

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-K

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

For the Fiscal Year Ended December 31, 2025

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 001-32216

ADAMAS TRUST, INC.

(Exact name of registrant as specified in its charter)

Maryland

(State or other jurisdiction of
incorporation or organization)

47-0934168

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

90 Park Avenue, New York, NY 10016

(Address of principal executive office) (Zip Code)

(212) 792-0107

(Registrant's telephone number, including area code)

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

Title of Each Class	Trading Symbols	Name of Each Exchange on Which Registered
Common Stock, par value \$0.01 per share	ADAM	NASDAQ Stock Market
8.000% Series D Fixed-to-Floating Rate Cumulative Redeemable Preferred Stock, par value \$0.01 per share, \$25.00 Liquidation Preference	ADAMN	NASDAQ Stock Market
7.875% Series E Fixed-to-Floating Rate Cumulative Redeemable Preferred Stock, par value \$0.01 per share, \$25.00 Liquidation Preference	ADAMM	NASDAQ Stock Market
6.875% Series F Fixed-to-Floating Rate Cumulative Redeemable Preferred Stock, par value \$0.01 per share, \$25.00 Liquidation Preference	ADAML	NASDAQ Stock Market
7.000% Series G Cumulative Redeemable Preferred Stock, par value \$0.01 per share, \$25.00 Liquidation Preference	ADAMZ	NASDAQ Stock Market
9.125% Senior Notes due 2029	ADAMI	NASDAQ Stock Market
9.125% Senior Notes due 2030	ADAMG	NASDAQ Stock Market
9.875% Senior Notes due 2030	ADAMH	NASDAQ Stock Market
9.250% Senior Notes due 2031	ADAMO	NASDAQ Stock Market

Securities registered pursuant to Section 12(g) of the Act: None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes No

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes No

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 definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act. (check one):

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 has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 USC. 7262(b)) by the registered public accounting firm that prepared or issued its audit report.

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements.

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the registrant's executive officers during the relevant recovery period pursuant to §240.10D-1(b).

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

The aggregate market value of the voting and non-voting common stock held by non-affiliates of the registrant as of June 30, 2025 (the last business day of the registrant's most recently completed second fiscal quarter) was \$595,566,089 based on the closing sale price on the NASDAQ Global Select Market on June 30, 2025.

The number of shares of the registrant's common stock, par value \$0.01 per share, outstanding on February 13, 2026 was 90,474,341.

DOCUMENTS INCORPORATED BY REFERENCE

<u>Document</u>	<u>Where Incorporated</u>
1. Portions of the Registrant's Definitive Proxy Statement relating to its 2026 Annual Meeting of Stockholders scheduled for June 2026 to be filed with the Securities and Exchange Commission by no later than April 30, 2026.	Part III, Items 10-14

ADAMAS TRUST, INC.
FORM 10-K
For the Fiscal Year Ended December 31, 2025

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PART I

Item 1. BUSINESS

Certain Defined Terms

In this Annual Report on Form 10-K we refer to Adamas Trust, Inc., together with its consolidated subsidiaries, as “Adamas,” “we,” “us,” “Company,” or “our,” unless we specifically state otherwise or the context indicates otherwise, and we refer to our wholly-owned taxable real estate investment trust (“REIT”) subsidiaries as “TRSs” and our wholly-owned qualified REIT subsidiaries as “QRSs.” In addition, the following defines certain of the commonly used terms in this report:

- “ABS” refers to debt and/or equity tranches of securitizations backed by various asset classes including, but not limited to, automobiles, aircraft, credit cards, equipment, franchises, recreational vehicles and student loans;
- “Agency ARMs” refers to Agency RMBS comprised of adjustable-rate and hybrid adjustable-rate RMBS;
- “Agency fixed-rate RMBS” refers to Agency RMBS comprised of fixed-rate RMBS;
- “Agency investments” refers to Agency RMBS and TBAs;
- “Agency RMBS” refers to RMBS representing interests in or obligations backed by pools of residential loans guaranteed by a government sponsored enterprise (“GSE”), such as the Federal National Mortgage Association (“Fannie Mae”) or the Federal Home Loan Mortgage Corporation (“Freddie Mac”), or an agency of the U.S. government, such as the Government National Mortgage Association (“Ginnie Mae”);
- “ARMs” refers to adjustable-rate residential loans;
- “business purpose loans” refers to (i) short-term loans that are collateralized by residential properties and are made to investors who intend to rehabilitate and sell the residential property for a profit or (ii) loans that finance (or refinance) non-owner occupied residential properties that are rented to one or more tenants;
- “CDO” refers to collateralized debt obligation and includes debt that permanently finances the residential loans held in Consolidated SLST, the Company’s residential loans held in securitization trusts and a non-Agency RMBS re-securitization that we consolidate, or consolidated, in our financial statements in accordance with GAAP;
- “CMBS” refers to commercial mortgage-backed securities comprised of commercial mortgage pass-through securities issued by a GSE, as well as PO, IO, or mezzanine securities that represent the right to a specific component of the cash flow from a pool of commercial mortgage loans;
- “Consolidated Real Estate VIEs” refers to Consolidated VIEs that own multi-family properties;
- “Consolidated SLST” refers to Freddie Mac-sponsored residential loan securitizations, comprised of seasoned re-performing and non-performing residential loans, of which we own the first loss subordinated securities and certain IOs, that we consolidate in our financial statements in accordance with GAAP;
- “Consolidated VIEs” refers to VIEs where the Company is the primary beneficiary, as it has both the power to direct the activities that most significantly impact the economic performance of the VIE and a right to receive benefits or absorb losses of the entity that could be potentially significant to the VIE and that we consolidate in our financial statements in accordance with GAAP;
- “Constructive” refers to Constructive Loans, LLC, a wholly-owned subsidiary through which the Company originates business purpose loans for residential real estate investors;
- “excess mortgage servicing spread” or “excess MSR” refers to the difference between the contractual servicing fee with Fannie Mae, Freddie Mac or Ginnie Mae and the base servicing fee that is retained as compensation for servicing or subservicing the related mortgage loans pursuant to the applicable servicing contract;
- “GAAP” refers to generally accepted accounting principles within the United States;

- “IOs” refers collectively to interest only and inverse interest only mortgage-backed securities that represent the right to the interest component of the cash flow from a pool of mortgage loans;
- “MBS” refers to mortgage-backed securities;
- “Mezzanine Lending” refers, collectively, to preferred equity and mezzanine loan investments in multi-family properties;
- “MSRs” refers to mortgage servicing rights that represent the contractual right to service residential loans;
- “multi-family CMBS” refers to CMBS backed by commercial mortgage loans on multi-family properties;
- “non-Agency RMBS” refers to RMBS that are not guaranteed by any agency of the U.S. Government or GSE;
- “non-QM loans” refers to residential loans that are not deemed “qualified mortgage,” or “QM,” loans under the rules of the Consumer Financial Protection Bureau;
- “POs” refers to mortgage-backed securities that represent the right to the principal component of the cash flow from a pool of mortgage loans;
- “RMBS” refers to residential mortgage-backed securities backed by adjustable-rate, hybrid adjustable-rate or fixed-rate residential loans;
- “second mortgages” refers to liens on residential properties that are subordinate to more senior mortgages or loans;
- “TBAs” refers to to-be-announced securities that are forward contracts for the purchase or sale of Agency fixed-rate RMBS at a predetermined price, face amount, issuer, coupon, and stated maturity on an agreed-upon future date;
- “TBA dollar roll income” refers to the difference in price between two TBA contracts with the same terms but different settlement dates that are simultaneously bought and sold; and
- “Variable Interest Entity” or “VIE” refers to an entity in which equity investors do not have the characteristics of a controlling financial interest or do not have sufficient equity at risk for the entity to finance its activities without additional subordinated financial support from other parties.

General

We are an internally-managed REIT for U.S. federal income tax purposes focused on strategically deploying capital across complementary businesses to generate durable earnings and long-term value for stockholders through disciplined portfolio management and an operating platform designed to capture opportunities across real estate and capital markets. Our current investment portfolio includes credit sensitive single-family and multi-family assets, as well as other types of fixed-income investments such as Agency RMBS. Through our wholly-owned subsidiary, Constructive, we also originate business purpose loans for residential real estate investors. On September 3, 2025, we changed our name from New York Mortgage Trust, Inc. to Adamas Trust, Inc.

Our targeted assets include (i) Agency RMBS, (ii) residential loans, including business purpose loans, (iii) non-Agency RMBS and (iv) certain other mortgage-, residential housing- and credit-related assets, as well as strategic investments in companies from which we purchase, or may in the future purchase, our targeted assets. Subject to maintaining our qualification as a REIT and the maintenance of our exclusion from registration as an investment company under the Investment Company Act of 1940, as amended (the “Investment Company Act”), we also may opportunistically acquire and manage various other types of mortgage-, residential housing- and other credit-related or alternative investments that we believe will compensate us appropriately for the risks associated with them, including, without limitation, CMBS, collateralized mortgage obligations, MSRs, excess mortgage servicing spreads, preferred equity and joint venture equity investments in multi-family properties, securities issued by newly originated securitizations, including credit sensitive securities from these securitizations, ABS and debt or equity investments in alternative assets or businesses.

We have elected to be taxed as a REIT for U.S. federal income tax purposes and have complied, and intend to continue to comply, with the provisions of the Internal Revenue Code of 1986, as amended (the "Internal Revenue Code"), with respect thereto. Accordingly, we do not expect to be subject to U.S. federal income tax on our REIT taxable income that we currently distribute to our stockholders if certain asset, income, distribution and ownership tests and record keeping requirements are fulfilled. Even if we maintain our qualification as a REIT, we expect to be subject to some U.S. federal, state and local taxes on our income generated in our TRSs.

We operate in two segments: investment portfolio and Constructive. Our segments are based on our organizational structure and the nature of the business activities. Our investment portfolio, which includes primarily mortgage-related residential assets, generates revenues, including interest income, net income (loss) from real estate and other income, for us. We derive the substantial portion of our revenues and income from our investment portfolio. Our investment portfolio is described in greater detail under "Investment Portfolio" below. Constructive represents the mortgage origination business conducted by Constructive, a business purpose loan lender specializing in rental and transitional loans for real estate investors, which generates revenues from the origination and sale of loans.

Our Investment Strategy

Our strategy is to own and manage a diversified portfolio of primarily mortgage-related single-family residential assets that include elements of credit risk and/or interest rate risk. As part of this strategy, we own and manage a leveraged portfolio of Agency investments primarily comprised of Agency fixed-rate RMBS and Agency ARMs that provide coupon income. We also intend to continue, subject to market conditions, to focus on credit assets, many of which we have originated or sourced through proprietary channels, including through our wholly-owned subsidiary, Constructive, that we believe will deliver more attractive risk-adjusted returns over time. In particular, we seek investment opportunities in markets where we believe we have a competitive advantage due to operational barriers to entry.

We define credit assets as (i) residential loans, including business purpose loans, which may be originated by Constructive, (ii) non-Agency RMBS, (iii) structured multi-family property investments and (iv) other mortgage-, residential housing- and credit-related assets that contain credit risk. In pursuing credit assets, we target assets that we believe will provide an attractive total rate of return, as compared to assets that strictly provide net interest spread. We also own and manage investments in multi-family and single-family rentals. In 2022, we determined to strategically reposition our business through the opportunistic disposition of certain multi-family investments. We have allocated, and expect to continue to allocate, more capital to investments in single-family residential assets relative to multi-family assets in 2025 and subsequent years, with multi-family assets continuing to become a smaller part of our balance sheet. We may pursue opportunistic acquisitions of other types of assets and sectors that meet our investment criteria.

On July 15, 2025, we completed the acquisition of the remaining 50% interest in Constructive that was not previously owned by us. Constructive is a business purpose loan originator that operates in 48 states. Through Constructive, we originate business purpose loans to residential real estate investors, which supports our proprietary sourcing strategy and provides us access to credit assets consistent with our investment objectives. These loans may, from time to time, be retained on our balance sheet for investment or made available for sale to other real estate investors.

In light of current market and financing conditions, we are presently focused on acquiring assets with less price sensitivity to credit deterioration, such as Agency RMBS, and higher quality business purpose loans, including those sourced through Constructive, that will position our portfolio to better withstand economic stress. Selecting assets with lower credit exposure, either through agency guarantees, structure or collateral quality, can also reduce the overall risk profile of the portfolio and raise our interest income levels.

Since our inception in 2003, we have benefited from being able to flexibly move in and out of new niche investment opportunities as market conditions permit. As a result, we may pursue opportunistic acquisitions of other types of assets not described above that meet our investment criteria. We also may manage for third parties investments that fall within our area of expertise that are not a focus of our Company or are less suitable to being owned in a REIT. In these cases, we may agree to invest in these assets akin to a "general partner"-like capital contribution as part of the agreement to manage the assets.

Prior to deploying capital to any of the assets we target or determining to dispose of any of our investments, our management team will consider, among other things, the availability of suitable investments, the amount and nature of anticipated cash flows from the asset, our ability to finance or borrow against the asset and the terms of such financing, the related capital requirements, the credit risk, prepayment risk, hedging risk, interest rate risk, fair value risk and/or liquidity risk related to the asset or the underlying collateral, the composition of our investment portfolio, the background experience and track record of our partners (if applicable), REIT qualification, the maintenance of our exclusion from registration as an investment company under the Investment Company Act and other regulatory requirements and future general market conditions. In periods where we have working capital in excess of our short-term liquidity needs, we may invest the excess in more liquid assets until such time as we are able to re-invest that capital in assets that meet our underwriting and return requirements. Consistent with our strategy to produce returns through a combination of net interest spread and capital gains, we will seek, from time to time, to sell certain assets within our portfolio when we believe the combination of realized gains on an asset and/or reinvestment potential for the related sale proceeds are consistent with our long-term return objectives.

Subject to our investment guidelines, continued compliance with applicable REIT tax requirements, and our exclusion from registration as an investment company under the Investment Company Act, our investment strategy does not limit the amount of capital we may invest in any particular investment, asset class or type, or geographic concentration. Thus, our future investments may include asset classes or types different from the targeted or other assets described in this Annual Report on Form 10-K. Our investment and capital allocation decisions depend on prevailing market conditions, among other factors, and may change over time in response to opportunities available in different economic and capital market environments. As a result, we cannot predict the percentage of our capital that will be invested in any particular investment at any given time.

For more information regarding our portfolio as of December 31, 2025, see Item 7. “Management’s Discussion and Analysis of Financial Condition and Results of Operations” below.

Investment Portfolio

Our portfolio is substantially comprised of investments in two asset categories: single-family and multi-family residential investments.

Single-Family Investments

We have deep experience managing a diversified portfolio of mortgage-related single-family residential assets across the credit spectrum, including whole loan investments and investments in Agency and non-Agency RMBS. Consistent with our investment strategy and prevailing market conditions, in recent years, we have increasingly emphasized investment in Agency RMBS, reflecting their liquidity, government-sponsored credit support and ability to generate attractive risk-adjusted returns.

We also acquire single-family residential loans through a combination of proprietary sourcing channels, including relationships with select mortgage loan originators and secondary market institutions through bulk purchases and/or flow arrangements, as well as through Constructive, our wholly-owned business purpose loan originator. We do not directly service the mortgage loans we acquire, and instead contract with licensed third-party subservicers to handle substantially all servicing functions.

Set forth below is a description of the investments that substantially comprise our single-family investment portfolio.

Agency RMBS. Our leveraged Agency RMBS portfolio is a core component of our single-family investment strategy and is primarily comprised of Agency fixed-rate RMBS and Agency ARMs, the principal and interest of which are guaranteed by Fannie Mae or Freddie Mac. The Agency fixed-rate RMBS have been primarily backed by 15-year and 30-year residential fixed-rate mortgage loans, while the Agency ARMs have primarily included interest reset periods up to 120 months. We also own Agency IOs that represent the right to receive the interest portion of the cash flow from a pool of mortgage loans issued or guaranteed by Freddie Mac or Ginnie Mae. In addition, we may invest in Agency TBAs. In managing our portfolio of Agency RMBS, we expect to employ leverage through the use of repurchase agreements to generate risk-adjusted returns, while maintaining liquidity and flexibility, subject to general and capital market conditions, among other factors.

Residential Loans. Our portfolio of residential loans consists of (i) short-term business purpose loans with terms generally of 12 to 24 months that are collateralized by residential properties and made to investors who intend to rehabilitate and sell the property for a profit, or "business purpose bridge loans," (ii) business purpose loans that finance (or refinance) non-owner occupied residential properties that are or will be rented to one or more tenants, or "business purpose rental loans," (iii) performing residential mortgage loans that consist of GSE-eligible mortgage loans, non-QM loans that predominantly meet our underwriting guidelines, loans originally underwritten to GSE or another program's guidelines but are either undeliverable to the GSE or ineligible for a program due to certain underwriting or compliance errors, and investor loans generally underwritten to our program guidelines, (iv) seasoned performing, re-performing, non-performing and other delinquent mortgage loans secured by first liens on residential properties and (v) second mortgages. In connection with our acquisitions of residential loans, we or a third-party due diligence firm perform an independent review of the mortgage loan files to assess, where applicable, the value and condition of the underlying property, the completeness of the loan file package, the historical servicing of the mortgage loan, the compliance of the loan with existing guidelines and our ability to enforce the contractual rights associated with the mortgage. We also obtain certain representations and warranties from each seller with respect to the mortgage loans, often including the enforceability of the lien on the mortgaged property. In the case of any loans originated by Constructive and sold to real estate investors, Constructive will provide the buyer of those loans with certain representations and warranties or an obligation to repurchase such loans upon certain events. In addition, as part of our process, we focus on selecting a servicer with the appropriate expertise to mitigate losses and maximize our overall return on these residential loans. This involves, among other things, performing due diligence on the servicer prior to their engagement, assigning the appropriate servicer on each loan based on certain characteristics and monitoring each servicer's performance on an ongoing basis.

Non-Agency RMBS. Our non-Agency RMBS are collateralized by residential credit assets. The non-Agency RMBS in our investment portfolio may consist of the senior, mezzanine or subordinated tranches in the securitizations. The underlying collateral of these securitizations are predominantly residential credit assets, which may be exposed to various macroeconomic and asset-specific credit risks. These securities have varying levels of credit enhancement which provide some structural protection from losses within the securitization from which the securities are issued. We undertake an in-depth assessment of the underlying collateral and securitization structure when investing in these assets, which may include modeling defaults, prepayments and loss across different scenarios.

Single-Family Rental. We also participate in the U.S. Department of Housing and Urban Development Housing Choice Vouchers program administered by local public housing agencies ("PHAs") in which we acquire and then rent single-family rental homes to families that are eligible. We target PHAs with programs that help families with children move into high-opportunity neighborhoods with low poverty, high-performing schools, low crime and strong community resources in various markets, including Chicago, IL, Baltimore, MD and Houston, TX. The goal of the program is to promote better health and life satisfaction for these families. As of December 31, 2025, we owned 471 single-family rental properties, the majority of which are located in Illinois and Maryland.

Multi-Family Investments

As of December 31, 2025, our multi-family investment portfolio consists of credit-oriented investments such as preferred equity investments and a cross-collateralized preferred equity and joint venture equity investment (or a "cross-collateralized mezzanine lending investment") in multi-family properties. These investments are generally focused on middle-market multi-family apartment communities located in secondary and tertiary markets. Currently, we do not operate or manage multi-family properties on a day-to-day basis and generally participate as a capital provider alongside experienced property-level operators.

Mezzanine Lending. As of December 31, 2025, our multi-family credit exposure is principally reflected through preferred equity investments and, historically, mezzanine loan investments (together, "Mezzanine Lending") in entities that directly or indirectly own multi-family properties. Preferred equity investments are not secured by mortgages on the underlying real estate; however, they generally have priority over common equity with respect to cash flow distributions and proceeds from capital events. Mezzanine loans, when held, are typically senior to the borrower's equity interests and subordinate to a senior mortgage loan and are generally secured by pledges of ownership interests in the property-owning entities.

Our Mezzanine Lending investments typically include contractual return features and protective provisions, which may include covenants limiting certain actions of the property owner and, in some cases, remedies that provide enhanced control rights upon the occurrence of specified default events. These investments are generally structured alongside a senior mortgage loan and, when combined with such loan, typically result in total loan-to-value ratios ranging from approximately 70% to 90%.

Preferred equity investments generally include mandatory redemption provisions aligned with the maturity of the related senior mortgage financing, and we generally intend to hold such investments until their contractual redemption dates. As of December 31, 2025, 100% of our Mezzanine Lending assets were structured as preferred equity investments.

Cross-Collateralized Mezzanine Lending

In December 2021, we entered into a cross-collateralized mezzanine lending investment in an entity that presently owns nine multi-family properties in six states. We are a co-manager of the entity and, as of December 31, 2025, owned an approximate 27% common equity interest and approximately \$144.1 million of preferred equity interests in the entity, respectively. Pursuant to the terms of the operating agreement for the entity, subject to certain conditions, the other investors in the entity have the ability to sell their ownership interests to us, at their election, on an annual basis at the current fair value of their interests.

Joint Venture Equity. We have historically also owned joint venture equity investments in entities that own multi-family properties. Joint venture equity is a direct common equity ownership interest in an entity that owns a property. In this type of investment, the return of capital to us was variable and was made on a pro rata basis between us and our operating partners. Due to certain control provisions, we consolidated certain joint ventures into our consolidated financial statements in accordance with GAAP. As a result, the real estate assets held by these entities, and the corresponding mortgages payable that financed the real estate assets, were included in our consolidated balance sheets.

We completed our disposition of the majority of our ownership interests in our joint venture equity investments in multi-family properties during the year ended December 31, 2025. We do not anticipate making additional joint venture equity investments in multi-family properties that make us a majority or significant minority common equity owner in the future. However, we may agree to make common equity investments in multi-family properties akin to a "general partner"-like capital contribution in connection with one or more agreements to manage third party investments in multi-family properties.

Other Investments

We have made, and may in the future make, investments in the debt and/or equity of other entities engaged in single-family loan-related businesses, such as loan originators. In the future, we may also acquire investments that are structured with terms that reflect a combination of the investment structures described above. We also may invest, from time to time, based on market conditions, in other multi-family investments, structured investments in other property categories, equity and debt securities issued by entities that invest in residential and commercial real estate or in other mortgage-, real estate- and credit-related assets, and certain alternative investments not described here, subject to maintaining our qualification as a REIT and the maintenance of our exclusion from regulation as an investment company under the Investment Company Act or otherwise.

Our Financing Strategy

We employ leverage as part of our financing strategy and strive to maintain and achieve a balanced and diverse funding mix to finance our assets and operations. To achieve this, we rely primarily on a combination of short-term and long-term repurchase agreements and structured financings, including securitizations and long-term senior and subordinated debt. Our approach to leverage is based on the type of asset, underlying collateral and overall market conditions with the intent of obtaining more permanent, longer-term financing for our more illiquid assets. Currently, our maximum leverage ratios for each eligible asset portfolio are (i) 15:1 in the case of more liquid Agency securities, (ii) between 1:1 and 4:1 in the case of our more illiquid assets, such as our non-Agency RMBS and multi-family investments and (iii) 8:1 in the case of our residential loans. Our target total debt leverage ratio should not be greater than 6:1. This target may be adjusted from time to time by our Board of Directors depending on the composition of our overall portfolio, market conditions and such other factors deemed relevant by our Board of Directors.

As of December 31, 2025, our Company recourse leverage ratio, which represents our total recourse debt divided by our total stockholders' equity, was approximately 5.0 to 1. Our Company recourse leverage ratio does not include debt associated with securitizations or other non-recourse debt, such as mortgages payable on real estate and non-recourse repurchase agreement financing. Our portfolio recourse leverage ratio, which represents our outstanding recourse repurchase agreements divided by our total stockholders' equity, was approximately 4.7 to 1 as of December 31, 2025. We monitor all at-risk or short-term borrowings to ensure that we have adequate liquidity to satisfy margin calls and liquidity covenant requirements.

We rely on repurchase agreements to fund the purchase of investment securities, a portion of our residential loans and single-family rental properties. In addition, Constructive utilizes warehouse facilities to fund the origination of business purpose loans prior to their sale or retention on our balance sheet. The repurchase agreements and warehouse facilities have terms ranging from 30 days to 24 months and bear interest rates that are linked to the Secured Overnight Funding Rate ("SOFR"), a short-term market interest rate used to determine short-term loan rates. In most cases under these agreements and facilities, the financial institution that serves as a counterparty will generally agree to provide us with financing based on the market value of the assets that we pledge as collateral, less a "haircut." The market value of the collateral represents the price of such collateral that is determined by the financing counterparty. These valuations may be internally derived, obtained from generally recognized sources or observed from recent trading activity. Most of our repurchase agreements and warehouse facilities include margin-type provisions that require the posting of additional collateral or repayment of a portion of outstanding borrowings if the market value of our pledged collateral declines as a result of market conditions or due to principal repayments. Applicable interest rates and haircuts vary based on the underlying collateral pledged.

Our financings for residential loans and investment securities may also include longer-term structured debt financing, such as securitizations where the assets we intend to finance are contributed to a special purpose entity ("SPE") and serve as collateral for the financing. We issue debt through securitizations for the primary purpose of obtaining longer-term non-recourse financing on these assets. Securitizations provide little to no exposure to collateral repricing determinations of financing counterparties or rapid liquidity reductions in repurchase agreement financing markets.

Pursuant to the terms of any longer-term debt financings we utilize, our ability to access the cash flows generated by the assets serving as collateral for these borrowings may be significantly limited and we may be unable to sell or otherwise transfer or dispose of or modify such assets until the financing has matured. As part of our longer-term master repurchase agreements that finance certain of our credit assets, such as residential loans, we have provided a guarantee with respect to certain terms incurred by certain of our subsidiaries and we may provide similar guarantees in connection with future financings.

We have consolidated our cross-collateralized mezzanine lending investment and have consolidated or may consolidate certain Mezzanine Lending investments on which a default has occurred into our consolidated financial statements in accordance with GAAP. As a result, the real estate assets held by these entities, and the corresponding mortgages payable that finance the real estate assets, are included in our consolidated balance sheets. We have no obligation for repayment of the mortgages payable but, with respect to certain of the mortgages payable, we may execute a guaranty related to commitment of bad acts, and our equity investment may be lost or reduced to the extent a lender forecloses on the property.

For more information regarding our outstanding financing instruments at December 31, 2025, see Item 7. "Management's Discussion and Analysis of Financial Condition and Results of Operations" below.

Our Hedging Strategy

We use derivative instruments as part of our risk management activities to manage exposure to changes in interest rates, market values, credit performance and broader geopolitical and market conditions affecting our assets and liabilities. We do not apply hedge accounting to our derivative instruments, and changes in fair value are recognized in current period earnings.

Our derivative instruments may include interest rate swaps, interest rate caps, TBAs, credit default swaps, U.S. Treasury and commodity futures and options contracts such as options on credit default swap indices, equity index options, swaptions and options on futures. We may also enter into other mortgage-related derivative instruments. In addition, Constructive may enter into interest rate lock commitments ("IRLCs") in connection with the origination of business purpose loans.

We primarily use interest rate swaps to hedge the variable cash flows associated with our variable-rate borrowings. Interest rate swaps generally involve the receipt of variable-rate amounts from a counterparty, based on SOFR, in exchange for us making fixed-rate payments over the life of the interest rate swap without exchange of the underlying notional amount. Notwithstanding the foregoing, in order to manage our position with regard to our liabilities, we may also enter into interest rate swaps which involve the receipt of fixed-rate amounts from a counterparty in exchange for us making variable-rate payments, based on SOFR, over the life of the interest rate swap without exchange of the underlying notional amount. The variable rate we pay or receive under our swap agreements has the effect of offsetting the repricing characteristics and cash flows of our financing arrangements.

We may use TBAs as part of our Agency RMBS strategy to enhance the overall yield of the portfolio. In a TBA transaction, we would agree to purchase or sell, for future delivery, Agency RMBS with certain principal and interest terms and certain types of underlying collateral, but the particular Agency RMBS to be delivered is not identified until shortly before the TBA settlement date. We typically do not take delivery of TBAs, but rather settle with our trading counterparties on a net basis prior to the forward settlement date. Although TBAs are liquid and have quoted market prices and represent the most actively traded class of RMBS, the use of TBAs exposes us to increased market value risk. We may also utilize U.S. Treasury futures to manage exposure to changes in interest rate risk.

In addition, we may, from time to time, utilize commodity futures, credit default swap index contracts, equity index options and credit default swap index options to manage broader market, geopolitical, interest rate or credit-related risks.

As it relates to the variable-rate mortgages payable in our Consolidated Real Estate VIEs, the entities may be required by the lender to enter into interest rate cap contracts. In addition, with respect to one of our financings under repurchase agreements, the lender has, in the past, required us to enter into an interest rate cap contract. These interest rate cap contracts are with a counterparty that involve the receipt of variable-rate amounts from the counterparty if interest rates rise above the strike rate on the contract in exchange for an up-front premium.

In managing our hedging activities, we utilize model-based risk analysis to evaluate the sensitivity of our assets, liabilities and cash flows to changes in interest rates, prepayment speeds, credit performance and other market factors. While these instruments are intended to reduce certain risks, they may not fully offset the impact of adverse market movements.

Competition

We believe that our principal competitors in the business of acquiring and holding mortgage-related single-family and multi-family residential assets of the types in which we invest are financial institutions, such as banks, specialty finance companies, insurance companies, institutional investors, including mutual funds and pension funds, hedge funds and other mortgage REITs. Some of these entities may not be subject to the same regulatory constraints (i.e., REIT compliance or maintaining an exclusion from registration under the Investment Company Act) as we are. In addition, many of these entities have greater financial resources and access to capital than we have. The existence of these entities, as well as the possibility of additional entities forming in the future, may increase the competition for the acquisition of residential mortgage assets, resulting in higher prices and lower yields on such assets.

Human Capital

As of December 31, 2025, we had 221 full-time employees, including our executive management team, 160 (or 72%) of which are directly engaged in the operations of Constructive. Our employees are generally located in offices in New York, NY, Charlotte, NC, Woodland Hills, CA and Oakbrook Terrace, IL, while certain of our employees work on a fully remote basis. We believe that our employees are our greatest asset and recognize that our achievements and growth as a business are made possible by the recruitment, hiring, training, development and retention of our dedicated employees. As part of our ongoing business, we evaluate and modify our internal processes to improve employee engagement, productivity and efficiency, which benefit our operations. We are committed to maintaining workplaces that are inclusive and free from discrimination or harassment based on age, disability, race, ethnicity, gender identification or expression, national origin, sexual orientation, religion, pregnancy, marital and familial status and other statuses protected by law.

Governmental Regulation

Our operations are subject, in certain instances, to supervision and regulation by U.S. and other governmental authorities, and may be subject to various laws, rules and regulations and judicial and administrative decisions imposing various requirements and restrictions, which, among other things: (i) regulate lending activities; (ii) establish maximum interest rates, finance charges and other charges; (iii) require disclosures to customers; (iv) govern secured transactions; and (v) set refinancing, loan modification, servicing, collection, foreclosure, repossession, eviction and claims-handling procedures and other trade practices. Some of the laws, rules and regulations to which we are or may be subject are intended primarily to safeguard and protect consumers, rather than stockholders or creditors. We originate loans through Constructive and, although we do not directly service residential loans, we must comply with various federal and state laws, rules and regulations as a result of owning RMBS, residential loans and MSRs, including, among others, rules promulgated under The Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 (the "Dodd-Frank Act"), and the Gramm-Leach-Bliley Financial Modernization Act of 1999.

In our judgment, existing statutes, rules and regulations have not had a material adverse effect on our business, although we do incur significant ongoing costs to comply with them. Additionally, because issues related to residential housing and real estate finance can be areas of political focus, federal, state and local governments may be more likely to take actions that affect residential housing, the markets for financing residential housing, landlord and tenant rights, lender rights, institutional ownership of residential housing, and the participants in residential housing-related industries than they would with respect to other industries. While additional new legislative and regulatory reforms in these areas may be adopted and existing legislation and regulations may change in the future, it is not possible at this time to forecast the exact nature of any future legislation, regulations, judicial decisions, orders or interpretations, nor their impact upon our future business, financial condition, or results of operations or prospects.

Operating and Regulatory Structure

REIT Qualification

We have elected to be treated as a REIT under Sections 856 through 860 of the Internal Revenue Code. Our qualification as a REIT depends upon our ability to meet on a continuing basis, through actual investment and operating results, various complex requirements under the Internal Revenue Code relating to, among other things, the sources of our gross income, the composition and values of our assets, our distribution levels and the diversity of ownership of our shares. We believe that we are organized to comply with the requirements for qualification and taxation as a REIT under the Internal Revenue Code, and that our manner of operation enables us to meet the requirements for qualification and taxation as a REIT.

We generally need to distribute at least 90% of our ordinary taxable income each year (subject to certain adjustments) to our stockholders in order to qualify as a REIT under the Internal Revenue Code. Our ability to make distributions to our stockholders depends, in part, upon the performance of our investment portfolio.

As a REIT, we generally are not subject to U.S. federal income tax on our REIT taxable income that we distribute currently to our stockholders. If we fail to qualify as a REIT in any taxable year and do not qualify for certain statutory relief provisions, we will be subject to U.S. federal income tax at regular corporate rates and may be precluded from qualifying as a REIT for the subsequent four taxable years following the year during which we lost our REIT qualification. Accordingly, our failure to qualify as a REIT could have a material adverse impact on our results of operations and our ability to pay distributions, if any, to our stockholders.

Investment Company Act Exclusion

We conduct our operations so that neither we nor any of our subsidiaries are required to register as an “investment company” under the Investment Company Act because we and our subsidiaries either do not come within the definition of “investment company” under the Investment Company Act or qualify for an exemption or exclusion from registration under the Investment Company Act. We and certain of our subsidiaries rely upon the exemption from registration as an investment company under the Investment Company Act pursuant to Section 3(c)(5)(C) of the Investment Company Act. We and certain of our subsidiaries have in the past and may in the future conduct our operations so that we are not considered an investment company under Section 3(a)(1) of the Investment Company Act.

We and our subsidiaries that invest in residential mortgage loans (whether through a consolidated trust or otherwise) rely upon the exemption from registration as an investment company under the Investment Company Act pursuant to Section 3(c)(5)(C) of the Investment Company Act, which is available for entities “primarily engaged in the business of purchasing or otherwise acquiring mortgages and other liens on and interests in real estate.” This exemption generally requires that at least 55% of our and each of these subsidiaries’ assets be comprised of qualifying real estate assets and at least 80% of our and each of their portfolios be comprised of qualifying real estate assets and real estate-related assets under the Investment Company Act. We classify our assets and those of our subsidiaries relying on the Section 3(c)(5)(C) exemption from the Investment Company Act based upon no-action positions taken by the Securities and Exchange Commission (“SEC”) staff and interpretive guidance provided by the SEC and its staff. Mortgage loans that are fully and exclusively secured by real property are generally qualifying real estate assets for purposes of the exemption. Substantially all of our residential mortgage loans are fully and exclusively secured by real property with a loan-to-value ratio of less than 100%. As a result, we believe our residential mortgage loans that are fully and exclusively secured by real property meet the definition of qualifying real estate assets.

Certain of our subsidiaries that hold mortgage loans through majority-owned subsidiaries may rely on the exemption provided by Section 3(c)(6) of the Investment Company Act, which excludes from the definition of “investment company” any company primarily engaged, directly or through majority-owned subsidiaries, in a business, among others, described in Section 3(c)(5)(C) of the Investment Company Act (from which not less than 25% of such company’s gross income during its last fiscal year was derived) together with an additional business or additional businesses other than investing, reinvesting, owning, holding or trading in securities. The SEC staff has issued little interpretive guidance with respect to Section 3(c)(6) and any guidance published by the SEC staff could require us to adjust our strategy accordingly.

Section 3(a)(1)(A) of the Investment Company Act defines an investment company as any issuer that is or holds itself out as being engaged primarily, or proposes to engage primarily, in the business of investing, reinvesting or trading in securities. Under Section 3(a)(1)(C) of the Investment Company Act, a company is deemed to be an investment company if it is engaged, or proposes to engage, in the business of investing, reinvesting, owning, holding or trading in securities and owns or proposes to acquire “investment securities” having a value exceeding 40% of the value of its total assets (exclusive of U.S. government securities and cash items) on an unconsolidated basis. “Investment securities” does not include, among other things, U.S. government securities and securities issued by majority-owned subsidiaries that (i) are not investment companies and (ii) are not relying on the exceptions from the definition of investment company provided by Section 3(c)(1) or 3(c)(7) of the Investment Company Act.

If we or one or more of our subsidiaries fail to maintain an exclusion or exception from the Investment Company Act, we could, among other things, be required either (a) to substantially change the manner in which we conduct our operations to avoid being required to register as an investment company, (b) to effect sales of our assets in a manner that, or at a time when, we would not otherwise choose to do so, or (c) to register as an investment company, any of which could negatively affect the value of our common stock, the sustainability of our business model, and our ability to make distributions, among other things. Further, if we were required to register as an investment company under the Investment Company Act, we would become subject to substantial regulation with respect to our capital structure (including our ability to use leverage), management, operations, transactions with affiliated persons (as defined in the Investment Company Act), portfolio composition, including restrictions with respect to diversification and industry concentration, and other matters. For further discussion, please see the risk factor titled “Maintenance of our exemption from registration as an investment company under the Investment Company Act imposes significant limits on our operations” in Part I, Item “1A. Risk Factors” in this Annual Report on Form 10-K.

Corporate Offices

We were formed as a Maryland corporation in 2003. Our corporate headquarters are located at 90 Park Avenue, New York, NY, 10016 and our telephone number is (212) 792-0107. We also maintain offices in Charlotte, NC, Woodland Hills, CA and Oakbrook Terrace, IL.

Access to Our Periodic SEC Reports and Other Corporate Information

Our internet website address is www.adamasreit.com. We make available free of charge, through our internet website, our Annual Report on Form 10-K, our Quarterly Reports on Form 10-Q, our Current Reports on Form 8-K and any amendments thereto that we file or furnish pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), as soon as reasonably practicable after we electronically file such material with, or furnish it to, the SEC.

We have adopted a Code of Business Conduct and Ethics that applies to our executive officers, including our principal executive officer, principal financial officer, principal accounting officer and to our other employees. We have also adopted a Code of Ethics for senior financial officers, including the principal financial officer. We intend to satisfy the disclosure requirement under Item 5.05 of Form 8-K relating to amendments to or waivers from any provision of either of these Code of Ethics applicable to our principal executive officer, principal financial officer, principal accounting officer and other persons performing similar functions by posting such information on our website at www.adamasreit.com, under "Governance Documents". Our Corporate Governance Guidelines and Code of Business Conduct and Ethics and the charters of our Audit, Compensation and Nominating and Corporate Governance Committees are available on our website and are available in print to any stockholder upon request in writing to Adamas Trust, Inc., c/o Secretary, 90 Park Avenue, Floor 23, New York, New York, 10016. Information on our website is neither part of, nor incorporated into, this Annual Report on Form 10-K.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

When used in this Annual Report on Form 10-K, in future filings with the SEC or in press releases or other written or oral communications issued or made by us, statements which are not historical in nature, including those containing words such as “will,” “believe,” “expect,” “anticipate,” “estimate,” “plan,” “continue,” “intend,” “could,” “would,” “should,” “may,” or similar expressions, are intended to identify “forward-looking statements” within the meaning of Section 27A of the Securities Act of 1933, as amended (the “Securities Act”), and Section 21E of the Exchange Act, and, as such, may involve known and unknown risks, uncertainties and assumptions.

Forward-looking statements are based on estimates, projections, beliefs and assumptions of management of the Company at the time of such statements and are not guarantees of future performance. Forward-looking statements involve risks and uncertainties in predicting future results and conditions. Actual results and outcomes could differ materially from those projected in these forward-looking statements due to a variety of factors, including, without limitation:

- changes in our business and investment strategy;
- inflation and changes in interest rates and the fair market value of our assets, including negative changes resulting in margin calls relating to the financing of our assets;
- changes in credit spreads;
- changes in the long-term credit ratings of the U.S., Fannie Mae, Freddie Mac, and Ginnie Mae;
- general volatility of the markets in which we invest;
- changes in prepayment rates on the loans we own or that underlie our investment securities;
- increased rates of default, delinquency or vacancy and/or decreased recovery rates on or at our assets;
- our ability to identify and acquire our targeted assets, including assets in our investment pipeline;
- our ability to dispose of assets from time to time on terms favorable to us;
- changes in our relationships with our financing counterparties and our ability to borrow to finance our assets and the terms thereof;
- changes in our relationships with and/or the performance of our operating partners;
- our ability to predict and control costs;
- changes in laws, regulations or policies affecting our business;
- our ability to make distributions to our stockholders in the future;
- our ability to maintain our qualification as a REIT for U.S. federal income tax purposes;
- our ability to maintain our exemption from registration under the Investment Company Act;
- impairments and declines in the value of the collateral underlying our investments;
- changes in the benefits we anticipate from the acquisition of Constructive;
- our ability to effectively integrate Constructive into our Company and the risks associated with the ongoing operation thereof;

- our ability to manage or hedge credit risk, interest rate risk, and other financial and operational risks;
- our exposure to liquidity risk, risks associated with the use of leverage, and market risks; and
- risks associated with investing in real estate assets and/or operating companies, including changes in business conditions and the general economy, the availability of investment opportunities and conditions in markets for residential loans, mortgage-backed securities, structured multi-family investments and other assets that we own or in which we invest.

These and other risks, uncertainties and factors, including the risk factors and other information described herein, as updated by those risks described in our subsequent filings with the SEC under the Exchange Act, could cause our actual results to differ materially from those projected in any forward-looking statements we make. All forward-looking statements speak only as of the date on which they are made. New risks and uncertainties arise over time and it is not possible 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.

Item 1A. RISK FACTORS

Summary of Risk Factors

Below is a summary of the principal factors that make an investment in our securities speculative or risky. This summary does not address all of the risks that we face. Additional discussion of the risks summarized in this risk factor summary and other risks that we face can be found below and should be carefully considered, together with other information in this Form 10-K and our other filings with the SEC before making an investment decision regarding our securities.

Risks Related to Our Business

- Declines in the market values of our investments may adversely affect periodic reported results and credit availability.
- Interest rate mismatches between the interest-earning assets held in our investment portfolio and the borrowings used to fund the purchases of those assets may reduce our net income or result in a loss during periods of changing interest rates.
- We may experience losses if we inaccurately estimate the loss-adjusted yields of our investments in credit sensitive assets.
- Interest rate increases may decrease the availability of certain of our targeted assets.
- Our investment portfolio may at times be concentrated in certain asset types or secured by properties concentrated in a limited number of real estate sectors or geographic areas, which increases our exposure to economic downturns and risks associated with the real estate and lending industries in general.
- Prepayment rates can change, adversely affecting the performance of our assets.
- Our portfolio of business purpose loans exposes us to risks that are different from the risks involved with our traditional investments in residential mortgage loans.
- Our investments may include subordinated tranches of RMBS, CMBS and ABS, which are subordinate in right of payment to more senior securities that have greater risk of loss than other investments.
- We have experienced and may experience in the future increased volatility in our GAAP results of operations as we have elected fair value option for the majority of our investments.
- The failure of third-party service providers to perform a variety of services on which we rely may adversely impact our business and financial results.
- Due diligence as a part of our acquisition or underwriting process may be limited, may not reveal all of the risks associated with such assets and may not reveal other weaknesses in such assets, which could lead to material losses.
- The lack of liquidity in certain of our assets may adversely affect our business.
- The use of models in connection with the valuation of our assets subjects us to potential risks in the event that such models are incorrect, misleading or based on incomplete information.
- Our investments in residential loans are difficult to value and are dependent upon the borrower's ability to service or refinance their debt.
- Our preferred equity investments involve greater risks of loss than more senior loans secured by income-producing properties.
- Our real estate and real estate-related assets are subject to risks particular to real property.
- Competition may prevent us from acquiring assets on favorable terms or at all.
- System failures and other operational disruptions in our information and communications systems and those of our third-party service providers could significantly disrupt our business.

Risks Related to Debt Financing and Our Use of Hedging Strategies

- Our access to financing sources may not be available on favorable terms or at all.
- The repurchase agreements that we use to finance our investments may require us to provide additional collateral, which could reduce our liquidity and harm our financial condition.
- We leverage our equity, which can exacerbate any losses we incur on our current and future investments and may reduce cash available for distribution to our stockholders.
- If we are unable to leverage our equity to the extent we currently anticipate, the returns on certain of our assets could be diminished, which may limit or eliminate our ability to make distributions to our stockholders.
- We directly or indirectly utilize non-recourse securitizations and recourse structured financings and such structures expose us to risks that could result in losses to us.
- If a counterparty to our repurchase transactions defaults on its obligation to resell the pledged assets back to us at the end of the transaction term or if we default on our obligations under the repurchase agreement, we may incur losses.
- Our use of repurchase agreements to borrow funds may give our lenders greater rights in the event that either we or a lender files for bankruptcy.
- Negative impacts on our business may cause us to default on certain financial covenants contained in our financing arrangements.
- Hedging against interest rate and market value changes as well as other risks may materially adversely affect our business, financial condition and results of operations and our ability to make distributions to our stockholders.

Risks Associated With Adverse Developments in the Mortgage, Real Estate, Credit and Financial Markets Generally

- Difficult conditions in the mortgage, real estate, and financial markets and the economy generally may cause us to experience losses in the future.
- We cannot predict the effect that changes in government policies, laws or regulations or the U.S. political environment will have on our business and the markets in which we operate.
- The downgrade, or perceived potential downgrade, of the credit ratings of the U.S. and the failure to resolve issues related to U.S. fiscal and debt policies may materially adversely affect our business, liquidity, financial condition and results of operations.
- Changes in laws and regulations affecting the relationship between Fannie Mae, Freddie Mac and Ginnie Mae and the U.S. Government may materially adversely affect our business, financial condition and results of operations, and our ability to pay dividends to our stockholders.

Risks Related To Our Organization, Our Structure and Other Risks

- We may change our investment, financing, or hedging strategies and asset allocation and operational and management policies without stockholder consent.
- Maintenance of our Investment Company Act exemption imposes significant limits on our operations.
- The accrual of dividends on certain of our series of preferred stock at a floating rate in the future could adversely affect our ability to make cash distributions at our intended levels, or at all, or otherwise materially adversely affect our earnings, cash flows or financial condition.
- Mortgage loan modification programs and future legislative action may adversely affect the value of, and the returns on, our targeted assets.
- We could be subject to liability for potential violations of predatory lending laws, which could materially adversely affect our business, financial condition and results of operations, and our ability to make distributions to our stockholders.
- Our business is subject to extensive regulation.
- Certain provisions of Maryland law and our charter and bylaws could hinder, delay or prevent a change in control which could have an adverse effect on the value of our securities.
- The stock ownership limit imposed by our charter may inhibit market activity in our common stock and may restrict our business combination opportunities.

Tax Risks

- Failure to remain qualified as a REIT would adversely affect our operations and ability to make distributions.
- REIT distribution requirements could adversely affect our liquidity.
- Dividends payable by REITs do not qualify for the reduced tax rates on dividend income from regular corporations.
- Complying with REIT requirements may cause us to forego or liquidate otherwise attractive investments.
- The failure of certain investments subject to a repurchase agreement to qualify as real estate assets would adversely affect our ability to qualify as a REIT.
- We may incur a significant tax liability as a result of selling assets that might be subject to the prohibited transactions tax if sold directly by us.
- Our qualification as a REIT could be jeopardized as a result of our interests in joint ventures or preferred equity.
- We may be subject to adverse legislative or regulatory tax changes that could reduce the market price of our common stock.

Set forth below are the risks that we believe are material to stockholders and prospective investors. You should carefully consider the following risk factors and the various other factors identified in or incorporated by reference into any other documents filed by us with the SEC in evaluating our Company and our business. The risks discussed herein can materially adversely affect our business, liquidity, operating results, prospects, financial condition and/or ability to make distributions to our stockholders, and may cause the market price of our securities to decline. The risk factors described below are not the only risks that may affect us. Additional risks and uncertainties not presently known to us, or not presently deemed material by us, also may materially adversely affect our business, liquidity, operating results, prospects, financial condition and ability to make distributions to our stockholders.

Risks Related to Our Business

Declines in the market values of our investments may adversely affect periodic reported results and credit availability, which may reduce our earnings, book value and the market value of our securities and, in turn, may constrain our liquidity and cash available for distribution to our stockholders.

The market value of our investments may move inversely with changes in interest rates. We anticipate that increases in interest rates will generally tend to decrease our net income and the market value of our investments. Changes in the market values of our investments where the Company elected the fair value option will be reflected in earnings and changes in the market values of our investments where the Company did not elect the fair value option will be reflected in stockholders' equity. As a result, a decline in market values of our investments may reduce our earnings, book value and the market value of our securities. From early 2022 through late 2024, the Federal Reserve significantly raised the target range for the federal funds rate and held the target range at such relatively elevated levels. Such elevated interest rates contributed to valuation declines in certain portions of our investment portfolio during a portion of this period.

A decline in the market value of our interest-bearing assets may adversely affect us, particularly in instances where we have borrowed money based on the market value of those assets. If the market value of those assets declines, the lender may require us to post additional collateral to support the loan, as has occurred in the past, which reduces our liquidity and may limit our ability to leverage our assets. In addition, if we are, or anticipate being, unable to post the additional collateral, we may have to sell the assets at a time when we might not otherwise choose to do so. In the event that we do not have sufficient liquidity to meet such requirements, lending institutions may accelerate indebtedness, increase interest rates and terminate or make more difficult our ability to borrow, any of which could result in a rapid deterioration of our financial condition and cash available for distribution to our stockholders. Moreover, if we liquidate the assets at prices lower than the amortized cost of such assets, we will incur realized losses.

The market values of our investments may also decline without any general change in interest rates or in combination with a change in interest rates for a number of reasons, such as increases in defaults, actual or perceived increases in voluntary prepayments for those investments that we have that are subject to prepayment risk, a reduction in the liquidity of the assets and markets generally and widening of credit spreads, adverse legislation or regulatory developments and adverse global, national, regional or local economic, market or geopolitical conditions and developments including those relating to pandemics and other health crises and natural disasters, such as the COVID-19 pandemic or the market disruption related to the 2008 financial crisis. If the market values of our investments were to decline for any reason, the value of your investment could also decline.

Our efforts to manage credit risks may fail.

As of December 31, 2025, 35% of our total investment portfolio was comprised of what we refer to as "credit assets." Despite our efforts to manage credit risk, there are many aspects of credit risk that we cannot control. Our credit policies and procedures may not be successful in limiting future delinquencies, defaults, foreclosures or losses, particularly in relation to declining economic conditions or significant market disruptions, or they may not be cost effective. Our underwriting process, due diligence efforts or hedging strategies, if any, may not be effective or sufficient. Loan servicing companies or our operating partners may not cooperate with our loss mitigation efforts or those efforts may be ineffective. Service providers to securitizations, such as trustees, loan servicers, bond insurance providers, and custodians, as well as our operating partners and their property managers, may not perform in a manner that promotes our interests. Delay of foreclosures could delay resolution and increase ultimate loss severities, as a result.

The value of the properties we own interests in or that are collateralizing or underlying the loans, securities or interests we own may decline, particularly if we experience a significant or prolonged economic downturn and/or interest rates rise. The frequency of default and the loss severity on our assets upon default or otherwise may be greater than we anticipate or price into the assets at acquisition. Credit sensitive assets that are partially collateralized by non-real estate assets may have increased risks and severity of loss. If property securing or underlying loans or other investments becomes real estate owned as a result of foreclosure, we bear the risk of not being able to sell the property and recovering our investment and of being exposed to the risks attendant to the ownership of real property.

If our estimates of the loss-adjusted yields of our investments in credit sensitive assets prove inaccurate, we may experience losses.

We expect to value our investments in many credit sensitive assets based on loss-adjusted yields taking into account estimated future losses on the loans or other assets that we are investing in directly or that underlie securities owned by us, and the estimated impact of these losses on expected future cash flows. Our loss estimates may not prove accurate, as actual results may vary from our estimates. In the event that we underestimate the losses relative to the price we pay for a particular investment, we may experience material losses with respect to such investment.

An increase in interest rates may cause a decrease in the availability of certain of our targeted assets, including Agency RMBS, and could cause our interest expense to increase, which could materially adversely affect our ability to acquire targeted assets that satisfy our investment objectives, our earnings and our ability to make distributions to our stockholders.

A higher interest rate environment, which we have experienced since 2022, generally results in a reduction in the demand for mortgage loans due to the higher cost of borrowing. A reduction in the volume of mortgage loans originated may affect the volume of targeted assets available to us, including Agency RMBS, which could adversely affect our ability to acquire assets that satisfy our investment and business objectives. We also expect that higher interest rates will cause our targeted assets that were issued, originated or acquired prior to an interest rate increase to experience, as certain of them did in 2024, a decline in their fair value and/or provide yields that are below prevailing market interest rates. If higher interest rates or interest rate volatility cause us to be unable to acquire a sufficient volume of our targeted assets with a yield that is sufficiently above our borrowing cost, our ability to satisfy our investment objectives and to generate income and make distributions to our stockholders will be materially and adversely affected.

In addition, a portion of the RMBS and residential loans we invest in may be comprised of ARMs that are subject to periodic and lifetime interest rate caps. Periodic interest rate caps limit the amount an interest rate can increase during any given period. Lifetime interest rate caps limit the amount an interest rate can increase over the life of the security or loan. Our borrowings typically are not subject to similar restrictions. Accordingly, in a period of rapidly increasing interest rates, the interest rates paid on our borrowings could increase without limitation while interest rate caps could limit the interest rates on our securities backed by ARMs or residential loans comprised of ARMs in our portfolio. This problem is magnified for securities backed by or residential loans comprised of ARMs and hybrid ARMs that are not fully indexed. Further, certain securities backed by or residential mortgage loans comprised of ARMs and hybrid ARMs may be subject to periodic payment caps that result in a portion of the interest being deferred and added to the principal outstanding. As a result, the payments we receive on securities backed by or residential mortgage loans comprised of ARMs and hybrid ARMs may be lower than the related debt service costs. These factors could have a material adverse effect on our business, financial condition and results of operations and our ability to make distributions to our stockholders.

Interest rate fluctuations will also cause variances in the yield curve, which may reduce our net income. The relationship between short-term and longer-term interest rates is often referred to as the "yield curve." If short-term interest rates rise disproportionately relative to longer-term interest rates (a flattening of the yield curve), our borrowing costs may increase more rapidly than the interest income earned on our interest-earning assets. Additionally, to the extent cash flows from investments that return scheduled and unscheduled principal are reinvested, the spread between the yields of the new investments and available borrowing rates may decline, which would likely decrease our net income. It is also possible that short-term interest rates may exceed longer-term interest rates (a yield curve inversion), as they did from the middle of 2022 into the third quarter of 2024, in which event our borrowing costs may exceed our interest income and we could incur significant operating losses.

Interest rate mismatches between the interest-earning assets held in our investment portfolio and the borrowings used to fund the purchases of those assets may reduce our net income or result in a loss during periods of changing interest rates.

A significant portion of the assets held in our investment portfolio have a fixed coupon rate, generally for a significant period, and in some cases, for the average maturity of the asset. At the same time, certain of our borrowings provide for a payment reset period of as short as 30 days. In addition, the average maturity of our borrowings generally will be shorter than the average maturity of the assets currently in our portfolio and certain other targeted assets in which we seek to invest. We use swap agreements and interest rate caps as a means for attempting to fix the cost of certain of our liabilities over a period of time; however, these agreements would not be sufficient to match the cost of all our liabilities against all of our investments. In the event we experience unexpectedly high or low prepayment rates on the assets in our portfolio, our strategy for matching our assets with our liabilities is more likely to be unsuccessful which may result in reduced earnings or losses and reduced cash available for distribution to our stockholders.

Our investment portfolio may at times be concentrated in certain asset types or secured by properties concentrated in a limited number of real estate sectors or geographic areas, which increases, with respect to those asset types, property types or geographic locations, our exposure to economic downturns and risks associated with the real estate and lending industries in general.

We are not required to observe any specific diversification criteria. As a result, our investment portfolio may, at times, be concentrated in certain asset types that are subject to higher risk of delinquency, default or foreclosure, or secured by properties concentrated in a limited number of real estate sectors or geographic locations, which increases, with respect to those asset types, sectors or geographic locations, our exposure to economic downturns and risks associated with the real estate and lending industries in general, thereby increasing the risk of loss and the magnitude of potential losses to us and our stockholders if one or more of these asset or property types perform poorly or the states or regions in which these properties are located are negatively impacted.

Similarly, as of December 31, 2025, approximately 31% of our total investment portfolio was comprised of residential loans and non-Agency RMBS, and 63% was comprised of Agency RMBS. Moreover, as of December 31, 2025, significant portions of the properties that secure our residential loans, including loans that secure Consolidated SLST, were concentrated in California, Florida, Texas, New York, New Jersey, Pennsylvania and Ohio among other states. California is particularly susceptible to earthquake and wildfire risks while Florida and Texas are susceptible to hurricane, wind and flood risks. To the extent that our portfolio is concentrated in any region, or by type of asset or real estate sector, downturns or developments relating generally to such region, type of borrower, asset or sector may result in defaults or losses on a number of our assets within a short time period, which may materially adversely affect our business, liquidity, financial condition and results of operations and our ability to make distributions to our stockholders. See “Our business is subject to risks particular to real property and real estate-related assets.”

Residential loans are subject to increased risks of loss.

We acquire and manage residential loans, including performing, re-performing, non-performing and business purpose loans, which we also originate, and loans that may not meet or conform to the underwriting standards of any GSE. Residential loans are subject to increased risks of loss. Unlike Agency RMBS, the residential loans we invest in generally are not guaranteed by the federal government or any GSE. Additionally, by directly acquiring residential loans, we do not receive the structural credit enhancements that benefit senior securities of RMBS. A residential loan is directly exposed to losses resulting from default. Therefore, the value of the underlying property, the creditworthiness and financial position of the borrower and the priority and enforceability of the lien will significantly impact the value of such mortgage. In the event of a foreclosure, we may assume direct ownership of the underlying real estate. The liquidation proceeds upon sale of such real estate may not be sufficient to recover our cost basis in the loan, and any costs or delays involved in the foreclosure or liquidation process may increase losses.

A certain portion of the loans we own or seek to acquire have been purchased by us at a discount to par value. These residential loans sell at a discount because they generally constitute riskier investments than those selling at or above par value. The residential loans we invest in may be distressed or purchased at a discount because a borrower may have defaulted thereupon, because the borrower is or has been in the past delinquent on paying all or a portion of his obligation under the loan, because the loan may otherwise contain credit quality that is considered to be poor, because of errors by the originator in the loan origination underwriting process or because the loan documentation fails to meet certain standards. In addition, non-performing or sub-performing loans may require a substantial amount of workout negotiations and/or restructuring, which may divert the attention of our management team from other activities and entail, among other things, a substantial reduction in the interest rate, capitalization of interest payments, and a substantial write-down of the principal of the loan. However, even if such restructuring were successfully accomplished, a risk exists that the borrower will not be able or willing to maintain the restructured payments or refinance the restructured mortgage upon maturity. Although we typically expect to receive less than the principal amount or face value of the residential loans that we purchase, the return that we in fact receive thereupon may be less than our investment in such loans due to the failure of the loans to perform or reperform. An economic downturn would exacerbate the risks of the recovery of the full value of the loan or the cost of our investment therein.

Finally, residential loans are also subject to “special hazard” risk (property damage caused by hazards, such as earthquakes or environmental hazards, not covered by standard property insurance policies), and to bankruptcy risk (reduction in a borrower’s mortgage debt by a bankruptcy court). In addition, claims may be asserted against us on account of our position as a mortgage holder or property owner, including assignee liability, responsibility for tax payments, environmental hazards and other liabilities. In some cases, these liabilities may be “recourse liabilities” or may otherwise lead to losses in excess of the purchase price of the related mortgage or property.

Our portfolio of business purpose loans exposes us to risks that are different from the risks involved with our traditional investments in residential mortgage loans.

As of December 31, 2025, approximately 21% of the asset value of our total investment portfolio is comprised of business purpose loans. Business purpose loans are directly exposed to losses resulting from default and foreclosure. Therefore, the value of the underlying property, the creditworthiness and financial position of the borrower and the priority and enforceability of the lien will significantly impact the value of such mortgages. Whether or not a loan is originated in accordance with our underwriting standards for such loans, there can be no assurance as to the adequacy of the protection of the terms of the loan, including the validity or enforceability of the loan and the maintenance of the anticipated priority and perfection of the applicable security interests. Furthermore, claims may be asserted that might interfere with enforcement of our rights. In the event of a foreclosure, we may assume direct ownership of the underlying real estate. The liquidation proceeds upon sale of such real estate may not be sufficient to recover our cost basis in the loan, resulting in a loss to us. Moreover, in the case of business purpose loans made to a borrower who then rents the property to a tenant, local, state or federal government eviction proceeding requirements may delay foreclosure or liquidation proceedings or cause us to incur additional expense. Any costs or delays involved in the completion of a foreclosure of the loan or a liquidation of the underlying property will further reduce the proceeds and thus increase the loss.

Business purpose loans we own are subject to similar risks as those described above with respect to residential mortgage loans to the extent business purpose loan borrowers do not timely remit payments of principal and interest relating to their mortgage loans. In addition, if tenants who rent their residence from a multifamily or business purpose loan borrower are unable to make rental payments, are unwilling to make rental payments, or a waiver of the requirement to make rental payments on a timely basis, or at all, is available under the terms of any applicable forbearance or waiver agreement or program (which rental payment forbearance or waiver program may be available as a result of a government-sponsored or -imposed program or under any such agreement or program a landlord may otherwise offer to tenants), then the value of business purpose loans we own will likely be impaired, which would negatively impact our business.

A portion of our business purpose loan portfolio currently is, and in the future may be, delinquent and subject to increased risks of credit loss for a variety of reasons, including, without limitation, because the underlying property is too highly-leveraged or the borrower experiences financial distress. Indeed, loans similar to business purpose bridge loans performed poorly during the 2008 financial crisis due, in large part, to high leverage and borrower distress and it is likely these types of loans may perform poorly in an economic downturn or in an environment of decreasing real estate prices.

Additionally, business purpose bridge loans on properties in transition may involve a greater risk of loss than traditional mortgage loans and this risk may be heightened during periods of rising interest rates or declining home values. This type of loan is typically used for acquiring and rehabilitating or improving the quality of single-family residential investment properties and generally serves as an interim financing solution for borrowers and/or properties prior to the borrower selling the property or stabilizing the property and obtaining long-term permanent financing. The typical borrower of these business purpose bridge loans has often identified an undervalued asset that has been under-managed or is located in a recovering market. If the market in which the asset is located experiences a downturn or fails to improve according to the borrower's projections, or if the borrower fails to improve the quality of the asset's management or the value of the asset or the borrower's expenses exceed expectations due to rising costs, rising interest rates or otherwise without a corresponding increase in asset value or income to be derived from the property, the borrower may not receive a sufficient return on the asset to satisfy the transitional loan, and we bear the risk that we may not recover some or all of our investment. In addition, borrowers often use the proceeds of a conventional mortgage to repay a business purpose bridge loan. Business purpose bridge loans therefore are subject to risk of a borrower's inability to obtain permanent financing to repay the loan. Business purpose bridge loans are also subject to risks of borrower defaults, bankruptcies, fraud, and other losses. In the event of any default under business purpose bridge loans that may be held by us, we bear the risk of loss of principal and non-payment of interest and fees to the extent of any deficiency between the value of the mortgage collateral and the principal amount and unpaid interest of the transitional loan. To the extent we suffer such losses with respect to these loans, our business, results of operations and financial condition may be materially adversely affected.

Our investments may include subordinated tranches of RMBS, CMBS and ABS, which are subordinate in right of payment to more senior securities and have greater risk of loss than other investments.

Our investments include or may include subordinated tranches of RMBS, CMBS and ABS, which are subordinated classes of securities in a structure of securities collateralized by a pool of assets consisting primarily of residential mortgage loans, multi-family or other commercial mortgage loans and auto loans, respectively. Accordingly, the subordinated tranches of securities that we own and invest in, such as certain non-Agency RMBS and ABS, are the first or among the first to bear the loss upon a restructuring or liquidation of the underlying collateral and the last to receive payment of interest and principal. Additionally, estimated fair values of these subordinated interests tend to be more sensitive to changes in economic conditions and increases in defaults, delinquencies and losses than more senior securities. Moreover, subordinated interests generally are not actively traded and may not provide holders thereof with a liquid investment, particularly during periods of market disruption. Numerous factors may affect an issuing entity's ability to repay or fulfill its payment obligations on its subordinated securities, including, without limitation, the failure to meet its business plan, a downturn in its industry, rising interest rates, negative economic conditions or risks particular to real property. As of December 31, 2025, our portfolio included approximately \$145.9 million of subordinated, first loss non-Agency RMBS. In the event any of these factors cause the securitization entities in which we own subordinated securities to experience losses, the market value of our assets, our business, financial condition and results of operations and ability to make distributions to our stockholders may be materially adversely affected.

Prepayment rates can change, adversely affecting the performance of our assets.

The frequency at which prepayments (including both voluntary prepayments by the borrowers and liquidations due to defaults and foreclosures) occur on the residential loans we own and those that underlie our RMBS and some of the multi-family investments we have originated or acquired is difficult to predict and is affected by a variety of factors, including the prevailing level of interest rates as well as economic, demographic, tax, social, legal, legislative and other factors. Generally, borrowers tend to prepay their mortgages when prevailing mortgage rates fall below the interest rates on their mortgage loans.

In general, "premium" assets (i.e., assets, such as Agency RMBS, whose market values exceed their principal or par amounts) are adversely affected by faster-than-anticipated prepayments because the above-market coupon that such premium assets carry will be earned for a shorter period of time. Generally, "discount" assets (assets whose principal or par amounts exceed their market values) are adversely affected by slower-than-anticipated prepayments. Because our portfolio is comprised of both premium assets and discount assets, our portfolio may be adversely affected by changes in prepayments in any interest rate environment. Although we estimate prepayment rates to determine the effective yield of our assets and valuations, these estimates are not precise and prepayment rates do not necessarily change in a predictable manner as a function of interest rate changes.

The adverse effects of prepayments may impact us in various ways. First, certain investments, such as IOs and MSRs, may experience outright losses in an environment of faster actual or anticipated prepayments. Second, particular investments may under-perform relative to any hedges that we may have constructed for these assets, resulting in a loss to us. In particular, prepayments (at par) may limit the potential upside of many RMBS to their principal or par amounts, whereas their corresponding hedges often have the potential for unlimited loss. Furthermore, to the extent that faster prepayment rates are due to lower interest rates, the principal payments received from prepayments will tend to be reinvested in lower-yielding assets, which may reduce our income in the long run. Therefore, if actual prepayment rates differ from anticipated prepayment rates, our business, financial condition and results of operations and ability to make distributions to our stockholders could be materially adversely affected.

Some of the multi-family investments we have originated and hold allow the borrower or operating partner to make prepayments without incurring a prepayment penalty and some may include provisions allowing the borrower or operating partner to extend the term of the instrument beyond the originally scheduled maturity. Because the decision to prepay or extend such an instrument is typically controlled by the borrower or the operating partner, we may not accurately anticipate the timing of these events, which could affect the earnings and cash flows we anticipate and could impact our ability to finance these assets.

We have experienced and may experience in the future increased volatility in our GAAP results of operations as we have elected fair value option for the majority of our investments.

We have elected the fair value option accounting model for the majority of our investments and certain of our liabilities. Changes in the fair value of assets and liabilities accounted for using the fair value option are recorded in our consolidated statements of operations each period, which have resulted in volatility in our financial results from period to period in the past. There can be no assurance that such volatility in periodic financial results will not occur during 2026 or in future periods.

In connection with our operating and investment activity, we rely on third-party service providers to perform a variety of services, comply with applicable laws and regulations, and carry out contractual covenants and terms, the failure of which by any of these third-party service providers may adversely impact our business and financial results.

In connection with our business of acquiring and holding loans, engaging in securitization transactions, and investing in non-Agency RMBS, we rely on third-party service providers, principally loan servicers, to perform a variety of services, comply with applicable laws and regulations, and carry out contractual covenants and terms. For example, we rely on the mortgage servicers who service the mortgage loans we purchase as well as the loans underlying our non-Agency RMBS to, among other things, collect principal and interest payments on such loans and perform loss mitigation services, such as workouts, modifications, refinancings, foreclosures, short sales and sales of foreclosed property. Both default frequency and default severity of loans may depend upon the quality of the servicer. If a servicer is not vigilant in encouraging the borrowers to make their monthly payments, the borrowers may be far less likely to make these payments, which could result in a higher frequency of default. If a servicer takes longer to liquidate non-performing assets, loss severities may be higher than originally anticipated. Higher loss severity may also be caused by less competent dispositions of real estate owned properties. Finally, in the case of the non-Agency RMBS in which we invest, we may have no or limited rights to prevent the servicer of the underlying loans from taking actions that are adverse to our interests.

Mortgage servicers and other service providers, such as our trustees, bond insurance providers, due diligence vendors, and document custodians, may fail to perform or otherwise not perform in a manner that promotes our interests. For example, any loan modification legislation or regulatory action currently in effect or enacted in the future may incentivize mortgage loan servicers to pursue such loan modifications and other actions that may not be in the best interests of the beneficial owners of the mortgage loans. As a result, we are subject to the risks associated with a third party's failure to perform, including failure to perform due to reasons such as fraud, negligence, errors, miscalculations, or insolvency.

In the ordinary course of business, our loan servicers and other service providers are subject to numerous legal requirements and proceedings, federal, state or local governmental examinations, investigations or enforcement actions, which could adversely affect their reputation, business, liquidity, financial position and results of operations. Residential mortgage servicers, in particular, have experienced heightened regulatory scrutiny and enforcement actions, and our mortgage servicers could be adversely affected by the market's perception that they could experience, or continue to experience, regulatory issues. Regardless of the merits of any such claim, proceeding or inquiry, defending any such claims, proceedings or inquiries may be time consuming and costly and may divert the mortgage servicer's resources, time and attention from servicing our mortgage loans or related assets and performing as expected. In addition, it is possible that regulators or other governmental entities or parties impacted by the actions of our mortgage servicers could seek enforcement or legal actions against us, as the beneficial owner of the loans or other assets, and responding to such claims, and any related losses, could negatively impact our business.

The remedies available to us to resolve delinquent loans may not fully compensate us for any losses incurred and may result in lengthy and expensive legal processes.

Delinquent loans may require a substantial amount of workout negotiations or restructuring, which may entail, among other things, a reduction in the interest rate or capitalization of past due interest. However, even if restructurings are successfully accomplished, risks still exist that borrowers will not be able or willing to maintain the restructured payments or refinance the restructured mortgage upon maturity.

If restructuring is not successful, we may find it necessary to foreclose on the underlying property, and the foreclosure process may be lengthy and expensive, including out-of-pocket costs and increased use of our internal resources. Borrowers may resist mortgage foreclosure actions by asserting numerous claims, counterclaims and defenses against us including, without limitation, numerous lender liability claims and defenses, even when such assertions may have no basis in fact, in an effort to prolong the foreclosure action and exert negotiating pressure on us to agree to a modification of the loan or a favorable buy-out of the borrower's position. In some states, foreclosure actions can sometimes take several years or more to litigate.

Foreclosure may create a negative public perception of the related mortgaged property, resulting in a decrease in its value. Even if we are successful in foreclosing on a loan, the liquidation proceeds upon sale of the underlying real estate may not be sufficient to recover our cost basis in the loan, resulting in a loss to us. Furthermore, any costs or delays involved in the completion of a foreclosure of the loan or a liquidation of the underlying property will further reduce the proceeds and thus increase the loss. Any such reductions could materially and adversely affect the value of the loan and could, in aggregate, have a material and adverse effect on our business, results of operations and financial condition.

Any costs or delays involved in the completion of a foreclosure or liquidation of the underlying property of the residential loans we own may further reduce proceeds from the property and may increase our loss.

We may find it necessary or desirable from time to time to foreclose on some of the residential mortgage loans we acquire and the foreclosure process may be lengthy and expensive. Borrowers may resist mortgage foreclosure actions by asserting numerous claims, counterclaims and defenses against us including, without limitation, numerous lender liability claims and defenses, even when such assertions may have no basis in fact, in an effort to prolong the foreclosure action and force us into a modification of the loan or a favorable buy-out of the borrower's position. In some states, foreclosure actions can sometimes take several years or more to litigate. Moreover, during a crisis or significant geopolitical, economic, market or other disruption, such as the COVID-19 pandemic, actions may be taken by federal, state and local governments and regulators to make foreclosure more difficult, and in some cases, unavailable.

At any time prior to or during the foreclosure proceedings, the borrower may file for bankruptcy, which would have the effect of staying the foreclosure actions and further delaying the foreclosure process. Foreclosure may create a negative public perception of the related mortgaged property, resulting in a decrease in its value. Even if we are successful in foreclosing on a mortgage loan, the liquidation proceeds upon sale of the underlying real estate may not be sufficient to recover our cost basis in the loan, resulting in a loss to us. Furthermore, any costs or delays involved in the completion of a foreclosure of the loan or a liquidation of the underlying property will further reduce the proceeds and thus increase the loss. Any such reductions could materially and adversely affect the value of the residential loans in which we invest and, therefore, could have a material and adverse effect on our business, results of operations and financial condition and ability to make distributions to our stockholders.

Our preferred equity investments involve greater risks of loss than more senior loans secured by income-producing properties.

We own preferred equity investments in entities that own one or more multi-family properties. These types of assets involve a higher degree of risk than senior mortgage lending secured by income-producing real property because our equity investment may be effectively extinguished as a result of foreclosure by the senior lender. In addition, preferred equity investments are often used to achieve a very high leverage on large commercial projects, resulting in less equity in the property and increasing the risk of loss of principal or investment. If a borrower defaults on our preferred equity investment or debt senior to our loan, or in the event of an operating partner bankruptcy, our preferred equity investment will be satisfied only after all senior and subordinated debt is paid in full. Where senior debt exists, the presence of intercreditor arrangements, which in this case are arrangements between the lender of the senior loan and the preferred equity investor that stipulate the rights and obligations of the parties, may limit our ability to amend our investment documents, assign or transfer our interests, accept prepayments, exercise our remedies or control decisions made in bankruptcy proceedings relating to preferred equity issuers. As a result, we may not recover some or all of our investment, which could result in significant losses.

Declining real estate valuations and impairment charges to real estate assets have adversely affected our earnings and financial condition in the past and may adversely affect our earnings and financial condition in the future.

We periodically evaluate real estate assets for indicators of impairment, which include, among other indicators, deteriorating operational performance, declining market conditions, legal and environmental concerns, and our ability and intent to hold each asset. If impairment indicators exist for long-lived assets to be held and used, we may record an impairment of real estate to reduce the carrying value of such asset to its estimated fair value. Real estate assets that are held for sale are recorded at the lower of their net depreciated carrying amount or estimated net fair value. In the event that the estimated net fair value of a real estate asset is determined to be less than its net depreciated carrying amount, an impairment of real estate is recorded on our consolidated statements of operations for the amount of the difference. Subsequent decreases, if any, in the net fair value of the real estate assets held for sale are recorded as impairments of real estate. Further, if real estate investments are determined to no longer meet the criteria to be accounted for as held for sale, they are returned to held and used at the lower of (a) their carrying amount before they were classified as held for sale, adjusted for any depreciation (amortization) expense that would have been recognized had the assets remained in their previous classification, or (b) their fair value at the date of the subsequent decision not to sell the real estate or joint venture equity investment, and downward adjustments, if any, are reported in loss on reclassification of disposal group in the consolidated statements of operations.

We determine the fair value of real estate assets based upon discounted cash flow analyses using property financial information and assumptions regarding market rent, revenue and expense growth, capitalization rates and return rates. The evaluation of anticipated cash flows is highly subjective and is based in part on assumptions regarding future occupancy, rental rates and capital requirements that could differ materially from actual results in future periods. A worsening real estate market may cause us to reevaluate the assumptions used in our estimation of fair value and/or impairment analysis.

For the years ended December 31, 2025 and 2024, we recognized net impairment losses of approximately \$9.8 million and \$48.9 million, respectively. During the year ended December 31, 2024, we also recognized losses on reclassification of disposal group of approximately \$14.6 million. These losses have a direct, adverse impact on our net income because recording an impairment loss or loss on reclassification of disposal group results in an immediate negative adjustment to net income. Impairment charges, such as those incurred in recent years, adversely affected our financial condition, results of operations, book value, cash available for distribution, including cash available for us to pay distributions to our stockholders, and per share trading price of our common stock. Such impairment charges could adversely affect our earnings and financial condition in the future.

Our investments in multi-family properties are subject to the ability of the property owner to generate net income from operating the property as well as the risks of delinquency, default and foreclosure.

Our investments in multi-family properties are subject to risks of delinquency, default and foreclosure on the properties that underlie or back these investments, and risk of loss that may be greater than similar risks associated with loans made on the security of a single-family residential property. The ability of a borrower to repay a loan or obligation secured by, and the return on an equity interest in an entity that owns, an income-producing property typically is dependent primarily upon the successful operation of such property. If the net operating income of the subject property is reduced, the borrower's ability to repay the loan or recapitalize the property, on a timely basis or at all, or our ability to receive adequate returns on our investment, may be impaired. Similarly, the single-family rental properties we own are subject to the risk that the tenant will be unable to pay rent timely or at all. Net operating income of an income-producing property can be adversely affected by, among other things:

- tenant mix;
- the performance, actions and decisions of operating partners and the property managers we or they engage in the day-to-day management and maintenance of the property;
- property location, condition, and design;
- competition, including new construction or rehabilitation of competitive properties;
- a surge in homeownership rates;
- changes in laws that increase operating expenses or limit rents that may be charged;
- changes in specific industry segments, including the labor, credit and securitization markets;

- declines in regional or local real estate values or economic conditions;
- declines in individual property or regional or local rental or occupancy rates;
- increases in interest rates, overall financing costs, real estate tax rates, construction costs, energy costs and other operating expenses;
- costs of remediation and liabilities associated with environmental conditions;
- the potential for uninsured or underinsured property losses; and
- the risks particular to real property, including those described in “Our business is subject to risks particular to real property and real estate-related assets.”

The Mezzanine Lending investments we own may be adversely affected by a default on any of the loans or other instruments that underlie those securities or that are secured by the related property. See “Our investments may include subordinated tranches of RMBS, CMBS and ABS, which are subordinate in right of payment to more senior securities and have greater risk of loss than other investments.”

Actions of our operating partners could subject us to liabilities in excess of those contemplated or prevent us from taking actions that are in the best interests of our stockholders, which could result in lower investment returns to our stockholders.

We own preferred equity investments in owners of multi-family properties as part of our investment strategy. We consider such owners to be our operating partners with respect to the acquisition, improvement, operating or financing of the underlying properties, as the case may be. We may also make indirect investments in properties through other arrangements. Actions by our operating partners or the property managers of the multi-family properties which underlie our investments are generally out of our control and may subject us to liabilities in excess of those contemplated and thus reduce our investment returns. As such, these investments may involve risks not otherwise present when acquiring real estate directly, including, for example:

- operating partners may share or control certain approval rights over major decisions, which, among other things, may limit our ability to dispose of or refinance properties on a timely basis or at all;
- operating partners may have interests or goals that are or become inconsistent with our interests or goals;
- operating partners might become insolvent, bankrupt or otherwise refuse or be unable to meet their obligations to us or the venture, which we have experienced in recent years;
- operating partners may not perform their property oversight responsibilities or may take actions contrary to our instructions, requests, policies or objectives, including our policy with respect to maintaining our qualification as a REIT; and
- operating partners or the entities in which we invest may not timely provide us with accurate financial information or may have inadequate internal controls or procedures that could cause us to fail to meet our reporting obligations and other requirements under the federal securities laws.

Additionally, if we have a right of first refusal or buy/sell right to buy out an operating partner, we may be unable to finance such a buy-out if it becomes exercisable or we may be required to purchase such interest at a time when it would not otherwise be in our best interest to do so. If our interest is subject to a buy/sell right, we may not have sufficient cash, available borrowing capacity or other capital resources to allow us to elect to purchase the interest of our operating partner that is subject to the buy/sell right, in which case we may be forced to sell our interest as a result of the exercise of such right when we would otherwise prefer to keep our interest. Pursuant to the operating agreement for our cross-collateralized mezzanine lending investment, third party investors have the ability to sell their ownership interests to us at their election once a year subject to annual minimum and maximum amount limitations and we are obligated to purchase such interests for cash. We may not have sufficient cash, available borrowing capacity or other capital resources to allow us to finance the purchase of such interests, which may cause us to breach our obligations under the operating agreement, or we may be required to purchase such interest at a time when it would not otherwise be in our best interest to do so. Finally, we may not be able to sell our interest in a venture if we desire to exit the venture without our operating partner's consent.

Our business is subject to risks particular to real property and real estate-related assets.

We own assets secured or backed by, or closely connected to, real estate, and to a lesser extent real estate assets, and expect in the future to continue to acquire, own and manage these assets. Real estate and real estate-related assets are subject to various risks, including:

- acts of God, including earthquakes, wildfires, hurricanes, tornadoes, floods and other natural disasters, which may result in uninsured losses;
- acts of domestic or international war or terrorism, social unrest and civil disturbances, including the consequences thereof, such as materially negative impacts on U.S. economic and market conditions;
- adverse changes in global, national, regional and local economic, market or political conditions, including those relating to pandemics and health crises;
- changes in federal, state or local governmental laws and regulations, fiscal or tax policies, zoning ordinances and environmental legislation and the related costs of compliance with federal, state or local laws and regulations, fiscal policies and ordinances; and
- adverse developments or conditions resulting from or associated with climate change.

The occurrence of any of the foregoing or similar events may result in damage to or destruction of the underlying assets and may materially adversely affect the financial, capital, credit and/or real estate markets in which we operate, generally, or real estate or rental markets more locally, any of which could reduce the returns on, or fair values of, our assets or impair our ability to finance our business on favorable terms or at all. Consequently, the occurrence of any of the foregoing could materially adversely affect our business, financial condition and results of operations and our ability to make distributions to our stockholders.

To the extent that due diligence is conducted as part of our acquisition or underwriting process, such due diligence may be limited, may not reveal all of the risks associated with such assets and may not reveal other weaknesses in such assets, which could lead to material losses.

As part of our acquisition or underwriting process for certain assets, including, without limitation, residential loans, non-Agency RMBS, indirect multi-family property investments, CMBS, ABS or other mortgage-, residential housing- or other credit-related assets, we may conduct (either directly or using third parties) certain due diligence. Such due diligence may include (i) an assessment of the strengths and weaknesses of the asset's or underlying asset's credit profile, (ii) a review of all or merely a subset of the documentation related to the asset or underlying asset or (iii) other reviews that we may deem appropriate to conduct. There can be no assurance that we will conduct any specific level of due diligence, or that, among other things, the due diligence process will uncover all relevant facts, the materials provided to us or that we review will be accurate and complete or that any purchase or our projection for that purchase will prove successful, which could result in losses on these assets, which, in turn, could adversely affect our business, financial condition and results of operations and our ability to make distributions to our stockholders.

The lack of liquidity in certain of our assets may adversely affect our business.

Many of the assets we own or acquire may be subject to legal, contractual and other restrictions on resale or will otherwise be less liquid than publicly traded securities. For example, certain of our assets may be securitized and are held in a securitization trust and may not be sold or transferred until the note issued by the securitization trust matures or is repaid. Similarly, our multi-family investments may require the consent of our operating partner or a lender to transfer or sell our investment and may also be less attractive to a buyer due to certain contractual provisions. Moreover, because many of our assets are subordinated to more senior securities or loans or depend on the ability of a borrower, tenant or operating partner to meet their contractual obligations, any potential buyer of those assets may request to conduct due diligence on those assets, which may delay the sale or transfer of those assets. In addition, investments in MSRs are highly illiquid and may be subject to numerous restrictions on transfers, including without limitation the receipt of third-party consents. The illiquidity of certain of our assets may make it difficult for us to sell such assets on a timely basis or at all if the need or desire arises. If we are required to liquidate all or a portion of our portfolio quickly, we may realize significantly less than the value at which we have previously recorded our assets, as was the case in March 2020 when the COVID-19 pandemic caused significant turmoil in our markets. As a result, our ability to vary our portfolio in response to changes in economic and other conditions may be relatively limited, which could materially adversely affect our results of operations, cash flow and financial condition.

The use of models in connection with the valuation of our assets subjects us to potential risks in the event that such models are incorrect, misleading or based on incomplete information.

As part of our risk management process, models may be used to evaluate, depending on the asset class, home price appreciation and depreciation by county or region, prepayment speeds and frequency, cost and timing of foreclosures, as well as other factors. Certain assumptions used as inputs to the models may be based on historical trends. These trends may not be indicative of future results. Furthermore, the assumptions underlying the models may prove to be inaccurate, causing the model output also to be incorrect. In the event models and data prove to be incorrect, misleading or incomplete, any decisions made in reliance thereon expose us to potential risks. For example, by relying on incorrect models and data, we may buy certain assets at prices that are too high, sell certain assets at prices that are too low or miss favorable opportunities altogether, which could have a material adverse impact on our business and growth prospects.

Valuations of some of our assets are subject to inherent uncertainty, may be based on estimates, may fluctuate over short periods of time and may differ from the values that would have been used if a ready market for these assets existed.

While the determination of the fair value of our assets generally takes into consideration valuations provided by third-party dealers and pricing services, the final determination of exit price fair values for our assets is based on our judgment, and such valuations may differ from those provided by third-party dealers and pricing services. Valuations of certain assets may be difficult to obtain or may not be reliable (particularly as related to residential loans, as discussed below). In general, dealers and pricing services heavily disclaim their valuations as such valuations are not intended to be binding bid prices. Additionally, dealers may claim to furnish valuations only as an accommodation and without special compensation, and so they may disclaim any and all liability arising out of any inaccuracy or incompleteness in valuations. Depending on the complexity and illiquidity of an asset, valuations of the same asset can vary substantially from one dealer or pricing service to another. Our results of operations, financial condition and business could be materially adversely affected if our fair value determinations of these assets are materially higher than could actually be realized in the market.

Our investments in residential loans are difficult to value and such valuations are dependent upon the borrower's ability to service or refinance their debt and, in the case of business purpose loans made to borrowers who rent the respective collateral property, are also dependent upon such collateral property's rental income. The valuation of our investments in residential loans, our liquidity and results of operations could be materially and adversely affected by a residential loan borrower's inability to service or refinance their loan and/or the inability of a collateral property to produce sufficient rental income.

The difficulty in valuation is particularly significant with respect to our less liquid investments such as our re-performing loans ("RPL's") and non-performing loans ("NPL's"), among others. RPLs are loans on which a borrower was previously delinquent but has resumed repaying. Our ability to sell RPLs for a profit depends on the borrower continuing to make payments. An RPL could become a NPL, which could reduce our earnings. Our investments in residential whole loans may require us to engage in workout negotiations, restructuring and/or the possibility of foreclosure. These processes may be lengthy and expensive. If we foreclose on underlying properties, we, through a designated servicer that we retain, will have to manage these properties and may not be able to sell them.

We may work with our third-party servicers and seek to help a borrower to refinance an NPL or RPL to realize greater value from such loan. However, there may be impediments to executing a refinancing strategy for NPLs and RPLs. For example, mortgage lenders may have adjusted their loan programs or underwriting standards since the borrower first obtained their now NPL or RPL, which has in the past reduced and may in the future reduce the availability of mortgage credit to prospective borrowers and the availability of financing alternatives for borrowers seeking to refinance their mortgage loans. In addition, the value of some borrowers' homes may decline below the amount of the mortgage loans on such homes resulting in higher loan-to-value ratios, which may leave the borrowers with insufficient equity in their homes to permit them to refinance. With prevailing mortgage interest rates remaining meaningfully elevated from their recent low levels in 2020 through part of 2022, these risks may be exacerbated. The effect of the above would likely serve to make the refinancing of NPLs and RPLs potentially more difficult and less profitable for us.

Competition may prevent us from acquiring assets on favorable terms or at all, which could have a material adverse effect on our business, financial condition and results of operations.

We operate in a highly competitive market for investment opportunities. Our net income largely depends on our ability to acquire our targeted assets at favorable spreads over our borrowing costs. In acquiring our targeted assets, we compete with other REITs, investment banking firms, savings and loan associations, banks, insurance companies, mutual funds, private investors, lenders and other entities that purchase mortgage-related assets, many of which have greater financial resources or access to opportunities than us. Greater demand for the assets we target for investment tends to increase prices and reduce the estimated yield on the asset. Additionally, many of our potential competitors are not subject to REIT tax compliance or required to maintain an exclusion from the Investment Company Act. During much of 2021, increased demand for the assets we targeted resulted in reduced levels of investment by us which negatively impacted our net earnings during those periods. As in the recent past, we may not in the future be able to acquire sufficient quantities of our targeted assets at favorable spreads over our borrowing costs, which could have a material adverse effect on our business, financial condition, results of operations and ability to make distributions to our stockholders.

Maintaining cybersecurity and data security is important to our business and a breach of our cybersecurity or data security could result in serious harm to our reputation and have a material adverse impact on our business and financial results.

When we acquire residential loans or make investments in multi-family or single-family rental properties, we often times come into possession of borrower non-public personal information that an identity thief could utilize in engaging in fraudulent activity or theft. In some cases, we share this information with third parties, such as loan sub-servicers, property managers, outside vendors, third parties interested in acquiring such loans from us, or lenders extending credit to us collateralized by such loans.

While we have security measures in place to protect this information and prevent security breaches, these security measures may be compromised as a result of third-party action, including intentional misconduct by computer hackers, cyber-attacks, "phishing" attacks, service provider or vendor error, or malfeasance or other intentional or unintentional acts by third parties and bad actors, including third-party service providers. Threat actors continue to use increasingly sophisticated techniques and tools to gain unauthorized access to enterprise data and information systems, and the use of artificial intelligence may increase the effectiveness and harm caused by such attacks. Furthermore, borrower data, including personally identifiable information, may be lost, exposed, or subject to unauthorized access or use as a result of accidents, errors, or malfeasance by our employees, independent contractors, or others working with us or on our behalf. Our servers and systems, and those of our service providers, operating partners and the companies in which we invest from time to time, may be vulnerable to computer malware, break-ins, denial-of-service attacks, and similar disruptions from unauthorized tampering with our computer systems, which could result in someone obtaining unauthorized access to borrowers' data or our data, including other confidential business information. We have further developed and enhanced our cybersecurity systems and processes that are intended to protect this type of data and information but they may not be effective in preventing unauthorized access in the future and such unauthorized access could have a material adverse effect on our business and financial results. Furthermore, because the techniques used to obtain unauthorized access to, or to sabotage, systems change frequently and often are not recognized until launched against a target, we may be unable to anticipate these techniques or implement adequate preventative measures. We may also experience security breaches that may remain undetected for an extended period.

We may be liable for losses suffered by individuals whose identities are stolen as a result of a breach of the security of the systems that we or third parties, operating partners, companies in which we invest and service providers of ours store this information on, and any such liability could be material. Even if we are not liable for such losses, any breach of these systems could expose us to material costs in notifying affected individuals and providing credit monitoring services to them, as well as regulatory fines or penalties. In addition, any breach of these systems could disrupt our normal business operations and expose us to reputational damage and lost business, revenues, and profits. Any insurance we maintain against the risk of this type of loss may not be sufficient to cover actual losses, or may not apply to the circumstances relating to any particular breach.

Security breaches could also significantly damage our reputation with existing and prospective business partners, borrowers, and third parties with whom we do business. Any publicized security problems affecting our businesses and/or those of such third parties may negatively impact the market perception of our products and discourage market participants from doing business with us. These risks may increase in the future as we continue to increase our reliance on the internet and use of web-based product offerings and on the use of cybersecurity tools.

We are highly dependent on information and communication systems and system failures and other operational disruptions could significantly disrupt our business, which may, in turn, materially adversely affect our business, financial condition and results of operations and our ability to make distributions to our stockholders.

Our business is highly dependent on communications and information systems. For example, we rely on our proprietary database to track and manage the residential loans in our portfolio. Any failure or interruption in the availability and functionality of our systems or those of our third-party service providers and other operational disruptions could cause delays or other problems in our trading, investment, financing, hedging and other operating activities which could materially adversely affect our business, financial condition and results of operations and our ability to make distributions to our stockholders.

We have made and may in the future make investments in companies that we do not control.

Some of our investments currently and may in the future include, debt instruments and/or equity securities of companies or investment vehicles that we do not control. The entities in which we invest could be thinly capitalized, highly leveraged, dependent on a small number of key individuals, subject to regulatory concerns, underperform expectations, or face other obstacles that could adversely affect the business and results of operations of any such entity. If any of the foregoing were to occur, our investments in these entities could be lost in their entirety, and our financial condition, results of operations and cash flow could suffer as a result.

It may be uneconomical to "roll" our TBA dollar roll transactions or we may be unable to meet margin calls on our TBA contracts.

From time to time, we enter into TBAs as an alternate means of investing in and financing Agency RMBS. A TBA contract is an agreement to purchase or sell, for future delivery, an Agency RMBS with a specified issuer, term and coupon. A TBA dollar roll represents a transaction where TBA contracts with the same terms but different settlement dates are simultaneously bought and sold. The TBA contract settling in the later month typically prices at a discount to the earlier month contract with the difference in price commonly referred to as the "drop". The drop is a reflection of the expected net interest income from an investment in similar Agency RMBS, net of an implied financing cost, that would be foregone as a result of settling the contract in the later month rather than in the earlier month. The drop between the current settlement month price and the forward settlement month price occurs because in the TBA dollar roll market, the party providing the implied financing is the party that would retain all principal and interest payments accrued during the financing period. Consequently, dollar roll transactions and such forward purchases of Agency securities represent a form of off-balance sheet financing and increase our "at risk" leverage.

The economic return of a TBA dollar roll generally equates to interest income on a generic TBA-eligible security less an implied financing cost, and there may be situations in which the implied financing cost exceeds the interest income, resulting in a negative carry on the position. If we roll our TBA dollar roll positions when they have a negative carry, the positions would decrease net income and amounts available for distributions to stockholders.

There may be situations in which we are unable or unwilling to roll our TBA dollar roll positions. The TBA transaction could have a negative carry or otherwise be uneconomical due to market conditions, which can be impacted by a variety of factors, such as changes in the pace or manner of the Federal Reserve's runoff of its portfolio of Agency RMBS or, if they occur, the Fed's purchases or sales of Agency RMBS in the TBA market. We may be unable to find counterparties with whom to trade in sufficient volume or we may be required to collateralize the TBA positions in a way that is uneconomical. Because TBA dollar rolls represent implied financing, an inability or unwillingness to roll has effects similar to any other loss of financing. If we do not roll our TBA positions prior to the settlement date, we would have to take physical delivery of the underlying securities and settle our obligations for cash. We may not have sufficient funds or alternative financing sources available to settle such obligations. Additionally, if we take delivery of the underlying securities, we can expect to receive the "cheapest to deliver" securities with the least favorable prepayment attributes that satisfy the terms of the TBA contract. Further, the specific securities that we receive may include few, if any, "whole pool" securities, which could inhibit our ability to remain exempt from regulation as an investment company under the Investment Company Act. TBA contracts also subject us to margin requirements. Our inability to roll forward our TBA positions, failure to obtain adequate financing to settle our obligations, or failure to meet margin calls under our TBA contracts could force us to sell assets under adverse market conditions causing us to incur significant losses and negatively affect our liquidity.

