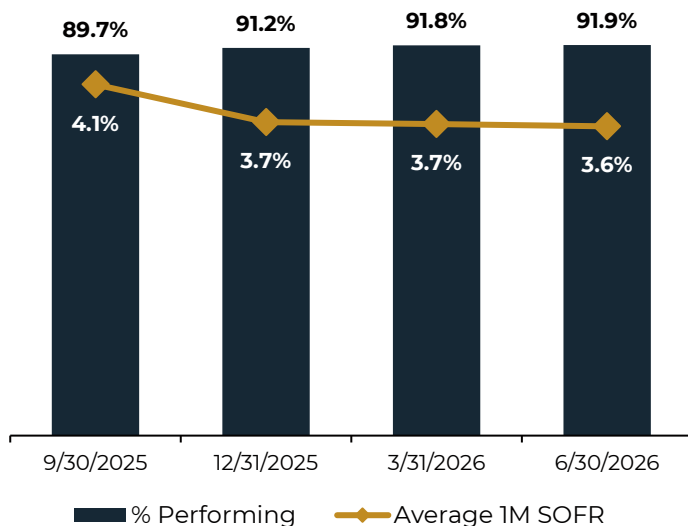
Q2 Payoffs by Property Type⁽¹⁾



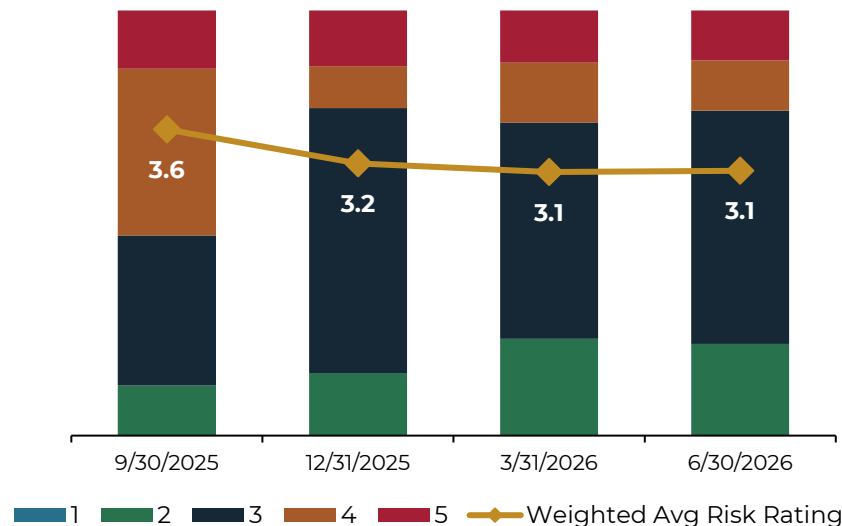
Portfolio Credit

- As of June 30, 2026, 91.9% of the Company's portfolio was performing⁽¹⁾, with 80.7% of the portfolio rated "3" (Moderate Risk) or better.
- Weighted average risk rating⁽²⁾ of 3.1.
- During the quarter, management applied a "5" risk-rating to six loans with an aggregate principal value of \$98.1 million.

Asset Performance⁽¹⁾



Weighted Average Risk Rating⁽²⁾

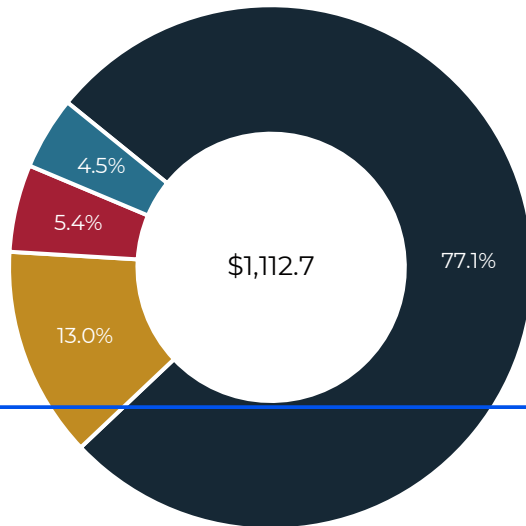


Q2 2026 Capital Structure Overview

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

11.4: Capital Structure Detail

Capital Structure Composition⁽¹⁾



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

Capital Structure Detail

(\$ in millions)

Secured Financings⁽²⁾

<u>Secured Financings</u> ⁽²⁾	<u>Maturity Date</u>	<u>Rate</u>	<u>Advance Rate</u>	<u>Amount</u>
LMNT 2025-FL3	July 2043	S + 1.91%	88.1%	\$585.0
Secured financing agreements	Various	Various	Various	\$273.0

Credit Facilities

Term Loan ⁽³⁾	February 2030	9.75%	\$50.0
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Total Debt

\$908.0

Equity

Preferred Equity ⁽⁴⁾	N/A	7.875%	\$60.0
Book Value of Common Equity ⁽⁵⁾	N/A		\$144.7

Total Capitalization⁽¹⁾

\$1,112.7

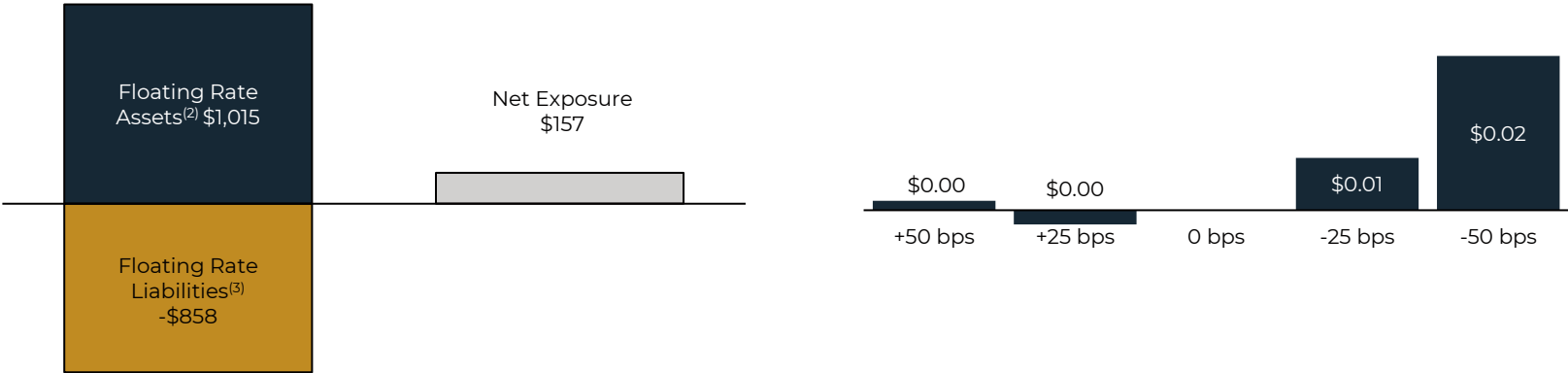
Note: (1) In millions. LFT total capitalization is a non-GAAP measure which excludes certain Balance Sheet items; Please see Appendix for reconciliation to GAAP.
 (2) Secured financing shown at par value. 2025-FL3 CLO GAAP carrying value of \$580.7 includes \$4.3 million of unamortized debt issuance costs. Secured financing agreements carrying value of \$271.1 million includes \$1.9 million of unamortized debt issuance costs.
 (3) Term loan shown at par value. GAAP carrying value of \$49.7 million includes \$0.3 million of unamortized debt issuance costs.
 (4) Preferred equity shown at \$60 million liquidation preference.
 (5) Noncontrolling interest was \$99,500 as of 6/30/2026 and is excluded from common equity above.

Net Interest Income Sensitivity to Shifts in Term SOFR

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

Floating-Rate Exposure⁽¹⁾

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



Note: (1) In millions. Net Exposure represents UPB of floating rate loan portfolio assets net of par value of secured floating rate debt outstanding.
(2) Figure reflects unpaid principal balance of floating-rate loan portfolio.
(3) Comprised of secured financing arrangements and outstanding securitization notes related to 2025-FL3, all of which are indexed to one-month SOFR. Figure reflects par value of notes.
(4) Annualized impact per common share. Assumes starting 30-day term SOFR of 3.65%. Our loan assets feature rate floors which partially mitigate the adverse earnings impact of declines in SOFR.