Our acquisition of the remaining 50% ownership interest in Constructive not previously held by us, or future acquisition targets, could fail to improve our business or result in diminished returns and could increase our cost of doing business.

In July 2025, we completed the acquisition of the remaining 50% ownership interest in Constructive, a leading originator of business purpose loans for real estate investors. In the future, we may engage in additional business acquisitions or investment activity. If we experience challenges related to business acquisitions that we do not anticipate or cannot mitigate, including with respect to Constructive, the returns we expected with respect to these investments may not be generated. If our assumptions are wrong, or if market conditions change, we may, as a result, not have capital available for deployment into more profitable businesses and investments.

Constructive's loan origination business is dependent upon conditions in the investor real estate market, and conditions that negatively impact this market may reduce demand for its loans and adversely impact our business, results of operations and financial condition. Constructive's borrowers are primarily investors in residential and multi-family properties for rental income and residential and multi-family properties for rehabilitation and subsequent resale or rental. Accordingly, the success of Constructive's business is closely tied to the overall success of the investors and small business owners in these markets. Various changes in real estate conditions may adversely impact this market. Any negative trends in such real estate conditions may reduce demand for Constructive's products and services and, as a result, materially adversely affect our results of operations, financial condition and ability to make distributions to our stockholders.

Directly originating mortgage loans through Constructive could expose us to new or increased risks, including increased regulation, additional litigation, challenges in integrating operations, failure to maintain effective internal controls, and other unknown liabilities and increased expenses associated with the business of originating mortgage loans.

With our acquisition of Constructive, we commenced the operation of a new business segment, the direct origination of business purpose loans through a wholly-owned subsidiary. Directly originating business purpose loans could expose us to new or increased risks compared to our historical business activities, including increased regulation by federal and state authorities, additional and different types of litigation, challenges in effectively integrating operations, failure to maintain effective internal controls, procedures and policies, and other unknown liabilities and unforeseen increased expenses or delays associated with the acquisition or the business of originating mortgage loans.

For example, we currently purchase a portion of the loans originated by Constructive, with Constructive selling the majority of its loans to third parties. A reduction in demand among third parties for Constructive's loans could negatively impact the value or the cost of the loans originated by Constructive, which could result in our experiencing material losses. Moreover, Constructive's loan sale agreements may require Constructive to repurchase or substitute loans or indemnify or reimburse purchasers for losses in the event Constructive breaches a representation or warranty made to the loan purchaser regarding, among other things, certain characteristics of those loans sold, including characteristics Constructive seeks to verify through its underwriting and due diligence efforts. Financing for repurchased loans may be limited or unavailable, and may incur a steep discount to their repurchase price from financing counterparties. Repurchased loans may also be sold at a significant discount to the loan's unpaid principal balance. Significant repurchase activity could harm our business, cash flow, results of operations and financial condition.

Further, Constructive records a reserve for potential losses associated with its potential liabilities relating to representations and warranties based on historical experience and management's assessment of incurred losses on previously sold loans that remain outstanding. As a result, we may not have sufficient reserves relating to potential liabilities arising from a breach of a representation or warranty made by Constructive to a third party purchaser.

Additionally, due to the extensive governmental regulation of the mortgage industry, we and Constructive are required to comply with a wide array of laws, rules and regulations, including mortgage originator licensure and federal and state consumer lending regulations, which concern, among other things, the manner in which Constructive conducts its loan origination business and the collection, use, retention, protection, disclosure, transfer and processing of personal information by us and Constructive. Constructive's originations of business purpose loans may inadvertently fail to comply with state and federal regulatory regimes, which could cause fines, legal liability, or material negative impact to the origination business. Governmental authorities and various U.S. federal and state agencies may have broad oversight and supervisory authority over Constructive's mortgage loan origination business. These regulations require ongoing compliance, monitoring and internal and external compliance audits as they continue to evolve. The risks of noncompliance with these laws and regulations include, among other things, the loss of licenses and approvals to engage in lending businesses, costs associated with defending investigations and enforcement actions or resulting administrative fines and penalties and civil and criminal liability, including class action lawsuits. Noncompliance with laws or regulations or changes in laws or regulations could be detrimental to Constructive's business and, as a result, adversely affect our results of operations, financial condition and ability to make distributions to our stockholders.

Further, our acquisition of Constructive increases our overall number of employees, including remote employees, and adds additional office locations. We expect our general & administrative expense as a percentage of our stockholders' equity to increase and we may be unable to effectively integrate the new team or manage the costs associated with this new business. Moreover, in the future, we may originate other housing-related investments that could expose us to similar risks as those described above with respect to originating mortgage loans. We can provide no assurance that we will be effective in managing these additional risks or that such risks will not materially adversely impact our business or our cost of doing business.

Risks Related to Debt Financing and Our Use of Hedging Strategies

Our access to financing sources, which may not be available on favorable terms, or at all, may be limited, and this may materially adversely affect our business, financial condition and results of operations and our ability to make distributions to our stockholders.

We depend upon the availability of adequate capital and financing sources on acceptable terms to fund our operations, meet financial obligations, and finance asset acquisitions and originations. This includes financing arrangements used by Constructive, which relies on warehouse facilities to fund its operations. The capital and credit markets have experienced significant levels of volatility and disruption in recent years that have generally negatively impacted the availability of credit from time-to-time. Volatility or disruption in the credit or finance markets or a downturn in the global economy could materially adversely affect one or more of our lenders and could cause lenders to be unwilling or unable to provide us with financing, to increase the costs of that financing or make the terms less attractive, or to become insolvent. Such volatility or disruption could also limit or halt our access to securitization financing.

Although we finance some of our assets with longer-term financing, we have also historically relied on access to short-term borrowings, including repurchase agreements to finance our investments and warehouse facilities in the case of Constructive to fund its operations. Because these financing agreements typically have terms of one year or less, our counterparties may respond to market conditions in a manner that makes it more difficult for us to renew or replace on a continuous basis our maturing short-term financings and such counterparties have imposed and may in the future impose more onerous conditions when rolling such financings. If we are not able to renew or roll our existing financing agreements or arrange for new financing on terms acceptable to us, or if we default on our financial covenants, are otherwise unable to access funds under our financing arrangements, or if we are required to post more collateral or face larger haircuts on our financings, we may have to dispose of assets at significantly depressed prices and at inopportune times, which could cause significant losses, and may also force us to curtail our asset acquisition activities. If we are faced with a larger haircut in order to roll a financing with a particular counterparty, or in order to move a financing from one counterparty to another, then we would need to make up the difference between the two haircuts in the form of cash, which could similarly require us to dispose of assets at significantly depressed prices and at inopportune times, which could cause significant losses.

Issues related to financing are exacerbated in times of significant dislocation in the financial markets. It is possible that our financing counterparties will become unwilling or unable to provide us with financing, and we could be forced to sell our assets at an inopportune time when prices are depressed or markets are illiquid, which could cause significant losses. Indeed, we experienced these types of conditions during the height of the market disruption caused by COVID-19 and incurred significant losses. In addition, if the regulatory capital requirements imposed on our financing counterparties change, they may be required to significantly increase the cost of the financing that they provide to us, or to increase the amounts of collateral they require as a condition to providing us with financing. Our financing counterparties also have revised, and may continue to revise, their eligibility requirements for the types of assets that they are willing to finance or the terms of such financings, including increased haircuts and requiring additional cash collateral, based on, among other factors, the regulatory environment and their management of actual and perceived risk, particularly with respect to assignee liability. Moreover, the amount of financing that we receive under our repurchase agreements will be directly related to our counterparties' valuation of our assets that collateralize the outstanding repurchase agreement financing. In general, this could potentially increase our financing costs and reduce our liquidity or require us to sell assets at an inopportune time or price.

Finally, securitization financing has been limited from time to time in the recent past. A prolonged decline in securitization activity may limit borrowings under warehouse facilities and other credit facilities that are intended to be refinanced by such securitizations. Moreover, other forms of longer-term financing have historically been difficult for mortgage REITs to access or contain less favorable terms. Consequently, depending on market conditions at the relevant time, we may have to rely on additional equity issuances to meet our capital and financing needs, which may be dilutive to our stockholders, or we may have to rely on less efficient forms of debt financing that restrict our operations or financing or consume a larger portion of our cash flow from operations, thereby reducing funds available for our operations, future business opportunities, cash distributions to our stockholders and other purposes. We cannot assure you that we will have access to such equity or debt capital on favorable terms (including, without limitation, cost and term) at the desired times, or at all, which may cause us to curtail our investment activities and/or dispose of assets, which could materially adversely affect our business, financial condition and results of operations and our ability to make distributions to our stockholders.

The repurchase agreements that we use to finance our investments may require us to provide additional collateral, which could reduce our liquidity and harm our financial condition.

We use repurchase agreements to finance a portion of our investments. In certain cases, these repurchase agreements allow the lender, to varying degrees, to revalue the collateral to values that the lender considers to reflect the market value. In these cases, when a lender determines that the value of the collateral has decreased, it may initiate a margin call, in which case we may be required by the lending institution to provide additional collateral or pay down a portion of the funds advanced, but we may not have the funds available to do so. Typically, repurchase agreements grant the repurchase agreement counterparty the absolute right to reevaluate the fair market value of the assets that cover the amount financed under the repurchase agreement at any time. If a repurchase agreement counterparty determines in its sole discretion that the value of the assets subject to the repurchase agreement financing has decreased, it has the right to initiate a margin call. These valuations may be different than the values that we ascribe to these assets and may be influenced by recent asset sales at distressed levels by forced sellers. A margin call requires us to transfer additional assets to a repurchase agreement counterparty without any advance of funds from the counterparty for such transfer or to repay a portion of the outstanding repurchase agreement financing. We would also be required to post additional collateral if haircuts increase under a repurchase agreement. In these situations, we could be forced to sell assets at significantly depressed prices to meet such margin calls and to maintain adequate liquidity or to otherwise reduce the amount of leverage we use to finance our business, which could cause significant losses. In the event we do not have sufficient liquidity to meet such requirements, lending institutions can accelerate our indebtedness, increase our borrowing rates, liquidate our collateral at inopportune times or prices and terminate our ability to borrow. Significant margin calls could have a material adverse effect on our results of operations, financial condition, business, liquidity, and ability to make distributions to our stockholders, and could cause the value of our securities to decline. As a result of the COVID-19 outbreak, we observed a mark-down of a portion of our assets by our repurchase agreement counterparties during the first quarter of 2020, resulting in us having to pay cash and securities to satisfy margin calls that were well beyond historical norms. Disruptive events, including events similar to these, could have a material adverse impact on our liquidity and could lead to significant losses, a rapid deterioration of our financial condition and possibly require us to file for protection under the U.S. Bankruptcy Code.

We leverage our equity, which can exacerbate any losses we incur on our current and future investments and may reduce cash available for distribution to our stockholders.

We leverage our equity through borrowings, generally through the use of repurchase agreements, warehouse facilities, longer-term structured debt, such as CDOs and other forms of secured debt, or corporate-level debt, such as senior unsecured notes and convertible notes. We may, in the future, utilize other forms of borrowing. The amount of leverage we incur varies depending on the asset type, our ability to obtain borrowings, the cost of the debt and our lenders' estimates of the value of our portfolio's cash flow. The return on our investments and cash available for distribution to our stockholders may be reduced to the extent that changes in market conditions cause the cost of our financing to increase relative to the income that can be derived from the assets we hold in our investment portfolio. Further, the leverage on our equity may exacerbate any losses we incur.

Our debt service payments will reduce the net income available for distribution to our stockholders. We may not be able to meet our debt service obligations and, to the extent that we cannot, we risk the loss of some or all of our assets to sale to satisfy our debt obligations. Although we have established target leverage amounts for many of our assets, there is no established limitation, other than as may be required by our financing arrangements or our investment guidelines, on our leverage ratio or on the aggregate amount of our borrowings. As a result, we may still incur substantially more debt or take other actions which could have the effect of diminishing our ability to make payments on our indebtedness when due and further exacerbate our losses.

If we are unable to leverage our equity to the extent we currently anticipate, the returns on certain of our assets could be diminished, which may limit or eliminate our ability to make distributions to our stockholders.

If we are limited in our ability to leverage our assets to the extent we currently anticipate, the returns on these assets may be negatively impacted. We have historically used leverage to increase the size of our portfolio in order to enhance our returns. The capital and credit markets have experienced significant levels of volatility and disruption in recent years that has generally negatively impacted the availability and/or terms of financing from time-to-time. If we are unable to leverage our equity to the extent we currently anticipate due to unavailability or less attractive terms or otherwise, the returns on our portfolio could be diminished, which may limit or eliminate our ability to make distributions to our stockholders.

We directly or indirectly utilize non-recourse securitizations and recourse structured financings and such structures expose us to risks that could result in losses to us.

We utilize non-recourse securitizations and recourse structured financings of our investments in residential loans or investment securities to the extent consistent with the maintenance of our REIT qualification and exclusion from registration under the Investment Company Act in order to generate cash for funding new investments and/or to leverage existing assets. Some securitizations are treated as financing transactions for GAAP, while others are treated as sales. In a typical securitization, we convey assets to an SPE, the issuer, which then issues one or more classes of notes secured by the assets pursuant to the terms of an indenture. In exchange for conveying assets to the SPE, we may receive the ownership certificate or residual interest in the securitization and we frequently retain a subordinated interest in the securitization. To the extent that we retain the most subordinated economic interests in the issuer, we would continue to be exposed to losses on the assets for as long as those retained interests remained outstanding and therefore able to absorb such losses. Furthermore, our retained interests in a securitization could be less liquid than the underlying assets themselves, and may be subject to U.S. Risk Retention Rules and similar European rules. There can be no assurance that we will be able to access the securitization markets in the future or be able to do so at favorable rates to finance the assets we accumulate as part of our investment strategy. The inability to consummate longer-term financing for the credit sensitive assets in our portfolio could require us to seek other forms of potentially less attractive financing or to liquidate assets at inopportune times or prices, which could adversely affect our performance and our ability to grow our business.

In addition, under the terms of the securitization or structured financing, we may have limited or no ability to sell, transfer or replace the assets transferred to the SPE, which could have a material adverse effect on our ability to sell the assets opportunistically or during periods when our liquidity is constrained or to refinance the assets. Under the terms of these financings, some of which have terms of up to forty-five years, we agree to receive no cash flows from the assets transferred to the SPE until the debt issued by the SPE has matured or been repaid, which could reduce our liquidity and our cash available for distribution to our stockholders. As part of our financing strategy, we have in the past and may in the future guarantee certain terms or conditions of these financings, including the payment of principal and interest on the debt issued by the SPE, the cash flows for which are typically derived from the assets transferred to the entity. If an SPE defaults on its obligations and we have guaranteed the satisfaction of that obligation, we may be materially adversely affected.

In connection with our securitizations, we generally are required to prepare disclosure documentation for investors, including term sheets and offering memoranda, which contain information regarding the securitization generally, the securities being issued, and the assets being securitized. If our disclosure documentation for a securitization is alleged or found to contain material inaccuracies or omissions, we may be liable under federal securities laws, state securities laws or other applicable laws for damages to the investors in such securitization, we may be required to indemnify the underwriters of the securitization or other parties, or we may incur other expenses and costs in connection with disputing these allegations or settling claims. Such liabilities, expenses, and/or losses could be significant.

We will typically be required to make representations and warranties in connection with our securitizations regarding, among other things, certain characteristics of the assets being securitized. If any of the representations and warranties that we have made concerning the assets are alleged or found to be inaccurate, we may incur expenses disputing the allegations, and we may be obligated to repurchase certain assets, which may result in losses. Even if we previously obtained representations and warranties from loan originators or other parties from whom we originally acquired the assets, such representations and warranties may not align with those that we have made for the benefit of the securitization, or may otherwise not protect us from losses (e.g., because of a deterioration in the financial condition of the party that provided representations and warranties to us).

If a counterparty to our repurchase transactions defaults on its obligation to resell the pledged assets back to us at the end of the transaction term or if we default on our obligations under the repurchase agreement, we may incur losses.

When we engage in repurchase transactions, we generally sell RMBS, residential loans or certain other assets to lenders (i.e., repurchase agreement counterparties) and receive cash from the lenders. The lenders are obligated to resell the same asset back to us at the end of the term of the transaction. Because the cash we receive from the lender when we initially sell the asset to the lender is less than the value of that asset (this difference is referred to as the "haircut"), if the lender defaults on its obligation to resell the same asset back to us we would incur a loss on the transaction equal to the amount of the haircut (assuming there was no change in the value of the asset), plus additional costs associated with asserting or enforcing our rights under the repurchase agreement. Certain of the assets that we pledge as collateral are currently subject to significant haircuts. Further, if we default on one of our obligations under a repurchase transaction, the lender can terminate the transaction and cease entering into any other repurchase transactions with us. Moreover, our repurchase agreements frequently contain cross-default provisions, so that if a default occurs under any one agreement, the lenders under our other agreements may also be entitled to declare a default, which could exacerbate our losses and cause a rapid deterioration of our financial condition. Any losses we incur on our repurchase transactions through our default or the default of our counterparty could adversely affect our liquidity and earnings and thus our cash available for distribution to our stockholders.

Our use of repurchase agreements to borrow funds may give our lenders greater rights in the event that either we or a lender files for bankruptcy.

Our borrowings under repurchase agreements may qualify for special treatment under the bankruptcy code, giving our lenders the ability to avoid the automatic stay provisions of the bankruptcy code and to take possession of and liquidate our collateral under the repurchase agreements without delay in the event that we file for bankruptcy. Furthermore, the special treatment of repurchase agreements under the bankruptcy code may make it difficult for us to recover our pledged assets in the event that a lender files for bankruptcy. Thus, the use of repurchase agreements exposes our pledged assets to risk in the event of a bankruptcy filing by either a lender or us.

Negative impacts on our business may cause us to default on certain financial covenants contained in our financing arrangements.

The repurchase agreements that finance a portion of our investment portfolio and certain of our other existing financing arrangements, including our senior unsecured notes and Constructive's warehouse facilities, and those we enter into in the future, contain or may contain financial covenants. Negative impacts on our business, including those caused by significant market disruptions or an economic downturn, have and/or may make it more difficult to meet or satisfy these covenants, and we cannot assure you that we will remain in compliance with these covenants in the future.

If we fail to meet or satisfy any of these covenants, we would be in default under these agreements, which could result in a cross-default or cross-acceleration under other financing arrangements, and the financing counterparties could elect to declare the repurchase price or principal and interest due and payable (or such amounts may automatically become due and payable), terminate their commitments, require the posting of additional collateral and enforce their respective interests against existing collateral. A default also could significantly limit our financing alternatives, which could cause us to curtail our investment activities or dispose of assets when we otherwise would not choose to do so. As a result, a default on any of our financing agreements could materially and adversely affect our business, results of operations, financial condition and ability to make distributions to our stockholders.

Hedging against interest rate, credit and market value changes as well as other risks may materially adversely affect our business, financial condition and results of operations and our ability to make distributions to our stockholders.

Subject to compliance with the requirements to maintain our qualification as a REIT, we may engage in certain hedging transactions to manage our exposure to interest rate, credit, geopolitical and market risks. These hedging instruments may include the use of interest rate swaps, interest rate swaptions, interest rate caps, Eurodollars and U.S. Treasury futures to seek to hedge the interest rate risk, as well as credit default swaps, commodity futures and options contracts such as options on credit default swap indices, equity index options to manage credit, geopolitical and market risks that may impact our portfolio.

Hedging against a decline in the values of our portfolio positions does not eliminate the possibility of fluctuations in the values of such positions or prevent losses if the values of such positions decline. Such hedging transactions may also limit the opportunity for gain if the values of the portfolio positions should increase. Moreover, at any point in time we may choose not to hedge all or a portion of these risks, and we generally will not hedge those risks that we believe are appropriate for us to take at such time, or that we believe would be impractical or prohibitively expensive to hedge.

Even if we do choose to hedge certain risks, for a variety of reasons we generally will not seek to establish a perfect correlation between our hedging instruments and the risks being hedged. Any such imperfect correlation may prevent us from achieving the intended hedge and expose us to risk of loss. Our hedging activity will vary in scope based on the composition of our portfolio, our market views, and changing geopolitical and market conditions, including the level and volatility of interest rates. When we do choose to hedge, hedging may fail to protect or could materially adversely affect us because, among other things:

- we may fail to correctly assess the degree of correlation between the performance of the instruments used in the hedging strategy and the performance of the assets in the portfolio being hedged;
- we may fail to recalculate, re-adjust and execute hedges in an efficient and timely manner;
- the hedging transactions may actually result in poorer overall performance for us than if we had not engaged in the hedging transactions;
- hedging can be expensive, particularly during periods of volatility;
- available hedges may not correspond directly with the risks for which protection is sought;
- the durations of the hedges may not match the durations of the related assets or liabilities being hedged;
- many hedges are structured as over-the-counter contracts with counterparties whose creditworthiness is not guaranteed, raising the possibility that the hedging counterparty may default on their payment obligations; and
- to the extent that the creditworthiness of a hedging counterparty deteriorates, it may be difficult or impossible to terminate or assign any hedging transactions with such counterparty.

The use of derivative instruments is also subject to an increasing number of laws and regulations, including the Dodd-Frank Act and its implementing regulations. These laws and regulations are complex, compliance with them may be costly and time consuming, and our failure to comply with any of these laws and regulations could subject us to lawsuits or government actions and damage our reputation. For these and other reasons, our hedging activity may materially adversely affect our business, financial condition and results of operations and our ability to make distributions to our stockholders.

Volatility in the market value of certain derivatives we use to manage exposures to geopolitical and general market risks may cause volatility in our net income.

From time to time, we use commodity futures to manage our exposure to geopolitical and general market risk. We recognize gains and losses based on changes in the values of these commodity derivatives. The Company elected not to apply hedge accounting for its derivative instruments; accordingly, all changes in fair value are reported on the consolidated statements of operations as gains (losses) on derivative instruments, net. Changes in the values of our commodity derivatives may cause volatility in our net income.

Risks Associated with Adverse Developments in the Mortgage, Real Estate, Credit and Financial Markets Generally

Difficult conditions in the mortgage, real estate and financial markets and the economy generally have caused and may cause us to experience losses in the future.

Our business is materially affected by conditions in the residential and commercial mortgage markets, the residential and commercial real estate markets, the financial markets and the economy generally. Furthermore, because a significant portion of our current assets and our targeted assets are credit sensitive, we believe the risks associated with our investments will be more acute during periods of economic slowdown, recession or market dislocations, especially if these periods are accompanied by declining real estate values and increasing delinquencies and defaults. In recent years, concerns about the health of the global economy generally and the residential and commercial mortgage markets specifically, as well as inflation, energy costs, changes in monetary policy, perceived or actual changes in interest rates, the health of the banking system, U.S. budget debates, geopolitical issues, global pandemics such as the COVID-19 pandemic and the availability and cost of credit have contributed to increased volatility and uncertainty for the economy and mortgage, real estate and financial markets. The residential and commercial mortgage markets were materially adversely affected by changes in the lending landscape during the financial market crisis of 2008 and again by the significant market disruption in March and April 2020 resulting from the COVID-19 pandemic, the severity of which, in each case, was largely unanticipated by the markets, and there can be no assurance that such adverse markets will not occur in the future, particularly in light of current economic uncertainty.

In addition, an economic slowdown, elevated interest rates or general disruption in the mortgage markets may result in decreased demand for residential and commercial property, which would likely further compress homeownership rates and place pressure on home price performance, while potentially forcing commercial property owners to lower rents on properties with excess supply or experience higher vacancy rates. We believe there is a strong correlation between home price growth rates and mortgage loan delinquencies. Moreover, to the extent that a property owner has fewer tenants or receives lower rents, such property owners may generate less cash flow on their properties, which reduces the value of their property and increases significantly the likelihood that such property owners will default on their debt service obligations. If the borrowers of our mortgage loans, the loans underlying certain of our investment securities or the multi-family properties that we finance or in which we invest, default or become delinquent on their obligations, we may incur material losses on those loans or investments. Any sustained period of increased payment delinquencies, defaults, foreclosures or losses could adversely affect both our net interest income and earnings and our ability to acquire our targeted assets in the future on favorable terms or at all. In addition, the deterioration of the mortgage markets, the residential or commercial real estate markets, the financial markets and the economy generally may result in a decline in the market value of our assets or cause us to experience losses related thereto, which may adversely affect our results of operations or book value, the availability and cost of credit and our ability to make distributions to our stockholders.

We cannot predict the effect that changes in government policies, laws or regulations or the U.S. political environment will have on our business and the markets in which we operate.

The U.S. Government and the Federal Reserve took significant actions to support the economy and the continued functioning of the financial markets in response to the COVID-19 pandemic through multiple relief bills. From the first quarter of 2022 into the third quarter of 2024, the U.S. Government and the Federal Reserve took significant actions in response to the current inflationary environment in the U.S., including, among other things, implementing numerous increases to the target range for the federal funds rate in 2022 and 2023 and holding the target range of the federal funds rate at such elevated levels, creating a great deal of volatility in markets. There can be no assurance as to how, in the long term, these and other actions by the U.S. Government or the Federal Reserve will affect the efficiency, liquidity and stability of the financial and mortgage markets or whether they will be successful in reducing inflation to acceptable and sustainable levels without creating an economic recession. There can be no assurance as to how, in the long term, these and other actions by the U.S. Government or the Federal Reserve will affect our business and the efficiency, liquidity and stability of financial and mortgage markets.

Moreover, uncertainty with respect to the actions discussed above combined with uncertainty surrounding legislation, regulation and government policy at the federal, state and local levels have introduced new and difficult-to-quantify macroeconomic and political risks with potentially far-reaching implications. There has been a corresponding meaningful increase in uncertainty with respect to interest rates, inflation, foreign exchange rates, trade volumes and trade, and fiscal and monetary policy. New legislative, regulatory or policy changes could significantly impact our business and the markets in which we operate. In addition, disagreements over the federal budget and federal debt limits have increasingly led to the actual or near shutdown of the U.S. Government. To the extent changes in the political environment have a negative impact on our business or the financial and mortgage markets, our business, results of operations, financial condition and ability to make distributions to our stockholders could be materially and adversely impacted.

The downgrade, or perceived potential downgrade, of the credit ratings of the U.S. and the failure to resolve issues related to U.S. fiscal and debt policies may materially adversely affect our business, liquidity, financial condition and results of operations.

In August 2011, Standard & Poor's Ratings Services lowered its long-term sovereign credit rating on the U.S. from "AAA" to "AA+" due, in part, to concerns surrounding the burgeoning U.S. Government budget deficit. More recently, Fitch Ratings downgraded the U.S.'s long-term credit rating in August 2023 from "AAA" to "AA+" due primarily to expected fiscal deterioration and the erosion of governance that has led to repeated debt limit standoffs. On May 16, 2025, Moody's Ratings downgraded the U.S.'s long-term issuer and senior unsecured ratings from "Aaa" to "Aa1" due, in part, to concerns that federal deficits will widen. The impact of any further downgrades to the U.S. Government's sovereign credit rating or its perceived creditworthiness could adversely affect the U.S. and global financial markets and economic conditions and would likely impact the credit risk associated with some of the targeted assets in our portfolio or those we may seek to acquire. A downgrade of the U.S. Government's credit rating or a default by the U.S. Government to satisfy its debt obligations likely would create broader financial turmoil and uncertainty, which would weigh heavily on the global banking system and these developments could cause interest rates and borrowing costs to rise and a reduction in the availability of credit, which may negatively impact the value of the assets in our portfolio, our net income, liquidity and our ability to finance our assets on favorable terms.

The federal conservatorship of Fannie Mae and Freddie Mac and related efforts, along with any changes in such conservatorship or laws and regulations affecting the relationship between Fannie Mae, Freddie Mac and Ginnie Mae and the U.S. Government, may materially adversely affect our business, financial condition and results of operations, and our ability to pay dividends to our shareholders.

Payments on the Agency RMBS in which we invest are guaranteed by Fannie Mae, Freddie Mac and Ginnie Mae. Fannie Mae and Freddie Mac are GSEs, but their guarantees are not backed by the full faith and credit of the United States. Ginnie Mae, which guarantees MBS backed by federally insured or guaranteed loans primarily consisting of loans insured by the Federal Housing Administration (the "FHA") or guaranteed by the Department of Veterans Affairs ("VA"), is part of a U.S. Government agency and its guarantees are backed by the full faith and credit of the United States.

The U.S. Government placed Fannie Mae and Freddie Mac into the conservatorship of the Federal Housing Finance Agency (the "FHFA"), their federal regulator in 2008. Since that time, regulators and market participants have questioned the continuation of the guarantee structure and other aspects of Fannie Mae and Freddie Mac. The future roles of Fannie Mae and Freddie Mac could be significantly reduced, and the nature of their guarantees could be considerably limited relative to historical measurements or even eliminated. The substantial financial assistance provided by the U.S. Government to Fannie Mae and Freddie Mac and the mortgage-related operations of other GSEs and government agencies, such as the FHA, VA and Ginnie Mae, has stirred debate among many federal policymakers over the continued role of the U.S. Government in providing such financial support for the mortgage-related GSEs in particular, and for the mortgage and housing markets in general. In October 2025, reports surfaced that investment banks have been in preliminary discussions with the current administration about potential public offerings of Fannie Mae and/or Freddie Mac securities. To date, no definitive legislation has been enacted with respect to a possible unwinding of Fannie Mae or Freddie Mac or a material reduction in their roles in the U.S. mortgage market, and it is not possible at this time to predict the scope and nature of the actions, if any, that the U.S. Government will ultimately take with respect to these entities.

Fannie Mae, Freddie Mac and Ginnie Mae could each be dissolved, and the U.S. Government could determine to stop providing liquidity support of any kind to the mortgage market. If Fannie Mae, Freddie Mac or Ginnie Mae were eliminated, or their structures were to change radically, or the U.S. Government significantly reduced its support for any or all of them which would drastically reduce the amount and type of MBS and residential loans available for purchase, we may be unable or significantly limited in our ability to acquire certain of our targeted assets, which, in turn, could negatively impact our ability to maintain our exclusion from regulation as an investment company under the Investment Company Act. Moreover, any changes to the nature of the guarantees provided by, or laws affecting, Fannie Mae, Freddie Mac and Ginnie Mae could materially adversely affect the credit quality of the guarantees, could increase the risk of loss on purchases of MBS issued by these GSEs and could have broad adverse market implications for the MBS they currently guarantee and the mortgage industry generally. Any action that affects the credit quality of the guarantees provided by Fannie Mae, Freddie Mac and Ginnie Mae could materially adversely affect the value of the MBS and other assets that we own or seek to acquire. In addition, any market uncertainty that arises from any such proposed changes, or the perception that such changes will come to fruition, could have a similar impact on us and the values of the MBS and other assets that we own.

Risks Related To Our Organization, Our Structure and Other Risks

We may change our investment, financing, or hedging strategies and asset allocation and operational and management policies without stockholder consent, which may result in the purchase of riskier assets, the use of greater leverage or commercially unsound actions, any of which could materially adversely affect our business, financial condition and results of operations and our ability to make distributions to our stockholders.

We may change our investment strategy, financing strategy, hedging strategy and asset allocation and operational and management policies at any time without the consent of our stockholders, which could result in our purchasing assets or entering into financing or hedging transactions in which we have no or limited experience with or that are different from, and possibly riskier than the assets, financing and hedging transactions described in this report. A change in our investment strategy, financing strategy or hedging strategy may increase our exposure to real estate values, interest rates, prepayment rates, credit risk and other factors and there can be no assurance that we will be able to effectively identify, manage, monitor or mitigate these risks. A change in our asset allocation or investment guidelines could result in us purchasing assets in classes different from those described in this report. Our Board of Directors determines our operational policies and may amend or revise our policies, including those with respect to our investments, such as our investment guidelines, growth, operations, indebtedness, capitalization and distributions or approve transactions that deviate from these policies without a vote of, or notice to, our stockholders. Changes in our investment strategy, financing strategy, hedging strategy and asset allocation and operational and management policies could materially adversely affect our business, financial condition and results of operations and ability to make distributions to our stockholders.

Moreover, while our Board of Directors or a duly designated committee thereof periodically reviews our investment guidelines and our investment portfolio, our directors do not approve every individual investment that we make, leaving management with day-to-day discretion over the portfolio composition within the investment guidelines. Within those guidelines, management has discretion to significantly change the composition of the portfolio and utilize leverage. In addition, in conducting periodic reviews, the directors may rely primarily on information provided to them by our management. Moreover, because our management has great latitude within our investment guidelines in determining the types and amounts of assets in which to invest and leverage to employ on our behalf, there can be no assurance that our management will not make or approve investments that result in returns that are substantially below expectations or result in losses, which would materially adversely affect our business, results of operations, financial condition and ability to make distributions to our stockholders.

Maintenance of our exemption from registration as an investment company under the Investment Company Act imposes significant limits on our operations.

We have conducted and intend to continue to conduct our and our subsidiaries' operations so as not to become regulated as an investment company under the Investment Company Act. We believe that there are a number of exclusions under the Investment Company Act that are applicable to us. To maintain the exclusion, the assets that we acquire are limited by the provisions of the Investment Company Act and the rules and regulations promulgated under the Investment Company Act.

On August 31, 2011, the SEC published a concept release entitled "Companies Engaged in the Business of Acquiring Mortgages and Mortgage Related Instruments" (Investment Company Act Rel. No. 29778). This release suggests that the SEC may modify the exclusion relied upon by companies similar to us that invest in mortgage loans and MBS, although no such action has been taken at this time. If the SEC acts to narrow the availability of, or if we otherwise fail to qualify for, our exclusion, we could, among other things, be required either (a) to change the manner in which we conduct our operations to avoid being required to register as an investment company or (b) to register as an investment company, either of which could have a material adverse effect on our operations and the market price of our common stock. Further, if we or any of our subsidiaries were deemed to be an unregistered investment company, we or our subsidiaries, as applicable, could be subject to monetary penalties and injunctive relief, we or our subsidiaries, as applicable, could be unable to enforce contracts with third parties, and third parties could seek to obtain rescission of transactions undertaken during the period in which we or any of our subsidiaries, as applicable, were deemed to be an unregistered investment company.

The accrual of dividends on certain of our series of preferred stock at a floating rate in the future could adversely affect our ability to make cash distributions at our intended levels, or at all, or otherwise materially adversely affect our earnings, cash flows or financial condition.

Dividends on our Series D Preferred Stock, Series E Preferred Stock and Series F Preferred Stock accrue cumulatively at a fixed rate for a specified period of time (the "Fixed Rate Period"). At the conclusion of the Fixed Rate Period, dividends on our Series D Preferred Stock, Series E Preferred Stock and Series F Preferred Stock, accrue cumulatively at a floating rate equal to a benchmark rate plus a spread, as set forth in the Articles Supplementary classifying and designating such series of preferred stock. The Fixed Rate Period for the Series E Preferred Stock concluded on January 14, 2025. The Fixed Rate Period for the Series D Preferred Stock and Series F Preferred Stock conclude on October 14, 2027 and October 14, 2026, respectively.

As the rate at which dividends accrue on our Series D Preferred Stock, Series E Preferred Stock and Series F Preferred Stock converts from a fixed rate to floating rate, the dividend rate could fluctuate in an unpredictable manner. Based on current interest rate levels, the floating dividend rate exceeds, or may materially exceed, the fixed rate in effect during the Fixed Rate Period for the applicable series. The floating rates on the Series D Preferred Stock, Series E Preferred Stock and Series F Preferred Stock subject us to interest rate risk and could significantly increase the cost of dividends on such preferred stock. Such increased dividend costs could affect our ability to make cash distributions to our stockholders at our intended levels, or at all, or otherwise materially adversely affect our earnings, cash flows and financial condition.

Additionally, following the Fixed Rate Period for each of our Series D Preferred Stock, Series E Preferred Stock and Series F Preferred Stock, we may redeem such series of preferred stock at our option, in whole or in part, at any time. Should we choose to redeem a series of our preferred stock at the conclusion of its Fixed Rate Period to avoid additional or unpredictable dividend expenses or for other strategic reasons, we may be forced to raise additional funds or sell assets at unfavorable times or on unfavorable terms to us.

Mortgage loan modification programs and future legislative action may adversely affect the value of, and the returns on, our targeted assets.

The U.S. Congress and various state and local legislatures have considered in the past, and in the future may adopt, legislation, which, among other provisions, would permit limited assignee liability for certain violations in the mortgage loan origination process, and would allow judicial modification of loan principal in certain instances. We cannot predict whether or in what form the U.S. Congress or the various state and local legislatures may enact legislation affecting our business or whether any such legislation will require us to change our practices or make changes in our portfolio in the future. Any loan modification program or future legislative or regulatory action, including possible amendments to the bankruptcy laws, which results in the modification of outstanding residential mortgage loans or changes in the requirements necessary to qualify for refinancing mortgage loans with Fannie Mae, Freddie Mac or Ginnie Mae, may adversely affect the value of, and the returns on, our assets which, in turn, could materially adversely affect our business, financial condition and results of operations and our ability to make distributions to our stockholders.

We could be subject to liability for potential violations of predatory lending laws, which could materially adversely affect our business, financial condition and results of operations, and our ability to make distributions to our stockholders.

Residential mortgage loan originators and servicers are required to comply with various federal, state and local laws and regulations, including anti-predatory lending laws and laws and regulations imposing certain restrictions on requirements on high cost loans. Failure of residential mortgage loan originators or servicers to comply with these laws, to the extent any of their residential mortgage loans become part of our investment portfolio, could subject us, as an assignee or purchaser of the related residential mortgage loans, to reputational harm, monetary penalties and the risk of the borrowers rescinding the affected residential mortgage loans. Lawsuits have been brought in various states making claims against assignees or purchasers of high cost loans for violations of state law. Named defendants in these cases have included numerous participants within the secondary mortgage market. Moreover, as an owner of a residential loan originator, our business and reputation could be negatively impacted if such originator fails to comply with such federal, state and local laws, rules and regulations or receives negative media or marketing attention related to its operations. If loans in our portfolio or those originated by entities in which we have or have previously made an investment are found to have been originated in violation of predatory or abusive lending laws, we could incur losses that would materially adversely affect our business.

Our business is subject to extensive regulation.

Our business and many of the assets that we invest in, particularly residential loans and mortgage-related assets, are subject to extensive regulation by federal and state governmental authorities, self-regulatory organizations and the securities exchange on which our capital stock is listed for which we incur significant ongoing compliance costs. The laws, rules and regulations comprising this regulatory framework change frequently, as can the interpretation and enforcement of existing laws, rules and regulations. Some of the laws, rules and regulations to which we are subject, including the Dodd-Frank Act and various predatory lending laws, are intended primarily to safeguard and protect consumers, rather than stockholders or creditors. For example, during 2025, lawmaking bodies in several different states have proposed legislation intended to restrict certain business entities, pooled investment funds and institutional purchasers from acquiring, owning, or, in some cases, obtaining an interest in, single-family residential real estate within their state. We are unable to predict whether United States federal, state or local authorities, or other pertinent bodies, will enact legislation, laws, rules, regulations, handbooks, guidelines or similar provisions that will affect our business or require changes in our practices in the future, and any such changes could materially and adversely affect our business, financial condition and results of operations and our ability to make distributions to our stockholders.

Certain provisions of Maryland law and our charter and bylaws could hinder, delay or prevent a change in control which could have an adverse effect on the value of our securities.

Certain provisions of Maryland law, our charter and our bylaws may have the effect of delaying, deferring or preventing transactions that involve an actual or threatened change in control. These provisions include the following, among others:

- our charter provides that, subject to the rights of one or more classes or series of preferred stock to elect one or more directors, a director may be removed with or without cause only by the affirmative vote of holders of at least two-thirds of all votes entitled to be cast by our stockholders generally in the election of directors;
- under our charter, our Board of Directors has authority to issue preferred stock from time to time, in one or more series and to establish the terms, preferences and rights of any such series, all without the approval of our stockholders;
- the Maryland Business Combination Act; and
- the Maryland Control Share Acquisition Act.

Although our Board of Directors has adopted a resolution exempting us from application of the Maryland Business Combination Act and our bylaws provide that we are not subject to the Maryland Control Share Acquisition Act, our Board of Directors may elect to make the “business combination” statute and “control share” statute applicable to us at any time and may do so without stockholder approval.

The stock ownership limit imposed by our charter may inhibit market activity in our common stock and may restrict our business combination opportunities.

In order for us to maintain our qualification as a REIT under the Internal Revenue Code, not more than 50% in value of the issued and outstanding shares of our capital stock may be owned, actually or constructively, by five or fewer individuals (as defined in the Internal Revenue Code to include certain entities) at any time during the last half of each taxable year (other than our first year as a REIT). This test is known as the “5/50 test.” Attribution rules in the Internal Revenue Code apply to determine if any individual or entity actually or constructively owns our capital stock for purposes of this requirement. Additionally, at least 100 persons must beneficially own our capital stock during at least 335 days of each taxable year (other than our first year as a REIT). To help ensure that we meet these tests, our charter restricts the acquisition and ownership of shares of our capital stock. Our charter, with certain exceptions, authorizes our directors to take such actions as are necessary and desirable to preserve our qualification as a REIT and provides that, unless exempted by our Board of Directors, no person may own more than 9.9% in value of the aggregate of the outstanding shares of our capital stock or more than 9.9% in value or in number of shares, whichever is more restrictive, of the aggregate of our outstanding shares of common stock. The ownership limits contained in our charter could delay or prevent a transaction or a change in control of our company under circumstances that otherwise could provide our stockholders with the opportunity to realize a premium over the then current market price for our common stock or would otherwise be in the best interests of our stockholders.

Tax Risks

Failure to qualify as a REIT would adversely affect our operations and ability to make distributions.

We have operated and intend to continue to operate so to qualify as a REIT for U.S. federal income tax purposes. Our continued qualification as a REIT will depend on our ability to meet various requirements concerning, among other things, the ownership of our outstanding stock, the nature of our assets, the sources of our income, and the amount of our distributions to our stockholders. In order to satisfy these requirements, we might have to forego investments we might otherwise make. Thus, compliance with the REIT requirements may hinder our investment performance. Moreover, while we intend to continue to operate so to qualify as a REIT for U.S. federal income tax purposes, given the highly complex nature of the rules governing REITs, there can be no assurance that we will so qualify in any taxable year.

If we fail to qualify as a REIT in any taxable year and we do not qualify for certain statutory relief provisions, we would be subject to U.S. federal income tax on our taxable income at regular corporate rates. We might be required to borrow funds or liquidate some investments in order to pay the applicable tax. Our payment of income tax would reduce our net earnings available for investment or distribution to stockholders. Furthermore, if we fail to qualify as a REIT and do not qualify for certain statutory relief provisions, we would no longer be required to make distributions to stockholders. Unless our failure to qualify as a REIT were excused under the U.S. federal income tax laws, we generally would be disqualified from treatment as a REIT for the four taxable years following the year in which we lost our REIT status.

REIT distribution requirements could adversely affect our liquidity.

In order to qualify as a REIT, we generally are required each year to distribute to our stockholders at least 90% of our REIT taxable income, excluding any net capital gain and without regard to the deduction for dividends paid. To the extent that we distribute at least 90%, but less than 100% of our REIT taxable income, we will be subject to corporate income tax on our undistributed REIT taxable income. In addition, we will be subject to a 4% nondeductible excise tax on the amount, if any, by which certain distributions paid by us with respect to any calendar year are less than the sum of (i) 85% of our ordinary REIT income for that year, (ii) 95% of our REIT capital gain net income for that year, and (iii) 100% of our undistributed REIT taxable income from prior years.

We have made and intend to continue to make distributions to our stockholders to comply with the 90% distribution requirement and to avoid corporate income tax and the nondeductible excise tax. However, differences in timing between the recognition of REIT taxable income and the actual receipt of cash could require us to sell assets or to borrow funds on a short-term basis to meet the 90% distribution requirement and to avoid corporate income tax and the nondeductible excise tax.

Certain of our assets may generate substantial mismatches between REIT taxable income and available cash. Such assets could include MBS we hold that have been issued at a discount and require the accrual of taxable income in advance of the receipt of cash. As a result, our taxable income may exceed our cash available for distribution and the requirement to distribute a substantial portion of our net taxable income could cause us to:

- sell assets in adverse market conditions;
- borrow on unfavorable terms; or
- distribute amounts that would otherwise be invested in future acquisitions, capital expenditures or repayment of debt in order to comply with the REIT distribution requirements.

Further, our lenders could require us to enter into negative covenants, including restrictions on our ability to distribute funds or to employ leverage, which could inhibit our ability to satisfy the 90% distribution requirement.

Under certain circumstances, taxable distributions of our stock or debt securities may entitle us to a dividends paid deduction and count toward satisfaction of the 90% distribution test. Revenue Procedure 2017-45 authorized elective cash/stock dividends to be made by publicly offered REITs (i.e., REITs that are required to file annual and periodic reports with the SEC under the Exchange Act). Pursuant to Revenue Procedure 2017-45, the IRS will treat the distribution of stock pursuant to an elective cash/stock dividend as a distribution of property under Section 301 of the Internal Revenue Code (i.e., a dividend), as long as at least 20% of the total dividend is available in cash and certain other parameters detailed in the Revenue Procedure are satisfied. Although we have no current intention of paying dividends in our own stock, if in the future we choose to pay dividends in our own stock, our stockholders may be required to pay tax in excess of the cash that they receive.

Dividends payable by REITs do not qualify for the reduced tax rates on dividend income from regular corporations.

The maximum U.S. federal income tax rate for dividends payable to domestic stockholders that are individuals, trusts and estates is 20%. Dividends payable by REITs, however, are generally not eligible for the reduced rates. Rather, ordinary REIT dividends constitute “qualified business income” and thus a 20% deduction is available to individual taxpayers with respect to such dividends, resulting in a 29.6% maximum U.S. federal income tax rate (plus the 3.8% surtax on net investment income, if applicable) for individual U.S. stockholders. However, to qualify for this deduction, the stockholder receiving such dividends must hold the dividend-paying REIT stock for at least 46 days (taking into account certain special holding period rules) of the 91-day period beginning 45 days before the stock becomes ex-dividend, and cannot be under an obligation to make related payments with respect to a position in substantially similar or related property. The more favorable rates applicable to regular corporate qualified dividends could cause investors who are taxed at individual rates to perceive investments in REITs to be relatively less attractive than investments in the stocks of non-REIT corporations that pay dividends, which could adversely affect the value of the shares of REITs, including our common stock.

Complying with REIT requirements may cause us to forego or liquidate otherwise attractive investments and rapid changes in the market value or income potential of our assets may make it more difficult for us to maintain our qualification as a REIT or our exclusion or exemption from regulation under the Investment Company Act.

To maintain our qualification as a REIT, we must continually satisfy various tests regarding the sources of our income, the nature and diversification of our assets, the amounts we distribute to our stockholders and the ownership of our stock. In order to meet these tests, we may be required to forego investments we might otherwise make. We may be required to make distributions to stockholders at disadvantageous times or when we do not have funds readily available for distribution, and may be unable to pursue investments that would be otherwise advantageous to us in order to satisfy the source of income or asset diversification requirements for qualifying as a REIT. Thus, compliance with the REIT requirements may hinder our investment performance.

If the market value or income potential of our assets declines, we may need to acquire additional assets and/or liquidate certain types of assets in order to maintain our REIT qualification or our exclusion or exemption from the Investment Company Act. If the decline in the market value and/or income of our assets occurs quickly, this may be especially difficult to accomplish. This difficulty may be exacerbated by the illiquid nature of the certain assets that we may own. We may have to make investment decisions that we otherwise would not make absent the REIT qualification and Investment Company Act considerations, which could materially and adversely affect us.

Complying with REIT requirements may limit our ability to hedge effectively.

The REIT provisions of the Internal Revenue Code substantially limit our ability to hedge our assets and liabilities. Any income that we generate from transactions intended to hedge our interest rate or currency risks will be excluded from gross income for purposes of the REIT 75% and 95% gross income tests if (i) the instrument hedges risk of interest rate or currency fluctuations with respect to indebtedness incurred or to be incurred to carry or acquire real estate assets, (ii) the instrument hedges risk of currency fluctuations with respect to any item of income or gain that would be qualifying income under the REIT 75% or 95% gross income tests, or (iii) the instrument was entered into to “offset” certain instruments described in clauses (i) or (ii) and certain other requirements are satisfied (including proper identification of such instrument under applicable Treasury Regulations). Income from hedging transactions that do not meet these requirements is likely to constitute non-qualifying income for purposes of both the REIT 75% and 95% gross income tests. Our aggregate gross income from non-qualifying hedges, fees, and certain other non-qualifying sources cannot exceed 5% of our annual gross income. As a result, we might have to limit our use of advantageous hedging techniques or implement those hedges through a TRS. Any hedging income earned by a TRS would be subject to U.S. federal, state and local income tax at regular corporate rates. This could increase the cost of our hedging activities or expose us to greater risks associated with changes in interest rates than we would otherwise want to bear.

The failure of certain investments subject to a repurchase agreement to qualify as real estate assets would adversely affect our ability to qualify as a REIT.

We have entered, and intend to continue to enter, into repurchase agreements under which we will nominally sell certain of our investments to a counterparty and simultaneously enter into an agreement to repurchase the sold investments. We believe that for U.S. federal income tax purposes these transactions will be treated as secured debt and we will be treated as the owner of the investments that are the subject of any such agreement notwithstanding that such agreement may transfer record ownership of such investments to the counterparty during the term of the agreement. It is possible, however, that the IRS could successfully assert that we do not own the investments during the term of the repurchase agreement, in which case our ability to continue to qualify as a REIT could be adversely affected.

We may incur a significant tax liability as a result of selling assets that might be subject to the prohibited transactions tax if sold directly by us.

A REIT's net income from prohibited transactions is subject to a 100% tax. In general, prohibited transactions are sales or other dispositions of assets held primarily for sale to customers in the ordinary course of business. There is a risk that property held by partnerships or limited liability companies in which we have an interest, property received upon foreclosure of a mortgage by us and/or certain MBS could be treated as held by us primarily for sale to customers in the ordinary course of business. Although a safe harbor to the characterization of the sale of real property by a REIT as a prohibited transaction is available, we cannot assure you that we can comply with the safe harbor or that we will be able to avoid owning property that may be characterized as held primarily for sale to customers in the ordinary course of business. Consequently, we may choose not to engage in certain sales of property or may contribute those assets to one of our TRSs and conduct the marketing and sale of those assets through that TRS. No assurance can be given that the IRS will respect the transaction by which those assets are contributed to our TRS. Even if those contribution transactions are respected, our TRS will be subject to U.S. federal, state and local corporate income tax and may incur a significant tax liability as a result of those sales.

Our qualification as a REIT could be jeopardized as a result of our interests in joint ventures or preferred equity.

We own preferred equity investments and a cross-collateralized mezzanine lending investment that are treated as partnership interests for U.S. federal income tax purposes. If a partnership or limited liability company in which we own an interest takes or expects to take actions that could jeopardize our qualification as a REIT or require us to pay tax, we may be forced to dispose of our interest in such entity. In addition, it is possible that a partnership or limited liability company could take an action which could cause us to fail a gross income or asset test, or subject us to the prohibited transactions tax, and that we would not become aware of such action in time to dispose of our interest in the partnership or limited liability company or take other corrective action on a timely basis. In that case, we could fail to qualify as a REIT unless we were able to qualify for a statutory REIT "savings" provision, which could require us to pay a significant penalty tax to maintain our REIT qualification.

The partnerships and limited liability companies in which we hold an interest may be limited in their ability to provide services to tenants by the REIT rules or such services may have to be provided through a TRS.

As a REIT, we generally cannot provide services to tenants other than those that are customarily provided by landlords, nor can we derive income from a third party that provides such services, including with respect to tenants at properties held by a partnership or limited liability company in which we hold an interest. If certain noncustomary services cannot be provided to tenants, we may be at a disadvantage to competitors that are not subject to the same restrictions. However, such non-customary services may be provided to tenants, and we may share in the revenue from such services, if we do so through a TRS, though income earned by such TRS will be subject to U.S. federal corporate income tax.

The “taxable mortgage pool” rules may increase the taxes that we or our stockholders may incur, and may limit the manner in which we effect future securitizations.

Our securitizations have, and could in the future, result in the creation of taxable mortgage pools (“TMPs”), for U.S. federal income tax purposes. As a REIT, so long as we own (or a subsidiary REIT of ours owns) 100% of the equity interests in a TMP, we generally will not be adversely affected by the characterization of the securitization as a TMP. A subsidiary REIT of ours currently owns 100% of the equity interests in a TMP created by one of our securitizations. To the extent that we (as opposed to our subsidiary REIT) own equity interests in a TMP, certain categories of stockholders, however, such as foreign stockholders eligible for treaty or other benefits, stockholders with net operating losses, and certain tax-exempt stockholders that are subject to unrelated business income tax, could be subject to increased taxes on a portion of their dividend income from us that is attributable to the TMP, known as “excess inclusion income.” In addition, to the extent that we (as opposed to our subsidiary REIT) own equity interests in a TMP, and our common stock is owned by tax-exempt “disqualified organizations,” such as certain government-related entities and charitable remainder trusts that are not subject to tax on unrelated business income, we may incur a corporate level tax on a portion of our income from such TMP. However, we believe that we have structured our securitizations such that the above taxes will not apply to us or our stockholders.

However, because our subsidiary REIT is, in part, owned by a TRS of ours, that TRS will be subject to tax on any dividend income from our subsidiary REIT, including any excess inclusion income allocated to it.

In addition, in certain instances, we may be precluded from selling equity interests in our securitizations to outside investors, or selling any debt securities issued in connection with these securitizations that might be considered to be equity interests for U.S. federal income tax purposes. These limitations may prevent us from using certain techniques to maximize our returns from securitization transactions.

If our subsidiary REIT failed to qualify as a REIT, we could be subject to higher taxes and could fail to remain qualified as a REIT.

We indirectly own 100% of the common interests in a subsidiary that has elected to be taxed as a REIT for U.S. federal income tax purposes. Our subsidiary REIT is subject to the various REIT qualification requirements and other limitations described herein that are applicable to us. If our subsidiary REIT were to fail to qualify as a REIT, then (i) such subsidiary REIT would become subject to U.S. federal income tax and applicable state and local taxes on its taxable income at regular corporate rates and (ii) the indirect interests we hold in such subsidiary REIT would cease to be a qualifying asset for purposes of the asset tests applicable to REITs. If our subsidiary REIT were to fail to qualify as a REIT, it is possible that we would fail certain of the asset tests applicable to REITs, in which event we would fail to qualify as a REIT unless we could avail ourselves of certain relief provisions. We have made a “protective” TRS election with respect to our subsidiary REIT and may implement other protective arrangements intended to avoid such an outcome if our subsidiary REIT were not to qualify as a REIT, but there can be no assurance that such “protective” TRS elections and other arrangements will be effective to avoid the resulting adverse consequences to us.

Moreover, even if the “protective” TRS election were to be effective in the event of the failure of our subsidiary REIT to qualify as a REIT, such subsidiary REIT would be subject to U.S. federal income tax and applicable state and local taxes on its taxable income at regular corporate rates and we cannot assure you that we would not fail to satisfy the requirement that not more than 20% (25% for taxable years beginning on or after January 1, 2026) of the value of our total assets may be represented by the securities of one or more TRSs. In this event, we would fail to qualify as a REIT unless we or such subsidiary REIT could avail ourselves or itself of certain relief provisions.

The failure of excess MSR's held by us to qualify as real estate assets, or the failure of the income from excess MSR's to qualify as interest from mortgages, could adversely affect our ability to qualify as a REIT.

We may hold excess MSR's. In certain private letter rulings, the IRS ruled that excess MSR's meeting certain requirements would be treated as an interest in mortgages on real property and thus a real estate asset for purposes of the 75% REIT asset test, and interest received by a REIT from such excess MSR's will be considered interest on obligations secured by mortgages on real property for purposes of the 75% gross income test. A private letter ruling may be relied upon only by the taxpayer to whom it is issued, and the IRS may revoke a private letter ruling. Consistent with the analysis adopted by the IRS in such private letter rulings and based on advice of counsel, we intend to treat any excess MSR's that we acquire that meet the requirements provided in the private letter rulings as qualifying assets for purposes of the 75% gross asset test, and we intend to treat income from such excess MSR's as qualifying income for purposes of the 75% and 95% gross income tests. Notwithstanding the IRS's determination in the private letter rulings described above, it is possible that the IRS could successfully assert that any excess MSR's that we acquire do not qualify for purposes of the 75% REIT asset test and income from such MSR's does not qualify for purposes of the 75% and/or 95% gross income tests, which could cause us to be subject to a penalty tax and could adversely impact our ability to qualify as a REIT.

We may be subject to adverse legislative or regulatory tax changes that could reduce the market price of our common stock.

At any time, the U.S. federal income tax laws or regulations governing REITs or the administrative interpretations of those laws or regulations may be amended. We cannot predict when or if any new U.S. federal income tax law, regulation or administrative interpretation, or any amendment to any existing U.S. federal income tax law, regulation or administrative interpretation, will be adopted, promulgated or become effective and any such law, regulation or interpretation may take effect retroactively. We and our stockholders could be adversely affected by any such change in, or any new, U.S. federal income tax law, regulation or administrative interpretation.

Prospective stockholders are urged to consult with their tax advisors with respect to potential changes to the tax laws and any other regulatory or administrative developments and proposals and their potential effect on investment in our common stock.

Uncertainty exists with respect to the treatment of our TBAs for purposes of the REIT asset and income tests.

We purchase and sell Agency RMBS through TBAs and recognize income or gains on the disposition of those TBAs, through dollar roll transactions or otherwise, and may continue to do so in the future. There is no direct authority with respect to the qualification of TBAs as real estate assets or government securities for purposes of the 75% asset test or the qualification of income or gains from dispositions of TBAs as gains from the sale of real property (including interests in real property and interests in mortgages on real property) or other qualifying income for purposes of the 75% gross income test. However, we treat our TBAs as qualifying assets for purposes of the 75% asset test, and we treat income and gains from our TBAs as qualifying income for purposes of the 75% gross income test, based on a legal opinion of Vinson & Elkins LLP (“V&E”) substantially to the effect that (i) our TBAs should be qualifying assets for purposes of the 75% asset test to the extent of the net positive value, if any, of a TBA and (ii) any gain recognized by us in connection with the settlement of our TBAs, whether physically settled or settled by an offsetting TBA, should be treated as qualifying income for purposes of the 75% gross income test. Opinions of counsel are not binding on the Internal Revenue Service (“IRS”), and no assurance can be given that the IRS will not successfully challenge the conclusions set forth in such opinion. In addition, it must be emphasized that V&E’s opinion is based on various assumptions relating to our TBAs and is conditioned upon fact-based representations and covenants made by our management regarding our TBAs. No assurance can be given that the IRS would not assert that such assets or income are not qualifying assets or income. If the IRS were to successfully challenge V&E’s opinion, we could be subject to a penalty tax or we could fail to remain qualified as a REIT if a sufficient portion of our assets consists of TBAs or a sufficient portion of our income consists of income or gains from the disposition of TBAs.

General Risk Factors

We may incur losses as a result of unforeseen or catastrophic events, including the emergence of a pandemic, terrorist attacks, acts of violence or war, extreme weather events or other natural disasters.

The occurrence of unforeseen or catastrophic events, including the emergence of a pandemic, such as COVID-19, or other widespread health emergency (or concerns over the possibility of such an emergency), terrorist attacks, acts of violence or war, extreme terrestrial or solar weather events or other natural disasters, could create economic and financial disruptions, and could lead to materially adverse declines in the market values of our assets, illiquidity in our investment and financing markets and our ability to effectively conduct our business.

We face possible risks associated with the effects of climate change and severe weather.

We cannot predict the rate at which climate change will progress. However, the physical effects of climate change could have a material adverse effect on our operations. To the extent that climate change impacts changes in weather patterns, properties in which we hold a direct or indirect interest could experience severe weather, including, without limitation, hurricanes, tornadoes, severe winter storms, and flooding due to increases in storm intensity and rising sea levels, among other effects. Over time, these conditions could result in decreased property values which in turn could negatively affect the value of the assets we hold. Relatedly, geographical concentrations in our portfolio, to include mortgages, mortgage securities, and investments in real properties, may present certain vulnerabilities to the impacts of localized weather conditions resulting from climate change, such as increased coastal flooding or prolonged droughts, which can contribute to, among other things, heightened wildfire risk. There can be no assurance that climate change and severe weather will not have a material adverse effect on our operations, the properties that we invest in or underlie our assets, the residential homes we acquire through foreclosure, or our business.

There are also increasing financial risks linked to climate change which could impact our portfolio and the availability of the assets we target for investment. With increasing attention and activism concerning the need to shift toward renewable energy sources as a result of climate change, it is possible that less capital will be allocated to originating our targeted assets or the terms for these assets may become less attractive to us in the future, which may limit and/or reduce our opportunities for investment, which, in turn, could reduce the diversification of our portfolio and adversely affect our earnings. Relatedly, to the extent that climate change impacts meteorological conditions potentially leading to damage and reductions in the value of our properties or the collateral underlying our assets, this may result in increased interest rates for mortgages paired with decreased adequate insurance coverage for the properties we choose to invest in or that underlie our assets. These climate-related financial risks could, in turn, lead to reductions in our revenues and increased rates of default or delinquency and/or decreased recovery rates on our assets, any of which could cause a decline in the market value of our common stock and negatively impact our ability to pay dividends to our stockholders.

We are dependent on certain key personnel.

We are substantially dependent upon the efforts of our Chief Executive Officer, Jason T. Serrano, our President, Nicholas Mah, and certain other key individuals employed by us. The sudden loss of Messrs. Serrano or Mah or any key personnel of our Company could have a material adverse effect on our operations.

Investing in our securities involves a high degree of risk.

The investments we make in accordance with our investment strategy result in a higher degree of risk or loss of principal than many alternative investment options. Our investments may be highly speculative and aggressive, and therefore, an investment in our securities may not be suitable for someone with lower risk tolerance.

The market price and trading volume of our securities may be volatile.

The market price of our securities may be volatile and subject to wide fluctuations. In addition, the trading volume in our securities may fluctuate and cause significant price variations to occur. Some of the factors that could result in fluctuations in the price or trading volume of our securities include, among other things: actual or anticipated changes in our current or future financial performance or capitalization; actual or anticipated changes in our current or future dividend yield; changes in demand for the assets we acquire; and changes in market interest rates and general market and economic conditions. We cannot assure you that the market price of our securities will not fluctuate or decline significantly.

We have not established a minimum dividend payment level for our common stockholders and there are no assurances of our ability to pay dividends to common or preferred stockholders in the future.

We intend to pay quarterly dividends and to make distributions to our common stockholders in amounts such that all or substantially all of our taxable income in each year, subject to certain adjustments, is distributed. This, along with other factors, should enable us to qualify for the tax benefits accorded to a REIT under the Internal Revenue Code. We have not established a minimum dividend payment level for our common stockholders and our ability to pay dividends may be harmed by the risk factors described herein. For example, due to the significant market disruption in March 2020 as a result of the COVID-19 pandemic and its impact on our business, liquidity and markets, we temporarily suspended dividends on our common stock and preferred stock in March 2020. We subsequently announced in June 2020 that we were reinstating the payment of quarterly dividends on our common stock and preferred stock effective with the second quarter 2020 dividends. All distributions to our common stockholders and preferred stockholders will be made at the discretion of our Board of Directors and will depend on our earnings, our financial condition, maintenance of our REIT status and such other factors as our Board of Directors may deem relevant from time to time. There are no assurances of our ability to pay dividends to our common or preferred stockholders in the future at the current rate or at all.

Future offerings of debt securities, which would rank senior to our common stock and preferred stock upon our liquidation, and future offerings of equity securities, which would dilute our existing stockholders and may be senior to our common stock for the purposes of dividend and liquidating distributions, may adversely affect the market price of our common stock and, in certain circumstances, our preferred stock.

We may seek to increase our capital resources by making offerings of debt or additional offerings of equity securities, including commercial paper, medium-term notes, senior or subordinated notes, convertible notes and classes of preferred stock or common stock. Upon liquidation, holders of our debt securities and lenders with respect to other borrowings will receive a distribution of our available assets prior to the holders of our preferred stock and common stock, with holders of our preferred stock having priority over holders of our common stock. Additional offerings of equity or other securities with an equity component, such as convertible notes, may dilute the holdings of our existing stockholders or reduce the market price of our equity securities or other securities with an equity component, or both. Because our decision to issue securities in any future offering will depend on market conditions and other factors beyond our control, we cannot predict or estimate the amount, timing or nature of our future offerings. Thus, holders of our securities bear the risk of our future offerings reducing the market price of our securities and diluting their stock holdings in us.

Your interest in us may be diluted if we issue additional shares.

Current stockholders of our company do not have preemptive rights to any common stock issued by us in the future. Therefore, our common stockholders may experience dilution of their equity investment if we sell additional common stock in the future, sell securities that are convertible into common stock or issue shares of common stock or options exercisable for shares of common stock. In addition, we could sell securities at a price less than our then-current book value per share.

An increase in interest rates may have an adverse effect on the market price of our securities and our ability to make distributions to our stockholders.

One of the factors that investors may consider in deciding whether to buy or sell our securities is our dividend rate (or expected future dividend rates) as a percentage of our common stock price, relative to market interest rates. If market interest rates increase, prospective investors may demand a higher dividend rate on our shares or seek alternative investments paying higher dividends or interest. As a result, interest rate fluctuations and capital market conditions can affect the market price of our securities independent of the effects such conditions may have on our portfolio.

Item 1B. UNRESOLVED STAFF COMMENTS

None.

Item 1C. CYBERSECURITY

We, together with our third-party vendors, employ information technology including networks, systems, and applications to support our business and decision-making across the Company, including supporting the flow of information across our business processes. Our information technology infrastructure is susceptible to cybersecurity threats. We monitor our information technology systems, including through the use of information security procedures and risk management systems, and implement initiatives aimed at improving our cybersecurity measures. Our process for assessing, identifying, managing and addressing information security risks include:

- *Information Security Management.* Our information security oversight is managed by a full time Head of Information Technology that has over 20 years of experience in managing information technology and guiding organizations through technology strategy, cybersecurity risk mitigation, information technology process improvement initiatives and digital transformations. He also possesses relevant experience in improving a company's cybersecurity posture and data privacy policies. He holds a Bachelor of Science degree in Information Systems and oversees all of our information security initiatives, assesses cybersecurity risks, provides cybersecurity plans and identifies opportunities for the implementation of additional cybersecurity measures.

Our Information Technology team also includes a Senior Cybersecurity Engineer who has over 20 years of experience in Information Technology and Cybersecurity and holds multiple cybersecurity certifications such as Certified Ethical Hacker (CEH), Certified Information Systems Security Professional (CISSP) and Certified Cloud Security Professional (CCSP). He also holds a Bachelor of Science degree in Information Systems. The Senior Cybersecurity Engineer provides live, interactive annual information security training to our employees and executive officers and monitors the effectiveness of such training through quarterly phishing campaigns. The Senior Cybersecurity Engineer also assists in managing cybersecurity risks associated with third-party service providers by administering a due diligence questionnaire for the Company's third-party service providers that includes a cybersecurity risk assessment and provides guidance for remediation of security gaps.

- *Third-Party Consultant.* We also engage a third-party information security consultant to assist in managing our risk posture. This consultant conducts periodic tests and analyses of our defensive and detective information security controls, including annual penetration tests and risk assessments as well as regular vulnerability scans and assessments.
- *Current Plans and Procedures.* The Company has implemented and maintains an incident response plan ("IRP") and a business continuity plan ("BCP"). The IRP establishes the organization, actions and procedures for recognizing and responding to information security incidents; assessing incidents; notifying the appropriate individuals, regulators or organizations about any incident; organizing the Company's response activities; escalating the Company's response efforts to named executive officers and the Board of Directors based on the severity of the incident; and supporting the business recovery efforts made in the aftermath of any incident. The IRP is designed to minimize the operational and financial impacts of an information security incident and is designed to be activated when a local incident responder determines that an incident has occurred. Similarly, our BCP provides details on information security incident response and subsequent business recovery actions.

- *Risk Identification and Mitigation.* The Company aims to identify and mitigate information security risks by using the National Institute of Standards and Technology Cybersecurity Framework (the "NIST Framework") as a guide to help us identify and mitigate information security risks relevant to our business. The Company seeks to identify potential risks through various software programs which perform asset and patch management; monitor desktops, laptops and servers; map networks and inventories; and audit file servers. The Company aims to protect itself from potential risks through the implementation of software programs which provide protective measures such as single sign-on, multi-factor identification, content filtering, disk encryption, regular patches and inside threat protection. The Company has implemented a suite of software programs to detect information security events, plans to respond to information security events in accordance with the IRP and BCP, and aims to take proactive steps to recover from information security events through its disaster recovery plan ("DRP"). The DRP prioritizes the swift recovery of information technology systems, data, and infrastructure and the efficient restoration of servers and applications to their normal operational state in the event of a significant disaster.
- *Insurance.* We maintain a breach response insurance policy.
- *Enterprise Risk Assessment.* The Company completes an enterprise risk assessment on a biennial basis that includes cybersecurity risks and mitigants. The results of each enterprise risk assessment are shared with the Board of Directors.
- *Implemented Programs for a Hybrid Work Environment.* We have implemented initiatives relating to mobile device management, cloud storage services, endpoint protection, and identity and access management. For example, we have implemented a service that focuses on mobile device management and mobile application management, as well as data classification and file server data loss protection measures. We have further implemented endpoint protection and endpoint detection and response which provides visibility that is designed to identify unauthorized systems and applications.
- *Ongoing Monitoring.* Our information security procedures are designed to evolve as information security risks and considerations change over time.

Our Board of Directors exercises oversight of information security risk primarily through the Audit Committee. The Head of Information Technology provides information security updates to named executive officers and briefs our Board of Directors and Audit Committee on relevant information security issues on a quarterly basis. We also make available periodic cybersecurity training for members of our Board of Directors.

As of the date of this Annual Report on Form 10-K, though the Company and our service providers have experienced certain cybersecurity incidents, we are not aware of any previous cybersecurity incidents that have materially affected or are reasonably likely to materially affect the Company. However, we acknowledge that cybersecurity threats are continually evolving and the possibility of future cybersecurity incidents remains. Despite the implementation of our security measures, we cannot guarantee that a significant cyberattack will not occur. A successful attack on our information technology systems could have significant consequences for our business. While we devote resources to our security measures to protect our systems and information, these measures cannot provide absolute security. No security measure is infallible. For further discussion, please see the risk factors titled "Maintaining cybersecurity and data security is important to our business and a breach of our cybersecurity or data security could result in serious harm to our reputation and have a material adverse impact on our business and financial results" and "We are highly dependent on information and communication systems and system failures and other operational disruptions could significantly disrupt our business, which may, in turn, materially adversely affect our business, financial condition and results of operations and our ability to make distributions to our stockholders" in Part I, Item "1A. Risk Factors" in this Annual Report on Form 10-K.

Item 2. PROPERTIES

The Company has residential properties (or real estate owned) that it acquires, from time to time, through or in lieu of foreclosures on mortgage loans, or in connection with its investments in single-family rental homes and consolidated multi-family properties.

See Part II, Item 7, "Management's Discussion and Analysis of Financial Condition and Results of Operations—Balance Sheet Analysis—Equity Investments in Multi-Family Entities" for a discussion of consolidated multi-family properties and Part IV, Item 15, "Exhibits and Financial Statement Schedules—Schedule III—Real Estate and Accumulated Depreciation" for additional information on our single-family rental homes and consolidated multi-family properties, both in this Annual Report on Form 10-K, which are incorporated herein by reference.

As of December 31, 2025, our principal executive and administrative offices are located in leased space at 90 Park Avenue, New York, NY 10016. We also maintain offices in Charlotte, NC, Woodland Hills, CA and Oakbrook Terrace, IL.

Item 3. *LEGAL PROCEEDINGS*

We are at times subject to various legal proceedings arising in the ordinary course of our business. As of the date of this Annual Report on Form 10-K, we do not believe that any of our current legal proceedings, individually or in the aggregate, will have a material adverse effect on our operations, financial condition or cash flows.

Item 4. *MINE SAFETY DISCLOSURES*

Not applicable.

PART II**Item 5. MARKET FOR REGISTRANT'S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES***Market Price of and Dividends on the Registrant's Common Equity and Related Stockholder Matters*

Our common stock is traded on the Nasdaq Global Select Market under the trading symbol "ADAM". As of December 31, 2025, we had 90,303,863 shares of common stock outstanding and there were approximately 117 registered holders of record of our common stock, which does not reflect the beneficial ownership of shares held in nominee name, which we are unable to estimate.

We intend to pay regular quarterly dividends to holders of shares of our common stock. Future distributions will be at the discretion of our Board of Directors and will depend on our earnings and financial condition, capital requirements, maintenance of our REIT qualification, restrictions on making distributions under Maryland law and such other factors as our Board of Directors deems relevant.

Securities Authorized for Issuance Under Equity Compensation Plans

The following table sets forth information as of December 31, 2025 with respect to compensation plans under which equity securities of the Company are authorized for issuance. The Company has no such plans that were not approved by security holders.

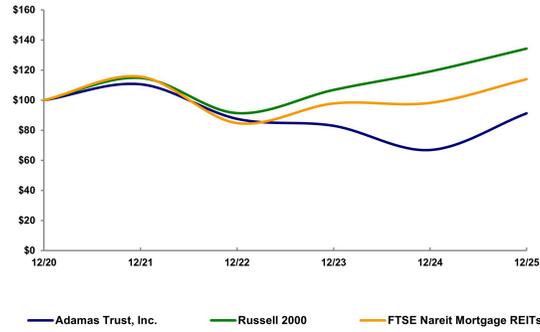
Plan Category	Number of Securities to be Issued upon Exercise of Outstanding Options, Warrants and Rights	Weighted Average Exercise Price of Outstanding Options, Warrants and Rights	Number of Securities Remaining Available for Future Issuance under Equity Compensation Plan
Equity compensation plans approved by security holders	4,246,184	\$ —	3,088,129

Performance Graph

The following line graph sets forth, for the period from December 31, 2020 through December 31, 2025, a comparison of the percentage change in the cumulative total stockholder return on the Company's common stock compared to the cumulative total return of the Russell 2000 Index and the FTSE National Association of Real Estate Investment Trusts Mortgage REIT ("FTSE Nareit Mortgage REITs") Index. The graph assumes (i) that the value of the investment in the Company's common stock and each of the indices was \$100 as of December 31, 2020 and (ii) the reinvestment of all dividends.

COMPARISON OF 5 YEAR CUMULATIVE TOTAL RETURN*

Among Adamas Trust, Inc., the Russell 2000 Index and the FTSE Nareit Mortgage REITs Index



*\$100 invested on 12/31/20 in stock or index, including reinvestment of dividends. Fiscal year ending December 31.

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	12/20	12/21	12/22	12/23	12/24	12/25
Adamas Trust, Inc.	100.00	110.65	87.66	83.07	66.96	91.34
Russell 2000	100.00	114.82	91.35	106.82	119.14	134.40
FTSE Nareit Mortgage REITs	100.00	115.64	84.86	97.89	98.24	113.98

The foregoing graph shall not be deemed incorporated by reference by any general statement incorporating by reference this Annual Report on Form 10-K into any filing under the Securities Act or under the Exchange Act, except to the extent we specifically incorporate this information by reference, and shall not otherwise be deemed "filed" with the SEC or deemed "soliciting material" under those acts.

Purchases of Equity Securities by the Issuer and Affiliated Purchasers

Common Stock

In February 2022, the Board of Directors approved a \$200.0 million common stock repurchase program. In March 2023, the Board of Directors approved an upsize of the common stock repurchase program to \$246.0 million. The program, which expires on March 31, 2027, allows the Company to make repurchases of shares of common stock, from time to time, in open market transactions, through privately negotiated transactions or block trades or other means, in accordance with applicable securities laws and the rules and regulations of Nasdaq. Subject to applicable securities laws, repurchases of the Company's common stock under the common stock repurchase program may be made at times and in amounts as we deem appropriate, using available cash resources. The timing and extent to which we repurchase our common stock will depend upon, among other things, market conditions, the share price of the Company's common stock, liquidity, regulatory requirements and other factors, and common stock repurchases may be commenced or suspended at any time without prior notice. Shares of the Company's common stock repurchased by us under the common stock repurchase program are cancelled and, until reissued by us, are deemed to be authorized but unissued shares of the Company's common stock.

During the three months ended December 31, 2025, the Company did not repurchase any shares of its common stock pursuant to the common stock repurchase program. As of December 31, 2025, \$188.2 million of the approved amount remained available for the repurchase of shares of the Company's common stock under the common stock repurchase program.

Preferred Stock

In March 2023, the Board of Directors approved a \$100.0 million preferred stock repurchase program. The program, which expires on March 31, 2027, allows the Company to make repurchases of shares of preferred stock, from time to time, in open market transactions, through privately negotiated transactions or block trades or other means, in accordance with applicable securities laws and the rules and regulations of Nasdaq.

During the three months ended December 31, 2025, the Company did not repurchase any shares of its preferred stock pursuant to the preferred stock repurchase program. As of December 31, 2025, \$97.6 million of the approved amount remained available for the repurchase of shares of preferred stock under the preferred stock repurchase program.

Item 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

General

We are an internally-managed REIT for U.S. federal income tax purposes focused on strategically deploying capital across complementary businesses to generate durable earnings and long-term value for stockholders through disciplined portfolio management and an operating platform designed to capture opportunities across real estate and capital markets. Our current investment portfolio includes credit sensitive single-family and multi-family assets, as well as other types of fixed-income investments such as Agency RMBS. Through our wholly-owned subsidiary, Constructive, we also originate business purpose loans for residential real estate investors. On September 3, 2025, we changed our name from New York Mortgage Trust, Inc. to Adamas Trust, Inc.

Executive Summary

Since 2023, we have actively repositioned our investment portfolio with the objective of enhancing recurring income for our stockholders. Our investment strategy since that time has focused on acquiring assets with less price sensitivity to credit deterioration, like Agency RMBS, and short duration, higher-coupon investments, like business purpose loans. We have also prioritized optimizing our financing structures and expanding our network of originator partnerships to support increased acquisition volumes.

The year ended December 31, 2025 represented a strategically significant period for the Company. The year was marked by our corporate rebranding, acquisition of Constructive, earnings growth, record investment activity and further execution of the Company's capital rotation strategy designed to enhance recurring income, improve portfolio liquidity and strengthen our operating platform.

Net income attributable to common stockholders was \$101.1 million, or \$1.12 per share, for the year ended December 31, 2025. Earnings available for distribution ("EAD") per common share, a non-GAAP financial measure, increased 141% year-over-year to \$0.89 per share. GAAP book value per share as of December 31, 2025 increased 3.4% to \$9.60 and adjusted book value per share as of December 31, 2025 rose 2.7% to \$10.63, resulting in an economic return of 12.72% and 11.01% on GAAP book value per share and adjusted book value per share, respectively, for 2025. Supported by this sustained earnings momentum, our Board of Directors declared quarterly dividends of \$0.23 per share in the third and fourth quarters of 2025, a 15% increase from the first and second quarters, equating to a 12.6% dividend yield as of December 31, 2025.

During the year ended December 31, 2025, we achieved the highest level of annual investment activity in our history, expanding our investment portfolio by approximately \$3.1 billion, or 42%, to \$10.5 billion. Total acquisitions of \$6.1 billion were primarily concentrated in Agency RMBS and business purpose loans, including \$4.1 billion of Agency investments and \$1.7 billion of business purpose loans. Our disciplined capital allocation continued to emphasize liquidity, stability, and shorter-duration exposure, with Agency RMBS now representing greater than a majority of our capital. We believe this repositioning has enhanced the resilience of our earnings profile and strengthened our ability to navigate evolving market conditions.

On July 15, 2025, we completed the acquisition of the remaining 50% interest in Constructive, resulting in full ownership and consolidation of Constructive's financial results beginning in the third quarter of 2025. Constructive operates in 48 states and originated approximately \$1.8 billion of loans over the year ended December 31, 2025, including \$864.9 million since July 15, 2025. From July 15, 2025 to December 31, 2025, Constructive generated \$26.6 million of mortgage banking income from origination and sale activity and incurred \$8.1 million of direct loan origination costs. We believe our integration of Constructive expands the Company's presence in the residential credit ecosystem and establishes a scalable origination platform that we expect will support sustained earnings growth over time.

We also completed several capital markets and financing initiatives during the year ended December 31, 2025 designed to support future portfolio growth and further strengthen our balance sheet. During the year ended December 31, 2025, we completed four securitizations of performing, re-performing, and business purpose loans totaling approximately \$945.5 million in net proceeds. In addition, we issued \$82.5 million of 9.125% 2030 Senior Notes and \$115.0 million of 9.875% 2030 Senior Notes, providing additional flexibility to fund new investments. As of December 31, 2025, our Company Recourse Leverage Ratio and Portfolio Recourse Leverage Ratio (as defined in "Capital Allocation" below) increased to 5.0x and 4.7x, respectively, from 3.0x and 2.9x as of December 31, 2024, primarily reflecting increased Agency RMBS financing, the acquisition and consolidation of Constructive and senior unsecured notes issuance activity.

We completed the wind-down of our multi-family joint venture equity investments during the year ended December 31, 2025. As of December 31, 2025, our multi-family exposure was limited to our Mezzanine Lending and cross-collateralized mezzanine lending portfolio, which continues to perform well, with a 25.8% payoff rate during the year and an average occupancy rate of 91% across underlying properties.

Our targeted assets include (i) Agency RMBS, (ii) residential loans, including business purpose loans, (iii) non-Agency RMBS and (iv) certain other mortgage-, residential housing- and credit-related assets, as well as strategic investments in companies from which we purchase, or may in the future purchase, our targeted assets. Subject to maintaining our qualification as a REIT and the maintenance of our exclusion from registration as an investment company under the Investment Company Act, we also may opportunistically acquire and manage various other types of mortgage-, residential housing- and other credit-related or alternative investments that we believe will compensate us appropriately for the risks associated with them, including, without limitation, CMBS, collateralized mortgage obligations, MSRs, excess mortgage servicing spreads, preferred equity and joint venture equity investments in multi-family properties, securities issued by newly originated securitizations, including credit sensitive securities from these securitizations, ABS and debt or equity investments in alternative assets or businesses.

In January 2026, we completed the issuance of \$90.0 million of our 9.250% Senior Notes due 2031 in an underwritten public offering, receiving \$86.6 million in net proceeds.

In February 2026, the Company redeemed its 2026 Senior Notes at 100% of the \$100.0 million principal amount plus accrued but unpaid interest to, but excluding, the redemption date, for a total payment of \$101.5 million. The Company recognized a loss on extinguishment of debt related to the redemption totaling approximately \$0.3 million.

Looking ahead, we expect to maintain a disciplined and measured approach to portfolio growth, supported by the integration of Constructive's origination platform and our continued focus on high-quality, income-producing assets. We believe our current balance sheet, diversified capital sources and expanded origination capacity position us to capitalize on market opportunities, further scale recurring earnings, and enhance long-term stockholder value.

Historical Financial Information

The following tables set forth our selected historical operating and financial data. The selected historical operating and balance sheet data for the years ended and as of December 31, 2025, 2024, 2023, 2022 and 2021 have been derived from our historical financial statements. Prior year information has been conformed to current year financial statement presentation.

The information presented below is only a summary and does not provide all of the information contained in our historical consolidated financial statements, including the related notes. You should read the information below in conjunction with our historical consolidated financial statements, including the related notes (amounts in thousands, except per share data):

Selected Statement of Operations Data:

	For the Years Ended December 31,				
	2025	2024	2023	2022	2021
Interest income	\$ 601,948	\$ 401,280	\$ 258,660	\$ 258,388	\$ 206,866
Interest expense	452,647	317,425	192,134	129,419	79,284
Net interest income	149,301	83,855	66,526	128,969	127,582
Net loss from real estate	(12,417)	(42,841)	(31,302)	(113,579)	(17,583)
Other income (loss)	123,859	(42,236)	(39,431)	(262,169)	156,511
General and administrative expenses	72,656	48,672	49,565	52,440	48,908
Portfolio operating expenses	28,011	30,688	23,952	40,888	26,668
Loan origination costs	8,101	—	—	—	—
Financing transaction costs	14,173	12,335	—	—	—
Net income (loss) attributable to Company's common stockholders	101,106	(103,785)	(90,035)	(340,577)	144,176
Basic earnings (loss) per common share	\$ 1.12	\$ (1.14)	\$ (0.99)	\$ (3.61)	\$ 1.52
Diluted earnings (loss) per common share	\$ 1.10	\$ (1.14)	\$ (0.99)	\$ (3.61)	\$ 1.51
Dividends declared per common share	\$ 0.86	\$ 0.80	\$ 1.20	\$ 1.60	\$ 1.60
Weighted average shares outstanding-basic	90,427	90,815	91,042	94,322	94,808
Weighted average shares outstanding-diluted	91,510	90,815	91,042	94,322	95,242

Selected Balance Sheet Data:

	As of December 31,				
	2025	2024	2023	2022	2021
Investment securities available for sale	\$ 6,904,781	\$ 3,828,544	\$ 2,013,817	\$ 99,559	\$ 200,844
Residential loans	4,358,175	3,841,738	3,084,303	3,525,080	3,575,601
Residential loans held for sale	80,707	—	—	—	—
Multi-family loans	55,476	86,192	95,792	87,534	120,021
Equity investments	24,711	113,492	147,116	179,746	239,631
Real estate, net	553,496	623,407	1,131,819	692,968	1,017,583
Assets of disposal group held for sale	1,256	118,613	426,017	1,151,784	—
Goodwill	22,396	—	—	—	—
Total assets ⁽¹⁾	12,638,847	9,217,282	7,401,328	6,240,745	5,658,301
Repurchase agreements and warehouse facilities	6,753,417	4,012,225	2,741,113	737,023	554,259
Collateralized debt obligations	3,511,802	2,978,444	1,870,517	2,102,717	1,522,221
Senior unsecured notes	360,437	159,196	98,111	97,384	96,704
Subordinated debentures	45,000	45,000	45,000	45,000	45,000
Convertible notes	—	—	—	—	137,898
Mortgages payable on real estate, net	332,131	366,606	784,421	394,707	709,356
Liabilities of disposal group held for sale	122	97,065	386,024	883,812	—
Total liabilities ⁽¹⁾	11,208,410	7,806,148	5,773,202	4,376,634	3,226,519
Redeemable non-controlling interest in Consolidated VIEs	3,016	12,359	28,061	63,803	66,392
Company's stockholders' equity	1,426,922	1,394,720	1,579,612	1,767,216	2,341,031
Total equity	1,427,421	1,398,775	1,600,065	1,800,308	2,365,390

⁽¹⁾ Our consolidated balance sheets include assets and liabilities of Consolidated VIEs, as the Company is the primary beneficiary of these VIEs. Assets and liabilities of the Company's Consolidated VIEs for each of the balance sheet dates presented are included in the following table (dollar amounts in thousands):

	As of December 31,				
	2025	2024	2023	2022	2021
Consolidated VIEs					
Assets	\$ 4,367,560	\$ 3,988,584	\$ 3,816,777	\$ 4,261,097	\$ 2,940,513
Liabilities	\$ 3,881,273	\$ 3,477,211	\$ 3,076,818	\$ 3,403,257	\$ 2,235,665

Investing Activity

During the year ended December 31, 2025, we continued to expand our investment securities and residential loan portfolios and completed our purchase of the outstanding membership interests in Constructive that were not previously owned. Our investment activity was offset primarily by repayments and sales of investment securities and residential loans. The following table presents investing activity for the year ended December 31, 2025 (dollar amounts in thousands):

	December 31, 2024	Acquisitions/Originations ⁽¹⁾	Repayments ⁽²⁾	Sales	Transfers/Initial Consolidation ⁽³⁾	Fair Value Changes and Other ⁽⁴⁾	December 31, 2025
Investment securities							
Agency RMBS and TBAs ⁽⁵⁾	\$ 3,136,812	\$ 4,118,518	\$ (656,741)	\$ (91,791)	\$ —	\$ 126,678	\$ 6,633,476
Non-Agency RMBS	69,687	1,550	(39,714)	(4,573)	—	(1,358)	25,592
U.S. Treasury securities	622,045	274,209	—	(658,763)	—	8,222	245,713
Total investment securities available for sale and TBAs	3,828,544	4,394,277	(696,455)	(755,127)	—	133,542	6,904,781
Consolidated SLST ⁽⁶⁾	148,508	12,179	(14,820)	—	—	5,654	151,521
Total investment securities	3,977,052	4,406,456	(711,275)	(755,127)	—	139,196	7,056,302
Residential loans ⁽⁷⁾	2,876,066	1,665,218	(1,329,193)	(169,850)	131,450	18,807	3,192,498
Residential loans held for sale	—	840,069	(259)	(450,317)	(329,174)	20,388	80,707
Preferred equity investments, mezzanine loans and equity investments	199,684	—	(62,400)	—	(37,664)	(19,433)	80,187
Equity investments in consolidated multi-family properties ⁽⁸⁾	151,210	3,399	(10,844)	—	—	9,188	152,953
Equity investments in disposal group held for sale ⁽⁹⁾	19,504	3,080	(16,230)	(500)	500	(5,830)	524
Single-family rental properties	142,246	1,488	—	(7,993)	—	(6,900)	128,841
MSRs	21,003	—	—	—	3,546	(3,656)	20,893
Total investments	\$ 7,386,765	\$ 6,919,710	\$ (2,130,201)	\$ (1,383,787)	\$ (231,342)	\$ 151,760	\$ 10,712,905

⁽¹⁾ Includes draws funded for business purpose bridge loans and existing equity investments in consolidated multi-family properties, cost basis of new TBA positions and capitalized costs for single-family rental properties.

⁽²⁾ Includes principal repayments and return of invested capital.

⁽³⁾ Includes residential loans, residential loans held for sale and mortgage servicing rights resulting from the Company's acquisition on July 15, 2025 of the membership interests in Constructive that were not previously owned by the Company, which resulted in consolidation of Constructive into the Company's financial statements. Also includes in-kind distribution of mortgage servicing rights received from Constructive prior to July 15, 2025.

⁽⁴⁾ Primarily includes net realized gains or losses, changes in net unrealized gains or losses (including reversals of previously recognized net unrealized gains or losses on sales or redemptions), net amortization/accretion/depreciation, net loss from real estate attributable to the Company and transfers of residential loans to real estate owned.

⁽⁵⁾ Includes TBAs that are recorded as derivative instruments in the Company's consolidated financial statements. There were no TBAs outstanding as of December 31, 2025 and 2024.

⁽⁶⁾ Consolidated SLST is primarily presented on our consolidated balance sheets as residential loans, at fair value and collateralized debt obligations, at fair value. A reconciliation to our consolidated financial statements as of December 31, 2025 and 2024, respectively, follows (dollar amounts in thousands):

	December 31, 2025	December 31, 2024
Residential loans, at fair value	\$ 1,165,677	\$ 965,672
Deferred interest ⁽⁶⁾	(7,237)	(5,573)
Less: Collateralized debt obligations, at fair value	(1,006,919)	(811,591)
Consolidated SLST investment securities owned by Adamas	\$ 151,521	\$ 148,508

⁽⁶⁾ Included in other liabilities on our consolidated balance sheets as of December 31, 2025 and 2024.

⁽⁷⁾ Residential loans include transfers of originated loans from Constructive segment to investment portfolio segment at fair value on the date of transfer.

⁽⁸⁾ See "Management's Discussion and Analysis of Financial Condition and Results of Operations—Balance Sheet Analysis—Equity Investments in Multi-Family Entities" for a reconciliation of equity investments in consolidated multi-family properties and disposal group held for sale to the Company's consolidated balance sheets.

⁽⁹⁾ The Company completed its disposition of the real property held by its joint venture equity investments in multi-family properties during the year ended December 31, 2025. Accordingly, equity investments in disposal group held for sale as of December 31, 2025 consisted of assets and liabilities held by the respective Consolidated VIEs for the conclusion of business operations after the aforementioned real property sales. See "Management's Discussion and Analysis of Financial Condition and Results of Operations—Balance Sheet Analysis—Equity Investments in Multi-Family Entities" for a reconciliation of equity investments in consolidated multi-family properties and disposal group held for sale to the Company's consolidated balance sheets.

Current Market Conditions and Commentary

The results of our business operations are affected by a number of factors, many of which are beyond our control, and primarily depend on, among other things, the level of our net interest income and the market value of our assets, which are driven by numerous factors including changes in interest rates and the supply and demand for mortgage-, housing- and credit-related assets in the marketplace, market volatility, our ability to identify and acquire assets on favorable terms, our ability to dispose of assets from time to time on favorable terms, the ability of our operating partners, tenants and borrowers of our loans and those that underlie our investment securities to meet their payment obligations, our ability to control operating costs, the terms and availability of adequate financing and capital, general economic and real estate conditions (both on a national and local level), the impact of government actions in the real estate, mortgage, credit and financial markets, and the credit performance of our credit sensitive assets.

Financial markets experienced strong positive performance in the fourth quarter of and full year 2025, spurred in part by the Federal Reserve's cuts to the target range for the federal funds rate and significant investment in artificial intelligence, among other things, and in the face of the longest U.S. federal government shutdown in history near year end. The Dow Jones Industrial Average finished the fourth quarter of 2025 up 3.59% and grew 12.97% for the full year 2025. The Nasdaq Composite Index finished the fourth quarter of 2025 up 2.57% and grew 20.36% for the full year 2025. Mortgage-related markets experienced volatility and relatively improved performance in the fourth quarter of and full year 2025. Trade policy turbulence, labor market uncertainty, elevated inflation and geopolitical instability have cautioned some economic outlooks, with concerns regarding the potential for stagflation persisting. We anticipate that due to ongoing uncertainty related to trade policy, the labor market, inflation and geopolitical instability, markets and the pricing for many of our assets will continue to experience volatility in 2026.

The market conditions discussed below significantly influence our investment strategy and results:

Select U.S. Financial and Economic Data. The U.S. economy grew modestly in 2025 with real gross domestic product ("GDP") increasing by 2.2% (advanced estimate) for full year 2025, as compared to the GDP growth of 2.8% recorded for full year 2024. GDP grew at a 1.4% (advanced estimate) annualized rate in the fourth quarter of 2025. By these estimates, GDP growth continued in the fourth quarter of and full year 2025, overcoming a 0.6% contraction in GDP seen in the first quarter of 2025; however, inflation remains persistently above the Federal Reserve's target of two percent and the labor market has shown signs of cooling. Uncertainty about how the Federal Reserve may adjust its monetary policy or the target range for the federal funds rate in response to such macroeconomic trends and the continued independence of the Federal Reserve may limit or undermine business activity and the potential for future GDP growth or result in further volatility, which could negatively impact the value of credit investments.

The U.S. labor market experienced some cooling over the course of the year and into the fourth quarter as the unemployment rate rose throughout the year. According to the U.S. Department of Labor, the U.S. unemployment rate rose from 4.1% at the end of December 2024 to 4.5% at the end of November, which represented the highest unemployment rate since October 2021, and settled at 4.4% at the end of December 2025. Additionally, over the course of 2025, the number of nonfarm job openings trended downward and, in July 2025 for the first time since April 2021, the number of unemployed persons exceeded the number of available job openings, further signaling a potential softening in the labor market. Uncertainty with respect to economic and trade policies and higher costs due to inflation, particularly with respect to the construction industry, have been suggested by some market commentators as having contributed to the slackening labor market.