Appendix

6/30/2026 CRE Loan Portfolio Details

#	Loan Name	Closing Date	Maturity Date	Property Type	City	State	Unpaid Principal Balance	Note Spread	Unamortized Discount/Premium	As-Is LTV at Origination ⁽¹⁾
1	Loan 1	12/20/2024	1/5/2028	Multifamily	Olympia	WA	59,836,911	3.75%	0	68.49%
2	Loan 2	12/16/2021	7/6/2026	Multifamily	Multi	FL	51,375,000	3.16%	0	71.70%
3	Loan 3	12/23/2024	1/5/2027	Multifamily	Macon	GA	36,800,000	2.90%	0	66.10%
4	Loan 4	1/16/2025	8/5/2026	Multifamily	Noblesville	IN	36,000,000	2.70%	0	67.57%
5	Loan 5	1/29/2025	2/5/2027	Multifamily	Manchaca	TX	35,500,000	3.00%	0	52.21%
6	Loan 6	10/27/2025	11/5/2027	Multifamily	Columbus	OH	33,333,333	2.35%	0	75.00%
7	Loan 7	3/22/2022	4/5/2027	Multifamily	Seneca	SC	31,627,625	3.35%	(153,214)	74.54%
8	Loan 8	6/28/2022	4/5/2027	Multifamily	Dallas	TX	29,623,930	3.40%	(154,963)	71.59%
9	Loan 9	4/3/2025	4/5/2027	Multifamily	Lockport	IL	27,500,000	2.81%	0	64.50%
10	Loan 10	11/2/2021	7/6/2026	Multifamily	Melbourne	FL	26,049,291	3.21%	0	72.09%
11	Loan 11	9/17/2024	10/5/2026	Multifamily	Marysville	OH	25,500,000	2.85%	0	73.80%
12	Loan 12	4/27/2022	11/5/2026	Multifamily	North Brunswick	NJ	24,525,000	3.40%	0	79.90%
13	Loan 13	8/26/2021	8/5/2027	Multifamily	Clarkston	GA	24,468,032	3.61%	0	79.00%
14	Loan 14	10/18/2021	8/5/2026	Multifamily	Cherry Hill	NJ	23,348,000	3.11%	0	72.40%
15	Loan 15	6/30/2026	7/5/2029	Multifamily	Phoenix	AZ	23,125,000	2.50%	0	65.00%
16	Loan 16	8/26/2021	3/6/2027	Multifamily	Union City	GA	22,872,354	3.46%	0	70.40%
17	Loan 17	11/16/2021	3/6/2026	Multifamily	Dallas	TX	21,916,753	3.31%	0	73.54%
18	Loan 18	8/31/2021	8/5/2026	Multifamily	Houston	TX	21,644,684	3.41%	0	74.20%
19	Loan 19	3/22/2022	4/5/2027	Multifamily	York	PA	21,442,771	3.30%	(137,201)	79.17%
20	Loan 20	11/29/2022	12/31/2026	Healthcare	Glendale	WI	20,360,000	4.00%	0	45.00%
21	Loan 21	11/5/2021	6/5/2027	Multifamily	Orlando	FL	19,625,274	3.11%	0	78.05%
22	Loan 22	2/18/2026	3/5/2029	Multifamily	Holt	MI	19,500,000	3.10%	0	76.30%
23	Loan 23	2/11/2022	3/6/2026	Multifamily	Tampa	FL	19,445,670	3.60%	0	77.99%
24	Loan 24	11/21/2022	12/31/2026	Healthcare	Houston	TX	18,920,000	4.00%	0	67.00%
25	Loan 25	11/10/2022	12/31/2026	Healthcare	Austin	TX	18,590,000	4.00%	0	65.00%
26	Loan 26	2/2/2022	7/4/2026	Multifamily	Houston	TX	17,936,729	3.50%	0	77.50%