The Federal Reserve raised the target range for the federal funds rate a total of 5.25% in 2022 and 2023, bringing the range to its highest level in over 22 years and holding the range at that level for 14 months. In 2024, the Federal Reserve cut the target range by 100 basis points, in aggregate, and held the rate at that range until September 2025. Then, in the last four months of 2025, the Federal Reserve cut the target range for the federal funds rate three times for an aggregate reduction of 75 basis points, bringing the target range to its lowest level since September 2022. Expectations among market commentators for additional rate cuts to the target range in the near term are subdued. In considering the extent and timing of additional adjustments to the target range for the federal funds rate, the Federal Reserve stated that it will carefully assess incoming data, the evolving outlook, and the balance of risks to the Federal Reserve's dual mandate of achieving maximum employment and inflation at a rate of two percent over the longer run. In its December 2025 statement, the Federal Reserve noted that job gains slowed in 2025, the unemployment rate edged up, inflation remained somewhat elevated and downside risks to employment rose in recent months. As reflected on the "dot plot" included in the projection materials from the Federal Reserve's December 2025 meeting, Federal Reserve officials' views of the appropriateness of additional cuts to the target range for the federal funds rate by the end of 2026 are divided, though a majority of officials indicated that one or more additional cuts by the end of 2026 would be appropriate. Higher interest rates tend to put pressure on our investments, mortgage borrowers, tenants, our operating partners, our financing and capital costs and economic growth generally.

Concerns regarding an economic recession – a significant decline in economic activity that is spread across the economy and that lasts more than a few months, as defined by the National Bureau of Economic Research – in the U.S. retreated in 2025, but market observers and the Federal Reserve are closely monitoring the labor market and inflation, among other items, for resurgent indicators of recession risk. According to some market commentators, uncertain and evolving U.S. trade and tariff policy and threats to Federal Reserve independence also present downside risks to the economy. Tariffs are often considered to be inflationary, including with respect to construction costs, with such higher costs frequently borne by consumers. Higher prices resulting from tariffs may generally lead to a reduction in economic activity, particularly if such increase in prices is not offset by a reduction in interest rates. An economic recession, stagnating economic growth or market disruption may put pressure on the ability of our operating partners, joint ventures, tenants and borrowers to meet their obligations to us, and would likely adversely impact the value of our assets, among other things, any of which could materially adversely affect our results of operations and financial condition.

Single-Family Homes and Residential Mortgage Market. Throughout 2025, the residential real estate market remained competitive for home buyers. Data released by the S&P Dow Jones Indices for their S&P Cotality Case-Shiller U.S. National Home Price NSA Indices for October 2025 showed that, on average, home prices increased 1.3% for the 20-City Composite over October 2024. Additionally, according to the National Association of Realtors ("NAR"), existing home sales in December 2025 increased 5.1% month-over-month and 1.4% year-over-year. NAR also reported that the median existing-home sales price for all housing types in December 2025 was \$405,400, up 0.4% from December 2024, which marked the 30th consecutive month of year-over-year price increases. NAR notes that total housing inventory as of the end of December 2025 was down 18.1% month-over-month and up 3.5% year-over-year and that the supply of unsold housing inventory sat at 3.3 months as of the end of December 2025, up 0.1 months from December 2024. Despite interest rates trending downward over the course of 2025, such rates remained relatively elevated and continued to contribute to affordability challenges for home buyers. According to Freddie Mac, the weekly average 30-year fixed-rate mortgage was 6.09% as of January 22, 2026, down 0.87% year-over-year. Declining single-family housing fundamentals may adversely impact the overall credit profile and value of our existing portfolio of single-family residential credit investments and the value of our single-family rental properties, as well as the availability of certain of our targeted assets.

Rental Housing. According to RealPage Analytics ("RealPage"), effective rents for professionally managed apartments fell 1.7% in the fourth quarter of 2025 and 0.6% for 2025. RealPage noted that, in general, markets located in the South and West of the U.S. experienced the greatest growth in apartment supply in recent years and the greatest declines in rents over the course of 2025. Further, Zillow Research forecasts that relatively slower rent growth for both single-family and multi-family rental housing is expected to continue through 2026. Weakening multi-family housing fundamentals, including, among other things, increasing supply of apartments and declining rents in the markets or submarkets in which we invest, increasing interest rates, widening capitalization rates and reduced liquidity for owners of multi-family properties, may cause our operating partners to fail to meet their obligations to us and/or contribute to reduced cash flows from and/or valuation declines for multi-family properties, and in turn, many of the multi-family investments that we own.

Credit Spreads. Investment grade and high-yield credit spreads both experienced significant widening in the second quarter of 2025 before tightening through year end and finishing nearly flat to the start of 2025. At the end of 2025, investment grade spreads widened 3 basis points as compared to the start of the fourth quarter of 2025 and tightened 3 basis points as compared to the start of 2025. At the end of 2025, high-yield credit spreads widened 1 basis point as compared to the start of the fourth quarter of 2025 and tightened 11 basis points as compared to the start of 2025. Tightening credit spreads generally increase the value of many of our credit sensitive assets, while widening credit spreads tend to have a negative impact on the value of many of our credit sensitive assets.

Financing Markets. From June 2022 until the end of August 2024, the Treasury curve inverted with short term yields greater than long term yields, which was the longest inverted Treasury curve on record. Inversions and subsequent normalizations of this spread are generally considered to be indicators of a recession in the near term, although some market commentators have cautioned against August 2024's uninversion being such an indicator. On December 31, 2025, the spread between the 2-Year U.S. Treasury yield and the 10-Year U.S. Treasury yield closed at 71 basis points, as compared to a 33 basis point spread on December 31, 2024. This spread is important as it is indicative of opportunities for investing in levered assets. Increases in interest rates raise the costs of many of our liabilities, while overall interest rate volatility generally increases the costs of hedging and may place downward pressure on some of our strategies.

Monetary Policy and Recent Regulatory Developments. The Federal Reserve took a number of actions to stabilize markets during the COVID-19 pandemic. From March 2020 until March 2022, the Federal Reserve implemented an asset purchase program aimed at providing liquidity to the U.S. Treasury and Agency RMBS markets. Under the Federal Reserve's asset purchase program, the Federal Reserve's balance sheet grew from about \$4.2 trillion in assets at the start of March 2020 to about \$8.9 trillion in assets at the end of the program in March 2022. In June 2022, the Federal Reserve shifted course and began shrinking its balance sheet by reducing its holdings of U.S. Treasuries and Agency RMBS. In December 2025, the Federal Reserve halted the reduction of its holding of U.S. Treasuries and announced an intention to purchase short-term U.S. Treasuries in an effort to alleviate expected pressures in money markets, but the Federal Reserve continued to allow up to \$35 billion of Agency RMBS to roll off its balance sheet each month. The Federal Reserve's participation in the Agency RMBS market can materially impact mortgage market conditions, affecting supply, pricing, and returns. In January 2026, the FHFA raised the cap on the amount of Agency RMBS that Fannie Mae and Freddie Mac can hold from \$40 billion each to \$225 billion each, and the current administration instructed Fannie Mae and Freddie Mac to purchase \$200 billion in Agency RMBS. Asset purchases by the Federal Reserve generally drive Agency RMBS values higher and tighten mortgage spreads, which increases our adjusted book value but reduces the return potential on new investments. The announced January 2026 purchases, or any other purchases, by Fannie Mae and/or Freddie Mac of Agency RMBS, though such purchases are, and are expected to be, on a smaller scale than purchases of Agency RMBS conducted by the Federal Reserve in recent years, may have similar effects on us and the market. Conversely, actual or anticipated reductions in the amount of the Federal Reserve's Agency RMBS holdings or its purchasing pace typically lead to lower values and wider spreads, thereby lowering our adjusted book value while improving the return potential on new acquisitions.

Near the end of 2025 and into 2026, some market commentators began expressing concerns about the ongoing independence of the Federal Reserve to make monetary policy decisions, including setting interest rates, without direct interference from the executive branch or U.S. Congress. If the independence of the Federal Reserve is eroded or eliminated, or perceived to be, economists and market commentators suggest that higher inflation, greater stock market volatility and higher long-term interest rates on mortgages and other loans could result. Such outcomes may limit or undermine business activity or raise the costs of many of our liabilities, which could negatively impact the value of our investments

We own and rent single-family rental homes to families that are eligible to receive housing assistance through the U.S. Department of Housing and Urban Development Housing Choice Vouchers program. In January 2026, the president issued an executive order (the "Order") directing executive agencies to identify ways to prevent GSEs from facilitating the acquisition by large institutional investors of single-family homes or from selling homes owned by the U.S. federal government to large institutional investors and instructs the U.S. Department of Housing and Urban Development to track single-family rental owners that receive federal housing assistance to determine any involvement of large institutional investors, among other things. The Order does not address immediate steps for implementation. There can be no guarantee how the Order will be implemented, what legislation may be enacted to further the Order, or how "single-family" or "large institutional investor" will be defined; however, such policies could materially adversely affect our investments in single-family rental homes.

Fannie Mae and Freddie Mac remain under the conservatorship of the FHFA. The current administration is revisiting the idea of taking Fannie Mae and Freddie Mac public. In the fourth quarter of 2025, reports surfaced that investment banks have been in preliminary discussions with the current administration about potential public offerings of Fannie Mae and/or Freddie Mac securities and administration officials indicated that such discussions were continuing to advance. Together, Fannie Mae and Freddie Mac guarantee a significant amount of the nearly \$13 trillion U.S. home loan market. If the conservatorships of Fannie Mae and Freddie Mac were ended, Fannie Mae and Freddie Mac may need to hold additional capital against riskier loans which may, in turn, cause Fannie Mae and Freddie Mac to charge borrowers higher mortgage rates or to lessen the amount of their lending, among other things. We invest in Agency RMBS and other mortgage-related assets that may be guaranteed by Fannie Mae or Freddie Mac. Higher interest rates tend to put pressure on our investments, mortgage borrowers, tenants, our operating partners and economic growth generally. For further discussion, please see the risk factor titled “The federal conservatorship of Fannie Mae and Freddie Mac and related efforts, along with any changes in such conservatorship or laws and regulations affecting the relationship between Fannie Mae, Freddie Mac and Ginnie Mae and the U.S. Government, may materially adversely affect our business, financial condition and results of operations, and our ability to pay dividends to our shareholders” in Part I, Item “1A. Risk Factors” of this Annual Report on Form 10-K.

The scope and nature of the actions the Federal Reserve or other governmental authorities will ultimately undertake are unknown and will continue to evolve. There can be no assurance as to how, in the long term, these and other actions, as well as the negative impacts from ongoing geopolitical instability and uncertainty surrounding inflation, interest rates, U.S. tariff and trade policies and the outlook for the U.S. and global economies, will affect the efficiency, liquidity and stability of the financial, credit and mortgage markets, and thus, our business. Greater uncertainty frequently leads to wider asset spreads or lower prices and higher hedging costs.

Full Year 2025 Summary*Earnings and Return Metrics*

The following table presents key earnings and return metrics for the year ended December 31, 2025 (dollar amounts in thousands, except per share data):

	Year Ended December 31, 2025	
Net income attributable to Company's common stockholders	\$	101,106
Net income attributable to Company's common stockholders per share (basic)	\$	1.12
Earnings available for distribution attributable to Company's common stockholders ⁽¹⁾	\$	80,624
Earnings available for distribution per common share ⁽¹⁾	\$	0.89
Yield on average interest earning assets ⁽¹⁾⁽²⁾		6.36 %
Interest income	\$	601,948
Interest expense	\$	452,647
Net interest income	\$	149,301
Net interest spread ^{(1) (3)}		1.46 %
Book value per common share at the end of the period	\$	9.60
Adjusted book value per common share at the end of the period ⁽¹⁾	\$	10.63
Economic return on book value ⁽⁴⁾		12.72 %
Economic return on adjusted book value ⁽⁵⁾		11.01 %
Dividends per common share	\$	0.86

⁽¹⁾ Represents a non-GAAP financial measure. A reconciliation of the Company's non-GAAP financial measures to their most directly comparable GAAP measure is included in "Non-GAAP Financial Measures" elsewhere in this section.

⁽²⁾ Calculated as the quotient of our adjusted interest income and our average interest earning assets and excludes all Consolidated SLST assets other than those securities owned by the Company.

⁽³⁾ Our calculation of net interest spread may not be comparable to similarly-titled measures of other companies who may use a different calculation.

⁽⁴⁾ Economic return on book value is based on the periodic change in GAAP book value per common share plus dividends declared per common share, if any, during the period.

⁽⁵⁾ Economic return on adjusted book value is based on the periodic change in adjusted book value per common share, a non-GAAP financial measure, plus dividends declared per common share, if any, during the period.

*Key Developments During Full Year 2025*Investing Activities

- Purchased approximately \$4.4 billion of investment securities, including \$4.1 billion of Agency investments.
- Acquired approximately \$1.7 billion of residential loans.
- Exited remaining multi-family joint venture equity investments in disposal group.
- Received approximately \$79.2 million in proceeds from redemptions of Mezzanine Lending investments.
- Acquired the outstanding 50% ownership interests in Constructive that were not previously owned by the Company through the consummation of a membership interest purchase agreement on July 15, 2025.

Financing Activities

- Completed the issuance of \$82.5 million in aggregate principal amount of our 9.125% Senior Notes due 2030 in an underwritten public offering. The total net proceeds to us from the offering of the notes, after deducting the underwriters' discount and commissions and offering expenses, were approximately \$79.3 million.
- Completed the issuance of \$115.0 million in aggregate principal amount of our 9.875% Senior Notes due 2030 in public offerings. The total net proceeds to us from the offerings of the notes, after deducting the underwriters' discount and commissions and offering expenses, as applicable, were approximately \$111.4 million.
- Completed four securitizations of residential loans, resulting in approximately \$945.5 million in aggregate net proceeds to us after deducting expenses associated with the securitization transactions.
- Exercised our right to optional redemptions of three residential loan securitizations with aggregate outstanding principal balances of \$424.6 million at the time of redemption.
- Increased common stock dividend declared to \$0.23 per common share for the final two quarters of 2025.

Subsequent Developments

- On January 13, 2026, we completed the issuance of \$90.0 million in aggregate principal amount of our 9.25% Senior Notes due 2031 in an underwritten public offering. The total net proceeds to us from the offering of the notes, after deducting the underwriters' discount and commissions and offering expenses, were approximately \$86.6 million.
- In January 2026, we completed a new securitization of residential loans resulting in approximately \$309.1 million of net proceeds to us after deducting expenses associated with the transaction. We utilized the net proceeds to repay approximately \$287.3 million on outstanding repurchase agreements related to residential loans.
- On February 2, 2026, we redeemed our 5.75% Senior Notes due 2026 at 100% of the \$100.0 million principal amount plus accrued but unpaid interest to, but excluding, the redemption date, for a total payment of \$101.5 million.
- On February 16, 2026, our Board of Directors approved extensions of our common stock repurchase program, under which \$188.2 million of the approved amount remained available for repurchase, and our preferred stock repurchase program, under which \$97.6 million of the approved amount remained available for repurchase. The expiration dates of both stock repurchase programs were extended from March 31, 2026 to March 31, 2027.

Capital Allocation

The following provides an overview of the allocation of our total equity as of December 31, 2025 and 2024, respectively. We fund our investing and operating activities with a combination of cash flow from operations, proceeds from common and preferred equity and debt securities offerings, short-term and longer-term repurchase agreements and warehouse facilities and CDOs. A detailed discussion of our liquidity and capital resources is provided in "Liquidity and Capital Resources" elsewhere in this section.

The following tables set forth our allocated capital at December 31, 2025 and 2024, respectively (dollar amounts in thousands).

At December 31, 2025:

	Investment Portfolio	Constructive	Corporate/Other	Total
Investment securities available for sale	\$ 6,904,781	\$ —	\$ —	\$ 6,904,781
Residential loans	4,224,864	133,311	—	4,358,175
Consolidated SLST CDOs	(1,006,919)	—	—	(1,006,919)
Residential loans held for sale	—	80,707	—	80,707
Multi-family loans	55,476	—	—	55,476
Equity investments	24,711	—	—	24,711
Equity investments in consolidated multi-family properties ⁽¹⁾	152,953	—	—	152,953
Equity investments in disposal group held for sale ⁽²⁾	524	—	—	524
Single-family rental properties	128,841	—	—	128,841
Mortgage servicing rights	20,868	25	—	20,893
Total investments	10,506,099	214,043	—	10,720,142
Liabilities:				
Repurchase agreements and warehouse facilities	(6,557,825)	(195,592)	—	(6,753,417)
Collateralized debt obligations				
Residential loan securitization CDOs	(2,439,607)	—	—	(2,439,607)
Non-Agency RMBS re-securitization	(65,276)	—	—	(65,276)
Senior unsecured notes	—	—	(360,437)	(360,437)
Subordinated debentures	—	—	(45,000)	(45,000)
Cash, cash equivalents and restricted cash ⁽³⁾	113,478	16,282	196,650	326,410
Goodwill	—	22,396	—	22,396
Cumulative adjustment of redeemable non-controlling interest to estimated redemption value	(42,222)	—	—	(42,222)
Other	119,554	10,682	(66,303)	63,933
Net Company capital allocated	\$ 1,634,201	\$ 67,811	\$ (275,090)	\$ 1,426,922
Company Recourse Leverage Ratio ⁽⁴⁾				5.0x
Portfolio Recourse Leverage Ratio ⁽⁵⁾				4.7x

⁽¹⁾ Represents the Company's equity investments in consolidated multi-family properties that are not in disposal group held for sale. See "Management's Discussion and Analysis of Financial Condition and Results of Operations—Balance Sheet Analysis—Equity Investments in Multi-Family Entities" for a reconciliation of equity investments in consolidated multi-family properties and disposal group held for sale to the Company's consolidated financial statements.

⁽²⁾ Represents the Company's equity investments in consolidated multi-family properties that are held for sale in disposal group. See "Management's Discussion and Analysis of Financial Condition and Results of Operations—Balance Sheet Analysis—Equity Investments in Multi-Family Entities" for a reconciliation of equity investments in consolidated multi-family properties and disposal group held for sale to the Company's consolidated financial statements.

- ⁽³⁾ Excludes cash in the amount of \$4.4 million held in the Company's equity investments in consolidated multi-family properties and equity investments in consolidated multi-family properties in disposal group held for sale. Restricted cash of \$132.0 million is included in the Company's accompanying consolidated balance sheets in other assets.
- ⁽⁴⁾ Represents the Company's total outstanding recourse repurchase agreement and warehouse facility financing, subordinated debentures and senior unsecured notes divided by the Company's total stockholders' equity. Does not include Consolidated SLST CDOs amounting to \$1.0 billion, residential loan securitization CDOs amounting to \$2.4 billion, non-Agency RMBS re-securitization CDOs amounting to \$65.3 million and mortgages payable on real estate totaling \$332.1 million as they are non-recourse debt.
- ⁽⁵⁾ Represents the Company's outstanding recourse repurchase agreement and warehouse facility financing divided by the Company's total stockholders' equity.

At December 31, 2024:

	Investment Portfolio	Corporate/Other	Total
Investment securities available for sale	\$ 3,828,544	\$ —	\$ 3,828,544
Residential loans	3,841,738	—	3,841,738
Consolidated SLST CDOs	(811,591)	—	(811,591)
Multi-family loans	86,192	—	86,192
Equity investments	113,492	—	113,492
Equity investments in consolidated multi-family properties ⁽¹⁾	151,210	—	151,210
Equity investments in disposal group held for sale ⁽²⁾	19,504	—	19,504
Single-family rental properties	142,246	—	142,246
Mortgage servicing rights	21,003	—	21,003
Total investments	7,392,338	—	7,392,338
Liabilities:			
Repurchase agreements	(4,012,225)	—	(4,012,225)
Collateralized debt obligations			
Residential loan securitization CDOs	(2,096,096)	—	(2,096,096)
Non-Agency RMBS re-securitization	(70,757)	—	(70,757)
Senior unsecured notes	—	(159,196)	(159,196)
Subordinated debentures	—	(45,000)	(45,000)
Cash, cash equivalents and restricted cash ⁽³⁾	146,158	178,716	324,874
Cumulative adjustment of redeemable non-controlling interest to estimated redemption value	(40,675)	—	(40,675)
Other	141,261	(39,804)	101,457
Net Company capital allocated	\$ 1,460,004	\$ (65,284)	\$ 1,394,720
Company Recourse Leverage Ratio ⁽⁴⁾			3.0 x
Portfolio Recourse Leverage Ratio ⁽⁵⁾			2.9 x

- ⁽¹⁾ Represents the Company's equity investments in consolidated multi-family properties that are not in disposal group held for sale. See "Management's Discussion and Analysis of Financial Condition and Results of Operations—Balance Sheet Analysis—Equity Investments in Multi-Family Entities" for a reconciliation of equity investments in consolidated multi-family properties and disposal group held for sale to the Company's consolidated financial statements.
- ⁽²⁾ Represents the Company's equity investments in consolidated multi-family properties that are held for sale in disposal group. See "Management's Discussion and Analysis of Financial Condition and Results of Operations—Balance Sheet Analysis—Equity Investments in Multi-Family Entities" for a reconciliation of equity investments in consolidated multi-family properties and disposal group held for sale to the Company's consolidated financial statements.
- ⁽³⁾ Excludes cash in the amount of \$6.6 million held in the Company's equity investments in consolidated multi-family properties and equity investments in consolidated multi-family properties in disposal group held for sale. Restricted cash of \$161.6 million is included in the Company's accompanying consolidated balance sheets in other assets.
- ⁽⁴⁾ Represents the Company's total outstanding recourse repurchase agreement financing, subordinated debentures and senior unsecured notes divided by the Company's total stockholders' equity. Does not include non-recourse repurchase agreement financing amounting to \$11.0 million, Consolidated SLST CDOs amounting to \$811.6 million, residential loan securitization CDOs amounting to \$2.1 billion, non-Agency RMBS re-securitization CDOs amounting to \$70.8 million and mortgages payable on real estate, including mortgages payable on real estate of disposal group held for sale, totaling \$460.0 million as they are non-recourse debt.
- ⁽⁵⁾ Represents the Company's outstanding recourse repurchase agreement financing divided by the Company's total stockholders' equity.

Results of Operations

The following discussion provides information regarding our results of operations for the years ended December 31, 2025 and 2024, including a comparison of year-over-year results and related commentary. A number of the tables contain a "change" column that indicates the amount by which results from the year ended December 31, 2025 are greater or less than the results from the year ended December 31, 2024. Unless otherwise specified, references in this section to increases or decreases in 2025 refer to the change in results for the year ended December 31, 2025 when compared to the year ended December 31, 2024. For a discussion related to our results of operations for the year ended December 31, 2024 compared to the year ended December 31, 2023, please refer to Part II, Item 7. "Management's Discussion and Analysis of Financial Condition and Results of Operations" in our Annual Report on Form 10-K for the year ended December 31, 2024, which was filed with the SEC on February 21, 2025 and is available on the SEC's website at www.sec.gov.

The following table presents the main components of our net income (loss) for the years ended December 31, 2025 and 2024, respectively (dollar amounts in thousands, except per share data):

	For the Years Ended December 31,			
	2025		2024	\$ Change
Interest income	\$ 601,948	\$	401,280	\$ 200,668
Interest expense	452,647		317,425	135,222
Total net interest income	149,301		83,855	65,446
Total net loss from real estate	(12,417)		(42,841)	30,424
Total other income (loss)	123,859		(42,236)	166,095
General and administrative expenses	72,656		48,672	23,984
Portfolio operating expenses	28,011		30,688	(2,677)
Loan origination costs	8,101		—	8,101
Financing transaction costs	14,173		12,335	1,838
Income (loss) from operations before income taxes	137,802		(92,917)	230,719
Income tax expense	145		1,036	(891)
Net loss attributable to non-controlling interests	11,391		31,924	(20,533)
Net income (loss) attributable to Company	149,048		(62,029)	211,077
Preferred stock dividends	(47,942)		(41,756)	(6,186)
Net income (loss) attributable to Company's common stockholders	101,106		(103,785)	204,891
Basic earnings (loss) per common share	\$ 1.12	\$	(1.14)	\$ 2.26
Diluted earnings (loss) per common share	\$ 1.10	\$	(1.14)	\$ 2.24

Interest Income and Interest Expense

Interest income increased in 2025 primarily due to increased investments in Agency RMBS and business purpose loans. We also recognized additional interest income from residential loans consolidated in connection with the purchase of a Consolidated SLST subordinated bond in 2025. The increase in interest expense in 2025 was due primarily to increases in financing obtained to fund investing activity through repurchase agreements and securitizations, the issuance of senior unsecured notes and additional expense related to CDOs consolidated in connection with the Consolidated SLST subordinated bond purchased in 2025.

Net Loss from Real Estate

The following table presents the components of net loss from real estate for the years ended December 31, 2025 and 2024, respectively (dollar amounts in thousands):

	For the Years Ended December 31,		
	2025	2024	\$ Change
Income from real estate	\$ 76,334	\$ 132,639	\$ (56,305)
Expenses related to real estate:			
Interest expense, mortgages payable on real estate	(21,581)	(60,232)	38,651
Depreciation expense on operating real estate	(23,125)	(37,444)	14,319
Amortization of lease intangibles related to operating real estate	—	(2,378)	2,378
Other real estate expenses	(44,045)	(75,426)	31,381
Total expenses related to real estate	(88,751)	(175,480)	86,729
Total net loss from real estate	\$ (12,417)	\$ (42,841)	\$ 30,424

Net loss from real estate decreased in 2025 due to the sale or de-consolidation of a significant portion of our multi-family real estate assets throughout 2024 and 2025.

Other Income (Loss)

Realized Losses, Net

The following table presents the components of realized losses, net recognized for the years ended December 31, 2025 and 2024, respectively (dollar amounts in thousands):

	For the Years Ended December 31,		
	2025	2024	\$ Change
Residential loans and real estate owned	\$ (30,668)	\$ (28,133)	\$ (2,535)
Investment securities	(34,760)	(1,218)	(33,542)
Total realized losses, net	\$ (65,428)	\$ (29,351)	\$ (36,077)

In 2025, the Company recognized \$65.4 million of net realized losses, primarily related to the sale of U.S. Treasury securities, write-downs of certain investment securities, losses incurred on foreclosed properties and losses on discounted payoffs of non-performing business purpose bridge loans.

Realized losses in 2024 were primarily attributable to losses incurred on foreclosed properties and recognized on the sale of residential loans.

Unrealized Gains (Losses), Net

The following table presents the components of unrealized gains (losses), net recognized for the years ended December 31, 2025 and 2024, respectively (dollar amounts in thousands):

	For the Years Ended December 31,		
	2025	2024	\$ Change
Investment securities (including Consolidated SLST)	\$ 182,320	\$ (85,920)	\$ 268,240
Residential loans	64,176	1,285	62,891
Mezzanine lending investments accounted for as loans	581	(4,717)	5,298
MSRs	(3,541)	616	(4,157)
CDOs and senior unsecured notes	(26,141)	(1,794)	(24,347)
Total unrealized gains (losses), net	\$ 217,395	\$ (90,530)	\$ 307,925

We recognized net unrealized gains in 2025 primarily due to a decrease in interest rates, which impacted the pricing of our investment securities and residential loans.

An increase in interest rates in 2024 resulted in unrealized losses recognized on investment securities and residential loans. In 2024, the net unrealized losses on our investment securities were more than offset by unrealized gains on our derivative instruments, as discussed below. The unrealized losses on residential loans were more than offset by the reversal of unrealized losses as a result of foreclosures, payoffs and sales during the year.

(Losses) Gains on Derivative Instruments, Net

The following table presents the components of (losses) gains on derivative investments, net for the years ended December 31, 2025 and 2024, respectively (dollar amounts in thousands):

	For the Years Ended December 31,		
	2025	2024	\$ Change
Unrealized (losses) gains on derivative instruments	\$ (82,397)	\$ 83,899	\$ (166,296)
Realized gains on derivative instruments	24,094	12,097	11,997
Total (losses) gains on derivative instruments, net	\$ (58,303)	\$ 95,996	\$ (154,299)

We recognized net losses on derivative instruments in 2025, primarily due to decreases in interest rates which resulted in lower valuations of our interest rate swaps. These losses were partially offset by unrealized gains recognized on U.S. Treasury and commodity futures, gains realized on contract terminations and net payments received on derivative instruments in 2025.

Net gains on derivative instruments in 2024 were primarily due to increases in interest rates which resulted in higher valuations of our interest rate swaps. We also recognized net realized gains on derivative instruments resulting from net payments received on instruments, partially offset by losses realized on contract terminations in 2024.

Mortgage Banking Activities, Net

The following table presents the components of mortgage banking activities, net for the years ended December 31, 2025 and 2024, respectively (dollar amounts in thousands):

	For the Years Ended December 31,		
	2025	2024	\$ Change
Residential loan origination and other fees	\$ 12,178	\$ —	\$ 12,178
Gains on residential loans held for sale, net	14,443	—	14,443
Mortgage banking activities, net	\$ 26,621	\$ —	\$ 26,621

The increase in mortgage banking activities during the period is related to the consolidation of Constructive in 2025.

(Loss) Income from Equity Investments

The following table presents the components of (loss) income from equity investments for the years ended December 31, 2025 and 2024, respectively (dollar amounts in thousands):

	For the Years Ended December 31,		
	2025	2024	\$ Change
Preferred return on mezzanine lending investments accounted for as equity	\$ 5,770	\$ 12,775	\$ (7,005)
Unrealized losses, net on mezzanine lending investments accounted for as equity	(6,546)	(4,863)	(1,683)
Loss from unconsolidated joint venture equity investments in multi-family properties	(838)	(4,382)	3,544
(Loss) income from investment in Constructive	(1,554)	12,481	(14,035)
Total (loss) income from equity investments	\$ (3,168)	\$ 16,011	\$ (19,179)

The decrease in income from equity investments in 2025 was primarily due to (1) a reduction in our share of income from our equity investment in Constructive, following its consolidation in our financial statements in the third quarter of 2025, (2) a decrease in preferred return on mezzanine lending investments accounted for as equity as a result of redemptions that have occurred since December 31, 2024 and (3) a decline in fair valuation of one mezzanine lending investment accounted for as equity. These decreases were partially offset by lower unrealized losses on unconsolidated joint venture equity investments in multi-family properties as a result of sales in 2025.

Impairment of Real Estate

The following table presents impairment of real estate for the years ended December 31, 2025 and 2024, respectively (dollar amounts in thousands):

	For the Years Ended December 31,		
	2025	2024	\$ Change
Impairment of real estate	\$ (9,767)	\$ (48,875)	\$ 39,108

The decrease in impairment of real estate recognized in 2025 can primarily be attributed to a reduced real estate portfolio subject to impairment due to the sale or de-consolidation of a significant portion of our multi-family real estate assets throughout 2024 and 2025. Also, during the years ended December 31, 2025 and 2024, we recognized impairment losses on certain single-family rental properties transferred to held for sale as a result of the remeasurement of those assets to estimated fair value less costs to sell.

Loss on Reclassification of Disposal Group

The following table presents loss on reclassification of disposal group for the years ended December 31, 2025 and 2024, respectively (dollar amounts in thousands):

	For the Years Ended December 31,		
	2025	2024	\$ Change
Loss on reclassification of disposal group	\$ —	\$ (14,636)	\$ 14,636

One joint venture equity investment was reclassified from disposal group held for sale in 2024. As a result of this transfer, we adjusted the carrying value of the long-lived assets in the Consolidated Real Estate VIE to the lower of the carrying amount before the assets were classified as held for sale adjusted for depreciation and amortization expense that would have been recognized had the assets been continuously classified as held and used and the fair value of the assets at the date of the transfer and recognized an approximately \$14.6 million loss on reclassification of disposal group during the year ended December 31, 2024.

During 2025, there were no joint venture equity investments reclassified from disposal group held for sale.

Other Income

The following table presents the components of other income for the years ended December 31, 2025 and 2024, respectively (dollar amounts in thousands):

	For the Years Ended December 31,		
	2025	2024	\$ Change
Servicing fee income	\$ 8,036	\$ 906	\$ 7,130
Gain on sale of real estate	8,923	27,835	(18,912)
Gain on de-consolidation of joint venture equity investments in Consolidated VIEs	—	6,115	(6,115)
Loss on extinguishment of collateralized debt obligations and mortgages payable on real estate	(884)	(2,864)	1,980
Miscellaneous	434	(2,843)	3,277
Total other income	\$ 16,509	\$ 29,149	\$ (12,640)

The decline in other income in 2025 reflects the elevated level of other income in 2024, which was driven by gains recognized on the dispositions of both consolidated multi-family properties and membership interests in consolidated joint venture equity investments. Other income in 2025 benefitted from gains recognized on the sale of consolidated multi-family properties and servicing fee income related to mortgage servicing rights acquired in late 2024. Additionally, year-over-year comparisons were affected by a provision for uncollectible receivables recorded in the prior year period. The provision is related to asset management expenses incurred on a non-accrual Mezzanine Lending investment which exceeded the anticipated redemption proceeds.

Expenses

The following tables present the components of general and administrative expenses, portfolio operating expenses, loan origination costs and financing transaction costs for the years ended December 31, 2025 and 2024, respectively (dollar amounts in thousands):

	For the Years Ended December 31,		
	2025	2024	\$ Change
General and Administrative Expenses			
Salaries, benefits and directors' compensation	\$ 52,883	\$ 34,798	\$ 18,085
Professional fees	6,362	5,891	471
Technology and software	5,478	2,496	\$ 2,982
Other	7,933	5,487	2,446
Total general and administrative expenses	\$ 72,656	\$ 48,672	\$ 23,984

The increase in general and administrative expenses during the period is primarily related to the consolidation of Constructive in 2025.

	For the Years Ended December 31,		
	2025	2024	\$ Change
Portfolio operating expenses	\$ 28,011	\$ 30,688	\$ (2,677)

The decrease in portfolio operating expenses during the period is primarily related to decreased expenses related to the management of the business purpose loan portfolio, partially offset by increases in residential loan servicing fees driven by growth in the size of the loan portfolio since December 31, 2024.

	For the Years Ended December 31,		
	2025	2024	\$ Change
Loan origination costs	\$ 8,101	\$ —	\$ 8,101

The increase in loan origination costs during the period is related to the consolidation of Constructive in 2025.

	For the Years Ended December 31,		
	2025	2024	\$ Change
Financing Transaction Costs			
Securitization transaction costs	\$ 6,590	\$ 9,855	\$ (3,265)
Senior unsecured notes transaction costs	7,293	2,480	4,813
Equity transaction costs	290	—	290
Total financing transaction costs	\$ 14,173	\$ 12,335	\$ 1,838

Financing transaction costs increased in 2025 as a result of increased debt issuances as compared to 2024.

Comprehensive Income (Loss)

The main components of comprehensive income (loss) for the years ended December 31, 2025 and 2024, respectively, are detailed in the following table (dollar amounts in thousands):

	For the Years Ended December 31,		
	2025	2024	\$ Change
NET INCOME (LOSS) ATTRIBUTABLE TO COMPANY'S COMMON STOCKHOLDERS	\$ 101,106	\$ (103,785)	\$ 204,891
OTHER COMPREHENSIVE INCOME			
Reclassification adjustment for net loss included in net loss	—	4	(4)
TOTAL OTHER COMPREHENSIVE INCOME	—	4	(4)
COMPREHENSIVE INCOME (LOSS) ATTRIBUTABLE TO COMPANY'S COMMON STOCKHOLDERS	\$ 101,106	\$ (103,781)	\$ 204,887

Beginning in the fourth quarter of 2019, the Company's newly purchased investment securities are presented at fair value as a result of a fair value election made at the time of acquisition. Changes in the market values of investment securities where the Company elected the fair value option are reflected in earnings instead of in OCI. As of December 31, 2025, all of the Company's investment securities are accounted for using the fair value option.

Segment Information

As a result of the acquisition of the outstanding 50% ownership interests in Constructive that were not previously owned by the Company on July 15, 2025, the Company currently operates in two reportable segments: (i) investment portfolio and (ii) Constructive.

The following tables present summarized financial information by reportable segment for the year ended December 31, 2025, which in total reconciles to the same data for the Company on a consolidated basis (dollar amounts in thousands):

	For the Year Ended December 31, 2025			
	Investment Portfolio	Constructive	Corporate/Other	Total
Total net interest income (loss)	\$ 177,699	\$ 334	\$ (28,732)	\$ 149,301
Total net loss from real estate	(12,417)	—	—	(12,417)
Total other income	93,578	24,678	5,603	123,859
Total general, administrative and operating expenses	34,367	33,538	55,036	122,941
Income (loss) from operations before income taxes	224,493	(8,526)	(78,165)	137,802
Income tax (benefit) expense	(82)	—	227	145
Net income (loss)	224,575	(8,526)	(78,392)	137,657
Net loss attributable to non-controlling interests	11,391	—	—	11,391
Net income (loss) attributable to Company	235,966	(8,526)	(78,392)	149,048
Preferred stock dividends	—	—	(47,942)	(47,942)
Net income (loss) attributable to Company's common stockholders	\$ 235,966	\$ (8,526)	\$ (126,334)	\$ 101,106

For more information regarding segment reporting, please see Note 25 to our consolidated financial statements included in this Annual Report on Form 10-K.

Analysis of Changes in GAAP Book Value

The following table analyzes the changes in GAAP book value of our common stock for the year ended December 31, 2025 (amounts in thousands, except per share):

	Year Ended December 31, 2025		
	Amount	Shares	Per Share ⁽¹⁾
Beginning Balance	\$ 840,610	90,575	\$ 9.28
Common stock issuance, net ⁽²⁾	8,197	(40)	
Preferred stock issuance, net	5,027		
Preferred stock issuance liquidation preference	(5,532)		
Common stock repurchases	(1,502)	(231)	
Balance after share activity	846,800	90,304	9.38
Adjustment of redeemable non-controlling interest to estimated redemption value	(1,548)		(0.02)
Dividends and dividend equivalents declared	(79,078)		(0.88)
Net income attributable to Company's common stockholders	101,106		1.12
Ending Balance	\$ 867,280	90,304	\$ 9.60

⁽¹⁾ Outstanding shares used to calculate book value per common share for the year ended December 31, 2025 are 90,303,863.

⁽²⁾ Includes amortization of stock based compensation.

The following table analyzes the changes in GAAP book value of our common stock for the year ended December 31, 2024 (amounts in thousands, except per share):

	Year Ended December 31, 2024		
	Amount	Shares	Per Share ⁽¹⁾
Beginning Balance	\$ 1,025,502	90,675	\$ 11.31
Common stock issuance, net ⁽²⁾	6,068	487	
Common stock repurchases	(3,493)	(587)	
Balance after share activity	1,028,077	90,575	11.35
Adjustment of redeemable non-controlling interest to estimated redemption value	(10,613)		(0.12)
Dividends and dividend equivalents declared	(73,073)		(0.81)
Net change in accumulated other comprehensive loss:			
Investment securities available for sale ⁽³⁾	4		—
Net loss attributable to Company's common stockholders	(103,785)		(1.14)
Ending Balance	\$ 840,610	90,575	\$ 9.28

⁽¹⁾ Outstanding shares used to calculate book value per common share for the year ended December 31, 2024 are 90,574,996.

⁽²⁾ Includes amortization of stock based compensation.

⁽³⁾ The net increase relates to the reclassification of unrealized loss to net loss during the period.

Non-GAAP Financial Measures

In addition to the results presented in accordance with GAAP, this Annual Report on Form 10-K includes certain non-GAAP financial measures, including adjusted interest income, adjusted interest expense, adjusted net interest income (loss), yield on average interest earning assets, average financing cost, net interest spread, earnings available for distribution and adjusted book value per common share. Our management team believes that these non-GAAP financial measures, when considered with our GAAP financial statements, provide supplemental information useful for investors as it enables them to evaluate our current performance and trends using the metrics that management uses to operate our business. Our presentation of non-GAAP financial measures may not be comparable to similarly-titled measures of other companies, who may use different calculations. Because these measures are not calculated in accordance with GAAP, they should not be considered a substitute for, or superior to, the financial measures calculated in accordance with GAAP. Our GAAP financial results and the reconciliations of the non-GAAP financial measures included in this Annual Report on Form 10-K to the most directly comparable financial measures prepared in accordance with GAAP should be carefully evaluated.

Adjusted Net Interest Income (Loss) and Net Interest Spread

Financial results for the Company during a given period include the net interest income earned on our investments, such as residential loans, residential loans held for sale, investment securities and preferred equity investments and mezzanine loans, where the risks and payment characteristics are equivalent to and accounted for as loans (collectively, our "interest earning assets"). Adjusted net interest income (loss) and net interest spread (both supplemental non-GAAP financial measures) are impacted by factors such as our cost of financing, including our hedging costs, and the interest rate that our investments bear. Furthermore, the amount of premium or discount paid on purchased investments and the prepayment rates on investments will impact adjusted net interest income (loss) as such factors will be amortized over the expected term of such investments.

We provide the following non-GAAP financial measures, in total and by investment category, for the respective periods:

- adjusted interest income – calculated as our GAAP interest income reduced by the interest expense recognized on Consolidated SLST CDOs and adjusted to include TBA dollar roll income,
- adjusted interest expense – calculated as our GAAP interest expense reduced by the interest expense recognized on Consolidated SLST CDOs and adjusted to include the net interest component of interest rate swaps,
- adjusted net interest income (loss) – calculated by subtracting adjusted interest expense from adjusted interest income,
- yield on average interest earning assets – calculated as the quotient of our adjusted interest income and our average interest earning assets and excludes all Consolidated SLST assets other than those securities owned by the Company,
- average financing cost – calculated as the quotient of our adjusted interest expense and the average outstanding balance of our interest bearing liabilities, excluding Consolidated SLST CDOs and mortgages payable on real estate, and
- net interest spread – calculated as the difference between our yield on average interest earning assets and our average financing cost.

These measures remove the impact of Consolidated SLST that we consolidate in accordance with GAAP and include both the net interest component of interest rate swaps utilized to hedge the variable cash flows associated with our variable-rate borrowings and dollar roll income associated with TBAs, which are included in (losses) gains on derivative instruments, net in the Company's consolidated statements of operations. With respect to Consolidated SLST, we only include the interest income earned by the Consolidated SLST securities that are actually owned by the Company as the Company only receives income or absorbs losses related to the Consolidated SLST securities actually owned by the Company. We include the net interest component of interest rate swaps in these measures to more fully represent the cost of our financing strategy. We include TBA dollar roll income as it represents the economic equivalent of net interest income on the underlying Agency RMBS over the TBA dollar roll period (interest income less implied financing cost).

We provide the non-GAAP financial measures listed above because we believe these non-GAAP financial measures provide investors and management with additional detail and enhance their understanding of our interest earning asset yields, in total and by investment category, relative to the cost of our financing and the underlying trends within our portfolio of interest earning assets. In addition to the foregoing, our management team uses these measures to assess, among other things, the performance of our interest earning assets in total and by asset, possible cash flows from our interest earning assets in total and by asset, our ability to finance or borrow against the asset and the terms of such financing and the composition of our portfolio of interest earning assets, including acquisition and disposition determinations.

The following tables set forth certain information about our interest earning assets by category and their related adjusted interest income, adjusted interest expense, adjusted net interest income (loss), yield on average interest earning assets, average financing cost and net interest spread for the years ended December 31, 2025, 2024 and 2023, respectively (dollar amounts in thousands):

Year Ended December 31, 2025

	Agency	Single-Family Credit ⁽⁶⁾	Multi-Family Credit	Corporate/Other	Total
Adjusted Interest Income ⁽¹⁾⁽²⁾	\$ 306,213	\$ 239,429	\$ 8,642	\$ 10,202	\$ 564,486
Adjusted Interest Expense ⁽¹⁾	(197,732)	(164,137)	—	(37,199)	(399,068)
Adjusted Net Interest Income (Loss) ⁽¹⁾	<u>\$ 108,481</u>	<u>\$ 75,292</u>	<u>\$ 8,642</u>	<u>\$ (26,997)</u>	<u>\$ 165,418</u>
Average Interest Earning Assets ⁽³⁾	\$ 5,239,194	\$ 3,324,826	\$ 72,799	\$ 233,340	\$ 8,870,159
Average Interest Bearing Liabilities ⁽⁴⁾	\$ 4,714,395	\$ 2,866,080	\$ —	\$ 565,344	\$ 8,145,819
Yield on Average Interest Earning Assets ⁽¹⁾⁽⁵⁾	5.84 %	7.20 %	11.87 %	4.37 %	6.36 %
Average Financing Cost ⁽¹⁾⁽⁶⁾	(4.19)%	(5.73)%	—	(6.58)%	(4.90)%
Net Interest Spread ⁽¹⁾⁽⁷⁾	<u>1.65 %</u>	<u>1.47 %</u>	<u>11.87 %</u>	<u>(2.21)%</u>	<u>1.46 %</u>

Year Ended December 31, 2024

	Agency	Single-Family Credit ⁽⁶⁾	Multi-Family Credit	Corporate/Other	Total
Adjusted Interest Income ⁽¹⁾⁽²⁾	\$ 156,706	\$ 200,786	\$ 10,755	\$ 6,542	\$ 374,789
Adjusted Interest Expense ⁽¹⁾	(97,822)	(144,907)	—	(17,290)	(260,019)
Adjusted Net Interest Income (Loss) ⁽¹⁾	<u>\$ 58,884</u>	<u>\$ 55,879</u>	<u>\$ 10,755</u>	<u>\$ (10,748)</u>	<u>\$ 114,770</u>
Average Interest Earning Assets ⁽³⁾	\$ 2,567,102	\$ 2,917,627	\$ 92,421	\$ 154,196	\$ 5,731,346
Average Interest Bearing Liabilities ⁽⁴⁾	\$ 2,291,029	\$ 2,376,033	\$ —	\$ 328,188	\$ 4,995,250
Yield on Average Interest Earning Assets ⁽¹⁾⁽⁵⁾	6.10 %	6.88 %	11.64 %	4.24 %	6.54 %
Average Financing Cost ⁽¹⁾⁽⁶⁾	(4.27)%	(6.10)%	—	(5.27)%	(5.21)%
Net Interest Spread ⁽¹⁾⁽⁷⁾	<u>1.83 %</u>	<u>0.78 %</u>	<u>11.64 %</u>	<u>(1.03)%</u>	<u>1.33 %</u>

Year Ended December 31, 2023

	Agency	Single-Family Credit ⁽⁸⁾	Multi-Family Credit	Corporate/Other	Total
Adjusted Interest Income ⁽¹⁾⁽²⁾	\$ 51,271	\$ 169,114	\$ 13,707	\$ 62	\$ 234,154
Adjusted Interest Expense ⁽¹⁾	(31,369)	(115,986)	—	(8,186)	(155,541)
Adjusted Net Interest Income (Loss) ⁽¹⁾	\$ 19,902	\$ 53,128	\$ 13,707	\$ (8,124)	\$ 78,613
Average Interest Earning Assets ⁽³⁾	\$ 828,884	\$ 2,864,511	\$ 120,687	\$ —	\$ 3,814,082
Average Interest Bearing Liabilities ⁽⁴⁾	\$ 727,901	\$ 2,009,389	\$ —	\$ 145,000	\$ 2,882,290
Yield on Average Interest Earning Assets ⁽¹⁾⁽⁵⁾	6.19 %	5.90 %	11.36 %	—	6.14 %
Average Financing Cost ⁽¹⁾⁽⁶⁾	(4.31)%	(5.77)%	—	(5.65)%	(5.40)%
Net Interest Spread ⁽¹⁾⁽⁷⁾	1.88 %	0.13 %	11.36 %	(5.65)%	0.74 %

⁽¹⁾ Represents a non-GAAP financial measure.

⁽²⁾ Includes interest income earned on cash accounts held by the Company.

⁽³⁾ Average Interest Earning Assets for the respective periods include residential loans, residential loans held for sale, multi-family loans, investment securities and cost basis of outstanding TBAs, to the extent applicable, and exclude all Consolidated SLST assets other than those securities owned by the Company. Average Interest Earning Assets is calculated based on the daily average amortized cost for the respective periods.

⁽⁴⁾ Average Interest Bearing Liabilities for the respective periods include repurchase agreements and warehouse facilities, residential loan securitization and non-Agency RMBS re-securitization CDOs, senior unsecured notes and subordinated debentures, to the extent applicable, and exclude Consolidated SLST CDOs and mortgages payable on real estate as the Company does not directly incur interest expense on these liabilities that are consolidated for GAAP purposes. Average Interest Bearing Liabilities is calculated based on the daily average outstanding balance for the respective periods.

⁽⁵⁾ Yield on Average Interest Earning Assets is calculated by dividing our adjusted interest income relating to our portfolio of interest earning assets by our Average Interest Earning Assets for the respective periods.

⁽⁶⁾ Average Financing Cost is calculated by dividing our adjusted interest expense by our Average Interest Bearing Liabilities.

⁽⁷⁾ Net Interest Spread is the difference between our Yield on Average Interest Earning Assets and our Average Financing Cost.

⁽⁸⁾ The Company has determined it is the primary beneficiary of Consolidated SLST and has consolidated Consolidated SLST into the Company's consolidated financial statements. Our GAAP interest income includes interest income recognized on the underlying seasoned re-performing and non-performing residential loans held in Consolidated SLST. Our GAAP interest expense includes interest expense recognized on the Consolidated SLST CDOs that permanently finance the residential loans in Consolidated SLST and are not owned by the Company. We calculate adjusted interest income by reducing our GAAP interest income by the interest expense recognized on the Consolidated SLST CDOs and adjusted interest expense by excluding, among other things, the interest expense recognized on the Consolidated SLST CDOs, thus only including the interest income earned by the SLST securities that are actually owned by the Company in adjusted net interest income (loss).

Our adjusted interest income increased by approximately \$189.7 million in 2025, primarily driven by growth in our interest earning assets that reflects increased investment in Agency RMBS and residential loans. Yield on average interest earning assets declined in 2025, reflecting our emphasis on lower-yielding Agency RMBS.

Adjusted interest expense increased by approximately \$139.0 million in 2025 as a result of increased financing obtained to fund investing activity through repurchase agreements, warehouse facilities and securitizations as well as issuance of senior unsecured notes. Average financing cost decreased in 2025 primarily due to improved financing terms and base interest rate movements.

Our adjusted net interest income increased in 2024 as compared to the prior year. Adjusted interest income increased by approximately \$140.6 million primarily due to (1) an increase in interest earning assets driven by increased investment in Agency RMBS and (2) an increase in yield on residential loans due to continued investment in business purpose loans. Adjusted interest expense increased by approximately \$104.5 million as a result of increased financing obtained through repurchase agreements and securitizations as well as the issuance of the 9.125% Senior Notes due 2029 to fund investment activity.

Net interest spread continued to increase in 2025, reflecting efficient utilization of securitization financing and lower base rates. Net interest spread increased during 2024, primarily due to an increase in yield on Average Interest Earning Assets resulting from our continued investment in higher yielding business purpose loans. The increase in net spread was also the result of a decrease in the cost of financing due to the benefit of our in-the-money interest rate swaps.

A reconciliation of GAAP interest income to adjusted interest income, GAAP interest expense to adjusted interest expense and GAAP total net interest income (loss) to adjusted net interest income (loss) for the years ended December 31, 2025, 2024 and 2023, respectively, is presented below (dollar amounts in thousands):

	For the Year Ended December 31, 2025					Total
	Agency	Single-Family Credit	Multi-Family Credit	Corporate/Other		
GAAP interest income	\$ 306,128	\$ 276,976	\$ 8,642	\$ 10,202	\$ 601,948	
GAAP interest expense	(211,169)	(202,735)	—	(38,743)	(452,647)	
GAAP total net interest income (loss)	\$ 94,959	\$ 74,241	\$ 8,642	\$ (28,541)	\$ 149,301	
GAAP interest income	\$ 306,128	\$ 276,976	\$ 8,642	\$ 10,202	\$ 601,948	
Adjusted for:						
Consolidated SLST CDO interest expense	—	(37,547)	—	—	(37,547)	
TBA dollar roll income	85	—	—	—	85	
Adjusted interest income	\$ 306,213	\$ 239,429	\$ 8,642	\$ 10,202	\$ 564,486	
GAAP interest expense	\$ (211,169)	\$ (202,735)	\$ —	\$ (38,743)	\$ (452,647)	
Adjusted for:						
Consolidated SLST CDO interest expense	—	37,547	—	—	37,547	
Net interest benefit of interest rate swaps	13,437	1,051	—	1,544	16,032	
Adjusted interest expense	\$ (197,732)	\$ (164,137)	\$ —	\$ (37,199)	\$ (399,068)	
Adjusted net interest income (loss) ⁽¹⁾	\$ 108,481	\$ 75,292	\$ 8,642	\$ (26,997)	\$ 165,418	

	For the Year Ended December 31, 2024				
	Agency	Single-Family Credit	Multi-Family Credit	Corporate/Other	Total
GAAP interest income	\$ 156,706	\$ 227,277	\$ 10,755	\$ 6,542	\$ 401,280
GAAP interest expense	(124,415)	(172,102)	—	(20,908)	(317,425)
GAAP total net interest income (loss)	\$ 32,291	\$ 55,175	\$ 10,755	\$ (14,366)	\$ 83,855
GAAP interest income	\$ 156,706	\$ 227,277	\$ 10,755	\$ 6,542	\$ 401,280
Adjusted for:					
Consolidated SLST CDO interest expense	—	(26,491)	—	—	(26,491)
Adjusted interest income	\$ 156,706	\$ 200,786	\$ 10,755	\$ 6,542	\$ 374,789
GAAP interest expense	\$ (124,415)	\$ (172,102)	\$ —	\$ (20,908)	\$ (317,425)
Adjusted for:					
Consolidated SLST CDO interest expense	—	26,491	—	—	26,491
Net interest benefit of interest rate swaps	26,593	704	—	3,618	30,915
Adjusted interest expense	\$ (97,822)	\$ (144,907)	\$ —	\$ (17,290)	\$ (260,019)
Adjusted net interest income (loss) ⁽¹⁾	\$ 58,884	\$ 55,879	\$ 10,755	\$ (10,748)	\$ 114,770
	For the Year Ended December 31, 2023				
	Agency	Single-Family Credit	Multi-Family Credit	Corporate/Other	Total
GAAP interest income	\$ 51,271	\$ 193,620	\$ 13,707	\$ 62	\$ 258,660
GAAP interest expense	(41,011)	(140,492)	—	(10,631)	(192,134)
GAAP total net interest income (loss)	\$ 10,260	\$ 53,128	\$ 13,707	\$ (10,569)	\$ 66,526
GAAP interest income	\$ 51,271	\$ 193,620	\$ 13,707	\$ 62	\$ 258,660
Adjusted for:					
Consolidated SLST CDO interest expense	—	(24,506)	—	—	(24,506)
Adjusted interest income	\$ 51,271	\$ 169,114	\$ 13,707	\$ 62	\$ 234,154
GAAP interest expense	\$ (41,011)	\$ (140,492)	\$ —	\$ (10,631)	\$ (192,134)
Adjusted for:					
Consolidated SLST CDO interest expense	—	24,506	—	—	24,506
Net interest benefit of interest rate swaps	9,642	—	—	2,445	12,087
Adjusted interest expense	\$ (31,369)	\$ (115,986)	\$ —	\$ (8,186)	\$ (155,541)
Adjusted net interest income (loss) ⁽¹⁾	\$ 19,902	\$ 53,128	\$ 13,707	\$ (8,124)	\$ 78,613

⁽¹⁾ Adjusted net interest income (loss) is calculated by subtracting adjusted interest expense from adjusted interest income.

Earnings Available for Distribution

Beginning with the quarter ended March 31, 2025, we present earnings available for distribution attributable to Company's common stockholders ("EAD") (and by calculation, EAD per common share) as a supplemental non-GAAP financial measure comparable to GAAP net income (loss) attributable to Company's common stockholders.

EAD is defined as GAAP net income (loss) attributable to Company's common stockholders excluding (a) realized and unrealized gains (losses) on our investment portfolio, (b) gains (losses) on derivative instruments (excluding the net interest benefit of interest rate swaps and TBA dollar roll income), (c) impairment of real estate, (d) loss on reclassification of disposal group, (e) other non-recurring gains (losses), (f) depreciation and amortization of operating real estate, (g) non-cash expenses, (h) financing transaction costs, (i) non-recurring restructuring and transaction expenses, (j) the income tax effect of non-EAD income (loss) items and (k) EAD adjustments attributable to non-controlling interests.

When presented in prior periods, undepreciated earnings (loss) was calculated as GAAP net income (loss) attributable to Company's common stockholders excluding the Company's share in depreciation expense and lease intangible amortization expense, if any, related to operating real estate, net for which an impairment has not been recognized. Over the past few years, we have executed a strategic repositioning of our business through the disposition of certain joint venture equity investments in multi-family properties and acquisition of assets that expand our interest income levels, such as Agency RMBS and business purpose loans. As a result, we believe EAD provides a clearer indication of the current income generating capacity of the Company's business operations than undepreciated earnings (loss) and we present EAD and EAD per common share as supplemental non-GAAP financial measures.

We believe EAD provides management, analysts and investors with additional details regarding our underlying operating results and investment trends by excluding certain unrealized, non-cash or non-recurring components of GAAP net income (loss) in order to provide additional transparency into our operating performance. In addition, EAD serves as a useful indicator for investors in evaluating our performance and facilitates comparisons to industry peers and period to period. EAD should not be utilized in isolation, nor should it be considered as a substitute for or superior to GAAP net income (loss) attributable to Company's common stockholders or GAAP net income (loss) attributable to Company's common stockholders per basic share. Our presentation of EAD may not be comparable to similarly-titled measures of other companies, who may use different calculations. We may add additional reconciling items to our EAD calculation as appropriate.

We view EAD as one measure of our ability to generate income for distribution to common stockholders. EAD is one factor, but not the exclusive factor, that our Board of Directors uses to determine the amount, if any, of dividends on our common stock. Other factors that our Board of Directors may consider when determining the amount, if any, of dividends on our common stock include, among others, our earnings and financial condition, capital requirements, maintenance of our REIT qualification, restrictions on making distributions under Maryland law and such other factors as our Board of Directors deems relevant. EAD should not be considered as an indication of our REIT taxable income, a guaranty of our ability to pay dividends, or as a proxy for the amount of dividends we may pay, as EAD excludes certain items that impact our liquidity.

A reconciliation of GAAP net income (loss) attributable to Company's common stockholders to EAD for the years ended December 31, 2025, 2024, and 2023 respectively, is presented below (amounts in thousands, except per share data):

	For the Years Ended December 31,		
	2025	2024	2023
GAAP net income (loss) attributable to Company's common stockholders	\$ 101,106	\$ (103,785)	\$ (90,035)
Adjustments:			
Realized losses, net	65,428	29,351	27,059
Unrealized (gains) losses, net	(217,395)	90,530	(97,196)
Losses (gains) on derivative instruments, net ⁽¹⁾	74,420	(65,081)	38,465
Unrealized losses, net on equity investments ⁽²⁾	11,815	6,115	7,336
Impairment of real estate	9,767	48,875	89,548
Loss on reclassification of disposal group	—	14,636	16,163
Other gains ⁽³⁾	(9,643)	(31,377)	(15,317)
Depreciation and amortization of operating real estate	23,125	39,822	24,620
Non-cash expenses ⁽⁴⁾	10,816	9,696	11,725
Financing transaction costs	14,173	12,335	—
Restructuring and transaction expenses ⁽⁵⁾	2,768	465	—
Gain on repurchase of preferred stock	—	—	(467)
Income tax effect of adjustments	(99)	915	(229)
EAD adjustments attributable to non-controlling interests	(5,657)	(18,881)	(18,865)
Earnings available for distribution attributable to Company's common stockholders	\$ 80,624	\$ 33,616	\$ (7,193)
Weighted average shares outstanding - basic	90,427	90,815	91,042
GAAP net income (loss) attributable to Company's common stockholders per common share - basic	\$ 1.12	\$ (1.14)	\$ (0.99)
EAD per common share - basic	\$ 0.89	\$ 0.37	\$ (0.08)

⁽¹⁾ Excludes net interest benefit of interest rate swaps of approximately \$16.0 million, \$30.9 million and \$12.1 million for the years ended December 31, 2025, 2024 and 2023, respectively. Also excludes TBA dollar roll income of approximately \$84.8 thousand for the year ended December 31, 2025.

⁽²⁾ Included in income from equity investments on the Company's consolidated statements of operations.

⁽³⁾ Primarily includes non-recurring items such as gains (losses) on sales of real estate, gains (losses) on de-consolidation, gains (losses) on extinguishment of debt, preferred equity premiums resulting from early redemption, property loss insurance proceeds and provision for uncollectible receivables.

⁽⁴⁾ Includes stock based compensation and intangible asset amortization.

⁽⁵⁾ Includes non-recurring expenses such as restructuring expenses and transaction expenses related to our acquisition of Constructive, professional fees incurred related to our name change and other non-recurring transaction expenses.

Adjusted Book Value Per Common Share

Adjusted book value per common share is a supplemental non-GAAP financial measure calculated by making the following adjustments to GAAP book value: (i) exclude the Company's share of cumulative depreciation and lease intangible amortization expenses related to real estate held at the end of the period for which an impairment has not been recognized, (ii) exclude the cumulative adjustment of redeemable non-controlling interests to estimated redemption value and (iii) adjust our amortized cost liabilities that finance our investments to fair value.

Our rental property portfolio includes, or has included, fee simple interests in single-family rental homes and joint venture equity interests and a cross-collateralized mezzanine lending investment in multi-family properties owned by Consolidated Real Estate VIEs. By excluding our share of cumulative non-cash depreciation and amortization expenses related to real estate held at the end of the period for which an impairment has not been recognized, adjusted book value reflects the value, at their undepreciated basis, of our single-family rental properties, joint venture equity investments and cross-collateralized mezzanine lending investment that the Company has determined to be recoverable at the end of the period.

Additionally, in connection with third party ownership of certain of the non-controlling interests in our cross-collateralized mezzanine lending investment, we record redeemable non-controlling interests as mezzanine equity on our consolidated balance sheets. The holders of the redeemable non-controlling interests may elect to sell their ownership interests to us at fair value once a year, subject to annual minimum and maximum amount limitations, resulting in an adjustment of the redeemable non-controlling interests to fair value that is accounted for by us as an equity transaction in accordance with GAAP. A key component of the estimation of fair value of the redeemable non-controlling interests is the estimated fair value of the multi-family apartment properties held by our cross-collateralized mezzanine lending investment. However, because the corresponding real estate assets are not reported at fair value and thus not adjusted to reflect unrealized gains or losses in our consolidated financial statements, the cumulative adjustment of the redeemable non-controlling interests to fair value directly affects our GAAP book value. By excluding the cumulative adjustment of redeemable non-controlling interests to estimated redemption value, adjusted book value more closely aligns the accounting treatment applied to these real estate assets and reflects our cross-collateralized mezzanine lending investment at its undepreciated basis.

The substantial majority of our remaining assets are financial or similar instruments that are carried at fair value in accordance with the fair value option in our consolidated financial statements. However, unlike our use of the fair value option for these assets, certain CDOs issued by our residential loan securitizations, certain senior unsecured notes and subordinated debentures that finance our investments are carried at amortized cost in our consolidated financial statements. By adjusting these financing instruments to fair value, adjusted book value reflects the Company's net equity in investments on a comparable fair value basis.

We believe that the presentation of adjusted book value per common share provides a useful measure for investors and us as it provides a consistent measure of our value, allows management to effectively consider our financial position and facilitates the comparison of our financial performance to that of our peers.

A reconciliation of GAAP book value to adjusted book value and calculation of adjusted book value per common share as of December 31, 2025 and 2024, respectively, is presented below (amounts in thousands, except per share data).

	December 31, 2025	December 31, 2024
Company's stockholders' equity	\$ 1,426,922	\$ 1,394,720
Preferred stock liquidation preference	(559,642)	(554,110)
GAAP book value	867,280	840,610
Add:		
Cumulative depreciation expense on real estate ⁽¹⁾	26,864	20,837
Cumulative amortization of lease intangibles related to real estate ⁽¹⁾	4,106	4,620
Cumulative adjustment of redeemable non-controlling interest to estimated redemption value	42,222	40,675
Adjustment of amortized cost liabilities to fair value	19,202	30,619
Adjusted book value	\$ 959,674	\$ 937,361
Common shares outstanding	90,304	90,575
GAAP book value per common share ⁽²⁾	\$ 9.60	\$ 9.28
Adjusted book value per common share ⁽³⁾	\$ 10.63	\$ 10.35

⁽¹⁾ Represents cumulative adjustments for the Company's share of depreciation expense and amortization of lease intangibles related to real estate held as of the end of the period presented for which an impairment has not been recognized.

⁽²⁾ GAAP book value per common share is calculated using the GAAP book value and the common shares outstanding for the periods indicated.

⁽³⁾ Adjusted book value per common share is calculated using the adjusted book value and the common shares outstanding for the periods indicated.

Critical Accounting Estimates

We prepare our consolidated financial statements in conformity with GAAP, which requires the use of estimates and assumptions that affect reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. These estimates are based, in part, on our judgment and assumptions regarding various economic conditions that we believe are reasonable based on facts and circumstances existing at the time of reporting. We believe that the estimates, judgments and assumptions utilized in the preparation of our consolidated financial statements are prudent and reasonable. Although our estimates contemplate conditions as of December 31, 2025 and how we expect them to change in the future, it is reasonably possible that actual conditions could be different than anticipated in those estimates, which could materially affect reported amounts of assets and liabilities at the date of the consolidated financial statements and the reported amounts of income, expenses and other comprehensive income (loss) during the periods presented.

Changes in the estimates and assumptions could have a material effect on these consolidated financial statements. Accounting policies and estimates related to specific components of our consolidated financial statements are disclosed in the notes to our consolidated financial statements. In accordance with SEC guidance, the estimates that we believe are most critical to an investor's understanding of our financial results and condition and which require complex management judgment are discussed below.

Valuation of Financial Instruments

Residential Loans

The Company's acquired residential loans are recorded at fair value, which is determined using valuations obtained from a third party that specializes in providing valuations of residential loans. For performing and re-performing loans, estimates of fair value are derived using a discounted cash flow model, where estimates of cash flows are determined from scheduled payments for each loan, adjusted using forecast prepayment rates, default rates and rates for loss upon default. For non-performing loans, asset liquidation cash flows are derived based on the estimated time to liquidate the loan, expected liquidation costs and home price appreciation. Estimated cash flows for both performing and non-performing loans are discounted at yields considered appropriate to arrive at a reasonable exit price for the asset. Indications of loan value such as actual trades, bids, offers and generic market color may be used in determining the appropriate discount yield.

The estimation of cash flows used in pricing models is inherently subjective and imprecise. Changes to cash flow model assumptions, including prepayment speeds, default rates, rates for loss upon default, liquidation costs, home price appreciation and discount rates may significantly impact the fair value estimate of residential loans, as well as unrealized gains and losses recognized on these assets.

Investment Securities Issued by Consolidated SLST

The Company invests in first loss subordinated securities and certain IOs issued by Consolidated SLST. The investment securities that we own in Consolidated SLST are generally illiquid and trade infrequently. The fair valuation of these investment securities is determined based on an internal valuation model that considers expected cash flows from the underlying loans and yields required by market participants. The significant assumptions used in the measurement of these investments are projected losses within the pool of loans and a discount rate. The discount rate used in determining fair value incorporates default rate, loss severity, prepayment rate and current market interest rates.

The estimation of cash flows used in pricing models is inherently subjective and imprecise. Significant changes in model assumptions, including projected losses, discount rate, prepayment speeds, default rate and loss severity may significantly impact the fair value estimate of investment securities that we own in Consolidated SLST, as well as unrealized gains and losses recognized on these assets.

The Company's valuation methodologies are described in "Note 17 – Fair Value of Financial Instruments" included in Item 8 of this Annual Report on Form 10-K.

Refer to Item 7A., "Quantitative and Qualitative Disclosures about Market Risk—Fair Value Risk" for a quantitative interest rate sensitivity analysis of our investment portfolio.

Revenue Recognition - Investment Securities Issued by Consolidated SLST

Interest income on first loss subordinated securities and certain IOs issued by Consolidated SLST is recognized based on the securities' effective yield. The effective yield on these securities is based on management's estimate of the projected cash flows from each security, which incorporates assumptions related to fluctuations in interest rates, prepayment speeds and the timing and amount of credit losses. On at least a quarterly basis, management reviews and, if appropriate, adjusts its cash flow projections based on input and analysis received from external sources, internal models, and its judgment about interest rates, prepayment rates, the timing and amount of credit losses, and other factors. Changes in cash flows from those originally projected, or from those estimated at the last evaluation, may result in a prospective change in the yield (or interest income) recognized on these securities.

The estimation of cash flows used in determining effective yield is inherently subjective and imprecise. Changes in the underlying cash flow assumptions, including prepayment speeds and timing and amount of credit losses, may significantly impact the calculation of effective yield and the interest income recognized for these securities.

Variable Interest Entities and Consolidation Reporting Requirements

A VIE is an entity that lacks one or more of the characteristics of a voting interest entity. A VIE is defined as an entity in which equity investors do not have the characteristics of a controlling financial interest or do not have sufficient equity at risk for the entity to finance its activities without additional subordinated financial support from other parties. The Company consolidates a VIE when it is the primary beneficiary of such VIE.

Determining whether an entity has a controlling financial interest in a VIE requires significant judgment related to assessing the purpose and design of the VIE and determination of the activities that most significantly impact its economic performance. We must also identify explicit and implicit variable interests in the entity and consider our involvement in both the design of the VIE and its ongoing activities. To determine whether consolidation of the VIE is required, we must apply judgment to assess whether we have the power to direct the most significant activities of the VIE and whether we have either the rights to receive benefits or the obligation to absorb losses that could be potentially significant to the VIE. The Company is required to reconsider its evaluation of whether to consolidate a VIE each reporting period, based upon changes in the facts and circumstances pertaining to the VIE.

As of December 31, 2025 and 2024, we owned 100% of the first loss subordinated securities of Consolidated SLST. Consolidated SLST represents Freddie Mac-sponsored residential mortgage loan securitizations of which we own the first loss subordinated securities and certain IOs. We determined that the Freddie Mac-sponsored residential loan securitization trusts, which we collectively refer to as Consolidated SLST, are VIEs and that we are the primary beneficiary of Consolidated SLST. As a result, we are required to consolidate Consolidated SLST's underlying residential loans including their liabilities, income and expenses in our consolidated financial statements.

The Company also invests in, or has invested in, a cross-collateralized mezzanine lending and joint venture equity investments that own multi-family apartment communities, which the Company determined to be VIEs and for which the Company is, or was, the primary beneficiary. Accordingly, the Company consolidated the assets, liabilities, income and expenses of these VIEs in the accompanying consolidated financial statements with non-controlling interests for the third-party ownership of the entities' membership interests. The Company accounted for the initial consolidation of these Consolidated VIEs as asset acquisitions, as substantially all of the fair value of the assets within the entities are concentrated in either a single identifiable asset or group of similar identifiable assets.

Real estate held for sale (including real estate in disposal group held for sale) is, or was, recorded at the lower of the net carrying amount of the assets or the estimated net fair value. The Company assesses the net fair value of real estate held for sale in each reporting period that the assets remain classified as held for sale. The Company utilizes market assumptions and a discounted cash flow analysis using property financial information and assumptions regarding market rent, revenue and expense growth, capitalization rates and return rates to estimate fair value of real estate assets.

The third-party owners of certain of the non-controlling interests in our cross-collateralized mezzanine lending investment have the ability to sell their ownership interests to the Company, at their election. The Company has classified these third-party ownership interests as redeemable non-controlling interest and determines the fair value of the redeemable non-controlling interest utilizing market assumptions and discounted cash flows. The Company applies a discount rate to the estimated future cash flows from the multi-family apartment properties held by the cross-collateralized mezzanine lending investment that are allocatable to the redeemable non-controlling interest.

The estimation of cash flows used in pricing models for real estate held for sale and redeemable non-controlling interest is inherently subjective and imprecise. The estimation of fair value requires significant judgment based on the available sources and may affect any impairment recognized on real estate in the Company's statements of operations or, with respect to redeemable non-controlling interest, the Company's book value.

A discussion of significant accounting policies is included in "Note 2 — Summary of Significant Accounting Policies" included in Item 8 of this Annual Report on Form 10-K.

Balance Sheet Analysis

As of December 31, 2025, we had approximately \$12.6 billion of total assets. Included in this amount is approximately \$1.2 billion of assets held in Consolidated SLST and \$456.4 million of assets related to Consolidated Real Estate VIEs, both of which we consolidate in accordance with GAAP. As of December 31, 2024, we had approximately \$9.2 billion of total assets. Included in this amount is approximately \$969.7 million of assets held in Consolidated SLST and \$620.6 million of assets related to Consolidated Real Estate VIEs, both of which we consolidate in accordance with GAAP. For a reconciliation of our actual interests in Consolidated SLST, see “Investing Activity” above. For a reconciliation of our investments in Consolidated Real Estate VIEs, see “Equity Investments in Multi-Family Entities” below.

Investment Securities

At December 31, 2025, our investment securities portfolio included Agency RMBS, non-Agency RMBS and U.S. Treasury securities, which are classified as investment securities available for sale. Our investment securities also include first loss subordinated securities and certain IOs issued by Consolidated SLST. At December 31, 2025, we had no investment securities in a single issuer or entity that had an aggregate book value in excess of 5% of our total assets. The increase in the carrying value of our investment securities as of December 31, 2025 as compared to December 31, 2024 is primarily due to purchases of Agency RMBS and an increase in the fair value of a number of our investment securities, partially offset by sales of U.S. Treasury securities and principal paydowns of Agency RMBS during the period.

The following tables summarize our investment securities portfolio as of December 31, 2025 and 2024, respectively (dollar amounts in thousands):

Investment Securities	December 31, 2025						
	Current Par Value	Amortized Cost	Unrealized		Fair Value	Weighted Average	
			Gains	Losses		Coupon ⁽¹⁾	Yield ⁽²⁾
Available for Sale ("AFS")							
Agency RMBS							
Fixed rate	\$ 6,330,554	\$ 6,300,852	\$ 124,348	\$ (700)	\$ 6,424,500	5.57 %	5.63 %
Adjustable rate	116,025	114,427	3,662	—	118,089	5.43 %	5.53 %
IO	1,425,469	105,495	61	(14,669)	90,887	1.67 %	12.07 %
Total Agency RMBS	7,872,048	6,520,774	128,071	(15,369)	6,633,476	4.77 %	5.75 %
Non-Agency RMBS							
Senior	2,500	2,500	56	—	2,556	8.72 %	8.72 %
Subordinated	8,509	7,925	10	(2,312)	5,623	4.79 %	5.59 %
IO	308,989	11,778	5,635	—	17,413	1.52 %	28.86 %
Total Non-Agency RMBS	319,998	22,203	5,701	(2,312)	25,592	1.65 %	19.03 %
U.S. Treasury securities	245,309	246,298	1,652	(2,237)	245,713	4.63 %	4.62 %
Total - AFS	\$ 8,437,355	\$ 6,789,275	\$ 135,424	\$ (19,918)	\$ 6,904,781	4.61 %	5.78 %
Consolidated SLST							
Non-Agency RMBS							
Subordinated	\$ 248,588	\$ 179,415	\$ 2,429	\$ (41,549)	\$ 140,295	4.80 %	6.67 %
IO	120,487	11,488	—	(262)	11,226	3.50 %	9.19 %
Total Non-Agency RMBS	369,075	190,903	2,429	(41,811)	151,521	4.36 %	6.84 %
Total - Consolidated SLST	\$ 369,075	\$ 190,903	\$ 2,429	\$ (41,811)	\$ 151,521	4.36 %	6.84 %
Total Investment Securities	\$ 8,806,430	\$ 6,980,178	\$ 137,853	\$ (61,729)	\$ 7,056,302	4.60 %	5.82 %

December 31, 2024								
Investment Securities	Current Par Value	Amortized Cost	Unrealized		Fair Value	Weighted Average		
			Gains	Losses		Coupon ⁽¹⁾	Yield ⁽²⁾	
Available for Sale ("AFS")								
Agency RMBS								
Fixed rate	\$ 2,943,583	\$ 2,949,038	\$ 11,733	\$ (21,711)	\$ 2,939,060	5.84 %	5.73 %	
Adjustable rate	131,817	130,119	285	(822)	129,582	5.47 %	5.40 %	
IO	1,169,330	83,878	843	(16,551)	68,170	0.89 %	11.82 %	
Total Agency RMBS	4,244,730	3,163,035	12,861	(39,084)	3,136,812	4.24 %	5.88 %	
Non-Agency RMBS								
Senior	42,214	42,214	160	(9)	42,365	8.14 %	8.10 %	
Subordinated	11,509	10,869	—	(2,605)	8,264	5.19 %	5.95 %	
IO	346,582	13,120	5,938	—	19,058	1.52 %	28.86 %	
Total Non-Agency RMBS	400,305	66,203	6,098	(2,614)	69,687	2.01 %	14.02 %	
U.S. Treasury securities	652,792	657,659	—	(35,614)	622,045	4.16 %	4.13 %	
Total - AFS	\$ 5,297,827	\$ 3,886,897	\$ 18,959	\$ (77,312)	\$ 3,828,544	4.04 %	5.98 %	
Consolidated SLST								
Non-Agency RMBS								
Subordinated	\$ 242,088	\$ 181,716	\$ 4,945	\$ (52,134)	\$ 134,527	4.60 %	6.02 %	
IO	129,478	14,634	—	(653)	13,981	3.50 %	8.54 %	
Total Non-Agency RMBS	371,566	196,350	4,945	(52,787)	148,508	4.21 %	6.23 %	
Total - Consolidated SLST	\$ 371,566	\$ 196,350	\$ 4,945	\$ (52,787)	\$ 148,508	4.21 %	6.23 %	
Total Investment Securities	\$ 5,669,393	\$ 4,083,247	\$ 23,904	\$ (130,099)	\$ 3,977,052	4.05 %	5.94 %	

⁽¹⁾ Our weighted average coupon was calculated by dividing our coupon income by our weighted average current par value for the respective periods.

⁽²⁾ Our weighted average yield was calculated by dividing our interest income by our weighted average amortized cost for the respective periods.

The following tables summarize certain characteristics of our Agency RMBS portfolio as of December 31, 2025 and 2024 (dollar amounts in thousands):

	December 31, 2025			
	Current Par Value	Fair Value	Weighted Average	
			CPR ⁽¹⁾	Loan Age (Months)
Agency RMBS				
30-Year Fixed rate				
4.5%	\$ 49,917	\$ 48,850	3.9 %	30
5.0%	1,747,765	1,746,572	5.6 %	13
5.5%	3,286,803	3,342,270	14.5 %	19
6.0%	993,027	1,022,374	26.2 %	27
6.5%	253,042	264,434	28.6 %	33
Total 30-Year Fixed rate	6,330,554	6,424,500	14.4 %	19
Adjustable rate	116,025	118,089	12.8 %	32
IO	1,425,469	90,887	20.4 %	22
Total Agency RMBS	\$ 7,872,048	\$ 6,633,476	14.5 %	19

	December 31, 2024			
	Current Par Value	Fair Value	Weighted Average	
			CPR ⁽¹⁾	Loan Age (Months)
Agency RMBS				
30-Year Fixed rate				
4.5%	\$ 52,192	\$ 49,201	0.5 %	18
5.0%	154,590	149,462	6.7 %	19
5.5%	1,178,435	1,165,078	10.3 %	18
6.0%	1,234,506	1,243,222	14.9 %	15
6.5%	323,860	332,097	22.0 %	21
Total 30-Year Fixed rate	2,943,583	2,939,060	13.1 %	17
Adjustable rate	131,817	129,582	12.3 %	20
IO	1,169,330	68,170	31.1 %	17
Total Agency RMBS	\$ 4,244,730	\$ 3,136,812	13.6 %	17

⁽¹⁾ Three-month weighted average actual conditional prepayment rate, or CPR, of Agency RMBS held as of date indicated.

As of December 31, 2025 and 2024, investment securities with a fair value of \$6.4 billion and \$3.7 billion, respectively, were pledged as collateral under the Company's outstanding repurchase agreements.

As of December 31, 2025 and 2024, Agency RMBS with a fair value of \$68.5 million and \$33.4 million, respectively, were pledged as initial margin for outstanding interest rate swaps.

As of December 31, 2025 and 2024, Consolidated SLST subordinated bonds with a fair value of \$121.7 million and \$114.0 million, respectively, were held in a non-Agency RMBS re-securitization (see "Investment Securities Financing—Collateralized Debt Obligations" below).

Investment Securities Financing*Repurchase Agreements*

As of December 31, 2025, the Company had \$6.2 billion outstanding under repurchase agreements with third-party financial institutions to fund a portion of its investment securities available for sale and certain securities owned in Consolidated SLST. These repurchase agreements are short-term financings that bear interest rates typically based on a spread to SOFR and are secured by the investment securities which they finance. Upon entering into a financing transaction, our counterparties negotiate a "haircut", which is the difference expressed in percentage terms between the fair value of the collateral and the amount the counterparty will advance to us. The size of the haircut represents the counterparty's perceived risk associated with holding the investment securities as collateral. The haircut provides counterparties with a cushion for daily market value movements that reduce the need for margin calls or margins to be returned as normal daily changes in investment security market values occur. The Company expects to roll outstanding amounts under its repurchase agreements into new repurchase agreements or other financings, or to repay outstanding amounts, prior to or at maturity.

As of December 31, 2025, the Company had no repurchase agreement exposure where the amount of investment securities at risk was in excess of 5% of the Company's stockholders' equity. As of December 31, 2025, the weighted average interest rate for repurchase agreements secured by investment securities was 4.11%.

The following table details the quarterly average balance, ending balance and maximum balance at any month-end during each quarter in 2025, 2024 and 2023 for our repurchase agreements secured by investment securities (dollar amounts in thousands):

Quarter Ended	Quarterly Average Balance	End of Quarter Balance	Maximum Balance at any Month- End
December 31, 2025	\$ 6,126,602	\$ 6,154,086	\$ 6,154,086
September 30, 2025	5,768,898	6,100,691	6,198,269
June 30, 2025	4,512,106	4,602,078	4,602,078
March 31, 2025	4,000,724	4,128,622	4,156,941
December 31, 2024	3,328,795	3,516,611	3,516,611
September 30, 2024	2,772,203	3,045,597	3,045,597
June 30, 2024	2,202,770	2,447,851	2,447,851
March 31, 2024	2,078,041	2,057,361	2,126,993
December 31, 2023	1,851,577	1,862,063	1,870,941
September 30, 2023	1,184,714	1,490,996	1,490,996
June 30, 2023	492,473	664,459	664,459
March 31, 2023	131,174	226,778	226,778

Collateralized Debt Obligations

We refer to our re-securitization of the Company's investment in certain subordinated securities issued by Consolidated SLST as our non-Agency RMBS re-securitization. The Company engaged in the re-securitization transaction primarily for the purpose of obtaining non-recourse, longer-term financing on a portion of its investment in Consolidated SLST. The Company remains economically exposed to the subordinated positions in the portion of Consolidated SLST transferred to the securitization and continues to consolidate Consolidated SLST.

The following table presents a summary of CDOs issued by our non-Agency RMBS re-securitization as of December 31, 2025 and 2024, respectively (dollar amounts in thousands):

	Outstanding Face Amount	Carrying Value	Interest Rate ⁽¹⁾⁽²⁾	Stated Maturity ⁽³⁾
December 31, 2025	\$ 65,331	\$ 65,276	7.38 %	2064
December 31, 2024	70,867	70,757	7.38 %	2064

⁽¹⁾ Interest rate is calculated using the outstanding face amount and stated interest rate of notes issued by the securitization and not owned by the Company.

⁽²⁾ The Company's non-Agency RMBS re-securitization CDOs contain an interest rate step-up feature whereby the interest rate increases if the outstanding notes are not redeemed by an expected redemption date, as defined in the governing documents. As of December 31, 2025, CDOs with an aggregate outstanding face amount of \$65.3 million contain an interest rate step-up feature whereby the interest rate increases by 3.00% beginning July 2027, if the notes are not redeemed before such date.

⁽³⁾ The actual maturity of the Company's CDOs is primarily determined by the rate of principal prepayments on the assets of the issuing entity. The CDOs are also subject to redemption prior to the stated maturity according to the terms of the governing documents. As a result, the actual maturity of the CDOs may occur earlier than the stated maturity.

The Company has elected the fair value option for CDOs issued by its non-Agency RMBS re-securitization (see Note 17). For the years ended December 31, 2025 and 2024, the Company recognized \$55.9 thousand and \$179.8 thousand in net unrealized losses, respectively, on its non-Agency RMBS re-securitization, which are included in unrealized gains (losses), net on the accompanying consolidated statements of operations.

Residential Loans

The following table presents the Company's residential loans, which include acquired and originated residential loans held in the Company's investment portfolio, residential loans held in Consolidated SLST and originated residential loans held for sale as of December 31, 2025 and 2024, respectively (dollar amounts in thousands):

	December 31, 2025	December 31, 2024
Acquired and originated residential loans	\$ 3,192,498	\$ 2,876,066
Consolidated SLST	1,165,677	965,672
Originated residential loans held for sale	80,707	—
Total	<u>\$ 4,438,882</u>	<u>\$ 3,841,738</u>

Acquired and Originated Residential Loans

Acquired and originated residential loans include business purpose loans and performing, re-performing, and non-performing residential loans and are presented at fair value on our consolidated balance sheets. Subsequent changes in fair value are reported in current period earnings and presented in unrealized gains (losses), net on the Company's consolidated statements of operations.

The following table details our acquired and originated residential loans by strategy at December 31, 2025 and 2024, respectively (dollar amounts in thousands):

	December 31, 2025					
	Number of Loans	Unpaid Principal	Fair Value	Weighted Average FICO	Weighted Average LTV ⁽¹⁾	Weighted Average Coupon
Business purpose rental loan strategy	7,768	\$ 1,529,273	\$ 1,569,595	748	71%	7.05%
Business purpose bridge loan strategy	1,705	827,810	815,625	740	65%	10.32%
Performing residential loan strategy	2,377	543,278	484,946	744	52%	4.25%
Re-performing residential loan strategy	2,642	331,969	322,332	659	46%	5.14%
Total	<u>14,492</u>	<u>\$ 3,232,330</u>	<u>\$ 3,192,498</u>			

	December 31, 2024					
	Number of Loans	Unpaid Principal	Fair Value	Weighted Average FICO	Weighted Average LTV ⁽¹⁾	Weighted Average Coupon
Business purpose rental loan strategy	3,418	\$ 769,843	\$ 758,040	746	73%	6.82%
Business purpose bridge loan strategy	2,321	1,176,555	1,157,085	742	65%	10.50%
Performing residential loan strategy	2,630	610,203	525,267	740	58%	4.18%
Re-performing residential loan strategy	3,484	461,101	435,674	636	54%	5.17%
Total	<u>11,853</u>	<u>\$ 3,017,702</u>	<u>\$ 2,876,066</u>			

⁽¹⁾ For second mortgages (included in performing residential loan strategy), the Company calculates the combined loan-to-value ("LTV"). For business purpose bridge loans, the Company calculates LTV as the ratio of the maximum unpaid principal balance of the loan, including unfunded commitments, to the estimated "after repaired" value of the collateral securing the related loan.

Characteristics of Our Acquired and Originated Residential Loans:

	December 31, 2025	December 31, 2024
Loan to Value at Purchase ⁽¹⁾		
50% or less	7.4 %	9.0 %
>50% - 60%	8.3 %	9.7 %
>60% - 70%	21.7 %	21.7 %
>70% - 80%	46.7 %	38.0 %
>80% - 90%	9.6 %	12.7 %
>90% - 100%	3.7 %	4.7 %
> 100%	2.6 %	4.2 %
Total	100.0 %	100.0 %
⁽¹⁾ For second mortgages, the Company calculates the combined LTV. For business purpose bridge loans, the Company calculates LTV as the ratio of the maximum unpaid principal balance of the loan, including unfunded commitments, to the estimated "after repaired" value of the collateral securing the related loan.		
FICO Scores at Purchase		
	December 31, 2025	December 31, 2024
550 or less	3.5 %	5.6 %
551 to 600	3.3 %	4.8 %
601 to 650	4.0 %	5.3 %
651 to 700	13.2 %	14.6 %
701 to 750	31.1 %	27.5 %
751 to 800	36.6 %	34.5 %
801 and over	8.3 %	7.7 %
Total	100.0 %	100.0 %
Current Coupon		
	December 31, 2025	December 31, 2024
3.00% or less	4.3 %	5.4 %
3.01% - 4.00%	9.1 %	11.6 %
4.01% - 5.00%	11.0 %	14.2 %
5.01% - 6.00%	5.0 %	5.9 %
6.01% - 7.00%	15.3 %	7.6 %
7.01% - 8.00%	22.2 %	11.5 %
8.01% and over	33.1 %	43.8 %
Total	100.0 %	100.0 %
Delinquency Status		
	December 31, 2025	December 31, 2024
Current	95.0 %	91.2 %
31 - 60 days	0.9 %	1.6 %
61 - 90 days	0.5 %	1.1 %
90+ days	3.6 %	6.1 %
Total	100.0 %	100.0 %
Origination Year		
	December 31, 2025	December 31, 2024
2007 or earlier	9.3 %	13.8 %
2008 - 2019	6.4 %	8.3 %
2020 - 2022	19.2 %	27.1 %
2023	3.4 %	8.2 %
2024	22.2 %	42.6 %
2025	39.5 %	-
Total	100.0 %	100.0 %

On July 15, 2025, the Company acquired the outstanding membership interests in Constructive that were not previously owned by the Company (see Note 24). Prior to July 15, 2025, the Company purchased approximately \$299.6 million of residential loans from Constructive during the year ended December 31, 2025. The Company purchased \$307.8 million and \$80.8 million from the entity during the years ended December 31, 2024 and 2023, respectively. The Company sold approximately \$18.7 million of residential loans to Constructive prior to July 15, 2025, recognizing a realized gain of approximately \$0.2 million for the year ended December 31, 2025.

Consolidated SLST

The Company owns first loss subordinated securities and certain IOs issued by Freddie Mac-sponsored residential loan securitizations. In accordance with GAAP, the Company has consolidated the underlying seasoned re-performing and non-performing residential loans of the securitizations and the CDOs issued to permanently finance these residential loans, representing Consolidated SLST.

During the year ended December 31, 2025, the Company invested in a subordinated security issued by a Freddie Mac-sponsored residential loan securitization, resulting in the initial consolidation of approximately \$247.4 million of residential loans and approximately \$235.2 million of CDOs in the VIE. During the year ended December 31, 2024, the Company invested in a subordinated security issued by a Freddie Mac-sponsored residential loan securitization, resulting in the initial consolidation of approximately \$285.1 million of residential loans and approximately \$275.2 million of CDOs in the VIE. Our investment in Consolidated SLST as of December 31, 2025 and 2024 was limited to the RMBS comprised of first loss subordinated securities and certain IOs issued by the respective securitizations with an aggregate net carrying value of \$151.5 million and \$148.5 million, respectively. For more information on investment securities held by the Company within Consolidated SLST, refer to "Investment Securities" section above.

The following table details the loan characteristics of the underlying residential loans that back our first loss subordinated securities issued by Consolidated SLST as of December 31, 2025 and 2024, respectively (dollar amounts in thousands, except current average loan size):

	December 31, 2025		December 31, 2024	
Current fair value	\$	1,165,677	\$	965,672
Current unpaid principal balance	\$	1,307,770	\$	1,111,633
Number of loans		8,641		7,246
Current average loan size	\$	151,345	\$	153,413
Weighted average original loan term (in months) at purchase		346		347
Weighted average LTV at purchase		66 %		62 %
Weighted average credit score at purchase		787		767
Current Coupon:				
3.00% or less		6.8 %		5.1 %
3.01% – 4.00%		36.1 %		35.4 %
4.01% – 5.00%		38.9 %		40.6 %
5.01% – 6.00%		10.7 %		11.2 %
6.01% and over		7.5 %		7.7 %
Delinquency Status:				
Current		68.4 %		68.2 %
31 - 60		15.3 %		15.3 %
61 - 90		6.0 %		6.0 %
90+		10.3 %		10.5 %
Origination Year:				
2005 or earlier		23.9 %		27.5 %
2006		12.5 %		14.4 %
2007		18.6 %		19.8 %
2008 or later		45.0 %		38.3 %
Geographic state concentration (greater than 5.0%):				
California		11.2 %		11.7 %
New York		10.7 %		10.8 %
Florida		8.6 %		9.1 %
Illinois		7.4 %		6.3 %
New Jersey		6.3 %		6.8 %

Originated Residential Loans Held for Sale

Residential loans held for sale, at fair value, consist of business purpose loans originated by Constructive and held for sale to third-party investors in the secondary market as of December 31, 2025.

The following table details the loan characteristics of our residential loans held for sale as of December 31, 2025 (dollar amounts in thousands, except current average loan size):

	December 31, 2025	
Current fair value	\$	80,707
Current unpaid principal balance	\$	78,915
Number of loans		356
Current average loan size	\$	221,714
Weighted average FICO		757
Weighted average LTV		73 %
Weighted average coupon		7.1 %

The following tables include additional information on residential loans originated between July 15, 2025 and December 31, 2025 (dollar amounts in thousands):

Originations by Channel	Unpaid Principal		%
Retail	\$	107,174	12.8 %
Wholesale		732,895	87.2 %
Total	\$	840,069	100.0 %

Originations by Strategy	Unpaid Principal		%
Business purpose rental loan strategy	\$	797,265	94.9 %
Business purpose bridge loan strategy		42,804	5.1 %
Total	\$	840,069	100.0 %

Residential Loans, Real Estate Owned and Single-Family Rental Property Financing

Repurchase Agreements and Warehouse Facilities

As of December 31, 2025, the Company had repurchase agreements or warehouse facilities with eight third-party financial institutions to fund the purchase or origination of residential loans, real estate owned and single-family rental properties. As of December 31, 2025, the Company had no repurchase agreement or warehouse facility exposure where the amount of at risk was in excess of 5% of the Company's stockholders' equity. The amount at risk is defined as the fair value of assets pledged as collateral to the financing arrangement in excess of the financing arrangement liability.

The following table presents detailed information about these repurchase agreements and warehouse facilities and associated assets pledged as collateral at December 31, 2025 and 2024, respectively (dollar amounts in thousands):

	Maximum Aggregate Uncommitted Principal Amount	Outstanding Repurchase Agreements and Warehouse Facilities	Net Deferred Finance Costs ⁽¹⁾	Carrying Value of Repurchase Agreements and Warehouse Facilities	Carrying Value of Assets Pledged ⁽²⁾	Weighted Average Rate	Weighted Average Months to Maturity ⁽³⁾
December 31, 2025	\$ 3,225,000	\$ 599,392	\$ (61)	\$ 599,331	\$ 733,202	5.80 %	5.86
December 31, 2024	\$ 2,775,000	\$ 496,410	\$ (796)	\$ 495,614	\$ 659,183	6.70 %	9.64

⁽¹⁾ Costs related to the repurchase agreements, which include commitment, underwriting, legal, accounting and other fees, are reflected as deferred charges. Such costs are presented as a deduction from the corresponding debt liability on the Company's accompanying consolidated balance sheets and are amortized as an adjustment to interest expense over the term of the agreement using the effective interest method, or straight line-method, if the result is not materially different.

⁽²⁾ Includes residential loans and real estate owned with an aggregate fair value of \$538.4 million, residential loans held for sale with a net carrying value of \$78.0 million and single-family rental properties with a net carrying value of \$116.8 million as of December 31, 2025. Includes residential loans and real estate owned with an aggregate fair value of \$524.6 million and single-family rental properties with a net carrying value of \$134.6 million as of December 31, 2024.

⁽³⁾ The Company expects to roll outstanding amounts under these repurchase agreements and warehouse facilities into new financing arrangements or to repay outstanding amounts in full prior to or at maturity.

The following table details the quarterly average balance, ending balance and maximum balance at any month-end during each quarter in 2025, 2024 and 2023 for our repurchase agreements and warehouse facilities secured by residential loans, residential loans held for sale and single-family rental properties (dollar amounts in thousands):

Quarter Ended	Quarterly Average Balance	End of Quarter Balance	Maximum Balance at any Month-End
December 31, 2025	\$ 513,152	\$ 599,392	\$ 599,392
September 30, 2025	514,353	380,692	614,683
June 30, 2025	310,977	305,440	329,477
March 31, 2025	491,455	357,483	561,854
December 31, 2024	386,047	496,410	496,410
September 30, 2024	656,976	566,621	812,828
June 30, 2024	521,269	505,542	576,119
March 31, 2024	437,826	456,038	456,038
December 31, 2023	559,118	611,055	611,055
September 30, 2023	469,393	505,477	505,477
June 30, 2023	524,264	481,947	579,475
March 31, 2023	579,271	562,371	609,885

Collateralized Debt Obligations

Included in our portfolio are residential loans that are pledged as collateral for CDOs issued by the Company or by Consolidated SLST. The Company had a net investment in Consolidated SLST and other residential loan securitizations of \$152.9 million and \$284.0 million, respectively, as of December 31, 2025. As of December 31, 2024, the Company had a net investment in Consolidated SLST and other residential loan securitizations of \$149.8 million and \$215.2 million, respectively.

The following tables present a summary of Consolidated SLST CDOs and CDOs issued by the Company's residential loan securitizations as of December 31, 2025 and 2024, respectively (dollar amounts in thousands):

	December 31, 2025			
	Outstanding Face Amount	Carrying Value	Weighted Average Interest Rate ⁽¹⁾⁽²⁾	Stated Maturity ⁽³⁾
Consolidated SLST ⁽⁴⁾	\$ 1,055,791	\$ 1,006,919	3.30 %	2059 - 2065
Residential loan securitizations at fair value ⁽⁴⁾	\$ 2,103,164	\$ 2,075,962	5.35 %	2029 - 2069
Residential loan securitizations at amortized cost, net	\$ 363,712	\$ 363,645	3.74 %	2035 - 2061

	December 31, 2024			
	Outstanding Face Amount	Carrying Value	Weighted Average Interest Rate ⁽¹⁾	Stated Maturity ⁽³⁾
Consolidated SLST ⁽⁴⁾	\$ 867,004	\$ 811,591	3.49 %	2059 - 2064
Residential loan securitizations at fair value ⁽⁴⁾	\$ 1,281,896	\$ 1,253,332	5.72 %	2029 - 2069
Residential loan securitizations at amortized cost, net	\$ 850,547	\$ 842,764	4.35 %	2027 - 2062

⁽¹⁾ Weighted average interest rate is calculated using the outstanding face amount and stated interest rate of notes issued by the securitization and not owned by the Company.

⁽²⁾ Certain of the Company's CDOs contain interest rate step-up features whereby the interest rate increases if the outstanding notes are not redeemed by expected redemption dates, as defined in the respective governing documents. As of December 31, 2025, CDOs with an aggregate outstanding face amount of \$1.9 billion contain an interest rate step-up feature whereby the interest rate increases by either 1.00%, 1.50%, or 3.00% on defined dates ranging between 24 months and 48 months after issuance, if the notes are not redeemed before such dates.

⁽³⁾ The actual maturity of the Company's CDOs are primarily determined by the rate of principal prepayments on the assets of the issuing entity. The CDOs are also subject to redemption prior to the stated maturity according to the terms of the respective governing documents. As a result, the actual maturity of the CDOs may occur earlier than the stated maturity.

⁽⁴⁾ The Company has elected the fair value option for CDOs issued by Consolidated SLST and residential loan securitizations completed after January 1, 2024 (see Note 17). See Note 7 for unrealized gains or losses recognized on CDOs issued by Consolidated SLST. For the years ended December 31, 2025 and 2024, the Company recognized \$23.0 million and \$1.3 million in net unrealized losses, respectively, on residential loan securitizations, which are included in unrealized (losses) gains, net on the accompanying consolidated statements of operations.

Mezzanine Lending

The Company's Mezzanine Lending strategy may include preferred equity in, and mezzanine loans to, entities that hold multi-family real estate assets. A preferred equity investment is an equity investment in the entity that owns the underlying property and mezzanine loans are secured by a pledge of the borrower's equity ownership in the property. We evaluate our Mezzanine Lending investments for accounting treatment as loans versus equity investments. Mezzanine Lending investments for which the characteristics, facts and circumstances indicate that loan accounting treatment is appropriate are included in multi-family loans on our consolidated balance sheets.

Mezzanine Lending investments where the risks and payment characteristics are equivalent to an equity investment are accounted for using the equity method of accounting and are included in equity investments on our consolidated balance sheets. The Company records its equity in earnings or losses from these Mezzanine Lending investments under the hypothetical liquidation of book value method of accounting due to the structures and the preferences it receives on the distributions from these entities pursuant to the respective agreements. Under this method, the Company recognizes income or loss in each period based on the change in liquidation proceeds it would receive from a hypothetical liquidation of its investment.

The Company is also the primary beneficiary of a VIE that owns a multi-family apartment community and in which the Company holds a preferred equity investment. The Company determined that it has the power to direct the activities of the VIE and consolidates this VIE into its consolidated financial statements.

During the year ended December 31, 2024, the Company negotiated a short-term maturity extension on one preferred equity investment that included an increase in preferred return rate to a current market rate. During the year ended December 31, 2025, the Company negotiated a further short-term maturity extension on this preferred equity investment for which the underlying property was subject to a purchase and sale agreement with a closing date subsequent to the scheduled maturity of the preferred equity investment. This investment was redeemed during the year ended December 31, 2025.

During the year ended December 31, 2024, the Company reduced the fair value of one defaulted preferred equity investment to zero as a result of developments with respect to the property, its financing and market conditions. This investment represents 3.0% of the total investment amount of the Mezzanine Lending portfolio. The Company has also ceased accruals of preferred return on one preferred equity investment and its preferred equity investment in a Consolidated VIE as a result of its evaluation of the hypothetical liquidation value for the respective investments. These investments represent 28.6% of the total investment amount of the Mezzanine Lending portfolio.

The following tables summarize our Mezzanine Lending portfolio as of December 31, 2025 and 2024, respectively (dollar amounts in thousands):

	December 31, 2025				
	Count	Fair Value ⁽¹⁾⁽²⁾	Investment Amount ⁽²⁾	Weighted Average Preferred Return Rate ⁽³⁾	Weighted Average Remaining Life (Years)
Preferred equity investments	12	\$ 80,187	\$ 95,903	12.59 %	4.6
Preferred equity investment in Consolidated VIE ⁽⁴⁾	1	17,344	17,368	13.86 %	6.0
Total	13	\$ 97,531	\$ 113,271	12.79 %	4.8

	December 31, 2024				
	Count	Fair Value ⁽¹⁾⁽²⁾	Investment Amount ⁽²⁾	Weighted Average Preferred Return Rate ⁽³⁾	Weighted Average Remaining Life (Years)
Preferred equity investments	18	\$ 159,628	\$ 169,518	12.80 %	3.8
Preferred equity investment in Consolidated VIE ⁽⁴⁾	1	16,967	16,991	13.84 %	7.0
Total	19	\$ 176,595	\$ 186,509	12.90 %	4.1

⁽¹⁾ Preferred equity investments in the amounts of \$55.5 million and \$86.2 million are included in multi-family loans on the accompanying consolidated balance sheets as of December 31, 2025 and 2024, respectively. Preferred equity investments in the amounts of \$24.7 million and \$73.4 million are included in equity investments on the accompanying consolidated balance sheets as of December 31, 2025 and 2024, respectively.

⁽²⁾ The difference between the fair value and investment amount consists of any unrealized gain or loss.

⁽³⁾ Based upon investment amount and contractual preferred return rate.

⁽⁴⁾ Represents the Company's preferred equity investment in a Consolidated VIE that owns a multi-family apartment community. A reconciliation of our preferred equity investment in the Consolidated VIE to our consolidated financial statements as of December 31, 2025 and 2024, respectively, is shown below (dollar amounts in thousands):

	December 31, 2025	December 31, 2024
Cash and cash equivalents	\$ 284	\$ 392
Real estate, net	53,420	53,508
Other assets	4,030	4,939
Total assets	57,734	58,839
Mortgage payable on real estate, net	45,131	45,120
Other liabilities	1,962	1,823
Total liabilities	47,093	46,943
Non-controlling interest in Consolidated VIE	(6,703)	(5,071)
Preferred equity investment in Consolidated VIE	\$ 17,344	\$ 16,967

Mezzanine Lending Characteristics

The following tables present characteristics of our Mezzanine Lending portfolio summarized by geographic concentrations of credit risk exceeding 5% of our total investment amount as of December 31, 2025 and 2024, respectively (dollar amounts in thousands):

December 31, 2025							
State	Count	Investment Amount	% Total	Weighted Average Coupon	Weighted Average LTV ⁽¹⁾	Weighted Average DSCR ⁽²⁾	
Texas	6	\$ 51,536	45.5 %	12.40 %	84 %	1.10x	
Arizona	1	15,031	13.3 %	14.00 %	80 %	1.49x	
South Dakota	1	11,451	10.1 %	15.00 %	86 %	1.54x	
Florida	1	11,022	9.7 %	11.00 %	85 %	1.00x	
South Carolina	1	10,319	9.1 %	13.00 %	77 %	1.19x	
Other	3	13,912	12.3 %	12.35 %	79 %	1.51x	
Total	13	\$ 113,271	100.0 %	12.79 %	83 %	1.24x	

December 31, 2024							
State	Count	Investment Amount	% Total	Weighted Average Coupon	Weighted Average LTV ⁽¹⁾	Weighted Average DSCR ⁽²⁾	
Florida	3	\$ 54,115	29.0 %	13.12 %	83 %	0.89x ⁽³⁾	
Texas	6	49,619	26.6 %	12.39 %	84 %	1.08x	
Arizona	1	15,201	8.2 %	14.00 %	80 %	1.84x	
Tennessee	1	13,045	7.0 %	14.00 %	86 %	0.51x ⁽⁴⁾	
South Dakota	1	10,583	5.7 %	15.00 %	85 %	1.80x	
South Carolina	1	9,645	5.2 %	13.00 %	75 %	1.47x	
Other	6	34,301	18.3 %	11.70 %	83 %	1.30x	
Total	19	\$ 186,509	100.0 %	12.90 %	83 %	1.18x	

⁽¹⁾ Represents the weighted average LTV utilizing combined senior and mezzanine loans and combined origination appraisal and capital expenditure budget.

⁽²⁾ Represents the weighted average debt service coverage ratio ("DSCR") of the underlying properties and excludes properties that are subject to a senior construction loan agreement.

⁽³⁾ DSCR affected by non-recurring expenses during the year ended December 31, 2024.

⁽⁴⁾ DSCR affected by senior loan and Mezzanine Lending modifications.

Equity Investments in Multi-Family Entities

The Company owns, or owned, joint venture equity investments and a cross-collateralized mezzanine lending investment in entities that own multi-family properties. The Company determined that these entities are VIEs and that the Company is or was the primary beneficiary of all but two of these VIEs, resulting in consolidation of the VIEs where we are or were the primary beneficiary, including their assets, liabilities, income and expenses, in our consolidated financial statements in accordance with GAAP. We receive a preferred return and/or pro rata variable distributions from these investments and, in certain cases, management fees based upon property performance. We also will participate in allocation of excess cash upon sale of the multi-family real estate assets.

The Company repositioned its business through the opportunistic disposition over time of the Company's joint venture equity investments in multi-family properties and reallocation of its capital away from such assets to its targeted assets. Accordingly, the Company determined that certain joint venture equity investments met the criteria to be classified as held for sale and the assets and liabilities of the respective Consolidated VIEs are included in assets and liabilities of disposal group held for sale on the accompanying consolidated balance sheets as of December 31, 2025 and 2024. See *Note 9* for additional information. The Company's net equity in consolidated cross-collateralized mezzanine lending and joint venture equity investments and disposal group held for sale totaled \$136.1 million and \$153.7 million as of December 31, 2025 and 2024, respectively.

A reconciliation of our combined equity investments in consolidated multi-family properties, including one preferred equity investment in a Consolidated VIE, and in disposal group held for sale to our consolidated financial statements as of December 31, 2025 and 2024, respectively, is shown below (dollar amounts in thousands):

	December 31, 2025		December 31, 2024	
Cash and cash equivalents	\$	3,853	\$	4,151
Real estate, net		424,655		481,161
Assets of disposal group held for sale ⁽¹⁾		1,256		118,613
Other assets		26,667		16,696
Total assets	\$	456,431	\$	620,621
Mortgages payable on real estate, net ⁽²⁾	\$	332,131	\$	366,606
Liabilities of disposal group held for sale ⁽¹⁾		122		97,065
Other liabilities		9,533		10,621
Total liabilities	\$	341,786	\$	474,292
Redeemable non-controlling interest in Consolidated VIEs	\$	3,016	\$	12,359
Less: Cumulative adjustment of redeemable non-controlling interest to estimated redemption value		(42,222)		(40,675)
Non-controlling interest in Consolidated VIEs		(236)		1,887
Non-controlling interest in disposal group held for sale		610		2,044
Net equity investment ⁽³⁾		153,477		170,714
Less: Net equity in preferred equity investment in Consolidated VIE ⁽⁴⁾		(17,344)		(16,967)
Remaining net equity investment	\$	136,133	\$	153,747

⁽¹⁾ See Note 9 in the Notes to Consolidated Financial Statements for further information regarding our assets and liabilities of disposal group held for sale.

⁽²⁾ See Note 15 in the Notes to Consolidated Financial Statements for further information regarding our mortgages payable on real estate.

⁽³⁾ The Company's net equity investment as of December 31, 2025 consists of \$153.0 million of net equity investments in consolidated multi-family properties (including its preferred equity investment in a Consolidated VIE) and \$0.5 million of net equity investments in disposal group held for sale. The Company's net equity investment as of December 31, 2024 consists of \$151.2 million of net equity investments in consolidated multi-family properties (including its preferred equity investment in a Consolidated VIE) and \$19.5 million of net equity investments in disposal group held for sale.

⁽⁴⁾ See "Mezzanine Lending" above for description of preferred equity investment in Consolidated VIE.

Cross-Collateralized Mezzanine Lending Investment not in Disposal Group Held for Sale

As of December 31, 2025, the Company's net equity investment in consolidated multi-family properties not in disposal group held for sale of \$135.6 million consists of one cross-collateralized mezzanine lending investment that does not meet the criteria to be classified as disposal group held for sale. The entity has third-party investors that have the ability to sell their ownership interests to us, at their election once a year subject to annual minimum and maximum amount limitations, and we are obligated to purchase, subject to certain conditions, such interests for cash, representing redeemable non-controlling interests of approximately \$3.0 million as of December 31, 2025.

The geographic concentration of our cross-collateralized mezzanine lending investment in consolidated multi-family properties exceeding 5% of our total cross-collateralized mezzanine lending investment not in disposal group held for sale as of December 31, 2025 and 2024, respectively, are shown below (dollar amounts in thousands):

December 31, 2025					
State	Property Count	Total Equity Ownership Interest		Net Equity Investment ⁽¹⁾	Percentage of Total Net Equity Investment
Texas	4	70%	\$	38,997	48.0 %
Florida	1	50%	\$	16,360	20.2 %
Kentucky	1	70%	\$	11,443	14.1 %
Alabama	1	70%	\$	7,403	9.1 %
Tennessee	1	65%	\$	5,087	6.3 %

December 31, 2024					
State	Property Count	Total Equity Ownership Interest		Net Equity Investment ⁽¹⁾	Percentage of Total Net Equity Investment
Texas	5	70%	\$	50,505	54.7 %
Florida	1	50%	\$	15,868	17.2 %
Kentucky	1	70%	\$	11,310	12.2 %
Alabama	1	70%	\$	7,106	7.7 %
Tennessee	1	65%	\$	5,557	6.0 %

⁽¹⁾ Represents our cross-collateralized mezzanine lending investment net of redeemable non-controlling interest at its estimated redemption value.

Property Data for Cross-Collateralized Mezzanine Lending Investment not in Disposal Group Held for Sale

The following table provides summary information regarding the multi-family properties in our cross-collateralized mezzanine lending investment that is not in disposal group held for sale as of December 31, 2025.

Market	Property Count	Occupancy %	Units	Rent per Unit ⁽¹⁾	LTV ⁽²⁾
Collierville, TN	1	93.3 %	324	\$ 1,490	82.6 %
Dallas, TX	1	91.6 %	252	1,449	86.6 %
Houston, TX	1	91.1 %	192	1,392	79.0 %
Little Rock, AR	1	97.3 %	202	1,375	90.2 %
Louisville, KY	1	89.6 %	300	1,503	77.1 %
Montgomery, AL	1	94.5 %	252	1,120	86.4 %
San Antonio, TX	2	91.2 %	684	1,216	81.6 %
St Petersburg, FL	1	97.6 %	326	2,643	84.5 %
Total Count/Average	9	92.9 %	2,532	\$ 1,516	83.1 %

⁽¹⁾ Represents average monthly rent per unit.

⁽²⁾ Represents the weighted average LTV of the underlying properties utilizing combined maximum senior committed mortgage amount and preferred equity balances, if any, and the combined origination appraisal and capital expenditure budget or the most recent appraisal, as applicable.

Equity Investment in Constructive

On July 15, 2025, the Company acquired the outstanding membership interests in Constructive that were not previously owned by the Company. Prior to this date, the Company accounted for its investment in Constructive using the equity method and elected the fair value option. The following table summarizes our ownership interest in Constructive as of December 31, 2024 (dollar amounts in thousands).

	Strategy	Ownership Interest	Fair Value
Constructive Loans, LLC ⁽¹⁾	Residential Loans	50%	\$ 38,718

⁽¹⁾ On July 15, 2025, the Company acquired the outstanding membership interests in Constructive that were not previously owned by the Company.

Derivative Assets and Liabilities

The Company is exposed to certain risks arising from both its business operations and economic conditions. The Company enters into derivative instruments in connection with its risk management activities to manage exposure to changes in interest rates, market values, credit performance and broader geopolitical and market conditions affecting our assets and liabilities. The Company elected not to apply hedge accounting for its derivative instruments. Accordingly, all derivatives are recognized at fair value on the consolidated financial statements, and changes in fair value are recorded in current period earnings. Derivative instruments used by the Company may include interest rate swaps, interest rate caps, TBAs, credit default swaps, U.S. Treasury and commodity futures and options contracts such as options on credit default swap indices, equity index options, swaptions and options on futures. The Company may also invest in other types of mortgage derivative securities. Constructive may enter into certain interest rate lock commitments ("IRLCs") which represent a commitment to a particular interest rate provided the borrower is able to close the respective loan within a specified period.

The Company primarily uses interest rate swaps to hedge the variable cash flows associated with our variable-rate borrowings. Interest rate swaps generally involve the receipt of variable-rate amounts from a counterparty, based on SOFR, in exchange for the Company making fixed-rate payments over the life of the interest rate swap without exchange of the underlying notional amount. Notwithstanding the foregoing, in order to manage its position with regard to its liabilities, the Company may also enter into interest rate swaps which involve the receipt of fixed-rate amounts from a counterparty in exchange for the Company making variable-rate payments, based on SOFR, over the life of the interest rate swap without exchange of the underlying notional amount. The variable rate the Company pays or receives under its swap agreements has the effect of offsetting the repricing characteristics and cash flows of the Company's financing arrangements. The Company also has U.S. Treasury futures to manage exposure to changes in interest rate risk. U.S. Treasury future contracts obligate the Company to sell or buy U.S. Treasury securities for future delivery.

The Company may use TBAs to mitigate interest rate risk and also may invest in TBAs as a means of acquiring additional exposure to Agency fixed-rate RMBS. TBAs are forward contracts for the purchase ("long position") or sale ("short position") of Agency fixed-rate RMBS at a predetermined price, face amount, issuer, coupon, and stated maturity on an agreed-upon future date. The specific Agency RMBS delivered into or received from the contract upon settlement date, published each month by the Securities Industry and Financial Markets Association, are not known at the time of the transaction. The Company may also choose, prior to settlement, to move the settlement of these securities out to a later date by entering into an offsetting short or long position (referred to as a "pair off"), net settling the paired off positions for cash, simultaneously purchasing or selling a similar TBA contract for a later settlement date. This transaction is commonly referred to as a "dollar roll". The Agency RMBS purchased or sold for a forward settlement date are typically priced at a discount to Agency RMBS for settlement in the current month. This difference, or discount, is referred to as the "price drop". The price drop represents the economic equivalent of net interest income on the underlying Agency RMBS over the roll period (interest income less implied financing cost) and is commonly referred to as "dollar roll income/(loss)". Consequently, forward purchases of Agency RMBS and dollar roll transactions represent a form of off-balance sheet financing.

The Company may, from time to time, use other types of derivatives instruments such as commodity futures and options contracts to manage broader geopolitical and market risk. Commodity future contracts obligate the Company to sell or buy a specific quantity of the commodity at a predetermined price for future delivery. The Company has also purchased credit default swap index contracts under which a counterparty, in exchange for a premium, agrees to compensate the Company for the financial loss associated with the occurrence of a credit event in relation to a notional value of an index. The Company may purchase equity index put options that give the Company the right to sell or buy the underlying index at a specified strike price. The Company may also purchase credit default swap index options that allow the Company to enter into a fixed rate payor position in the underlying credit default swap index at the agreed-upon strike level.

The Company and Consolidated Real Estate VIEs may be required by lenders on certain repurchase agreement financing and variable-rate mortgages payable on real estate to enter into interest rate cap contracts. These interest rate cap contracts are with a counterparty that involve the receipt of variable-rate amounts from the counterparty if interest rates rise above the strike rate on the contract in exchange for an up-front premium. During the period these contracts are open, changes in the value of the contract are recognized as gains or losses on derivative instruments.

Debt

The Company's debt as of December 31, 2025 included senior unsecured notes and subordinated debentures.

Senior Unsecured Notes

The following table presents a summary of the Senior Unsecured Notes as of December 31, 2025 (dollar amounts in thousands):

	Outstanding Face Amount	Carrying Value	Interest Rate	Maturity Date	Optional Redemption Date
9.875% 2030 Senior Notes at fair value	\$ 115,000	\$ 118,496	9.875 %	October 1, 2030	October 1, 2027
9.125% 2030 Senior Notes at fair value	82,500	82,431	9.125 %	April 1, 2030	April 1, 2027
2029 Senior Notes at fair value	60,000	59,925	9.125 %	July 1, 2029	July 1, 2026
2026 Senior Notes at amortized cost, net ⁽¹⁾	100,000	99,585	5.75 %	April 30, 2026	April 30, 2023
Total Senior Unsecured Notes	\$ 357,500	\$ 360,437			

⁽¹⁾ The 2026 Senior Notes were issued at par and carry deferred charges resulting in a total cost to the Company of approximately 6.73%. These notes contain various covenants including the maintenance of a minimum net asset value, ratio of unencumbered assets to unsecured indebtedness and senior debt service coverage ratio. In addition, the 2026 Senior Notes limit the amount of Company leverage, net of cash held by the Company, to no more than eight times its equity and limit the Company's ability to transfer its assets substantially as an entirety or merge into or consolidate with another person. The Company redeemed its 2026 Senior Notes at 100% of the \$100.0 million principal amount plus accrued but unpaid interest to, but excluding, the redemption date, for a total payment of \$101.5 million on February 2, 2026.

Subordinated Debentures

As of December 31, 2025, certain of our wholly-owned subsidiaries had trust preferred securities outstanding of \$45.0 million with a weighted average interest rate of 7.85% which are due in 2035. The securities are fully guaranteed by us with respect to distributions and amounts payable upon liquidation, redemption or repayment. These securities are classified as subordinated debentures in the liability section of our consolidated balance sheets.

Balance Sheet Analysis - Company's Stockholders' Equity

The following table provides a summary of the Company's stockholders' equity at December 31, 2025 and 2024, respectively (dollar amounts in thousands):

	December 31, 2025	December 31, 2024
8.000% Series D Fixed-to-Floating Rate Cumulative Redeemable Preferred Stock	\$ 148,585	\$ 147,745
7.875% Series E Fixed-to-Floating Rate Cumulative Redeemable Preferred Stock	180,453	177,697
6.875% Series F Fixed-to-Floating Rate Cumulative Redeemable Preferred Stock	139,792	138,418
7.000% Series G Cumulative Redeemable Preferred Stock	71,642	71,585
Common stock	903	906
Additional paid-in capital	2,294,194	2,289,044
Accumulated deficit	(1,408,647)	(1,430,675)
Company's stockholders' equity	\$ 1,426,922	\$ 1,394,720

Liquidity and Capital Resources

General

Liquidity is a measure of our ability to meet potential cash requirements. Our short-term (the 12 months ending December 31, 2026) and long-term (beyond December 31, 2026) liquidity requirements include ongoing commitments to repay borrowings, fund and maintain investments, comply with margin requirements, fund our operations, pay dividends to our stockholders and other general business needs. Generally, our short-term and long-term liquidity needs are met by our existing cash balances and our investments and assets which generate liquidity on an ongoing basis through principal and interest payments, prepayments, net earnings retained prior to payment of dividends and distributions from equity investments. In addition, we may satisfy our short-term and/or long-term liquidity needs through the sale of assets from our investment portfolio, securities offerings or the securitization or collateralized financing of our assets.

We continue to seek out assets and markets that provide compelling risk-adjusted returns through residential loan repurchase agreement financing with terms of one year or more or sustainable non-mark-to-market financing arrangements, including securitizations and non-mark-to-market repurchase agreement or warehouse facility financing. Beginning in 2023 and through the year ended December 31, 2025, we have been expanding our holdings of Agency RMBS, which is more liquid than many if not all of the credit investments in our portfolio. To expand our Agency RMBS portfolio, we have utilized mark-to-market repurchase agreement financing with terms of 30 days to 90 days. As of December 31, 2025, the Company's portfolio recourse leverage ratio of 4.7x remains within our target range. As of December 31, 2025, 70% of our debt, excluding mortgages payable on real estate and Consolidated SLST CDOs, is subject to mark-to-market margin calls, with 61% of that debt collateralized by Agency RMBS, 6% collateralized by residential credit assets and 3% collateralized by U.S. Treasury securities. The remaining 30% has no exposure to collateral repricing by our counterparties.

We expect to continue to opportunistically dispose of assets from our portfolio and generate higher portfolio turnover in order to pursue investments across the residential housing sector. We focus on acquiring assets with less price sensitivity to credit deterioration that are capable of expanding our interest income, like Agency RMBS, and maintaining low duration credit exposure by purchasing business purpose loans. We also intend to maintain a solid position in unrestricted cash and remain committed to prudently managing our liabilities. At December 31, 2025, we had \$206.5 million of available cash and cash equivalents (excluding cash and cash equivalents held by Consolidated Real Estate VIEs), \$454.0 million of unencumbered investment securities (including the securities we own in Consolidated SLST) and \$54.4 million of unencumbered residential loans.

We historically have endeavored to fund our investments and operations through a balanced and diverse funding mix, including proceeds from the issuance of common and preferred equity and debt securities, short-term and longer-term repurchase agreements and warehouse facilities and CDOs. With respect to Consolidated Real Estate VIEs, the multi-family properties are encumbered by a senior mortgage loan. The type and terms of the ultimate financing used by us depends on the asset being financed and the financing available at the time of the financing. We have placed a greater emphasis on procuring, where appropriate, longer-termed and/or more committed financing arrangements for certain of our credit investments, such as securitizations, term financings and corporate debt securities that provide less or no exposure to fluctuations in the collateral repricing determinations of financing counterparties or rapid liquidity reductions in repurchase agreement financing markets. Although we expect our leverage to continue to move higher as we access additional liquidity and grow our investment portfolio further, we intend to continue to focus on procuring longer-term and non-mark-to-market financing arrangements for certain parts of our credit portfolio.

Based on current market conditions, our current investments, new investment initiatives, expectations to dispose of assets from time to time on terms favorable to us, leverage ratio and available and future possible financing arrangements, we believe our existing cash balances, funds available under our various financing arrangements and cash flows from operations will meet our liquidity requirements for at least the next 12 months. We will continue to explore additional financing arrangements to further strengthen our balance sheet and position ourselves for future investment opportunities, including, without limitation, additional issuances of our equity and debt securities and longer-termed financing arrangements; however, no assurance can be given that we will be able to access any such financing, or the size, timing or terms thereof.

Cash Flows and Liquidity for the Year Ended December 31, 2025

During the year ended December 31, 2025, net cash, cash equivalents and restricted cash increased by \$13.4 million.

Cash Flows from Operating Activities

We generated net cash flows from operating activities totaling \$134.0 million during the year ended December 31, 2025. Our cash flow provided by operating activities differs from our net income due to these primary factors: (i) differences between (a) accretion, amortization, depreciation and recognition of income and losses recorded with respect to our investments and (b) the cash received therefrom and (ii) unrealized gains and losses on our investments (including impairment of real estate).

Cash Flows Used in Investing Activities

During the year ended December 31, 2025, our net cash flows used in investing activities were \$2.9 billion, primarily as a result of purchases of investment securities, purchases and origination of residential loans held in our investment portfolio, net variation margin paid for derivative instruments and the acquisition of the outstanding ownership interests in Constructive that were not previously owned by the Company (net of cash and restricted cash acquired). This was partially offset by principal repayments received on residential loans, investment securities and preferred equity investments, net proceeds from the sale of investment securities, residential loans and real estate, net payments received from derivative instruments and return of capital from equity investments.

Although we generally intend to hold our assets as long-term investments, we may sell certain of these assets in order to manage our interest rate risk and liquidity needs, to meet other operating objectives or to adapt to market conditions. We cannot predict the timing and impact of future sales of assets, if any.

Because a portion of our assets are financed through repurchase agreements, warehouse facilities or CDOs, a portion of the proceeds from any sales of or principal repayments on our assets may be used to repay balances under these financing sources. Accordingly, all or a significant portion of cash flows from principal repayments received from residential loans, including residential loans held in Consolidated SLST, and proceeds from sales or principal paydowns received from investment securities available for sale were used to repay CDOs issued by the respective Consolidated VIEs or repurchase agreements (included as cash used in financing activities). Additionally, a significant portion of cash flows from the sale of real estate held in Consolidated VIEs, if any, were used to repay outstanding mortgages payable on real estate held in Consolidated VIEs.

Cash Flows from Financing Activities

During the year ended December 31, 2025, our net cash flows provided by financing activities were \$2.8 billion. The main sources of cash flows from financing activities were proceeds received from repurchase agreements and warehouse facilities and proceeds from the issuance of CDOs and senior unsecured notes. This was partially offset by paydowns on and extinguishment of CDOs, payments made on Consolidated SLST CDOs, net payments made on mortgages payable on real estate and dividend payments on both common and preferred stock.

Liquidity – Financing Arrangements

As of December 31, 2025, we have outstanding short-term repurchase agreement financing on our investment securities, a form of collateralized short-term financing, with multiple financial institutions. The repurchase agreements we use to finance our investment securities are secured by certain of our investment securities and bear interest rates that move in close relationship to SOFR. Any financings under these repurchase agreements are based on the fair value of the assets that serve as collateral under these agreements. Interest rate changes and increased prepayment activity can have a negative impact on the valuation of these securities, reducing the amount we can borrow under these agreements. Moreover, these repurchase agreements allow the counterparties to determine a new market value of the collateral to reflect current market conditions and because these lines of financing are not committed, the counterparty can effectively call the loan at any time. Market value of the collateral represents the price of such collateral obtained from generally recognized sources or the most recent closing bid quotation from such source plus accrued income. If a counterparty determines that the value of the collateral has decreased, the counterparty may initiate a margin call and require us to either post additional collateral to cover such decrease or repay a portion of the outstanding amount financed in cash, on minimal notice, and repurchase may be accelerated upon an event of default under the repurchase agreements. Moreover, in the event an existing counterparty elected to not renew the outstanding balance at its maturity into a new repurchase agreement, we would be required to repay the outstanding balance with cash or proceeds received from a new counterparty or to surrender the securities that serve as collateral for the outstanding balance, or any combination thereof. If we were unable to secure financing from a new counterparty and had to surrender the collateral, we would expect to incur a loss. In addition, in the event a repurchase agreement counterparty defaults on its obligation to “re-sell” or return to us the assets that are securing the financing at the end of the term of the repurchase agreement, we would incur a loss on the transaction equal to the amount of “haircut” associated with the short-term repurchase agreement, which we sometimes refer to as the “amount at risk.”

At December 31, 2025, we had longer-term repurchase agreements with initial terms of up to three years with multiple third-party financial institutions that are secured by certain of our residential loans, real estate owned and single-family rental properties in our investment portfolio. Also as of December 31, 2025, Constructive had outstanding short-term warehouse facilities of less than one year on residential loans held for sale. The outstanding financing under certain of these repurchase agreements and warehouse facilities is secured by the underlying residential loans and other related collateral and is subject to margin-type provisions that may require repayment of a portion of the borrowings or the posting of additional collateral if the market value of the collateral falls below specified levels or certain eligibility criteria are not met. See “Management’s Discussion and Analysis of Financial Condition and Results of Operations—Balance Sheet Analysis—Residential Loans, Real Estate Owned and Single-Family Rental Property Financing—Repurchase Agreements” for further information. During the terms of the repurchase agreements and warehouse facilities, proceeds from the residential loans, residential loans held for sale, real estate owned and single-family rental properties will be applied to pay any price differential, if applicable, and to reduce the aggregate repurchase price of the collateral. Repurchase of the residential loans, real estate owned and single-family rental properties financed by the repurchase agreements or repayment obligations under warehouse revolving facilities may be accelerated upon an event of default. The repurchase agreements and warehouse facilities secured by residential loans, residential loans held for sale, real estate owned and single-family rental properties contain various covenants, including among other things, the maintenance of certain amounts of liquidity and stockholders’ equity (as defined in the respective agreements). As of December 31, 2025, we had an aggregate amount at risk under repurchase agreements and warehouse facilities secured by residential loans, real estate owned and single-family rental properties of approximately \$133.8 million, which represents the difference between the carrying value of the collateral pledged and the outstanding balance of our repurchase agreements and warehouse facilities. Significant margin calls have had, and could in the future have, a material adverse effect on our results of operations, financial condition, business, liquidity and ability to make distributions to our stockholders. See “Liquidity and Capital Resources—General” above.

As of December 31, 2025, we had assets available to be posted as margin which included liquid assets, such as unrestricted cash and cash equivalents, and unencumbered investment securities that could be monetized to pay down or collateralize a liability immediately. As of December 31, 2025, we had \$206.5 million included in cash and cash equivalents and \$454.0 million in unencumbered investment securities available to meet additional haircuts or market valuation requirements. The unencumbered investment securities that we believe may be posted as margin as of December 31, 2025 included \$421.3 million of Agency RMBS and \$32.7 million of non-Agency RMBS (including an IO security we own in Consolidated SLST).

At December 31, 2025, the Company had \$100.0 million aggregate principal amount of 2026 Senior Notes outstanding. The 2026 Senior Notes were issued at 100% of the principal amount and bear interest at a rate equal to 5.75% per year (subject to adjustment from time to time based on changes in the ratings of the 2026 Senior Notes by one or more nationally recognized statistical rating organizations), payable semi-annually in arrears on April 30 and October 30 of each year, and mature on April 30, 2026, unless earlier redeemed. The Company has the right to redeem the 2026 Senior Notes, in whole or in part, prior to maturity, subject to a "make-whole" premium or other date-dependent multiples of principal amount redeemed. No sinking fund is provided for the 2026 Senior Notes. The Company's 2026 Senior Notes also contain various covenants including the maintenance of a minimum net asset value, ratio of unencumbered assets to unsecured indebtedness and senior debt service coverage ratio. In addition, the 2026 Senior Notes limit the amount of Company leverage, net of cash held by the Company, to no more than eight times its equity and limit the Company's ability to transfer its assets substantially as an entirety or merge into or consolidate with another person. On February 2, 2026, the Company redeemed the 2026 Senior Notes at 100% of the \$100.0 million principal amount plus accrued but unpaid interest to, but excluding, the redemption date, for a total payment of \$101.5 million.

At December 31, 2025, the Company had \$60.0 million aggregate principal amount of 2029 Senior Notes outstanding. The 2029 Senior Notes were issued at 100% of the principal amount and bear interest at a rate equal to 9.125% per year, payable quarterly in arrears on January 1, April 1, July 1, and October 1 of each year, beginning on October 1, 2024, and mature on July 1, 2029, unless earlier redeemed. The Company has the right to redeem the 2029 Senior Notes, in whole or in part, at any time on or after July 1, 2026, at a redemption price equal to 100% of the outstanding principal amount redeemed. No sinking fund is provided for the 2029 Senior Notes.

At December 31, 2025, the Company had \$82.5 million aggregate principal amount of 9.125% 2030 Senior Notes outstanding. The 9.125% 2030 Senior Notes were issued at 100% of the principal amount and bear interest at a rate equal to 9.125% per year, payable quarterly in arrears on January 1, April 1, July 1, and October 1 of each year, beginning on April 1, 2025, and mature on April 1, 2030, unless earlier redeemed. The Company has the right to redeem the 9.125% 2030 Senior Notes, in whole or in part, at any time on or after April 1, 2027, at a redemption price equal to 100% of the outstanding principal amount redeemed. No sinking fund is provided for the 9.125% 2030 Senior Notes.

At December 31, 2025, the Company had \$115.0 million aggregate principal amount of 9.875% 2030 Senior Notes outstanding. The 9.875% 2030 Senior Notes were issued at 100% of the principal amount and bear interest at a rate equal to 9.875% per year, payable quarterly in arrears on January 1, April 1, July 1 and October 1 of each year, beginning on October 1, 2025, and mature on October 1, 2030, unless earlier redeemed. The Company has the right to redeem the 9.875% 2030 Senior Notes, in whole or in part, at any time on or after October 1, 2027, at a redemption price equal to 100% of the outstanding principal amount redeemed. No sinking fund is provided for the 9.875% 2030 Senior Notes.

At December 31, 2025, we also had other longer-term debt which includes Company-sponsored residential loan securitization CDOs with a carrying value of \$2.4 billion and non-Agency RMBS re-securitization CDOs with a carrying value of \$65.3 million. We had 14 Company-sponsored securitizations with CDOs outstanding as of December 31, 2025. See *Note 14* to our consolidated financial statements included in this report for further discussion.

The real estate assets held by Consolidated Real Estate VIEs are subject to mortgages payable. We have no obligation for repayment of the mortgages payable but, with respect to certain of the mortgages payable, we may execute a guaranty related to commitment of bad acts and our equity investment may be lost or reduced to the extent a lender forecloses on the property.

As of December 31, 2025, our Company recourse leverage ratio, which represents our total outstanding recourse repurchase agreement financing and warehouse facility financing, subordinated debentures and senior unsecured notes divided by our total stockholders' equity, was approximately 5.0 to 1. Our Company recourse leverage ratio does not include outstanding non-recourse repurchase agreement financing, debt associated with CDOs or mortgages payable on real estate. As of December 31, 2025, our portfolio recourse leverage ratio, which represents our outstanding recourse repurchase agreement and warehouse facility financing divided by our total stockholders' equity, was approximately 4.7 to 1. We monitor all at risk or shorter-term financings to enable us to respond to market disruptions as they arise.

Liquidity – Hedging and Other Factors

Certain of our hedging instruments may also impact our liquidity. We may use interest rate swaps, interest rate caps, credit default swaps, U.S. Treasury and commodity futures and options contracts such as options on credit default swap indices, equity index options, swaptions and options on futures. We may also use TBAs or other futures contracts to hedge interest rate and market value risk associated with our investment portfolio.

With respect to interest rate swaps, credit default swaps, U.S. Treasury and commodity futures contracts and TBAs, initial margin deposits, which can be comprised of either cash or investment securities, may be made upon entering into these contracts. During the period these contracts are open, changes in the value of the contract are recognized as unrealized gains or losses by marking to market on a daily basis to reflect the market value of these contracts at the end of each day's trading. We may be required to satisfy variation margin payments periodically, depending upon whether unrealized gains or losses are incurred. In addition, because delivery of TBAs extend beyond the typical settlement dates for most non-derivative investments, these transactions are more prone to market fluctuations between the trade date and the ultimate settlement date, and thereby are more vulnerable to increasing amounts at risk with the applicable counterparties.

As it relates to the variable-rate mortgage payable in a Consolidated Real Estate VIE, the VIE may be required by the lender to enter into an interest rate cap contract. In addition, with respect to one of the Company's financings under repurchase agreements, the lender has, in the past, required the Company to enter into an interest rate cap contract. These interest rate cap contracts are with a counterparty that involve the receipt of variable-rate amounts from the counterparty if interest rates rise above the strike rate on the contract in exchange for an up-front premium. During the period these contracts are open, changes in the value of the contract are recognized as gains or losses on derivative instruments. The Consolidated Real Estate VIE that owns the multi-family property may be required to enter into a new interest rate cap contract upon its expiration and may require the Company to contribute additional capital to the respective VIE.

Liquidity—Securities Offerings

In addition to the financing arrangements described above under the caption "Liquidity—Financing Arrangements," we also rely on follow-on equity offerings of common and preferred stock, and may utilize from time to time debt securities offerings, as a source of both short-term and long-term liquidity. We also may generate liquidity through the sale of shares of our common stock or preferred stock in "at-the-market" equity offering programs pursuant to equity distribution agreements. During the year ended December 31, 2025, the Company issued 221,260 shares of Preferred Stock under the Preferred Equity Distribution Agreement at an average price of \$23.19 per share, resulting in total net proceeds to the Company of approximately \$5.1 million. As of December 31, 2025, approximately \$44.9 million of Preferred Stock remains available for issuance under the Preferred Equity Distribution Agreement. The Company also issued the 9.125% 2030 Senior Notes and the 9.875% 2030 Senior Notes in public offerings during the year ended December 31, 2025.

Preferred Stock and Common Stock Repurchase Programs

In March 2023, the Board of Directors approved a \$100.0 million preferred stock repurchase program. The program allows the Company to make repurchases of shares of preferred stock, from time to time, in open market transactions, through privately negotiated transactions or block trades or other means, in accordance with applicable securities laws and the rules and regulations of Nasdaq. The Company did not repurchase any shares of its preferred stock during the year ended December 31, 2025. As of December 31, 2025, \$97.6 million of the approved amount remained available for the repurchase of shares of preferred stock under the preferred stock repurchase program. The preferred stock repurchase program expires on March 31, 2027.

In February 2022, the Board of Directors approved a \$200.0 million common stock repurchase program. In March 2023, the Board of Directors approved an upsize of the common stock repurchase program to \$246.0 million. The program allows the Company to make repurchases of shares of common stock, from time to time, in open market transactions, through privately negotiated transactions or block trades or other means, in accordance with applicable securities laws and the rules and regulations of Nasdaq. During the year ended December 31, 2025, the Company repurchased 231,200 shares of its common stock pursuant to the common stock repurchase program for a total cost of approximately \$1.5 million, including fees and commissions paid to the broker, representing an average repurchase price of \$6.50 per common share. As of December 31, 2025, \$188.2 million of the approved amount remained available for the repurchase of shares of the Company's common stock under the common stock repurchase program. The common stock repurchase program expires on March 31, 2027.

Dividends

For information regarding the declaration and payment of dividends on our common stock and preferred stock for the periods covered by this report, please see *Note 18* to our consolidated financial statements included in this report.

Our Board of Directors will continue to evaluate our dividend policy each quarter and will make adjustments as necessary, based on our earnings and financial condition, capital requirements, maintenance of our REIT qualification, restrictions on making distributions under Maryland law and such other factors as our Board of Directors deems relevant. Our dividend policy does not constitute an obligation to pay dividends.

We intend to make distributions to our stockholders to comply with the various requirements to maintain our REIT status and to minimize or avoid corporate income tax and the nondeductible excise tax. However, differences in timing between the recognition of REIT taxable income and the actual receipt of cash could require us to sell assets or to borrow funds on a short-term basis to meet the REIT distribution requirements and to minimize or avoid corporate income tax and the nondeductible excise tax.

In the event we fail to pay dividends on our preferred stock, the Company would become subject to certain limitations on its ability to pay dividends or redeem or repurchase its common stock or preferred stock.

Commitment to Fund Business Purpose Loans

As of December 31, 2025, the Company had commitments to fund up to \$149.4 million of additional advances on existing business purpose loans. These commitments are generally subject to loan agreements with terms that must be met before we fund advances on the commitment. In addition, from time to time, Constructive makes short-term commitments to originate business purpose loans and such commitments totaled \$102.0 million as of December 31, 2025.

Repurchase Reserves for Origination Activity

As a seller of business purpose loans to third-party investors in the secondary market, Constructive may be required to repurchase or reimburse the investors for credit losses incurred on business purpose loans that fail to meet certain customary representations and warranties made in conjunction with sales of the loans. The loan repurchase reserve liability related to such customary representations and warranties is included in other liabilities on the accompanying consolidated balance sheets as of December 31, 2025.

Redeemable Non-Controlling Interest

Pursuant to the operating agreement for our cross-collateralized mezzanine lending investment, third party investors in this entity have the ability to sell their ownership interests to us, at their election once a year subject to annual minimum and maximum amount limitations, and we are obligated to purchase, subject to certain conditions, such interests for cash. See Note 7 to our consolidated financial statements included in this report for further discussion of redeemable non-controlling interest.

Summary of Material Contractual Obligations

The Company had the following material contractual obligations at December 31, 2025 (dollar amounts in thousands):

	<u>Less than 1 year</u>	<u>1 to 3 years</u>	<u>4 to 5 years</u>	<u>More than 5 years</u>	<u>Total</u>
Repurchase agreements ⁽¹⁾	\$ 6,792,542	\$ —	\$ —	\$ —	\$ 6,792,542
Subordinated debentures ⁽¹⁾	3,696	7,403	7,392	61,684	80,175
Senior unsecured notes ⁽¹⁾	127,234	48,719	289,521	—	465,474
Total contractual obligations ⁽²⁾	<u>\$ 6,923,472</u>	<u>\$ 56,122</u>	<u>\$ 296,913</u>	<u>\$ 61,684</u>	<u>\$ 7,338,191</u>

⁽¹⁾ Amounts include projected interest payments during the period. Projected interest payments are based on interest rates in effect and outstanding balances as of December 31, 2025.

⁽²⁾ We exclude our CDOs from the contractual obligations disclosed in the table above as this debt is non-recourse and not cross-collateralized and, therefore, must be satisfied exclusively from the proceeds of the residential loans and non-Agency RMBS held in securitization trusts. See Note 14 in the Notes to Consolidated Financial Statements for further information regarding our CDOs. We also exclude mortgages payable on real estate as they are non-recourse debt for which we have no obligation for repayment. See Note 15 in the Notes to Consolidated Financial Statements for further information regarding our mortgages payable on real estate.

In addition, pursuant to the operating agreement for our cross-collateralized mezzanine lending investment, subject to certain conditions, third party investors in this entity have the ability to sell their ownership interests to us, at their election, and we are obligated to purchase such interests for cash.

Item 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

This section should be read in conjunction with "Item 1A. Risk Factors" in this Annual Report on Form 10-K and our subsequent periodic reports filed with the SEC.

We seek to manage risks that we believe will impact our business including interest rates, liquidity, prepayments, credit quality and market value. When managing these risks we consider the impact on our assets, liabilities and derivative positions. While we do not seek to avoid risk completely, we believe the risk can be quantified from historical experience. We seek to actively manage that risk, to generate risk-adjusted total returns that we believe compensate us appropriately for those risks and to maintain capital levels consistent with the risks we take.

The following analysis includes forward-looking statements that assume that certain market conditions occur. Actual results may differ materially from these projections due to changes in our assets and borrowings mix and due to developments in the domestic and global financial, mortgage and real estate markets. Developments in the financial markets include the likelihood of changing interest rates and the relationship of various interest rates and their impact on our asset yields, cost of funds and cash flows. The analytical methods that we use to assess and mitigate these market risks should not be considered projections of future events or operating performance.

Interest Rate Risk

Interest rates are sensitive to many factors, including governmental, monetary or tax policies, domestic and international economic conditions, including inflation and deflation and political or regulatory matters beyond our control. Changes in interest rates affect, among other things, the value of the assets we manage and hold in our investment portfolio and the variable-rate borrowings and floating-rate preferred stock we use or issue to fund our operations and portfolio. Changes in interest rates also affect the interest rate swaps and caps, TBAs and other securities or instruments we may use to hedge our portfolio. As a result, our net interest income and adjusted net interest income are particularly affected by changes in interest rates.

For example, we hold residential loans and RMBS, some of which may have fixed rates or interest rates that adjust on various dates that are not synchronized to the adjustment dates on our repurchase agreements. In general, the re-pricing of our repurchase agreements and warehouse facilities occurs more quickly than the re-pricing of our variable-interest rate assets. Thus, it is likely that our floating rate financing, such as our repurchase agreements, may react to interest rates before our residential loans or RMBS because the weighted average next re-pricing dates on the related financing may have shorter time periods than that of the residential loans or RMBS. Moreover, changes in interest rates can directly impact prepayment speeds, thereby affecting our net return on residential loans and RMBS. During a declining interest rate environment, the prepayment of residential loans and RMBS may accelerate (as borrowers may opt to refinance at a lower interest rate) causing the amount of liabilities that have been extended by the use of repurchase agreements to increase relative to the amount of residential loans and RMBS, possibly resulting in a decline in our net return on residential loans and RMBS, as replacement residential loans and RMBS may have a lower yield than those being prepaid. Conversely, during an increasing interest rate environment, residential loans and RMBS may prepay more slowly than expected, requiring us to finance a higher amount of residential loans and RMBS than originally forecast and at a time when interest rates may be higher, resulting in a decline in our net return on residential loans and RMBS. Accordingly, each of these scenarios can negatively impact our net interest income and adjusted net interest income. In addition, when we purchase residential loans at a discount to par value, and borrowers then prepay at a slower rate than we expected, the decreased prepayments would result in a lower yield than expected on the asset and/or may result in a decline in the fair value of the residential loans.

We seek to manage interest rate risk in our portfolio by utilizing interest rate caps, interest rate swaps, swaptions, futures, options on futures and U.S. Treasury securities with the goal of optimizing earnings potential while seeking to maintain long term stable portfolio values. A consolidated multi-family property with variable-rate mortgages payable has entered into interest rate cap contracts as required by its mortgage loan agreement. The Company may also be required by lenders on repurchase agreements for residential loans to enter into interest rate cap contracts.

Constructive's primary exposure to interest rate risk arises from the impact of interest rate changes on its operating results and the fair value of its assets, including residential loans held for sale and IRLCs. In a declining interest rate environment, Constructive generally experiences higher loan origination volumes, improved gain on sale margins and increases in the fair value of its residential loans held for sale and IRLCs. Conversely, in a rising interest rate environment, loan origination volumes and gain on sale margins typically decline, and the fair value of these assets decreases, which can adversely affect Constructive's results of operations.

We utilize a model-based risk analysis system to assist in projecting interest rate-sensitive asset and liability performance over a scenario of different interest rates. Computation of the cash flows for interest rate-sensitive assets that may affect adjusted net interest income are based on assumptions related to, among other things, prepayment speeds, slope of the yield curve, and composition and size of our invested assets. Assumptions for interest rate-sensitive liabilities relate to, among other things, anticipated interest rates, collateral requirements as a percentage of repurchase agreement and warehouse facility financings and amounts and terms of borrowings. As these assumptions may not be realized, adjusted net interest income results may therefore be significantly different from the adjusted net interest income produced in our analyses. We also note that the uncertainty associated with the estimate of a change in adjusted net interest income is directly related to the size of interest rate move considered.

Based on the results of the model, the instantaneous changes in interest rates specified below would have had the following effect on adjusted net interest income based on our assets and liabilities as of December 31, 2025 (dollar amounts in thousands):

Changes in Interest Rates (basis points)		Changes in Adjusted Net Interest Income ⁽¹⁾⁽²⁾	
+200	\$		(135,741)
+100	\$		(67,840)
-100	\$		67,831
-200	\$		135,720

⁽¹⁾ Represents a non-GAAP financial measure. See Item 7, "Management's Discussion and Analysis of Financial Condition and Results of Operations — Non-GAAP Financial Measures" in this Annual Report on Form 10-K for a reconciliation of the Company's non-GAAP financial measures to their most directly comparable GAAP measure.

⁽²⁾ Certain assumptions have been made in connection with the calculation of the information set forth in the table and, as such, there can be no assurance that assumed events will occur or that other events will not occur that would affect the outcomes. The base interest rate scenario assumes interest rates as of December 31, 2025. This analysis utilizes assumptions and estimates based on management's judgment and experience. Future purchases and sales of assets could materially change our interest rate risk profile.

While this table reflects the estimated impact of interest rate changes on the static investment portfolio and residential loans held for sale, we actively manage our investments and continuously make adjustments to the size and composition of our asset and derivative hedge portfolios and interest-bearing liabilities. Actual results could differ significantly from those estimated in the table.

Interest rate changes may also impact our GAAP book value and adjusted book value as many of our assets and liabilities and related hedge derivatives, if any, are marked-to-market each quarter. Generally, as interest rates increase, the value of our mortgage-related assets decreases, and conversely, as interest rates decrease, the value of such investments will increase. Changes in interest rates would have the opposite impact on our liabilities at fair value. In general, we expect that, over time, changes in the net fair value of our net assets attributable to interest rate changes may be offset, to the degree we are hedged, by changes in the value of our interest rate swaps or other financial instruments used for hedging purposes. However, the relationship between spreads on our assets and liabilities and spreads on our hedging instruments may vary from time to time, resulting in a net aggregate GAAP book value and adjusted book value increase or decline. The floating rates that became or will become effective at the conclusion of the fixed rate period on our Series D Preferred Stock, Series E Preferred Stock and Series F Preferred Stock subject us to interest rate risk and could significantly increase the cost of dividends on such preferred stock. Such increased dividend costs could have an impact on net aggregate GAAP book value and adjusted book value and our ability to make distributions to our stockholders.

Our net interest income, adjusted net interest income and the fair value of our assets and our financing activities could be negatively affected by volatility in interest rates. A prolonged period of extremely volatile and unstable market conditions would likely increase our funding costs and negatively affect market risk mitigation strategies. Higher income volatility from changes in interest rates could cause a loss of future net interest income and adjusted net interest income and a decrease in current fair market values of our assets. Fluctuations in interest rates will impact both the level of income and expense recorded on most of our assets and liabilities and the market value of all or substantially all of our interest-earning assets and interest-bearing liabilities, which in turn could have a material adverse effect on our net income, operating results, or financial condition.

Liquidity Risk

Liquidity is a measure of our ability to meet potential cash requirements, including ongoing commitments to repay borrowings, fund and maintain investments, pay dividends to our stockholders and other general business needs. The primary liquidity risk we face arises from financing long-maturity assets with shorter-term financings. We recognize the need to have funds available to operate our business. We manage and forecast our liquidity needs and sources daily to ensure that we have adequate liquidity at all times. We plan to meet liquidity through normal operations with the goal of avoiding unplanned sales of assets or emergency borrowing of funds.

We are subject to "margin call" risk on a significant portion of our repurchase agreements, warehouse facilities and derivative instruments. In the event the value of our assets pledged as collateral or the value of our derivative instruments suddenly decrease, margin calls could increase, causing an adverse change in our liquidity position. Additionally, if one or more of our repurchase agreement or warehouse facility counterparties chooses not to provide ongoing funding, we may be unable to replace the financing through other lenders on favorable terms or at all.

We also utilize longer-termed and/or more committed financing arrangements for certain of our credit investments, such as securitizations, term financings and corporate debt securities that provide less or no exposure to fluctuations in the collateral repricing determinations of financing counterparties or rapid liquidity reductions in repurchase agreement financing markets. These financings may at times involve greater expense relative to repurchase agreement funding. We provide no assurance that we will be able in the future to access sources of capital that are attractive to us, that we will be able to roll over or replace our repurchase agreements or other financing instruments as they mature from time to time in the future or that we otherwise will not need to resort to unplanned sales of assets to provide liquidity in the future. See Item 7. "Management's Discussion and Analysis of Financial Condition and Results of Operations — Liquidity and Capital Resources" and the other information in this Annual Report on Form 10-K for further information about our liquidity and capital resource management.

Prepayment Risk

When borrowers repay the principal on their residential loans before maturity or faster than their scheduled amortization, the effect is to shorten the period over which interest is earned, and therefore, reduce the yield for residential mortgage assets purchased at a premium to their then current balance. Conversely, residential mortgage assets purchased for less than their then current balance, such as many of our residential loans, may exhibit higher yields due to faster prepayments. Furthermore, actual prepayment speeds may differ from our modeled prepayment speed projections impacting the effectiveness of any hedges we may have in place to mitigate financing and/or fair value risk. Generally, when market interest rates decline, borrowers have a tendency to refinance their mortgages, thereby increasing prepayments. Therefore, increased prepayments on our investments may accelerate the redeployment of our capital to generally lower yielding investments. Similarly, decreased prepayments are generally associated with increasing market interest rates and may slow our ability to redeploy capital to generally higher-yielding investments.

Our modeled prepayments will help determine the amount of hedging we use to offset changes in interest rates. If actual prepayment rates are higher than modeled, the yield will be less than modeled in cases where we paid a premium for the particular residential mortgage asset. Conversely, when we have paid a premium, if actual prepayment rates experienced are slower than modeled, we would amortize the premium over a longer time period, resulting in a higher yield to maturity.

In an environment of increasing prepayment speeds, the timing difference between the actual cash receipt of principal paydowns and the announcement of the principal paydowns may result in additional margin requirements from our repurchase agreement counterparties.

We mitigate prepayment risk by constantly evaluating our residential mortgage assets relative to prepayment speeds observed for assets with similar structures, quantities and characteristics. Furthermore, we stress-test the portfolio as to prepayment speeds and interest rate risk in order to further develop or make modifications to our hedge balances. Historically, we have not hedged 100% of our liability costs due to prepayment risk.

Credit Risk

Credit risk is the risk that we will not fully collect the principal we have invested in our credit sensitive assets, including residential loans, non-Agency RMBS, preferred equity and mezzanine loan and joint venture equity investments, due to borrower defaults or defaults by our operating partners in their payment obligations to us. In selecting credit sensitive assets, we seek to identify and invest in assets with characteristics that we believe offset or limit our exposure to defaults.

We seek to manage credit risk through our pre-acquisition or pre-funding due diligence process, and by factoring projected credit losses into the purchase price we pay or loan terms we negotiate for all of our credit sensitive assets. In general, we evaluate relative valuation, supply and demand trends, prepayment rates, delinquency and default rates, vintage of collateral and macroeconomic factors as part of this process. Nevertheless, these procedures provide no assurance that we will not experience unanticipated credit losses which would materially affect our operating results. We also manage credit risk with credit default swaps on corporate bond indices for which the Company buys credit protection and pays periodic payments at fixed rates to credit protection sellers, in return for compensation for default (or similar credit event) by a reference index.

Recent inflationary pressures have caused, and a possible economic recession or stagnation in the U.S. in the near future may cause, an increase in the credit risk of our credit sensitive assets. We would expect delinquencies, defaults and requests for forbearance arrangements to rise should savings, incomes and revenues of renters, borrowers, operating partners and other businesses become increasingly constrained from a slow-down in economic activity. Any future period of payment deferrals, forbearance, delinquencies, defaults, foreclosures or losses will likely adversely affect our net interest income and adjusted net interest income from our residential loans, RMBS investments and multi-family loans and rental income and reduce the distributions we receive from our Mezzanine Lending and cross-collateralized mezzanine lending investments in multi-family apartment communities, the fair value of these assets, our ability to liquidate the collateral that may underlie these investments or obtain additional financing and the future profitability of our investments. Further, in the event of delinquencies, defaults and foreclosure, regulatory changes and policies designed to protect borrowers and renters may slow or prevent us from taking remediation actions or optimizing a resolution for or exit from the asset.

We purchase certain residential loans at a discount to par, reflecting a perceived higher risk of default. In connection with our loan acquisitions, we or a third-party due diligence firm perform an independent review of the mortgage file to assess the state of mortgage loan files, the servicing of the mortgage loan, compliance with existing guidelines, as well as our ability to enforce the contractual rights in the mortgage. We also obtain certain representations and warranties from each seller with respect to the mortgage loans, as well as the enforceability of the lien on the mortgaged property. A seller who breaches these representations and warranties may be obligated to repurchase the loan from us. In addition, as part of our process, we focus on selecting a servicer with the appropriate expertise to mitigate losses and maximize our overall return on these residential loans. This involves, among other things, performing due diligence on the servicer prior to their engagement, assigning the appropriate servicer for each loan based on certain characteristics and monitoring each servicer's performance on an ongoing basis.

Investments in non-Agency RMBS, CMBS and ABS also contain credit risk. These investments typically consist of either the senior, mezzanine or subordinate tranches in securitizations. The underlying collateral of these securitizations may be exposed to various macroeconomic and asset-specific credit risks. These securities have varying levels of credit enhancement which provide some structural protection from losses within the securitization. We undertake an in-depth assessment of the underlying collateral and securitization structure when investing in these assets, which may include modeling defaults, prepayments and losses across different scenarios. In addition, we are exposed to credit risk in our Mezzanine Lending and cross-collateralized mezzanine lending investments in owners of multi-family properties. The performance and value of these investments depend upon the applicable operating partner's or borrower's ability to effectively operate the multi-family properties that serve as the underlying collateral to produce cash flows adequate to pay distributions, interest or principal due to us or other investors or lenders. The Company monitors the performance and credit quality of the underlying assets in which it invests or that serve as collateral for its investments. In connection with these types of investments by us in multi-family properties, the procedures for ongoing monitoring include financial statement analysis and regularly scheduled site inspections of portfolio properties to assess property physical condition, performance of on-site staff and competitive activity in the sub-market. We also formulate annual budgets and performance goals alongside our operating partners for use in measuring the ongoing investment performance and credit quality of our investments. Additionally, the Company's Mezzanine Lending and cross-collateralized mezzanine lending investments typically provide us with various rights and remedies to protect our investment.

Constructive is also exposed to credit risk through its origination and sale of business purpose loans. This risk arises from potential borrower defaults while loans are held for sale. Although Constructive sells these loans to third-party investors in the secondary market without recourse, it provides customary representations and warranties regarding borrower credit information, loan documentation, and collateral quality. If these representations are breached, or if early payment defaults occur, Constructive may be required to repurchase the affected loans or indemnify investors for losses. Constructive records a provision for potential losses associated with these obligations based on historical experience and management's assessment of incurred losses on previously sold loans that remain outstanding. The extent of such losses is influenced by economic conditions, housing market trends, investor repurchase practices, interest rate movements and the types of loans that are held for sale. We believe Constructive's disciplined underwriting standards, which emphasize borrower credit quality, collateral valuation, and adherence to investor guidelines, mitigate these risks and support the credit quality of its loan production.

Fair Value Risk

Changes in interest rates, market liquidity, credit quality and other factors also expose us to market value (fair value) fluctuation on our assets, liabilities and hedges. For certain of our credit sensitive assets, fair values may only be derived or estimated for these investments using various valuation techniques, such as computing the present value of estimated future cash flows using discount rates commensurate with the risks involved. However, the determination of estimated future cash flows is inherently subjective and imprecise and extremely volatile periods or disruptions in the market, such as during the severe market disruption that occurred in 2020 or the current volatile market environment, make such estimates and assumptions inherently less certain. As a result, we believe our market value (fair value) risk has significantly increased. Minor changes in assumptions or estimation methodologies can have a material effect on these derived or estimated fair values.

Our fair value estimates and assumptions are indicative of the interest rate and business environments as of December 31, 2025 and do not take into consideration the effects of subsequent changes. The following describes the methods and assumptions we use in estimating fair values of our financial instruments:

Fair value estimates are made as of a specific point in time based on estimates using present value or other valuation techniques. These techniques involve uncertainties and are significantly affected by the assumptions used and the judgments made regarding risk characteristics of various financial instruments, discount rates, estimate of future cash flows, future expected loss experience and other factors.

Changes in assumptions could significantly affect these estimates and the resulting fair values. Derived fair value estimates cannot be substantiated by comparison to independent markets and, in many cases, could not be realized in an immediate sale of the instrument. Also, because of differences in methodologies and assumptions used to estimate fair values, the fair values used by us should not be compared to those of other companies.

The table below presents the sensitivity of the fair value of our net assets as of December 31, 2025, using a discounted cash flow simulation model assuming an instantaneous interest rate shift. Application of this method results in an estimation of the fair market value change of our assets, liabilities and hedging instruments per 100 basis point shift in interest rates.

This analysis also takes into consideration the value of options embedded in certain of our assets including constraints on the re-pricing of the interest rate of assets resulting from periodic and lifetime cap features, as well as prepayment options. Assets and liabilities that are not interest rate-sensitive such as cash, payment receivables, prepaid expenses, payables and accrued expenses are excluded.

Changes in assumptions including, but not limited to, volatility, mortgage and financing spreads, prepayment behavior, credit conditions, defaults, as well as the timing and level of interest rate changes will affect the results of the model. Therefore, actual results are likely to vary from modeled results.

Fair Value Changes	
Changes in Interest Rates	Percentage Change in Portfolio Fair Value ⁽¹⁾
(basis points)	
+200	(2.23)%
+100	(1.59)%
Base	—
-100	0.30%
-200	0.79%

⁽¹⁾ Includes residential loans, residential loans held for sale, Mezzanine Lending investments, investment securities, interest rate-sensitive derivatives, mortgage servicing rights, residential loan securitizations, non-Agency RMBS re-securitization and senior unsecured notes at fair value.

Although the use of a model to perform market value sensitivity analysis is widely accepted as a tool in identifying potential risk in a changing interest rate environment, it should be noted that the model does not take into consideration changes that may occur such as, but not limited to, changes in asset composition, financing strategies, market spreads, business volumes or overall market liquidity. Accordingly, we make extensive use of an earnings simulation model to further analyze our level of interest rate risk.

Capital Market Risk

We are exposed to risks related to the equity capital markets, and our related ability to raise capital through the issuance of our common stock, preferred stock or other equity instruments. We are also exposed to risks related to the debt capital markets, and our related ability to finance our business through credit facilities or other debt instruments. As a REIT, we are required to distribute a significant portion of our taxable income annually, which constrains our ability to accumulate operating cash flow and therefore may require us to utilize debt or equity capital to finance our business. We seek to mitigate these risks by monitoring the debt and equity capital markets to inform our decisions on the amount, timing, and terms of capital we raise. Based on the currently uncertain market environment, we expect the capital markets to remain volatile and uncertain at varying levels for the near future and this may adversely affect our ability to access capital to fund our operations, meet our obligations and make distributions to our stockholders.

Item 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

Our financial statements and the related notes, together with the Report of Independent Registered Public Accounting Firm thereon, as required by this Item 8, are set forth beginning on page F-1 of this Annual Report on Form 10-K and are incorporated herein by reference.

Item 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

None.

Item 9A. CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures. We maintain disclosure controls and procedures that are designed to ensure that information required to be disclosed in the reports that we file or submit under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the rules and forms of the SEC, and that such information is accumulated and communicated to our management as appropriate to allow timely decisions regarding required disclosures. An evaluation was performed under the supervision and with the participation of our management, including our principal executive officer and principal financial officer, of the effectiveness of our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act) as of December 31, 2025. Based upon that evaluation, our principal executive officer and principal financial officer concluded that our disclosure controls and procedures were effective as of December 31, 2025.

Management's Report on Internal Control Over Financial Reporting. Our management is responsible for establishing and maintaining adequate internal control over financial reporting, as such term is defined in Exchange Act Rule 13a-15(f). Our internal control system was designed to provide reasonable assurance to our management and Board of Directors regarding the reliability, preparation and fair presentation of published financial statements in accordance with GAAP. Under the supervision and with the participation of our management, including our principal executive officer and principal financial officer, we conducted an evaluation of the effectiveness of our internal control over financial reporting based on the framework issued by the Committee of Sponsoring Organizations of the Treadway Commission in *Internal Control - Integrated Framework (2013)* (the "COSO framework"). Based on our evaluation under the COSO framework, our management concluded that our internal control over financial reporting was effective as of December 31, 2025.

The effectiveness of our internal control over financial reporting as of December 31, 2025 has been audited by Grant Thornton LLP, an independent registered public accounting firm, as stated in their report which appears in Item 15(a) of this Annual Report on Form 10-K and is incorporated by reference herein.

Changes in Internal Control Over Financial Reporting. There have been no changes in our internal control over financial reporting during the quarter ended December 31, 2025 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Inherent Limitations on Effectiveness of Controls. Our management, including our principal executive officer and principal financial officer, does not expect that our disclosure controls or our internal control over financial reporting will prevent or detect all error and all fraud. A control system, no matter how well designed and operated, can provide only reasonable, not absolute, assurance that the control system's objectives will be met. The design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs. Further, because of the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that misstatements due to error or fraud will not occur or that all control issues and instances of fraud, if any, have been detected. These inherent limitations include the realities that judgments in decision-making can be faulty and that breakdowns can occur because of simple error or mistake. Controls can also be circumvented by the individual acts of some persons, by collusion of two or more people, or by management override of the controls. The design of any system of controls is based in part on certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions. Projections of any evaluation of controls effectiveness to future periods are subject to risks. Over time, controls may become inadequate because of changes in conditions or deterioration in the degree of compliance with policies or procedures.

Item 9B. OTHER INFORMATION

None.

Item 9C. DISCLOSURE REGARDING FOREIGN JURISDICTIONS THAT PREVENT INSPECTIONS

Not applicable.

PART III

Item 10. *DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE*

The information required by this item is included in our Proxy Statement for our 2026 Annual Meeting of Stockholders to be filed with the SEC within 120 days after the end of the fiscal year ended December 31, 2025 (the “2026 Proxy Statement”) and is incorporated herein by reference.

Item 11. *EXECUTIVE COMPENSATION*

The information required by this item is included in the 2026 Proxy Statement and is incorporated herein by reference.

Item 12. *SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS*

Except as set forth below, the information required by this item is included in the 2026 Proxy Statement and is incorporated herein by reference.

The information presented under the heading “Market for Registrant’s Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities — Securities Authorized for Issuance Under Equity Compensation Plans” in Item 5 of Part II of this Form 10-K is incorporated herein by reference.

Item 13. *CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE*

The information required by this item is included in the 2026 Proxy Statement and is incorporated herein by reference.

Item 14. *PRINCIPAL ACCOUNTANT FEES AND SERVICES*

The information required by this item is included in the 2026 Proxy Statement and is incorporated herein by reference.

PART IV

Item 15. EXHIBITS AND FINANCIAL STATEMENT SCHEDULES

(a) Financial Statements.

See the accompanying Index to Financial Statement Schedule on Page F-1.

(b) Exhibits.

EXHIBIT INDEX

Exhibits: The exhibits required by Item 601 of Regulation S-K are listed below.

Exhibit	Description
3.1	Articles of Amendment and Restatement of the Company, as amended (Incorporated by reference to Exhibit 3.1 to the Company's Quarterly Report on Form 10-Q filed with the Securities and Exchange Commission on November 4, 2025).
3.2	Fourth Amended and Restated Bylaws of the Company (Incorporated by reference to Exhibit 3.2 of the Company's Current Report on Form 8-K filed with the Securities and Exchange Commission on September 2, 2025).
3.3	Articles Supplementary designating the Company's 7.75% Series B Cumulative Redeemable Preferred Stock (the "Series B Preferred Stock") (Incorporated by reference to Exhibit 3.3 to the Company's Registration Statement on Form 8-A filed with the Securities and Exchange Commission on May 31, 2013).
3.4	Articles Supplementary classifying and designating 2,550,000 additional shares of the Series B Preferred Stock (Incorporated by reference to Exhibit 3.1 to the Company's Current Report on Form 8-K filed with the Securities and Exchange Commission on March 20, 2015).
3.5	Articles Supplementary classifying and designating the Company's 7.875% Series C Cumulative Redeemable Preferred Stock (the "Series C Preferred Stock") (Incorporated by reference to Exhibit 3.5 to the Company's Registration Statement on Form 8-A filed with the Securities and Exchange Commission on April 21, 2015).
3.6	Articles Supplementary classifying and designating the Company's 8.00% Series D Fixed-to-Floating Rate Cumulative Redeemable Preferred Stock (the "Series D Preferred Stock") (Incorporated by reference to Exhibit 3.6 to the Company's Registration Statement on Form 8-A filed with the Securities and Exchange Commission on October 10, 2017).
3.7	Articles Supplementary classifying and designating 2,460,000 additional shares of the Series C Preferred Stock (Incorporated by reference to Exhibit 3.1 of the Company's Current Report on Form 8-K filed with the Securities and Exchange Commission on March 29, 2019).
3.8	Articles Supplementary classifying and designating 2,650,000 additional shares of the Series D Preferred Stock (Incorporated by reference to Exhibit 3.3 of the Company's Current Report on Form 8-K filed with the Securities and Exchange Commission on March 29, 2019).
3.9	Articles Supplementary classifying and designating the Company's 7.875% Series E Fixed-to-Floating Rate Cumulative Redeemable Preferred Stock (the "Series E Preferred Stock") (Incorporated by reference to Exhibit 3.9 to the Company's Registration Statement on Form 8-A filed with the Securities and Exchange Commission on October 15, 2019).
3.10	Articles Supplementary classifying and designating 3,000,000 additional shares of the Series E Preferred Stock (Incorporated by reference to Exhibit 3.1 of the Company's Current Report on Form 8-K filed with the Securities and Exchange Commission on November 27, 2019).

3.11	Articles Supplementary classifying and designating the Company's 6.875% Series F Fixed-to-Floating Rate Cumulative Redeemable Preferred Stock (the "Series F Preferred Stock") (Incorporated by reference to Exhibit 3.9 to the Company's Registration Statement on Form 8-A filed with the Securities and Exchange Commission on July 6, 2021).
3.12	Articles Supplementary reclassifying and designating 6,600,000 authorized but unissued shares of the Series C Preferred Stock as additional shares of undesignated preferred stock, \$0.01 par value per share, of the Company (Incorporated by reference to Exhibit 3.1 of the Company's Current Report on Form 8-K filed with the Securities and Exchange Commission on August 5, 2021).
3.13	Articles Supplementary classifying and designating 2,000,000 additional shares of the Series F Preferred Stock (Incorporated by reference to Exhibit 3.1 of the Company's Current Report on Form 8-K filed with the Securities and Exchange Commission on August 11, 2021).
3.14	Articles Supplementary classifying and designating the Company's 7.000% Series G Cumulative Redeemable Preferred Stock (the "Series G Preferred Stock") (Incorporated by reference to Exhibit 3.10 to the Company's Registration Statement on Form 8-A filed with the Securities and Exchange Commission on November 23, 2021).
3.15	Articles Supplementary reclassifying and designating 6,000,000 authorized but unissued shares of the Series B Preferred Stock as additional shares of undesignated preferred stock, \$0.01 par value per share, of the Company (Incorporated by reference to Exhibit 3.1 of the Company's Current Report on Form 8-K filed with the Securities and Exchange Commission on December 23, 2021).
3.16	Articles Supplementary classifying and designating 2,000,000 additional shares of the Series G Preferred Stock (Incorporated by reference to Exhibit 3.1 of the Company's Current Report on Form 8-K filed with the Securities and Exchange Commission on March 2, 2022).
3.17	Articles of Amendment effecting the change of the name of the Company (Incorporated by reference to Exhibit 3.1 of the Company's Current Report on Form 8-K filed with the Securities and Exchange Commission on September 2, 2025).
4.1	Form of Common Stock Certificate (Incorporated by reference to Exhibit 4.1 to the Company's Registration Statement on Form S-11 (Registration No. 333-111668) filed with the Securities and Exchange Commission on June 18, 2004).
4.2	Form of Certificate representing the Series D Preferred Stock (Incorporated by reference to Exhibit 3.7 to the Company's Registration Statement on Form 8-A filed with the Securities and Exchange Commission on October 10, 2017).
4.3	Form of Certificate representing the Series E Preferred Stock (Incorporated by reference to Exhibit 3.10 to the Company's Registration Statement on Form 8-A filed with the Securities and Exchange Commission on October 15, 2019).
4.4	Form of Certificate representing the Series F Preferred Stock (Incorporated by reference to Exhibit 3.10 to the Company's Registration Statement on Form 8-A filed with the Securities and Exchange Commission on July 6, 2021).
4.5	Form of Certificate representing the Series G Preferred Stock (Incorporated by reference to Exhibit 3.11 to the Company's Registration Statement on Form 8-A filed with the Securities and Exchange Commission on November 23, 2021).
4.6	Indenture, dated January 23, 2017, between the Company and U.S. Bank National Association, as trustee (Incorporated by reference to Exhibit 4.1 to the Company's Current Report on Form 8-K filed with the Securities and Exchange Commission on January 23, 2017).
4.7	Indenture, dated as of April 27, 2021, between the Company and UMB Bank National Association, as trustee (Incorporated by reference to Exhibit 4.1 to the Company's Current Report on Form 8-K filed with the Securities and Exchange Commission on April 27, 2021).
4.8	Form of 5.75% Senior Notes due 2026 (Incorporated by reference to Exhibit 4.2 to the Company's Current Report on Form 8-K filed with the Securities and Exchange Commission on April 27, 2021).
4.9	Second Supplemental Indenture, dated as of June 28, 2024, between the Company and U.S. Bank Trust Company, National Association, as trustee (Incorporated by reference to Exhibit 4.9 to the Company's Registration Statement on Form 8-A filed with the Securities and Exchange Commission on June 28, 2024).

4.10	Form of 9.125% Senior Notes due 2029 (Incorporated by reference to Exhibit 4.10 to the Company's Registration Statement on Form 8-A filed with the Securities and Exchange Commission on June 28, 2024).
4.11	Third Supplemental Indenture, dated as of January 14, 2025, between the Company and U.S. Bank Trust Company, National Association, as trustee (Incorporated by reference to Exhibit 4.11 to the Company's Registration Statement on Form 8-A filed with the Securities and Exchange Commission on January 14, 2025).
4.12	Form of 9.125% Senior Notes due 2030 (Incorporated by reference to Exhibit 4.12 to the Company's Registration Statement on Form 8-A filed with the Securities and Exchange Commission on January 14, 2025).
4.13	Supplemental Indenture, dated June 12, 2025, between the Company and UMB Bank National Association, as trustee (Incorporated by reference to Exhibit 4.1 to the Company's Current Report on Form 8-K filed with the Securities and Exchange Commission on June 13, 2025).
4.14	Fourth Supplemental Indenture, dated July 8, 2025, between the Company and U.S. Bank Trust Company, National Association, as trustee (Incorporated by reference to Exhibit 4.14 to the Company's Registration Statement on Form 8-A filed with the Securities and Exchange Commission on July 8, 2025).
4.15	Form of 9.875% Senior Notes Due 2030 of the Company (Incorporated by reference to Exhibit 4.15 to the Company's Registration Statement on Form 8-A filed with the Securities and Exchange Commission on July 8, 2025).
4.16	Fifth Supplemental Indenture, dated January 13, 2026, between the Company and U.S. Bank Trust Company, National Association, as trustee (Incorporated by reference to Exhibit 4.16 to the Company's Registration Statement on Form 8-A filed with the Securities and Exchange Commission on January 13, 2026).
4.17	Form of 9.250% Senior Notes Due 2031 of the Company (Incorporated by reference to Exhibit 4.17 to the Company's Registration Statement on Form 8-A filed with the Securities and Exchange Commission on January 13, 2026).
	<i>Certain instruments defining the rights of holders of long-term debt securities of the Company and its subsidiaries are omitted pursuant to Item 601(b)(4)(iii) of Regulation S-K. The Company hereby undertakes to furnish to the Securities and Exchange Commission, upon request, copies of any such instruments.</i>
4.18*	Description of the Company's securities under Section 12 of the Exchange Act.
10.1†	The Company's 2017 Equity Incentive Plan (Incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed with the Securities and Exchange Commission on May 15, 2017).
10.2†	Amendment No. 1 to the Company's 2017 Equity Incentive Plan (Incorporated by reference to Exhibit 10.2 to the Company's Current Report on Form 8-K filed with the Securities and Exchange Commission on June 28, 2019).
10.3†	Amendment No. 2 to the Company's 2017 Equity Incentive Plan (Incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed with the Securities and Exchange Commission on June 14, 2021).
10.4†	Form of Restricted Stock Award Agreement for Officers (Incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed with the Securities and Exchange Commission on July 14, 2009).
10.5†	Form of Restricted Stock Award Agreement for Directors (Incorporated by reference to Exhibit 10.2 to the Company's Current Report on Form 8-K filed with the Securities and Exchange Commission on July 14, 2009).
10.6†	Amended and Restated Employment Agreement, dated as of November 3, 2025, between the Company and Jason T. Serrano (Incorporated by reference to Exhibit 10.1 to the Company's Quarterly Report on Form 10-Q filed with the Securities and Exchange Commission on November 4, 2025).
10.7†	Amended and Restated Employment Agreement, dated as of November 3, 2025, between the Company and Kristine R. Nario-Eng (Incorporated by reference to Exhibit 10.2 to the Company's Quarterly Report on Form 10-Q filed with the Securities and Exchange Commission on November 4, 2025).

10.8†	Amended and Restated Employment Agreement, dated as of November 3, 2025, between the Company and Nicholas Mah (Incorporated by reference to Exhibit 10.3 to the Company's Quarterly Report on Form 10-Q filed with the Securities and Exchange Commission on November 4, 2025).
10.9†	The Company's Amended and Restated 2019 Annual Incentive Plan (Incorporated by reference to Exhibit 10.1 to the Company's Quarterly Report on Form 10-Q filed with the Securities and Exchange Commission on May 5, 2019).
10.10†	The Company's 2020 Annual Incentive Plan (Incorporated by reference to Exhibit 10.12 to the Company's Annual Report on Form 10-K filed with the Securities and Exchange Commission on February 28, 2020).
10.11†	Form of 2020 Restricted Stock Unit Award Agreement (Incorporated by reference to Exhibit 10.14 to the Company's Annual Report on Form 10-K filed with the Securities and Exchange Commission on February 28, 2020).
10.12†	Form of Restricted Stock Award Agreement for Employees (Incorporated by reference to Exhibit 10.15 to the Company's Annual Report on Form 10-K filed with the Securities and Exchange Commission on February 28, 2020).
10.13†	Form of 2021 Performance Stock Unit Award Agreement (Incorporated by reference to Exhibit 10.14 to the Company's Annual Report on Form 10-K filed with the Securities and Exchange Commission on February 26, 2021).
10.14†	Form of 2021 Restricted Stock Unit Award Agreement (Incorporated by reference to Exhibit 10.15 to the Company's Annual Report on Form 10-K filed with the Securities and Exchange Commission on February 26, 2021).
10.15†	The Company's 2021 Annual Incentive Plan (Incorporated by reference to Exhibit 10.3 to the Company's Quarterly Report on Form 10-Q filed with the Securities and Exchange Commission on May 7, 2021).
10.16†	Form of 2022 Restricted Stock Award Agreement (Incorporated by reference to Exhibit 10.19 to the Company's Annual Report on Form 10-K filed with the Securities and Exchange Commission on February 25, 2022).
10.17†	Form of 2022 Performance Stock Unit Award Agreement (Incorporated by reference to Exhibit 10.20 to the Company's Annual Report on Form 10-K filed with the Securities and Exchange Commission on February 25, 2022).
10.18†	Form of 2022 Restricted Stock Unit Award Agreement (Incorporated by reference to Exhibit 10.21 to the Company's Annual Report on Form 10-K filed with the Securities and Exchange Commission on February 25, 2022).
10.19†	The Company's 2022 Annual Incentive Plan (Incorporated by reference to Exhibit 10.22 to the Company's Annual Report on Form 10-K filed with the Securities and Exchange Commission on February 25, 2022).
10.20†	Form of 2023 Restricted Stock Award Agreement (Incorporated by reference to Exhibit 10.23 to the Company's Annual Report on Form 10-K filed with the Securities and Exchange Commission on February 24, 2023).
10.21†	Form of 2023 Performance Stock Unit Award Agreement (Incorporated by reference to Exhibit 10.1 to the Company's Quarterly Report on Form 10-Q filed with the Securities and Exchange Commission on May 5, 2023).
10.22†	Form of 2023 Restricted Stock Unit Award Agreement (Incorporated by reference to Exhibit 10.2 to the Company's Quarterly Report on Form 10-Q filed with the Securities and Exchange Commission on May 5, 2023).
10.23†	The Company's 2023 Annual Incentive Plan (Incorporated by reference to Exhibit 10.3 to the Company's Quarterly Report on Form 10-Q filed with the Securities and Exchange Commission on May 5, 2023).

10.24 †	Form of 2024 Restricted Stock Award Agreement (Incorporated by reference to Exhibit 10.28 of the Company's Annual Report on Form 10-K filed with the Securities and Exchange Commission on February 23, 2024).
10.25 †	Form of 2024 Performance Stock Unit Award Agreement (Incorporated by reference to Exhibit 10.1 of the Company's Quarterly Report on Form 10-Q filed with the Securities and Exchange Commission on May 3, 2024).
10.26 †	Form of 2024 Restricted Stock Unit Award Agreement (Incorporated by reference to Exhibit 10.2 of the Company's Quarterly Report on Form 10-Q filed with the Securities and Exchange Commission on May 3, 2024).
10.27 †	The Company's 2024 Annual Incentive Plan (Incorporated by reference to Exhibit 10.3 of the Company's Quarterly Report on Form 10-Q filed with the Securities and Exchange Commission on May 3, 2024).
10.28 †	Form of 2024 Deferred Stock Unit Agreement (Incorporated by reference to Exhibit 10.1 of the Company's Quarterly Report on Form 10-Q filed with the Securities and Exchange Commission on November 1, 2024).
10.29 †	Form of 2025 Performance Stock Unit Award Agreement. (Incorporated by reference to Exhibit 10.32 to the Company's Annual Report on Form 10-K filed with the Securities and Exchange Commission on February 21, 2025).
10.30 †	Form of 2025 Restricted Stock Unit Award Agreement. (Incorporated by reference to Exhibit 10.33 to the Company's Annual Report on Form 10-K filed with the Securities and Exchange Commission on February 21, 2025).
10.31 †	The Company's 2025 Annual Incentive Plan. (Incorporated by reference to Exhibit 10.34 to the Company's Annual Report on Form 10-K filed with the Securities and Exchange Commission on February 21, 2025).
10.32 †	Form of 2025 Deferred Stock Unit Agreement (Incorporated by reference to Exhibit 10.1 to the Company's Quarterly Report on Form 10-Q filed with the Securities and Exchange Commission on August 1, 2025).
10.33 *†	Form of 2026 Performance Stock Unit Award Agreement.
10.34 *†	Form of 2026 Restricted Stock Unit Award Agreement.
10.35 *†	The Company's 2026 Annual Incentive Plan.
10.36 †	Form of Indemnification Agreement (Incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed with the Securities and Exchange Commission on April 23, 2020).

19.1*	Insider Trading Policy.
21.1*	List of Subsidiaries of the Registrant.
23.1*	Consent of Independent Registered Public Accounting Firm (Grant Thornton LLP).
31.1*	Certification of the Chief Executive Officer Pursuant to Rule 13a-14(a)/15d-14(a) of the Securities Exchange Act of 1934, as amended, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2*	Certification of the Chief Financial Officer Pursuant to Rule 13a-14(a)/15d-14(a) of the Securities Exchange Act of 1934, as amended, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32.1**	Certification Pursuant to 18 U.S.C. 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
97.1†	Policy Relating to Recovery of Erroneously Awarded Compensation (Incorporated by reference to Exhibit 97.1 to the Company's Annual Report on Form 10-K as filed with the Securities and Exchange Commission on February 23, 2024).
99.1	Equity Distribution Agreement, dated August 10, 2021, by and between the Company and B. Riley Securities, Inc. (Incorporated by reference to Exhibit 1.1 to the Company's Current Report on Form 8-K filed with the Securities and Exchange Commission on August 11, 2021).
99.2	Equity Distribution Agreement, dated June 13, 2025, by and between the Company and JonesTrading Institutional Services LLC (Incorporated by reference to Exhibit 1.1 to the Company's Current Report on Form 8-K filed with the Securities and Exchange Commission on June 13, 2025).
101.INS***	XBRL Instance Document
101.SCH***	Taxonomy Extension Schema Document
101.CAL***	Taxonomy Extension Calculation Linkbase Document
101.DE XBRL***	Taxonomy Extension Definition Linkbase Document
101.LAB***	Taxonomy Extension Label Linkbase Document
101.PRE***	Taxonomy Extension Presentation Linkbase Document
104	Cover Page Interactive Data File-the cover page XBRL tags are embedded within the Inline XBRL document

† Management contract or compensatory plan or arrangement.

* Filed herewith.

** Furnished herewith. Such certification shall not be deemed "filed" for the purposes of Section 18 of the Securities Exchange Act of 1934, as amended.

*** Submitted electronically herewith. Attached as Exhibit 101 to this report are the following documents formatted in XBRL (Extensible Business Reporting Language): (i) Consolidated Balance Sheets at December 31, 2025 and 2024; (ii) Consolidated Statements of Operations for the years ended December 31, 2025, 2024 and 2023; (iii) Consolidated Statements of Comprehensive Income (Loss) for the years ended December 31, 2025, 2024 and 2023; (iv) Consolidated Statements of Changes in Stockholders' Equity for the years ended December 31, 2025, 2024 and 2023; (v) Consolidated Statements of Cash Flows for the years ended December 31, 2025, 2024 and 2023; and (vi) Notes to Consolidated Financial Statements.

Item 16. FORM 10-K SUMMARY

None.

SIGNATURES

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

Date: February 20, 2026 By: /s/ Jason T. Serrano
Jason T. Serrano
Chief Executive Officer
(Principal Executive Officer)

Date: February 20, 2026 By: /s/ Kristine R. Nario-Eng
Kristine R. Nario-Eng
Chief Financial Officer
(Principal Financial and Accounting Officer)

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

Signature	Title	Date
<u>/s/ Jason T. Serrano</u> Jason T. Serrano	Chief Executive Officer and Director (Principal Executive Officer)	February 20, 2026
<u>/s/ Kristine R. Nario-Eng</u> Kristine R. Nario-Eng	Chief Financial Officer (Principal Financial and Accounting Officer)	February 20, 2026
<u>/s/ Steven R. Mumma</u> Steven R. Mumma	Chairman of the Board	February 20, 2026
<u>/s/ Eugenia R. Cheng</u> Eugenia R. Cheng	Director	February 20, 2026
<u>/s/ Michael B. Clement</u> Michael B. Clement	Director	February 20, 2026
<u>/s/ Audrey E. Greenberg</u> Audrey E. Greenberg	Director	February 20, 2026
<u>/s/ Steven G. Norcutt</u> Steven G. Norcutt	Director	February 20, 2026
<u>/s/ Lisa A. Pendergast</u> Lisa A. Pendergast	Director	February 20, 2026

ADAMAS TRUST, INC. AND SUBSIDIARIES
CONSOLIDATED FINANCIAL STATEMENTS
AND
REPORTS OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

For Inclusion in Form 10-K

Filed with
United States Securities and Exchange Commission

December 31, 2025

ADAMAS TRUST, INC. AND SUBSIDIARIES

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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

Board of Directors and Stockholders
Adamus Trust, Inc.

Opinion on the financial statements

We have audited the accompanying consolidated balance sheets of Adamus Trust, Inc. (formerly known as, New York Mortgage Trust, Inc.) (a Maryland corporation) and subsidiaries (the “Company”) as of December 31, 2025 and 2024, the related consolidated statements of comprehensive income (loss), changes in stockholders’ equity, and cash flows for each of the three years in the period ended December 31, 2025, and the related notes and financial statement schedules included under Item 15(a) (collectively referred to as the “consolidated financial statements”). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2025 and 2024, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2025, in conformity with accounting principles generally accepted in the United States of America.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (“PCAOB”), the Company’s internal control over financial reporting as of December 31, 2025, based on criteria established in the 2013 Internal Control—Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (“COSO”), and our report dated February 20, 2026 expressed an unqualified opinion.

Basis for opinion

These consolidated financial statements are the responsibility of the Company’s management. Our responsibility is to express an opinion on the Company’s consolidated financial statements based on our audits. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

Critical audit matters

The critical audit matters communicated below are matters arising from the current period audit of the financial statements that were communicated or required to be communicated to the audit committee and that: (1) relate to accounts or disclosures that are material to the financial statements and (2) involved our especially challenging, subjective, or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the financial statements, taken as a whole, and we are not, by communicating the critical audit matters below, providing separate opinions on the critical audit matters or on the accounts or disclosures to which they relate.

Fair value measurements of residential loans held by the Company and residential loans held by securitization trusts

As described further in Notes 2, 4 and 17 to the consolidated financial statements, the Company’s residential loans, at fair value includes residential loans held by the Company and residential loans held by securitization trusts (“Residential Loans”). These consist of performing, re-performing and non-performing residential loans and business purpose loans, which are presented at fair value pursuant to a fair value election in accordance with ASC 825, Financial Instruments. The Company determines the fair value measurement using valuations obtained from a third-party that specializes in providing valuations of residential loans and using transaction prices for certain originated loans. We identified the fair value measurement of Residential Loans based on valuations provided by a third-party specialist as a critical audit matter.

The principal considerations for our determination that the fair value measurement of Residential Loans was a critical audit matter are that the assets are priced using unobservable inputs. As such, management makes judgments with respect to the significant assumptions to determine fair value, which may include lifetime conditional prepayment rate, default rate, loss severity, yield and property values, among others. The significant assumptions used in the valuation are sensitive to variation and underlying market conditions, such that minor changes can cause significant changes in the estimates. As a result, the evaluation of the significant assumptions required significant auditor judgment.

Our audit procedures related to the fair value measurement of Residential Loans included the following, among others:

- We tested the design and operating effectiveness of relevant controls performed by management relating to the fair value measurement of Residential Loans.
- With assistance of valuation specialists, we tested the reasonableness of property values used by management under the liquidation model for a sample of Residential Loans.
- We also involved valuation specialists to independently determine a range of fair value estimates of the Residential Loans and compared them to management's fair value measurement for reasonableness.

Fair value measurements of certain interest only and first loss subordinated securities issued by Freddie Mac-sponsored residential loan securitization entities ("Consolidated SLST") holding residential loans

As described further in Notes 2, 4 and 17 to the consolidated financial statements, the Company owns investment securities, including interest only and first loss subordinated securities which are recorded at fair value on a recurring basis. Some of these investment securities result in the consolidation of the underlying securitization entities as required by Accounting Standards Codification 810, Consolidation. The Company has elected to account for the consolidated securitization entities as Collateralized Finance Entities ("CFEs") and has elected to measure the financial assets of its CFEs using the fair value of the financial liabilities issued by those entities, which management has determined to be more observable. The interest only and first loss subordinated securities issued by Consolidated SLST, are priced individually by the Company utilizing discounted cash flow valuation techniques. We identified the fair value measurement of these interest-only and first loss subordinated securities in Consolidated SLST ("SLST Investments") as a critical audit matter.