Continued on the following page

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



6/30/2026 CRE Loan Portfolio Details

#	Loan Name	Closing Date	Maturity Date	Property Type	City	State	Unpaid Principal Balance	Note Spread	Unamortized Discount/Premium	As-Is LTV at Origination ⁽¹⁾
27	Loan 27	11/23/2021	12/4/2026	Multifamily	Orange	NJ	17,781,968	3.31%	0	78.00%
28	Loan 28	3/26/2025	4/5/2027	Multifamily	Kannapolis	NC	17,780,000	2.91%	0	60.40%
29	Loan 29	12/20/2024	7/5/2026	Multifamily	Lafayette	IN	17,010,000	2.85%	0	68.00%
30	Loan 30	3/31/2022	4/5/2026	Multifamily	Tallahassee	FL	16,956,276	3.00%	(95,685)	74.80%
31	Loan 31	3/28/2025	4/5/2027	Multifamily	Lansing	MI	16,500,000	2.90%	0	73.50%
32	Loan 32	7/31/2025	8/4/2028	Multifamily	Oswego	IL	16,237,935	4.15%	0	64.70%
33	Loan 33	12/29/2021	1/6/2027	Multifamily	Multi	NC	16,075,387	3.96%	0	59.90%
34	Loan 34	11/21/2022	12/31/2026	Healthcare	Southlake	TX	15,735,000	4.00%	0	48.00%
35	Loan 35	4/27/2022	5/5/2026	Multifamily	Houston	TX	14,171,704	3.70%	0	79.60%
36	Loan 36	4/12/2021	5/5/2025	Multifamily	Cedar Park	TX	13,666,721	3.86%	0	66.70%
37	Loan 37	6/3/2025	6/4/2027	Multifamily	Bound Brook	NJ	13,510,000	3.95%	0	67.60%
38	Loan 38	7/26/2022	8/5/2027	Multifamily	Atlanta	GA	12,905,495	3.65%	(91,960)	65.15%
39	Loan 39	5/12/2022	6/5/2025	Multifamily	Ypsilanti	MI	11,926,591	3.50%	(58,275)	68.40%
40	Loan 40	10/10/2024	11/5/2026	Multifamily	Cottonwood	AZ	11,550,000	3.25%	0	38.50%
41	Loan 41	1/25/2022	6/9/2027	Multifamily	Corpus Christi	TX	11,261,792	3.55%	(32,101)	78.76%
42	Loan 42	10/28/2021	11/6/2026	Multifamily	Tampa	FL	11,202,535	3.06%	0	75.70%
43	Loan 43	5/3/2022	7/6/2026	Multifamily	Port Richey	FL	10,818,945	3.55%	(65,128)	79.05%
44	Loan 44	9/30/2021	10/6/2026	Multifamily	Clearfield	UT	9,815,615	3.26%	0	67.98%
45	Loan 45	7/14/2022	8/5/2026	Multifamily	Bradenton	FL	9,429,206	3.90%	(26,777)	74.40%
46	Loan 46	4/15/2024	5/5/2026	Healthcare	Multi	ID	8,500,000	4.65%	0	54.00%
47	Loan 47	5/28/2026	6/5/2028	Multifamily	Des Moines	IA	8,100,000	1.75%	0	72.03%
48	Loan 48	12/19/2025	1/5/2028	Multifamily	San Antonio	TX	6,960,000	2.75%	0	76.50%
49	Loan 49	10/7/2022	11/5/2026	Multifamily	Fairborn	OH	6,816,701	4.10%	0	79.10%
50	Loan 50	12/19/2024	1/5/2027	Multifamily	Bellflower	CA	5,987,732	3.00%	0	30.40%
51	Loan 51	10/27/2025	11/5/2027	Multifamily	Columbus	OH	3,100,000	2.35%	0	75.00%
Total / Average							1,014,665,959	3.30%	(815,304)	69.33%

Note:

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



Consolidated Balance Sheets

	June 30, 2026 ⁽¹⁾	December 31, 2025 ⁽¹⁾
	(unaudited)	
ASSETS		
Cash and cash equivalents	\$ 28,979,474	\$ 23,112,995
Restricted cash	25,698,479	3,505,087
Commercial mortgage loans held-for-investment, at amortized cost	1,012,913,408	1,136,706,113
Less: Allowance for credit losses	(21,248,582)	(22,658,121)
Commercial mortgage loans held-for-investment, net of allowance for credit losses	991,664,826	1,114,047,992
Real estate owned, held-for-investment, net	50,724,969	26,839,010
Real estate owned, held-for-sale	10,877,081	24,099,072
Mortgage servicing rights, at fair value	506,733	554,246
Accrued interest receivable	4,509,561	5,428,255
Investment related receivable	—	15,449,323
Other assets	2,498,076	2,944,179
Total assets	<u>\$ 1,115,459,199</u>	<u>\$ 1,215,980,159</u>
LIABILITIES AND EQUITY		
LIABILITIES		
Securitized debt obligations, net	580,686,518	748,433,484
Secured financing agreements, net	271,140,326	191,943,220
Secured term loan, net	49,667,476	47,719,278
Accrued interest payable	1,424,740	1,869,876
Dividends payable	3,096,945	3,093,470
Fees and expenses payable to Manager	3,065,049	1,428,500
Other liabilities	1,559,776	2,405,613
Total liabilities	<u>910,640,830</u>	<u>996,893,441</u>
COMMITMENTS AND CONTINGENCIES (NOTE 12)		
EQUITY		
Preferred Stock: par value \$0.01 per share; 50,000,000 shares authorized; 7.875% Series A Cumulative Redeemable, \$60,000,000 aggregate liquidation preference, 2,400,000 shares issued and outstanding at June 30, 2026 and December 31, 2025, respectively	57,254,935	57,254,935
Common Stock: par value \$0.01 per share; 450,000,000 shares authorized, 52,486,129 and 52,399,265 shares issued and outstanding, at June 30, 2026 and December 31, 2025, respectively	524,864	523,995
Additional paid-in capital	314,993,330	314,889,201
Cumulative distributions to stockholders	(227,525,727)	(220,958,702)
Accumulated earnings	59,471,467	67,277,789
Total stockholders' equity	204,718,869	218,987,218
Noncontrolling interests	99,500	99,500
Total equity	<u>204,818,369</u>	<u>219,086,718</u>
Total liabilities and equity	<u>\$ 1,115,459,199</u>	<u>\$ 1,215,980,159</u>

(1) Our consolidated balance sheets include assets and liabilities of consolidated variable interest entities ("VIEs") as the Company was the primary beneficiary of these VIEs. As of June 30, 2026 and December 31, 2025, assets of consolidated VIEs totaled \$662,520,376 and \$889,507,091, respectively, and the liabilities of consolidated VIEs totaled \$581,587,437 and \$750,274,556, respectively. See Note 4 for further discussion.