The principal considerations for our determination that the fair value measurement of SLST Investments is a critical audit matter are that there is limited observable market data available for these SLST Investments. As such, fair value measurement requires management to make judgments in order to identify and select the significant assumptions, which may include the yield, collateral prepayment rate, collateral default rate and loss severity. In addition, the significant assumptions used in the valuation are sensitive to variation and underlying market conditions, such that minor change can cause significant changes in the estimates. As a result, the evaluation of the significant assumptions required subjective and complex auditor judgement.

Our audit procedures related to the fair value measurement of SLST Investments included the following, among others:

- We tested the design and operating effectiveness of relevant controls performed by management relating to the fair value measurement of the SLST Investments.
- We also involved a valuation specialist to independently determine a range of fair value estimates of the SLST Investments and compared them to management's fair value measurement for reasonableness.

/s/ GRANT THORNTON LLP

We have served as the Company's auditor since 2009.

Philadelphia, Pennsylvania
February 20, 2026

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

Board of Directors and Stockholders
Adamas Trust, Inc.

Opinion on internal control over financial reporting

We have audited the internal control over financial reporting of Adamas Trust, Inc. (formerly known as, New York Mortgage Trust, Inc.) (a Maryland corporation) and subsidiaries (the "Company") as of December 31, 2025, based on criteria established in the 2013 Internal Control—Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission ("COSO"). In our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2025, based on criteria established in the 2013 Internal Control—Integrated Framework issued by COSO.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) ("PCAOB"), the consolidated financial statements of the Company as of and for the year ended December 31, 2025, and our report dated February 20, 2026 expressed an unqualified opinion on those financial statements.

Basis for opinion

The Company's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Management's Report on Internal Control Over Financial Reporting. Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

Definition and limitations of internal control over financial reporting

A company's internal control over financial reporting is a process designed 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. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

/s/ GRANT THORNTON LLP

Philadelphia, Pennsylvania
February 20, 2026

ADAMAS TRUST, INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(Dollar amounts in thousands, except share data)

	December 31, 2025	December 31, 2024
ASSETS		
Investment securities available for sale, at fair value	\$ 6,904,781	\$ 3,828,544
Residential loans, at fair value	4,358,175	3,841,738
Residential loans held for sale, at fair value	80,707	—
Multi-family loans, at fair value	55,476	86,192
Equity investments, at fair value	24,711	113,492
Cash and cash equivalents	210,333	167,422
Real estate, net	553,496	623,407
Assets of disposal group held for sale	1,256	118,613
Goodwill	22,396	—
Other assets	427,516	437,874
Total Assets ⁽¹⁾	\$ 12,638,847	\$ 9,217,282
LIABILITIES AND EQUITY		
Liabilities:		
Repurchase agreements and warehouse facilities	\$ 6,753,417	\$ 4,012,225
Collateralized debt obligations (\$3,148,157 at fair value and \$363,645 at amortized cost, net as of December 31, 2025 and \$2,135,680 at fair value and \$842,764 at amortized cost, net as of December 31, 2024)	3,511,802	2,978,444
Senior unsecured notes (\$260,852 at fair value and \$99,585 at amortized cost, net as of December 31, 2025 and \$60,310 at fair value and \$98,886 at amortized cost, net as of December 31, 2024)	360,437	159,196
Subordinated debentures	45,000	45,000
Mortgages payable on real estate, net	332,131	366,606
Liabilities of disposal group held for sale	122	97,065
Other liabilities	205,501	147,612
Total liabilities ⁽¹⁾	11,208,410	7,806,148
Commitments and Contingencies (See Note 16)		
Redeemable Non-Controlling Interest in Consolidated Variable Interest Entities	3,016	12,359
Stockholders' Equity:		
Preferred stock, par value \$0.01 per share, 31,500,000 shares authorized, 22,385,674 and 22,164,414 shares issued and outstanding as of December 31, 2025 and December 31, 2024, respectively (\$559,642 and \$554,110 aggregate liquidation preference as of December 31, 2025 and December 31, 2024, respectively)	540,472	535,445
Common stock, par value \$0.01 per share, 200,000,000 shares authorized, 90,303,863 and 90,574,996 shares issued and outstanding as of December 31, 2025 and December 31, 2024, respectively	903	906
Additional paid-in capital	2,294,194	2,289,044
Accumulated other comprehensive loss	—	—
Accumulated deficit	(1,408,647)	(1,430,675)
Company's stockholders' equity	1,426,922	1,394,720
Non-controlling interests	499	4,055
Total equity	1,427,421	1,398,775
Total Liabilities and Equity	\$ 12,638,847	\$ 9,217,282

⁽¹⁾ Our consolidated balance sheets include assets and liabilities of consolidated variable interest entities ("VIEs") as the Company is the primary beneficiary of these VIEs. As of December 31, 2025 and December 31, 2024, assets of consolidated VIEs totaled \$4,367,560 and \$3,988,584, respectively, and the liabilities of consolidated VIEs totaled \$3,881,273 and \$3,477,211, respectively. See Note 7 for further discussion.

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

ADAMAS TRUST, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS
(Amounts in thousands, except per share data)

	For the Years Ended December 31,		
	2025	2024	2023
NET INTEREST INCOME:			
Interest income	\$ 601,948	\$ 401,280	\$ 258,660
Interest expense	452,647	317,425	192,134
Total net interest income	149,301	83,855	66,526
NET LOSS FROM REAL ESTATE:			
Rental income	66,025	112,488	141,057
Other real estate income	10,309	20,151	30,717
Total income from real estate	76,334	132,639	171,774
Interest expense, mortgages payable on real estate	21,581	60,232	90,221
Depreciation and amortization	23,125	39,822	24,620
Other real estate expenses	44,045	75,426	88,235
Total expenses related to real estate	88,751	175,480	203,076
Total net loss from real estate	(12,417)	(42,841)	(31,302)
OTHER INCOME (LOSS):			
Realized losses, net	(65,428)	(29,351)	(27,059)
Unrealized gains (losses), net	217,395	(90,530)	97,196
(Losses) gains on derivative instruments, net	(58,303)	95,996	(26,378)
Mortgage banking activities, net	26,621	—	—
(Loss) income from equity investments	(3,168)	16,011	17,785
Impairment of real estate	(9,767)	(48,875)	(89,548)
Loss on reclassification of disposal group	—	(14,636)	(16,163)
Other income	16,509	29,149	4,736
Total other income (loss)	123,859	(42,236)	(39,431)
GENERAL, ADMINISTRATIVE AND OPERATING EXPENSES:			
General and administrative expenses	72,656	48,672	49,565
Portfolio operating expenses	28,011	30,688	23,952
Loan origination costs	8,101	—	—
Financing transaction costs	14,173	12,335	—
Total general, administrative and operating expenses	122,941	91,695	73,517
INCOME (LOSS) FROM OPERATIONS BEFORE INCOME TAXES	137,802	(92,917)	(77,724)
Income tax expense	145	1,036	75
NET INCOME (LOSS)	137,657	(93,953)	(77,799)
Net loss attributable to non-controlling interests	11,391	31,924	29,134
NET INCOME (LOSS) ATTRIBUTABLE TO COMPANY	149,048	(62,029)	(48,665)
Preferred stock dividends	(47,942)	(41,756)	(41,837)
Gain on repurchase of preferred stock	—	—	467
NET INCOME (LOSS) ATTRIBUTABLE TO COMPANY'S COMMON STOCKHOLDERS	\$ 101,106	\$ (103,785)	\$ (90,035)
Basic earnings (loss) per common share	\$ 1.12	\$ (1.14)	\$ (0.99)
Diluted earnings (loss) per common share	\$ 1.10	\$ (1.14)	\$ (0.99)
Weighted average shares outstanding-basic	90,427	90,815	91,042
Weighted average shares outstanding-diluted	91,510	90,815	91,042

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

ADAMAS TRUST, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)
(Dollar amounts in thousands)

	For the Years Ended December 31,		
	2025	2024	2023
NET INCOME (LOSS) ATTRIBUTABLE TO COMPANY'S COMMON STOCKHOLDERS	\$ 101,106	\$ (103,785)	\$ (90,035)
OTHER COMPREHENSIVE INCOME			
Increase in fair value of available for sale securities	—	—	144
Reclassification adjustment for net loss included in net loss	—	4	1,822
TOTAL OTHER COMPREHENSIVE INCOME	—	4	1,966
COMPREHENSIVE INCOME (LOSS) ATTRIBUTABLE TO COMPANY'S COMMON STOCKHOLDERS	<u>\$ 101,106</u>	<u>\$ (103,781)</u>	<u>\$ (88,069)</u>

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

ADAMAS TRUST, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY
For the Years Ended December 31, 2025, 2024 and 2023
(Dollar amounts in thousands)

	Common Stock	Preferred Stock	Additional Paid-In Capital	Retained Earnings (Accumulated Deficit)	Accumulated Other Comprehensive Income (Loss)	Total Company Stockholders' Equity	Non-Controlling Interest in Consolidated VIE	Total
Balance, December 31, 2022	\$ 912	\$ 538,351	\$ 2,282,691	\$ (1,052,768)	\$ (1,970)	\$ 1,767,216	\$ 33,092	\$ 1,800,308
Net loss (\$17,067) allocated to redeemable non-controlling interest)	—	—	—	(48,665)	—	(48,665)	(12,067)	(60,732)
Common stock repurchases	(9)	—	(8,606)	—	—	(8,615)	—	(8,615)
Preferred stock repurchases	—	(2,906)	—	467	—	(2,439)	—	(2,439)
Stock based compensation expense, net	4	—	8,821	—	—	8,825	—	8,825
Dividends declared on common stock	—	—	—	(109,279)	—	(109,279)	—	(109,279)
Dividends declared on preferred stock	—	—	—	(41,837)	—	(41,837)	—	(41,837)
Dividends attributable to dividend equivalents	—	—	—	(1,735)	—	(1,735)	—	(1,735)
Reclassification adjustment for net loss included in net loss	—	—	—	—	1,822	1,822	—	1,822
Increase in fair value of available for sale securities	—	—	—	—	144	144	—	144
Increase in non-controlling interest related to initial consolidation of VIEs	—	—	—	—	—	—	3,790	3,790
Contributions of non-controlling interest in Consolidated VIEs	—	—	—	—	—	—	997	997
Decrease in non-controlling interest related to distributions from Consolidated VIEs	—	—	—	—	—	—	(5,359)	(5,359)
Adjustment of redeemable non-controlling interest to estimated redemption value	—	—	14,175	—	—	14,175	—	14,175
Balance, December 31, 2023	\$ 907	\$ 535,445	\$ 2,297,081	\$ (1,253,817)	\$ (4)	\$ 1,579,612	\$ 20,453	\$ 1,600,065
Net loss (\$16,926) allocated to redeemable non-controlling interest)	—	—	—	(62,029)	—	(62,029)	(14,998)	(77,027)
Common stock repurchases	(6)	—	(3,487)	—	—	(3,493)	—	(3,493)
Stock based compensation expense, net	5	—	6,063	—	—	6,068	—	6,068
Dividends declared on common stock	—	—	—	(72,596)	—	(72,596)	—	(72,596)
Dividends declared on preferred stock	—	—	—	(41,756)	—	(41,756)	—	(41,756)
Dividends attributable to dividend equivalents	—	—	—	(477)	—	(477)	—	(477)
Reclassification adjustment for net loss included in net loss	—	—	—	—	4	4	—	4

Increase in non-controlling interest related to de-consolidation of VIEs	—	—	—	—	—	—	1,730	1,730
Contributions of non-controlling interest in Consolidated VIEs	—	—	—	—	—	—	516	516
Decrease in non-controlling interest related to distributions from Consolidated VIEs	—	—	—	—	—	—	(3,646)	(3,646)
Adjustment of redeemable non-controlling interest to estimated redemption value	—	—	(10,613)	—	—	(10,613)	—	(10,613)
Balance, December 31, 2024	\$ 906	\$ 535,445	\$ 2,289,044	\$ (1,430,675)	\$ —	\$ 1,394,720	\$ 4,055	\$ 1,398,775
Net income (loss) (\$19,603) allocated to redeemable non-controlling interest	—	—	—	149,048	—	149,048	(1,788)	147,260
Preferred stock issuance, net	—	5,027	—	—	—	5,027	—	5,027
Common stock repurchases	(2)	—	(1,500)	—	—	(1,502)	—	(1,502)
Stock based compensation (benefit) expense, net	(1)	—	8,198	—	—	8,197	—	8,197
Dividends declared on common stock	—	—	—	(77,711)	—	(77,711)	—	(77,711)
Dividends declared on preferred stock	—	—	—	(47,942)	—	(47,942)	—	(47,942)
Dividends attributable to dividend equivalents	—	—	—	(1,367)	—	(1,367)	—	(1,367)
Contributions of non-controlling interest in Consolidated VIEs	—	—	—	—	—	—	1,028	1,028
Decrease in non-controlling interest related to distributions from Consolidated VIEs	—	—	—	—	—	—	(2,796)	(2,796)
Adjustment of redeemable non-controlling interest to estimated redemption value	—	—	(1,548)	—	—	(1,548)	—	(1,548)
Balance, December 31, 2025	\$ 903	\$ 540,472	\$ 2,294,194	\$ (1,408,647)	\$ —	\$ 1,426,922	\$ 499	\$ 1,427,421

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

ADAMAS TRUST, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Dollar amounts in thousands)

	For the Years Ended December 31,		
	2025	2024	2023
Cash Flows from Operating Activities:			
Net income (loss)	\$ 137,657	\$ (93,953)	\$ (77,799)
Adjustments to reconcile net income (loss) to net cash provided by operating activities:			
Net amortization	16,579	20,219	27,500
Depreciation and amortization expense related to operating real estate	23,125	39,822	24,620
Realized losses, net	65,428	29,351	27,059
Unrealized (gains) losses, net	(217,395)	90,530	(97,196)
Losses (gains) on derivative investments, net	58,303	(95,996)	26,378
Other gains, net	(98)	(31,086)	(3,967)
Gains on residential loans held for sale, net	(14,443)	—	—
Originations of residential loans held for sale	(432,719)	—	—
Repurchases of residential loans	(4,738)	—	—
Proceeds from sales and repayments of residential loans held for sale	450,175	—	—
Impairment of real estate	9,767	48,875	89,548
Loss on reclassification of disposal group	—	14,636	16,163
Income from preferred equity, mezzanine loan and equity investments	(5,426)	(26,796)	(28,774)
Distributions of income from preferred equity, mezzanine loan and equity investments	25,441	24,222	26,076
Stock based compensation expense, net	8,197	6,068	8,825
Cash reclassified from assets of disposal group held for sale	1,951	3,215	8,267
Changes in operating assets and liabilities	12,236	(15,036)	(16,747)
Net cash provided by operating activities	<u>134,040</u>	<u>14,071</u>	<u>29,953</u>
Cash Flows from Investing Activities:			
Acquisition of businesses, net of cash and restricted cash acquired	(16,733)	—	—
Proceeds from sales of investment securities	724,474	5,284	64,690
Principal paydowns received on investment securities	696,455	296,611	56,459
Purchases of investment securities	(4,363,994)	(2,210,935)	(2,014,385)
Principal repayments received on residential loans	1,428,808	1,147,168	1,062,247
Proceeds from sales of residential loans	169,850	162,883	25,144
Purchases and originations of residential loans	(1,733,373)	(1,883,708)	(612,784)
Principal repayments received on preferred equity and mezzanine loan investments	29,250	5,100	8,460
Return of capital from equity investments	33,150	25,061	74,275
Funding of preferred equity, mezzanine loan and equity investments	(413)	(1,498)	(52,400)
Cash received from initial consolidation of VIEs	—	—	102
Proceeds from sales of joint venture equity investments in VIEs	500	2,050	—
Decrease in cash from de-consolidation of Consolidated VIEs	—	(3,956)	—
Net variation margin (paid) received for derivative instruments	(70,124)	70,656	(27,447)
Net payments received from derivative instruments	24,847	29,691	24,215
Net proceeds from sale of real estate	201,358	157,203	221,968
Purchases of and capital expenditures on real estate	(8,154)	(24,647)	(50,412)
Purchases of investments held in Consolidated SLST	(12,179)	(9,857)	—
Purchases of mortgage servicing rights	—	(9,470)	—
Purchases of other assets	(845)	(2,071)	(63)
Net cash used in investing activities	<u>(2,897,123)</u>	<u>(2,244,435)</u>	<u>(1,219,931)</u>
Cash Flows from Financing Activities:			
Net proceeds received from repurchase agreements and warehouse facilities	2,604,209	1,535,749	1,730,366
Proceeds from issuance of senior unsecured notes, net	193,505	60,000	—
Proceeds from issuance of collateralized debt obligations, net	947,788	1,350,153	—
Repurchases of common stock	(1,502)	(3,493)	(8,615)
Proceeds from preferred stock issuance, net	5,027	—	—

Repurchases of preferred stock	—	—	(2,439)
Dividends paid on common stock and dividend equivalents	(75,507)	(74,945)	(128,801)
Dividends paid on preferred stock	(46,460)	(41,756)	(41,894)
Net distributions to non-controlling interests in Consolidated VIEs	(2,557)	(11,893)	(8,377)
Redemptions of redeemable non-controlling interest in Consolidated VIE	(500)	(626)	(485)
Payments made on and extinguishment of collateralized debt obligations	(644,876)	(469,017)	(204,549)
Payments made on Consolidated SLST CDOs	(74,146)	(61,130)	(46,476)
Net payments made on mortgages payable on real estate	(128,544)	(54,296)	(148,948)
Net cash provided by financing activities	2,776,437	2,228,746	1,139,682
Net Increase (Decrease) in Cash, Cash Equivalents and Restricted Cash	13,354	(1,618)	(50,296)
Cash, Cash Equivalents and Restricted Cash - Beginning of Period	329,024	330,642	380,938
Cash, Cash Equivalents and Restricted Cash - End of Period	<u>\$ 342,378</u>	<u>\$ 329,024</u>	<u>\$ 330,642</u>
Supplemental Disclosure:			
Cash paid for interest	\$ 448,294	\$ 344,725	\$ 249,854
Cash paid (refunds received) for income taxes	\$ 218	\$ (32)	\$ 225
Non-Cash Investing Activities:			
Non-cash consideration for acquisition of business	\$ 36,259	\$ —	\$ —
Consolidation of assets acquired in business combination	\$ 188,102	\$ —	\$ —
Consolidation of liabilities assumed in business combination	\$ 142,714	\$ —	\$ —
De-consolidation of real estate held in Consolidated VIEs	\$ —	\$ 622,708	\$ —
De-consolidation of mortgages payable on real estate held in Consolidated VIEs	\$ —	\$ 629,763	\$ —
Consolidation of residential loans held in Consolidated SLST	\$ 247,405	\$ 285,057	\$ —
Consolidation of Consolidated SLST CDOs	\$ 235,226	\$ 275,200	\$ —
Consolidation of real estate held in Consolidated VIEs	\$ —	\$ —	\$ 54,439
Consolidation of mortgages payable on real estate held in Consolidated VIEs	\$ —	\$ —	\$ 45,142
Transfer from residential loans to real estate owned	\$ 49,032	\$ 85,342	\$ 42,485
Transfer from residential loans to real estate, net	\$ —	\$ 2,640	\$ —
Transfer from residential loans held for sale to residential loans	\$ 474,922	\$ —	\$ —
Distribution of mortgage servicing rights from equity investment	\$ 3,405	\$ 10,917	\$ —
Non-Cash Financing Activities:			
Dividends declared on common stock and dividend equivalents to be paid in subsequent period	\$ 23,414	\$ 19,844	\$ 21,716
Dividends declared on preferred stock to be paid in subsequent period	\$ 11,918	\$ 10,435	\$ 10,435
Mortgages and notes payable assumed by purchaser of real estate held for sale in Consolidated VIEs	\$ —	\$ 24,073	\$ —
Cash, Cash Equivalents and Restricted Cash Reconciliation:			
Cash and cash equivalents	\$ 210,333	\$ 167,422	\$ 187,107
Restricted cash included in other assets	132,045	161,602	143,535
Total cash, cash equivalents, and restricted cash	<u>\$ 342,378</u>	<u>\$ 329,024</u>	<u>\$ 330,642</u>

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2025

I. Organization

Adamas Trust, Inc., together with its consolidated subsidiaries (“Adamas,” “we,” “our,” or the “Company”), is an internally-managed real estate investment trust (“REIT”) focused on strategically deploying capital across complementary businesses to generate durable earnings and long-term value for stockholders through disciplined portfolio management and an operating platform designed to capture opportunities across real estate and capital markets. Our current investment portfolio includes credit sensitive single-family and multi-family assets, as well as other types of fixed-income investments such as Agency RMBS. Through our wholly-owned subsidiary, Constructive Loans, LLC (“Constructive”), we also originate business purpose loans for residential real estate investors. On September 3, 2025, the Company changed its name from New York Mortgage Trust, Inc. to Adamas Trust, Inc.

The Company conducts its business through the parent company, Adamas Trust, Inc., and several subsidiaries, including taxable REIT subsidiaries (“TRSs”), qualified REIT subsidiaries (“QRSs”) and special purpose subsidiaries established for securitization purposes. The Company consolidates all of its subsidiaries under generally accepted accounting principles in the United States of America (“GAAP”).

The Company is organized and conducts its operations to qualify as a REIT for U.S. federal income tax purposes. As such, the Company will generally not be subject to U.S. federal income taxes on that portion of its income that is distributed to stockholders if it distributes at least 90% of its REIT taxable income to its stockholders by the due date of its U.S. federal income tax return and complies with various other requirements.

2. Summary of Significant Accounting Policies

Definitions – The following defines certain of the commonly used terms in these financial statements:

“RMBS” refers to residential mortgage-backed securities backed by adjustable-rate, hybrid adjustable-rate, or fixed-rate residential loans;
“Agency RMBS” refers to RMBS representing interests in or obligations backed by pools of residential loans guaranteed by a government sponsored enterprise (“GSE”), such as the Federal National Mortgage Association (“Fannie Mae”) or the Federal Home Loan Mortgage Corporation (“Freddie Mac”), or an agency of the U.S. government, such as the Government National Mortgage Association (“Ginnie Mae”);
“non-Agency RMBS” refers to RMBS that are not guaranteed by any agency of the U.S. Government or GSE;
“IOs” refers collectively to interest only and inverse interest only mortgage-backed securities that represent the right to the interest component of the cash flow from a pool of mortgage loans;
“POs” refers to mortgage-backed securities that represent the right to the principal component of the cash flow from a pool of mortgage loans;
“ARMs” refers to adjustable-rate residential loans;
“Agency ARMs” refers to Agency RMBS comprised of adjustable-rate and hybrid adjustable-rate RMBS;
“Agency fixed-rate RMBS” refers to Agency RMBS comprised of fixed-rate RMBS;
“TBAs” refers to to-be-announced securities;
“ABS” refers to debt and/or equity tranches of securitizations backed by various asset classes including, but not limited to, automobiles, aircraft, credit cards, equipment, franchises, recreational vehicles and student loans;
“CMBS” refers to commercial mortgage-backed securities comprised of commercial mortgage pass-through securities issued by a GSE, as well as PO, IO or mezzanine securities that represent the right to a specific component of the cash flow from a pool of commercial mortgage loans;
“CDO” refers to collateralized debt obligation and includes debt that permanently finances the residential loans held in Consolidated SLST, the Company’s residential loans held in securitization trusts and a non-Agency RMBS re-securitization that we consolidate, or consolidated, in our financial statements in accordance with GAAP;
“business purpose loans” refers to (i) short-term loans that are collateralized by residential properties and are made to investors who intend to rehabilitate and sell the residential property for a profit or (ii) loans that finance (or refinance) non-owner occupied residential properties that are rented to one or more tenants;
“Consolidated Real Estate VIEs” refers to Consolidated VIEs that own multi-family properties;
“Consolidated SLST” refers to Freddie Mac-sponsored residential loan securitizations, comprised of seasoned re-performing and non-performing residential loans, of which we own the first loss subordinated securities and certain IOs, that we consolidate in our financial statements in accordance with GAAP;
“Consolidated VIEs” refers to VIEs where the Company is the primary beneficiary, as it has both the power to direct the activities that most significantly impact the economic performance of the VIE and a right to receive benefits or absorb losses of the entity that could be potentially significant to the VIE and that we consolidate in our financial statements in accordance with GAAP;
“MSRs” refers to mortgage servicing rights that represent the contractual right to service residential loans;
“SOFR” refers to Secured Overnight Funding Rate; and
“Variable Interest Entity” or “VIE” refers to an entity in which equity investors do not have the characteristics of a controlling financial interest or do not have sufficient equity at risk for the entity to finance its activities without additional subordinated financial support from other parties.

Basis of Presentation – On March 9, 2023, the Company effected a one-for-four reverse stock split of its issued, outstanding and authorized shares of common stock (the “Reverse Stock Split”). Accordingly, all common share and per common share data for all periods presented in these consolidated financial statements and notes thereto have been adjusted on a retroactive basis to reflect the impact of the Reverse Stock Split.

The accompanying consolidated financial statements have been prepared on the accrual basis of accounting in accordance with GAAP. The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Management has made significant estimates in several areas, including fair valuation of its financial instruments reported at fair value, real estate held by Consolidated VIEs and redemption value of redeemable non-controlling interests in Consolidated VIEs. Although the Company’s estimates contemplate current conditions and how it expects those conditions to change in the future, it is reasonably possible that actual conditions could be different than anticipated in those estimates, which could materially impact the Company’s results of operations and its financial condition.

Reclassifications – Certain prior period amounts have been reclassified on the accompanying consolidated financial statements to conform to current period presentation. In particular, prior period disclosures have been adjusted for the aforementioned Reverse Stock Split.

Principles of Consolidation and Variable Interest Entities – The accompanying consolidated financial statements of the Company include the accounts of all its subsidiaries which are majority-owned, controlled by the Company or a VIE where the Company is the primary beneficiary. All significant intercompany accounts and transactions have been eliminated in consolidation (see Note 7).

A VIE is an entity that lacks one or more of the characteristics of a voting interest entity. The Company consolidates a VIE in accordance with ASC 810, *Consolidation* ("ASC 810") when it is the primary beneficiary of such VIE, herein referred to as a Consolidated VIE. As primary beneficiary, the Company has both the power to direct the activities that most significantly impact the economic performance of the VIE and a right to receive benefits or absorb losses of the entity that could be potentially significant to the VIE. The Company is required to reconsider its evaluation of whether to consolidate a VIE each reporting period, based upon changes in the facts and circumstances pertaining to the VIE.

The Company evaluates the initial consolidation of each Consolidated VIE, which includes a determination of whether the VIE constitutes the definition of a business in accordance with ASC 805, *Business Combinations* ("ASC 805"), by considering if substantially all of the fair value of the gross assets within the VIE are concentrated in either a single identifiable asset or group of single identifiable assets. Upon consolidation, the Company recognizes the assets acquired, the liabilities assumed, and any third-party ownership of membership interests as non-controlling interest as of the consolidation or acquisition date, measured at their relative fair values (see Note 7). Non-controlling interest in Consolidated VIEs is adjusted prospectively for its share of the allocation of income or loss and equity contributions and distributions from each respective Consolidated VIE. The third-party owners of certain of the non-controlling interests in Consolidated VIEs have the ability to sell their ownership interests to the Company, at their election, subject to certain conditions. The Company has classified these third-party ownership interests as redeemable non-controlling interest in Consolidated VIEs in mezzanine equity on the accompanying consolidated balance sheets. See "*Redeemable Non-Controlling Interest in Consolidated VIEs*" below for further discussion of redeemable non-controlling interest in Consolidated VIEs.

Investment Securities Available for Sale – The Company has elected the fair value option for all investment securities available for sale in accordance with ASC 825, *Financial Instruments* ("ASC 825"). The fair value option was elected for investment securities to provide stockholders and others who rely on our financial statements with a more complete and accurate understanding of our economic performance. Changes in fair value of investment securities subject to the fair value election are recorded in current period earnings in unrealized gains (losses), net on the accompanying consolidated statements of operations.

The Company generally intends to hold its investment securities until maturity; however, from time to time, it may sell any of its securities as part of the overall management of its business. As a result, our investment securities are classified as available for sale securities. Realized gains and losses recorded on the sale of investment securities available for sale are based on the specific identification method and included in realized gains (losses), net on the accompanying consolidated statements of operations.

Interest income on our investment securities available for sale is accrued based on the outstanding principal balance and their contractual terms. Purchase premiums or discounts associated with Agency RMBS assessed as high credit quality at the time of purchase are amortized or accreted to interest income over the estimated life of these investment securities using the effective yield method.

Interest income on certain of our credit sensitive securities that were purchased at a premium or discount to par value, such as certain of our non-Agency RMBS, CMBS and ABS that are of less than high credit quality, is recognized based on the security's effective yield. The effective yield on these securities is based on management's estimate of the projected cash flows from each security, which incorporates assumptions related to fluctuations in interest rates, prepayment speeds and the timing and amount of credit losses. On at least a quarterly basis, management reviews and, if appropriate, adjusts its cash flow projections based on input and analysis received from external sources, internal models, and its judgment about interest rates, prepayment rates, the timing and amount of credit losses, and other factors. Changes in cash flows from those originally projected, or from those estimated at the last evaluation, may result in a prospective change in the yield (or interest income) recognized on these securities.

The Company accounts for investment securities that are of high credit quality (generally those rated AA or better by a Nationally Recognized Statistical Rating Organization, or NRSRO) at the date of acquisition in accordance with ASC 320-10, *Investments - Debt and Equity Securities* ("ASC 320-10"). The Company accounts for investment securities that are not of high credit quality (i.e., those whose risk of loss is more than remote) or securities that can be contractually prepaid such that we would not recover our initial investment at the date of acquisition in accordance with ASC 325-40, *Investments - Beneficial Interests in Securitized Financial Assets* ("ASC 325-40"). The Company considers credit ratings, the underlying credit risk and other market factors in determining whether the investment securities are of high credit quality; however, securities rated lower than AA or an equivalent rating are not considered of high credit quality and are accounted for in accordance with ASC 325-40. If ratings are inconsistent among NRSROs, the Company uses the lower rating in determining whether the securities are of high credit quality.

In determining if a credit loss evaluation is required for securities that are impaired, the Company compares the present value of the remaining cash flows expected to be collected at the prior reporting date or purchase date, whichever is most recent, against the present value of the cash flows expected to be collected at the current financial reporting date. The Company considers information available about the past and expected future performance of underlying collateral, including timing of expected future cash flows, prepayment rates, default rates, loss severities and delinquency rates.

Beginning in the fourth quarter of 2019, the Company made a fair value election at the time of acquisition of newly purchased investment securities pursuant to ASC 825. As of December 31, 2023, investment securities where the fair value option had not been elected and which were reported at fair value with unrealized gains and losses reported in Other Comprehensive Income ("OCI") included non-Agency RMBS (collectively, "CECL Securities"). If the fair value of CECL Securities was less than amortized cost as of a balance sheet date, the Company evaluated the CECL Securities for impairment as a result of credit losses. The Company evaluated its CECL Securities that were in an unrealized loss position as of December 31, 2023 and determined that no allowance for credit losses was necessary. There were no CECL Securities as of December 31, 2025 and 2024.

Residential Loans and Residential Loans Held for Sale – The Company's acquired and originated residential loans, including performing, re-performing and non-performing residential loans and business purpose loans, are presented at fair value on the accompanying consolidated balance sheets pursuant to a fair value option election in accordance with ASC 825. Loans that the Company has the intent and ability to hold for the foreseeable future or to maturity/payoff are classified as residential loans. Changes in fair value of residential loans are recorded in current period earnings in unrealized gains (losses), net on the accompanying consolidated statements of operations. Loans originated with the intent to sell to third-party investors in the secondary market are classified as residential loans held for sale. Changes in fair value of residential loans held for sale and gain or loss on sale are recorded in current period earnings in mortgage banking activities, net on the Company's consolidated statements of operations.

Residential loans include seasoned re-performing and non-performing residential loans held in Consolidated SLST. Based on a number of factors, management determined that the Company was the primary beneficiary of Consolidated SLST and met the criteria for consolidation and, accordingly, has consolidated the securitizations, including their assets, liabilities, income and expenses in our financial statements. The Company has elected the fair value option on each of the assets and liabilities held within Consolidated SLST, which requires that changes in valuations be reflected on the accompanying consolidated statements of operations. In accordance with ASC 810, the Company measures both the financial assets and financial liabilities of a qualifying consolidated collateralized financing entity ("CFE") using the fair value of either the CFE's financial assets or financial liabilities, whichever is more observable. As the related securitization trusts are considered qualifying CFEs, the Company determines the fair value of the residential loans held in Consolidated SLST based on the fair value of its respective residential CDOs and the Company's investment in the respective securitizations (eliminated in consolidation in accordance with GAAP), as the fair value of these instruments is more observable.

Interest income is accrued and recognized as revenue when earned according to the terms of the residential loans and when, in the opinion of management, it is collectible. Residential loans are considered past due when they are 30 days past their contractual due date, and are placed on nonaccrual status when delinquent for more than 90 days or when, in management's opinion, the interest is not collectible in the normal course of business. Interest accrued but not yet collected at the time loans are placed on nonaccrual status is reversed and subsequently recognized only to the extent it is received in cash or until it qualifies for return to accrual status. Loans are restored to accrual status only when contractually current or the collection of future payments is reasonably assured.

Premiums and discounts associated with the purchase of residential loans are amortized or accreted into interest income over the life of the related loan using the effective interest method. Any premium amortization or discount accretion is reflected as a component of interest income on the accompanying consolidated statements of operations.

Loan origination and other fees generally represent per-loan fee amounts that are either based upon a percentage of the original principal balance of an originated business purpose loan or are a standard fee amount, are recognized as revenue at the time the related loans are funded and are reported in mortgage banking activities, net on the Company's consolidated statements of operations as a result of the fair value option election. Direct loan origination costs incurred in originating business purpose loans are immediately recognized in loan origination costs on the Company's consolidated statements of operations as a result of the fair value option election.

Real estate owned property acquired through, or in lieu of, foreclosure of residential loans is initially recorded at fair value, and subsequently reported at the lower of its carrying amount or fair value (less estimated cost to sell). Changes in the fair value of a real estate owned property that has a fair value at or below its carrying amount are recorded in other loss on the accompanying consolidated statements of operations. Fair values are determined using available market quotes, appraisals, broker price opinions, comparable properties, or other indications of value.

Multi-Family Loans – Multi-family loans include preferred equity investments in entities that have multi-family real estate assets. A preferred equity investment is an equity investment in the entity that owns the underlying property. Preferred equity is not secured by the underlying property, but holders have priority relative to common equity holders on cash flow distributions and proceeds from capital events. In addition, preferred equity holders may be able to enhance their position and protect their equity position with covenants that limit the entity's activities and grant the holder the exclusive right to control the property after an event of default.

The Company has evaluated its preferred equity investments for accounting treatment as loans versus equity investments utilizing the guidance provided by the Acquisition, Development and Construction Arrangements Subsection of ASC 310, *Receivables*. Preferred equity investments, for which the characteristics, facts and circumstances indicate that loan accounting treatment is appropriate, are stated at fair value. The Company elected the fair value option for its preferred equity investments because the Company determined that such presentation represents the underlying economics of the respective investment. Changes in fair value are recorded in current period earnings in unrealized gains (losses), net on the accompanying consolidated statements of operations. Interest income is accrued and recognized as revenue when earned according to the terms of the loans and when, in the opinion of management, it is collectible. The accrual of interest on loans is discontinued when, in management's opinion, the interest is not collectible in the normal course of business, but in all cases when payment becomes greater than 90 days delinquent. Loans return to accrual status when principal and interest become current and are anticipated to be fully collectible. Fees or expenses related to the multi-family loans are recorded in total other income (loss) on the accompanying consolidated statements of operations.

Preferred equity investments where the risks and payment characteristics are equivalent to an equity investment are included in *Equity Investments* below.

Equity Investments – Non-controlling, unconsolidated ownership interests in an entity may be accounted for using the equity method or the cost method. In circumstances where the Company has a non-controlling interest but either owns a significant interest or is able to exert influence over the affairs of the enterprise, the Company utilizes the equity method of accounting. Under the equity method of accounting, the initial investment is increased each period for additional capital contributions and a proportionate share of the entity's earnings or preferred return and decreased for cash distributions and a proportionate share of the entity's losses. Equity investments also include certain of the Company's multi-family preferred equity investments where the risks and payment characteristics are equivalent to an equity investment. The Company records its equity in earnings or losses from these multi-family preferred equity investments under the hypothetical liquidation of book value method of accounting due to the structures and the preferences it receives on the distributions from these entities pursuant to the respective agreements. Under this method, the Company recognizes income or loss in each period based on the change in liquidation proceeds it would receive from a hypothetical liquidation of its investment.

The Company has elected the fair value option for all equity investments. The Company elected the fair value option for its equity investments in entities that own interests (directly or indirectly) in multi-family or residential real estate assets or loans or entities that originate residential loans because the Company determined that such presentation represents the underlying economics of the respective investment. The Company records the change in fair value of its investment in income from equity investments on the accompanying consolidated statements of operations (see Note 6).

Real Estate, Net – Upon the acquisition of real estate properties which do not constitute the definition of a business, the Company records its initial investments in income-producing real estate as asset acquisitions at fair value as of the acquisition date. The purchase price of acquired properties is apportioned to the tangible and identified intangible assets and liabilities, if any, acquired at their respective estimated fair values. In making estimates of fair values for purposes of allocating purchase price, the Company utilizes a number of sources, including independent appraisals that may be obtained in connection with the acquisition or financing of the respective real estate, its own analysis of recently-acquired and existing comparable properties, property financial results, and other market data. The Company also considers information obtained about the real estate as a result of its due diligence, including marketing and leasing activities, in estimating the fair value of the tangible and intangible assets acquired. The Company considers the value of acquired in-place leases and utilizes an amortization period that is the average remaining term of the acquired leases.

Rental revenue is recognized when earned from residents of the Company's real estate properties over the terms of the rental agreements, typically a duration of one year or less. The Company evaluates the collectability of amounts due from residents and recognizes revenue from residents when collectability is deemed probable. Other property revenues are recognized in the period earned.

Real Estate - Capitalization and Depreciation – The Company's expenditures which directly relate to the acquisition, development, construction and improvement of properties are capitalized at cost. During the development period, which culminates once a property is substantially complete and ready for intended use, operating and carrying costs such as interest expense, real estate taxes, insurance and other direct costs are capitalized. Advertising and general administrative costs that do not relate to the development of a property are expensed as incurred.

Betterments and certain costs directly related to the improvement of real estate after the development period are capitalized. Expenditures for ordinary maintenance and repairs are expensed to operations as incurred. The Company depreciates on a straight-line basis the building component of its real estate over a 30-year estimated useful life, building and improvements over a 10-year to 30-year estimated useful life, and furniture, fixtures and equipment over a 5-year to 7.5-year estimated useful life, all of which are judgmental determinations.

Real Estate - Impairment – The Company periodically evaluates its real estate assets for indicators of impairment. The judgments regarding the existence of impairment indicators are based on factors such as operational performance, market conditions and legal and environmental concerns, as well as the Company's ability and intent to hold each asset. Future events could occur which would cause the Company to conclude that impairment indicators exist and an impairment is warranted. If impairment indicators exist for long-lived assets to be held and used, and the expected future undiscounted cash flows are less than the carrying amount of the asset, then the Company will record an impairment loss for the difference between the fair value of the asset and its carrying amount. If the asset is to be disposed of, then an impairment loss is recognized for the difference between the estimated fair value of the asset, net of selling costs, and its carrying amount.

Held for Sale Determinations – The Company considers its real estate and joint venture equity investments in multi-family properties to be held for sale when the following criteria are met: (i) management commits to a plan to sell the investments, (ii) investments are available for sale immediately, (iii) the investments are actively being marketed for sale at a price that is reasonable in relation to their current fair value, (iv) the sale of the investments within one year is considered probable and (v) significant changes to the plan to sell are not expected.

When real estate assets are identified as held for sale, the Company discontinues depreciating (amortizing) the assets and estimates the fair value, net of selling costs, of such assets. When consolidated joint venture investments are identified as held for sale, the Company transfers the related assets and liabilities to assets and liabilities of disposal group held for sale. Real estate held for sale (including real estate in disposal group held for sale) is recorded at the lower of the net carrying amount of the assets or the estimated net fair value. If the estimated net fair value of the real estate held for sale is less than the net carrying amount of the assets, an impairment of real estate charge is recorded in the consolidated statements of operations with an allocation to non-controlling interest in the respective Consolidated VIEs, if any.

The Company assesses the net fair value of real estate held for sale in each reporting period that the assets remain classified as held for sale. Subsequent changes, if any, in the net fair value of the real estate assets held for sale that require an adjustment to the carrying amount are recorded in impairment of real estate in the consolidated statements of operations with an allocation to non-controlling interest in the respective Consolidated VIEs, if any, unless the adjustment causes the carrying amount of the assets to exceed the net carrying amount upon initial classification as held for sale.

If circumstances arise that the Company previously considered unlikely and, as a result, the Company decides not to sell any real estate or joint venture equity investments previously classified as held for sale, the assets and liabilities are reclassified to held and used. Real estate assets that are reclassified are measured at the lower of (a) their carrying amount before they were classified as held for sale, adjusted for any depreciation (amortization) expense that would have been recognized had the assets remained in their previous classification, or (b) their fair value at the date of the subsequent decision not to sell the real estate or joint venture equity investment and adjustments, if any, are reported in loss on reclassification of disposal group in the accompanying consolidated statements of operations.

Real Estate Sales – The Company accounts for its real estate sales in accordance with ASC 610-20, *Other Income - Gains and Losses from Derecognition of Nonfinancial Assets* ("ASC 610-20"), which applies to sales or transfers to noncustomers of nonfinancial or in substance nonfinancial assets that do not meet the definition of a business. Generally, the Company's sales of real estate would be considered a sale of a nonfinancial asset as defined in ASC 610-20. Under ASC 610-20, if the Company determines it does not have a controlling financial interest in the entity to which the real estate is transferred and the arrangement meets the criteria to be accounted for as a contract in accordance with ASC Topic 606, *Revenue from Contracts with Customers*, the Company derecognizes the asset and recognizes a gain or loss on the sale of the real estate when control of the underlying asset transfers to the buyer. Gain or loss on sale of real estate is included in other income (loss) in the accompanying consolidated statements of operations with an allocation to non-controlling interest in the respective Consolidated VIEs, if any.

Cash and Cash Equivalents – Cash and cash equivalents include cash on hand, amounts due from banks and overnight deposits. The Company maintains its cash and cash equivalents in highly rated financial institutions, and at times these balances exceed insurable amounts.

Business Combinations – The Company accounts for business combinations by applying the acquisition method in accordance with ASC 805. Transaction costs related to acquisition of a business are expensed as incurred and excluded from the fair value of consideration transferred. The identifiable assets acquired, liabilities assumed and non-controlling interests, if any, in an acquired entity are recognized and measured at their estimated fair values. The excess of the fair value of consideration transferred over the fair values of identifiable assets acquired, liabilities assumed and non-controlling interests, if any, in an acquired entity, net of fair value of any previously held interest in the acquired entity, is recorded as goodwill. Such valuations require management to make significant estimates and assumptions, especially with respect to intangible assets and liabilities.

Net cash paid to acquire a business is classified as investing activities on the accompanying consolidated statements of cash flows. Amounts held back from cash consideration, if any, are recorded as liabilities on the accompanying consolidated balance sheets.

On July 15, 2025, the Company, through a wholly-owned subsidiary, acquired the outstanding 50% ownership interests in Constructive that were not previously owned by the Company through the consummation of a membership interest purchase agreement, thereby increasing the Company's ownership of Constructive to 100% (see Note 24). The transaction was accounted for by applying the acquisition method for business acquisitions under ASC 805.

Goodwill – Goodwill represents the excess of the fair value of consideration transferred in a business combination over the fair values of identifiable assets acquired, liabilities assumed and non-controlling interests, if any, in an acquired entity, net of fair value of any previously held interest in the acquired entity. Goodwill is not amortized but is evaluated for impairment on an annual basis, or more frequently if the Company believes indicators of impairment exist, by initially performing a qualitative screen and, if necessary, then comparing fair value of the reporting unit to its carrying value, including goodwill. If the fair value of the reporting unit is less than the carrying value, an impairment charge for the amount by which carrying amount exceeds the reporting unit's fair value (in an amount not to exceed the total amount of goodwill allocated to the reporting unit) is recognized. The Company has elected October 1 of each fiscal year as the annual goodwill impairment evaluation date and no impairment has been recorded since goodwill was initially recognized.

Intangible Assets – Intangible assets consisting of acquired trade name, acquired technology and acquired in-place leases with useful lives ranging from 5 months to 11 years are included in other assets on the accompanying consolidated balance sheets. Intangible assets with estimable useful lives are amortized on a straight-line basis over their respective estimated useful lives and reviewed for impairment whenever events or changes in circumstances indicate that the carrying value may not be recoverable. The useful lives of intangible assets are evaluated on an annual basis to determine whether events and circumstances warrant a revision to the remaining useful life. See *Real Estate, Net* for further discussion of acquired in-place lease intangible assets.

Derivative Instruments – The Company enters into various types of derivative instruments in connection with its risk management activities which are recorded on the accompanying consolidated balance sheets as assets or liabilities at fair value in accordance with ASC 815, *Derivatives and Hedging* (“ASC 815”). Changes in fair value are accounted for depending on the use of the derivative instruments and whether they qualify for hedge accounting treatment. The Company elected not to apply hedge accounting for its derivative instruments; accordingly, all changes in fair value are reported on the accompanying consolidated statements of operations as gains (losses) on derivative instruments, net.

The Company is subject to interest rate risk exposure in the normal course of pursuing its investment objectives. Primarily to help mitigate interest rate risk, the Company may enter into interest rate swaps. Interest rate swaps are contractual agreements whereby one party pays a floating interest rate, based on SOFR, on a notional principal amount and receives a fixed-rate payment on the same notional principal, or vice versa, for a fixed period of time. The variable rate the Company pays or receives under its swap agreements has the effect of offsetting the repricing characteristics and cash flows of the Company’s financing arrangements. Interest rate swaps change in value with movements in interest rates.

The Company has entered into, and may in the future enter into, TBAs that are forward contracts for the purchase (“long position”) or sale (“short position”) of Agency fixed-rate RMBS at a predetermined price, face amount, issuer, coupon, and stated maturity on an agreed-upon future date. The specific Agency RMBS delivered into or received from the contract upon settlement date, published each month by the Securities Industry and Financial Markets Association, are not known at the time of the transaction. The Company may also choose, prior to settlement, to move the settlement of these securities out to a later date by entering into an offsetting short or long position (referred to as a “pair off”), net settling the paired off positions for cash and simultaneously purchasing or selling a similar TBA contract for a later settlement date. This transaction is commonly referred to as a “dollar roll”. The Agency RMBS purchased or sold for a forward settlement date are typically priced at a discount to Agency RMBS for settlement in the current month. This difference, or discount, is referred to as the “price drop”. The price drop represents the economic equivalent of net interest income on the underlying Agency RMBS over the roll period (interest income less implied financing cost) and is commonly referred to as “dollar roll income/(loss)”. Consequently, forward purchases of Agency RMBS and dollar roll transactions represent a form of off-balance sheet financing. The Company accounts for TBAs (whether net long or net short positions, or collectively “TBA dollar roll positions”) as derivative instruments because it cannot assert that it is probable at inception and throughout the term of an individual TBA transaction that its settlement will result in physical delivery of the underlying Agency RMBS, or that the individual TBA transaction will settle in the shortest period possible. Dollar roll income is recognized in gains (losses) on derivative instruments, net on the accompanying consolidated statements of operations.

The Company has U.S. Treasury future contracts that obligate the Company to sell or buy U.S. Treasury securities for future delivery. Additionally, the Company has commodity future contracts that obligate the Company to sell or buy a specific quantity of a commodity at a predetermined price for future delivery. The Company has purchased credit default swap index contracts under which a counterparty, in exchange for a premium, agrees to compensate the Company for the financial loss associated with the occurrence of a credit event in relation to a notional value of an index. The Company may purchase equity index put options that give the Company the right to sell or buy the underlying index at a specified strike price. The Company may also purchase credit default swap index options that allow the Company to enter into a fixed rate payor position in the underlying credit default swap index at the agreed-upon strike level.

The Company elects to net the fair value of its derivative contracts by counterparty when appropriate. These contracts contain legally enforceable provisions that allow for netting or setting off of all individual derivative receivables and payables with each counterparty and therefore, the fair values of those derivative contracts are reported net by counterparty. All of the Company's interest rate swaps, credit default swaps, U.S. Treasury futures and commodity futures are cleared through two central clearing houses, CME Group Inc. ("CME Clearing"), which is the parent company of the Chicago Mercantile Exchange Inc., or the Intercontinental Exchange ("ICE"). CME Clearing and ICE serve as the counterparty to every cleared transaction, becoming the buyer to each seller and the seller to each buyer, limiting the credit risk by guaranteeing the financial performance of both parties and netting down exposures. CME Clearing and ICE require that the Company post an initial margin amount determined by the respective central clearing house, which is generally intended to be set at a level sufficient to protect the exchange from the derivative instrument's maximum estimated single-day price movement. The Company also exchanges variation margin based upon daily changes in fair value, as measured by CME Clearing and ICE. The exchange of variation margin is treated as a legal settlement of the exposure under these contracts, as opposed to pledged collateral. Accordingly, the Company accounts for the receipt or payment of variation margin as a direct reduction of or increase in the carrying value of the related asset or liability.

The receipt or payment of initial margin is accounted for separate from the derivative asset or liability, classified within restricted cash and included in other assets on the accompanying consolidated balance sheets. Any additional amounts due from or due to counterparties in connection with the Company's derivatives, are included in other assets or other liabilities, respectively, on the accompanying consolidated balance sheets.

The Company and Consolidated Real Estate VIEs may be required by lenders on certain repurchase agreement financing and variable-rate mortgages payable on real estate to enter into interest rate cap contracts that limit the indexed portion of the interest rate on the respective related financing to a strike rate based upon various SOFR tenors.

Cash flow activity related to derivative instruments is reflected within the operating activities and investing activities sections of the Company's consolidated statements of cash flows. Realized gains or losses, if any, and unrealized gains or losses, if any, on the Company's derivative instruments are included in the gains (losses) on derivative instruments, net line item within the operating activities section of the accompanying consolidated statements of cash flows. The remaining cash flow activity related to derivative instruments is reflected within the net payments received from (made on) derivative instruments and net variation margin received (paid) for derivative instruments line items within the investing activities section of the accompanying consolidated statements of cash flows.

Derivative Instruments – Interest Rate Lock Commitments – Constructive may enter into certain interest rate lock commitments ("IRLCs") which represent a commitment to a particular interest rate provided the borrower is able to close the respective loan within a specified period. IRLCs are accounted for as derivatives at fair value and changes in fair value are included in mortgage banking activities, net on the accompanying consolidated statements of operations.

Mortgage Servicing Rights – The Company records MSR, whether acquired or as a result of the sale of loans Constructive originates with servicing retained, at fair value upon initial recognition. The Company does not directly service residential loans. Rather, servicing activities are carried out by duly licensed third-party subservicers who perform substantially all servicing functions for the loans underlying MSRs.

The Company has elected the fair value option for all of its MSRs because the Company determined that such presentation provides users of its consolidated financial statements with relevant information regarding the effects of prepayment risk and other market factors on MSRs. Changes in the fair value of MSRs are recorded in current period earnings in unrealized gains (losses), net on the accompanying consolidated statements of operations. Servicing fee income is earned based upon a contractual percentage of the outstanding principal balance of the underlying residential loan and is recognized as revenue as the related loan payments are collected. Servicing fee income and other servicing-related income are included in other income (loss) on the accompanying consolidated statements of operations. Corresponding costs to service (including subservicing fees) are charged to expense as incurred and included in portfolio operating expenses on the accompanying consolidated statements of operations.

Repurchase Agreements – Investment Securities – The Company finances, or has financed, certain of its investment securities available for sale, certain securities owned in Consolidated SLST and CDOs repurchased from our residential loan securitizations using repurchase agreements. Under a repurchase agreement, an asset is sold to a counterparty to be repurchased at a future date at a predetermined price, which represents the original sales price plus interest. The repurchase agreements are treated as collateralized financing transactions and are carried at their contractual amounts, as specified in the respective agreements. Borrowings under repurchase agreements generally bear interest rates of a specified margin over SOFR.

Repurchase Agreements and Warehouse Facilities – Residential Loans, Real Estate Owned and Single-family Rental Properties – As of December 31, 2025 and 2024, the Company financed a portion of its residential loans, real estate owned and single-family rental properties through repurchase agreements and warehouse facilities (see Note 13). Amounts outstanding under the repurchase agreements and warehouse facilities generally bear interest rates of a specified margin over various tenors of SOFR or an interest rate floor, as applicable per the terms of the agreements. The repurchase agreements and warehouse facilities are treated as collateralized financing transactions and are carried at their contractual amounts, as specified in the respective agreements. Costs related to the establishment of the repurchase agreements and warehouse facilities which include underwriting, legal, accounting and other fees are reflected as deferred charges. Such costs are presented as a deduction from the corresponding debt liability on the accompanying consolidated balance sheets and the deferred charges are amortized as an adjustment to interest expense using the effective interest method, or straight line-method if the result is not materially different, over the term of the respective agreement.

Collateralized Debt Obligations – The Company records collateralized debt obligations used to permanently finance the residential loans held in Consolidated SLST, a portion of the Company's net investment in Consolidated SLST and the Company's residential loans held in securitization trusts as debt on the accompanying consolidated balance sheets. For financial reporting purposes, the loans and investment securities held as collateral for these obligations are recorded as assets of the Company. The Company has elected the fair value option pursuant to ASC 825 with respect to the CDOs issued by Consolidated SLST and CDOs issued by the Company after January 1, 2024. The Company elected the fair value option for CDOs issued by the Company after January 1, 2024 because the Company determined that such presentation represents the underlying economics of the respective financing. Changes in fair value of CDOs subject to the fair value election are recorded in current period earnings in unrealized gains (losses), net on the accompanying consolidated statements of operations. Interest expense on such CDOs is recorded based on the current stated interest rate and outstanding principal balance in effect and is included in interest expense on the accompanying consolidated statements of operations. In accordance with ASC 825, costs associated with the issuance of CDOs subject to the fair value election are recognized in earnings as they are incurred and are included in financing transaction costs on the accompanying consolidated statements of operations.

Senior Unsecured Notes – As of December 31, 2025, the Company had 5.75% Senior Notes due 2026 (the "2026 Senior Notes"), 9.125% Senior Notes due 2029 (the "2029 Senior Notes"), 9.125% Senior Notes due 2030 (the "9.125% 2030 Senior Notes") and 9.875% Senior Notes due 2030 (the "9.875% 2030 Senior Notes") (collectively, the "Senior Unsecured Notes") outstanding. The Company evaluated the call option feature of the Senior Unsecured Notes for embedded derivatives in accordance with ASC 815 and determined that the call option features should not be bifurcated from the notes.

The Company has elected the fair value option pursuant to ASC 825 with respect to the 2029 Senior Notes, 9.125% 2030 Senior Notes and 9.875% 2030 Senior Notes because the Company determined that such presentation represents the underlying economics of the respective financings. Changes in fair value of these notes are recorded in current period earnings in unrealized gains (losses), net on the accompanying consolidated statements of operations (or other comprehensive income (loss), to the extent the change results from a change in instrument-specific credit risk). Interest expense on such notes is recorded based on the current stated interest rate and outstanding principal balance in effect and is included in interest expense on the accompanying consolidated statements of operations. In accordance with ASC 825, costs associated with the issuance of these notes are recognized in earnings as they are incurred and are included in financing transaction costs on the accompanying consolidated statements of operations.

Repurchase Reserves for Origination Activity – Constructive routinely sells business purpose loans to third-party investors in the secondary market. Under customary representations and warranties clauses in the business purpose loan sale agreements, Constructive may be required to repurchase business purpose loans sold or reimburse the investors for credit losses incurred on those loans if a breach of the contractual representations and warranties occurred. Constructive establishes a loan repurchase reserve liability in an amount equal to management's estimate of losses on loans for which it could have a repurchase obligation or loss reimbursement. The estimated liability incorporates historical loss experience, identification of delinquencies, economic trends and market conditions and is included in other liabilities on the accompanying consolidated balance sheets. Provisions to the business purpose loan repurchase reserve reduce gains recognized on sales of loans and are included in mortgage banking activities, net on the accompanying consolidated statements of operations.

Redeemable Non-Controlling Interest in Consolidated VIEs – The Company evaluates whether non-controlling interests are subject to redemption features outside of its control. The Company classifies non-controlling interests that are currently redeemable for cash at the option of the holders or are probable of becoming redeemable as redeemable non-controlling interest in mezzanine equity on the accompanying consolidated balance sheets. The third-party owners of certain of the non-controlling interests in Consolidated VIEs have the ability to sell their ownership interests to the Company for cash, at their election, subject to annual minimum and maximum amount limitations. As a result, the Company has classified these third-party ownership interests as redeemable non-controlling interest in Consolidated VIEs. The redeemable non-controlling interest in Consolidated VIEs is recorded at the greater of the carrying amount, adjusted for its share of the allocation of income or loss and equity contributions and distributions, or the redemption value, which is equivalent to fair value, of such ownership interests. Adjustments to redemption value, if any, are recorded to the Company's additional paid-in capital and redeemable non-controlling interest in Consolidated VIEs.

Other Comprehensive Income (Loss) – The Company's comprehensive income (loss) attributable to the Company's common stockholders includes net income (loss), the change in fair value of its available for sale securities purchased prior to October 2019, adjusted by realized net gains (losses) reclassified out of accumulated other comprehensive income (loss) for available for sale securities, reduced by dividends declared on the Company's preferred stock and charges related to redemptions of the Company's preferred stock, increased for gains on repurchases of preferred stock and increased (decreased) for net loss (income) attributable to non-controlling interest in Consolidated VIEs. See *Investment Securities Available for Sale* for discussion of the reporting of the change in fair value of available for sale securities purchased after September 2019.

Employee Benefits Plans – The Company sponsors a defined contribution plan (the "Plan") for all eligible domestic employees. The Plan qualifies as a deferred salary arrangement under Section 401(k) of the Internal Revenue Code of 1986, as amended (the "Internal Revenue Code"). The Company added all eligible domestic employees of Constructive to the Plan during the year ended December 31, 2025 as a result of the aforementioned business combination. The Company also introduced an employer contribution to the Plan during the year ended December 31, 2025 and recognized a cost of approximately \$0.3 million. The Company made no contributions to the Plan for the years ended December 31, 2024 and 2023.

Stock Based Compensation – The Company has awarded restricted stock and other equity-based awards to eligible employees, officers and directors of the Company and individuals who provide services to the Company and as part of their compensation. Compensation expense for equity-based awards and stock issued for services are recognized over the vesting period of such awards and services based upon the fair value of the award at the grant date.

The Company has granted Performance Share Units ("PSUs") to the Company's executive officers and certain other employees. The awards were issued pursuant to and are consistent with the terms and conditions of the Company's 2017 Equity Incentive Plan (as amended, the "2017 Plan"). The PSUs are subject to performance-based vesting under the 2017 Plan pursuant to a form of PSU award agreement (the "PSU Agreement"). Vesting of the PSUs will occur after a three-year period based on the Company's relative total stockholders' return ("TSR") percentile ranking as compared to an identified performance peer group. The feature in this award constitutes a "market condition" which impacts the amount of compensation expense recognized for these awards. The grant date fair values of PSUs were determined through Monte-Carlo simulation analysis. The PSUs also include dividend equivalent rights ("DERs") which entitle the holders of vested PSUs to receive payments in an amount equal to any dividends paid by the Company in respect of the share of the Company's common stock underlying the vested PSU to which such DER relates.

The Company has granted Restricted Stock Units ("RSUs") to the Company's executive officers and certain employees. The awards were issued pursuant to and are consistent with the terms and conditions of the 2017 Plan and are subject to a service condition, vesting ratably over a three-year period. Upon vesting, each RSU represents the right to receive one share of the Company's common stock. The RSUs include DERs which entitle the holders of vested RSUs to receive payments in an amount equal to any dividends paid by the Company in respect of the share of the Company's common stock underlying the vested RSU to which such DER relates.

The Company has granted Deferred Stock Units ("DSUs") to non-employee directors. The awards were issued pursuant to and are consistent with the terms and conditions of the 2017 Plan and are subject to the non-employee director's continued service on the Board of Directors through the day immediately preceding the annual meeting of the Company's stockholders in the year subsequent to the grant date. Upon vesting, each DSU represents the right to receive one share of the Company's common stock. The DSUs include DERs which entitle the holders of vested DSUs to receive payments in an amount equal to any dividends paid by the Company in respect of the share of the Company's common stock underlying the vested DSU to which such DER relates.

Income Taxes – The Company operates in such a manner so as to qualify as a REIT under the requirements of the Internal Revenue Code. Requirements for qualification as a REIT include various restrictions on ownership of the Company's stock, requirements concerning distribution of taxable income and certain restrictions on the nature of assets and sources of income. A REIT must distribute at least 90% of its taxable income to its stockholders, of which 85% plus any undistributed amounts from the prior year must be distributed within the taxable year in order to avoid the imposition of a nondeductible excise tax. Distribution of the remaining balance may extend until timely filing of the Company's tax return in the subsequent taxable year. Qualifying distributions of taxable income are deductible by a REIT in computing taxable income.

Certain activities of the Company are conducted through TRSs and therefore are subject to federal and various state and local income taxes. Accordingly, deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the enactment date.

ASC 740, *Income Taxes* ("ASC 740"), provides guidance for how uncertain tax positions should be recognized, measured, presented, and disclosed in the financial statements. ASC 740 requires the evaluation of tax positions taken or expected to be taken in the course of preparing the Company's tax returns to determine whether the tax positions are "more-likely-than-not" of being sustained by the applicable tax authority. In situations involving uncertain tax positions related to income tax matters, we do not recognize benefits unless it is more likely than not that they will be sustained. ASC 740 was applied to all open taxable years as of the effective date. Management's determinations regarding ASC 740 may be subject to review and adjustment at a later date based on factors including, but not limited to, an ongoing analysis of tax laws, regulations and interpretations thereof. The Company will recognize interest and penalties, if any, related to uncertain tax positions as income tax expense in our consolidated statements of operations.

Earnings (Loss) Per Share – Basic earnings (loss) per share excludes dilution and is computed by dividing net income (loss) attributable to the Company's common stockholders by the weighted-average number of shares of common stock outstanding for the period. Diluted earnings (loss) per share reflects the potential dilution that could occur if securities or other contracts to issue common stock were exercised or converted into common stock or resulted in the issuance of common stock that then shared in the earnings of the Company.

Segment Reporting – As of December 31, 2025, the Company operates in two reportable segments: (i) investment portfolio and (ii) Constructive. The accounting policies applied to the segments are the same as those described herein, with the exception of allocations of certain corporate expenses not directly assigned or allocated to one of the Company's two reportable segments.

Adoption of Income Taxes (Topic 740): Improvements to Income Tax Disclosures

On January 1, 2025, the Company adopted the annual disclosure requirements of ASU 2023-09, *Income Taxes (Topic 740): Improvements to Income Tax Disclosures* ("ASU 2023-09"). These amendments required enhanced disclosures in connection with an entity's effective tax rate reconciliation and additional disclosures about income taxes paid. See *Note 21* for the Company's income tax disclosures.

Summary of Recent Accounting Pronouncements

In November 2024, the FASB issued Accounting Standards Update ("ASU") 2024-03, *Income Statement — Reporting Comprehensive Income — Expense Disaggregation Disclosures* ("ASU 2024-03"). ASU 2024-03 requires a public business entity to disclose specific information about certain costs and expenses in the notes to financial statements. The effective date for ASU 2024-03, as amended by ASU 2025-01, *Income Statement — Reporting Comprehensive Income — Expense Disaggregation Disclosures: Clarifying the Effective Date*, is for annual periods beginning after December 15, 2026, and interim periods within fiscal years beginning after December 15, 2027. The Company expects that the adoption of ASU 2024-03 will result in additional disclosures in its notes to consolidated financial statements.

3. Investment Securities Available For Sale, at Fair Value

The Company accounts for its investment securities available for sale using the fair value election pursuant to ASC 825, where changes in fair value are recorded in unrealized gains (losses), net on the Company's consolidated statements of operations. The Company's investment securities available for sale consisted of the following as of December 31, 2025 and 2024, respectively (dollar amounts in thousands):

	December 31, 2025				December 31, 2024			
	Amortized Cost	Unrealized		Fair Value	Amortized Cost	Unrealized		Fair Value
		Gains	Losses			Gains	Losses	
Agency RMBS								
Fixed rate								
Fannie Mae	\$ 3,445,953	\$ 71,677	\$ (420)	\$ 3,517,210	\$ 1,483,619	\$ 7,819	\$ (7,991)	\$ 1,483,447
Freddie Mac	2,854,899	52,671	(280)	2,907,290	1,465,419	3,914	(13,720)	1,455,613
Total Fixed rate	6,300,852	124,348	(700)	6,424,500	2,949,038	11,733	(21,711)	2,939,060
Adjustable rate								
Fannie Mae	84,215	2,911	—	87,126	97,267	265	(631)	96,901
Freddie Mac	30,212	751	—	30,963	32,852	20	(191)	32,681
Total Adjustable rate	114,427	3,662	—	118,089	130,119	285	(822)	129,582
Interest-only								
Ginnie Mae	102,118	61	(14,354)	87,825	78,627	843	(16,092)	63,378
Freddie Mac	3,377	—	(315)	3,062	5,251	—	(459)	4,792
Total Interest-only	105,495	61	(14,669)	90,887	83,878	843	(16,551)	68,170
Total Agency RMBS	6,520,774	128,071	(15,369)	6,633,476	3,163,035	12,861	(39,084)	3,136,812
Non-Agency RMBS	22,203	5,701	(2,312)	25,592	66,203	6,098	(2,614)	69,687
U.S. Treasury securities	246,298	1,652	(2,237)	245,713	657,659	—	(35,614)	622,045
Total	\$ 6,789,275	\$ 135,424	\$ (19,918)	\$ 6,904,781	\$ 3,886,897	\$ 18,959	\$ (77,312)	\$ 3,828,544

Accrued interest receivable for investment securities available for sale in the amount of \$34.0 million and \$22.4 million as of December 31, 2025 and 2024, respectively, is included in other assets on the Company's consolidated balance sheets.

For the years ended December 31, 2025, 2024 and 2023, the Company recognized \$173.9 million in net unrealized gains, \$88.8 million in net unrealized losses and \$36.3 million in net unrealized gains on investment securities available for sale, respectively.

The Company's investment securities available for sale pledged as collateral against interest rate swap agreements and repurchase agreements are included in investment securities available for sale on the accompanying consolidated balance sheets with the fair value of securities pledged disclosed in *Notes 10 and 13*, respectively.

Realized Gain and Loss Activity

The following tables summarize our investment securities sold during the years ended December 31, 2025, 2024 and 2023, respectively (dollar amounts in thousands):

	Year Ended December 31, 2025			
	Sales Proceeds	Realized Gains	Realized Losses	Net Realized Gains (Losses)
U.S. Treasury securities	\$ 658,763	\$ 3,700	\$ (30,570)	(26,870)
Agency RMBS	61,138	1,177	—	1,177
Non-Agency RMBS	4,573	52	—	52
Total	\$ 724,474	\$ 4,929	\$ (30,570)	\$ (25,641)

	Year Ended December 31, 2024			
	Sales Proceeds	Realized Gains	Realized Losses	Net Realized Gains (Losses)
Non-Agency RMBS	\$ 5,284	\$ 21	\$ —	\$ 21
Total	\$ 5,284	\$ 21	\$ —	\$ 21

	Year Ended December 31, 2023			
	Sales Proceeds	Realized Gains	Realized Losses	Net Realized Gains (Losses)
ABS	\$ 595	\$ —	\$ (41)	(41)
CMBS	30,419	—	(1,387)	(1,387)
Non-Agency RMBS	33,676	1,472	(12,644)	(11,172)
Total	\$ 64,690	\$ 1,472	\$ (14,072)	\$ (12,600)

The Company recognized write-downs of certain Agency RMBS IOs for a loss of \$9.1 million for the year ended December 31, 2025, which is included in realized losses, net on the accompanying consolidated statements of operations. The Company recognized write-downs of non-Agency RMBS for a loss of \$1.2 million and \$1.7 million for the years ended December 31, 2024 and 2023, respectively.

Weighted Average Life

Actual maturities of our investment securities available for sale are generally shorter than stated contractual maturities (with contractual maturities up to 38 years), as they are affected by periodic payments and prepayments of principal on the underlying mortgages. As of December 31, 2025 and 2024, based on management's estimates, the weighted average life of the Company's investment securities available for sale portfolio was approximately 6.6 years and 7.4 years, respectively.

The following table sets forth the weighted average lives of our investment securities available for sale as of December 31, 2025 and 2024, respectively (dollar amounts in thousands):

Weighted Average Life	December 31, 2025		December 31, 2024	
0 to 5 years	\$	1,523,025	\$	604,459
Over 5 to 10 years		5,165,072		2,923,871
10+ years		216,684		300,214
Total	\$	6,904,781	\$	3,828,544

4. Residential Loans and Residential Loans Held for Sale, at Fair Value

The Company accumulates its residential loan portfolio through acquisitions of performing, re-performing and non-performing residential loans and business purpose loans and originations of business purpose loans. It also invests in first loss subordinated securities and certain IOs issued by Freddie Mac-sponsored residential loan securitizations. In accordance with GAAP, the Company has consolidated the underlying seasoned re-performing and non-performing residential loans held in the securitizations and the CDOs issued to permanently finance these residential loans, representing Consolidated SLST. The Company also originates business purpose loans for sale to residential real estate investors through Constructive.

Residential loans are presented at fair value on the Company's consolidated balance sheets as a result of a fair value election. Subsequent changes in fair value are reported in current period earnings and presented in unrealized gains (losses), net on the Company's consolidated statements of operations.

The following tables present the Company's residential loans, at fair value, which consist of residential loans held by the Company, Consolidated SLST and other securitization trusts and residential loans held for sale, as of December 31, 2025 and 2024, respectively (dollar amounts in thousands):

December 31, 2025						
	Residential loans ⁽¹⁾	Consolidated SLST ⁽²⁾	Residential loans held in securitization trusts ⁽³⁾	Total Residential loans	Residential loans held for sale	Total
Principal	\$ 575,565	\$ 1,307,770	\$ 2,656,765	\$ 4,540,100	\$ 78,915	\$ 4,619,015
Premium / (Discount)	3,389	(61,606)	(27,107)	(85,324)	—	(85,324)
Change in fair value	5,009	(80,487)	(21,123)	(96,601)	1,792	(94,809)
Carrying value	<u>\$ 583,963</u>	<u>\$ 1,165,677</u>	<u>\$ 2,608,535</u>	<u>\$ 4,358,175</u>	<u>\$ 80,707</u>	<u>\$ 4,438,882</u>

December 31, 2024						
	Residential loans ⁽¹⁾	Consolidated SLST ⁽²⁾	Residential loans held in securitization trusts ⁽³⁾	Total Residential loans		Total
Principal	\$ 652,642	\$ 1,111,633	\$ 2,365,060	\$ 4,129,335		\$ 4,129,335
Discount	(1,750)	(24,303)	(48,702)	(74,755)		(74,755)
Change in fair value	(18,626)	(121,658)	(72,558)	(212,842)		(212,842)
Carrying value	<u>\$ 632,266</u>	<u>\$ 965,672</u>	<u>\$ 2,243,800</u>	<u>\$ 3,841,738</u>		<u>\$ 3,841,738</u>

⁽¹⁾ Certain of the Company's residential loans, at fair value are pledged as collateral for repurchase agreements as of December 31, 2025 and 2024 (see Note 13).

⁽²⁾ The Company has consolidated the underlying seasoned re-performing and non-performing residential loans held in Consolidated SLST and the CDOs issued to permanently finance these residential loans. Consolidated SLST CDOs are included in collateralized debt obligations on the Company's consolidated balance sheets (see Note 14). During the years ended December 31, 2025 and 2024, the Company purchased additional first loss subordinated securities issued from securitizations that it determined to consolidate as Consolidated SLST. As a result, the Company consolidated the assets and liabilities of the securitizations (see Note 7).

⁽³⁾ The Company's residential loans held in securitization trusts are pledged as collateral for CDOs issued by the Company. These CDOs are accounted for as financings and included in collateralized debt obligations on the Company's consolidated balance sheets (see Note 14).

⁽⁴⁾ Certain of the Company's residential loans held for sale, at fair value are pledged as collateral for repurchase agreements and warehouse facilities as of December 31, 2025 (see Note 13).

Residential Loans, at Fair Value

The following table presents the unrealized gains (losses), net attributable to residential loans, at fair value for the years ended December 31, 2025, 2024 and 2023, respectively (dollar amounts in thousands):

	For the Years Ended December 31,								
	2025			2024			2023		
	Residential loans	Consolidated SLST ⁽¹⁾	Residential loans held in securitization trusts	Residential loans	Consolidated SLST ⁽¹⁾	Residential loans held in securitization trusts	Residential loans	Consolidated SLST ⁽¹⁾	Residential loans held in securitization trusts
Unrealized gains (losses), net	\$ 20,885	\$ 41,170	\$ 43,290	\$ 16,968	\$ 8,611	\$ (15,683)	\$ 6,786	\$ (8,086)	\$ 63,005

⁽¹⁾ In accordance with the practical expedient in ASC 810, the Company determines the fair value of the residential loans held in Consolidated SLST based on the fair value of the CDOs issued by Consolidated SLST, including investment securities we own, as the fair value of these instruments is more observable (see Note 17). See Note 7 for unrealized gains (losses), net recognized by the Company on its investment in Consolidated SLST, which include unrealized gains (losses) on the residential loans held in Consolidated SLST presented in the table above and unrealized gains (losses) on the CDOs issued by Consolidated SLST.

The Company recognized \$6.2 million of net realized losses, and \$2.2 million and \$4.6 million of net realized gains on the payoff of residential loans, at fair value during the years ended December 31, 2025, 2024 and 2023, respectively. The Company also recognized \$3.3 million of net realized gains, and \$1.0 million and \$0.8 million of net realized losses on the sale of residential loans, at fair value during the years ended December 31, 2025, 2024 and 2023, respectively.

The geographic concentrations of credit risk exceeding 5% of the unpaid principal balance of residential loans, at fair value as of December 31, 2025 and 2024, respectively, are as follows:

	December 31, 2025			December 31, 2024		
	Residential loans	Consolidated SLST	Residential loans held in securitization trusts	Residential loans	Consolidated SLST	Residential loans held in securitization trusts
Ohio	10.7 %	3.5 %	3.9 %	3.6 %	1.6 %	2.0 %
Pennsylvania	10.1 %	3.8 %	5.5 %	5.1 %	3.9 %	3.8 %
New Jersey	8.9 %	6.3 %	6.4 %	8.0 %	6.8 %	5.2 %
Florida	7.0 %	8.6 %	10.1 %	10.4 %	9.1 %	12.2 %
New York	6.7 %	10.7 %	6.6 %	6.6 %	10.8 %	6.6 %
Texas	5.2 %	4.4 %	6.7 %	6.2 %	4.4 %	7.9 %
Illinois	3.6 %	7.4 %	3.3 %	2.2 %	6.3 %	3.1 %
California	3.4 %	11.2 %	16.8 %	23.0 %	11.7 %	20.2 %

The following table presents the fair value and aggregate unpaid principal balance of the Company's residential loans and residential loans held in securitization trusts in non-accrual status as of December 31, 2025 and 2024, respectively (dollar amounts in thousands):

	Greater than 90 days past due			Less than 90 days past due		
	Fair Value	Unpaid Principal Balance		Fair Value	Unpaid Principal Balance	
December 31, 2025	\$	101,757	\$	1,977	2,303	
December 31, 2024		159,558		8,098	8,749	

Formal foreclosure proceedings were in process with respect to residential loans with an aggregate fair value of \$79.0 million and an aggregate unpaid principal balance of \$94.1 million as of December 31, 2025.

Residential loans held in Consolidated SLST with an aggregate unpaid principal balance of \$134.7 million and \$117.1 million were 90 days or more delinquent as of December 31, 2025 and 2024, respectively. In addition, formal foreclosure proceedings were in process with respect to residential loans held in Consolidated SLST with an aggregate unpaid principal balance of \$51.3 million as of December 31, 2025.

Residential Loans Held for Sale, at Fair Value

Residential loans held for sale, at fair value, consist of business purpose loans originated by Constructive and held for sale to third-party investors in the secondary market as of December 31, 2025. Residential loans held for sale are presented at fair value on the Company's consolidated balance sheets as a result of a fair value election. Subsequent changes in fair value are recorded in current period earnings and presented in mortgage banking activities, net on the Company's consolidated statements of operations.

The following table presents the activity of residential loans held for sale from July 15, 2025, the date of the Company's acquisition and consolidation of Constructive, through December 31, 2025 (dollar amounts in thousands):

Principal balance of loans acquired through business combination	\$	142,324
Principal balance of loans originated		840,069
Principal balance of loans sold to third parties		(440,541)
Proceeds from repayments		(259)
Principal balance of loans repurchased		1,337
Principal balance of loans transferred from residential loans held for sale to residential loans		(464,015)
Principal balance as of December 31, 2025	\$	<u>78,915</u>

The geographic concentrations of credit risk exceeding 5% of the unpaid principal balance of residential loans held for sale, at fair value as of December 31, 2025 are as follows:

	December 31, 2025
Ohio	13.8 %
Georgia	12.0 %
New York	11.9 %
New Jersey	9.2 %
Texas	8.9 %
Pennsylvania	7.2 %
Tennessee	5.0 %

Mortgage Banking Activities, Net

The following table summarizes the components of mortgage banking activities, net for the period from July 15, 2025, the date of the Company's acquisition and consolidation of Constructive through December 31, 2025 (dollar amounts in thousands):

Residential loan origination and other fees	\$	12,178
Gains on residential loans held for sale, net ⁽¹⁾		14,443
Mortgage banking activities, net	\$	<u>26,621</u>

⁽¹⁾ Includes gains on sale and unrealized gains, net of provision for loan repurchases, and gains (losses) on interest rate lock commitments. Interest rate lock commitments are accounted for by the Company as derivative instruments (see Note 10).

5. Multi-family Loans, at Fair Value

The Company's multi-family loans consisting of its preferred equity in entities that have multi-family real estate assets are presented at fair value on the Company's consolidated balance sheets as a result of a fair value election. Accordingly, changes in fair value are presented in unrealized gains (losses), net on the Company's consolidated statements of operations. Multi-family loans consist of the following as of December 31, 2025 and 2024, respectively (dollar amounts in thousands):

	December 31, 2025		December 31, 2024	
Investment amount	\$	59,102	\$	90,485
Unrealized losses, net		(3,626)		(4,293)
Total, at Fair Value	\$	55,476	\$	86,192

For the years ended December 31, 2025, 2024 and 2023, the Company recognized \$0.6 million in net unrealized gains, \$4.7 million in net unrealized losses and \$1.1 million in net unrealized gains on multi-family loans, respectively.

The table below presents the fair value and aggregate unpaid principal balance of the Company's multi-family loan in non-accrual status as of December 31, 2025 and 2024 (dollar amounts in thousands):

Days Late	Fair Value ⁽¹⁾		Unpaid Principal Balance	
90+	\$	—	\$	3,363

⁽¹⁾ The Company has reduced the fair value of the multi-family loan to zero as a result of developments with respect to the property, its financing and market conditions.

The geographic concentrations of credit risk exceeding 5% of the total multi-family loan investment amounts as of December 31, 2025 and 2024, respectively, are as follows:

	December 31, 2025		December 31, 2024	
Texas		57.8 %		36.1 %
Florida		18.6 %		11.6 %
Arkansas		9.3 %		10.3 %
Indiana		8.5 %		5.6 %
Pennsylvania		5.7 %		3.7 %

6. Equity Investments, at Fair Value

The Company's equity investments consist of, or have consisted of, preferred equity ownership interests in entities that invest in multi-family properties where the risks and payment characteristics are equivalent to an equity investment (or multi-family preferred equity ownership interests), an equity ownership interest in an entity that originates residential loans (or single-family equity ownership interest) and joint venture equity investments in multi-family properties. The Company's equity investments are accounted for under the equity method and are presented at fair value on its consolidated balance sheets as a result of a fair value election.

The following table presents the Company's equity investments as of December 31, 2025 and 2024, respectively (dollar amounts in thousands):

Investment Name	December 31, 2025		December 31, 2024	
	Ownership Interest	Fair Value	Ownership Interest	Fair Value
Multi-Family Preferred Equity Ownership Interests				
Hudson Bridge Apartments, LLC - Series A, Briar Hill Apartments, LLC, Kings Glen Apartments, LLC, Flagstone Apartments, LLC, Brookfield Apartments II, LLC - Series B, and Silber JBSM Properties, LLC (collectively)	58%	\$ 10,125	58%	\$ 9,322
Tides on 27th Investors, LLC	54%	3,092	54%	10,245
Rapid City RMI JV LLC	50%	11,494	50%	10,637
Lucie at Tradition Holdings, LLC	—	—	70%	21,821
EHOF-NYMT Sunset Apartments Preferred, LLC	—	—	57%	21,411
Total - Multi-Family Preferred Equity Ownership Interests		24,711		73,436
Joint Venture Equity Investments in Multi-Family Properties				
GWR Cedars Partners, LLC ⁽¹⁾	—	—	70%	141
GWR Gateway Partners, LLC ⁽¹⁾	—	—	70%	1,197
Total - Joint Venture Equity Investments in Multi-Family Properties		—		1,338
Single-Family Equity Ownership Interest				
Constructive Loans, LLC ⁽²⁾	—	—	50%	38,718
Total - Single-Family Equity Ownership Interest		—		38,718
Total		\$ 24,711		\$ 113,492

⁽¹⁾ The Company's joint venture equity investments in multi-family properties were transferred to assets of disposal group held for sale and subsequently sold during the year ended December 31, 2025 (see Note 9).

⁽²⁾ On July 15, 2025, the Company acquired the outstanding membership interests in Constructive that were not previously owned by the Company (see Note 24). Prior to July 15, 2025, the Company purchased approximately \$299.6 million of residential loans from this entity during the year ended December 31, 2025, and \$307.8 million and \$80.8 million of residential loans from this entity during the years ended December 31, 2024 and 2023, respectively. During the year ended December 31, 2025, the Company sold approximately \$18.7 million of residential loans to this entity prior to July 15, 2025, recognizing a realized gain of approximately \$0.2 million. Prior to July 15, 2025, the Company also received distributions of MSRs from Constructive (see Note 11).

The following table presents (loss) income from multi-family preferred equity ownership interests for the years ended December 31, 2025, 2024, and 2023, respectively (dollar amounts in thousands). (Loss) income from these investments is presented in (loss) income from equity investments in the Company's accompanying consolidated statements of operations. (Loss) income from these investments during the years ended December 31, 2025, 2024 and 2023 includes \$6.5 million of net unrealized losses, \$4.9 million of net unrealized losses and \$1.2 million of net unrealized gains, respectively.

Investment Name	For the Years Ended December 31,		
	2025	2024	2023
Hudson Bridge Apartments, LLC - Series A, Briar Hill Apartments, LLC, Kings Glen Apartments, LLC, Flagstone Apartments, LLC, Brookfield Apartments II, LLC - Series B, and Silber JBSM Properties, LLC (collectively)	\$ 1,433	\$ 1,070	\$ 1,234
Tides on 27th Investors, LLC	(6,984)	(3,320)	2,513
Rapid City RMI JV LLC	1,649	1,594	541
Lucie at Tradition Holdings, LLC	2,176	3,355	2,841
EHOF-NYMT Sunset Apartments Preferred, LLC	950	2,722	2,579
Syracuse Apartments and Townhomes, LLC	—	2,422	2,691
Palms at Cape Coral, LLC	—	69	751
FF/RMI 20 Midtown, LLC	—	—	3,948
America Walks at Port St. Lucie, LLC	—	—	2,244
1122 Chicago DE, LLC	—	—	419
Bighaus, LLC	—	—	701
Total (Loss) Income - Multi-Family Preferred Equity Ownership Interests	\$ (776)	\$ 7,912	\$ 20,462

(Loss) income from single-family equity ownership interest and joint venture equity investments in multi-family properties that are accounted for under the equity method using the fair value option is presented in (loss) income from equity investments in the Company's accompanying consolidated statements of operations. The following table presents (loss) income from these investments for the years ended December 31, 2025, 2024 and 2023, respectively (dollar amounts in thousands):

Investment Name	For the Years Ended December 31,		
	2025	2024	2023
Single-Family Equity Ownership Interest			
Constructive Loans, LLC ⁽¹⁾	\$ (1,554)	\$ 12,481	\$ 614
Total (Loss) Income - Single Family Equity Ownership Interest	\$ (1,554)	\$ 12,481	\$ 614
Joint Venture Equity Investments in Multi-Family Properties ⁽²⁾			
GWR Cedars Partners, LLC	39	(1,756)	(823)
GWR Gateway Partners, LLC	(877)	(2,626)	(2,468)
Total Loss - Joint Venture Equity Investments in Multi-Family Properties	\$ (838)	\$ (4,382)	\$ (3,291)

⁽¹⁾ Includes net unrealized losses of \$4.4 million recognized prior to the Company's acquisition of the outstanding membership interests in Constructive on July 15, 2025 (see Note 24) and included in the accompanying consolidated statements of operations for the year ended December 31, 2025. Includes net unrealized gains of \$3.1 million and net unrealized losses of \$5.2 million for the years ended December 31, 2024 and 2023, respectively.

⁽²⁾ Includes net realized losses of \$0.8 million for the year ended December 31, 2025, and includes net unrealized losses of \$4.4 million and \$3.3 million for the years ended December 31, 2024 and 2023, respectively.

Summary combined financial information for the Company's equity investments as of December 31, 2025 and 2024, respectively, and for the years ended December 31, 2025, 2024 and 2023, respectively, is shown below and includes summary financial information for the Company's joint venture equity investments in multi-family properties that were sold during the year ended December 31, 2025 (dollar amounts in thousands):

	December 31, 2025	December 31, 2024
Balance Sheets:		
Real estate, net	\$ 116,477	\$ 298,844
Residential loans	—	265,319
Other assets	2,178	40,969
Total assets	<u>\$ 118,655</u>	<u>\$ 605,132</u>
Mortgages payable on real estate, net	\$ 79,410	\$ 201,682
Other liabilities	2,319	264,979
Total liabilities	81,729	466,661
Members' equity	36,926	138,471
Total liabilities and members' equity	<u>\$ 118,655</u>	<u>\$ 605,132</u>

	For the Years Ended December 31,		
	2025	2024	2023
Operating Statements: ⁽¹⁾			
Rental income	\$ 20,597	\$ 31,220	\$ 21,299
Real estate sales	158,625	96,000	—
Cost of real estate sales	(136,396)	(85,497)	—
Interest income	10,694	11,204	10,393
Other income	41,582	52,764	34,870
Operating expenses	(49,432)	(49,330)	(33,883)
Income before debt service and depreciation and amortization	45,670	56,361	32,679
Interest expense	(19,218)	(33,235)	(23,315)
Depreciation and amortization	(8,590)	(15,328)	(14,904)
Net income (loss)	<u>\$ 17,862</u>	<u>\$ 7,798</u>	<u>\$ (5,540)</u>

⁽¹⁾ The Company records income (loss) from equity investments under either the hypothetical liquidation of book value method of accounting or the equity method using the fair value option. Accordingly, the combined net income (loss) shown above is not indicative of the income (loss) recognized by the Company from equity investments.

7. Use of Special Purpose Entities (SPE) and Variable Interest Entities (VIE)

Financing VIEs

The Company uses SPEs to facilitate transactions that involve securitizing financial assets or re-securitizing previously securitized financial assets. The objective of such transactions may include obtaining non-recourse financing, obtaining liquidity or refinancing the underlying securitized financial assets on improved terms. Securitization involves transferring assets to an SPE to convert all or a portion of those assets into cash before they would have been realized in the normal course of business through the SPE's issuance of debt or equity instruments. Investors in an SPE usually have recourse only to the assets in the SPE and depending on the overall structure of the transaction, may benefit from various forms of credit enhancement, such as over-collateralization in the form of excess assets in the SPE, priority with respect to receipt of cash flows relative to holders of other debt or equity instruments issued by the SPE, or a line of credit or other form of liquidity agreement that is designed with the objective of ensuring that investors receive principal and/or interest cash flow on the investment in accordance with the terms of their investment agreement.

The Company has entered into financing transactions, including residential loan securitizations and re-securitizations, which required the Company to analyze and determine whether the SPEs that were created to facilitate the transactions are VIEs in accordance with ASC 810 and if so, whether the Company is the primary beneficiary requiring consolidation.

During the years ended December 31, 2025 and 2024, the Company completed four and five securitizations of certain residential loans for which the Company received aggregate net proceeds of approximately \$945.5 million and \$1.3 billion, respectively, after deducting expenses associated with the securitization transactions. The Company engaged in these transactions for the purpose of obtaining non-recourse, longer-term financing on a portion of its residential loan portfolio. The residential loans serving as collateral for the financings are comprised of performing, re-performing and non-performing and business purpose loans which are included in residential loans, at fair value on the accompanying consolidated balance sheets.

During the year ended December 31, 2025, the Company exercised its right to optional redemptions of three of its residential loan securitizations with aggregate outstanding principal balances of \$424.6 million at the time of redemption and returned the assets held by the trust to the Company, recognizing no gain or loss on the extinguishment of the collateralized debt obligations.

During the year ended December 31, 2024, the Company exercised its right to optional redemptions of two of its residential loan securitizations with aggregate outstanding principal balances of \$193.3 million at the time of redemption, returned the assets held by the trust to the Company and recognized \$0.7 million of loss on the extinguishment of collateralized debt obligations, which is included in other income (loss) in the accompanying consolidated statements of operations.

During the year ended December 31, 2024, the Company completed a re-securitization of its investment in certain subordinated securities issued by Consolidated SLST (see below), which the Company refers to as a non-Agency RMBS re-securitization. The Company engaged in the re-securitization transaction primarily for the purpose of obtaining non-recourse, longer-term financing on a portion of its investment in Consolidated SLST.

As of December 31, 2025 and 2024, the Company evaluated its residential loan securitizations and its non-Agency RMBS re-securitization and concluded that the entities created to facilitate each of the financing transactions are VIEs and that the Company is the primary beneficiary of these VIEs (each a "Financing VIE" and collectively, the "Financing VIEs"). Accordingly, the Company consolidated the then-outstanding Financing VIEs as of December 31, 2025 and 2024, respectively.

Consolidated SLST

The Company invests in subordinated securities that represent the first loss position of the Freddie Mac-sponsored residential loan securitizations from which they were issued and certain IOs issued from the securitizations. The Company has evaluated its investments in these securitization trusts to determine whether they are VIEs and if so, whether the Company is the primary beneficiary requiring consolidation. The Company has determined that the Freddie Mac-sponsored residential loan securitization trusts, which we collectively refer to as Consolidated SLST, are VIEs and that the Company is the primary beneficiary of the VIEs within Consolidated SLST. Accordingly, the Company consolidates the assets, liabilities, income and expenses of such VIEs in the accompanying consolidated financial statements (see *Notes 2, 4 and 14*). The Company has elected the fair value option on the assets and liabilities held within Consolidated SLST, which requires that changes in valuations in the assets and liabilities of Consolidated SLST be reflected in the Company's consolidated statements of operations. Consolidated SLST is comprised of three and two securitization trusts as of December 31, 2025 and 2024, respectively.

During the years ended December 31, 2025 and 2024, the Company invested in subordinated securities issued by Freddie Mac-sponsored residential loan securitizations, resulting in the initial consolidation of the VIEs as shown below, respectively (dollar amounts in thousands):

	For the Years Ended December 31,	
	2025	2024
Residential loans, at fair value	\$ 247,405	\$ 285,057
Collateralized debt obligations, at fair value	(235,226)	(275,200)
Net investment	\$ 12,179	\$ 9,857

As of December 31, 2025 and 2024, the Consolidated SLST securities owned by the Company had a fair value of \$151.5 million and \$148.5 million, respectively (*see Note 17*). The Company remains economically exposed to the subordinated positions in the portion of Consolidated SLST transferred to the non-Agency RMBS re-securitization and continues to consolidate Consolidated SLST.

Consolidated Real Estate VIEs

The Company owns, or owned, joint venture equity investments in entities that own multi-family apartment communities, which the Company determined to be VIEs and for which the Company is the primary beneficiary. Accordingly, the Company consolidates the assets, liabilities, income and expenses of these VIEs in the accompanying consolidated financial statements with non-controlling interests or redeemable non-controlling interests for the third-party ownership of the joint ventures' membership interests.

During the year ended December 31, 2024, the Company sold its joint venture equity investments in nine multi-family properties, which resulted in the de-consolidation of the respective joint venture entities' assets and liabilities (*see Note 9*).

The Company is also the primary beneficiary of a VIE that owns a multi-family apartment community and in which the Company holds a preferred equity investment. The Company determined that it has the power to direct the activities of the VIE and consolidates this VIE into its consolidated financial statements.

The Company accounted for the initial consolidation of the Consolidated Real Estate VIEs in accordance with asset acquisition provisions of ASC 805, as substantially all of the fair value of the assets within the entities are concentrated in either a single identifiable asset or group of similar identifiable assets.

In analyzing whether the Company is the primary beneficiary of the Financing VIEs, Consolidated SLST and Consolidated Real Estate VIEs, the Company considered its involvement in each of the VIEs, including the design and purpose of each VIE, and whether its involvement reflected a controlling financial interest that resulted in the Company being deemed the primary beneficiary of the VIEs. In determining whether the Company would be considered the primary beneficiary, the following factors were assessed:

- whether the Company has both the power to direct the activities that most significantly impact the economic performance of the VIE; and
- whether the Company has a right to receive benefits or absorb losses of the entity that could be potentially significant to the VIE.

The following table presents a summary of the assets, liabilities and non-controlling interests of the Company's securitizations, Consolidated SLST and Consolidated Real Estate VIEs of as of December 31, 2025 (dollar amounts in thousands). Intercompany balances have been eliminated for purposes of this presentation:

	Financing VIEs	Other VIEs		Total
		Consolidated SLST	Consolidated Real Estate	
Cash and cash equivalents	\$ —	\$ —	\$ 3,853	\$ 3,853
Residential loans, at fair value	2,608,535	1,165,677	—	3,774,212
Real estate, net held in Consolidated VIEs ⁽¹⁾	—	—	424,655	424,655
Assets of disposal group held for sale ⁽²⁾	—	—	1,256	1,256
Other assets	132,428	4,489	26,667	163,584
Total assets	\$ 2,740,963	\$ 1,170,166	\$ 456,431	\$ 4,367,560
Collateralized debt obligations (\$3,148,157 at fair value, and \$363,645 at amortized cost, net)	\$ 2,504,883	\$ 1,006,919	\$ —	\$ 3,511,802
Mortgages payable on real estate, net in Consolidated VIEs ⁽³⁾	—	—	332,131	332,131
Liabilities of disposal group held for sale ⁽²⁾	—	—	122	122
Other liabilities	17,317	10,368	9,533	37,218
Total liabilities	\$ 2,522,200	\$ 1,017,287	\$ 341,786	\$ 3,881,273
Redeemable non-controlling interest in Consolidated VIEs ⁽⁴⁾	\$ —	\$ —	\$ 3,016	\$ 3,016
Non-controlling interest in Consolidated VIEs ⁽⁵⁾	\$ —	\$ —	\$ 374	\$ 374
Net investment ⁽⁶⁾	\$ 218,763	\$ 152,879	\$ 111,255	\$ 482,897

⁽¹⁾ Included in real estate, net in the accompanying consolidated balance sheets.