Consolidated Statement of Income

	Three Months Ended June 30, 2026	Three Months Ended June 30, 2025	Six Months Ended June 30, 2026	Six Months Ended June 30, 2025
Revenues:				
Interest income:				
Commercial mortgage loans held-for-investment	\$ 18,946,403	\$ 19,976,355	\$ 39,847,945	\$ 41,661,245
Cash and cash equivalents	102,828	602,563	268,675	1,227,530
Interest expense:				
Securitized debt obligations	(8,582,040)	(12,646,774)	(18,957,805)	(26,283,248)
Secured financing agreements	(4,700,649)	—	(8,555,754)	—
Secured term loan	(1,263,812)	(971,365)	(2,403,653)	(1,910,214)
Net interest income	4,502,730	6,960,779	10,199,408	14,695,313
Expenses:				
Management and incentive fees	1,088,516	1,302,526	2,183,516	2,415,840
General and administrative expenses	1,409,608	1,006,961	2,476,345	1,931,021
Operating expenses reimbursable to Manager	623,404	494,801	1,089,835	899,421
Other operating expenses	622,726	240,527	1,539,898	280,536
Compensation expense	111,250	111,250	222,500	222,500
Total expenses	3,855,504	3,156,065	7,512,094	5,749,318
Other income and expense:				
Provision for credit losses, net	(8,625,695)	(94,768)	(7,893,322)	(5,792,429)
Net (expense) from real estate owned operations	(210,847)	—	(302,253)	—
Gain on sale of real estate owned	145,435	—	145,435	—
Real estate owned impairment expense	—	—	(1,350,435)	—
Change in unrealized (loss) on mortgage servicing rights	(17,268)	(36,456)	(47,513)	(58,974)
Loss on extinguishment of debt	—	—	(1,152,861)	—
Servicing income, net	37,499	13,199	91,920	78,079
Total other income and expense	(8,670,876)	(118,025)	(10,509,029)	(5,773,324)
Net (loss) income before provision for income taxes	(8,023,650)	3,686,689	(7,821,715)	3,172,671
Benefit from (provision for) income taxes	10,745	4,084	15,393	(4,466)
Net (loss) income	(8,012,905)	3,690,773	(7,806,322)	3,168,205
Dividends accrued to preferred stockholders	(1,185,043)	(1,185,042)	(2,370,001)	(2,370,000)
Net (loss) income attributable to common stockholders	\$ (9,197,948)	\$ 2,505,731	\$ (10,176,323)	\$ 798,205
Earnings per share:				
Net (loss) income attributable to common stockholders (basic and diluted)	\$ (9,197,948)	\$ 2,505,731	\$ (10,176,323)	\$ 798,205
Weighted average number of shares of common stock outstanding	52,459,976	52,332,304	52,430,232	52,321,157
Basic and diluted income per share	\$ (0.18)	\$ 0.05	\$ (0.19)	\$ 0.02
Dividends declared per share of common stock	\$ 0.04	\$ 0.06	\$ 0.08	\$ 0.14

Detailed Walk of Allowance for Loan Losses

18.9: Detailed Walk of Allowance for Loan Losses

	Three months ended		Six months ended	
	June 30, 2026	June 30, 2025	June 30, 2026	June 30, 2025
Allowance for credit losses at beginning of period	\$ 19,543,903	\$ 17,060,194	\$ 22,658,121	\$ 11,320,220
Provision for credit losses	8,625,695	102,459	7,893,322	5,842,433
Charge-offs	(6,921,016)	(2,910,385)	(9,302,861)	(2,910,385)
Allowance for credit losses at end of period	<u>\$ 21,248,582</u>	<u>\$ 14,252,268</u>	<u>\$ 21,248,582</u>	<u>\$ 14,252,268</u>

Reconciliation of Net Income to Distributable Earnings

GAAP to Distributable Earnings Reconciliation	For the Three Months Ended			
	September 30, 2025	December 31, 2025	March 31, 2026	June 30, 2026
<i>Reconciliation of GAAP to non-GAAP Information</i>				
Net income attributable to common stockholders	\$658,597	\$(8,942,111)	\$(978,375)	\$(9,197,948)
<i>Adjustments for non-Distributable earnings</i>				
Unrealized losses (gains) on mortgage servicing rights	24,700	11,367	30,245	17,268
(Release of) credit losses	(29,660)	8,628,158	(732,373)	8,625,695
Realized gain (loss) on sale of real estate owned	0	(200,196)	0	(3,267,833)
Realized gain (loss) on mortgage loans	0	0	0	(1,841,615)
Depreciation of real estate owned	344,785	295,698	304,885	390,272
Real estate owned impairment expense	0	0	1,350,435	0
Loss on extinguishment of debt	0	0	1,152,861	0
Subtotal	339,825	8,735,027	2,106,053	3,923,787
<i>Other Adjustments</i>				
Adjustment for income taxes	(2,902)	6,629	(4,648)	(10,745)
Subtotal	(2,902)	6,629	(4,648)	(10,745)
Distributable Earnings	\$995,520	\$(200,455)	\$1,123,030	\$(5,284,906)
Weighted average shares outstanding, basic and diluted	52,352,594	52,372,810	52,400,158	52,459,976
Distributable Earnings per share of common stock, basic and diluted	\$0.02	\$(0.00)	\$0.02	\$(0.10)

Detailed Walk of Capitalization as of 6/30/2026

28.11. LFT Capitalization Reconciliation

LFT Capitalization Reconciliation (in 000's)	6/30/2026
Total GAAP liabilities and stockholders' equity ⁽¹⁾	\$1,115,360
<i>Adjustments for Capitalization</i>	
(-) Accrued interest payable	(1,425)
(-) Dividends payable	(3,097)
(-) Fees and expenses payable to Manager	(3,065)
(-) Other accounts payable and accrued expenses	(1,560)
(+) Other capitalized financing & issuance costs	6,486
LFT Capitalization	\$1,112,699



Book Value Per Share of Common Stock as of 6/30/2026

21.12: Book Value Per Common Share

<i>Book Value Per Common Share (in 000's)</i>		June 30, 2026
Total stockholders' equity		\$204,818
(-) Preferred equity ⁽¹⁾		(60,000)
(-) Non-controlling interest		(100)
Common equity		\$144,719
Shares outstanding		52,486
Book Value Per Share of Common Stock		\$2.76



Key Definitions

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

“Distributable Earnings” is a non-GAAP measure, which we define as GAAP net income (loss) attributable to holders' of common stock, or, without duplication, owners of the Company's subsidiaries, computed in accordance with GAAP, including realized losses not otherwise included in GAAP net income (loss) and excluding (i) non-cash equity compensation, (ii) depreciation and amortization, (iii) any unrealized gains or losses or other similar non-cash items that are included in net income for that applicable reporting period, regardless of whether such items are included in other comprehensive income (loss) or net income (loss), and (iv) one-time events pursuant to changes in GAAP and certain material non-cash income or expense items after discussions with the Company's board of directors and approved by a majority of the Company's independent directors. We also add back one-time charges such as acquisition costs and one-time gains/losses on the early extinguishment of debt and redemption of preferred stock. Distributable Earnings mirrors how we calculate Core Earnings pursuant to the terms of our management agreement between our Manager and us, or our Management Agreement, for purposes of calculating the incentive fee payable to our Manager. While Distributable Earnings excludes the impact of any unrealized provisions for credit losses, any loan losses are charged off and realized through Distributable Earnings when deemed non-recoverable. Non-recoverability is determined (i) upon the resolution of a loan (i.e. when the loan is repaid, fully or partially, or in the case of foreclosures, when the underlying asset is sold), or (ii) with respect to any amount due under any loan, when such amount is determined to be non-collectible.

We believe that Distributable Earnings provides meaningful information to consider in addition to our net income (loss) and cash flows from operating activities determined in accordance with GAAP. We believe Distributable Earnings is a useful financial metric for existing and potential future holders of our common stock as historically, over time, Distributable Earnings has been a strong indicator of our dividends per share. As a REIT, we generally must distribute annually at least 90% of our taxable income, subject to certain adjustments, and therefore we believe our dividends are one of the principal reasons stockholders may invest in our common stock. Refer to Note 16 to our consolidated financial statements for further discussion of our distribution requirements as a REIT. Furthermore, Distributable Earnings help us to evaluate our performance excluding the effects of certain transactions and GAAP adjustments that we believe are not necessarily indicative of our current loan portfolio and operations and is a performance metric we consider when declaring our dividends.

Distributable Earnings does not represent net income (loss) or cash generated from operating activities and should not be considered as an alternative to GAAP net income (loss), or an indication of GAAP cash flows from operations, a measure of our liquidity, or an indication of funds available for our cash needs. In addition, our methodology for calculating Distributable Earnings may differ from the methodologies employed by other companies to calculate the same or similar performance measures, and accordingly, our reported Distributable Earnings may not be comparable to the Distributable Earnings reported by other companies.



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