⁽²⁾ Represents assets and liabilities, respectively, of certain Consolidated Real Estate VIEs included in disposal group held for sale (see Note 9).

⁽³⁾ Included in mortgages payable on real estate, net in the accompanying consolidated balance sheets.

⁽⁴⁾ Represents redeemable third-party ownership of membership interests in Consolidated Real Estate VIEs. See *Redeemable Non-Controlling Interest in Consolidated VIEs* below.

⁽⁵⁾ Represents third-party ownership of membership interests in Consolidated Real Estate VIEs.

⁽⁶⁾ The net investment amount is the maximum amount of the Company's investment that is at risk to loss and represents the difference between the carrying value of total assets and total liabilities held by VIEs, less non-controlling interests, if any.

The following table presents a summary of the assets, liabilities and non-controlling interests of the Company's securitizations, Consolidated SLST and Consolidated Real Estate VIEs as of December 31, 2024 (dollar amounts in thousands). Intercompany balances have been eliminated for purposes of this presentation:

	Financing VIEs	Other VIEs		Total
		Consolidated SLST	Consolidated Real Estate	
Cash and cash equivalents	\$ —	\$ —	\$ 4,151	\$ 4,151
Residential loans, at fair value	2,243,800	965,672	—	3,209,472
Real estate, net held in Consolidated VIEs ⁽¹⁾	—	—	481,161	481,161
Assets of disposal group held for sale ⁽²⁾	—	—	118,613	118,613
Other assets	154,426	4,065	16,696	175,187
Total assets	\$ 2,398,226	\$ 969,737	\$ 620,621	\$ 3,988,584
Collateralized debt obligations (\$2,135,680 at fair value, and \$842,764 at amortized cost, net)	\$ 2,166,853	\$ 811,591	\$ —	\$ 2,978,444
Mortgages payable on real estate, net in Consolidated VIEs ⁽³⁾	—	—	366,606	366,606
Liabilities of disposal group held for sale ⁽²⁾	—	—	97,065	97,065
Other liabilities	16,162	8,313	10,621	35,096
Total liabilities	\$ 2,183,015	\$ 819,904	\$ 474,292	\$ 3,477,211
Redeemable non-controlling interest in Consolidated VIEs ⁽⁴⁾	\$ —	\$ —	\$ 12,359	\$ 12,359
Non-controlling interest in Consolidated VIEs ⁽⁵⁾	\$ —	\$ —	\$ 3,930	\$ 3,930
Net investment ⁽⁶⁾	\$ 215,211	\$ 149,833	\$ 130,040	\$ 495,084

⁽¹⁾ Included in real estate, net in the accompanying consolidated balance sheets.

⁽²⁾ Represents assets and liabilities, respectively, of certain Consolidated Real Estate VIEs included in disposal group held for sale (see Note 9).

⁽³⁾ Included in mortgages payable on real estate, net in the accompanying consolidated balance sheets.

⁽⁴⁾ Represents redeemable third-party ownership of membership interests in Consolidated Real Estate VIEs. See *Redeemable Non-Controlling Interest in Consolidated VIEs* below.

⁽⁵⁾ Represents third-party ownership of membership interests in Consolidated Real Estate VIEs.

⁽⁶⁾ The net investment amount is the maximum amount of the Company's investment that is at risk to loss and represents the difference between the carrying value of total assets and total liabilities held by VIEs, less non-controlling interests, if any.

The following tables present condensed statements of operations for non-Company-sponsored VIEs for the years ended December 31, 2025, 2024 and 2023, respectively (dollar amounts in thousands). The following tables include net (loss) income from assets and liabilities of disposal group held for sale and intercompany balances have been eliminated for purposes of this presentation.

	For the Year Ended December 31,			
	2025			
	Consolidated SLST	Consolidated Real Estate	Total	
Interest income	\$ 50,970	\$ —	\$ —	\$ 50,970
Interest expense	37,547	—	—	37,547
Total net interest income	13,423	—	—	13,423
Income from real estate	—	68,212	—	68,212
Expenses related to real estate	—	76,887	—	76,887
Total net loss from real estate	—	(8,675)	—	(8,675)
Unrealized gains, net	8,460	—	—	8,460
Gains on derivative instruments, net	—	57	—	57
Impairment of real estate	—	(7,180)	—	(7,180)
Other income	—	8,652	—	8,652
Total other income	8,460	1,529	—	9,989
Net income (loss)	21,883	(7,146)	—	14,737
Net loss attributable to non-controlling interest in Consolidated VIEs	—	11,391	—	11,391
Net income attributable to Company	\$ 21,883	\$ 4,245	\$ —	\$ 26,128

	For the Year Ended December 31,			
	2024			
	Consolidated SLST	Consolidated Real Estate	Total	
Interest income	\$ 39,194	\$ —	\$ —	\$ 39,194
Interest expense	26,491	—	—	26,491
Total net interest income	12,703	—	—	12,703
Income from real estate	—	121,463	—	121,463
Expenses related to real estate	—	163,762	—	163,762
Total net loss from real estate	—	(42,299)	—	(42,299)
Unrealized gains, net	2,902	—	—	2,902
Gains on derivative instruments, net	—	2,788	—	2,788
Impairment of real estate	—	(43,959)	—	(43,959)
Loss on reclassification of disposal group	—	(14,636)	—	(14,636)
Other income	—	26,031	—	26,031
Total other income (loss)	2,902	(29,776)	—	(26,874)
Net income (loss)	15,605	(72,075)	—	(56,470)
Net loss attributable to non-controlling interest in Consolidated VIEs	—	31,924	—	31,924
Net income (loss) attributable to Company	\$ 15,605	\$ (40,151)	\$ —	\$ (24,546)

	For the Year Ended December 31,			
	2023			
	Consolidated SLST	Consolidated Real Estate		Total
Interest income	\$ 34,061	\$ —	\$ —	\$ 34,061
Interest expense	24,506	—	—	24,506
Total net interest income	9,555	—	—	9,555
Income from real estate	—	160,407	—	160,407
Expenses related to real estate	—	192,018	—	192,018
Total net loss from real estate	—	(31,611)	—	(31,611)
Unrealized losses, net	(10,016)	—	—	(10,016)
Gains on derivative instruments, net	—	4,837	—	4,837
Impairment of real estate	—	(89,548)	—	(89,548)
Loss on reclassification of disposal group	—	(16,163)	—	(16,163)
Other income	—	2,728	—	2,728
Total other loss	(10,016)	(98,146)	—	(108,162)
Net loss	(461)	(129,757)	—	(130,218)
Net loss attributable to non-controlling interest in Consolidated VIEs	—	29,134	—	29,134
Net loss attributable to Company	\$ (461)	\$ (100,623)	\$ —	\$ (101,084)

Redeemable Non-Controlling Interest in Consolidated VIEs

The third-party owners of certain of the non-controlling interests in Consolidated VIEs have the ability to sell their ownership interests to the Company, at their election. The Company has classified these third-party ownership interests as redeemable non-controlling interest in Consolidated VIEs in mezzanine equity on the accompanying consolidated balance sheets. The holders of the redeemable non-controlling interests may elect to sell their ownership interests to the Company at fair value once a year and the sales are subject to annual minimum and maximum amount limitations. During the year ended December 31, 2025, the maximum redeemable amount of non-controlling ownership interest was \$2.6 million, of which non-controlling interest holders elected to sell \$0.5 million to the Company.

The following table presents activity in redeemable non-controlling interest in Consolidated VIEs for the years ended December 31, 2025, 2024 and 2023, respectively (dollar amounts in thousands):

	For the Years Ended December 31,			
	2025	2024	2023	2023
Beginning balance	\$ 12,359	\$ 28,061	\$ 28,061	\$ 63,803
Contributions	—	46	—	6
Distributions	(788)	(8,809)	—	(4,021)
Net loss attributable to redeemable non-controlling interest in Consolidated VIEs	(9,603)	(16,926)	—	(17,067)
Adjustment of redeemable non-controlling interest to estimated redemption value ⁽¹⁾	1,548	10,613	—	(14,175)
Redemption of redeemable non-controlling interest	(500)	(626)	—	(485)
Ending balance	\$ 3,016	\$ 12,359	\$ 28,061	\$ 28,061

⁽¹⁾ The Company determines the fair value of the redeemable non-controlling interest utilizing market assumptions and discounted cash flows. The Company applies a discount rate to the estimated future cash flows from the multi-family apartment properties held by the applicable Consolidated VIEs that are allocatable to the redeemable non-controlling interest. This fair value measurement is generally based on unobservable inputs and, as such, is classified as Level 3 in the fair value hierarchy. Significant unobservable inputs utilized in the estimation of fair value of redeemable non-controlling interest as of December 31, 2025 include a weighted average capitalization rate of 5.7% (ranges from 5.0% to 6.3%) and a weighted average discount rate of 14.9% (ranges from 13.9% to 15.6%).

Unconsolidated VIEs

As of December 31, 2025 and 2024, the Company evaluated its investment securities available for sale and preferred equity, equity and other investments to determine whether they are VIEs and should be consolidated by the Company. Based on a number of factors, the Company determined that, as of December 31, 2025 and 2024, it does not have a controlling financial interest and is not the primary beneficiary of these VIEs. The following tables present the classification and carrying value of unconsolidated VIEs as of December 31, 2025 and 2024, respectively (dollar amounts in thousands):

	December 31, 2025				
	Multi-family loans, at fair value	Investment securities available for sale, at fair value	Equity investments, at fair value	Other assets	Total
Non-Agency RMBS	\$ —	\$ 21,476	\$ —	\$ —	\$ 21,476
Preferred equity investments in multi-family properties	55,476	—	24,711	—	80,187
Other investments	—	—	—	2,000	2,000
Maximum exposure	<u>\$ 55,476</u>	<u>\$ 21,476</u>	<u>\$ 24,711</u>	<u>\$ 2,000</u>	<u>\$ 103,663</u>

	December 31, 2024				
	Multi-family loans, at fair value	Investment securities available for sale, at fair value	Equity investments, at fair value	Other assets	Total
Non-Agency RMBS	\$ —	\$ 22,892	\$ —	\$ —	\$ 22,892
Preferred equity investments in multi-family properties	86,192	—	73,436	—	159,628
Joint venture equity investments in multi-family properties	—	—	1,338	—	1,338
Other investments	—	—	—	2,000	2,000
Maximum exposure	<u>\$ 86,192</u>	<u>\$ 22,892</u>	<u>\$ 74,774</u>	<u>\$ 2,000</u>	<u>\$ 185,858</u>

8. Real Estate, Net

The following is a summary of real estate, net, collectively, as of December 31, 2025 and 2024, respectively (dollar amounts in thousands):

	December 31, 2025	December 31, 2024
Land	\$ 64,460	\$ 80,190
Building and improvements	454,872	581,283
Furniture, fixture and equipment	14,516	16,866
Operating real estate	533,848	678,339
Accumulated depreciation	(65,132)	(61,834)
Operating real estate, net	468,716	616,505
Real estate held for sale, net ⁽¹⁾	84,780	6,902
Real estate, net ⁽²⁾	\$ 553,496	\$ 623,407

⁽¹⁾ Real estate held for sale, net is recorded at the lower of the net carrying amount of the assets or the estimated fair value, net of selling costs.

⁽²⁾ The Company repositioned its business through the opportunistic disposition over time of the Company's joint venture equity investments in multi-family properties and reallocation of its capital away from such assets to its targeted assets. Accordingly, the real estate, net related to certain joint venture equity investments in multi-family properties was included in assets of disposal group held for sale on the accompanying consolidated balance sheets as of December 31, 2024. See Note 9 for additional information.

Multi-family Apartment Properties

As of December 31, 2025 and 2024, the Company owned joint venture equity investments in entities that own multi-family apartment communities, which the Company determined to be VIEs and for which the Company is the primary beneficiary. Also as of December 31, 2025 and 2024, the Company owned a preferred equity investment in an entity that owns a multi-family apartment community, which the Company determined to be a VIE and for which the Company is the primary beneficiary. Accordingly, the Company consolidated the joint venture entities and the entity in which it holds a preferred equity investment into its consolidated financial statements (see Note 7).

During the year ended December 31, 2025, the Company determined that two of the multi-family apartment communities owned by an entity in which the Company holds a joint venture equity investment that is not in disposal group held for sale met the criteria to be classified as held for sale, transferred the properties held by the joint venture entity from operating real estate to real estate held for sale and recognized no loss. The entity subsequently sold one of these multi-family apartment communities for approximately \$51.0 million, subject to certain prorations and adjustments typical in such real estate transactions, including the repayment of the related mortgage payable in the amount of approximately \$29.5 million. The sale generated a net gain of approximately \$9.1 million and recognition of loan costs of approximately \$0.4 million, both of which are included in other income on the accompanying consolidated statements of operations. The sale also generated net income attributable to non-controlling interest of approximately \$6.3 million, resulting in a net gain attributable to the Company's common stockholders of approximately \$2.4 million. As of December 31, 2025, one multi-family apartment community owned by this entity remained classified as held for sale.

During the year ended December 31, 2024, the Company determined that two of the multi-family apartment communities owned by an entity in which the Company holds a joint venture equity investment that is not in disposal group held for sale met the criteria to be classified as held for sale, transferred the properties held by the joint venture entity from operating real estate to real estate held for sale and recognized no loss. The entity subsequently sold these multi-family apartment communities for approximately \$77.3 million, subject to certain prorations and adjustments typical in such real estate transactions, including the repayment or assumption of the related mortgages payable in the amount of approximately \$44.2 million. The sales generated a net gain of approximately \$16.3 million and recognition of loan costs of approximately \$0.6 million, both of which are included in other income on the accompanying consolidated statements of operations. The sales also generated net income attributable to non-controlling interest of approximately \$12.1 million, resulting in a net gain attributable to the Company's common stockholders of approximately \$3.6 million. During the year ended December 31, 2024, the entity also distributed its ownership interest in one multi-family apartment community to the non-controlling interest. The distribution resulted in a net gain of approximately \$0.5 million, which is included in other income in the accompanying consolidated statements of operations, resulting in a net gain attributable to the Company's common stockholders of approximately \$0.1 million. As of December 31, 2024, no multi-family apartment communities owned by this entity remained classified as held for sale.

During the year ended December 31, 2023, the Company became the primary beneficiary of a VIE that owns a multi-family apartment community and in which the Company holds a preferred equity investment. Accordingly, the Company consolidated the VIE into its consolidated financial statements (see Note 7).

The multi-family apartment communities generally lease their apartment units to individual tenants at market rates for the production of rental income. These apartment units are generally leased at a fixed monthly rate with no option for the lessee to purchase the leased unit at any point.

Operating real estate, net that is not in disposal group held for sale is periodically evaluated for impairment. During the year ended December 31, 2025, the Company determined that no multi-family apartment communities in operating real estate, net were impaired. The Company determined that one multi-family apartment community in operating real estate, net as of December 31, 2024 was impaired. The calculation of impairment amounts for multi-family apartment communities utilized fair values that were estimated based upon discounted cash flow analyses using property financial information and assumptions regarding market rent, revenue and expense growth, capitalization rates and equity return rates. Accordingly, the Company recognized a \$15.8 million impairment of real estate during the year ended December 31, 2024.

Single-family Rental Properties

As of December 31, 2025 and 2024, the Company owned single-family rental homes. These units are leased to individual tenants for the production of rental income and are generally leased at a fixed monthly rate with no option for the lessee to purchase the leased unit at any point.

During the years ended December 31, 2025 and 2024, the Company determined that certain single-family rental properties met the criteria to be classified as held for sale, transferred the properties from operating real estate to real estate held for sale and recognized losses upon transfer of \$1.6 million and \$4.8 million, respectively, which are included in impairment of real estate on the accompanying consolidated statements of operations.

Real estate held for sale, net is recorded at the lower of the net carrying amount of the assets or the estimated fair value, net of selling costs. Fair value for single-family rental properties held for sale was based upon local broker price opinions and automated valuation model data. During the years ended December 31, 2025 and 2024, the Company recognized \$2.6 million and \$4.9 million of net impairment losses on single-family rental properties, inclusive of losses recognized upon transfer to real estate held for sale, respectively.

During the year ended December 31, 2025, the Company sold single-family rental properties for proceeds of approximately \$7.4 million and recognized a net loss on sale of approximately \$0.6 million, which is included in other income on the accompanying consolidated statements of operations. During the year ended December 31, 2024, the Company sold single-family rental properties for proceeds of approximately \$5.4 million and recognized a net gain on sale of approximately \$0.1 million.

Lease Intangibles

Intangibles related to multi-family properties consist of the value of in-place leases and are included in other assets on the accompanying consolidated balance sheets. Lease intangibles were fully amortized as of December 31, 2025 and 2024.

The Company repositioned its business through the opportunistic disposition over time of the Company's joint venture equity investments in multi-family properties and reallocation of its capital away from such assets to its targeted assets. Accordingly, the lease intangibles, net related to certain joint venture equity investments in multi-family properties were included in assets of disposal group held for sale on the accompanying consolidated balance sheets as of December 31, 2024. See Note 9 for additional information.

Depreciation and Amortization Expense

The following table presents depreciation and amortization expenses for the years ended December 31, 2025, 2024 and 2023, respectively (dollar amounts in thousands):

	For the Years Ended December 31,		
	2025	2024	2023
Depreciation expense on operating real estate	\$ 23,125	\$ 37,444	\$ 24,620
Amortization of lease intangibles related to operating real estate	—	2,378	—
Total depreciation and amortization	\$ 23,125	\$ 39,822	\$ 24,620

The estimated depreciation expense related to operating real estate is as follows (dollar amounts in thousands):

Year Ending December 31,	Depreciation Expense
2026	\$ 18,590
2027	\$ 17,377
2028	\$ 17,159
2029	\$ 16,800
2030	\$ 16,216

9. Assets and Liabilities of Disposal Group Held for Sale

During the years ended December 31, 2025, 2024, and 2023 the Company repositioned its business through the opportunistic disposition over time of its joint venture equity investments in multi-family properties and reallocation of its capital away from such assets to its targeted assets. As part of this process, the Company determined that certain joint venture equity investments met the criteria to be classified as held for sale and the assets and liabilities of the respective Consolidated VIEs were included in assets and liabilities of disposal group held for sale on the accompanying consolidated balance sheets. The Company completed its disposition of the real property held by its joint venture equity investments in multi-family properties during the year ended December 31, 2025. Accordingly, assets and liabilities of disposal group held for sale as of December 31, 2025 consisted of assets and liabilities held by the respective Consolidated VIEs for the conclusion of business operations after the aforementioned real property sales.

The following table presents the carrying values of the major classes of assets and liabilities of disposal group held for sale as of December 31, 2025 and 2024, respectively (dollar amounts in thousands):

	December 31, 2025		December 31, 2024	
Cash and cash equivalents	\$	510	\$	2,461
Real estate, net		—		111,032
Other assets		746		5,120
Total assets of disposal group held for sale ⁽¹⁾	\$	1,256	\$	118,613
Mortgages payable on real estate, net ⁽²⁾	\$	—	\$	93,370
Other liabilities		122		3,695
Total liabilities of disposal group held for sale ⁽¹⁾	\$	122	\$	97,065

⁽¹⁾ Assets and liabilities of the disposal group held for sale are in Consolidated VIEs because the Company is the primary beneficiary.

⁽²⁾ During the year ended December 31, 2024, two entities in which the Company held joint venture equity investments entered into debt restructuring agreements with the respective senior lender for their mortgages payable. As part of the agreements, a portion of interest payments were deferred until the maturity date. The restructurings did not result in a change in the carrying amount of the mortgages payable and no gains were recorded. The Company subsequently sold its ownership interests in these entities, which resulted in the de-consolidation of the mortgages payable subject to the debt restructuring agreements as of December 31, 2024.

Also included in the disposal group held for sale are non-controlling interests in Consolidated VIEs in the amount of \$0.6 million and \$2.0 million as of December 31, 2025 and 2024, respectively.

The following table presents a summary of activity in disposal group held for sale for the years ended December 31, 2025, 2024 and 2023, respectively (dollar amounts in thousands):

	For the Years Ended December 31,		
	2025	2024	2023
Multi-family apartment community sales by Consolidated VIEs			
Total gross proceeds	\$ 108,550	\$ 56,350	\$ 219,170
Total repayment of related mortgages payable	\$ 89,570	\$ 31,809	\$ 173,605
Total net gains on sale ⁽¹⁾	\$ 461	\$ 11,373	\$ 5,997
Total losses on extinguishment of debt ⁽¹⁾	\$ 448	\$ 1,602	\$ 1,965
Total net gains attributable to non-controlling interests	\$ 1	\$ 1,060	\$ 2,234
Total net gains attributable to Company's common shareholders	\$ 11	\$ 8,711	\$ 1,700
Sales of the Company's ownership interests in joint venture equity investments			
Total gain on de-consolidation of Consolidated VIEs ⁽¹⁾	\$ —	\$ 5,615	\$ —
Reclassification to disposal group held for sale			
Total impairment loss on reclassification to disposal group held for sale ⁽²⁾	\$ —	\$ 3,726	\$ —
Reclassification from disposal group held for sale			
Total loss on reclassification from disposal group held for sale	\$ —	\$ 14,636	\$ 16,163

⁽¹⁾ Included in other income in the accompanying consolidated statements of operations.

⁽²⁾ Included in impairment of real estate in the accompanying consolidated statements of operations.

Real estate, net included in assets of disposal group held for sale was recorded at the lower of the net carrying amount of the assets or the estimated fair value, net of selling costs. Fair value for real estate was based upon either negotiated sale prices less anticipated selling costs or a discounted cash flow analysis using property financial information and assumptions regarding market rent, revenue and expense growth, capitalization rates and return rates. The following table presents net impairment losses recognized on real estate, net in the disposal group held for sale, inclusive of losses recognized upon transfer into disposal group held for sale, during the years ended December 31, 2025, 2024 and 2023, respectively (dollar amounts in thousands):

	For the Years Ended December 31,		
	2025	2024	2023
Impairment of real estate in disposal group held for sale ⁽¹⁾	\$ 7,180	\$ 28,180	\$ 89,548

⁽¹⁾ Included in impairment of real estate in the accompanying consolidated statements of operations.

See Note 17 for descriptions of valuation methodologies utilized for other classes of assets and liabilities of disposal group held for sale.

The following table presents the pretax losses of the disposal group held for sale for the years ended December 31, 2025, 2024 and 2023, respectively (dollar amounts in thousands):

	For the Years Ended December 31,		
	2025	2024	2023
Pretax loss of disposal group held for sale	\$ (7,057)	\$ (63,552)	\$ (127,474)
Pretax loss of disposal group attributable to non-controlling interest in Consolidated VIEs	496	6,712	11,870
Pretax loss of disposal group attributable to Company's common stockholders	\$ (6,561)	\$ (56,840)	\$ (115,604)

10. Derivative Instruments

The Company is exposed to certain risks arising from both its business operations and economic conditions. The Company enters into derivative instruments in connection with its risk management activities. These derivative instruments may include interest rate swaps, interest rate caps, TBAs, credit default swaps, U.S. Treasury and commodity futures and options contracts such as options on credit default swap indices, equity index options, swaptions and options on futures. The Company may also purchase options on U.S. Treasury futures or invest in other types of mortgage derivative securities. Additionally, Constructive may enter into IRLCs related to the origination of business purpose loans. The Company elected not to apply hedge accounting for its derivative instruments.

The following table summarizes the Company's derivative instruments as of December 31, 2025 and 2024, respectively (dollar amounts in thousands):

Type of Derivative Instrument	Consolidated Balance Sheet Location	Fair Value	
		December 31, 2025	December 31, 2024
Interest rate caps	Other assets	\$ 31	\$ 56
IRLCs	Other assets	691	—
Interest rate swaps	Other assets	—	—
U.S. Treasury futures	Other assets	—	—
Commodity futures	Other assets	—	—
Total derivative assets ⁽¹⁾		\$ 722	\$ 56
Credit default swaps	Other liabilities	\$ —	\$ —
Interest rate swaps	Other liabilities	—	—
Total derivative liabilities		\$ —	\$ —

⁽¹⁾ Excludes interest rate cap contracts held by certain Consolidated Real Estate VIEs included in other assets in disposal group held for sale as of December 31, 2024 (see Note 9).

The Company elects to net the fair value of its derivative contracts by counterparty when appropriate and accounts for the receipt or payment of variation margin as a direct reduction of or increase in the carrying value of the related asset or liability.

The following tables present a reconciliation of gross derivative assets and liabilities to net amounts presented in the accompanying consolidated balance sheets as of December 31, 2025 and 2024, respectively (dollar amounts in thousands):

	December 31, 2025			
	Gross Amount of Recognized Assets (Liabilities)	Gross Amounts Offset in Balance Sheets	Variation Margin	Net Amounts of Assets (Liabilities) Presented in Balance Sheets
Derivative assets				
Interest rate caps	\$ 31	\$ —	\$ —	\$ 31
IRLCs	691	—	—	691
Interest rate swaps	8,769	(8,769)	—	—
U.S. Treasury futures	4,759	(148)	(4,611)	—
Commodity futures	9,748	(1,733)	(8,015)	—
Total derivative assets	\$ 23,998	\$ (10,650)	\$ (12,626)	\$ 722
Derivative liabilities				
Credit default swaps	\$ (9,890)	\$ —	\$ 9,890	\$ —
Interest rate swaps	(47,638)	8,769	38,869	—
U.S. Treasury futures	(148)	148	—	—
Commodity futures	(1,733)	1,733	—	—
Total derivative liabilities	\$ (59,409)	\$ 10,650	\$ 48,759	\$ —

	December 31, 2024			
	Gross Amount of Recognized Assets (Liabilities)	Gross Amounts Offset in Balance Sheets	Variation Margin	Net Amounts of Assets (Liabilities) Presented in Balance Sheets
Derivative assets				
Interest rate caps	\$ 56	\$ —	\$ —	\$ 56
Interest rate swaps	63,942	(10,134)	(53,808)	—
U.S. Treasury futures	952	(658)	(294)	—
Total derivative assets	\$ 64,950	\$ (10,792)	\$ (54,102)	\$ 56
Derivative liabilities				
Credit default swaps	\$ (9,120)	\$ —	\$ 9,120	\$ —
Interest rate swaps	(10,134)	10,134	—	—
U.S. Treasury futures	(658)	658	—	—
Total derivative liabilities	\$ (19,912)	\$ 10,792	\$ 9,120	\$ —

The use of derivatives exposes the Company to counterparty credit risks in the event of a default by a counterparty. If a counterparty defaults under the applicable derivative agreement, the Company may be unable to collect payments to which it is entitled under its derivative agreements and may have difficulty collecting the assets it pledged as collateral against such derivatives.

The Company is required to post an initial margin amount for its interest rate swaps, credit default swaps and U.S. Treasury and commodity futures determined by the respective central clearing houses, which is generally intended to be set at a level sufficient to protect the exchange from the derivative instrument's maximum estimated single-day price movement. The following table summarizes assets pledged as initial margin as of December 31, 2025 and 2024, respectively (dollar amounts in thousands):

Initial Margin Collateral	Consolidated Balance Sheet Location	December 31, 2025	December 31, 2024
Agency RMBS	Investment securities available for sale, at fair value	\$ 68,458	\$ 33,399
Restricted cash	Other assets	82,222	68,253
Total initial margin collateral		\$ 150,680	\$ 101,652

Margin excess related to settlement of variation margin in the amount of approximately \$16.2 million and \$11.1 million as of December 31, 2025 and 2024, respectively, is included in other assets on the accompanying consolidated balance sheets. Margin deficit related to settlement of variation margin in the amount of approximately \$24.3 million and \$8.1 million as of December 31, 2025 and 2024, respectively, is included in other liabilities on the accompanying consolidated balance sheets.

The tables below summarize the notional activity of derivative instruments for the years ended December 31, 2025 and 2024, respectively (dollar amounts in thousands):

Type of Derivative Instrument	Notional Amount For the Year Ended December 31, 2025			December 31, 2025
	December 31, 2024	Additions	Terminations/Pair-Offs	
Interest rate caps	\$ 45,142	\$ 45,142	\$ (45,142)	\$ 45,142
Options	—	741	(741)	—
TBAs	—	170,000	(170,000)	—
Interest rate swaps	4,134,267	3,584,491	(2,799,360)	4,919,398
Credit default swaps	400,000	75,000	—	475,000
U.S. Treasury futures	406,100	2,576,800	(2,081,700)	901,200
Commodity futures	—	299,736	(100,060)	199,676

Type of Derivative Instrument	Notional Amount For the Year Ended December 31, 2024			December 31, 2024
	December 31, 2023	Additions/ Transfers In ⁽¹⁾	Terminations/Transfers Out ⁽¹⁾	
Interest rate caps	\$ 550,025	\$ 177,044	\$ (681,927)	\$ 45,142
Options	—	382	(382)	—
Interest rate swaps	2,778,015	3,063,163	(1,706,911)	4,134,267
Credit default swaps	—	400,000	—	400,000
U.S. Treasury futures	—	905,050	(498,950)	406,100

⁽¹⁾ Includes transfers from or transfers to disposal group held for sale with respect to interest rate caps held in certain Consolidated Real Estate VIEs (see Note 9).

The following table presents the components of realized gains (losses), net and unrealized gains (losses), net related to our derivative instruments, which are included in (losses) gains on derivative instruments, net and mortgage banking activities, net in the consolidated statements of operations for the years ended December 31, 2025, 2024 and 2023, respectively (dollar amounts in thousands):

Type of Derivative Instrument	For the Years Ended December 31,					
	2025		2024		2023	
	Realized Gains (Losses)	Unrealized Gains (Losses)	Realized Gains (Losses)	Unrealized Gains (Losses)	Realized Gains (Losses)	Unrealized Gains (Losses)
Interest rate caps ⁽¹⁾	\$ —	\$ 57	\$ —	\$ 3,211	\$ 7,031	\$ (1,926)
Options	1,137	—	(2,261)	—	(4,036)	—
IRLCs	—	(3,611)	—	—	—	—
TBAs	369	—	—	—	—	—
Interest rate swaps	36,606	(92,677)	19,918	81,255	—	(27,447)
Credit default swaps	(4,655)	(167)	(4,067)	(861)	—	—
U.S. Treasury futures	(18,426)	4,317	(1,493)	294	—	—
Commodity futures	9,063	8,016	—	—	—	—
Total	\$ 24,094	\$ (84,065)	\$ 12,097	\$ 83,899	\$ 2,995	\$ (29,373)

⁽¹⁾ Includes interest rate caps held by certain Consolidated Real Estate VIEs included in other assets in disposal group held for sale (see Note 9).

The following tables present information about an interest rate cap contract related to a variable-rate mortgage payable on real estate that is not included in disposal group held for sale as of December 31, 2025 and 2024, respectively (dollar amounts in thousands):

December 31, 2025			
Financing Type	SOFR Strike Price	Notional Amount	Expiration Date
Mortgage payable on real estate	3.22%	45,142	January 1, 2026 ⁽¹⁾

December 31, 2024			
Financing Type	SOFR Strike Price	Notional Amount	Expiration Date
Mortgages payable on real estate	3.22%	45,142	January 1, 2025

⁽¹⁾ Replacement interest rate cap purchased in January 2026.

The following tables present information about the Company's interest rate swaps whereby it receives floating rate payments in exchange for fixed rate payments as of December 31, 2025 and 2024, respectively (dollar amounts in thousands):

Swap Maturities	December 31, 2025		
	Notional Amount	Weighted Average Fixed Interest Rate	Weighted Average Variable Interest Rate
2026	\$ 30,660	4.37 %	3.85 %
2027	688,633	3.94 %	4.01 %
2028	1,785,006	3.73 %	4.18 %
2029	270,275	3.91 %	4.07 %
2030	1,222,072	3.73 %	4.22 %
2033	199,590	3.73 %	4.16 %
2034	178,224	3.86 %	4.03 %
2035	300,878	4.00 %	4.30 %
2045	191,010	3.99 %	4.13 %
Total	\$ 4,866,348	3.80 %	4.16 %

Swap Maturities	December 31, 2024		
	Notional Amount	Weighted Average Fixed Interest Rate	Weighted Average Variable Interest Rate
2025	\$ 1,377,250	4.53 %	4.89 %
2026	159,120	4.10 %	4.53 %
2027	622,123	3.98 %	4.75 %
2028	510,325	3.90 %	4.93 %
2029	614,585	3.86 %	4.71 %
2033	319,590	4.00 %	4.83 %
2034	178,224	3.86 %	4.83 %
2044	300,000	3.34 %	4.80 %
Total	\$ 4,081,217	4.09 %	4.82 %

The following tables present information about the Company's interest rate swaps whereby it receives fixed rate payments in exchange for floating rate payments as of December 31, 2025 and 2024, respectively (dollar amounts in thousands):

Swap Maturities	December 31, 2025		
	Notional Amount	Weighted Average Fixed Interest Rate	Weighted Average Variable Interest Rate
2028	\$ 9,550	3.48 %	4.26 %
2033	43,500	3.64 %	4.19 %
Total	\$ 53,050	3.61 %	4.21 %

Swap Maturities	December 31, 2024		
	Notional Amount	Weighted Average Fixed Interest Rate	Weighted Average Variable Interest Rate
2028	\$ 9,550	3.48 %	5.15 %
2033	43,500	3.64 %	5.01 %
Total	\$ 53,050	3.61 %	5.04 %

Certain of the Company's derivative contracts are subject to International Swaps and Derivatives Association Master Agreements or other similar agreements which may contain provisions that grant counterparties certain rights with respect to the applicable agreement upon the occurrence of certain events, including a decline in the Company's stockholders' equity (as defined in the respective agreements) in excess of specified thresholds or dollar amounts over set periods of time, the Company's failure to maintain its REIT status, the Company's failure to comply with limits on the amount of leverage and the Company's stock being delisted from Nasdaq.

11. Mortgage Servicing Rights

The Company owned MSR as of December 31, 2025 and 2024 resulting from the sale of loans Constructive originates with servicing retained, distributions received from Constructive prior to July 15, 2025 or purchases of MSR. The Company's MSR are associated with business purpose loans, are reported at fair value pursuant to the fair value option election (see Note 17) and are included in other assets in the accompanying consolidated balance sheets. The primary risks associated with the Company's MSR are changes in interest rates and prepayment speeds.

The following table presents activity related to MSR for the years ended December 31, 2025 and 2024, respectively (dollar amounts in thousands). The Company did not have MSR for the year ended December 31, 2023.

	For the Years Ended December 31,	
	2025	2024
Balance at beginning of period	\$ 21,003	\$ —
Additions:		
MSRs received from equity investment in Constructive	3,405	10,917
MSRs acquired through business combination	141	—
Purchases of MSR	—	9,470
Changes in fair value due to:		
Changes in valuation inputs or assumptions used in valuation model	(1,553)	912
Other changes in fair value, including runoff	(2,103)	(296)
Balance at end of period	\$ 20,893	\$ 21,003

The following table presents the components of servicing fee income recognized during the years ended December 31, 2025 and 2024, respectively (dollar amounts in thousands). Servicing fee income is included in other income on the accompanying consolidated statements of operations.

	For the Years Ended December 31,	
	2025	2024
Servicing fees	\$ 5,084	\$ 516
Prepayment fees	2,743	352
Ancillary and other fee income ⁽¹⁾	209	38
Servicing fee income	\$ 8,036	\$ 906

⁽¹⁾ Includes default interest and late fee collections.

The Company recognized subservicing fee expenses in the amount of \$0.8 million and \$0.1 million related to MSR during the years ended December 31, 2025 and 2024, respectively, which is included in portfolio operating expenses on the accompanying consolidated statements of operations.

12. Other Assets and Other Liabilities

Other Assets

The following table presents the components of the Company's other assets as of December 31, 2025 and 2024, respectively (dollar amounts in thousands):

	December 31, 2025	December 31, 2024
Restricted cash ⁽¹⁾	\$ 132,045	\$ 161,602
Accrued interest receivable	76,152	62,075
Collections receivable from residential loan servicers	44,926	50,294
Real estate owned	40,207	47,651
Other receivables	22,338	27,776
Mortgage servicing rights	20,893	21,003
Intangible assets	17,318	252
Receivables from derivative counterparties	16,203	11,059
Recoverable advances on residential loans	15,404	17,391
Other assets in consolidated multi-family properties	14,521	16,640
Deferred tax assets	14,441	10,864
Operating lease right-of-use assets	5,175	5,460
Derivative assets ⁽²⁾	722	56
Other	7,171	5,751
Total	\$ 427,516	\$ 437,874

⁽¹⁾ Restricted cash represents cash held by third parties including initial margin for derivative contracts and cash held by the Company's securitization trusts.

⁽²⁾ Includes derivative assets held in Consolidated Real Estate VIEs.

Other Liabilities

The following table presents the components of the Company's other liabilities as of December 31, 2025 and 2024, respectively (dollar amounts in thousands):

	December 31, 2025	December 31, 2024
Accrued interest payable	\$ 59,114	\$ 41,015
Dividends and dividend equivalents payable	35,332	30,280
Margin payable to derivative counterparties	24,271	8,137
Accrued expenses	23,554	11,141
Advanced remittances from residential loan servicers	13,228	7,029
Deferred tax liabilities	12,761	9,282
Accrued expenses and other liabilities in consolidated multi-family properties	9,533	10,621
Deferred revenue	7,316	5,817
Unfunded commitments for residential and multi-family investments	6,750	14,001
Operating lease liabilities	5,549	5,935
Holdback for representations and warranties	2,500	—
Other	5,593	4,354
Total	\$ 205,501	\$ 147,612

13. Repurchase Agreements and Warehouse Facilities

The following table presents the carrying value of the Company's repurchase agreements and warehouse facilities as of December 31, 2025 and 2024, respectively (dollar amounts in thousands):

Repurchase Agreements and Warehouse Facilities Secured By:	December 31, 2025		December 31, 2024	
Investment securities	\$	6,154,086	\$	3,516,611
Residential loans and real estate owned		462,127		428,399
Residential loans held for sale		73,446		—
Single-family rental properties		63,758		67,215
Total carrying value	\$	6,753,417	\$	4,012,225

As of December 31, 2025, the Company had no repurchase agreement or warehouse facility exposure where the amount at risk was in excess of 5% of the Company's stockholders' equity. The amount at risk is defined as the fair value of assets pledged as collateral to the financing arrangement in excess of the financing arrangement liability.

The financings under certain of our repurchase agreements are subject to margin calls to the extent the market value of the collateral subject to the repurchase agreement falls below specified levels and repurchase may be accelerated upon an event of default under the repurchase agreements. As of December 31, 2025, the Company had assets available to be posted as margin which included liquid assets, such as unrestricted cash and cash equivalents, and unencumbered securities that could be monetized to pay down or collateralize the liability immediately. As of December 31, 2025, the Company had \$206.5 million included in cash and cash equivalents and \$454.0 million in unencumbered investment securities available to meet additional haircuts or market valuation requirements. The following table presents information about the Company's unencumbered securities at December 31, 2025 (dollar amounts in thousands):

Unencumbered Securities	December 31, 2025	
Agency RMBS	\$	421,289
Non-Agency RMBS ⁽¹⁾		32,701
Total	\$	453,990

⁽¹⁾ Includes IOs in Consolidated SLST with a fair value of \$11.2 million as of December 31, 2025. Consolidated SLST securities owned by the Company are eliminated in consolidation in accordance with GAAP.

The Company also had unencumbered residential loans with a fair value of \$54.4 million at December 31, 2025.

Residential Loans, Real Estate Owned and Single-family Rental Properties

The Company has repurchase agreements or warehouse facilities with eight financial institutions to finance residential loans, real estate held for sale, real estate owned and single-family rental properties. The following table presents detailed information about the Company's financings under these repurchase agreements or warehouse facilities and associated assets pledged as collateral at December 31, 2025 and 2024, respectively (dollar amounts in thousands):

	Maximum Aggregate Uncommitted Principal Amount	Outstanding Repurchase Agreements and Warehouse Facilities	Net Deferred Finance Costs ⁽¹⁾	Carrying Value of Repurchase Agreements and Warehouse Facilities	Carrying Value of Assets Pledged ⁽²⁾	Weighted Average Rate	Weighted Average Months to Maturity ⁽³⁾
December 31, 2025	\$ 3,225,000	\$ 599,392	\$ (61)	\$ 599,331	\$ 733,202	5.80 %	5.86
December 31, 2024	\$ 2,775,000	\$ 496,410	\$ (796)	\$ 495,614	\$ 659,183	6.70 %	9.64

- ⁽¹⁾ Costs related to the repurchase agreements, which include commitment, underwriting, legal, accounting and other fees, are reflected as deferred charges. Such costs are presented as a deduction from the corresponding debt liability on the Company's accompanying consolidated balance sheets and are amortized as an adjustment to interest expense over the term of the agreement using the effective interest method, or straight line-method, if the result is not materially different.
- ⁽²⁾ Includes residential loans and real estate owned with an aggregate carrying value of \$538.4 million, residential loans held for sale with an aggregate carrying value of \$78.0 million and single-family rental properties with a net carrying value of \$116.8 million as of December 31, 2025. Includes residential loans and real estate owned with an aggregate fair value of \$524.6 million and single-family rental properties with a net carrying value of \$134.6 million as of December 31, 2024.
- ⁽³⁾ The Company expects to roll outstanding amounts under these repurchase agreements and warehouse facilities into new financing arrangements or to repay outstanding amounts in full prior to or at maturity.

The outstanding financing under these repurchase agreements and warehouse facilities as of December 31, 2025 is secured by the underlying residential loans and other related collateral and is subject to margin-type provisions that may require repayment of a portion of the borrowings or the posting of additional collateral if the market value of the collateral falls below specified levels or certain eligibility criteria are not met. During the terms of the repurchase agreements and warehouse facilities, proceeds from the residential loans, residential loans held for sale, real estate owned and single-family rental properties will be applied to pay any price differential, if applicable, and to reduce the aggregate repurchase price of the collateral. Repurchase of the residential loans, real estate owned and single-family rental properties financed by the repurchase agreements, or repayment obligations under warehouse revolving facilities may be accelerated upon an event of default.

The Company's accrued interest payable on outstanding repurchase agreements and warehouse facilities secured by residential loans, real estate owned and single-family rental properties at December 31, 2025 and 2024 amounted to \$2.6 million and \$2.5 million, respectively, and is included in other liabilities on the Company's consolidated balance sheets.

As of December 31, 2025, the Company's repurchase agreements and warehouse facilities contain various covenants, including among other things, the maintenance of certain amounts of liquidity and total stockholders' equity as defined in the respective agreements. The Company is in compliance with such covenants as of December 31, 2025 and through the date of this Annual Report on Form 10-K.

Investment Securities

The Company has entered into repurchase agreements with financial institutions to finance certain investment securities available for sale and securities owned in Consolidated SLST. These repurchase agreements provide short-term financing that bear interest rates typically based on a spread to SOFR and are secured by the investment securities which they finance and additional collateral pledged, if any. As of December 31, 2025 and 2024, the Company had amounts outstanding under repurchase agreements to finance certain investment securities available for sale and securities owned in Consolidated SLST with twelve counterparties and nine counterparties, respectively.

The following table presents detailed information about the amounts outstanding under the Company's repurchase agreements secured by investment securities and associated assets pledged as collateral at December 31, 2025 and 2024, respectively (dollar amounts in thousands):

	December 31, 2025			December 31, 2024		
	Outstanding Repurchase Agreements	Fair Value of Collateral Pledged	Amortized Cost of Collateral Pledged	Outstanding Repurchase Agreements	Fair Value of Collateral Pledged	Amortized Cost of Collateral Pledged ⁽¹⁾
Agency RMBS	\$ 5,894,367	\$ 6,143,730	\$ 6,033,884	\$ 2,830,925	\$ 2,975,400	\$ 2,995,820
Non-Agency RMBS ⁽²⁾	15,191	22,686	22,458	50,622	67,352	64,375
U.S. Treasury securities	244,528	245,713	246,298	635,064	633,833	669,447
Balance at end of the period	\$ 6,154,086	\$ 6,412,129	\$ 6,302,640	\$ 3,516,611	\$ 3,676,585	\$ 3,729,642

⁽¹⁾ Collateral pledged includes restricted cash posted as margin in the amount of \$11.8 million as of December 31, 2024.

⁽²⁾ Includes first loss subordinated securities in Consolidated SLST with a fair value of \$18.6 million and \$20.6 million as of December 31, 2025 and 2024, respectively. Consolidated SLST securities owned by the Company are eliminated in consolidation in accordance with GAAP.

As of December 31, 2025 and 2024, the outstanding balances under our repurchase agreements secured by investment securities were funded at a weighted average advance rate of 96.5% and 96.0%, respectively, that implies an average "haircut" of 3.5% and 4.0%, respectively. As of December 31, 2025, the weighted average "haircut" related to our repurchase agreement financing for our Agency RMBS, non-Agency RMBS, and U.S. Treasury securities was approximately 3.5%, 35.7%, and 1.6%, respectively.

As of December 31, 2025 and 2024, the average days to maturity for repurchase agreements secured by investment securities were 31 days and 26 days, respectively, and the weighted average interest rates were 4.11% and 4.84%, respectively. The Company's accrued interest payable on outstanding repurchase agreements secured by investment securities at December 31, 2025 and 2024 amounted to \$44.4 million and \$28.4 million, respectively, and is included in other liabilities on the Company's consolidated balance sheets.

The following table presents contractual maturity information about the Company's outstanding repurchase agreements secured by investment securities at December 31, 2025 and 2024, respectively (dollar amounts in thousands):

Contractual Maturity	December 31, 2025		December 31, 2024	
Within 30 days	\$	2,860,770	\$	2,103,332
Over 30 days to 90 days		3,293,316		1,413,279
Total	\$	6,154,086	\$	3,516,611

14. Collateralized Debt Obligations

The Company's collateralized debt obligations, or CDOs, are accounted for as financings and are non-recourse debt to the Company. See Note 7 for further discussion regarding the collateral pledged for the Company's CDOs as well as the Company's net investments in the related securitizations.

The following tables present a summary of the Company's CDOs as of December 31, 2025 and 2024, respectively (dollar amounts in thousands):

	December 31, 2025			
	Outstanding Face Amount	Carrying Value	Weighted Average Interest Rate (7)(8)	Stated Maturity (1)
Consolidated SLST at fair value (4)	\$ 1,055,791	\$ 1,006,919	3.30 %	2059 - 2065
Residential loan securitizations at fair value (4)	2,103,164	2,075,962	5.35 %	2029 - 2069
Residential loan securitizations at amortized cost, net	363,712	363,645	3.74 %	2035 - 2061
Non-Agency RMBS re-securitization at fair value (4)	65,331	65,276	7.38 %	2064
Total collateralized debt obligations	\$ 3,587,998	\$ 3,511,802		

	December 31, 2024			
	Outstanding Face Amount	Carrying Value	Weighted Average Interest Rate (7)(8)	Stated Maturity (1)
Consolidated SLST at fair value (4)	\$ 867,004	\$ 811,591	3.49 %	2059 - 2064
Residential loan securitizations at fair value (4)	1,281,896	1,253,332	5.72 %	2029 - 2069
Residential loan securitizations at amortized cost, net	850,547	842,764	4.35 %	2027 - 2062
Non-Agency RMBS re-securitization at fair value (4)	70,867	70,757	7.38 %	2064
Total collateralized debt obligations	\$ 3,070,314	\$ 2,978,444		

(1) Weighted average interest rate is calculated using the outstanding face amount and stated interest rate of notes issued by the securitization and not owned by the Company.

(2) Certain of the Company's CDOs contain interest rate step-up features whereby the interest rate increases if the outstanding notes are not redeemed by expected redemption dates, as defined in the respective governing documents. As of December 31, 2025, CDOs with an aggregate outstanding face amount of \$1.9 billion contain an interest rate step-up feature whereby the interest rate increases by either 1.00%, 1.50%, or 3.00% on defined dates ranging between 24 months and 48 months after issuance, if the notes are not redeemed before such dates.

(3) The actual maturity of the Company's CDOs are primarily determined by the rate of principal prepayments on the assets of the issuing entity. The CDOs are also subject to redemption prior to the stated maturity according to the terms of the respective governing documents. As a result, the actual maturity of the CDOs may occur earlier than the stated maturity.

(4) The Company has elected the fair value option for CDOs issued by Consolidated SLST, residential loan securitizations completed after January 1, 2024 and a non-Agency RMBS re-securitization (see Note 17). See Note 7 for unrealized gains or losses recognized on CDOs issued by Consolidated SLST. For the years ended December 31, 2025 and 2024, the Company recognized \$23.1 million and \$1.5 million in net unrealized losses, respectively, on residential loan securitizations and a non-Agency RMBS re-securitization at fair value, which are included in unrealized gains (losses), net on the accompanying consolidated statements of operations.

The Company's CDOs as of December 31, 2025 had stated maturities as follows:

Year Ending December 31,		Total
2026	\$	—
2027		—
2028		—
2029		225,000
2030		12,546
Thereafter		3,350,452
Total	\$	3,587,998

15. Debt

Senior Unsecured Notes

On July 8, 2025, the Company completed the issuance of \$90.0 million in aggregate principal amount of its 9.875% 2030 Senior Notes in an underwritten public offering. The total proceeds to the Company from the offering of the 9.875% 2030 Senior Notes, after deducting the underwriters' discount and commissions and offering expenses, were approximately \$86.6 million. On August 22, 2025, the Company issued an additional \$25.0 million in aggregate principal amount of the 9.875% 2030 Senior Notes in a registered direct offering. The total proceeds to the Company from the registered direct offering of the 9.875% 2030 Senior Notes, after deducting offering expenses, were approximately \$24.8 million.

On January 14, 2025, the Company completed the issuance of \$82.5 million in aggregate principal amount of its 9.125% 2030 Senior Notes in an underwritten public offering. The total net proceeds to the Company from the offering of the 9.125% 2030 Senior Notes, after deducting the underwriters' discount and commissions and offering expenses, were approximately \$79.3 million.

On June 28, 2024, the Company completed the issuance of \$60.0 million in aggregate principal amount of its 2029 Senior Notes in an underwritten public offering. The total net proceeds to the Company from the offering of the 2029 Senior Notes, after deducting the underwriters' discount and commissions and offering expenses, were approximately \$57.5 million.

On April 27, 2021, the Company completed the issuance and sale to various qualified institutional investors of \$100.0 million aggregate principal amount of its unregistered 5.75% Senior Notes due 2026 (the "Unregistered Notes") in a private placement offering at 100% of the principal amount. The net proceeds to the Company from the sale of the Unregistered Notes, after deducting offering expenses, were approximately \$96.3 million. Subsequent to the issuance of the Unregistered Notes, the Company conducted an exchange offer wherein the Company exchanged its registered 5.75% Senior Notes due 2026 (the "Registered Notes" and, together with the aggregate principal amount of Unregistered Notes that remain outstanding, the "2026 Senior Notes") for an equal principal amount of Unregistered Notes.

The Senior Unsecured Notes are senior unsecured obligations of the Company that are equal in right of payment to each other and structurally subordinated in right of payment to the Company's subordinated debentures. No sinking fund is provided for the Senior Unsecured Notes.

The following table presents a summary of the Senior Unsecured Notes as of December 31, 2025 and 2024, respectively (dollar amounts in thousands):

	December 31, 2025		December 31, 2024	
	Outstanding Face Amount	Carrying Value	Outstanding Face Amount	Carrying Value
9.875% 2030 Senior Notes at fair value	\$ 115,000	\$ 118,496	\$ —	\$ —
9.125% 2030 Senior Notes at fair value	82,500	82,431	—	—
2029 Senior Notes at fair value	60,000	59,925	60,000	60,310
2026 Senior Notes at amortized cost, net	100,000	99,585	100,000	98,886
Total Senior Unsecured Notes	\$ 357,500	\$ 360,437	\$ 160,000	\$ 159,196

The Company has elected the fair value option with respect to the 9.875% 2030 Senior Notes, 9.125% 2030 Senior Notes and 2029 Senior Notes. The following table presents a summary of the key terms of the notes carried at fair value as of December 31, 2025:

	Interest Rate	First Interest Payment Date	Maturity Date	Optional Redemption Date
9.875% 2030 Senior Notes at fair value	9.875 %	October 1, 2025	October 1, 2030	October 1, 2027
9.125% 2030 Senior Notes at fair value	9.125 %	April 1, 2025	April 1, 2030	April 1, 2027
2029 Senior Notes at fair value	9.125 %	October 1, 2024	July 1, 2029	July 1, 2026

The interest on the notes listed above is payable in cash quarterly in arrears on January 1, April 1, July 1, and October 1 of each year, beginning on the respective first interest payment dates, and the notes mature on the respective maturity dates, unless earlier redeemed. The Company may redeem the notes, in whole or in part, at any time at the Company's option on or after the respective optional redemption dates noted above, at a redemption price equal to 100% of the respective outstanding principal amount to be redeemed plus accrued and unpaid interest to, but excluding, the respective redemption date.

For the years ended December 31, 2025 and 2024, none of the change in the fair value of the respective notes carried at fair value outstanding as of such dates was due to instrument-specific credit risk. Accordingly, the Company recognized \$3.0 million and \$0.3 million in net unrealized losses for the years ended December 31, 2025 and 2024, respectively, on the notes carried at fair value, which are included in unrealized gains (losses), net on the accompanying consolidated statements of operations.

2026 Senior Notes

As of December 31, 2025, the Company had \$100.0 million aggregate principal amount of its 2026 Senior Notes outstanding. On June 12, 2025, the Company completed a consent solicitation from holders of the 2026 Senior Notes to amend the indenture pursuant to which such notes were issued to modify a covenant related to Company leverage. Costs related to the original issuance of the 2026 Senior Notes, which include underwriting, legal, accounting and other fees, are reflected as deferred charges. Additionally, consent fees paid to bondholders related to the amendment of the indenture for the 2026 Senior Notes are included in deferred charges. The deferred charges, net of amortization, are presented as a deduction from the corresponding debt liability on the Company's accompanying consolidated balance sheets in the amount of \$0.4 million and \$1.1 million as of December 31, 2025 and 2024, respectively. The deferred charges are amortized as an adjustment to interest expense using the effective interest method, resulting in a total cost to the Company of approximately 6.73%. Third-party expenses related to the aforementioned consent solicitation in the amount of \$0.5 million are included in financing transaction costs in the accompanying consolidated statements of operations for the year ended December 31, 2025. The Company redeemed its 2026 Senior Notes at 100% of the \$100.0 million principal amount plus accrued but unpaid interest to, but excluding, the redemption date, for a total payment of \$101.5 million on February 2, 2026 (see Note 26).

The 2026 Senior Notes bear interest at a rate of 5.75% per year, subject to adjustment from time to time based on changes in the ratings of the 2026 Senior Notes by one or more nationally recognized statistical rating organizations (a "NRSRO"). The annual interest rate on the 2026 Senior Notes will increase by (i) 0.50% per year beginning on the first day of any six-month interest period if as of such day the 2026 Senior Notes have a rating of BB+ or below and above B+ from any NRSRO and (ii) 0.75% per year beginning on the first day of any six-month interest period if as of such day the 2026 Senior Notes have a rating of B+ or below or no rating from any NRSRO. Interest on the 2026 Senior Notes is paid semi-annually in arrears on April 30 and October 30 of each year, and the 2026 Senior Notes will mature on April 30, 2026.

The Company had the right to redeem the 2026 Senior Notes, in whole or in part, at any time prior to April 30, 2023 at a redemption price equal to 100% of the principal amount of the 2026 Senior Notes to be redeemed, plus the applicable "make-whole" premium, plus accrued but unpaid interest, if any, to, but excluding, the redemption date. The "make-whole" premium was equal to the present value of all interest that would have accrued between the redemption date and up to, but excluding, April 30, 2023, plus an amount equal to the principal amount of such 2026 Senior Notes multiplied by 2.875%. After April 30, 2023, the Company has the right to redeem the 2026 Senior Notes, in whole or in part, at 100% of the principal amount of the 2026 Senior Notes to be redeemed, plus accrued but unpaid interest, if any, to, but excluding, the redemption date, plus an amount equal to the principal amount of such 2026 Senior Notes multiplied by a date-dependent multiple as detailed in the following table:

Redemption Period	Multiple
April 30, 2023 - April 29, 2024	2.875 %
April 30, 2024 - April 29, 2025	1.4375 %
April 30, 2025 - April 29, 2026	—

As of December 31, 2025, the Company's 2026 Senior Notes contain various covenants including the maintenance of a minimum net asset value, ratio of unencumbered assets to unsecured indebtedness and senior debt service coverage ratio. In addition, the 2026 Senior Notes limit the amount of Company leverage, net of cash held by the Company, to no more than eight times its equity and limit the Company's ability to transfer its assets substantially as an entirety or merge into or consolidate with another person. The Company is in compliance with such covenants as of December 31, 2025.

Subordinated Debentures

Subordinated debentures are trust preferred securities that are fully guaranteed by the Company with respect to distributions and amounts payable upon liquidation, redemption or repayment. Prior to July 2023, each of the Company's subordinated debentures incurred interest at a floating rate equal to three-month LIBOR plus an applicable spread, resetting quarterly. In light of the cessation of the publication of three-month LIBOR after June 30, 2023, and pursuant to the terms of each of the Company's subordinated debentures, as of December 31, 2025, the floating rate for each of the Company's subordinated debentures is equal to three-month CME Term SOFR plus both a tenor spread adjustment of 0.26161% per annum and the applicable spread.

The following table summarizes the key details of the Company's subordinated debentures as of December 31, 2025 and 2024 (dollar amounts in thousands):

	NYM Preferred Trust I		NYM Preferred Trust II	
Principal value of trust preferred securities	\$	25,000	\$	20,000
Interest rate	Three-month CME Term SOFR plus tenor spread adjustment of 0.26161% plus 3.75%, resetting quarterly		Three-month CME Term SOFR plus tenor spread adjustment of 0.26161% plus 3.95%, resetting quarterly	
Scheduled maturity	March 30, 2035		October 30, 2035	

As of February 20, 2026, the Company has not been notified, and is not aware, of any event of default under the indenture for the subordinated debentures.

Mortgages Payable on Real Estate

As of December 31, 2025 and 2024, the Company owned joint venture equity investments in entities that own multi-family apartment communities, which the Company determined to be VIEs and for which the Company is the primary beneficiary. The Company also owned a preferred equity investment in a VIE that owns a multi-family apartment community and for which the Company is the primary beneficiary. Accordingly, the Company consolidated the respective VIEs into its consolidated financial statements (see Note 7).

During the years ended December 31, 2025 and 2024, sales of consolidated multi-family apartment communities resulted in the repayment or assumption of the related mortgages payable (see Note 8).

During the year ended December 31, 2024, one entity in which the Company held a joint venture equity investment entered into a debt restructuring agreement with the senior lender for its mortgage payable. As part of the agreement, the required strike price of the interest rate cap agreement related to the respective mortgage payable increased and a portion of interest payments was deferred until the maturity date. The restructuring did not result in a change in the carrying amount of the mortgage payable and no gain was recorded. During the year ended December 31, 2024, the Company sold its joint venture equity investment in the entity, which resulted in the de-consolidation of the mortgage payable subject to the debt restructuring agreement.

The consolidated multi-family apartment communities are subject to mortgages payable collateralized by the associated real estate assets. The Company has no obligation for repayment of the mortgages payable but, with respect to certain of the mortgages payable, it may execute a guaranty related to commitment of bad acts. The following table presents detailed information for these mortgages payable on real estate as of December 31, 2025 and 2024, respectively (dollar amounts in thousands):

	Maximum Committed Mortgage Principal Amount	Outstanding Mortgage Balance	Net Deferred Finance Cost	Mortgage Payable, Net ⁽¹⁾	Stated Maturity	Weighted Average Interest Rate ⁽²⁾⁽³⁾
December 31, 2025	\$ 333,332	\$ 333,332	\$ (1,201)	\$ 332,131	2026 - 2032	4.46 %
December 31, 2024	368,158	368,158	(1,552)	366,606	2026 - 2032	4.48 %

⁽¹⁾ The Company repositioned its business through the opportunistic disposition over time of the Company's joint venture equity investments in multi-family properties and reallocation of its capital away from such assets to its targeted assets. Accordingly, mortgages payable on real estate related to certain joint venture equity investments in multi-family properties are included in liabilities of disposal group held for sale on the accompanying consolidated balance sheets as of December 31, 2024. See Note 9 for additional information.

⁽²⁾ Weighted average interest rate is calculated using the outstanding mortgage balance and interest rate as of the date indicated.

⁽³⁾ For variable-rate mortgages payable, the applicable entities, as required by the loan agreements, entered into interest rate cap contracts with counterparties that limit the indexed portion of the interest rate to a fixed rate. See Note 10 for additional information.

Debt Maturities

As of December 31, 2025, maturities for debt on the Company's consolidated balance sheet are as follows (dollar amounts in thousands):

Year Ending December 31,	Total
2026	\$ 125,461
2027	—
2028	—
2029	279,113
2030	197,500
Thereafter	133,758
Total	\$ 735,832

16. Commitments and Contingencies*Outstanding Litigation*

The Company is at times subject to various legal proceedings arising in the ordinary course of business. As of December 31, 2025, the Company does not believe that any of its current legal proceedings, individually or in the aggregate, will have a material adverse effect on the Company's operations, financial condition or cash flows.

Commitment to Fund Business Purpose Loans

As of December 31, 2025, the Company had commitments to fund up to \$149.4 million of additional advances on existing business purpose loans. These commitments are generally subject to loan agreements with terms that must be met before the Company funds advances on the commitment. In addition, Constructive had short-term commitments to originate business purpose loans in the amount of \$102.0 million as of December 31, 2025.

Repurchase Reserves for Origination Activity

As a seller of business purpose loans to third-party investors in the secondary market, Constructive may be required to repurchase or reimburse the investors for credit losses incurred on business purpose loans that fail to meet certain customary representations and warranties made in conjunction with sales of the loans. The loan repurchase reserve liability related to such customary representations and warranties is included in other liabilities on the accompanying consolidated balance sheets as of December 31, 2025.

Leases

As of December 31, 2025, the Company has entered into multi-year lease agreements for office space accounted for as non-cancelable operating leases. Total property lease expense on these leases for the years ended December 31, 2025, 2024, and 2023 amounted to \$1.7 million, \$1.5 million, and 1.7 million, respectively. The leases are secured by cash deposits in the amount of \$0.7 million.

As of December 31, 2025, obligations under non-cancelable operating leases are as follows (dollar amounts in thousands):

Year Ending December 31,		Total
2026	\$	2,138
2027		1,959
2028		1,226
2029		781
2030		—
Thereafter		—
Total lease payments	\$	6,104
Less: imputed interest		(555)
Present value of lease liabilities	\$	5,549

17. Fair Value of Financial Instruments

The Company has established and documented processes for determining fair values. Fair value is based upon quoted market prices, where available. If listed prices or quotes are not available, then fair value is based upon internally developed models that primarily use inputs that are market-based or independently-sourced market parameters, including interest rate yield curves.

A financial instrument's categorization within the valuation hierarchy is based upon the lowest level of input that is significant to the fair value measurement. The three levels of valuation hierarchy are defined as follows:

Level 1 - inputs to the valuation methodology are quoted prices (unadjusted) for identical assets or liabilities in active markets.

Level 2 - inputs to the valuation methodology include quoted prices for similar assets and liabilities in active markets, and inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the financial instrument.

Level 3 - inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The following describes the valuation methodologies used for the Company's financial instruments measured at fair value, as well as the general classification of such instruments pursuant to the valuation hierarchy.

a. *Investment Securities Available for Sale* – The Company determines the fair value of its Agency RMBS and non-Agency RMBS based on discounted cash flows utilizing an internal pricing model. The methodology considers the characteristics of the particular security and its underlying collateral, which are observable inputs. These inputs include, but are not limited to, delinquency status, coupon, loan-to-value ("LTV"), historical performance, periodic and life caps, collateral type, rate reset period, seasoning, prepayment speeds and credit enhancement levels. The Company also considers several observable market data points, including prices obtained from third-party pricing services or dealers who make markets in similar financial instruments, trading activity, and dialogue with market participants. Third-party pricing services typically incorporate commonly used market pricing methods, trading activity observed in the marketplace and other data inputs similar to those used in the Company's internal pricing model. The Company has established thresholds to compare internally generated prices with independent third-party prices and any differences that exceed the thresholds are reviewed both internally and with the third-party pricing service. The Company reconciles and resolves all pricing differences in excess of the thresholds before a final price is established.

The Company determines the fair value of its U.S. Treasury securities using a third-party pricing service that compiles prices from various sources or using pricing models that consider observable market data to determine the fair value of identical or similar securities.

The Company's investment securities available for sale are valued based upon readily observable market parameters and are classified as Level 2 fair values.

b. *Residential Loans Held in Consolidated SLST* – Residential loans held in Consolidated SLST are carried at fair value and classified as Level 3 fair values. In accordance with the practical expedient in ASC 810, the Company determines the fair value of residential loans held in Consolidated SLST based on the fair value of the CDOs issued by the respective securitization and its investment in the securitization (eliminated in consolidation in accordance with GAAP), as the fair value of these instruments is more observable.

The investment securities (eliminated in consolidation in accordance with GAAP) that we own in the securitizations are generally illiquid and trade infrequently. As such, they are classified as Level 3 in the fair value hierarchy. The fair valuation of these investment securities is determined based on an internal valuation model that considers expected cash flows from the underlying loans and yields required by market participants. The significant unobservable inputs used in the measurement of these investments are projected losses within the pool of loans and a discount rate. The discount rate used in determining fair value incorporates default rate, loss severity, prepayment rate and current market interest rates. Significant increases or decreases in these inputs would result in a significantly lower or higher fair value measurement.

- c. *Residential Loans, Residential Loans Held in Securitization Trusts and Residential Loans Held for Sale* – The Company’s acquired residential loans are recorded at fair value and classified as Level 3 in the fair value hierarchy. The fair value for residential loans is determined using valuations obtained from a third party that specializes in providing valuations of residential loans. The valuation technique depends on whether the residential loan is considered performing, re-performing or non-performing at the date the valuation is performed.

For performing and re-performing loans, estimates of fair value are derived using a discounted cash flow model, where estimates of cash flows are determined from scheduled payments for each loan, adjusted using forecast prepayment rates, default rates and rates for loss upon default. For non-performing loans, asset liquidation cash flows are derived based on the estimated time to liquidate the loan, expected liquidation costs and home price appreciation. Estimated cash flows for both performing and non-performing loans are discounted at yields considered appropriate to arrive at a reasonable exit price for the asset. Indications of loan value such as actual trades, bids, offers and generic market color may be used in determining the appropriate discount yield.

The Company independently calculates the fair value of residential loans based on discounted cash flows using an internal pricing model to validate all third-party valuations of residential loans. The Company has established thresholds to compare internally generated prices with independent third-party prices and any differences that exceed the thresholds are reviewed both internally and with the third-party pricing service. The Company reconciles and resolves all pricing differences in excess of the thresholds before a final price is established.

The fair value of certain originated loans, including those held for sale, is determined using non-binding investor prices obtained through an established loan trading process. Investors provide loan-level pricing indications based on market conditions and underlying loan characteristics, which are received through a competitive bidding process. These fair value measurements are classified as Level 3 within the fair value hierarchy.

- d. *Preferred Equity and Mezzanine Loan Investments* – Fair value for preferred equity and mezzanine loan investments is determined using discounted cash flows. The discounted cash flows are based on the underlying estimated cash flows and estimated changes in market yields. The fair value also reflects consideration of changes in credit risk since the origination or time of initial investment. This fair value measurement is generally based on unobservable inputs and, as such, is classified as Level 3 in the fair value hierarchy.

- e. *Equity Investments* – Fair value for equity investments is or was determined (i) by the valuation process for preferred equity and mezzanine loan investments as described in d. above or (ii) using weighted multiples of origination volume and earnings before taxes, depreciation and amortization of the entity and the net asset value (“NAV”) of the equity investment entity. These fair value measurements are generally based on unobservable inputs and, as such, are classified as Level 3 in the fair value hierarchy.

- f. *Derivative Instruments* – The Company’s interest rate swaps, credit default swaps and futures are classified as Level 2 fair values and are measured using valuations reported by the respective central clearing houses. The derivatives are presented net of variation margin payments pledged or received.

The fair values of the Company’s interest rate cap agreements are measured using models developed by either third-party pricing providers or the respective counterparty that use the market-standard methodology of discounting the future expected cash receipts which would occur if floating interest rates rise above the strike rate of the caps. The floating interest rates used in the calculation of projected receipts on the interest rate caps are based on an expectation of future interest rates derived from observable market interest rate curves and volatilities. The inputs used in the valuation of interest rate caps fall within Level 2 of the fair value hierarchy.

The Company obtains additional third-party valuations for interest rate swaps, credit default swaps, futures and interest rate cap agreements. The Company has established thresholds to compare different independent third-party prices and any differences that exceed the thresholds are reviewed both internally and with the third-party pricing services. The Company reconciles and resolves all pricing differences in excess of the thresholds before a final price is established.

The fair value of the Company's IRLCs is determined using an internal pricing model that incorporates market pricing for residential loans with similar characteristics to the underlying loans of IRLCs and the probability that the loans will fund under the terms of the commitment (the "pull-through rate"). Both the market pricing for similar residential loans and the pull-through rate are significant unobservable inputs, therefore the Company's IRLCs are classified as Level 3 in the fair value hierarchy.

- g. Mortgage Servicing Rights* – The Company's MSR's are recorded at fair value and are classified as Level 3 in the fair value hierarchy. Although MSR transactions may be observable in the marketplace, the details of those transactions may not be representative of the Company's MSR portfolio. Accordingly, the fair value of the Company's MSR's is determined using valuations obtained from a third party that specializes in providing valuations of MSR's. The valuation incorporates both observable market data and unobservable market data including prepayment speeds, rates of default and discount rates as inputs to a discounted cash flow model.

The Company independently calculates the fair value of its MSR's based on discounted cash flows using a pricing model to validate all third party-valuations of MSR's. The Company has established thresholds to compare internally generated prices with independent third-party prices and any differences that exceed the thresholds are reviewed both internally and with the third-party pricing service. The Company reconciles and resolves all pricing differences in excess of the thresholds before a final price is established.

- h. Collateralized Debt Obligations* – CDOs issued by Consolidated SLST are classified as Level 3 fair values for which fair value is determined by considering several market data points, including prices obtained from third-party pricing services or dealers who make markets in similar financial instruments. The third-party pricing service or dealers incorporate common market pricing methods, including a spread measurement to the Treasury curve or interest rate swap curve as well as underlying characteristics of the particular security. They will also consider contractual cash payments and yields expected by market participants.

Refer to *a.* above for a description of the fair valuation of CDOs issued by Consolidated SLST that are eliminated in consolidation.

Fair value for CDOs issued by the Company's residential loan securitizations and non-Agency RMBS re-securitization is determined by the valuation process for investment securities available for sale as described in *a.* above and, as such, are classified as Level 2 fair values.

- i. Senior unsecured notes* – The Company's 9.875% 2030 Senior Notes, 9.125% 2030 Senior Notes and 2029 Senior Notes are valued using pricing models that consider observable market data to determine the fair value of identical or similar securities and are classified as Level 2 fair values.

Management reviews all prices used in determining fair value to ensure they represent current market conditions. This review includes surveying similar market transactions and comparisons to interest pricing models as well as offerings of like securities by dealers. Any changes to the valuation methodology are reviewed by management to ensure the changes are appropriate. As markets and products develop and the pricing for certain products becomes more transparent, the Company continues to refine its valuation methodologies. The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Company believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies, or assumptions, to determine the fair value of certain financial instruments could result in a different estimate of fair value at the reporting date. The Company uses inputs that are current as of each reporting date, which may include periods of market dislocation, during which time price transparency may be reduced. This condition could cause the Company's financial instruments to be reclassified from Level 2 to Level 3 in future periods.

The following table presents the Company's financial instruments measured at fair value on a recurring basis as of December 31, 2025 and 2024, respectively, on the Company's consolidated balance sheets (dollar amounts in thousands):

	December 31, 2025				December 31, 2024			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Assets carried at fair value								
Investment securities available for sale:								
Agency RMBS	\$ —	\$ 6,633,476	\$ —	\$ 6,633,476	\$ —	\$ 3,136,812	\$ —	\$ 3,136,812
Non-Agency RMBS	—	25,592	—	25,592	—	69,687	—	69,687
U.S. Treasury securities	—	245,713	—	245,713	—	622,045	—	622,045
Residential loans:								
Residential loans	—	—	583,963	583,963	—	—	632,266	632,266
Consolidated SLST	—	—	1,165,677	1,165,677	—	—	965,672	965,672
Residential loans held in securitization trusts	—	—	2,608,535	2,608,535	—	—	2,243,800	2,243,800
Residential loans held for sale	—	—	80,707	80,707	—	—	—	—
Multi-family loans	—	—	55,476	55,476	—	—	86,192	86,192
Equity investments	—	—	24,711	24,711	—	—	113,492	113,492
Derivative assets:								
Interest rate caps ⁽¹⁾⁽²⁾	—	31	—	31	—	56	—	56
IRLCs ⁽²⁾	—	—	691	691	—	—	—	—
Interest rate swaps ⁽²⁾⁽⁴⁾	—	—	—	—	—	—	—	—
U.S. Treasury futures ⁽²⁾⁽⁴⁾	—	—	—	—	—	—	—	—
Commodity futures ⁽²⁾⁽⁴⁾	—	—	—	—	—	—	—	—
MSRs ⁽²⁾	—	—	20,893	20,893	—	—	21,003	21,003
Assets of disposal group held for sale ⁽³⁾	—	—	—	—	—	67	—	67
Total	\$ —	\$ 6,904,812	\$ 4,540,653	\$ 11,445,465	\$ —	\$ 3,828,667	\$ 4,062,425	\$ 7,891,092
Liabilities carried at fair value								
CDOs:								
Consolidated SLST	\$ —	\$ —	\$ 1,006,919	\$ 1,006,919	\$ —	\$ —	\$ 811,591	\$ 811,591
Residential loan securitizations	—	2,075,962	—	2,075,962	—	1,253,332	—	1,253,332
Non-Agency RMBS re-securitization	—	65,276	—	65,276	—	70,757	—	70,757
Senior unsecured notes	—	260,852	—	260,852	—	60,310	—	60,310
Derivative liabilities:								
Interest rate swaps ⁽²⁾⁽⁴⁾	—	—	—	—	—	—	—	—
Credit default swaps ⁽²⁾⁽⁴⁾	—	—	—	—	—	—	—	—
Total	\$ —	\$ 2,402,090	\$ 1,006,919	\$ 3,409,009	\$ —	\$ 1,384,399	\$ 811,591	\$ 2,195,990

- ⁽¹⁾ Excludes assets of disposal group held for sale (see *Note 9*).
- ⁽²⁾ Included in other assets or other liabilities, respectively, in the consolidated balance sheets.
- ⁽³⁾ Includes interest rate caps classified as Level 2 instruments in the amount of \$0.1 million as of December 31, 2024.
- ⁽⁴⁾ All of the Company's interest rate swaps, credit default swaps and futures are cleared through central clearing houses. The Company exchanges variation margin for the derivative instruments based upon daily changes in fair value. Includes derivative liabilities of \$59.4 million netted against derivative assets of \$23.3 million and a net variation margin of \$36.1 million as of December 31, 2025. Includes derivative liabilities of \$19.9 million netted against derivative assets of \$64.9 million and a variation margin of \$45.0 million as of December 31, 2024. See *Note 10* for additional information.

The following tables detail changes in valuation for the Level 3 assets for the years ended December 31, 2025, 2024, and 2023, respectively (dollar amounts in thousands):

Level 3 Assets:

	Year Ended December 31, 2025										Total
	Residential loans	Consolidated SLST	Residential loans held in securitization trusts	Residential loans held for sale	Multi-family loans	Equity investments	Assets of disposal group held for sale	MSRs	IRLCs		
Balance at beginning of period	\$ 632,266	\$ 965,672	\$ 2,243,800	\$ —	\$ 86,192	\$ 113,492	\$ —	\$ 21,003	\$ —	\$ —	\$ 4,062,425
Total gains/(losses) (realized/unrealized)											
Included in earnings	16,576	39,902	47,941	18,974	9,162	(3,155)	—	(3,656)	(3,611)	—	122,133
Transfers in ⁽¹⁾	580	—	—	145,748	—	—	—	141	4,302	—	150,771
Transfers out ⁽²⁾	(37,506)	—	(11,526)	—	—	(33,759)	—	—	—	—	(82,791)
Transfer to securitization trust, net ⁽³⁾	(1,325,733)	—	1,325,733	—	—	—	—	—	—	—	—
Transfer from residential loans held for sale to residential loans	474,922	—	—	(474,922)	—	—	—	—	—	—	—
Transfer to disposal group held for sale	—	—	—	—	—	(500)	500	—	—	—	—
Paydowns/Distributions ⁽⁴⁾	(183,071)	(87,302)	(1,146,122)	(259)	(39,878)	(51,367)	—	3,405	—	—	(1,504,594)
Sales	(156,627)	—	(13,223)	(450,317)	—	—	(500)	—	—	—	(620,667)
Acquisitions/Repurchases ⁽⁵⁾	1,162,556	247,405	161,932	1,414	—	—	—	—	—	—	1,573,307
Originations	—	—	—	840,069	—	—	—	—	—	—	840,069
Balance at the end of period	\$ 583,963	\$ 1,165,677	\$ 2,608,535	\$ 80,707	\$ 55,476	\$ 24,711	\$ —	\$ 20,893	\$ 691	\$ —	\$ 4,540,653

⁽¹⁾ Transfers into Level 3 include residential loans, residential loans held for sale, MSRs and IRLCs consolidated by the Company following its acquisition of the outstanding membership interests in Constructive that were not previously owned by the Company on July 15, 2025 (see Note 24).

⁽²⁾ Transfers out of Level 3 assets represent the transfer of residential loans to real estate owned assets and the consolidation of Constructive resulting from the Company's acquisition of the outstanding membership interests in Constructive that were not previously owned by the Company on July 15, 2025 (see Note 24).

⁽³⁾ During the year ended December 31, 2025, the Company transferred, on a net basis, certain residential loans into residential loan securitizations (see Note 7 for further discussion of the Company's residential loan securitizations).

⁽⁴⁾ Includes in-kind distribution of MSRs received from the Company's Constructive equity investment prior to acquisition on July 15, 2025.

⁽⁵⁾ During the year ended December 31, 2025, the Company purchased a first loss subordinated security issued from a securitization that it determined to consolidate as Consolidated SLST. As a result, the Company consolidated assets of the securitization (see *Note 7*).

	Year Ended December 31, 2024							
	Residential loans			Residential loans held in securitization trusts	Multi-family loans	Equity investments	MSRs	Total
	Residential loans	Consolidated SLST						
Balance at beginning of period	\$ 827,535	\$ 754,860	\$ 1,501,908	\$ 95,792	\$ 147,116	\$ —	\$ 3,327,211	
Total gains/(losses) (realized/unrealized)								
Included in earnings	15,562	3,523	(8,255)	5,899	16,179	616	33,524	
Transfers out ⁽¹⁾	(80,801)	—	(7,661)	—	—	—	(88,462)	
Transfer to securitization trust, net ⁽²⁾	(1,456,376)	—	1,456,376	—	—	—	—	
Paydowns/Distributions ⁽³⁾	(296,645)	(77,768)	(805,586)	(15,499)	(49,803)	10,917	(1,234,384)	
Sales	(156,175)	—	(6,708)	—	—	—	(162,883)	
Acquisitions ⁽⁴⁾	1,779,166	285,057	113,726	—	—	9,470	2,187,419	
Balance at the end of period	\$ 632,266	\$ 965,672	\$ 2,243,800	\$ 86,192	\$ 113,492	\$ 21,003	\$ 4,062,425	

⁽¹⁾ Transfers out of Level 3 assets represents the transfer of residential loans to real estate owned, single-family rental properties and other assets.

⁽²⁾ During the year ended December 31, 2024, the Company transferred, on a net basis, certain residential loans into residential loan securitizations (see *Note 7* for further discussion of the Company's residential loan securitizations).

⁽³⁾ Includes in-kind distribution of MSRs received from the Company's Constructive equity investment prior to acquisition on July 15, 2025.

⁽⁴⁾ During the year ended December 31, 2024, the Company purchased a first loss subordinated security issued from a securitization that it determined to consolidate as Consolidated SLST. As a result, the Company consolidated assets of the securitization (see *Note 7*).

Year Ended December 31, 2023

	Residential loans						Equity investments in disposal group held for sale	Total
	Residential loans	Consolidated SLST	Residential loans held in securitization trusts	Multi-family loans	Equity investments			
Balance at beginning of period	\$ 1,081,384	\$ 827,582	\$ 1,616,114	\$ 87,534	\$ 179,746	\$ 9,010	\$ 3,801,370	
Total (losses)/gains (realized/unrealized)								
Included in earnings	8,080	(10,748)	72,173	11,863	21,279	(3,290)	99,357	
Transfers out ⁽¹⁾	(26,277)	—	(16,208)	(10,306)	—	—	(52,791)	
Transfer to securitization trust, net ⁽²⁾	(282,831)	—	282,831	—	—	—	—	
Transfer to disposal group held for sale	—	—	—	—	5,720	(5,720)	—	
Funding/Contributions	—	—	—	21,924	33,958	—	55,882	
Paydowns/Distributions	(482,137)	(61,974)	(518,819)	(15,223)	(93,587)	—	(1,171,740)	
Sales	(21,165)	—	(3,979)	—	—	—	(25,144)	
Acquisitions	550,481	—	69,796	—	—	—	620,277	
Balance at the end of period	\$ 827,535	\$ 754,860	\$ 1,501,908	\$ 95,792	\$ 147,116	\$ —	\$ 3,327,211	

⁽¹⁾ Transfers out of Level 3 assets represents the transfer of residential loans to real estate owned and the consolidation of a VIE previously classified as an equity investment (see Note 7).

⁽²⁾ During the year ended December 31, 2023, the Company transferred, on a net basis, certain residential loans into residential loan securitizations (see Note 7 for further discussion of the Company's residential loan securitizations).

The following table details changes in valuation for the Level 3 liabilities for the years ended December 31, 2025, 2024 and 2023, respectively (dollar amounts in thousands):

Level 3 Liabilities:

	Consolidated SLST CDOs		
	Years Ended December 31,		
	2025	2024	2023
Balance at beginning of period	\$ 811,591	\$ 593,737	\$ 634,495
Total losses (gains) (realized/unrealized)			
Included in earnings	34,248	3,784	5,718
Acquisitions ⁽¹⁾	235,226	275,200	—
Paydowns	(74,146)	(61,130)	(46,476)
Balance at the end of period	\$ 1,006,919	\$ 811,591	\$ 593,737

⁽¹⁾ During the years ended December 31, 2025 and 2024, the Company purchased first loss subordinated securities issued from securitizations that it determined to consolidate as Consolidated SLST. As a result, the Company consolidated liabilities of the securitizations (see Note 7).

The following table discloses quantitative information regarding the significant unobservable inputs used in the valuation of our Level 3 assets and liabilities measured at fair value (dollar amounts in thousands, except input values):

December 31, 2025	Fair Value	Valuation Technique	Unobservable Input	Weighted Average	Range	
Assets						
Residential loans:						
Residential loans, residential loans held in securitization trusts and residential loans held for sale:	\$2,952,490	Discounted cash flow	Lifetime CPR	10.3%	—	- 45.5%
			Default rate	0.7%	—	- 26.4%
			Loss severity	12.8%	—	- 100.0%
			Yield	6.6%	5.2%	- 41.1%
	\$109,139	Liquidation model	Annual home price appreciation/(depreciation)	0.1%	—	- 8.7%
			Liquidation timeline (months)	16	9	- 54
			Property value	\$1,815,175	\$15,000	- \$13,900,000
			Yield	8.7%	7.5%	- 100.0%
	\$211,576	Transaction price	Non-binding investor price	N/A		
Consolidated SLST ⁽⁴⁾	\$1,165,677		Liability price	N/A		
Total	\$4,438,882					
Multi-family loans ⁽¹⁾⁽²⁾	\$55,476	Discounted cash flow	Discount rate	12.3%	11.5%	- 13.5%
			Months to assumed redemption	24	3	- 42
			Loss severity	—		
Equity investments ⁽¹⁾	\$24,711	Discounted cash flow	Discount rate	15.9%	15.0%	- 17.5%
			Months to assumed redemption	14	2	- 26
			Loss severity	—		
Mortgage servicing rights ⁽¹⁾	\$20,893	Discounted cash flow	Lifetime voluntary prepayment rate	10.1%	0.2%	- 28.9%
			Default rate	2.4%	—	- 41.8%
			Yield	12.2%	12.0%	- 14.0%
IRLCs ⁽¹⁾	\$691	Probability-weighted expected cash flow	Pull-through rate	77.4%	77.0%	- 78.9%
Liabilities						
Consolidated SLST CDOs ⁽³⁾⁽⁴⁾	\$1,006,919	Discounted cash flow	Yield	5.1%	3.2%	- 12.0%

Collateral prepayment rate	6.1%	2.5%	-	7.2%
Collateral default rate	1.1%	—	-	18.5%
Loss severity	15.3%	—	-	27.1%

- (1) Weighted average amounts are calculated based on the weighted average fair value of the assets.
- (2) As of December 31, 2025, the Company has reduced the fair value of one multi-family loan to zero as a result of developments with respect to the property, its financing and market conditions. Unobservable inputs do not include inputs related to this multi-family loan.
- (3) In accordance with the practical expedient in ASC 810, the Company determines the fair value of the residential loans held in Consolidated SLST based on the fair value of the CDOs issued by Consolidated SLST, including investment securities we own, as the fair value of these instruments is more observable. At December 31, 2025, the fair value of investment securities we own in Consolidated SLST amounts to \$151.5 million.
- (4) Weighted average yield calculated based on the weighted average fair value of the CDOs issued by Consolidated SLST, including investment securities we own. Weighted average collateral prepayment rate, weighted average collateral default rate and weighted average loss severity are calculated based on the weighted average unpaid balance of the CDOs issued by Consolidated SLST, including investment securities we own.

The following table details the changes in unrealized gains (losses) included in earnings for the years ended December 31, 2025, 2024 and 2023, respectively, for our Level 3 assets and liabilities held as of December 31, 2025, 2024 and 2023, respectively (dollar amounts in thousands):

	For the Years Ended December 31,		
	2025	2024	2023
Assets			
Residential loans			
Residential loans ⁽¹⁾	\$ 2,539	\$ (7,966)	\$ 321
Consolidated SLST ⁽¹⁾	41,170	8,611	(8,086)
Residential loans held in securitization trust ⁽¹⁾	46,675	(10,005)	56,576
Residential loans held for sale ⁽¹⁾	1,754	—	—
Multi-family loans ⁽¹⁾	240	(4,750)	645
Equity investments ⁽²⁾	(6,873)	(6,319)	(7,958)
IRLCs	(3,611)	—	—
Mortgage servicing rights ⁽¹⁾	(3,656)	616	—
Liabilities			
Consolidated SLST CDOs ⁽¹⁾	\$ (32,710)	\$ (5,709)	\$ (1,930)

- (1) Presented in unrealized gains (losses), net on the Company's consolidated statements of operations.
- (2) Presented in (loss) income from equity investments on the Company's consolidated statements of operations.

The following table presents the carrying value and estimated fair value of the Company's financial instruments at December 31, 2025 and 2024, respectively (dollar amounts in thousands):

	Fair Value Hierarchy Level	December 31, 2025		December 31, 2024	
		Carrying Value	Estimated Fair Value	Carrying Value	Estimated Fair Value
Financial Assets:					
Cash and cash equivalents	Level 1	\$ 210,333	\$ 210,333	\$ 167,422	\$ 167,422
Investment securities available for sale	Level 2	6,904,781	6,904,781	3,828,544	3,828,544
Residential loans	Level 3	4,358,175	4,358,175	3,841,738	3,841,738
Residential loans held for sale	Level 3	80,707	80,707	—	—
Multi-family loans	Level 3	55,476	55,476	86,192	86,192
Equity investments	Level 3	24,711	24,711	113,492	113,492
Derivative assets	Level 2	31	31	56	56
IRLCs	Level 3	691	691	—	—
Derivative assets in disposal group held for sale	Level 2	—	—	67	67
Mortgage servicing rights	Level 3	20,893	20,893	21,003	21,003
Financial Liabilities:					
Repurchase agreements	Level 2	6,753,417	6,753,417	4,012,225	4,012,225
Collateralized debt obligations:					
Residential loan securitizations at amortized cost, net	Level 3	363,645	349,037	842,764	818,482
Residential loan securitizations at fair value	Level 2	2,075,962	2,075,962	1,253,332	1,253,332
Consolidated SLST	Level 3	1,006,919	1,006,919	811,591	811,591
Non-Agency RMBS re-securitization	Level 2	65,276	65,276	70,757	70,757
Subordinated debentures	Level 3	45,000	40,526	45,000	38,918
Senior unsecured notes:					
Senior unsecured notes at amortized cost, net	Level 2	99,585	99,465	98,886	98,632
Senior unsecured notes at fair value	Level 2	260,852	260,852	60,310	60,310
Mortgages payable on real estate	Level 3	332,131	325,301	366,606	347,915
Mortgages payable on real estate in disposal group held for sale	Level 3	—	—	93,370	93,370

In addition to the methodology to determine the fair value of the Company's financial assets and liabilities reported at fair value, as previously described, the following methods and assumptions were used by the Company in arriving at the fair value of the Company's other financial instruments in the table immediately above:

- a. *Cash and cash equivalents* – Estimated fair value approximates the carrying value of such assets.
- b. *Repurchase agreements* – The fair value of these repurchase agreements approximates cost as they are short term in nature.
- c. *Residential loan securitizations at amortized cost, net* – The fair value of these CDOs is based on discounted cash flows as well as market pricing on comparable obligations.
- d. *Subordinated debentures* – The fair value of these subordinated debentures is based on discounted cash flows using management's estimate for market yields.
- e. *Senior unsecured notes* – The fair value of senior unsecured notes reported at amortized cost, net is determined using pricing models that consider observable market data to determine the fair value of identical or similar securities.
- f. *Mortgages payable on real estate* – The fair value of consolidated variable-rate mortgages payable approximates the carrying value of such liabilities. The fair value of consolidated fixed-rate mortgages payable is estimated based upon discounted cash flows at current borrowing rates.

18. Stockholders' Equity

(a) Preferred Stock

The Company had 200,000,000 authorized shares of preferred stock, par value \$0.01 per share (the "Preferred Stock"), with 22,385,674 and 22,164,414 shares issued and outstanding as of December 31, 2025 and 2024, respectively.

As of December 31, 2025, the Company has four outstanding series of cumulative redeemable preferred stock: 8.00% Series D Fixed-to-Floating Rate Cumulative Redeemable Preferred Stock ("Series D Preferred Stock"), 7.875% Series E Fixed-to-Floating Rate Cumulative Redeemable Preferred Stock ("Series E Preferred Stock"), 6.875% Series F Fixed-to-Floating Rate Cumulative Redeemable Preferred Stock ("Series F Preferred Stock") and 7.000% Series G Cumulative Redeemable Preferred Stock ("Series G Preferred Stock"). Each series of the Preferred Stock is senior to the Company's common stock with respect to dividends and distributions upon liquidation, dissolution or winding up.

In March 2023, the Board of Directors approved a \$100.0 million preferred stock repurchase program. The program, which expires on March 31, 2027, allows the Company to make repurchases of shares of Preferred Stock, from time to time, in open market transactions, through privately negotiated transactions or block trades or other means, in accordance with applicable securities laws and the rules and regulations of Nasdaq. The Company did not repurchase any shares of its preferred stock during the years ended December 31, 2025 and 2024. As of December 31, 2025, \$97.6 million of the approved amount remained available for the repurchase of shares of Preferred Stock under the preferred stock repurchase program.

The following tables summarize the Company's Preferred Stock issued and outstanding as of December 31, 2025 and 2024, respectively (dollar amounts in thousands):

December 31, 2025									
Class of Preferred Stock	Shares Authorized	Shares Issued and Outstanding	Carrying Value	Liquidation Preference	Contractual Rate ⁽¹⁾	Optional Redemption Date ⁽²⁾	Fixed-to-Floating Rate Conversion Date ⁽³⁾⁽⁵⁾	Floating Annual Rate ⁽⁴⁾	Rate as of Period End
Fixed-to-Floating Rate									
Series D	8,400,000	6,147,274	\$ 148,585	\$ 153,682	8.000 %	October 15, 2027	October 15, 2027	3M LIBOR + 5.695%	8.000 %
Series E	9,900,000	7,456,749	180,453	186,419	7.875 %	January 15, 2025	January 15, 2025	3M SOFR + tenor spread adjustment of 0.26161% + 6.429%	10.595 %
Series F	7,750,000	5,804,794	139,792	145,120	6.875 %	October 15, 2026	October 15, 2026	3M SOFR + 6.130%	6.875 %
Fixed Rate									
Series G	5,450,000	2,976,857	71,642	74,421	7.000 %	January 15, 2027			7.000 %
Total	31,500,000	22,385,674	\$ 540,472	\$ 559,642					

December 31, 2024									
Class of Preferred Stock	Shares Authorized	Shares Issued and Outstanding	Carrying Value	Liquidation Preference	Contractual Rate ⁽¹⁾	Optional Redemption Date ⁽²⁾	Fixed-to-Floating Rate Conversion Date ⁽³⁾⁽⁵⁾	Floating Annual Rate ⁽⁴⁾	Rate as of Period End
Fixed-to-Floating Rate									
Series D	8,400,000	6,107,318	\$ 147,745	\$ 152,683	8.000 %	October 15, 2027	October 15, 2027	3M LIBOR + 5.695%	8.000 %
Series E	9,900,000	7,343,151	177,697	183,579	7.875 %	January 15, 2025	January 15, 2025	3M SOFR + tenor spread adjustment of 0.26161% + 6.429%	7.875 %
Series F	7,750,000	5,740,209	138,418	143,505	6.875 %	October 15, 2026	October 15, 2026	3M SOFR + 6.130%	6.875 %
Fixed Rate									
Series G	5,450,000	2,973,736	71,585	74,343	7.000 %	January 15, 2027			7.000 %
Total	31,500,000	22,164,414	\$ 535,445	\$ 554,110					

⁽¹⁾ The Company's fixed rate preferred stock is entitled to receive a dividend at the contractual rate shown, per year on its \$25 liquidation preference. Each series of fixed-to-floating rate preferred stock is entitled to receive a dividend at the contractual rate shown, respectively, per year on its \$25 liquidation preference up to, but excluding, the fixed-to-floating rate conversion date.

⁽²⁾ Each series of Preferred Stock is not redeemable by the Company prior to the respective optional redemption date disclosed except under circumstances intended to preserve the Company's qualification as a REIT and except upon occurrence of a Change in Control (as defined in the Articles Supplementary designating the Series D Preferred Stock, Series E Preferred Stock, Series F Preferred Stock and Series G Preferred Stock, respectively).

⁽³⁾ Beginning on the respective fixed-to-floating rate conversion date, each of the Series D Preferred Stock, Series E Preferred Stock and Series F Preferred Stock is entitled to receive a dividend on a floating rate basis according to the terms disclosed in footnotes ⁽⁴⁾ and ⁽⁵⁾ below.

- ⁴⁾ Prior to July 2023, on and after the fixed-to-floating rate conversion date, each of the Series D Preferred Stock and Series E Preferred Stock were entitled to receive a dividend at a floating rate equal to three-month LIBOR plus the respective spread disclosed above per year on its \$25 liquidation preference. In light of the cessation of the publication of three-month LIBOR after June 30, 2023, and pursuant to the Articles Supplementary for the Series E Preferred Stock and the applicability of the Adjustable Interest Rate (LIBOR) Act of 2021 to the Series E Preferred Stock, the calculation agent determined that three-month CME Term SOFR plus the applicable tenor spread adjustment of 0.26161% per annum has replaced three-month LIBOR as the successor base rate for calculations of the dividend rate payable on the Series E Preferred Stock for dividend periods from and after the respective fixed-to-floating rate conversion date. Additionally, pursuant to the Articles Supplementary for the Series D Preferred Stock and the applicability of the LIBOR Act of 2021 to the Series D Preferred Stock, given all of the information available to the Company to date, the Company believes that three-month CME Term SOFR plus the applicable tenor spread adjustment of 0.26161% per annum will automatically replace three-month LIBOR as the reference rate for calculations of the dividend rate payable on the Series D Preferred Stock for dividend periods from and after the respective fixed-to-floating rate conversion date.
- ⁵⁾ On and after the fixed-to-floating rate conversion date, the Series F Preferred Stock is entitled to receive a dividend at a floating rate equal to three-month SOFR plus the spread disclosed above per year on its \$25 liquidation preference.

For each series of Preferred Stock, on or after the respective optional redemption date disclosed, the Company may, at its option, redeem the respective series of Preferred Stock in whole or in part, at any time or from time to time, for cash at a redemption price equal to \$25.00 per share, plus any accumulated and unpaid dividends. In addition, upon the occurrence of a change of control, the Company may, at its option, redeem the Preferred Stock in whole or in part, within 120 days after the first date on which such change of control occurred, for cash at a redemption price of \$25.00 per share, plus any accumulated and unpaid dividends.

The Preferred Stock generally do not have any voting rights, subject to an exception in the event the Company fails to pay dividends on such stock for six or more quarterly periods (whether or not consecutive). Under such circumstances, holders of the Preferred Stock voting together as a single class with the holders of all other classes or series of our preferred stock upon which like voting rights have been conferred and are exercisable and which are entitled to vote as a class with the Preferred Stock will be entitled to vote to elect two additional directors to the Company's Board of Directors until all unpaid dividends have been paid or declared and set apart for payment. In addition, certain material and adverse changes to the terms of any series of the Preferred Stock cannot be made without the affirmative vote of holders of at least two-thirds of the outstanding shares of the series of Preferred Stock whose terms are being changed.

The Preferred Stock has no stated maturity, is not subject to any sinking fund or mandatory redemption and will remain outstanding indefinitely unless repurchased or redeemed by the Company or converted into the Company's common stock in connection with a change of control.

Upon the occurrence of a change of control, each holder of Preferred Stock will have the right (unless the Company has exercised its right to redeem the Preferred Stock) to convert some or all of the Preferred Stock held by such holder into a number of shares of our common stock per share of the applicable series of Preferred Stock determined by a formula, in each case, on the terms and subject to the conditions described in the applicable Articles Supplementary for such series.

(b) Dividends on Preferred Stock

The following table presents the relevant information with respect to quarterly cash dividends declared on the Preferred Stock commencing January 1, 2023 through December 31, 2025:

Declaration Date	Record Date	Payment Date	Cash Dividend Per Share			
			Series D Preferred Stock	Series E Preferred Stock	Series F Preferred Stock	Series G Preferred Stock
December 11, 2025	January 1, 2026	January 15, 2026	\$ 0.50	\$ 0.676912400	\$ 0.4296875	\$ 0.43750
September 15, 2025	October 1, 2025	October 15, 2025	0.50	0.703299100	0.4296875	0.43750
June 12, 2025	July 1, 2025	July 15, 2025	0.50	0.691771300	0.4296875	0.43750
March 20, 2025	April 1, 2025	April 15, 2025	0.50	0.687036875	0.4296875	0.43750
December 10, 2024	January 1, 2025	January 15, 2025	0.50	0.4921875	0.4296875	0.43750
September 19, 2024	October 1, 2024	October 15, 2024	0.50	0.4921875	0.4296875	0.43750
June 18, 2024	July 1, 2024	July 15, 2024	0.50	0.4921875	0.4296875	0.43750
March 13, 2024	April 1, 2024	April 15, 2024	0.50	0.4921875	0.4296875	0.43750
December 14, 2023	January 1, 2024	January 15, 2024	0.50	0.4921875	0.4296875	0.43750
September 11, 2023	October 1, 2023	October 15, 2023	0.50	0.4921875	0.4296875	0.43750
June 6, 2023	July 1, 2023	July 15, 2023	0.50	0.4921875	0.4296875	0.43750
March 9, 2023	April 1, 2023	April 15, 2023	0.50	0.4921875	0.4296875	0.43750

(c) Common Stock

The Company had 200,000,000 authorized shares of common stock, par value \$0.01 per share, with 90,303,863 and 90,574,996 shares issued and outstanding as of December 31, 2025 and 2024, respectively.

On February 22, 2023, the Company announced that the Board of Directors approved the Reverse Stock Split. The Reverse Stock Split was effected as of 12:01 a.m., New York City time, on March 9, 2023 (the "Effective Time"). Accordingly, at the Effective Time, every four issued and outstanding shares of the Company's common stock were converted into one share of the Company's common stock, with a proportionate reduction in the Company's authorized shares of common stock, outstanding equity awards and number of shares remaining available for issuance under the 2017 Plan. In connection with the reverse stock split, the number of authorized shares of the Company's common stock was also reduced on a one-for-four basis, from 800,000,000 to 200,000,000. The par value of each share of common stock remained unchanged. No fractional shares were issued in connection with the Reverse Stock Split. Instead, each stockholder holding fractional shares as a result of the Reverse Stock Split was entitled to receive, in lieu of such fractional shares, cash in an amount based on the closing price of the Company's common stock on the Nasdaq Global Select Market on March 8, 2023. The Reverse Stock Split applied to all of the Company's outstanding shares of common stock and therefore did not affect any stockholder's ownership percentage of shares of the Company's common stock, except for de minimis changes resulting from the payment of cash in lieu of fractional shares. All common share and per common share data included in these consolidated financial statements and notes thereto have been adjusted on a retroactive basis to reflect the impact of the Reverse Stock Split.

In February 2022, the Board of Directors approved a \$200.0 million common stock repurchase program. In March 2023, the Board of Directors approved an upsize of the common stock repurchase program to \$246.0 million. The program, which expires on March 31, 2027, allows the Company to make repurchases of shares of common stock, from time to time, in open market transactions, through privately negotiated transactions or block trades or other means, in accordance with applicable securities laws and the rules and regulations of Nasdaq.

During the year ended December 31, 2025, the Company repurchased 231,200 shares of its common stock pursuant to the common stock repurchase program for a total cost of approximately \$1.5 million, including fees and commissions paid to the broker, representing an average repurchase price of \$6.50 per common share. During the year ended December 31, 2024, the Company repurchased 587,347 shares of its common stock pursuant to the common stock repurchase program for a total cost of approximately \$3.5 million, including fees and commissions paid to the broker, representing an average repurchase price of \$5.95 per common share. During the year ended December 31, 2023, the Company repurchased 937,850 shares of its common stock pursuant to the common stock repurchase program for a total cost of approximately \$8.6 million, including fees and commissions paid to the broker, representing an average repurchase price of \$9.19 per common share.

As of December 31, 2025, \$188.2 million of the approved amount remained available for the repurchase of shares of the Company's common stock under the common stock repurchase program.

(d) Dividends on Common Stock

The following table presents cash dividends declared by the Company on its common stock with respect to the quarterly periods commencing January 1, 2023 and ended December 31, 2025:

Period	Declaration Date	Record Date	Payment Date	Cash Dividend Per Share
Fourth Quarter 2025	December 11, 2025	December 22, 2025	January 28, 2026	\$ 0.23
Third Quarter 2025	September 15, 2025	September 25, 2025	October 30, 2025	0.23
Second Quarter 2025	June 12, 2025	June 23, 2025	July 30, 2025	0.20
First Quarter 2025	March 20, 2025	March 31, 2025	April 28, 2025	0.20
Fourth Quarter 2024	December 10, 2024	December 20, 2024	January 23, 2025	0.20
Third Quarter 2024	September 19, 2024	September 30, 2024	October 28, 2024	0.20
Second Quarter 2024	June 18, 2024	June 28, 2024	July 29, 2024	0.20
First Quarter 2024	March 13, 2024	March 25, 2024	April 25, 2024	0.20
Fourth Quarter 2023	December 14, 2023	December 26, 2023	January 26, 2024	0.20
Third Quarter 2023	September 11, 2023	September 21, 2023	October 26, 2023	0.30
Second Quarter 2023	June 6, 2023	June 16, 2023	July 26, 2023	0.30
First Quarter 2023	March 9, 2023	March 20, 2023	April 26, 2023	0.40

During 2025, aggregate dividends for our common stock were \$0.86 per share. For U.S. federal income tax purposes, the 2025 dividends were classified as ordinary income, capital gain distribution and return of capital in the amounts of \$0.67, \$0.10 and \$0.06, respectively, per share. The January 2026 cash distribution in the amount of \$0.23 per share, that was declared in December 2025, is treated as a 2026 distribution. During 2024, aggregate dividends for our common stock were \$0.80 per share. For U.S. federal income tax purposes, the 2024 dividends were classified as return of capital in the amount of \$0.80 per share and the January 2025 cash distribution in the amount of \$0.20 per share, that was declared in December 2024, is treated as a 2025 distribution. During 2023, aggregate dividends for our common stock were \$1.20 per share. For U.S. federal income tax purposes, the 2023 dividends were classified as return of capital in the amounts of \$1.00 per share and the January 2024 cash distribution in the amount of \$0.20 per share, that was declared in December 2023, is treated as a 2024 distribution.

(e) Equity Distribution Agreements

On August 10, 2021, the Company entered into an equity distribution agreement (the "Common Equity Distribution Agreement") with a sales agent, pursuant to which the Company may offer and sell shares of its common stock, par value \$0.01 per share, having a maximum aggregate sales price of up to \$100.0 million from time to time through the sales agent. The Company has no obligation to sell any of the shares of common stock issuable under the Common Equity Distribution Agreement and may at any time suspend solicitations and offers under the Common Equity Distribution Agreement.

There were no shares of the Company's common stock issued under the Common Equity Distribution Agreement during the years ended December 31, 2025, 2024 and 2023. As of December 31, 2025, approximately \$100.0 million of common stock remains available for issuance under the Common Equity Distribution Agreement.

On June 13, 2025, the Company entered into an equity distribution agreement (the "Preferred Equity Distribution Agreement") with a sales agent, pursuant to which the Company may offer and sell shares of its Preferred Stock, having a maximum aggregate gross sales price of up to \$50.0 million from time to time through the sales agent. The Company has no obligation to sell any of the shares of Preferred Stock issuable under the Preferred Equity Distribution Agreement and may at any time suspend solicitations and offers under the Preferred Equity Distribution Agreement.

The Preferred Equity Distribution Agreement replaced the Company's prior preferred equity distribution agreement with a sales agent dated March 29, 2019, as amended on March 2, 2022 (collectively, the "Prior Preferred Equity Distribution Agreement"), pursuant to which approximately \$100.0 million of aggregate value of the Company's preferred stock remained available for issuance prior to termination.

During the year ended December 31, 2025, the Company issued 221,260 shares of Preferred Stock under the Preferred Equity Distribution Agreement, at an average price of \$23.19 per share, resulting in total net proceeds to the Company of approximately \$5.1 million. There were no shares of Preferred Stock issued under the Prior Preferred Equity Distribution Agreement during the years ended December 31, 2024 and 2023. As of December 31, 2025, approximately \$44.9 million of Preferred Stock remains available for issuance under the Preferred Equity Distribution Agreement.

19. Earnings (Loss) Per Common Share

The Company calculates basic earnings (loss) per common share by dividing net income (loss) attributable to the Company's common stockholders for the period by weighted-average shares of common stock outstanding for that period. Diluted earnings (loss) per common share takes into account the effect of dilutive instruments, such as PSUs, RSUs and DSUs, and the number of incremental shares that are to be added to the weighted-average number of shares outstanding.

During the year ended December 31, 2025, certain of the PSUs, RSUs and DSUs awarded under the 2017 Plan were determined to be dilutive and were included in the calculation of diluted earnings per common share under the treasury stock method. Under this method, common equivalent shares are calculated assuming that target PSUs and outstanding RSUs and DSUs vest according to the respective PSU, RSU and DSU agreements and unrecognized compensation cost is used to repurchase shares of the Company's outstanding common stock at the average market price during the reported period.

During the years ended December 31, 2024 and 2023, the PSUs and RSUs awarded under the 2017 Plan were determined to be anti-dilutive and were not included in the calculation of diluted loss per common share. During the year ended December 31, 2024 the DSUs awarded under the 2017 Plan were determined to be anti-dilutive and were not included in the calculation of diluted loss per common share.

The following table presents the computation of basic and diluted earnings (loss) per common share for the periods indicated (dollar and share amounts in thousands, except per share amounts):

	For the Years Ended December 31,		
	2025	2024	2023
Basic Earnings (Loss) per Common Share:			
Net income (loss) attributable to Company	\$ 149,048	\$ (62,029)	\$ (48,665)
Less: Preferred Stock dividends	(47,942)	(41,756)	(41,837)
Plus: Gain on repurchase of Preferred Stock	—	—	467
Net income (loss) attributable to Company's common stockholders	<u>\$ 101,106</u>	<u>\$ (103,785)</u>	<u>\$ (90,035)</u>
Basic weighted average common shares outstanding	90,427	90,815	91,042
Basic Earnings (Loss) per Common Share	<u>\$ 1.12</u>	<u>\$ (1.14)</u>	<u>\$ (0.99)</u>
Diluted Earnings (Loss) per Common Share:			
Net income (loss) attributable to Company	\$ 149,048	\$ (62,029)	\$ (48,665)
Less: Preferred Stock dividends	(47,942)	(41,756)	(41,837)
Plus: Gain on repurchase of Preferred Stock	—	—	467
Net income (loss) attributable to Company's common stockholders	<u>\$ 101,106</u>	<u>\$ (103,785)</u>	<u>\$ (90,035)</u>
Weighted average common shares outstanding	90,427	90,815	91,042
Net effect of assumed PSUs vested	768	—	—
Net effect of assumed RSUs and DSUs vested	315	—	—
Diluted weighted average common shares outstanding	<u>91,510</u>	<u>90,815</u>	<u>91,042</u>
Diluted Earnings (Loss) per Common Share	<u>\$ 1.10</u>	<u>\$ (1.14)</u>	<u>\$ (0.99)</u>

20. Stock Based Compensation

Pursuant to the 2017 Plan, as approved by the Company's stockholders, eligible employees, officers and directors of the Company and individuals who provide services to the Company are offered the opportunity to acquire the Company's common stock through equity awards under the 2017 Plan. The maximum number of shares that may be issued under the 2017 Plan is 10,792,500.

Of the common stock authorized at December 31, 2025, 3,088,129 shares remain available for issuance under the 2017 Plan. The Company's non-employee directors have been issued 319,934 shares under the 2017 Plan as of December 31, 2025. The Company's employees have been issued 1,424,340 shares of restricted stock under the 2017 Plan as of December 31, 2025. At December 31, 2025, there were 222,977 shares of non-vested restricted stock outstanding, 2,863,258 common shares reserved for issuance in connection with outstanding PSUs under the 2017 Plan, 1,178,548 common shares reserved for issuance in connection with outstanding RSUs under the 2017 Plan and 204,378 common shares reserved for issuance in connection with outstanding DSUs under the 2017 Plan.

Of the common stock authorized at December 31, 2024, 5,093,685 shares were reserved for issuance under the 2017 Plan. The Company's non-employee directors had been issued 301,472 shares under the 2017 Plan as of December 31, 2024. The Company's employees had been issued 1,475,184 shares of restricted stock under the 2017 Plan as of December 31, 2024. At December 31, 2024, there were 538,159 shares of non-vested restricted stock outstanding, 1,879,052 common shares reserved for issuance in connection with outstanding PSUs under the 2017 Plan, 450,600 common shares reserved for issuance in connection with outstanding RSUs under the 2017 Plan and 110,772 common shares reserved for issuance in connection with outstanding DSUs under the 2017 Plan.

(a) Restricted Common Stock Awards

During the years ended December 31, 2025, 2024 and 2023, the Company recognized non-cash compensation expense on its restricted common stock awards of \$1.5 million, \$3.2 million and \$3.7 million, respectively. Dividends are paid on all restricted stock issued, whether those shares have vested or not. Non-vested restricted stock is forfeited upon the recipient's termination of employment, subject to certain exceptions.

A summary of the activity of the Company's non-vested restricted stock under the 2017 Plan for the years ended December 31, 2025, 2024 and 2023, respectively, is presented below:

	2025		2024		2023	
	Number of Non-vested Restricted Shares	Weighted Average Per Share Grant Date Fair Value ⁽¹⁾	Number of Non-vested Restricted Shares	Weighted Average Per Share Grant Date Fair Value ⁽¹⁾	Number of Non-vested Restricted Shares	Weighted Average Per Share Grant Date Fair Value ⁽¹⁾
Non-vested shares as of January 1	538,159	\$ 10.39	524,570	\$ 13.57	526,074	\$ 16.34
Granted	—	—	342,628	8.23	275,248	12.36
Vested	(264,338)	11.44	(256,814)	14.01	(253,912)	18.18
Forfeited	(50,844)	9.31	(72,225)	10.04	(22,840)	12.79
Non-vested shares as of December 31	222,977	\$ 9.39	538,159	\$ 10.39	524,570	\$ 13.57
Restricted stock granted during the period	—	\$ —	342,628	\$ 8.23	275,248	\$ 12.36

⁽¹⁾ The grant date fair value of restricted stock awards is based on the closing market price of the Company's common stock at the grant date.

At December 31, 2025 and 2024, the Company had unrecognized compensation expense of \$0.8 million and \$2.8 million, respectively, related to the non-vested shares of restricted common stock under the 2017 Plan. The unrecognized compensation expense at December 31, 2025 is expected to be recognized over a weighted average period of 1.0 years. The total fair value of restricted shares vested during the years ended December 31, 2025, 2024 and 2023 was approximately \$1.6 million, \$2.1 million and \$3.1 million, respectively. The requisite service period for restricted stock awards at issuance is three years and the restricted common stock vests ratably over the requisite service period.

(b) Performance Share Units

During the years ended December 31, 2025, 2024 and 2023, the Company granted PSUs that had been approved by the Compensation Committee and the Board of Directors. Under the 2017 Plan, PSUs are instruments that provide the holder the right to receive one share of the Company's common stock once a performance condition has been satisfied. The awards were issued pursuant to and are consistent with the terms and conditions of the 2017 Plan.

The grant date fair value of the PSUs was determined through a Monte-Carlo simulation of the Company's common stock total shareholder return and the common stock total shareholder return of its identified performance peer companies to determine the relative total shareholder return of the Company's common stock over a future period of three years. For PSUs granted, the inputs used by the model to determine the fair value are (i) historical stock price volatilities of the Company and its identified performance peer companies over the most recent three-year period and correlation between each company's stock and the identified performance peer group over the same time series and (ii) a risk free rate for the period interpolated from the U.S. Treasury yield curve on grant date.

The PSUs include DERs which shall remain outstanding from the grant date until the earlier of the settlement or forfeiture of the PSU to which the DER corresponds. Each vested DER entitles the holder to receive payments in an amount equal to any dividends paid by the Company in respect of the share of the Company's common stock underlying the PSU to which such DER relates. Upon vesting of the PSUs, the DERs will also vest. DERs will be forfeited upon forfeiture of the corresponding PSUs. The DERs may be settled in cash or stock at the discretion of the Compensation Committee. The DERs that vested during the year ended December 31, 2024 were settled in cash.

A summary of the activity of the target PSU awards under the 2017 Plan for the years ended December 31, 2025, 2024 and 2023, respectively, is presented below:

	2025		2024		2023	
	Number of Non-vested Target Shares	Weighted Average Per Share Grant Date Fair Value ⁽¹⁾	Number of Non-vested Target Shares	Weighted Average Per Share Grant Date Fair Value ⁽¹⁾	Number of Non-vested Target Shares	Weighted Average Per Share Grant Date Fair Value ⁽¹⁾
Non-vested target PSUs as of January 1	939,523	\$ 11.48	905,825	\$ 18.12	786,577	\$ 23.06
Granted	710,132	6.82	384,584	5.72	366,210	13.41
Vested	—	—	(350,886)	22.31	(201,978)	28.18
Forfeited	(218,026)	18.66	—	—	(44,984)	(20.89)
Non-vested target PSUs as of December 31	1,431,629	\$ 8.08	939,523	\$ 11.48	905,825	\$ 18.12

⁽¹⁾ The grant date fair value of the PSUs was determined through a Monte-Carlo simulation of the Company's common stock total shareholder return and the common stock total shareholder return of its identified performance peer companies to determine the relative total shareholder return of the Company's common stock over a future period of three years.

The three-year performance period for PSUs granted in 2022 ended on December 31, 2024 and the relative total shareholder return of the Company's common stock did not exceed the threshold amount for the performance period. Accordingly, all PSUs granted in 2022 did not vest and target PSUs of 188,729 were forfeited during the year ended December 31, 2025. The three-year performance period for PSUs granted in 2021 ended on December 31, 2023, resulting in the vesting of 441,973 shares of common stock during the year ended December 31, 2024 with a fair value of \$3.6 million on the vesting date. The number of vested shares related to PSUs granted in 2021 was greater than the target PSUs of 350,886. The three-year performance period for PSUs granted in 2020 ended on December 31, 2022, resulting in the vesting of 161,577 shares of common stock during the year ended December 31, 2023 with a fair value of \$2.0 million on the vesting date. The number of vested shares related to PSUs granted in 2020 was less than the target PSUs of 201,978. Non-vested PSUs are forfeited upon the recipient's termination of employment, subject to certain exceptions.

As of December 31, 2025, 2024 and 2023, there was \$4.1 million, \$3.4 million and \$4.9 million of unrecognized compensation cost related to the non-vested portion of the PSUs, respectively. The unrecognized compensation cost related to the non-vested portion of the PSUs at December 31, 2025 is expected to be recognized over a weighted average period of 1.8 years. Compensation expense related to the PSUs was \$3.8 million, \$3.7 million and \$4.7 million for the years ended December 31, 2025, 2024 and 2023, respectively.

(c) *Restricted Stock Units*

During the years ended December 31, 2025, 2024 and 2023, the Company granted RSUs that had been approved by the Compensation Committee and the Board of Directors. Under the 2017 Plan, each RSU represents an unfunded promise to receive one share of the Company's common stock upon satisfaction of the vesting provisions. The awards were issued pursuant to and are consistent with the terms and conditions of the 2017 Plan. The requisite service period for RSUs at issuance is three years and the RSUs vest ratably over the requisite service period.

The RSUs include DERs which shall remain outstanding from the grant date until the earlier of the settlement or forfeiture of the RSU to which the DER corresponds. Each vested DER entitles the holder to receive payments in an amount equal to any dividends paid by the Company in respect of the share of the Company's common stock underlying the RSU to which such DER relates. Upon vesting of the RSUs, the DERs will also vest. DERs will be forfeited upon forfeiture of the corresponding RSUs. The DERs may be settled in cash or stock at the discretion of the Compensation Committee. The DERs that vested during the years ended December 31, 2025, 2024 and 2023 were settled in cash.

A summary of the activity of the RSU awards under the 2017 Plan for the years ended December 31, 2025, 2024 and 2023, respectively, is presented below:

	2025		2024		2023	
	Number of Non-vested Shares	Weighted Average Per Share Grant Date Fair Value ⁽¹⁾	Number of Non-vested Shares	Weighted Average Per Share Grant Date Fair Value ⁽¹⁾	Number of Non-vested Shares	Weighted Average Per Share Grant Date Fair Value ⁽¹⁾
Non-vested RSUs as of January 1	450,600	\$ 9.59	351,974	\$ 11.65	263,708	\$ 16.11
Granted	1,042,229	5.91	256,389	8.53	244,140	10.24
Vested	(198,297)	10.24	(157,763)	12.45	(131,094)	17.40
Forfeited	(115,984)	6.15	—	—	(24,780)	14.80
Non-vested RSUs as of December 31	<u>1,178,548</u>	<u>\$ 6.57</u>	<u>450,600</u>	<u>\$ 9.59</u>	<u>351,974</u>	<u>\$ 11.65</u>

⁽¹⁾ The grant date fair value of RSUs is based on the closing market price of the Company's common stock at the grant date.

During the year ended December 31, 2025, 198,297 shares of common stock were issued in connection with the vesting of RSUs at a fair value of \$1.2 million on the vesting date. During the year ended December 31, 2024, 157,763 shares of common stock were issued in connection with the vesting of RSUs at a fair value of \$1.3 million on the vesting date. During the year ended December 31, 2023, 131,094 shares of common stock were issued in connection with the vesting of RSUs at a fair value of \$1.4 million on the vesting date. Non-vested RSUs are forfeited upon the recipient's termination of employment, subject to certain exceptions.

As of December 31, 2025, 2024 and 2023 there was \$4.5 million, \$2.3 million and \$2.1 million of unrecognized compensation cost related to the non-vested portion of the RSUs, respectively. The unrecognized compensation cost related to the non-vested portion of the RSUs at December 31, 2025 is expected to be recognized over a weighted average period of 1.9 years. Compensation expense related to the RSUs was \$3.3 million, \$2.0 million and \$2.0 million for the years ended December 31, 2025, 2024 and 2023, respectively.

(d) *Deferred Stock Units*

During the years ended December 31, 2025 and 2024, the Company granted DSUs that had been approved by the Compensation Committee and the Board of Directors to non-employee directors. Under the 2017 Plan, each DSU represents an unfunded promise to receive one share of the Company's common stock, subject to the non-employee director's continued service on the Board of Directors through the day immediately preceding the annual meeting of the Company's stockholders in the year subsequent to the grant date. Non-vested DSUs are forfeited upon the recipient's termination of service on the Company's Board of Directors.

The DSUs include DERs which shall remain outstanding from the grant date until the earlier of the settlement or forfeiture of the DSU to which the DER corresponds. Each vested DER entitles the holder to receive payments in an amount equal to any dividends paid by the Company in respect of the share of the Company's common stock underlying the DSU to which such DER relates. Upon vesting of the DSUs, the DERs will also vest. DERs will be forfeited upon forfeiture of the corresponding DSUs. The DERs may be settled in cash or stock at the discretion of the Compensation Committee. The DERs that vested during the year ended December 31, 2025 were settled in cash.

A summary of the activity of the DSU awards under the 2017 Plan for the years ended December 31, 2025 and 2024, respectively, is presented below:

	2025		2024	
	Number of Non-vested Shares	Weighted Average Per Share Grant Date Fair Value ⁽¹⁾	Number of Non-vested Shares	Weighted Average Per Share Grant Date Fair Value ⁽¹⁾
Non-vested DSUs as of January 1	110,772	\$ 6.50	—	\$ —
Granted	112,068	6.96	110,772	6.50
Vested	(110,772)	6.50	—	—
Non-vested DSUs as of December 31	112,068	\$ 6.96	110,772	\$ 6.50

⁽¹⁾ The grant date fair value of DSUs is based on the closing market price of the Company's common stock at the grant date.

Non-employee directors may elect to defer issuance of shares of common stock in connection with the vesting of DSUs. During the year ended December 31, 2025, 110,772 DSUs vested at a fair value of \$0.8 million on the vesting date, of which 18,462 shares of common stock were issued at a fair value of \$0.1 million. 92,310 common shares remain reserved for issuance in connection with vested DSUs as of December 31, 2025.

As of December 31, 2025 and 2024, there was \$0.3 million and \$0.4 million of unrecognized compensation cost related to the non-vested portion of the DSUs, respectively. The unrecognized compensation cost related to the non-vested portion of the DSUs at December 31, 2025 is expected to be recognized over a weighted average period of 0.4 years. Compensation expense related to the DSUs was \$0.8 million and \$0.3 million for the year ended December 31, 2025 and 2024, respectively.

21. Income Taxes

For the years ended December 31, 2025, 2024 and 2023, the Company qualified to be taxed as a REIT under the Internal Revenue Code for U.S. federal income tax purposes. As long as the Company qualifies as a REIT, the Company generally will not be subject to U.S. federal income taxes on its taxable income to the extent it annually distributes at least 100% of its taxable income to stockholders and does not engage in prohibited transactions. Certain activities the Company performs may produce income that will not be qualifying income for REIT purposes. The Company has designated its TRSs to engage in these activities. The tables below reflect the taxes accrued at the TRS level and the tax attributes included in the consolidated financial statements.

The income tax provision for the years ended December 31, 2025, 2024 and 2023, respectively, is comprised of the following components (dollar amounts in thousands):

	For the Years Ended December 31,		
	2025	2024	2023
Current income tax provision			
Federal	\$ 6	\$ 35	\$ 23
State	236	86	273
Total current income tax provision	242	121	296
Deferred income tax (benefit) provision			
Federal	(86)	866	(136)
State	(11)	49	(85)
Total deferred income tax (benefit) provision	(97)	915	(221)
Total income tax provision	<u>\$ 145</u>	<u>\$ 1,036</u>	<u>\$ 75</u>

The Company's effective income tax rate differs from the statutory U.S. federal rate as a result of state and local taxes, non-taxable REIT income, changes in valuation allowance and other differences. A reconciliation of the statutory income tax provision to the effective income tax provision for the years ended December 31, 2025, 2024 and 2023, respectively, are as follows (dollar amounts in thousands).

	For the Years Ended December 31,					
	2025		2024		2023	
Provision (benefit) at statutory rate	\$ 31,331	21.0 %	\$ (12,808)	21.0 %	\$ (10,204)	21.0 %
Non-taxable REIT (income) loss	(31,998)	(21.4)	13,007	(21.3)	6,901	(14.2)
State and local tax provision ⁽¹⁾	217	0.1	91	(0.1)	296	(0.6)
Other	825	0.6	(462)	0.8	(3,366)	6.9
Changes in valuation allowance	(230)	(0.2)	1,208	(2.0)	6,448	(13.3)
Total provision	<u>\$ 145</u>	<u>0.1 %</u>	<u>\$ 1,036</u>	<u>(1.6)%</u>	<u>\$ 75</u>	<u>(0.2)%</u>

⁽¹⁾ State taxes in Texas and South Carolina for the year ended December 31, 2025 and in Texas and New York for the years ended December 31, 2024 and 2023 made up the majority (greater than 50%) of the tax effect in this category.

The following table details the amounts of income taxes paid (net of refunds received) to each jurisdiction for the years ended December 31, 2025, 2024 and 2023, respectively (dollar amounts in thousands):

	For the Years Ended December 31,		
	2025	2024	2023
Federal	\$ 296	\$ 38	\$ 74
States	(78)	(70)	151
Cash paid (refunds received) for income taxes	\$ 218	\$ (32)	\$ 225

Deferred Tax Assets and Liabilities

The major sources of temporary differences included in the deferred tax assets (liabilities) and their deferred tax effect as of December 31, 2025 and 2024, respectively, are as follows (dollar amounts in thousands):

	December 31, 2025	December 31, 2024
Deferred tax assets		
Net operating loss carryforward	\$ 11,252	\$ 9,671
Capital loss carryover	21,676	16,259
GAAP/Tax differences		
Residential loans	3,651	4,101
Interest expense limitation carryforward	3,998	1,218
Investment securities	—	5,997
Other	46	30
Total GAAP/Tax differences	7,695	11,346
Deferred tax assets	40,623	37,276
Less: Valuation allowance	(26,182)	(26,412)
Net deferred tax assets ⁽¹⁾	14,441	10,864
Deferred tax liabilities		
GAAP/Tax differences		
Investment securities available for sale	369	—
Goodwill and intangible assets	7,701	1,575
Mortgage servicing rights	2,981	2,578
Derivatives	1,710	5,129
Total GAAP/Tax differences	12,761	9,282
Deferred tax liabilities ⁽²⁾	12,761	9,282
Total net deferred tax asset	\$ 1,680	\$ 1,582

⁽¹⁾ Included in other assets in the accompanying consolidated balance sheets.

⁽²⁾ Included in other liabilities in the accompanying consolidated balance sheets.

As of December 31, 2025, the Company, through wholly-owned TRSs, had incurred net operating losses in the aggregate amount of approximately \$47.3 million. The Company's carryforward net operating losses can be carried forward indefinitely until they are offset by future taxable income. Additionally, as of December 31, 2025, the Company, through its wholly-owned TRSs, had also incurred approximately \$91.2 million in capital losses. The Company's carryover capital losses will expire between 2026 and 2030 if they are not offset by future capital gains.

As of December 31, 2025, the Company has recorded a valuation allowance against certain deferred tax assets as management does not believe that it is more likely than not that these deferred tax assets will be realized. The valuation allowance was primarily related to U.S. federal deferred tax assets resulting from net operating loss carryforward and capital loss carryover. The change in the valuation for the current year is a decrease of approximately \$0.2 million. We will continue to monitor positive and negative evidence related to the utilization of the remaining deferred tax assets for which a valuation allowance continues to be provided. The Company's deferred tax assets without a valuation allowance are more likely than not to be realized given the expectation of future taxable income.

The Company files income tax returns with the U.S. federal government and various state and local jurisdictions. The Company's federal, state and city income tax returns are subject to examination by the Internal Revenue Service and related tax authorities generally for three years after they were filed. The Company has assessed its tax positions for all open years and concluded that there are no material uncertainties to be recognized.

Based on the Company's evaluation, the Company has concluded that there are no significant uncertain tax positions requiring recognition in the Company's financial statements. To the extent that the Company incurs interest and accrued penalties in connection with its tax obligations, including expenses related to the Company's evaluation of unrecognized tax positions, such amounts will be included in income tax expense. During the years ended December 31, 2025 and 2024, the Company recognized interest and penalties in the amount of approximately \$3.1 thousand and \$35.5 thousand, respectively. The Company did not incur interest and penalties for the year ended December 31, 2023.

Recent Tax Law Changes

On July 4, 2025, the legislation known as the One Big Beautiful Bill Act (the "OBBA") was signed into law. The OBBA made significant changes to the U.S. federal income tax law that impact REITs and their investors. Specifically, the OBBA increases the REIT asset test limitation on the value of TRS securities a REIT may hold from 20% to 25% for taxable years beginning after December 31, 2025. As a result, for taxable years beginning after December 31, 2025, the aggregate value of all securities of TRSs held by a REIT may not exceed 25% of the value of its total assets. The OBBA also makes permanent the 20% deduction for "qualified REIT dividends" (i.e., REIT dividends other than capital gain dividends and portions of REIT dividends designated as qualified dividend income) for individuals, trusts, and estates that was set to sunset for taxable years beginning after December 31, 2025. In addition, for taxable years beginning after December 31, 2024, the OBBA restored the exclusion of deductions for depreciation, depletion and amortization in the calculation of a taxpayer's "adjusted taxable income" for purposes of calculating the limitation on the taxpayer's net interest expense deduction, which was previously in effect for taxable years beginning before January 1, 2022.

22. Net Interest Income

The following table details the components of the Company's interest income and interest expense for the years ended December 31, 2025, 2024 and 2023, respectively (dollar amounts in thousands):

	For the Years Ended December 31,		
	2025	2024	2023
Interest income			
Investment securities available for sale	\$ 316,737	\$ 163,977	\$ 57,514
Residential loans			
Residential loans	34,347	50,266	54,188
Consolidated SLST	50,970	39,194	34,061
Residential loans held in securitization trusts	179,178	129,905	97,492
Total residential loans	264,495	219,365	185,741
Residential loans held for sale	5,244	—	—
Multi-family loans	8,528	10,589	10,519
Other	6,944	7,349	4,886
Total interest income	601,948	401,280	258,660
Interest expense			
Repurchase agreements and warehouse facilities	253,960	183,285	91,814
Collateralized debt obligations			
Consolidated SLST	37,547	26,491	24,506
Residential loan securitizations	127,333	91,884	65,184
Non-Agency RMBS re-securitization	5,007	2,221	—
Total collateralized debt obligations	169,887	120,596	89,690
Senior unsecured notes	24,998	9,308	6,476
Subordinated debentures	3,802	4,236	4,154
Total interest expense	452,647	317,425	192,134
Net interest income	\$ 149,301	\$ 83,855	\$ 66,526

23. Other Income

The following table details the components of the Company's other income for the years ended December 31, 2025, 2024 and 2023, respectively (dollar amounts in thousands):

	For the Years Ended December 31,		
	2025	2024	2023
Servicing fee income	\$ 8,036	\$ 906	\$ —
Gain on sale of real estate ⁽¹⁾	8,923	27,835	4,763
Gain on de-consolidation of joint venture equity investments in Consolidated VIEs	—	6,115	—
Loss on extinguishment of collateralized debt obligations and mortgages payable on real estate	(884)	(2,864)	(796)
Miscellaneous ⁽²⁾	434	(2,843)	769
Total other income	\$ 16,509	\$ 29,149	\$ 4,736

⁽¹⁾ See Notes 8 and 9 for description of nature of transactions out of which items arose.

⁽²⁾ During the year ended December 31, 2024, the Company recorded a provision for uncollectible receivables for asset management expenses incurred related to a non-accrual multi-family loan that are in excess of anticipated redemption proceeds (see Note 5).

24. Business Combination

On July 15, 2025, (the "Acquisition Date"), the Company, through a wholly-owned subsidiary, acquired the outstanding ownership interests in Constructive that were not previously owned by the Company through the consummation of a membership interest purchase agreement, thereby increasing the Company's ownership of Constructive to 100%. Constructive is a business purpose loan lender specializing in rental and transitional loans for real estate investors. In increasing the Company's ownership of Constructive to 100%, the Company bolstered its access to Constructive's proprietary origination channels and third-party distribution network. The results of Constructive's operations have been included in the consolidated financial statements since the Acquisition Date.

The estimated Acquisition Date fair value of the consideration transferred totaled approximately \$67.8 million, which consisted of the following (dollar amounts in thousands):

Cash ⁽¹⁾	\$	31,525
Holdback for representations and warranties ⁽²⁾		2,500
Fair value of previously held membership interests		33,759
Total consideration transferred	\$	67,784

⁽¹⁾ Includes initial cash consideration of approximately \$31.5 million and a post-closing working capital adjustment of approximately \$15.1 thousand which was delivered to the sellers of Constructive on September 24, 2025.

⁽²⁾ The holdback for representations and warranties in the amount of \$2.5 million is to be released to the sellers, net of losses incurred or sustained by the Company related to representation or warranties made by the sellers for conditions that existed as of the Acquisition Date, if any, on January 15, 2027.

Prior to the Acquisition Date, the Company owned 50% of the outstanding ownership interests in Constructive which it accounted for as an equity method investment, utilizing the fair value election (*see Note 6*). The Acquisition Date fair value of the Company's previously held ownership interest in Constructive was approximately \$33.8 million and is included in the measurement of consideration transferred. The Company determined the estimated fair value of its previously held ownership interests in Constructive using weighted multiples of origination volume and earnings before taxes, depreciation and amortization and NAV of the entity. Also prior to the Acquisition Date, the Company purchased business purpose loans from Constructive (*see Note 6*).

The following table summarizes the estimated fair values of the assets acquired and liabilities assumed by the Company at the Acquisition Date (dollar amounts in thousands). The membership interest purchase agreement included a post-closing working capital adjustment that was calculated as approximately \$15.1 thousand and was settled with the sellers of Constructive on September 24, 2025. The holdback for representations and warranties described above will be settled with the sellers of Constructive after the Acquisition Date. The Company has also engaged a third party specialist for valuations of certain intangible assets. Thus, the provisional measurements of assets and liabilities are subject to change.

Cash	\$	10,670
Residential loans		580
Residential loans held for sale		145,748
Restricted cash ⁽¹⁾		4,122
Other assets		8,982
Intangible assets ⁽¹⁾		18,000
Total identifiable assets acquired	\$	188,102
Repurchase agreements and warehouse facilities	\$	135,817
Other liabilities		6,897
Total liabilities assumed	\$	142,714
Net identifiable assets acquired	\$	45,388
Goodwill	\$	22,396
Net assets acquired	\$	67,784

⁽¹⁾ Included in other assets on the consolidated balance sheets.

The approximately \$18.0 million of identified intangible assets were recognized at estimated fair value on the Acquisition Date. Intangible assets have been provisionally assigned as shown in the following table (dollar amounts in thousands). As noted earlier, the fair values of the acquired identifiable intangible assets are provisional pending final valuations for these assets.

Intangible asset	Acquisition Date Fair Value	Accumulated Amortization	Carrying Value at December 31, 2025	Amortization Period (Years)
Customer relationships	\$ 17,000	\$ (779)	\$ 16,221	10
Trade name	1,000	(42)	958	11
Total identified intangible assets (weighted average amortization period)	\$ 18,000	\$ (821)	\$ 17,179	10.06

During the year ended December 31, 2025, the Company recognized \$0.8 million of amortization expense related to these intangible assets, which is included in general and administrative expenses on the Company's consolidated statements of operations. The estimated amortization expense related to the acquired identifiable intangible assets is as follows (dollar amounts in thousands):

Year Ending December 31,	Amortization expense for	
	Customer relationships	Trade name
2026	\$ 1,700	\$ 91
2027	\$ 1,700	\$ 91
2028	\$ 1,700	\$ 91
2029	\$ 1,700	\$ 91
2030	\$ 1,700	\$ 91

The \$22.4 million of goodwill recognized is attributable primarily to the expected benefits arising from synergies with the Company's existing operations, the assembled workforce of Constructive and the anticipated growth opportunities from expanding the Company's business purpose lending platform and is assigned to the Constructive reporting unit (see Note 25) for the Company's ongoing evaluation of goodwill for impairment in accordance with ASC 350. As of December 31, 2025, there was a change in the recognized amount of goodwill as a result of payment of the post-closing working capital adjustment of approximately \$15.1 thousand. As noted earlier, the goodwill recorded is provisional pending final valuations of assets and losses incurred or sustained by the Company related to representation or warranties made by the sellers as of the Acquisition Date.

The amount of revenue of Constructive included in the Company's consolidated statements of operations for the period from the Acquisition Date through December 31, 2025 is \$30.0 million. See Note 25 for the amount of net income of Constructive included in the Company's consolidated statements of operations for the period from the Acquisition Date through December 31, 2025. The Company recognized acquisition-related costs of approximately \$1.3 million, which are included in portfolio operating expenses on the consolidated statements of operations.

The following table presents the pro forma consolidated revenue and net income (loss) attributable to the Company's common stockholders as if Constructive had been included in the consolidated results of the Company for the years ended December 31, 2025 and 2024, respectively (dollar amounts in thousands):

	For the Years Ended December 31,	
	2025	2024
Revenue	\$ 562,684	\$ 381,979
Net income (loss) attributable to Company's common stockholders	\$ 115,136	\$ (94,788)
Basic proforma earnings (loss) per common share	\$ 1.27	\$ (1.04)
Diluted pro forma earnings (loss) per common share	\$ 1.26	\$ (1.04)

These amounts have been calculated after applying the Company's accounting policies and adjustments for consolidation and amortization that would have been recorded assuming the estimated fair value adjustments to intangible assets had been applied on January 1, 2024. Nonrecurring pro forma adjustments directly attributable to the business combination have been included in the pro forma revenue and net income (loss) attributable to the Company's common stockholders shown above as if the transaction occurred on January 1, 2024. These adjustments include acquisition expenses and estimated income tax expense.

25. Segment Reporting

As of December 31, 2025, the Company operates in two reportable segments: (i) investment portfolio and (ii) Constructive. The accounting policies applied to the segments are the same as those described in *Note 2*, with the exception of allocations of certain corporate expenses not directly assigned or allocated to one of the Company's two reportable segments. The activities within Corporate/Other are reconciling items to the consolidated financial statements and primarily consist of general and administrative expenses not directly attributable to Constructive, interest expense on senior unsecured notes and subordinated debentures (see *Note 15*), financing transaction costs unrelated to securitizations and preferred stock dividends.

The Company is in the business of acquiring, investing in, financing and managing primarily mortgage-related residential assets (the "investment portfolio"), which includes residential loans, investment securities, multi-family loans and equity investments and single-family rental properties. The Company derives revenues from management of the investment portfolio, including interest income, net income (loss) from real estate and other income. On July 15, 2025, the Company acquired the outstanding 50% ownership interests in Constructive through the consummation of a membership interest purchase agreement. Constructive is a business purpose loan lender specializing in rental and transitional loans for real estate investors that derives revenues from the origination and sale of loans. In the normal course of business, business purpose loans are originated by Constructive and may subsequently be transferred to the investment portfolio segment as whole loans. All business purpose loans are accounted for under the fair value option and amounts transferred between reportable segments are accounted for at fair value at the time of transfer.

The structure of the reportable segments is differentiated by the nature of the business activities, which is consistent with the reporting structure of the Company and the financial information provided to the Company's chief operating decision maker ("CODM"). The CODM is the Company's Chief Executive Officer. The operating results of the Company's investment portfolio and Constructive are regularly reviewed by the CODM based upon segment assets and net income (loss) before income taxes.

The CODM utilizes the information reviewed to evaluate financial performance, benchmark results to those of peers and monitor actual performance against projected performance. Net income (loss) before income taxes is a key determinant of the Company's book value (calculated as the Company's stockholders' equity attributable to common stockholders divided by outstanding common shares), a measure that is used by the CODM to evaluate Company performance overall and with respect to its peers and which is a component of the calculation of management's compensation. Based upon the inputs discussed above, strategy and financing and capital and resource allocations rely on the determination of the CODM.

Prior to the acquisition of a controlling financial interest in Constructive in July 2025, the Company consisted of a single operating and reporting segment and the consolidated financial statements and notes thereto were a single reportable segment. For the years ended December 31, 2024 and 2023, the CODM also considered significant, and regularly reviewed, consolidated salaries and benefits expense in the amounts of approximately \$33.3 million and \$35.2 million, respectively, which is included in general and administrative expenses in the accompanying consolidated statements of operations.

The following table presents financial information by reportable segment for the year ended December 31, 2025, which in total reconciles to the same data for the Company on a consolidated basis (dollar amounts in thousands):

	Investment Portfolio	Constructive	Corporate/Other	Total
NET INTEREST INCOME:				
Interest income	\$ 596,537	\$ 5,343	\$ 68	\$ 601,948
Interest expense	418,838	5,009	28,800	452,647
Total net interest income (loss)	177,699	334	(28,732)	149,301
NET LOSS FROM REAL ESTATE:				
Rental income	66,025	—	—	66,025
Other real estate income	10,309	—	—	10,309
Total income from real estate	76,334	—	—	76,334
Interest expense, mortgages payable on real estate	21,581	—	—	21,581
Depreciation and amortization	23,125	—	—	23,125
Other real estate expenses	44,045	—	—	44,045
Total expenses related to real estate	88,751	—	—	88,751
Total net loss from real estate	(12,417)	—	—	(12,417)
OTHER INCOME:				
Realized losses, net	(65,428)	—	—	(65,428)
Unrealized gains (losses), net	220,438	—	(3,043)	217,395
(Losses) gains on derivative instruments, net	(66,560)	(1,943)	10,200	(58,303)
Mortgage banking activities, net	—	26,621	—	26,621
Loss from equity investments	(1,614)	—	(1,554)	(3,168)
Impairment of real estate	(9,767)	—	—	(9,767)
Other income	16,509	—	—	16,509
Total other income	93,578	24,678	5,603	123,859
GENERAL, ADMINISTRATIVE AND OPERATING EXPENSES:				
General and administrative expenses	1,077	25,437	46,142	72,656
Portfolio operating expenses	26,701	—	1,310	28,011
Loan origination costs	—	8,101	—	8,101
Financing transaction costs	6,589	—	7,584	14,173
Total general, administrative and operating expenses	34,367	33,538	55,036	122,941
INCOME (LOSS) FROM OPERATIONS BEFORE INCOME TAXES	224,493	(8,526)	(78,165)	137,802
Income tax (benefit) expense	(82)	—	227	145
NET INCOME (LOSS)	224,575	(8,526)	(78,392)	137,657
Net loss attributable to non-controlling interests	11,391	—	—	11,391
NET INCOME (LOSS) ATTRIBUTABLE TO COMPANY	235,966	(8,526)	(78,392)	149,048
Preferred stock dividends	—	—	(47,942)	(47,942)
NET INCOME (LOSS) ATTRIBUTABLE TO COMPANY'S COMMON STOCKHOLDERS	\$ 235,966	\$ (8,526)	\$ (126,334)	\$ 101,106

The following table presents the Company's assets by reportable segment as of December 31, 2025, which in total reconciles to the same data for the Company on a consolidated basis (dollar amounts in thousands):

	Investment Portfolio ⁽¹⁾		Constructive ⁽²⁾		Corporate/Other		Total
Total Assets	\$	12,140,475	\$	276,691	\$	221,681	\$ 12,638,847

⁽¹⁾ The Company had investments in equity method investees in the amount of approximately \$24.7 million as of December 31, 2025 (see Note 6). During the year ended December 31, 2025, the Company's expenditures for long-lived assets totaled approximately \$8.2 million.

⁽²⁾ Goodwill in the amount of approximately \$22.4 million was allocated to Constructive during the year ended December 31, 2025 (see Note 24).

26. Subsequent Events

On January 13, 2026, the Company completed the issuance of \$90.0 million in aggregate principal amount of its 9.25% Senior Notes due 2031 (the "2031 Senior Notes") in an underwritten public offering. The total net proceeds to the Company from the offering of the 2031 Senior Notes, after deducting the underwriters' discount and commissions and offering expenses, were approximately \$86.6 million.

On February 2, 2026, the Company redeemed its 2026 Senior Notes at 100% of the \$100.0 million principal amount plus accrued but unpaid interest to, but excluding, the redemption date, for a total payment of \$101.5 million. The Company recognized a loss on extinguishment of debt related to the redemption totaling approximately \$0.3 million.

On February 16, 2026, the Company's Board of Directors approved extensions of its common stock repurchase program, under which \$188.2 million of the approved amount remained available for repurchase, and its preferred stock repurchase program, under which \$97.6 million of the approved amount remained available for repurchase. The expiration dates of both stock repurchase programs were extended from March 31, 2026 to March 31, 2027.

Schedule III - Real Estate and Accumulated Depreciation
(Dollar amounts in thousands)

December 31, 2025

Market	Number of Properties	Encumbrances	Initial Cost to Company			Total Adjustment to Basis ⁽²⁾	Gross Amount at Close of Period ⁽¹⁾			Accumulated Depreciation	Date of Construction	Date Acquired	Depreciable Period (Years)
			Land	Buildings and Improvements			Land	Buildings and Improvements	Total				
Operating Real Estate													
Multi-Family - Operating													
Collierville, TN	1	\$ 38,752	\$ 3,113	\$ 45,616	\$ 2,840	\$ 3,113	\$ 48,456	\$ 51,569	\$ (7,831)	2000	2021	5 - 30	
Corpus Christi, TX	1	45,131	4,900	49,539	2,807	4,900	52,346	57,246	(3,826)	1976	2023	5 - 30	
Dallas, TX	1	25,433	5,728	34,635	1,780	5,728	36,415	42,143	(5,741)	2014	2021	5 - 30	
Houston, TX	1	22,910	6,406	25,211	1,669	6,406	26,880	33,286	(4,626)	1993	2021	5 - 30	
Little Rock, AR	1	24,986	2,366	27,229	1,357	2,366	28,586	30,952	(4,545)	1999	2021	5 - 30	
Louisville, KY	1	40,726	5,567	52,819	1,241	5,567	54,060	59,627	(7,978)	2017	2021	5 - 30	
Montgomery, AL	1	20,408	3,367	26,967	1,617	3,367	28,584	31,951	(4,435)	1988 - 1994	2022	5 - 30	
San Antonio, TX	1	23,817	3,116	35,223	836	3,116	36,059	39,175	(5,491)	2015	2021	5 - 30	
San Antonio, TX	1	34,834	6,827	43,240	3,065	6,827	46,305	53,132	(6,885)	2014	2021	5 - 30	
Total Multi-Family - Operating	9	\$ 276,997	\$ 41,390	\$ 340,479	\$ 17,212	\$ 41,390	\$ 357,691	\$ 399,081	\$ (51,358)				
Single-Family Rental - Operating													
Chicago, IL	216	\$ 30,715	\$ 9,593	\$ 47,204	\$ 10,892	\$ 9,593	\$ 58,096	\$ 67,689	\$ (7,769)	1890 - 2010	2021 - 2022	5 - 30	
Baltimore, MD	108	16,682	8,592	23,480	4,096	8,569	27,599	36,168	(3,220)	1921 - 2006	2021 - 2022	5 - 30	
Houston, TX	67	10,262	3,374	15,874	2,262	3,374	18,136	21,510	(2,212)	1954 - 2019	2021 - 2022	5 - 30	
Monroe, GA	21	—	527	2,654	283	527	2,937	3,464	(205)	2004 - 2019	2023	5 - 30	
Pittsburgh, PA	12	—	509	3,172	(1,677)	322	1,682	2,004	(70)	1940 - 1991	2022	5 - 30	
Indianapolis, IN	7	—	208	577	908	208	1,485	1,693	(96)	1913 - 1935	2024	5 - 30	
Tampa, FL	6	1,115	477	1,503	259	477	1,762	2,239	(202)	1951 - 2008	2022	5 - 30	
Total Single-Family Rental - Operating	437	\$ 58,774	\$ 23,280	\$ 94,464	\$ 17,023	\$ 23,070	\$ 111,697	\$ 134,767	\$ (13,774)				

Total Operating Real Estate	446	\$ 335,771	\$ 64,670	\$ 434,943	\$ 34,235	\$ 64,460	\$ 469,388	\$ 533,848	\$ (65,132)				
Real Estate Held for Sale													
Multi-Family - Held for Sale													
St Petersburg, FL	1	\$ 55,134	\$ 9,823	\$ 74,801	\$ 4,491	\$ 9,823	\$ 79,292	\$ 89,115	\$ (12,183)	2014	2021	5	- 30
Total Multi-Family - Held for Sale	1	\$ 55,134	\$ 9,823	\$ 74,801	\$ 4,491	\$ 9,823	\$ 79,292	\$ 89,115	\$ (12,183)				
Single-Family Rental - Held for Sale													
Baltimore, MD	11	\$ 1,377	\$ 727	\$ 1,984	\$ (232)	\$ 589	\$ 1,890	\$ 2,479	\$ —	1952 - 1983	2021 - 2022	5	- 30
Houston, TX	10	1,702	650	2,550	(699)	486	2,015	2,501	—	1957 - 2021	2021 - 2022	5	- 30
Chicago, IL	7	1,113	413	2,057	(717)	332	1,421	1,753	—	1926 - 1995	2021 - 2022	5	- 30
Tampa, FL	3	611	246	827	(300)	176	597	773	—	2001 - 2010	2022	5	- 30
Pittsburgh, PA	2	189	63	298	(62)	44	255	299	—	1955 - 2004	2022	5	- 30
Indianapolis, IN	1	—	11	104	(72)	4	39	43	—	1920	2024	5	- 30
Total Single-Family Rental - Held for Sale	34	\$ 4,992	\$ 2,110	\$ 7,820	\$ (2,082)	\$ 1,631	\$ 6,217	\$ 7,848	\$ —				
Total Real Estate Held for Sale	35	\$ 60,126	\$ 11,933	\$ 82,621	\$ 2,409	\$ 11,454	\$ 85,509	\$ 96,963	\$ (12,183)				
Total Real Estate, Net	481	\$ 395,897	\$ 76,603	\$ 517,564	\$ 36,644	\$ 75,914	\$ 554,897	\$ 630,811	\$ (77,315)				

- (1) The aggregate cost of consolidated real estate in the table above for U.S. federal income tax purposes was approximately \$543 million as of December 31, 2025.
(2) Consists of costs capitalized subsequent to acquisition and impairment charges.

Notes to Schedule III (Dollar amounts in thousands)

1. Reconciliation of Operating Real Estate

	For the Years Ended December 31,		
	2025	2024	2023
Balance at beginning of period	\$ 678,339	\$ 1,197,066	\$ 714,192
Transfers in ⁽¹⁾	—	2,640	59,198
Acquisitions	—	—	—
Improvements	5,271	6,238	31,441
Reclassification to held and used	—	65,458	392,235
Reclassification to held for sale or disposal group held for sale	(149,762)	(593,063)	—
Balance at end of period	\$ 533,848	\$ 678,339	\$ 1,197,066

- (1) Transfers in represent transfers into operating real estate due to consolidation of a VIE (see Note 7) or from real estate owned or residential loans.

2. Reconciliation of Accumulated Depreciation for Operating Real Estate

	For the Years Ended December 31,		
	2025	2024	2023
Balance at beginning of period	\$ (61,834)	\$ (65,247)	\$ (21,224)
Depreciation	(23,125)	(37,444)	(24,620)
Reclassification to held and used	—	(1,266)	(19,403)
Reclassification to held for sale or disposal group held for sale	19,827	42,123	—
Balance at end of period	\$ (65,132)	\$ (61,834)	\$ (65,247)

Schedule IV - Mortgage Loans on Real Estate
(dollar amounts in thousands)

December 31, 2025

Asset Type	Number of Loans	Interest Rate	Maturity Date	Carrying Value ⁽¹⁾	Principal Amount of Loans Subject to Delinquent Principal or Interest ⁽²⁾
Residential loans					
First lien loans					
Original loan amount \$0 - \$99,999	155	0% - 12.50%	06/01/2024 - 09/01/2061	\$ 3,106	\$ 1,109
Original loan amount \$100,000 - \$199,999	40	3.57% - 10.25%	02/03/2029 - 09/06/2063	3,747	1,454
Original loan amount over \$299,999	11	2.00% - 6.63%	06/01/2035 - 12/01/2065	2,708	728
Second lien loans					
Original loan amount \$0 - \$99,999	7	5.00% - 8.25%	04/01/2035 - 04/01/2065	176	178
Original loan amount \$100,000 - \$199,999	1	7.75% - 7.75%	11/01/2049 - 11/01/2049	220	252
Business purpose loans					
Original loan amount \$0 - \$99,999	749	5.63% - 11.99%	04/12/2020 - 04/01/2056	62,299	1,850
Original loan amount \$100,000 - \$199,999	1,517	5.08% - 11.99%	05/29/2020 - 02/01/2056	266,851	6,290
Original loan amount over \$299,999	432	5.60% - 13.00%	09/01/2021 - 02/01/2056	244,856	33,197
Residential loans held in securitization trusts					
First lien loans					
Original loan amount \$0 - \$99,999	1,079	1.63% - 14.29%	06/01/2025 - 10/01/2064	67,356	1,846
Original loan amount \$100,000 - \$199,999	2,370	0% - 12.63%	03/01/2027 - 06/01/2064	306,296	2,829
Original loan amount over \$299,999	1,200	1.88% - 9.40%	08/01/2027 - 10/01/2065	406,863	4,503
Second lien loans					
Original loan amount \$0 - \$99,999	115	5.75% - 8.75%	10/01/2032 - 08/01/2062	3,436	—
Original loan amount \$100,000 - \$199,999	10	6.75% - 8.63%	11/01/2032 - 03/01/2050	1,227	—
Business purpose loans					
Original loan amount \$0 - \$99,999	1,865	4.00% - 13.65%	05/01/2024 - 09/01/2055	176,744	9,756
Original loan amount \$100,000 - \$199,999	3,505	3.50% - 13.63%	02/01/2023 - 05/01/2064	631,684	10,350
Original loan amount over \$299,999	1,436	3.49% - 12.99%	02/01/2023 - 09/01/2055	1,014,929	44,615

Consolidated SLST

First lien loans	8,641	1.38% - 10.50%	03/01/2021 - 10/01/2065	1,165,677	134,691
Residential loans held for sale					
Original loan amount \$0 - \$99,999	81	6.25% - 8.88%	11/01/2055 - 01/01/2056	6,580	—
Original loan amount \$100,000 - \$199,999	206	5.75% - 8.70%	07/01/2055 - 02/01/2056	34,994	—
Original loan amount over \$299,999	69	5.75% - 9.00%	05/01/2055 - 02/01/2056	39,133	—
				\$ 4,438,882	\$ 253,648

- ⁽¹⁾ The aggregate cost for U.S. federal income tax purposes of consolidated mortgage loans in the table above, excluding Consolidated SLST, is approximately \$1.2 billion as of December 31, 2025. The Company invests in first loss subordinated securities and certain IOs issued by Consolidated SLST. Consolidated SLST carrying value in the table above represents the carrying value of the residential loans in the securitization that have been consolidated in accordance with GAAP.
- ⁽²⁾ Of this amount, approximately \$11.1 million was acquired from controlled and other affiliates.

Reconciliation of Balance Sheet Reported Amounts of Mortgage Loans on Real Estate

(in thousands)	For the year ended December 31,		
	2025	2024	2023
Beginning balance	\$ 3,841,738	\$ 3,084,303	\$ 3,525,080
Additions during period:			
Purchases ⁽¹⁾	1,568,569	2,177,949	620,277
Repurchases	4,738	—	—
Accretion of purchase discount	3,980	5,539	6,689
Transfers in ⁽²⁾	146,328	—	—
Gains/losses on mortgage banking activities, net	17,641	—	—
Originations of residential loans held for sale	840,069	—	—
Change in realized and unrealized gains	103,042	10,378	65,485
Deductions during period:			
Repayments of principal	(1,416,754)	(1,179,999)	(1,062,930)
Transfer to REO	(49,032)	(85,342)	(42,485)
Transfer to SFR	—	(3,120)	—
Cost of loans sold	(620,167)	(162,883)	(25,144)
Amortization of premium	(1,270)	(5,087)	(2,669)
Balance at end of period	\$ 4,438,882	\$ 3,841,738	\$ 3,084,303

⁽¹⁾ On July 15, 2025, the Company acquired the outstanding membership interests in Constructive that were not previously owned by the Company (see Note 24). Prior to July 15, 2025, the Company purchased approximately \$299.6 million of residential loans from the entity during the year ended December 31, 2025, and \$307.8 million and \$80.8 million of residential loans from the entity during the years ended December 31, 2024 and 2023, respectively.

⁽²⁾ Includes residential loans and residential loans held for sale consolidated by the Company following its acquisition of the outstanding membership interests in Constructive that were not previously owned by the Company.

DESCRIPTION OF THE COMPANY'S SECURITIES REGISTERED PURSUANT TO SECTION 12 OF THE SECURITIES EXCHANGE ACT OF 1934, AS AMENDED

This exhibit contains a summary description of each class of our securities registered pursuant to Section 12 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"). These summary descriptions are not meant to be complete descriptions of each security and such descriptions are qualified in their entirety by, and should be read in conjunction with, our charter, our bylaws and applicable Maryland law.

General

Our charter provides that we may issue up to 400,000,000 shares of stock, including 200,000,000 shares of common stock, \$0.01 par value per share. Under Maryland law, our stockholders are not generally liable for our debts or obligations. Our charter also provides that a majority of our entire board of directors may amend our charter from time to time to increase or decrease the aggregate number of shares of capital stock of any class or series that we have the authority to issue, without stockholder approval.

Pursuant to our charter, we are currently authorized to designate and issue up to 200,000,000 shares of preferred stock, \$0.01 par value per share, in one or more classes or series and, subject to the limitations prescribed by our charter and Maryland law, with such terms of each class or series of preferred stock, including preferences, conversion or other rights, voting powers, restrictions, limitations as to dividends or other distributions, qualifications, and terms and conditions of redemption and the number of shares constituting any class or series, as our board of directors may determine, without any vote or action by our stockholders, of which (i) 8,400,000 shares are classified as 8.00% Series D Fixed-to-Floating Rate Cumulative Redeemable Preferred Stock, \$0.01 par value per share (our "Series D Preferred Stock"), (ii) 9,900,000 shares are classified as 7.875% Series E Fixed-to-Floating Rate Cumulative Redeemable Preferred Stock, \$0.01 par value per share (our "Series E Preferred Stock"), (iii) 7,750,000 shares are classified and designated as 6.875% Series F Fixed-to-Floating Rate Cumulative Redeemable Preferred Stock, \$0.01 par value per share (our "Series F Preferred Stock"), and (iv) 5,450,000 shares are classified and designated as 7.000% Series G Cumulative Redeemable Preferred Stock, \$0.01 par value per share (our "Series G Preferred Stock" and, together with our Series D Preferred Stock, Series E Preferred Stock and Series F Preferred Stock, our "Outstanding Series of Preferred Stock"). Our board of directors may, without the approval of holders of our Outstanding Series of Preferred Stock or our common stock, classify and designate additional series of authorized preferred stock ranking junior to or on parity with our Series D Preferred Stock, our Series E Preferred Stock, our Series F Preferred Stock or our Series G Preferred Stock or classify and designate additional shares of our Series D Preferred Stock, our Series E Preferred Stock, our Series F Preferred Stock or our Series G Preferred Stock and authorize the issuance of such shares.

In this exhibit, (i) our "Junior Stock" means our common stock and any class or series of stock we may issue that by its terms ranks junior to the applicable stock with respect to the payment of dividends and the distribution of assets in the event of our liquidation, dissolution or winding up, (ii) our "Parity Stock" means the Outstanding Series of Preferred Stock and any other class or series of stock we may issue in the future that by its terms ranks on parity with the applicable stock with respect to the payment of dividends and the distribution of assets in the event of our liquidation, dissolution or winding up, and (iii) our "Senior Stock" means any class or series of stock we may issue that by its terms ranks senior to the applicable stock with respect to the payment of dividends and the distribution of assets in the event of our liquidation, dissolution or winding up. The term "stock" does not include any convertible or exchangeable debt securities that we have issued or may issue in the future.

DESCRIPTION OF COMMON STOCK

Voting Rights of Common Stock

Except as provided with respect to any other class or series of shares of our stock and subject to the provisions of our charter regarding restrictions on the transfer and ownership of shares of common stock, each outstanding share of common stock entitles the holder to one vote on all matters submitted to a vote of stockholders, including the election of directors and, the holders of our common stock possess the exclusive voting power. There is no cumulative voting in the election of directors, which means that the holders of a majority of our outstanding shares of stock entitled to vote thereon can elect all of the directors then standing for election. Under Maryland law, a Maryland corporation generally cannot dissolve, amend its charter, merge, convert, sell all or substantially all of its assets, or engage in a share exchange or engage in similar transactions outside the ordinary course of business unless approved by the affirmative vote of stockholders holding at least two-thirds of the shares entitled to vote on the matter, unless a lesser percentage (but not less than a majority of all the votes entitled to be cast on the matter) is set forth in the corporation's charter. Our charter provides for approval by a majority of all the votes entitled to be cast on the matter for the matters described in the preceding sentence, except for certain charter amendments related to the amendment of our charter, the removal of our directors, the classification and issuance of common and preferred stock and the restrictions on transfer and ownership of shares.

Dividends, Liquidation and Other Rights

All of our outstanding shares of common stock are duly authorized, fully paid and nonassessable. Holders of our shares of common stock are entitled to receive dividends when authorized by our board of directors and declared by us out of assets legally available for the payment of dividends. They also are entitled to share ratably in our assets legally available for distribution to our stockholders in the event of our liquidation, dissolution or winding up, after payment of or adequate provision for all of our known debts and liabilities. These rights are subject to the preferential rights of any other class or series of our stock and to the provisions of our charter regarding restrictions on ownership and transfer of our stock.

Holders of our shares of common stock have no preference, conversion, exchange, sinking fund or redemption rights, have no preemptive rights to subscribe for any of our securities and generally have no appraisal rights. Subject to the restrictions on transfer and ownership of capital stock contained in our charter and to the ability of the board of directors to create shares of common stock with differing voting rights, all shares of common stock have equal dividend, liquidation and other rights.

Restrictions on Ownership and Transfer

In order to qualify as a REIT under the Internal Revenue Code, our shares of stock must be beneficially owned by 100 or more persons during at least 335 days of a taxable year of 12 months or during a proportionate part of a shorter taxable year, other than our first REIT taxable year. Also, no more than 50% of the value of our outstanding shares of capital stock may be owned, directly or constructively, by five or fewer individuals (as defined in the Internal Revenue Code to include certain entities) during the last half of any taxable year. In addition, if certain "disqualified organizations" hold our stock, although the law on the matter is unclear, a tax might be imposed on us if a portion of our assets is treated as a taxable mortgage pool ("TMP"). In addition, a tax will be imposed on us if certain disqualified organizations hold our stock and we hold a residual interest in a real estate mortgage investment conduit, or REMIC. To the extent we own a TMP or REMIC residual interest through a taxable REIT subsidiary ("TRS"), we will not be subject to this tax directly, but will indirectly bear such tax economically as the shareholder of such TRS.

To help us to continue to qualify as a REIT, among other purposes, our charter, subject to certain exceptions, contains restrictions on the number of shares of our capital stock that a person may own and prohibits certain entities from owning our stock. As amended, our charter provides that generally no person may own, or be deemed to own by virtue of the attribution provisions of the Internal Revenue Code, either (i) more than 9.9% in value of the aggregate of our outstanding shares of capital stock or (ii) more than 9.9% in value or number of shares, whichever is more restrictive, of the outstanding shares of our common stock. Our board of directors is permitted under our charter to increase or decrease the common stock ownership limit and the aggregate stock ownership limit from time to time, and to waive these ownership limits (prospectively or retroactively) on a case by case basis so long as the waiver will not allow five or fewer individuals to beneficially own more than 49.9% in value of our outstanding capital stock or otherwise cause us to fail to comply with applicable REIT ownership requirements under the Internal Revenue Code. Our charter prohibits the following "disqualified organizations" from owning our stock: the United States; any state or political subdivision of the United States; any foreign government; any international organization; any agency or instrumentality of any of the foregoing; any other tax-exempt organization, other than a farmer's cooperative described in Section 521 of the Internal Revenue Code, that is exempt from both income taxation and from taxation under the unrelated business taxable income provisions of the Internal Revenue Code and any rural electrical or telephone cooperative.

Our charter also prohibits any person from (a) beneficially or constructively owning shares of our capital stock that would result in our being "closely held" within the meaning of Section 856(h) of the Internal Revenue Code (without regard to whether the ownership interest is held in the last half of the taxable year) and (b) transferring shares of our capital stock if such transfer would result in our capital stock being beneficially owned by fewer than 100 persons. Any person who acquires or attempts or intends to acquire beneficial ownership of shares of our capital stock that will or may violate any of the foregoing restrictions on transferability and ownership will be required to give notice immediately to us or, in the case of a proposed or attempted transaction, give at least 15 days prior written notice, and provide us with such other information as we may request in order to determine the effect of such transfer on our status as a REIT. The foregoing restrictions on transfer and ownership will not apply if our board of directors determines that it is no longer in our best interests to attempt to qualify, or to continue to qualify, as a REIT.

Our board of directors, in its sole discretion, may exempt (prospectively or retroactively) a person from the above ownership limits and any of the restrictions described in the first sentence of the paragraph directly above. However, our board of directors will grant an exemption to any person only if it obtains such representations, covenants and undertakings as our board of directors may deem appropriate in order to determine that granting the exemption would not result in our losing our status as a REIT. As a condition of granting the exemption, our board of directors may require a ruling from the Internal Revenue Service (the "IRS"), or an opinion of counsel, in either case in form and substance satisfactory to the board of directors, in its sole discretion, in order to determine or ensure our status as a REIT.

Any transfer that results in our shares of stock being owned by fewer than 100 persons will be void ab initio. However, if any transfer of our shares of stock occurs which, if effective, would result in any person beneficially or constructively owning shares of stock in excess or in violation of the above transfer or ownership limitations, known as a prohibited owner, then that number of shares of stock, the beneficial or constructive ownership of which otherwise would cause such person to violate the transfer or ownership limitations (rounded up to the nearest whole share), will be automatically transferred to a charitable trust for the exclusive benefit of a charitable beneficiary, and the prohibited owner will not acquire any rights in such shares. This automatic transfer will be considered effective as of the close of business on the business day before the violative transfer. If the transfer to the charitable trust would not be effective for any reason to prevent the violation of the above transfer or ownership limitations, then the transfer of that number of shares of stock that otherwise would cause any person to violate the above limitations will be void. Shares of stock held in the charitable trust will continue to constitute issued and outstanding shares of our stock. The prohibited owner will not benefit economically from ownership of any shares of stock held in the charitable trust, will have no rights to dividends or other distributions and will not possess any rights to vote or other rights attributable to the shares of stock held in the charitable trust. The trustee of the charitable trust will be appointed by us and must be unaffiliated with us or any prohibited owner and will have all voting rights and rights to dividends or other distributions with respect to shares of stock held in the charitable trust, and these rights will be exercised for the exclusive benefit of the trust's charitable beneficiary. Any dividend or other distribution paid to a prohibited owner before our discovery that shares of stock have been transferred to the trustee will be paid by the prohibited owner to the trustee upon demand, and any dividend or other distribution authorized but unpaid will be paid when due to the trustee. Any dividend or other distribution so paid to the trustee will be held in trust for the trust's charitable beneficiary. Subject to Maryland law, effective as of the date that such shares of stock have been transferred to the trustee, the trustee, in its sole discretion, will have the authority to:

- rescind as void any vote cast by a prohibited owner prior to our discovery that such shares have been transferred to the trustee; and
- recast such vote in accordance with the desires of the trustee acting for the benefit of the trust's beneficiary.

However, if we have already taken irreversible corporate action, then the trustee will not have the authority to rescind and recast such vote.

Within 20 days of receiving notice from us that shares of stock have been transferred to the charitable trust, and unless we buy the shares first as described below, the trustee will sell the shares of stock held in the charitable trust to a person, designated by the trustee, whose ownership of the shares will not violate the ownership limitations in our charter. Upon the sale, the interest of the charitable beneficiary in the shares sold will terminate and the trustee will distribute the net proceeds of the sale to the prohibited owner and to the charitable beneficiary. The prohibited owner will receive the lesser of:

- the price paid by the prohibited owner for the shares or, if the prohibited owner did not give value for the shares in connection with the event causing the shares to be held in the charitable trust (for example, in the case of a gift or devise), the market price of the shares on the day of the event causing the shares to be held in the charitable trust; and
- the price per share received by the trustee from the sale or other disposition of the shares held in the charitable trust (less any commission and other expenses of a sale).

The trustee may reduce the amount payable to the prohibited owner by the amount of dividends and distributions paid to the prohibited owner that are owed by the prohibited owner to the trustee. Any net sale proceeds in excess of the amount payable to the prohibited owner will be paid immediately to the charitable beneficiary. If, before our discovery that shares of stock have been transferred to the charitable trust, such shares are sold by a prohibited owner, then:

- such shares will be deemed to have been sold on behalf of the charitable trust; and

- to the extent that the prohibited owner received an amount for such shares that exceeds the amount that the prohibited owner was entitled to receive as described above, the excess must be paid to the trustee upon demand.

In addition, shares of stock held in the charitable trust will be deemed to have been offered for sale to us, or our designee, at a price per share equal to the lesser of:

- the price per share in the transaction that resulted in such transfer to the charitable trust (or, in the case of a gift or devise, the market price at the time of the gift or devise); and
- the market price on the date we, or our designee, accepts such offer.

We may reduce the amount payable to the prohibited owner by the amount of dividends and other distributions paid to the prohibited owner that are owed by the prohibited owner to the trustee. We may pay the amount of such reduction to the trustee for the benefit of the charitable beneficiary. We will have the right to accept the offer until the trustee has sold the shares of stock held in the charitable trust. Upon such a sale to us, the interest of the charitable beneficiary in the shares sold will terminate and the trustee will distribute the net proceeds of the sale to the prohibited owner and any dividends or other distributions held by the trustee will be paid to the charitable beneficiary.

All certificates representing shares of our capital stock will bear a legend referring to the restrictions described above.

Every holder of more than 5% (or such lower percentage as required by the Internal Revenue Code or the regulations promulgated thereunder) in value of all classes or series of our capital stock, including shares of common stock, within 30 days after the end of each taxable year, will be required to give written notice to us stating the name and address of such holder, the number of shares of each class and series of shares of our stock that the holder beneficially owns and a description of the manner in which the shares are held. Each holder shall provide to us such additional information as we may request in order to determine the effect, if any, of the holder's beneficial ownership on our status as a REIT and to ensure compliance with our ownership limitations. In addition, each beneficial or constructive owner of our capital stock (including the stockholder of record) shall upon demand be required to provide to us such information as we may request, in good faith, in order to determine our status as a REIT and to comply with the requirements of any taxing authority or governmental authority or to determine such compliance and ensure compliance with our ownership limits.

Our ownership limitations could delay, defer or prevent a transaction or a change in control of us that might involve a premium price for holders of our common stock or might otherwise be in the best interest of our stockholders.

Transfer Agent and Registrar

The transfer agent and registrar for our shares of common stock is Equiniti Trust Company, LLC.

Listing

The common stock is listed on The Nasdaq Global Select Market ("Nasdaq") under the symbol "ADAM."

DESCRIPTION OF PREFERRED STOCK

General

The registrar, transfer agent and dividend and redemption price disbursing agent in respect of our Series D Preferred Stock, our Series E Preferred Stock, our Series F Preferred Stock and our Series G Preferred Stock is Equiniti Trust Company, LLC. For as long as any shares of our Outstanding Series of Preferred Stock are outstanding, we will maintain an office or agency where shares of our Outstanding Series of Preferred Stock may be surrendered for payment (including upon redemption), registration of transfer or exchange.

Our Series D Preferred Stock

Terms defined in this "Our Series D Preferred Stock" section have the meanings ascribed to such terms herein only when used in this "Our Series D Preferred Stock" section.

Maturity

The Series D Preferred Stock has no stated maturity and will not be subject to any sinking fund or mandatory redemption. Shares of the Series D Preferred Stock will remain outstanding indefinitely unless we decide to redeem or otherwise repurchase them or they become convertible and are converted as described below under "—Conversion Rights." We are not required to set apart for payment the funds to redeem the Series D Preferred Stock.

Ranking

The Series D Preferred Stock ranks, with respect to rights to the payment of dividends and other distributions and the distribution of assets upon our liquidation, dissolution or winding up:

- senior to all classes or series of our Junior Stock;
- on a parity with our Parity Stock;
- junior to any of our Senior Stock; and
- effectively junior to all of our existing and future indebtedness (including indebtedness convertible into or exchangeable for our common stock or preferred stock) and the indebtedness of our existing and future subsidiaries.

Dividends

Holders of shares of the Series D Preferred Stock are entitled to receive, when, as and if authorized by our board of directors and declared by us, out of funds legally available for the payment of dividends, cumulative cash dividends at a rate of 8.00% of the \$25.00 per share liquidation preference per annum (equivalent to \$2.00 per annum per share) to, but excluding, October 15, 2027 (the "Fixed Rate Period"). On and after October 15, 2027 (the "Floating Rate Period"), dividends on the Series D Preferred Stock will accumulate at a percentage of the \$25.00 liquidation preference equal to an annual floating rate of the three-month LIBOR (as defined below) as calculated on each applicable Dividend Determination Date (as defined below) plus a spread of 5.695%. Dividends on the Series D Preferred Stock will accumulate daily and be cumulative from, but excluding, the dividend payment date (as defined below) immediately preceding the date of issuance of such shares and will be payable quarterly in arrears on the 15th day of each January, April, July and October (each, a "dividend payment date"); provided that if any dividend payment date is not a business day, as defined in the articles supplementary filed with the State Department of Assessment and Taxation of Maryland on October 10, 2017, setting forth the terms of the Series D Preferred Stock (as amended, the "Series D Articles Supplementary"), then the dividend which would otherwise have been payable on that dividend payment date may be paid on the next succeeding business day with the same force and effect as if paid on such dividend payment date. No interest, additional dividends or sums in lieu of interest will be payable for the period from and after that dividend payment date to that next succeeding business day. Any dividends payable on the Series D Preferred Stock during the Fixed Rate Period, including dividends payable for any partial Dividend Period, will be computed on the basis of a 360-day year consisting of twelve 30-day months. Any dividends payable on the Series D Preferred Stock during the Floating Rate Period, including dividends payable for any partial Dividend Period, will be computed by multiplying the floating rate for that Dividend Period by a fraction, the numerator of which will be the actual number of days elapsed during that Dividend Period and the denominator of which will be 360, and by multiplying the result by the aggregate liquidation preference of the Series D Preferred Stock. Dividends will be payable to holders of record as they appear on our stock records at the close of business on the applicable record date, which will be the first day of the calendar month (whether or not a business day) in which the applicable Dividend Payment Date falls (each, a "dividend record date"). The dividends payable on any dividend payment date will include dividends accumulated to, but not including, such dividend payment date.

On any Dividend Determination Date, "three-month LIBOR" will be equal to the offered rate for deposits in U.S. dollars having an index maturity of three months, in amounts of at least \$1,000,000, as such rate appears on "Reuters Page LIBOR01" (or any successor or replacement page) at approximately 11:00 a.m., London time, on such Dividend Determination Date. If on a Dividend Determination Date, such rate does not appear on the "Reuters Page LIBOR01" as of 11:00 a.m., London time, or if the "Reuters Page LIBOR01" is not available on such date, the calculation agent will obtain such rate from Bloomberg L.P.'s page "BBAM" (or any successor or replacement page). If the calculation agent determines that three-month LIBOR has been discontinued, then it will determine whether to use a substitute or successor base rate that it has determined in its sole discretion is most comparable to three-month LIBOR, provided that if the calculation agent determines there is an industry accepted successor base rate, the calculation agent will use such successor base rate. If the calculation agent has determined a substitute or successor base rate in accordance with the foregoing, the calculation agent in its sole discretion may also implement changes to the business day convention, the definition of business day, the Dividend Determination Date and any method for obtaining the substitute or successor base rate if such rate is unavailable on the relevant business day, in a manner that is consistent with industry accepted practices for such substitute or successor base rate. Unless the calculation agent determines to use a substitute or successor base rate as so provided, the following will apply: If no offered rate appears on "Reuters Page LIBOR01" (or any successor or replacement page) or Bloomberg L.P. page "BBAM" (or any successor or replacement page) on a Dividend Determination Date at approximately 11:00 a.m., London time, then the calculation agent (after consultation with us) will select four major banks in the London interbank market and will request each of their principal London offices to provide a quotation of the rate at which three-month deposits in U.S. dollars in amounts of at least \$1,000,000 are offered by it to prime banks in the London interbank market, on that date and at that time, that is representative of single transactions at that time. If at least two quotations are provided, three-month LIBOR will be the arithmetic average of the quotations provided. Otherwise, the calculation agent will select three major banks in New York City and will request each of them to provide a quotation of the rate offered by them at approximately 11:00 a.m., New York City time, on the Dividend Determination Date for loans in U.S. dollars to leading European banks having an index maturity of three months for the applicable interest period in an amount of at least \$1,000,000 that is representative of single transactions at that time. If three quotations are provided, three-month LIBOR will be the arithmetic average of the quotations provided. If no quotation is provided as described above, then the calculation agent, after consulting such sources as it deems comparable to any of the foregoing quotations or display page, or any such source as it deems reasonable from which to estimate three-month LIBOR or any of the foregoing lending rates, will determine three-month LIBOR for the second London Business Day (as defined below) immediately preceding the first day of such Dividend Period in its sole discretion.

We believe that the Term Secured Overnight Financing Rate ("SOFR") for a three month tenor published by the Chicago Mercantile Exchange ("CME") plus a credit spread adjustment of 0.26161% per annum will automatically replace three-month LIBOR as the successor base rate for calculations of the dividend rate payable on the Series D Preferred Stock for Dividend Periods from and after the Floating Rate Period.

The calculation agent's determination of any interest rate, and its calculation of the amount of dividends for any Dividend Period, will be on file at our principal offices, will be made available to any holder of Series D Preferred Stock upon request and will be final and binding in the absence of manifest error.

All percentages resulting from any of the above calculations will be rounded, if necessary, to the nearest one hundred-thousandth of a percentage point, with five one-millionths of a percentage point rounded upwards (e.g., 9.876545% (or 0.09876545) being rounded to 9.87655% (or 0.0987655)) and all dollar amounts used in or resulting from such calculations will be rounded to the nearest cent (with one-half cent being rounded upwards).

"Dividend Determination Date" means the London Business Day immediately preceding the first date of the applicable Dividend Period.

"Dividend Period" means the period from, and including, a dividend payment date to, but excluding, the next succeeding dividend payment date.

"London Business Day" means any day on which dealings in deposits in U.S. dollars are transacted in the London interbank market.

"Reuters Page LIBOR01" means the display so designated on the Reuters 3000 Xtra (or such other page as may replace the LIBOR01 page on that service, or such other service as may be nominated by the ICE Benchmark Administration Limited, or ICE, or its successor, or such other entity assuming the responsibility of ICE or its successor in the event ICE or its successor no longer does so, as the successor service, for the purpose of displaying London interbank offered rates for U.S. dollar deposits).

No dividends on shares of Series D Preferred Stock may be authorized by our board of directors or paid or set apart for payment by us at any time when the terms and provisions of any agreement of ours, including any agreement relating to our indebtedness, prohibit the authorization, payment or setting apart for payment thereof or provide that the authorization, payment or setting apart for payment thereof would constitute a breach of the agreement or a default under the agreement, or if the authorization, payment or setting apart for payment is restricted or prohibited by law.

Notwithstanding the foregoing, dividends on the Series D Preferred Stock will accumulate whether or not (i) the terms and provisions of any laws or agreements referred to in the preceding paragraph at any time prohibit the current payment of dividends, (ii) we have earnings, (iii) there are funds legally available for the payment of those dividends and (iv) those dividends are declared. No interest, or sum in lieu of interest, will be payable in respect of any dividend payment or payments on the Series D Preferred Stock which may be in arrears, and holders of Series D Preferred Stock will not be entitled to any dividends in excess of full cumulative dividends described above. Any dividend payment made on the Series D Preferred Stock will first be credited against the earliest accumulated but unpaid dividend due with respect to those shares.

Future dividends on our common stock and preferred stock, including the Series D Preferred Stock, will be at the discretion of our board of directors and will depend on, among other things, our results of operations, cash flow from operations, financial condition and capital requirements, the annual distribution requirements under the REIT provisions of the Code, applicable law, any debt service requirements and any other factors our board of directors deems relevant. Accordingly, we cannot guarantee that we will be able to make cash distributions on the Series D Preferred Stock or what the actual dividends will be for any future period.

Except as noted below, unless full cumulative dividends on the Series D Preferred Stock have been or contemporaneously are declared and paid or declared and a sum sufficient for the payment thereof is set apart for payment for all past Dividend Periods, no dividends (other than in shares of our Junior Stock) may be declared or paid or set apart for payment upon our Junior Stock or our Parity Stock and no other distribution may be declared or made upon our Junior Stock or our Parity Stock. In addition, our Junior Stock or Parity Stock may not be redeemed, purchased or otherwise acquired for any consideration (or any moneys be paid to or made available for a sinking fund for the redemption of any such securities) by us (except by conversion into or exchange for shares of, or options, warrants or rights to purchase or subscribe for, our Junior Stock or pursuant to an exchange offer made on the same terms to all holders of Series D Preferred Stock and all Parity Stock). The foregoing will not, however, prevent the redemption, purchase or acquisition by us of shares of any class or series of stock for the purpose of enforcing restrictions on transfer and ownership of our stock contained in our charter, including in order to preserve our qualification as a REIT for U.S. federal income tax purposes, or the redemption, purchase or acquisition by us of shares of our common stock for purposes of and in compliance with any incentive or benefit plan of ours.

When dividends are not paid in full (or a sum sufficient for such full payment is not so set apart) upon the Series D Preferred Stock and our Parity Stock, all dividends declared upon the Series D Preferred Stock and such Parity Stock must be declared pro rata so that the amount of dividends declared per share of Series D Preferred Stock and such Parity Stock will in all cases bear to each other the same ratio that accumulated dividends per share on the Series D Preferred Stock and such Parity Stock (which will not include any accrual in respect of unpaid dividends for prior Dividend Periods if such other Parity Stock do not have a cumulative dividend) bear to each other. No interest, or sum of money in lieu of interest, will be payable in respect of any dividend payment or payments on the Series D Preferred Stock which may be in arrears.

Liquidation Preference

In the event of our voluntary or involuntary liquidation, dissolution or winding up, the holders of Series D Preferred Stock will be entitled to be paid out of the assets we have legally available for distribution to our stockholders, subject to the preferential rights of the holders of any classes or series of our Senior Stock, a liquidation preference of \$25.00 per share, plus any accumulated and unpaid dividends thereon (whether or not authorized or declared) to, but excluding, the payment date, before any distribution of assets is made to holders of Junior Stock; and the holders of Series D Preferred Stock will not be entitled to any further payment.

In the event that, upon any such voluntary or involuntary liquidation, dissolution or winding up, our available assets are insufficient to pay the amount of the liquidating distributions on all outstanding shares of our Series D Preferred Stock and the corresponding amounts payable on all shares of our other Parity Stock, then the holders of our Series D Preferred Stock and all other such Parity Stock will share ratably in any such distribution of assets in proportion to the full liquidating distributions to which they would otherwise be respectively entitled.

Notice of any such liquidation will be given no fewer than 30 days and no more than 60 days prior to the payment date, to each holder of record of Series D Preferred Stock at the address of such holder as it appears on our stock records. After payment of the full amount of the liquidating distributions to which they are entitled, the holders of Series D Preferred Stock will have no right or claim to any of our remaining assets. The consolidation, conversion or merger of us with or into any other corporation, trust or entity or of any other entity with or into us, the sale, lease, transfer or conveyance of all or substantially all of our property or business or a statutory share exchange, will not be deemed to constitute a liquidation, dissolution or winding up of us (although such events may give rise to the special optional redemption and contingent conversion rights described below).

In determining whether a distribution (other than upon voluntary or involuntary liquidation), by dividend, redemption or other acquisition of shares of stock or otherwise, is permitted under Maryland law with respect to any share of any class or series of our stock, amounts that would be needed, if we were to be dissolved at the time of the distribution, to satisfy the preferential rights upon dissolution of holders of shares of Series D Preferred Stock will not be added to our total liabilities.

Redemption

The Series D Preferred Stock is not redeemable by us prior to October 15, 2027, except under circumstances where it is necessary to preserve our qualification as a REIT for U.S. federal income tax purposes (please see “—Restrictions on Transfer and Ownership” below and “Description of Common Stock—Restrictions on Ownership and Transfer” hereto) and except as described below under “—Special Optional Redemption” upon the occurrence of a Change of Control (as defined below).

Optional Redemption. On and after October 15, 2027, we may, at our option, upon not less than 30 nor more than 60 days’ notice, redeem the Series D Preferred Stock, in whole or in part, at any time or from time to time, for cash at a redemption price of \$25.00 per share, plus any accumulated and unpaid dividends thereon (whether or not authorized or declared) to, but excluding, the redemption date, without interest.

Special Optional Redemption. Upon the occurrence of a Change of Control, we may, at our option, upon not less than 30 nor more than 60 days’ notice, redeem the Series D Preferred Stock, in whole or in part, within 120 days after the first date on which such Change of Control occurred, for cash at a redemption price of \$25.00 per share, plus any accumulated and unpaid dividends thereon (whether or not authorized or declared) to, but excluding, the redemption date. If, prior to the Change of Control Conversion Date (as defined below), we have provided notice of our election to redeem some or all of the shares of Series D Preferred Stock (whether pursuant to our optional redemption right described above under “—Optional Redemption” or this special optional redemption right), the holders of Series D Preferred Stock will not have the Change of Control Conversion Right (as defined below) described below under “—Conversion Rights” with respect to the shares called for redemption.

A "Change of Control" is deemed to occur when, after the original issuance of the Series D Preferred Stock, the following have occurred and are continuing:

- the acquisition by any person, including any syndicate or group deemed to be a "person" under Section 13(d)(3) of the Exchange Act, of beneficial ownership, directly or indirectly, through a purchase, merger or other acquisition transaction or series of purchases, mergers or other acquisition transactions of our capital stock entitling that person to exercise more than 50% of the total voting power of all our capital stock entitled to vote generally in the election of our directors (except that such person will be deemed to have beneficial ownership of all securities that such person has the right to acquire, whether such right is currently exercisable or is exercisable only upon the occurrence of a subsequent condition); and
- following the closing of any transaction referred to in the bullet point above, neither we nor the acquiring or surviving entity has a class of common securities (or American Depositary Receipts representing such securities) listed on the NYSE, the NYSE American, LLC or the Nasdaq Stock Market, or listed or quoted on an exchange or quotation system that is a successor to the NYSE, the NYSE American, LLC or the Nasdaq Stock Market, or listed or quoted on a successor to the foregoing exchanges.

Redemption Procedures. In the event we elect to redeem Series D Preferred Stock pursuant to our optional redemption right or our special optional redemption right, the notice of redemption will be given to each holder of record of Series D Preferred Stock called for redemption at such holder's address as it appears on our stock records and will state the following:

- the redemption date;
- the number of shares of Series D Preferred Stock to be redeemed;
- the redemption price;
- the place or places where certificates (if any) for the Series D Preferred Stock are to be surrendered for payment of the redemption price;
- that dividends on the shares to be redeemed will cease to accumulate on the redemption date;
- if applicable, that such redemption is being made in connection with a Change of Control and, in that case, a brief description of the transaction or transactions constituting such Change of Control; and
- if such redemption is being made in connection with a Change of Control, that the holders of the shares of Series D Preferred Stock being so called for redemption will not be able to tender such shares of Series D Preferred Stock for conversion in connection with the Change of Control and that each share of Series D Preferred Stock tendered for conversion that is called, prior to the Change of Control Conversion Date, for redemption will be redeemed on the related date of redemption instead of converted on the Change of Control Conversion Date.

If less than all of the Series D Preferred Stock held by any holder is to be redeemed, the notice given to such holder will also specify the number of shares of Series D Preferred Stock held by such holder to be redeemed. No failure to give such notice or any defect thereto or in the giving thereof will affect the validity of the proceedings for the redemption of any shares of Series D Preferred Stock, except as to the holder to whom notice was defective or not given. Notwithstanding the foregoing, no notice of redemption will be required where we elect to redeem Series D Preferred Stock to preserve our status as a REIT.

Holders of shares of Series D Preferred Stock to be redeemed must surrender such shares at the place designated in the notice of redemption and will be entitled to the redemption price and any accumulated and unpaid dividends payable upon the redemption following the surrender.

If notice of redemption of any shares of Series D Preferred Stock has been given and if we have irrevocably set apart for payment the funds necessary for redemption (including any accumulated and unpaid dividends) in trust for the benefit of the holders of the shares of Series D Preferred Stock so called for redemption, then from and after the redemption date (unless we default in providing for the payment of the redemption price plus accumulated and unpaid dividends, if any), dividends will cease to accumulate on those shares of Series D Preferred Stock, those shares of Series D Preferred Stock will no longer be deemed outstanding and all rights of the holders of those shares will terminate, except the right to receive the redemption price plus accumulated and unpaid dividends, if any, payable upon redemption.

If any redemption date is not a business day, then the redemption price and accumulated and unpaid dividends, if any, payable upon redemption may be paid on the next business day and no interest, additional dividends or other sums will accumulate on the amount payable for the period from and after that redemption date to that next business day.

If less than all of the outstanding shares of Series D Preferred Stock are to be redeemed, the shares of Series D Preferred Stock to be redeemed will be selected pro rata (as nearly as may be practicable without creating fractional shares) or by any other equitable method that we determine will not result in the automatic transfer of any shares of Series D Preferred Stock to a trust pursuant to our charter. See "Description of Common Stock—Restrictions on Ownership and Transfer" and "Description of Preferred Stock—Our Series D Preferred Stock—Restrictions on Ownership" hereto.

Immediately prior to any redemption of Series D Preferred Stock, we will pay, in cash, any accumulated and unpaid dividends to, but excluding, the redemption date, unless a redemption date falls after a dividend record date and prior to the corresponding dividend payment date, in which case each holder of Series D Preferred Stock at the close of business on such dividend record date will be entitled to the dividend payable on such shares on the corresponding dividend payment date notwithstanding the redemption of such shares before such dividend payment date. Except as provided above, we will make no payment or allowance for unpaid dividends, whether or not in arrears, on shares of the Series D Preferred Stock to be redeemed.

Unless full cumulative dividends on all shares of Series D Preferred Stock have been or contemporaneously are declared and paid or declared and a sum sufficient for the payment thereof has been or contemporaneously is set apart for payment for all past Dividend Periods, no shares of Series D Preferred Stock may be redeemed unless all outstanding shares of Series D Preferred Stock are simultaneously redeemed, and we may not purchase or otherwise acquire directly or indirectly any shares of Series D Preferred Stock (except by conversion into or exchange for shares of, or options, warrants or rights to purchase or subscribe for, our Junior Stock or pursuant to a purchase or exchange offer made on the same terms to all holders of Series D Preferred Stock and all classes or series of Parity Stock); provided, however, that the foregoing will not prevent the redemption, purchase or acquisition by us of shares of Series D Preferred Stock for the purpose of enforcing restrictions on ownership and transfer of our stock contained in our charter, including in order to preserve our qualification as a REIT for U.S. federal income tax purposes.

Subject to applicable law, we may purchase shares of Series D Preferred Stock in the open market, by tender or by privately negotiated transactions. Any shares of Series D Preferred Stock that we acquire, by redemption or otherwise, will be reclassified as authorized but unissued shares of preferred stock, without designation as to class or series, and may thereafter be issued as any class or series of preferred stock.

Conversion Rights

Upon the occurrence of a Change of Control, each holder of Series D Preferred Stock will have the right (unless, prior to the Change of Control Conversion Date, we have provided notice of our election to redeem some or all of the shares of Series D Preferred Stock held by such holder as described above under “—Redemption,” in which case such holder will have the right only with respect to shares of Series D Preferred Stock that are not called for redemption) to convert some or all of the shares of the Series D Preferred Stock held by such holder (the “Change of Control Conversion Right”) on the Change of Control Conversion Date into a number of shares of our common stock per share of Series D Preferred Stock (the “Common Stock Conversion Consideration”) equal to the lesser of:

- the quotient obtained by dividing (i) the sum of the \$25.00 liquidation preference per share of Series D Preferred Stock, plus any accumulated and unpaid dividends thereon (whether or not authorized or declared) to, but excluding, the Change of Control Conversion Date (unless the Change of Control Conversion Date is after a dividend record date and prior to the corresponding dividend payment date for the Series D Preferred Stock, in which case no additional amount for such accumulated and unpaid dividends to be paid on such dividend payment date will be included in this sum) by (ii) the Common Stock Price, as defined below (such quotient, the “Conversion Rate”); and
- 1.990445, or the “Share Cap,” subject to certain adjustments as described below. The Share Cap has been adjusted to reflect the one-for-four reverse stock split of the outstanding shares of our common stock effected on March 9, 2023.

Notwithstanding anything in the Series D Articles Supplementary to the contrary and except as otherwise required by law, the persons who are the holders of record of shares of Series D Preferred Stock at the close of business on a dividend record date will be entitled to receive the dividend payable on the corresponding dividend payment date notwithstanding the conversion of those shares after such dividend record date and on or prior to such dividend payment date and, in such case, the full amount of such dividend will be paid on such dividend payment date to the persons who were the holders of record at the close of business on such dividend record date. Except as provided above, we will make no allowance for unpaid dividends that are not in arrears on the shares of Series D Preferred Stock to be converted.

The Share Cap is subject to pro rata adjustments for any share splits (including those effected pursuant to a distribution of our common stock to existing holders of our common stock), subdivisions or combinations (in each case, a “Share Split”) with respect to our common stock as follows: the adjusted Share Cap as the result of a Share Split will be the number of shares of our common stock that is equivalent to the product obtained by multiplying (i) the Share Cap in effect immediately prior to such Share Split by (ii) a fraction, the numerator of which is the number of shares of our common stock outstanding immediately after giving effect to such Share Split and the denominator of which is the number of shares of our common stock outstanding immediately prior to such Share Split.

For the avoidance of doubt, subject to the immediately succeeding paragraph, the aggregate number of shares of our common stock (or equivalent Alternative Conversion Consideration (as defined below), as applicable) issuable or deliverable, as applicable, in connection with the exercise of the Change of Control Conversion Right will not exceed the product of the Share Cap times the aggregate number of shares of the Series D Preferred Stock issued and outstanding at the Change of Control Conversion Date (or equivalent Alternative Conversion Consideration, as applicable) (the “Exchange Cap”). The Exchange Cap is subject to pro rata adjustments for any Share Splits on the same basis as the corresponding adjustment to the Share Cap.

In the case of a Change of Control pursuant to which our common stock is or will be converted into cash, securities or other property or assets (including any combination thereof) (the "Alternative Form Consideration"), a holder of Series D Preferred Stock will receive upon conversion of such shares of the Series D Preferred Stock the kind and amount of Alternative Form Consideration which such holder would have owned or been entitled to receive upon the Change of Control had such holder held a number of shares of our common stock equal to the Common Stock Conversion Consideration immediately prior to the effective time of the Change of Control (the "Alternative Conversion Consideration"). The Common Stock Conversion Consideration or the Alternative Conversion Consideration, whichever is applicable to a Change of Control, is referred to as the "Conversion Consideration."

If the holders of our common stock have the opportunity to elect the form of consideration to be received in the Change of Control, the Conversion Consideration in respect of such Change of Control will be deemed to be the kind and amount of consideration actually received by holders of a majority of the outstanding shares of our common stock that made or voted for such an election (if electing between two types of consideration) or holders of a plurality of the outstanding shares of our common stock that made or voted for such an election (if electing between more than two types of consideration), as the case may be, and will be subject to any limitations to which all holders of our common stock are subject, including, without limitation, pro rata reductions applicable to any portion of the consideration payable in such Change of Control.

We will not issue fractional shares of our common stock upon the conversion of the Series D Preferred Stock in connection with a Change of Control. Instead, we will make a cash payment equal to the value of such fractional shares based upon the Common Stock Price used in determining the Common Stock Conversion Consideration for such Change of Control.

Within 15 days following the occurrence of a Change of Control, provided that we have not exercised our right to redeem all shares of Series D Preferred Stock pursuant to the redemption provisions described above, we will provide to holders of Series D Preferred Stock a notice of occurrence of the Change of Control that describes the resulting Change of Control Conversion Right, which notice will be delivered to the holders of record of the shares of Series D Preferred Stock to their addresses as they appear on our stock records. No failure to give such notice or any defect thereto or in the giving thereof will affect the validity of the proceedings for the conversion of any shares of Series D Preferred Stock except as to the holder to whom notice was defective or not given. This notice will state the following:

- the events constituting the Change of Control;
- the date of the Change of Control;
- the last date on which the holders of Series D Preferred Stock may exercise their Change of Control Conversion Right;
- the method and period for calculating the Common Stock Price;
- the Change of Control Conversion Date;
- that if, prior to the Change of Control Conversion Date, we have provided notice of our election to redeem all or any shares of Series D Preferred Stock, holders of Series D Preferred Stock that are subject to such redemption will not be able to convert the shares of Series D Preferred Stock called for redemption and such shares will be redeemed on the related redemption date, even if such shares have already been tendered for conversion pursuant to the Change of Control Conversion Right;
- if applicable, the type and amount of Alternative Conversion Consideration entitled to be received per share of Series D Preferred Stock;
- the name and address of the paying agent, transfer agent and conversion agent for the Series D Preferred Stock;

- the procedures that the holders of Series D Preferred Stock must follow to exercise the Change of Control Conversion Right (including procedures for surrendering shares of Series D Preferred Stock for conversion through the facilities of a Depositary (as defined below)), including the form of conversion notice to be delivered by such holders as described below; and
- the last date on which holders of Series D Preferred Stock may withdraw shares of Series D Preferred Stock surrendered for conversion and the procedures that such holders must follow to effect such a withdrawal.

Under such circumstances, we also will issue a press release containing such notice for publication on the Dow Jones & Company, Inc., Wall Street Journal, Business Wire, PR Newswire or Bloomberg Business News (or, if these organizations are not in existence at the time of issuance of the press release, such other news or press organization as is reasonably calculated to broadly disseminate the relevant information to the public), and post a notice on our website (if any), in any event prior to the opening of business on the first business day following any date on which we provide the notice described above to the holders of Series D Preferred Stock.

To exercise the Change of Control Conversion Right, the holders of Series D Preferred Stock will be required to deliver, on or before the close of business on the Change of Control Conversion Date, the certificates (if any) representing the shares of Series D Preferred Stock to be converted, duly endorsed for transfer (or, in the case of any shares of Series D Preferred Stock held in book-entry form through a Depositary or shares directly registered with the transfer agent therefor, to deliver, on or before the close of business on the Change of Control Conversion Date, the shares of Series D Preferred Stock to be converted through the facilities of such Depositary or through such transfer agent, respectively), together with a written conversion notice in the form provided by us, duly completed, to our transfer agent. The conversion notice must state:

- the relevant Change of Control Conversion Date;
- the number of shares of Series D Preferred Stock to be converted; and
- that the shares of the Series D Preferred Stock are to be converted pursuant to the applicable provisions of the Series D Articles Supplementary.

The "Change of Control Conversion Date" is the date the Series D Preferred Stock is to be converted, which will be a business day selected by us that is no fewer than 20 days nor more than 35 days after the date on which we provide the notice described above to the holders of Series D Preferred Stock.

The "Common Stock Price" is (i) if the consideration to be received in the Change of Control by the holders of our common stock is solely cash, the amount of cash consideration per share of our common stock or (ii) if the consideration to be received in the Change of Control by holders of our common stock is other than solely cash (x) the average of the closing sale prices per share of our common stock (or, if no closing sale price is reported, the average of the closing bid and ask prices per share or, if more than one in either case, the average of the average closing bid and the average closing ask prices per share) for the ten consecutive trading days immediately preceding, but not including, the date on which such Change of Control occurred as reported on the principal U.S. securities exchange on which our common stock is then traded, or (y) if our common stock is not then listed for trading on a U.S. securities exchange, the average of the last quoted bid prices for our common stock in the over-the-counter market as reported by OTC Markets Group Inc. or similar organization for the ten consecutive trading days immediately preceding, but not including, the date on which such Change of Control occurred.

Holders of Series D Preferred Stock may withdraw any notice of exercise of a Change of Control Conversion Right (in whole or in part) by a written notice of withdrawal delivered to our transfer agent prior to the close of business on the business day prior to the Change of Control Conversion Date. The notice of withdrawal delivered by any holder must state:

- the number of withdrawn shares of Series D Preferred Stock;
- if certificated shares of Series D Preferred Stock have been surrendered for conversion, the certificate numbers of the withdrawn shares of Series D Preferred Stock; and

- the number of shares of Series D Preferred Stock, if any, which remain subject to the holder's conversion notice.

Notwithstanding the foregoing, if any shares of Series D Preferred Stock are held in book-entry form through The Depository Trust Company (the "DTC") or a similar depository (each, a "Depository"), the conversion notice and/or the notice of withdrawal, as applicable, must comply with applicable procedures, if any, of the applicable Depository.

Shares of Series D Preferred Stock as to which the Change of Control Conversion Right has been properly exercised and for which the conversion notice has not been properly withdrawn will be converted into the applicable Conversion Consideration in accordance with the Change of Control Conversion Right on the Change of Control Conversion Date, unless prior to the Change of Control Conversion Date we have provided notice of our election to redeem some or all of the shares of Series D Preferred Stock, as described above under "—Redemption," in which case only the shares of Series D Preferred Stock properly surrendered for conversion and not properly withdrawn that are not called for redemption will be converted as aforesaid. If we elect to redeem shares of Series D Preferred Stock that would otherwise be converted into the applicable Conversion Consideration on a Change of Control Conversion Date, such shares of Series D Preferred Stock will not be so converted and the holders of such shares will be entitled to receive on the applicable redemption date the redemption price described above under "—Redemption—Optional Redemption" or "—Redemption—Special Optional Redemption," as applicable.

We will deliver all securities, cash and any other property owing upon conversion no later than the third business day following the Change of Control Conversion Date. Notwithstanding the foregoing, the persons entitled to receive any shares of our common stock or other securities delivered on conversion will be deemed to have become the holders of record thereof as of the Change of Control Conversion Date.

In connection with the exercise of any Change of Control Conversion Right, we will comply with all applicable federal and state securities laws and stock exchange rules in connection with any conversion of shares of the Series D Preferred Stock into shares of our common stock or other property. Notwithstanding any other provision of the Series D Preferred Stock, no holder of Series D Preferred Stock will be entitled to convert such shares of the Series D Preferred Stock into shares of our common stock to the extent that receipt of such shares of common stock would cause such holder (or any other person) to violate the applicable restrictions on transfer and ownership of our stock contained in our charter, unless we provide an exemption from this limitation to such holder pursuant to the terms of our charter. Please see the sections entitled "—Restrictions on Transfer and Ownership" below and "Description of Common Stock—Restrictions on Ownership and Transfer" hereto.

The Change of Control conversion feature may make it more difficult for a third party to acquire us or discourage a party from acquiring us.

Except as provided above in connection with a Change of Control, the Series D Preferred Stock is not convertible into or exchangeable for any other securities or property.

Voting Rights

Holders of Series D Preferred Stock will not have any voting rights, except as set forth below.

Whenever dividends on any shares of Series D Preferred Stock are in arrears for six or more full quarterly Dividend Periods, whether or not consecutive, the number of directors constituting our board of directors will be automatically increased by two (if not already increased by two by reason of the election of directors by the holders of any other class or series of our Parity Stock upon which like voting rights have been conferred and are exercisable) and the holders of Series D Preferred Stock, voting as a single class with holders of the Parity Stock upon which like voting rights have been conferred and are exercisable, will be entitled to vote for the election of those two additional directors at a special meeting called by us at the request of the holders of record of at least 25% of the outstanding shares of Series D Preferred Stock and all other classes or series of our Parity Stock upon which like voting rights have been conferred and are exercisable to be held no later than 90 days after our receipt of such request (unless the request is received less than 90 days before the date fixed for the next annual or special meeting of our stockholders, in which case such vote will be held at the earlier of the next annual or special meeting of the stockholders to the extent permitted by applicable law), and at each subsequent annual meeting until all dividends accumulated on the Series D Preferred Stock for all past Dividend Periods and the then current Dividend Period will have been fully paid or declared and a sum sufficient for the payment thereof set apart for payment. In that case, the right of holders of Series D Preferred Stock to elect any directors will cease and, unless there are other classes or series of our Parity Stock upon which like voting rights have been conferred and are exercisable, the term of office of any directors elected by holders of Series D Preferred Stock will immediately terminate and the number of directors constituting the board of directors will be reduced accordingly. For the avoidance of doubt, in no event will the total number of directors elected by holders of Series D Preferred Stock (voting together as a single class with the Parity Stock upon which like voting rights have been conferred and are exercisable) pursuant to these voting rights exceed two. The directors elected by the holders of the Series D Preferred Stock and the holders of the Parity Stock upon which like voting rights have been conferred and are exercisable will be elected by a plurality of the votes cast by the holders of the outstanding shares of Series D Preferred Stock when they have the voting rights described in this paragraph and the Parity Stock upon which like voting rights have been conferred and are exercisable (voting together as a single class) to serve until our next annual meeting of stockholders and until their successors are duly elected and qualify or until such directors' right to hold the office terminates as described above, whichever occurs earlier.

On each matter on which holders of Series D Preferred Stock are entitled to vote, each share of Series D Preferred Stock will be entitled to one vote, except that when shares of any other class or series of preferred stock we may issue, including the Parity Stock, have the right to vote with the Series D Preferred Stock as a single class on any matter, the Series D Preferred Stock, the Parity Stock and each such other class or series of stock will have one vote for each \$25.00 of liquidation preference (excluding accumulated dividends). If, at any time when the voting rights conferred upon the Series D Preferred Stock are exercisable, any vacancy in the office of a director elected by the holders of the Parity Stock upon which like voting rights have been conferred and are exercisable occurs, then such vacancy may be filled only by the remaining director or by vote of the holders of the outstanding Series D Preferred Stock and any other classes or series of our Parity Stock upon which like voting rights have been conferred and are exercisable.

Any director elected by holders of shares of Series D Preferred Stock and any class or series of Parity Stock upon which like voting rights have been conferred and are exercisable may be removed at any time, with or without cause, only by the vote of, and may not be removed otherwise than by the vote of, the holders of record of a majority of the outstanding shares of Series D Preferred Stock and any such class or series of Parity Stock when they have the voting rights described above (voting as a single class with all other classes or series of Parity Stock upon which like voting rights have been conferred and are exercisable).

So long as any shares of Series D Preferred Stock remain outstanding, we will not, without the affirmative vote or consent of the holders of at least two-thirds of the shares of Series D Preferred Stock, and our Parity Stock upon which like voting rights have been conferred and are exercisable (voting together as a single class), (i) authorize, create, or increase the authorized or issued amount of, any class or series of Senior Stock or reclassify any of our authorized stock into such shares, or create or authorize or issue any obligation or security convertible into or evidencing the right to purchase any such shares or (ii) amend, alter or repeal the provisions of our charter, whether by merger, conversion, consolidation or otherwise, so as to materially and adversely affect any right, preference, privilege or voting power of the Series D Preferred Stock (each, an "Event"); provided, however, with respect to the occurrence of any Event set forth in clause (ii) above, so long as the Series D Preferred Stock remains outstanding with the terms thereof materially unchanged, or the holders of Series D Preferred Stock receive shares of stock or other equity interests with rights, preferences, privileges and voting powers substantially the same as those of the Series D Preferred Stock, taking into account that upon the occurrence of an Event we may not be the successor entity, the occurrence of any such Event will not be deemed to materially and adversely affect the rights, preferences, privileges or voting power of holders of Series D Preferred Stock; and, provided further, that any increase in the amount of the authorized or issued Series D Preferred Stock or the creation or issuance, or any increase in the amounts authorized of any Parity Stock, including Outstanding Series of Preferred Stock or Junior Stock, will not be deemed to materially and adversely affect the rights, preferences, privileges or voting powers of holders of Series D Preferred Stock. Notwithstanding the foregoing, holders of any class or series of Parity Stock will not be entitled to vote together as a class with the holders of the Series D Preferred Stock on any amendment, alteration or repeal of any provision of our charter unless such action affects the holders of the Series D Preferred Stock and such other Parity Stock equally.

The foregoing voting provisions will not apply if, at or prior to the time when the act with respect to which such vote would otherwise be required will be effected, all outstanding shares of Series D Preferred Stock have been redeemed or called for redemption upon proper notice and sufficient funds have been irrevocably set apart to effect such redemption.

Except as expressly stated in the Series D Articles Supplementary, the Series D Preferred Stock will not have any relative, participating, optional or other special voting rights or powers and the consent of the holders thereof will not be required for the taking of any corporate action. The holders of Series D Preferred Stock will have exclusive voting rights on any amendment to our charter that would alter the contract rights, as expressly set forth in the charter, of only the Series D Preferred Stock.

Information Rights

During any period in which we are not subject to Section 13 or 15(d) of the Exchange Act and any shares of Series D Preferred Stock are outstanding, we will use our best efforts to (i) transmit through our website at www.adamasreit.com (or other permissible means under the Exchange Act) copies of the Annual Reports on Form 10-K and Quarterly Reports on Form 10-Q that we would have been required to file with the SEC pursuant to Section 13 or 15(d) of the Exchange Act if we were subject thereto (other than any exhibits that would have been required). We will use our best efforts to provide such reports on our website within 15 days after the respective dates by which we would have been required to file such reports with the SEC if we were subject to Section 13 or 15(d) of the Exchange Act and we were a "non-accelerated filer" within the meaning of the Exchange Act.

Restrictions on Transfer and Ownership

The Series D Articles Supplementary provide that the aggregate stock ownership limitation included in our charter (as described under “Description of Common Stock—Restrictions on Ownership and Transfer” hereto) applies to ownership of shares of Series D Preferred Stock. Our charter provides that generally no person may own, or be deemed to own by virtue of the attribution provisions of the Code, either (i) more than 9.9% in value of the aggregate of our outstanding shares of capital stock or (ii) more than 9.9% in value or number of shares, whichever is more restrictive, of the aggregate of shares of our outstanding common stock. See “Description of Common Stock—Restrictions on Ownership and Transfer” hereto. No holder of Series D Preferred Stock will be entitled to convert any shares of Series D Preferred Stock into shares of our common stock to the extent that receipt of shares of our common stock would cause such holder or any other person to exceed the ownership limits contained in our charter. Our board of directors may, in its sole discretion, exempt a person from any of the ownership limits, as described under “Description of Common Stock—Restrictions on Ownership and Transfer” hereto.

Preemptive Rights

No holders of Series D Preferred Stock will, as holders of Series D Preferred Stock, have any preemptive rights to purchase or subscribe for our common stock or any of our other securities.

Calculation Agent

Computershare Trust Company, N.A., or any other firm appointed by us, will be the “calculation agent” for the Series D Preferred Stock.

Listing

Our Series D Preferred Stock listed on Nasdaq under the symbol “ADAMN.”

Our Series E Preferred Stock

Terms defined in this “Our Series E Preferred Stock” section have the meanings ascribed to such terms herein only when used in this “Our Series E Preferred Stock” section.

Maturity

The Series E Preferred Stock has no stated maturity and will not be subject to any sinking fund or mandatory redemption. Shares of the Series E Preferred Stock will remain outstanding indefinitely unless we decide to redeem or otherwise repurchase them or they become convertible and are converted as described below under “—Conversion Rights.” We are not required to set apart for payment any funds to redeem the Series E Preferred Stock.

Ranking

The Series E Preferred Stock ranks, with respect to rights to the payment of dividends and other distributions and the distribution of assets upon our liquidation, dissolution or winding up:

- senior to all classes or series of our Junior Stock;
- on a parity with our Parity Stock;
- junior to any of our Senior Stock; and
- effectively junior to all of our existing and future indebtedness (including indebtedness convertible into or exchangeable for our common stock or preferred stock) and the indebtedness of our existing and future subsidiaries.

Dividends

Holders of shares of the Series E Preferred Stock are entitled to receive, when, as and if authorized by our board of directors and declared by us, out of funds legally available for the payment of dividends, cumulative cash dividends at a rate of 7.875% of the \$25.00 per share liquidation preference per annum (equivalent to \$1.96875 per annum per share) to, but excluding, January 15, 2025 (the "Fixed Rate Period"). On and after January 15, 2025 (the "Floating Rate Period"), dividends on the Series E Preferred Stock will accumulate at a percentage of the \$25.00 liquidation preference equal to an annual floating rate of the Three-Month LIBOR Rate (as defined below) as calculated on each applicable Dividend Determination Date (as defined below) plus a spread of 6.429% per annum (the "Floating Rate"). Dividends on the Series E Preferred Stock will accumulate daily and with respect to any shares of Series E Preferred Stock issued before January 15, 2020, will be cumulative from, and including, October 18, 2019 (the "original issue date"), or, with respect to any shares of Series E Preferred Stock issued on or after January 15, 2020, will be cumulative from the most recent dividend payment date to which dividends have been paid in full and will be payable quarterly in arrears on the 15th day of each January, April, July and October, beginning on January 15, 2020 (each, a "dividend payment date"). If any dividend payment date prior to January 15, 2025 is a day that is not a business day, as defined in the articles supplementary filed with the State Department of Assessment and Taxation of Maryland on October 15, 2019, setting forth the terms of the Series E Preferred Stock (as amended, the "Series E Articles Supplementary"), then the dividend which would otherwise have been payable on that dividend payment date will instead be paid on the immediately succeeding business day with the same force and effect as if paid on such dividend payment date. No interest, additional dividends or sums in lieu of interest will be payable for the period from and after that dividend payment date to that next succeeding business day. If any dividend payment date on or after January 15, 2025 is a day that is not a business day, then the dividend payment date will instead be the immediately succeeding business day, and dividends will accrue to, but not including, such dividend payment date. Any dividends payable on the Series E Preferred Stock during the Fixed Rate Period, including dividends payable for any partial Dividend Period, will be computed on the basis of a 360-day year consisting of twelve 30-day months. Any dividends payable on the Series E Preferred Stock during the Floating Rate Period, including dividends payable for any partial Dividend Period, will be computed by multiplying the Floating Rate for that Dividend Period by a fraction, the numerator of which will be the actual number of days elapsed during that Dividend Period and the denominator of which will be 360, and by multiplying the result by the aggregate liquidation preference of the Series E Preferred Stock. Dividends will be payable to holders of record as they appear on our stock records at the close of business on the applicable record date, which will be the first day of the calendar month (whether or not a business day) in which the applicable Dividend Payment Date falls (each, a "dividend record date"). The dividends payable on any dividend payment date will include dividends accumulated to, but not including, such dividend payment date.

For each Dividend Period during the Floating Rate Period, LIBOR (the London interbank offered rate) ("Three-Month LIBOR Rate") will be determined by us or a Calculation Agent (as defined herein) as of the applicable Dividend Determination Date (as defined below), in accordance with the following provisions: (i) LIBOR will be the rate (expressed as a percentage per year) for deposits in U.S. dollars having an index maturity of three months, in amounts of at least \$1,000,000, as such rate appears on "Reuters Page LIBOR01" at approximately 11:00 a.m. (London time) on the relevant Dividend Determination Date; or (ii) if no such rate appears on "Reuters Page LIBOR01" or if the "Reuters Page LIBOR01" is not available at approximately 11:00 a.m. (London time) on the relevant Dividend Determination Date, then we will select four nationally-recognized banks in the London interbank market and request that the principal London offices of those four selected banks provide us with their offered quotation for deposits in U.S. dollars for a period of three months, commencing on the first day of the applicable Dividend Period, to prime banks in the London interbank market at approximately 11:00 a.m. (London time) on that Dividend Determination Date for the applicable Dividend Period. Offered quotations must be based on a principal amount equal to an amount that, in our discretion, is representative of a single transaction in U.S. dollars in the London interbank market at that time. If at least two quotations are provided, the Three-Month LIBOR Rate for such Dividend Period will be the arithmetic mean (rounded upward if necessary, to the nearest 0.00001 of 1%) of those quotations. If fewer than two quotations are provided, the Three-Month LIBOR Rate for such Dividend Period will be the arithmetic mean (rounded upward if necessary, to the nearest 0.00001 of 1%) of the rates quoted at approximately 11:00 a.m. (New York City time) on that Dividend Determination Date for such Dividend Period by three nationally-recognized banks in New York, New York selected by us, for loans in U.S. dollars to nationally-recognized European banks (as selected by us), for a period of three months commencing on the first day of such Dividend Period. The rates quoted must be based on an amount that, in our discretion, is representative of a single transaction in U.S. dollars in that market at that time. If no quotation is provided as described above, then if a Calculation Agent has not been appointed at such time, we will appoint a Calculation Agent who will, after consulting such sources as it deems comparable to any of the foregoing quotations or display page, or any such source as it deems reasonable from which to estimate LIBOR or any of the foregoing lending rates or display page, will determine LIBOR for the second London Business Day (as defined herein) immediately preceding the first day of the applicable Dividend Period in its sole discretion. If the Calculation Agent is unable or unwilling to determine LIBOR as provided in the immediately preceding sentence, then LIBOR will be equal to Three-Month LIBOR Rate for the then current Dividend Period, or, in the case of the first Dividend Period in the Floating Rate Period, the most recent dividend rate that would have been determined based on the last available Reuters Page LIBOR01 had the Floating Rate Period been applicable prior to the first Dividend Period in the Floating Rate Period.

Notwithstanding the foregoing, if we determine on the relevant Dividend Determination Date that LIBOR has been discontinued, then we will appoint a Calculation Agent and the Calculation Agent will consult with an investment bank of national standing to determine whether there is an industry accepted substitute or successor base rate to Three-Month LIBOR Rate. If, after such consultation, the Calculation Agent determines that there is an industry accepted substitute or successor base rate, the Calculation Agent shall use such substitute or successor base rate. In such case, the Calculation Agent in its sole discretion may (without implying a corresponding obligation to do so) also implement changes to the business day convention, the definition of business day, the Dividend Determination Date and any method for obtaining the substitute or successor base rate if such rate is unavailable on the relevant Business Day, in a manner that is consistent with industry accepted practices for such substitute or successor base rate. Unless the Calculation Agent determines that there is an industry accepted substitute or successor base rate as so provided above, the Calculation Agent will, in consultation with us, follow the steps specified in the second bullet point in the immediately preceding paragraph in order to determine Three-Month LIBOR Rate for the applicable Dividend Period.

Effective January 15, 2025, in accordance with the terms of the Series E Preferred Stock, the Calculation Agent determined that LIBOR has been discontinued and chose the Term Secured Overnight Financing Rate ("SOFR") for a three month tenor published by the Chicago Mercantile Exchange ("CME") plus a credit spread adjustment of 0.26161% ("Credit Adjusted Term SOFR") as the successor base rate. Following the Calculation Agent's determination, from and including January 15, 2025, dividends on the Series E Preferred Stock will accumulate at a percentage of the \$25.00 liquidation preference equal to the Credit Adjusted Term SOFR as calculated on each applicable Dividend Determination Date plus a spread of 6.429% per annum.

“Calculation Agent” means a third party independent financial institution of national standing with experience providing such services, which has been selected by us.

“Dividend Determination Date” means the second London Business Day (as defined below) immediately preceding the first date of the applicable Dividend Period.

“Dividend Period” means the period from, and including, a dividend payment date to, but excluding, the next succeeding dividend payment date, except for the initial Dividend Period, which will be the period from, and including, the original issue date of the Series E Preferred Stock to, but excluding, January 15, 2020.

“London Business Day” means any day on which dealings in deposits in U.S. dollars are transacted in the London interbank market.

“Reuters Page LIBOR01” means the display so designated on the Reuters 3000 Xtra (or such other page as may replace the LIBOR01 page on that service, or such other service as may be nominated by the ICE Benchmark Administration Limited, or ICE, or its successor, or such other entity assuming the responsibility of ICE or its successor no longer does so, as the successor service, for the purpose of displaying London interbank offered rates for U.S. dollar deposits).

No dividends on shares of Series E Preferred Stock may be authorized by our board of directors or paid or set apart for payment by us at any time when the terms and provisions of any agreement of ours, including any agreement relating to our indebtedness, prohibit the authorization, payment or setting apart for payment thereof or provide that the authorization, payment or setting apart for payment thereof would constitute a breach of the agreement or a default under the agreement, or if the authorization, payment or setting apart for payment is restricted or prohibited by law.

Notwithstanding anything to the contrary contained herein, dividends on the Series E Preferred Stock will accumulate whether or not (i) the terms and provisions of any laws or agreements referred to in the preceding paragraph at any time prohibit the current payment of dividends, (ii) we have earnings, (iii) there are funds legally available for the payment of those dividends, and (iv) those dividends are authorized and declared. No interest, or sum in lieu of interest, will be payable in respect of any dividend payment or payments on the Series E Preferred Stock which may be in arrears, and holders of Series E Preferred Stock will not be entitled to any dividends in excess of full cumulative dividends described above. Any dividend payment made on the Series E Preferred Stock will first be credited against the earliest accumulated but unpaid dividend due with respect to those shares.

Future dividends on our common stock and preferred stock, including the Series E Preferred Stock, will be at the discretion of our board of directors and will depend on, among other things, our results of operations, cash flow from operations, financial condition and capital requirements, the annual distribution requirements under the REIT provisions of the Code, applicable law, any debt service requirements and any other factors our board of directors deems relevant. Accordingly, we cannot guarantee that we will be able to make cash distributions on our Series E Preferred Stock or what the actual dividends will be for any future period.

Except as noted below, unless full cumulative dividends on the Series E Preferred Stock have been or contemporaneously are declared and paid or declared and a sum sufficient for the payment thereof is set apart for payment for all past Dividend Periods, no dividends (other than in shares of our Junior Stock) may be declared or paid or set apart for payment upon our Junior Stock or our Parity Stock and no other distribution may be declared or made upon our Junior Stock or our Parity Stock. In addition, our Junior Stock or Parity Stock may not be redeemed, purchased or otherwise acquired for any consideration (or any moneys be paid to or made available for a sinking fund for the redemption of any such securities) by us (except by conversion into or exchange for shares of, or options, warrants or rights to purchase or subscribe for, our Junior Stock or pursuant to an exchange offer made on the same terms to all holders of Series E Preferred Stock and all Parity Stock). The foregoing will not, however, prevent the redemption, purchase or acquisition by us of shares of any class or series of stock for the purpose of enforcing restrictions on transfer and ownership of our stock contained in our charter, including in order to preserve our qualification as a REIT for U.S. federal income tax purposes, or the redemption, purchase or acquisition by us of shares of our common stock for purposes of and in compliance with any incentive or benefit plan of ours.

When dividends are not paid in full (or a sum sufficient for such full payment is not so set apart) upon the Series E Preferred Stock and shares of any class or series of our Parity Stock, all dividends declared upon the Series E Preferred Stock and such Parity Stock must be declared pro rata so that the amount of dividends declared per share of Series E Preferred Stock and such Parity Stock will in all cases bear to each other the same ratio that accumulated dividends per share on the Series E Preferred Stock and such Parity Stock (which will not include any accrual in respect of unpaid dividends for prior Dividend Periods if such other Parity Stock do not have a cumulative dividend) bear to each other. No interest, or sum of money in lieu of interest, will be payable in respect of any dividend payment or payments on the Series E Preferred Stock which may be in arrears.

Liquidation Preference

In the event of our voluntary or involuntary liquidation, dissolution or winding up, the holders of Series E Preferred Stock will be entitled to be paid out of the assets we have legally available for distribution to our stockholders, subject to the preferential rights of the holders of any classes or series of our Senior Stock, a liquidation preference of \$25.00 per share, plus any accumulated and unpaid dividends thereon (whether or not authorized or declared) to, but excluding, the payment date, without interest, before any distribution of assets is made to holders of Junior Stock; and the holders of Series E Preferred Stock will not be entitled to any further payment.

In the event that, upon any such voluntary or involuntary liquidation, dissolution or winding up, our available assets are insufficient to pay the amount of the liquidating distributions on all outstanding shares of our Series E Preferred Stock and the corresponding amounts payable on all shares of our other Parity Stock, then the holders of our Series E Preferred Stock and all other such Parity Stock will share ratably in any such distribution of assets in proportion to the full liquidating distributions to which they would otherwise be respectively entitled.

Notice of any such liquidation will be given no fewer than 30 days and no more than 60 days prior to the payment date, to each holder of record of Series E Preferred Stock at the address of such holder as it appears on our stock records. After payment of the full amount of the liquidating distributions to which they are entitled, the holders of Series E Preferred Stock will have no right or claim to any of our remaining assets. The consolidation, conversion or merger of us with or into any other corporation, trust or entity or of any other entity with or into us, the sale, lease, transfer or conveyance of all or substantially all of our property or business or a statutory share exchange, will not be deemed to constitute a liquidation, dissolution or winding up of us (although such events may give rise to the special optional redemption and contingent conversion rights described below).

In determining whether a distribution (other than upon voluntary or involuntary liquidation), by dividend, redemption or other acquisition of shares of stock or otherwise, is permitted under Maryland law with respect to any share of any class or series of our stock, amounts that would be needed, if we were to be dissolved at the time of the distribution, to satisfy the preferential rights upon dissolution of holders of shares of Series E Preferred Stock will not be added to our total liabilities.

Redemption

The Series E Preferred Stock was not redeemable by us prior to January 15, 2025, except under circumstances where it was necessary to preserve our qualification as a REIT for U.S. federal income tax purposes (please see “—Restrictions on Transfer and Ownership” below and “Description of Common Stock—Restrictions on Ownership and Transfer” hereto) and except as described below under “—Special Optional Redemption” upon the occurrence of a Change of Control (as defined below).

Optional Redemption. On and after January 15, 2025, we may, at our option, upon not less than 30 nor more than 60 days’ notice, redeem the Series E Preferred Stock, in whole or in part, at any time or from time to time, for cash at a redemption price of \$25.00 per share, plus any accumulated and unpaid dividends thereon (whether or not authorized or declared) to, but excluding, the redemption date, without interest.

Special Optional Redemption. Upon the occurrence of a Change of Control, we may, at our option, upon not less than 30 nor more than 60 days' notice, redeem the Series E Preferred Stock, in whole or in part, within 120 days after the first date on which such Change of Control occurred, for cash at a redemption price of \$25.00 per share, plus any accumulated and unpaid dividends thereon (whether or not authorized or declared) to, but excluding, the redemption date, without interest. If, prior to the Change of Control Conversion Date (as defined below), we have provided notice of our election to redeem some or all of the shares of Series E Preferred Stock (whether pursuant to our optional redemption right described above under "—Optional Redemption" or this special optional redemption right), the holders of Series E Preferred Stock will not have the Change of Control Conversion Right (as defined below) described below under "—Conversion Rights" with respect to the shares called for redemption.

A "Change of Control" is deemed to occur when, after the original issuance of the Series E Preferred Stock, the following have occurred and are continuing:

- the acquisition by any person, including any syndicate or group deemed to be a "person" under Section 13(d)(3) of the Exchange Act, of beneficial ownership, directly or indirectly, through a purchase, merger or other acquisition transaction or series of purchases, mergers or other acquisition transactions of our capital stock entitling that person to exercise more than 50% of the total voting power of all our capital stock entitled to vote generally in the election of our directors (except that such person will be deemed to have beneficial ownership of all securities that such person has the right to acquire, whether such right is currently exercisable or is exercisable only upon the occurrence of a subsequent condition); and
- following the closing of any transaction referred to in the bullet point above, neither we nor the acquiring or surviving entity has a class of common securities (or American Depositary Receipts representing such securities) listed on the NYSE, the NYSE American, LLC or the Nasdaq Stock Market, or listed or quoted on an exchange or quotation system that is a successor to the NYSE, the NYSE American, LLC or the Nasdaq Stock Market, or listed or quoted on a successor to the foregoing exchanges.

Redemption Procedures. In the event we elect to redeem Series E Preferred Stock pursuant to our optional redemption right or our special optional redemption right, the notice of redemption will be given by us, postage prepaid, not less than 30 nor more than 60 days prior to the redemption date, to each holder of record of Series E Preferred Stock called for redemption at such holder's address as it appears on our stock records and will state the following:

- the redemption date;
- the number of shares of Series E Preferred Stock to be redeemed;
- the redemption price;
- the place or places where certificates (if any) for the Series E Preferred Stock are to be surrendered for payment of the redemption price;
- that dividends on the shares to be redeemed will cease to accumulate on the redemption date;
- if applicable, that such redemption is being made in connection with a Change of Control and, in that case, a brief description of the transaction or transactions constituting such Change of Control; and
- if such redemption is being made in connection with a Change of Control, that the holders of the shares of Series E Preferred Stock being so called for redemption will not be able to tender such shares of Series E Preferred Stock for conversion in connection with the Change of Control and that each share of Series E Preferred Stock tendered for conversion that is called, prior to the Change of Control Conversion Date, for redemption will be redeemed on the related date of redemption instead of converted on the Change of Control Conversion Date.

If less than all of the Series E Preferred Stock held by any holder is to be redeemed, the notice given to such holder will also specify the number of shares of Series E Preferred Stock held by such holder to be redeemed. No failure to give such notice or any defect thereto or in the giving thereof will affect the validity of the proceedings for the redemption of any shares of Series E Preferred Stock, except as to the holder to whom notice was defective or not given. Notwithstanding the foregoing, no notice of redemption will be required where we elect to redeem Series E Preferred Stock to preserve our status as a REIT.

Holders of shares of Series E Preferred Stock to be redeemed must surrender such shares at the place designated in the notice of redemption and will be entitled to the redemption price and any accumulated and unpaid dividends payable upon the redemption following the surrender.

If notice of redemption of any shares of Series E Preferred Stock has been given and if we have irrevocably set apart for payment the funds necessary for redemption (including any accumulated and unpaid dividends) in trust for the benefit of the holders of the shares of Series E Preferred Stock so called for redemption, then from and after the redemption date (unless we default in providing for the payment of the redemption price plus accumulated and unpaid dividends, if any), dividends will cease to accumulate on those shares of Series E Preferred Stock, those shares of Series E Preferred Stock will no longer be deemed outstanding and all rights of the holders of those shares will terminate, except the right to receive the redemption price plus accumulated and unpaid dividends, if any, payable upon redemption.

If any redemption date is not a business day, then the redemption price and accumulated and unpaid dividends, if any, payable upon redemption may be paid on the next business day and no interest, additional dividends or other sums will accumulate on the amount payable for the period from and after that redemption date to that next business day.

If less than all of the outstanding shares of Series E Preferred Stock are to be redeemed, the shares of Series E Preferred Stock to be redeemed will be selected pro rata (as nearly as may be practicable without creating fractional shares) or by any other equitable method that we determine will not result in the automatic transfer of any shares of Series E Preferred Stock to a trust pursuant to our charter. See "Description of Common Stock—Restrictions on Ownership and Transfer" and "Description of Preferred Stock—Our Series E Preferred Stock—Restrictions on Ownership" hereto.

Immediately prior to any redemption of Series E Preferred Stock, we will pay, in cash, any accumulated and unpaid dividends to, but excluding, the redemption date, unless a redemption date falls after a dividend record date and prior to the corresponding dividend payment date, in which case each holder of Series E Preferred Stock at the close of business on such dividend record date will be entitled to the dividend payable on such shares on the corresponding dividend payment date notwithstanding the redemption of such shares before such dividend payment date. Except as provided above, we will make no payment or allowance for unpaid dividends, whether or not in arrears, on shares of the Series E Preferred Stock to be redeemed.

Unless full cumulative dividends on all shares of Series E Preferred Stock have been or contemporaneously are declared and paid or declared and a sum sufficient for the payment thereof has been or contemporaneously is set apart for payment for all past Dividend Periods, no shares of Series E Preferred Stock may be redeemed unless all outstanding shares of Series E Preferred Stock are simultaneously redeemed, and we may not purchase or otherwise acquire directly or indirectly any shares of Series E Preferred Stock (except by conversion into or exchange for shares of, or options, warrants or rights to purchase or subscribe for, our Junior Stock or pursuant to a purchase or exchange offer made on the same terms to all holders of Series E Preferred Stock and all classes or series of Parity Stock); provided, however, that the foregoing will not prevent the redemption, purchase or acquisition by us of shares of Series E Preferred Stock for the purpose of enforcing restrictions on ownership and transfer of our stock contained in our charter, including in order to preserve our qualification as a REIT for U.S. federal income tax purposes.

Subject to applicable law, we may purchase shares of Series E Preferred Stock in the open market, by tender or by privately negotiated transactions. Any shares of Series E Preferred Stock that we acquire, by redemption or otherwise, will be reclassified as authorized but unissued shares of preferred stock, without designation as to class or series, and may thereafter be issued as any class or series of preferred stock.

Conversion Rights

Upon the occurrence of a Change of Control, each holder of Series E Preferred Stock will have the right (unless, prior to the Change of Control Conversion Date, we have provided notice of our election to redeem some or all of the shares of Series E Preferred Stock held by such holder as described above under “—Redemption,” in which case such holder will have the right only with respect to shares of Series E Preferred Stock that are not called for redemption) to convert some or all of the shares of the Series E Preferred Stock held by such holder (the “Change of Control Conversion Right”) on the Change of Control Conversion Date into a number of shares of our common stock per share of Series E Preferred Stock (the “Common Stock Conversion Consideration”) equal to the lesser of:

- the quotient obtained by dividing (i) the sum of the \$25.00 liquidation preference per share of Series E Preferred Stock, plus any accumulated and unpaid dividends thereon (whether or not authorized or declared) to, but excluding, the Change of Control Conversion Date (unless the Change of Control Conversion Date is after a dividend record date and prior to the corresponding dividend payment date for the Series E Preferred Stock, in which case no additional amount for such accumulated and unpaid dividends to be paid on such dividend payment date will be included in this sum) by (ii) the Common Stock Price, as defined below (such quotient, the “Conversion Rate”); and
- 2.0695375, or the “Share Cap,” subject to certain adjustments as described below. The Share Cap has been adjusted to reflect the one-for-four reverse stock split of the outstanding shares of our common stock effected on March 9, 2023.

Notwithstanding anything in the Series E Articles Supplementary to the contrary and except as otherwise required by law, the persons who are the holders of record of shares of Series E Preferred Stock at the close of business on a dividend record date will be entitled to receive the dividend payable on the corresponding dividend payment date notwithstanding the conversion of those shares after such dividend record date and on or prior to such dividend payment date and, in such case, the full amount of such dividend will be paid on such dividend payment date to the persons who were the holders of record at the close of business on such dividend record date. Except as provided above, we will make no allowance for unpaid dividends that are not in arrears on the shares of Series E Preferred Stock to be converted.

The Share Cap is subject to pro rata adjustments for any share splits (including those effected pursuant to a distribution of our common stock to existing holders of our common stock), subdivisions or combinations (in each case, a “Share Split”) with respect to our common stock as follows: the adjusted Share Cap as the result of a Share Split will be the number of shares of our common stock that is equivalent to the product obtained by multiplying (i) the Share Cap in effect immediately prior to such Share Split by (ii) a fraction, the numerator of which is the number of shares of our common stock outstanding immediately after giving effect to such Share Split and the denominator of which is the number of shares of our common stock outstanding immediately prior to such Share Split.

For the avoidance of doubt, subject to the immediately succeeding paragraph, the aggregate number of shares of our common stock (or equivalent Alternative Conversion Consideration (as defined below), as applicable) issuable or deliverable, as applicable, in connection with the exercise of the Change of Control Conversion Right will not exceed the product of the Share Cap times the aggregate number of shares of the Series E Preferred Stock issued and outstanding at the Change of Control Conversion Date (or equivalent Alternative Conversion Consideration, as applicable) (the “Exchange Cap”). The Exchange Cap is subject to pro rata adjustments for any Share Splits on the same basis as the corresponding adjustment to the Share Cap.

In the case of a Change of Control pursuant to which our common stock is or will be converted into cash, securities or other property or assets (including any combination thereof) (the "Alternative Form Consideration"), a holder of Series E Preferred Stock will receive upon conversion of such shares of Series E Preferred Stock the kind and amount of Alternative Form Consideration which such holder would have owned or been entitled to receive upon the Change of Control had such holder held a number of shares of our common stock equal to the Common Stock Conversion Consideration immediately prior to the effective time of the Change of Control (the "Alternative Conversion Consideration"). The Common Stock Conversion Consideration or the Alternative Conversion Consideration, whichever is applicable to a Change of Control, is referred to as the "Conversion Consideration."

If the holders of our common stock have the opportunity to elect the form of consideration to be received in the Change of Control, the Conversion Consideration in respect of such Change of Control will be deemed to be the kind and amount of consideration actually received by holders of a majority of the outstanding shares of our common stock that made or voted for such an election (if electing between two types of consideration) or holders of a plurality of the outstanding shares of our common stock that made or voted for such an election (if electing between more than two types of consideration), as the case may be, and will be subject to any limitations to which all holders of our common stock are subject, including, without limitation, pro rata reductions applicable to any portion of the consideration payable in such Change of Control.

We will not issue fractional shares of our common stock upon the conversion of the Series E Preferred Stock in connection with a Change of Control. Instead, we will make a cash payment equal to the value of such fractional shares based upon the Common Stock Price used in determining the Common Stock Conversion Consideration for such Change of Control.

Within 15 days following the occurrence of a Change of Control, provided that we have not exercised our right to redeem all shares of Series E Preferred Stock pursuant to the redemption provisions described above, we will provide to holders of Series E Preferred Stock a notice of occurrence of the Change of Control that describes the resulting Change of Control Conversion Right, which notice will be delivered to the holders of record of the shares of Series E Preferred Stock to their addresses as they appear on our stock records. No failure to give such notice or any defect thereto or in the giving thereof will affect the validity of the proceedings for the conversion of any shares of Series E Preferred Stock except as to the holder to whom notice was defective or not given. This notice will state the following:

- the events constituting the Change of Control;
- the date of the Change of Control;
- the last date on which the holders of Series E Preferred Stock may exercise their Change of Control Conversion Right;
- the method and period for calculating the Common Stock Price;
- the Change of Control Conversion Date;
- that if, prior to the Change of Control Conversion Date, we have provided notice of our election to redeem all or any shares of Series E Preferred Stock, holders of Series E Preferred Stock that are subject to such redemption will not be able to convert the shares of Series E Preferred Stock called for redemption and such shares will be redeemed on the related redemption date, even if such shares have already been tendered for conversion pursuant to the Change of Control Conversion Right;
- if applicable, the type and amount of Alternative Conversion Consideration entitled to be received per share of Series E Preferred Stock;
- the name and address of the paying agent, transfer agent and conversion agent for the Series E Preferred Stock;

- the procedures that the holders of Series E Preferred Stock must follow to exercise the Change of Control Conversion Right (including procedures for surrendering shares of Series E Preferred Stock for conversion through the facilities of a Depository (as defined below)), including the form of conversion notice to be delivered by such holders as described below; and
- the last date on which holders of Series E Preferred Stock may withdraw shares of Series E Preferred Stock surrendered for conversion and the procedures that such holders must follow to effect such a withdrawal.

Under such circumstances, we also will issue a press release containing such notice for publication on the Dow Jones & Company, Inc., Wall Street Journal, Business Wire, PR Newswire or Bloomberg Business News (or, if these organizations are not in existence at the time of issuance of the press release, such other news or press organization as is reasonably calculated to broadly disseminate the relevant information to the public), and post a notice on our website (if any), in any event prior to the opening of business on the first business day following any date on which we provide the notice described above to the holders of Series E Preferred Stock.

To exercise the Change of Control Conversion Right, the holders of Series E Preferred Stock will be required to deliver, on or before the close of business on the Change of Control Conversion Date, the certificates (if any) representing the shares of Series E Preferred Stock to be converted, duly endorsed for transfer (or, in the case of any shares of Series E Preferred Stock held in book-entry form through a Depository or shares directly registered with the transfer agent therefor, to deliver, on or before the close of business on the Change of Control Conversion Date, the shares of Series E Preferred Stock to be converted through the facilities of such Depository or through such transfer agent, respectively), together with a written conversion notice in the form provided by us, duly completed, to our transfer agent. The conversion notice must state:

- the relevant Change of Control Conversion Date;
- the number of shares of Series E Preferred Stock to be converted; and
- that the shares of the Series E Preferred Stock are to be converted pursuant to the applicable provisions of the Series E Articles Supplementary.

The “Change of Control Conversion Date” is the date the Series E Preferred Stock is to be converted, which will be a business day selected by us that is no fewer than 20 days nor more than 35 days after the date on which we provide the notice described above to the holders of Series E Preferred Stock.

The “Common Stock Price” is (i) if the consideration to be received in the Change of Control by the holders of our common stock is solely cash, the amount of cash consideration per share of our common stock or (ii) if the consideration to be received in the Change of Control by holders of our common stock is other than solely cash (x) the average of the closing sale prices per share of our common stock (or, if no closing sale price is reported, the average of the closing bid and ask prices per share or, if more than one in either case, the average of the average closing bid and the average closing ask prices per share) for the ten consecutive trading days immediately preceding, but not including, the date on which such Change of Control occurred as reported on the principal U.S. securities exchange on which our common stock is then traded, or (y) if our common stock is not then listed for trading on a U.S. securities exchange, the average of the last quoted bid prices for our common stock in the over-the-counter market as reported by OTC Markets Group Inc. or similar organization for the ten consecutive trading days immediately preceding, but not including, the date on which such Change of Control occurred.

Holders of Series E Preferred Stock may withdraw any notice of exercise of a Change of Control Conversion Right (in whole or in part) by a written notice of withdrawal delivered to our transfer agent prior to the close of business on the business day prior to the Change of Control Conversion Date. The notice of withdrawal delivered by any holder must state:

- the number of withdrawn shares of Series E Preferred Stock;
- if certificated shares of Series E Preferred Stock have been surrendered for conversion, the certificate numbers of the withdrawn shares of Series E Preferred Stock; and

- the number of shares of Series E Preferred Stock, if any, which remain subject to the holder's conversion notice.

Notwithstanding the foregoing, if any shares of Series E Preferred Stock are held in book-entry form through The Depository Trust Company ("DTC") or a similar depository (each, a "Depository"), the conversion notice and/or the notice of withdrawal, as applicable, must comply with applicable procedures, if any, of the applicable Depository.

Shares of Series E Preferred Stock as to which the Change of Control Conversion Right has been properly exercised and for which the conversion notice has not been properly withdrawn will be converted into the applicable Conversion Consideration in accordance with the Change of Control Conversion Right on the Change of Control Conversion Date, unless prior to the Change of Control Conversion Date we have provided notice of our election to redeem some or all of the shares of Series E Preferred Stock, as described above under "—Redemption," in which case only the shares of Series E Preferred Stock properly surrendered for conversion and not properly withdrawn that are not called for redemption will be converted as aforesaid. If we elect to redeem shares of Series E Preferred Stock that would otherwise be converted into the applicable Conversion Consideration on a Change of Control Conversion Date, such shares of Series E Preferred Stock will not be so converted and the holders of such shares will be entitled to receive on the applicable redemption date the redemption price described above under "—Redemption—Optional Redemption" or "—Redemption—Special Optional Redemption," as applicable.

We will deliver all securities, cash and any other property owing upon conversion no later than the third business day following the Change of Control Conversion Date. Notwithstanding the foregoing, the persons entitled to receive any shares of our common stock or other securities delivered on conversion will be deemed to have become the holders of record thereof as of the Change of Control Conversion Date.

In connection with the exercise of any Change of Control Conversion Right, we will comply with all applicable federal and state securities laws and stock exchange rules in connection with any conversion of shares of the Series E Preferred Stock into shares of our common stock or other property. Notwithstanding any other provision of the Series E Preferred Stock, no holder of Series E Preferred Stock will be entitled to convert such shares of the Series E Preferred Stock into shares of our common stock to the extent that receipt of such shares of common stock would cause such holder (or any other person) to violate the applicable restrictions on transfer and ownership of our stock contained in our charter, unless we provide an exemption from this limitation to such holder pursuant to the terms of our charter. Please see the sections entitled "—Restrictions on Transfer and Ownership" below and "Description of Common Stock—Restrictions on Ownership and Transfer" hereto.

The Change of Control conversion feature may make it more difficult for a third party to acquire us or discourage a party from acquiring us.

Except as provided above in connection with a Change of Control, the Series E Preferred Stock is not convertible into or exchangeable for any other securities or property.

Voting Rights

Holders of Series E Preferred Stock will not have any voting rights, except as set forth below.

Whenever dividends on any shares of Series E Preferred Stock are in arrears for six or more full quarterly Dividend Periods, whether or not consecutive, the number of directors constituting our board of directors will be automatically increased by two (if not already increased by two by reason of the election of directors by the holders of any other class or series of our Parity Stock upon which like voting rights have been conferred and are exercisable) and the holders of Series E Preferred Stock, voting as a single class with holders of the Parity Stock upon which like voting rights have been conferred and are exercisable, will be entitled to vote for the election of those two additional directors at a special meeting called by us at the request of the holders of record of at least 25% of the outstanding shares of Series E Preferred Stock and all other classes or series of our Parity Stock upon which like voting rights have been conferred and are exercisable to be held no later than 90 days after our receipt of such request (unless the request is received less than 90 days before the date fixed for the next annual or special meeting of our stockholders, in which case such vote will be held at the earlier of the next annual or special meeting of the stockholders to the extent permitted by applicable law), and at each subsequent annual meeting until all dividends accumulated on the Series E Preferred Stock for all past Dividend Periods and the then current Dividend Period will have been fully paid or declared and a sum sufficient for the payment thereof set apart for payment. In that case, the right of holders of Series E Preferred Stock to elect any directors will cease and, unless there are other classes or series of our Parity Stock upon which like voting rights have been conferred and are exercisable, the term of office of any directors elected by holders of Series E Preferred Stock will immediately terminate and the number of directors constituting the board of directors will be reduced accordingly. For the avoidance of doubt, in no event will the total number of directors elected by holders of Series E Preferred Stock (voting together as a single class with the Parity Stock upon which like voting rights have been conferred and are exercisable) pursuant to these voting rights exceed two. The directors elected by the holders of the Series E Preferred Stock and the holders of the Parity Stock upon which like voting rights have been conferred and are exercisable will be elected by a plurality of the votes cast by the holders of the outstanding shares of Series E Preferred Stock when they have the voting rights described in this paragraph and the Parity Stock upon which like voting rights have been conferred and are exercisable (voting together as a single class), with each such director to serve until our next annual meeting of stockholders and until their successors are duly elected and qualify or until such directors' right to hold the office terminates as described above, whichever occurs earlier.

On each matter on which holders of Series E Preferred Stock are entitled to vote, each share of Series E Preferred Stock will be entitled to one vote, except that when shares of any other class or series of preferred stock we may issue, including the Parity Stock, have the right to vote with the Series E Preferred Stock as a single class on any matter, the Series E Preferred Stock, the Parity Stock and each such other class or series of stock will have one vote for each \$25.00 of liquidation preference (excluding accumulated dividends). If, at any time when the voting rights conferred upon the Series E Preferred Stock are exercisable, any vacancy in the office of a director elected by the holders of the Parity Stock upon which like voting rights have been conferred and are exercisable occurs, then such vacancy may be filled only by the remaining director or by vote of the holders of the outstanding Series E Preferred Stock and any other classes or series of our Parity Stock upon which like voting rights have been conferred and are exercisable.

Any director elected by holders of shares of Series E Preferred Stock and any class or series of Parity Stock upon which like voting rights have been conferred and are exercisable may be removed at any time, with or without cause, only by the vote of, and may not be removed otherwise than by the vote of, the holders of record of a majority of the outstanding shares of Series E Preferred Stock and any such class or series of Parity Stock when they have the voting rights described above (voting as a single class with all other classes or series of Parity Stock upon which like voting rights have been conferred and are exercisable).

So long as any shares of Series E Preferred Stock remain outstanding, we will not, without the affirmative vote or consent of the holders of at least two-thirds of the shares of Series E Preferred Stock, and our Parity Stock upon which like voting rights have been conferred and are exercisable (voting together as a single class), (i) authorize, create, or increase the authorized or issued amount of, any class or series of Senior Stock or reclassify any of our authorized stock into such shares, or create or authorize or issue any obligation or security convertible into or evidencing the right to purchase any such shares or (ii) amend, alter or repeal the provisions of our charter, whether by merger, conversion, consolidation or otherwise, so as to materially and adversely affect any right, preference, privilege or voting power of the Series E Preferred Stock (each, an "Event"); provided, however, with respect to the occurrence of any Event set forth in clause (ii) above, so long as the Series E Preferred Stock remains outstanding with the terms thereof materially unchanged, or the holders of Series E Preferred Stock receive shares of stock or other equity interests with rights, preferences, privileges and voting powers substantially the same as those of the Series E Preferred Stock, taking into account that upon the occurrence of an Event we may not be the successor entity, the occurrence of any such Event will not be deemed to materially and adversely affect the rights, preferences, privileges or voting power of holders of Series E Preferred Stock; and, provided further, that any increase in the amount of the authorized or issued Series E Preferred Stock or the creation or issuance, or any increase in the amounts authorized of any Parity Stock, including Outstanding Series of Preferred Stock or Junior Stock, will not be deemed to materially and adversely affect the rights, preferences, privileges or voting powers of holders of Series E Preferred Stock. Notwithstanding the foregoing, holders of any class or series of Parity Stock will not be entitled to vote together as a class with the holders of the Series E Preferred Stock on any amendment, alteration or repeal of any provision of our charter unless such action affects the holders of the Series E Preferred Stock and such other Parity Stock equally.

The foregoing voting provisions will not apply if, at or prior to the time when the act with respect to which such vote would otherwise be required will be effected, all outstanding shares of Series E Preferred Stock have been redeemed or called for redemption upon proper notice and sufficient funds have been irrevocably set apart to effect such redemption.

Except as expressly stated in the Series E Articles Supplementary, the Series E Preferred Stock will not have any relative, participating, optional or other special voting rights or powers and the consent of the holders thereof will not be required for the taking of any corporate action. The holders of Series E Preferred Stock will have exclusive voting rights on any amendment to our charter that would alter the contract rights, as expressly set forth in the charter, of only the Series E Preferred Stock.

Information Rights

During any period in which we are not subject to Section 13 or 15(d) of the Exchange Act and any shares of Series E Preferred Stock are outstanding, we will use our best efforts to (i) transmit through our website at www.adamasreit.com (or other permissible means under the Exchange Act) copies of the Annual Reports on Form 10-K and Quarterly Reports on Form 10-Q that we would have been required to file with the SEC pursuant to Section 13 or 15(d) of the Exchange Act if we were subject thereto (other than any exhibits that would have been required). We will use our best efforts to provide such reports on our website within 15 days after the respective dates by which we would have been required to file such reports with the SEC if we were subject to Section 13 or 15(d) of the Exchange Act and we were a "non-accelerated filer" within the meaning of the Exchange Act.

Restrictions on Transfer and Ownership

The Series E Articles Supplementary provide that the aggregate stock ownership limitation included in our charter (as described under “Description of Common Stock—Restrictions on Ownership and Transfer” hereto) applies to ownership of shares of Series E Preferred Stock. Our charter provides that generally no person may own, or be deemed to own by virtue of the attribution provisions of the Code, either (i) more than 9.9% in value of the aggregate of our outstanding shares of capital stock or (ii) more than 9.9% in value or number of shares, whichever is more restrictive, of the aggregate of shares of our outstanding common stock. See “Description of Common Stock—Restrictions on Ownership and Transfer” hereto. No holder of Series E Preferred Stock will be entitled to convert any shares of Series E Preferred Stock into shares of our common stock to the extent that receipt of shares of our common stock would cause such holder or any other person to exceed the ownership limits contained in our charter. Our board of directors may, in its sole discretion, exempt a person from any of the ownership limits, as described under “Description of Common Stock—Restrictions on Ownership and Transfer” hereto.

Preemptive Rights

No holders of Series E Preferred Stock will, as holders of Series E Preferred Stock, have any preemptive rights to purchase or subscribe for our common stock or any of our other securities.

Calculation Agent

Computershare Trust Company, N.A., or any other firm appointed by us, will be the “calculation agent” for the Series E Preferred Stock.

Listing

Our Series E Preferred Stock listed on Nasdaq under the symbol “ADAMM.”

Our Series F Preferred Stock

Terms defined in this “Our Series F Preferred Stock” section have the meanings ascribed to such terms herein only when used in this “Our Series F Preferred Stock” section.

Maturity

The Series F Preferred Stock has no stated maturity and will not be subject to any sinking fund or mandatory redemption. Shares of the Series F Preferred Stock will remain outstanding indefinitely unless we decide to redeem or otherwise repurchase them or they become convertible and are converted as described below under “—Conversion Rights.” We are not required to set apart for payment any funds to redeem the Series F Preferred Stock.

Ranking

The Series F Preferred Stock ranks, with respect to rights to the payment of dividends and other distributions and the distribution of assets upon our liquidation, dissolution or winding up:

- senior to all classes or series of our Junior Stock;
- on a parity with our Parity Stock;
- junior to any of our Senior Stock; and
- effectively junior to all of our existing and future indebtedness (including indebtedness convertible into or exchangeable for our common stock or preferred stock) and the indebtedness of our existing and future subsidiaries.

Dividends

Holders of shares of the Series F Preferred Stock are entitled to receive, when, as and if authorized by our board of directors and declared by us, out of funds legally available for the payment of dividends, cumulative cash dividends at a rate of 6.875% of the \$25.00 per share liquidation preference per annum (equivalent to \$1.71875 per annum per share) to, but excluding, October 15, 2026 (the "Fixed Rate Period"). On and after October 15, 2026 (the "Floating Rate Period"), dividends on the Series F Preferred Stock will accumulate at a percentage of the \$25.00 liquidation preference equal to the Benchmark rate (which is expected to be the Three-Month Term SOFR) plus a spread of 6.130% (the "Floating Rate"). Notwithstanding the foregoing, if the Benchmark rate is less than zero, the Benchmark rate will be deemed to be zero. Dividends on the Series F Preferred Stock will accumulate daily and with respect to any shares of Series F Preferred Stock issued before October 15, 2021, will be cumulative from, and including, July 7, 2021 (the "original issue date"), or, with respect to any shares of Series F Preferred Stock issued on or after October 15, 2021, will be cumulative from the most recent dividend payment date to which dividends have been paid in full, and will be payable quarterly in arrears on the 15th day of each January, April, July and October, beginning on October 15, 2021 (each, a "dividend payment date"). If any dividend payment date on or prior to October 15, 2026 is a day that is not a business day, as defined in the articles supplementary filed with the State Department of Assessment and Taxation of Maryland on July 6, 2021, setting forth the terms of the Series F Preferred Stock (as amended, the "Series F Articles Supplementary"), then the dividend which would otherwise have been payable on that dividend payment date will instead be paid on the immediately succeeding business day with the same force and effect as if paid on such dividend payment date. No interest, additional dividends or sums in lieu of interest will be payable for the period from and after that dividend payment date to that next succeeding business day. If any dividend payment date after October 15, 2026 is a day that is not a business day, then the dividend payment date will be the immediately succeeding business day, and dividends will accrue to the dividend payment date. Any dividends payable on the Series F Preferred Stock during the Fixed Rate Period, including dividends payable for the first Dividend Period and any partial Dividend Period, will be computed on the basis of a 360-day year consisting of twelve 30-day months. Any dividends payable on the Series F Preferred Stock during the Floating Rate Period, including dividends payable for any partial Dividend Period, will be computed by multiplying the Floating Rate for that Dividend Period by a fraction, the numerator of which will be the actual number of days elapsed during that Dividend Period and the denominator of which will be 360, and by multiplying the result by the aggregate liquidation preference of the Series F Preferred Stock. Dividends will be payable to holders of record as they appear on our stock records at the close of business on the applicable record date, which will be the first day of the calendar month (whether or not a business day) in which the applicable dividend payment date falls (each, a "dividend record date"). The dividends payable on any dividend payment date will include dividends accumulated to, but not including, such dividend payment date.

"Dividend Period" means the period from, and including, a dividend payment date to, but excluding, the next succeeding dividend payment date, except for the initial Dividend Period, which was the period from, and including, the original issue date of the Series F Preferred Stock to, but excluding, October 15, 2021.

For the purpose of calculating the dividends on the Series F Preferred Stock during the Floating Rate Period when the Benchmark is Three-Month Term SOFR, "Three-Month Term SOFR" means the rate for Term SOFR for a tenor of three months that is published by the Term SOFR Administrator at the Reference Time for any Dividend Period, as determined by the calculation agent after giving effect to the Three-Month Term SOFR Conventions. We will appoint a third party independent financial institution of national standing with experience providing such services as calculation agent for the Series F Preferred Stock prior to the commencement of the Floating Rate Period. We may change the calculation agent at any time in our sole discretion.

The following definitions apply to the foregoing definition of Three-Month Term SOFR:

"Benchmark" means, initially, Three-Month Term SOFR; provided that if the calculation agent determines on or prior to the Reference Time that a Benchmark Transition Event and its related Benchmark Replacement Date have occurred with respect to Three-Month Term SOFR or the then-current Benchmark, then "Benchmark" means the applicable Benchmark Replacement.

"FRBNY's Website" means the website of the FRBNY at <http://www.newyorkfed.org>, or any successor source. The foregoing Internet website is an inactive textual reference only, meaning that the information contained on the website is not part of this prospectus supplement or the accompanying prospectus or incorporated by reference herein or therein.

"Reference Time" with respect to any determination of the Benchmark means (1) if the Benchmark is Three-Month Term SOFR, the time determined by the calculation agent after giving effect to the Three-Month Term SOFR Conventions, and (2) if the Benchmark is not Three-Month Term SOFR, the time determined by the calculation agent after giving effect to the Benchmark Replacement Conforming Changes.

"Relevant Governmental Body" means the Federal Reserve and/or the FRBNY, or a committee officially endorsed or convened by the Federal Reserve and/or the FRBNY or any successor thereto.

"SOFR" means the secured overnight financing rate published by the FRBNY, as the administrator of the Benchmark (or a successor administrator), on the FRBNY's Website.

"Term SOFR" means the forward-looking term rate based on SOFR that has been selected or recommended by the Relevant Governmental Body.

"Term SOFR Administrator" means any entity designated by the Relevant Governmental Body as the administrator of Term SOFR (or a successor administrator).

"Three-Month Term SOFR Conventions" means any determination, decision or election with respect to any technical, administrative or operational matter (including with respect to the manner and timing of the publication of Three-Month Term SOFR, or changes to the definition of "Dividend Period," timing and frequency of determining Three-Month Term SOFR with respect to each Dividend Period and making dividend payments, rounding of amounts or tenors, and other administrative matters) that the calculation agent decides may be appropriate to reflect the use of Three-Month Term SOFR as the Benchmark in a manner substantially consistent with market practice (or, if the calculation agent decides that adoption of any portion of such market practice is not administratively feasible or if the calculation agent determines that no market practice for the use of Three-Month Term SOFR exists, in such other manner as the calculation agent determines is reasonably necessary).

The terms "Benchmark Replacement," "Benchmark Replacement Conforming Changes," "Benchmark Replacement Date," "Benchmark Transition Event" and "Corresponding Tenor" have the meanings set forth below under the heading "— Effect of Benchmark Transition Event."

Notwithstanding the foregoing paragraphs related to the determination of the dividend rate, if the calculation agent determines on or prior to the relevant Reference Time that a Benchmark Transition Event and its related Benchmark Replacement Date (each as defined below) have occurred with respect to Three-Month Term SOFR, then the provisions set forth below under the heading "— Effect of Benchmark Transition Event," which we refer to as the "benchmark transition provisions," will thereafter apply to all determinations of the dividend rate on the Series F Preferred Stock during the Floating Rate Period. In accordance with the benchmark transition provisions, after a Benchmark Transition Event and its related Benchmark Replacement Date have occurred, the dividend rate on the Series F Preferred Stock during the Floating Rate Period will be an annual rate equal to the Benchmark Replacement plus a spread of 6.130%.

Absent manifest error, the calculation agent's determination of the dividend rate for a particular Dividend Period for the Series F Preferred Stock will be binding and conclusive on you, the transfer agent and us. The calculation agent's determination of any dividend rate, and its calculation of dividends for any Dividend Period, will be maintained on file at the calculation agent's principal offices, will be made available to any holder of the Series F Preferred Stock upon request and will be provided to the transfer agent.

If the then-current Benchmark is Three-Month Term SOFR, the calculation agent will have the right to establish the Three-Month Term SOFR Conventions, and if any of the foregoing provisions concerning the calculation of the dividend rate and dividend payments during the Floating Rate Period are inconsistent with any of the Three-Month Term SOFR Conventions determined by the calculation agent, then the relevant Three-Month Term SOFR Conventions will apply. Furthermore, if the calculation agent determines that a Benchmark Transition Event and its related Benchmark Replacement Date have occurred with respect to Three-Month Term SOFR at any time when the Series F Preferred Stock is outstanding, then the foregoing provisions concerning the calculation of the dividend rate and dividend payments during the Floating Rate Period will be modified in accordance with the benchmark transition provisions.

No dividends on shares of Series F Preferred Stock may be authorized by our board of directors or paid or set apart for payment by us at any time when the terms and provisions of any agreement of ours, including any agreement relating to our indebtedness, prohibit the authorization, payment or setting apart for payment thereof or provide that the authorization, payment or setting apart for payment thereof would constitute a breach of the agreement or a default under the agreement, or if the authorization, payment or setting apart for payment is restricted or prohibited by law.

Notwithstanding anything to the contrary contained herein, dividends on the Series F Preferred Stock will accumulate whether or not (i) the terms and provisions of any laws or agreements referred to in the preceding paragraph at any time prohibit the current payment of dividends, (ii) we have earnings, (iii) there are funds legally available for the payment of those dividends and (iv) those dividends are authorized and declared. No interest, or sum in lieu of interest, will be payable in respect of any dividend payment or payments on the Series F Preferred Stock which may be in arrears, and holders of Series F Preferred Stock will not be entitled to any dividends in excess of full cumulative dividends described above. Any dividend payment made on the Series F Preferred Stock will first be credited against the earliest accumulated but unpaid dividend due with respect to those shares.

Future dividends on our common stock and preferred stock will be at the discretion of our board of directors and will depend on, among other things, our results of operations, cash flow from operations, financial condition and capital requirements, the annual distribution requirements under the REIT provisions of the Code, applicable law, any debt service requirements and any other factors our board of directors deems relevant. Accordingly, we cannot guarantee that we will be able to make cash distributions on our Series F Preferred Stock or what the actual dividends will be for any future period.

Except as noted below, unless full cumulative dividends on the Series F Preferred Stock have been or contemporaneously are declared and paid or declared and a sum sufficient for the payment thereof is set apart for payment for all past Dividend Periods, no dividends (other than in shares of our Junior Stock) may be declared or paid or set apart for payment upon our Junior Stock or our Parity Stock and no other distribution may be declared or made upon our Junior Stock or our Parity Stock. In addition, our Junior Stock or Parity Stock may not be redeemed, purchased or otherwise acquired for any consideration (or any moneys be paid to or made available for a sinking fund for the redemption of any such securities) by us (except by conversion into or exchange for shares of, or options, warrants or rights to purchase or subscribe for, our Junior Stock or pursuant to an exchange offer made on the same terms to all holders of Series F Preferred Stock and all Parity Stock). The foregoing will not, however, prevent the redemption, purchase or acquisition by us of shares of any class or series of stock for the purpose of enforcing restrictions on transfer and ownership of our stock contained in our charter, including in order to preserve our qualification as a REIT for U.S. federal income tax purposes, or the redemption, purchase or acquisition by us of shares of our common stock for purposes of and in compliance with any incentive or benefit plan of ours.

When dividends are not paid in full (or a sum sufficient for such full payment is not so set apart) upon the Series F Preferred Stock and shares of any class or series of our Parity Stock, all dividends declared upon the Series F Preferred Stock and such Parity Stock must be declared pro rata so that the amount of dividends declared per share of Series F Preferred Stock and such Parity Stock will in all cases bear to each other the same ratio that accumulated dividends per share on the Series F Preferred Stock and such Parity Stock (which will not include any accrual in respect of unpaid dividends for prior Dividend Periods if such other Parity Stock do not have a cumulative dividend) bear to each other. No interest, or sum of money in lieu of interest, will be payable in respect of any dividend payment or payments on the Series F Preferred Stock which may be in arrears.

Liquidation Preference

In the event of our voluntary or involuntary liquidation, dissolution or winding up, the holders of Series F Preferred Stock will be entitled to be paid out of the assets we have legally available for distribution to our stockholders, subject to the preferential rights of the holders of any classes or series of our Senior Stock, a liquidation preference of \$25.00 per share, plus any accumulated and unpaid dividends thereon (whether or not authorized or declared) to, but excluding, the payment date, without interest, before any distribution of assets is made to holders of Junior Stock; and the holders of Series F Preferred Stock will not be entitled to any further payment.

In the event that, upon any such voluntary or involuntary liquidation, dissolution or winding up, our available assets are insufficient to pay the amount of the liquidating distributions on all outstanding shares of our Series F Preferred Stock and the corresponding amounts payable on all shares of our other Parity Stock, then the holders of our Series F Preferred Stock and all other such Parity Stock will share ratably in any such distribution of assets in proportion to the full liquidating distributions to which they would otherwise be respectively entitled.

Notice of any such liquidation will be given no fewer than 30 days and no more than 60 days prior to the payment date, to each holder of record of Series F Preferred Stock at the address of such holder as it appears on our stock records. After payment of the full amount of the liquidating distributions to which they are entitled, the holders of Series F Preferred Stock will have no right or claim to any of our remaining assets. The consolidation, conversion or merger of us with or into any other corporation, trust or entity or of any other entity with or into us, the sale, lease, transfer or conveyance of all or substantially all of our property or business or a statutory share exchange, will not be deemed to constitute a liquidation, dissolution or winding up of us (although such events may give rise to the special optional redemption and contingent conversion rights described below).

In determining whether a distribution (other than upon voluntary or involuntary liquidation), by dividend, redemption or other acquisition of shares of stock or otherwise, is permitted under Maryland law with respect to any share of any class or series of our stock, amounts that would be needed, if we were to be dissolved at the time of the distribution, to satisfy the preferential rights upon dissolution of holders of shares of Series F Preferred Stock will not be added to our total liabilities.

Redemption

The Series F Preferred Stock is not redeemable by us prior to October 15, 2026, except under circumstances where it is necessary to preserve our qualification as a REIT for U.S. federal income tax purposes (please see “—Restrictions on Transfer and Ownership” below and “Description of Common Stock—Restrictions on Ownership and Transfer” hereto) and except as described below under “—Special Optional Redemption” upon the occurrence of a Change of Control (as defined below).

Optional Redemption. On and after October 15, 2026, we may, at our option, upon not less than 30 nor more than 60 days’ notice, redeem the Series F Preferred Stock, in whole or in part, at any time or from time to time, for cash at a redemption price of \$25.00 per share, plus any accumulated and unpaid dividends thereon (whether or not authorized or declared) to, but excluding, the redemption date, without interest.

Special Optional Redemption. Upon the occurrence of a Change of Control, we may, at our option, upon not less than 30 nor more than 60 days’ notice, redeem the Series F Preferred Stock, in whole or in part, within 120 days on or after the first date on which such Change of Control occurred, for cash at a redemption price of \$25.00 per share, plus any accumulated and unpaid dividends thereon (whether or not authorized or declared) to, but excluding, the redemption date, without interest. If, prior to the Change of Control Conversion Date (as defined below), we have provided notice of our election to redeem some or all of the shares of Series F Preferred Stock (whether pursuant to our optional redemption right described above under “—Optional Redemption” or this special optional redemption right), the holders of Series F Preferred Stock will not have the Change of Control Conversion Right (as defined below) described below under “—Conversion Rights” with respect to the shares called for redemption.

A "Change of Control" is deemed to occur when, after the original issuance of the Series F Preferred Stock, the following have occurred and are continuing:

- the acquisition by any person, including any syndicate or group deemed to be a "person" under Section 13(d)(3) of the Exchange Act, of beneficial ownership, directly or indirectly, through a purchase, merger or other acquisition transaction or series of purchases, mergers or other acquisition transactions of our capital stock entitling that person to exercise more than 50% of the total voting power of all our capital stock entitled to vote generally in the election of our directors (except that such person will be deemed to have beneficial ownership of all securities that such person has the right to acquire, whether such right is currently exercisable or is exercisable only upon the occurrence of a subsequent condition); and
- following the closing of any transaction referred to in the bullet point above, neither we nor the acquiring or surviving entity has a class of common securities (or American Depositary Receipts representing such securities) listed on the NYSE, the NYSE American, LLC or the Nasdaq Stock Market, or listed or quoted on an exchange or quotation system that is a successor to the NYSE, the NYSE American, LLC or the Nasdaq Stock Market, or listed or quoted on a successor to the foregoing exchanges.

Redemption Procedures. In the event we elect to redeem Series F Preferred Stock pursuant to our optional redemption right or our special optional redemption right, the notice of redemption will be given by us, postage prepaid, not less than 30 nor more than 60 days prior to the redemption date, to each holder of record of Series F Preferred Stock called for redemption at such holder's address as it appears on our stock records and will state the following:

- the redemption date;
- the number of shares of Series F Preferred Stock to be redeemed;
- the redemption price;
- the place or places where certificates (if any) for the Series F Preferred Stock are to be surrendered for payment of the redemption price;
- that dividends on the shares to be redeemed will cease to accumulate on the redemption date;
- if applicable, that such redemption is being made in connection with a Change of Control and, in that case, a brief description of the transaction or transactions constituting such Change of Control; and
- if such redemption is being made in connection with a Change of Control, that the holders of the shares of Series F Preferred Stock being so called for redemption will not be able to tender such shares of Series F Preferred Stock for conversion in connection with the Change of Control and that each share of Series F Preferred Stock tendered for conversion that is called, prior to the Change of Control Conversion Date, for redemption will be redeemed on the related date of redemption instead of converted on the Change of Control Conversion Date.

If less than all of the Series F Preferred Stock held by any holder is to be redeemed, the notice given to such holder will also specify the number of shares of Series F Preferred Stock held by such holder to be redeemed. No failure to give such notice or any defect thereto or in the giving thereof will affect the validity of the proceedings for the redemption of any shares of Series F Preferred Stock, except as to the holder to whom notice was defective or not given. Notwithstanding the foregoing, no notice of redemption will be required where we elect to redeem Series F Preferred Stock to preserve our status as a REIT.

Holders of shares of Series F Preferred Stock to be redeemed must surrender such shares at the place designated in the notice of redemption and will be entitled to the redemption price and any accumulated and unpaid dividends payable upon the redemption following the surrender.

If notice of redemption of any shares of Series F Preferred Stock has been given and if we have irrevocably set apart for payment the funds necessary for redemption (including any accumulated and unpaid dividends) in trust for the benefit of the holders of the shares of Series F Preferred Stock so called for redemption, then from and after the redemption date (unless we default in providing for the payment of the redemption price plus accumulated and unpaid dividends, if any), dividends will cease to accumulate on those shares of Series F Preferred Stock, those shares of Series F Preferred Stock will no longer be deemed outstanding and all rights of the holders of those shares will terminate, except the right to receive the redemption price plus accumulated and unpaid dividends, if any, payable upon redemption.

If any redemption date is not a business day, then the redemption price and accumulated and unpaid dividends, if any, payable upon redemption may be paid on the next business day and no interest, additional dividends or other sums will accumulate on the amount payable for the period from and after that redemption date to that next business day.

If fewer than all of the outstanding shares of Series F Preferred Stock are to be redeemed, the shares to be redeemed may be selected pro rata (as nearly as practicable without creating fractional shares) or by lot. If such redemption is to be by lot and, as a result of such redemption, any holder of shares of Series F Preferred Stock would become a holder of a number of shares of Series F Preferred Stock in excess of the ownership limit described in our charter, then the Company will redeem the requisite number of shares of such holder so that no holder will hold a number of shares in excess of the ownership limit provided in our charter. See "Description of Common Stock—Restrictions on Ownership and Transfer" and "Description of Preferred Stock—Our Series F Preferred Stock—Restrictions on Ownership" hereto.

Immediately prior to any redemption of Series F Preferred Stock, we will pay, in cash, any accumulated and unpaid dividends to, but excluding, the redemption date, unless a redemption date falls after a dividend record date and prior to the corresponding dividend payment date, in which case each holder of Series F Preferred Stock at the close of business on such dividend record date will be entitled to the dividend payable on such shares on the corresponding dividend payment date notwithstanding the redemption of such shares before such dividend payment date. Except as provided above, we will make no payment or allowance for unpaid dividends, whether or not in arrears, on shares of the Series F Preferred Stock to be redeemed.

Unless full cumulative dividends on all shares of Series F Preferred Stock have been or contemporaneously are declared and paid or declared and a sum sufficient for the payment thereof has been or contemporaneously is set apart for payment for all past Dividend Periods, no shares of Series F Preferred Stock may be redeemed unless all outstanding shares of Series F Preferred Stock are simultaneously redeemed, and we may not purchase or otherwise acquire directly or indirectly any shares of Series F Preferred Stock (except by conversion into or exchange for shares of, or options, warrants or rights to purchase or subscribe for, our Junior Stock or pursuant to a purchase or exchange offer made on the same terms to all holders of Series F Preferred Stock and all classes or series of Parity Stock); provided, however, that the foregoing will not prevent the redemption, purchase or acquisition by us of shares of Series F Preferred Stock for the purpose of enforcing restrictions on ownership and transfer of our stock contained in our charter, including in order to preserve our qualification as a REIT for U.S. federal income tax purposes.

Subject to applicable law, we may purchase shares of Series F Preferred Stock in the open market, by tender or by privately negotiated transactions. Any shares of Series F Preferred Stock that we acquire, by redemption or otherwise, will be reclassified as authorized but unissued shares of preferred stock, without designation as to class or series, and may thereafter be issued as any class or series of preferred stock.

Conversion Rights

Upon the occurrence of a Change of Control, each holder of Series F Preferred Stock will have the right (unless, prior to the Change of Control Conversion Date, we have provided notice of our election to redeem some or all of the shares of Series F Preferred Stock held by such holder as described above under “—Redemption,” in which case such holder will have the right only with respect to shares of Series F Preferred Stock that are not called for redemption) to convert some or all of the shares of the Series F Preferred Stock held by such holder (the “Change of Control Conversion Right”) on the Change of Control Conversion Date into a number of shares of our common stock per share of Series F Preferred Stock (the “Common Stock Conversion Consideration”) equal to the lesser of:

- the quotient obtained by dividing (i) the sum of the \$25.00 liquidation preference per share of Series F Preferred Stock, plus any accumulated and unpaid dividends thereon (whether or not authorized or declared) to, but excluding, the Change of Control Conversion Date (unless the Change of Control Conversion Date is after a dividend record date and prior to the corresponding dividend payment date for the Series F Preferred Stock, in which case no additional amount for such accumulated and unpaid dividends to be paid on such dividend payment date will be included in this sum) by (ii) the Common Stock Price, as defined below (such quotient, the “Conversion Rate”); and
- 2.80269, or the “Share Cap,” subject to certain adjustments as described below. The Share Cap has been adjusted to reflect the one-for-four reverse stock split of the outstanding shares of our common stock effected on March 9, 2023.

Notwithstanding anything in the Series F Articles Supplementary to the contrary and except as otherwise required by law, the persons who are the holders of record of shares of Series F Preferred Stock at the close of business on a dividend record date will be entitled to receive the dividend payable on the corresponding dividend payment date notwithstanding the conversion of those shares after such dividend record date and on or prior to such dividend payment date and, in such case, the full amount of such dividend will be paid on such dividend payment date to the persons who were the holders of record at the close of business on such dividend record date. Except as provided above, we will make no allowance for unpaid dividends that are not in arrears on the shares of Series F Preferred Stock to be converted.

The Share Cap is subject to pro rata adjustments for any share splits (including those effected pursuant to a distribution of our common stock to existing holders of our common stock), subdivisions or combinations (in each case, a “Share Split”) with respect to our common stock as follows: the adjusted Share Cap as the result of a Share Split will be the number of shares of our common stock that is equivalent to the product obtained by multiplying (i) the Share Cap in effect immediately prior to such Share Split by (ii) a fraction, the numerator of which is the number of shares of our common stock outstanding immediately after giving effect to such Share Split and the denominator of which is the number of shares of our common stock outstanding immediately prior to such Share Split.

For the avoidance of doubt, subject to the immediately succeeding paragraph, the aggregate number of shares of our common stock (or equivalent Alternative Conversion Consideration (as defined below), as applicable) issuable or deliverable, as applicable, in connection with the exercise of the Change of Control Conversion Right will not exceed the product of the Share Cap times the aggregate number of shares of the Series F Preferred Stock issued and outstanding at the Change of Control Conversion Date (or equivalent Alternative Conversion Consideration, as applicable) (the “Exchange Cap”). The Exchange Cap is subject to pro rata adjustments for any Share Splits on the same basis as the corresponding adjustment to the Share Cap.

In the case of a Change of Control pursuant to which our common stock is or will be converted into cash, securities or other property or assets (including any combination thereof) (the “Alternative Form Consideration”), a holder of Series F Preferred Stock will receive upon conversion of such shares of Series F Preferred Stock the kind and amount of Alternative Form Consideration which such holder would have owned or been entitled to receive upon the Change of Control had such holder held a number of shares of our common stock equal to the Common Stock Conversion Consideration immediately prior to the effective time of the Change of Control (the “Alternative Conversion Consideration”). The Common Stock Conversion Consideration or the Alternative Conversion Consideration, whichever is applicable to a Change of Control, is referred to as the “Conversion Consideration.”

If the holders of our common stock have the opportunity to elect the form of consideration to be received in the Change of Control, the Conversion Consideration in respect of such Change of Control will be deemed to be the kind and amount of consideration actually received by holders of a majority of the outstanding shares of our common stock that made or voted for such an election (if electing between two types of consideration) or holders of a plurality of the outstanding shares of our common stock that made or voted for such an election (if electing between more than two types of consideration), as the case may be, and will be subject to any limitations to which all holders of our common stock are subject, including, without limitation, pro rata reductions applicable to any portion of the consideration payable in such Change of Control.

We will not issue fractional shares of our common stock upon the conversion of the Series F Preferred Stock in connection with a Change of Control. Instead, we will make a cash payment equal to the value of such fractional shares based upon the Common Stock Price used in determining the Common Stock Conversion Consideration for such Change of Control.

Within 15 days following the occurrence of a Change of Control, provided that we have not exercised our right to redeem all shares of Series F Preferred Stock pursuant to the redemption provisions described above, we will provide to holders of Series F Preferred Stock a notice of occurrence of the Change of Control that describes the resulting Change of Control Conversion Right, which notice will be delivered to the holders of record of the shares of Series F Preferred Stock to their addresses as they appear on our stock records. No failure to give such notice or any defect thereto or in the giving thereof will affect the validity of the proceedings for the conversion of any shares of Series F Preferred Stock except as to the holder to whom notice was defective or not given. This notice will state the following:

- the events constituting the Change of Control;
- the date of the Change of Control;
- the last date on which the holders of Series F Preferred Stock may exercise their Change of Control Conversion Right;
- the method and period for calculating the Common Stock Price;
- the Change of Control Conversion Date;
- that if, prior to the Change of Control Conversion Date, we have provided notice of our election to redeem all or any shares of Series F Preferred Stock, holders of Series F Preferred Stock that are subject to such redemption will not be able to convert the shares of Series F Preferred Stock called for redemption and such shares will be redeemed on the related redemption date, even if such shares have already been tendered for conversion pursuant to the Change of Control Conversion Right;
- if applicable, the type and amount of Alternative Conversion Consideration entitled to be received per share of Series F Preferred Stock;
- the name and address of the paying agent, transfer agent and conversion agent for the Series F Preferred Stock;
- the procedures that the holders of Series F Preferred Stock must follow to exercise the Change of Control Conversion Right (including procedures for surrendering shares of Series F Preferred Stock for conversion through the facilities of a Depository (as defined below)), including the form of conversion notice to be delivered by such holders as described below; and
- the last date on which holders of Series F Preferred Stock may withdraw shares of Series F Preferred Stock surrendered for conversion and the procedures that such holders must follow to effect such a withdrawal.

Under such circumstances, we also will issue a press release containing such notice for publication on the Dow Jones & Company, Inc., Wall Street Journal, Business Wire, PR Newswire or Bloomberg Business News (or, if these organizations are not in existence at the time of issuance of the press release, such other news or press organization as is reasonably calculated to broadly disseminate the relevant information to the public), and post a notice on our website (if any), in any event prior to the opening of business on the first business day following any date on which we provide the notice described above to the holders of Series F Preferred Stock.

To exercise the Change of Control Conversion Right, the holders of Series F Preferred Stock will be required to deliver, on or before the close of business on the Change of Control Conversion Date, the certificates (if any) representing the shares of Series F Preferred Stock to be converted, duly endorsed for transfer (or, in the case of any shares of Series F Preferred Stock held in book-entry form through a Depository or shares directly registered with the transfer agent therefor, to deliver, on or before the close of business on the Change of Control Conversion Date, the shares of Series F Preferred Stock to be converted through the facilities of such Depository or through such transfer agent, respectively), together with a written conversion notice in the form provided by us, duly completed, to our transfer agent. The conversion notice must state:

- the relevant Change of Control Conversion Date;
- the number of shares of Series F Preferred Stock to be converted; and
- that the shares of the Series F Preferred Stock are to be converted pursuant to the applicable provisions of the Series F Articles Supplementary.

The "Change of Control Conversion Date" is the date the Series F Preferred Stock is to be converted, which will be a business day selected by us that is not fewer than 20 days nor more than 35 days after the date on which we provide the notice described above to the holders of Series F Preferred Stock.

The "Common Stock Price" is (i) if the consideration to be received in the Change of Control by the holders of our common stock is solely cash, the amount of cash consideration per share of our common stock or (ii) if the consideration to be received in the Change of Control by holders of our common stock is other than solely cash (x) the average of the closing sale prices per share of our common stock (or, if no closing sale price is reported, the average of the closing bid and ask prices per share or, if more than one in either case, the average of the average closing bid and the average closing ask prices per share) for the ten consecutive trading days immediately preceding, but not including, the date on which such Change of Control occurred as reported on the principal U.S. securities exchange on which our common stock is then traded, or (y) if our common stock is not then listed for trading on a U.S. securities exchange, the average of the last quoted bid prices for our common stock in the over-the-counter market as reported by OTC Markets Group Inc. or similar organization for the ten consecutive trading days immediately preceding, but not including, the date on which such Change of Control occurred.

Holders of Series F Preferred Stock may withdraw any notice of exercise of a Change of Control Conversion Right (in whole or in part) by a written notice of withdrawal delivered to our transfer agent prior to the close of business on the business day prior to the Change of Control Conversion Date. The notice of withdrawal delivered by any holder must state:

- the number of withdrawn shares of Series F Preferred Stock;
- if certificated shares of Series F Preferred Stock have been surrendered for conversion, the certificate numbers of the withdrawn shares of Series F Preferred Stock; and
- the number of shares of Series F Preferred Stock, if any, which remain subject to the holder's conversion notice.

Notwithstanding the foregoing, if any shares of Series F Preferred Stock are held in book-entry form through The Depository Trust Company ("DTC") or a similar depository (each, a "Depository"), the conversion notice and/or the notice of withdrawal, as applicable, must comply with applicable procedures, if any, of the applicable Depository.

Shares of Series F Preferred Stock as to which the Change of Control Conversion Right has been properly exercised and for which the conversion notice has not been properly withdrawn will be converted into the applicable Conversion Consideration in accordance with the Change of Control Conversion Right on the Change of Control Conversion Date, unless prior to the Change of Control Conversion Date we have provided notice of our election to redeem some or all of the shares of Series F Preferred Stock, as described above under “—Redemption,” in which case only the shares of Series F Preferred Stock properly surrendered for conversion and not properly withdrawn that are not called for redemption will be converted as aforesaid. If we elect to redeem shares of Series F Preferred Stock that would otherwise be converted into the applicable Conversion Consideration on a Change of Control Conversion Date, such shares of Series F Preferred Stock will not be so converted and the holders of such shares will be entitled to receive on the applicable redemption date the redemption price described above under “—Redemption—Optional Redemption” or “—Redemption—Special Optional Redemption,” as applicable.

We will deliver all securities, cash and any other property owing upon conversion no later than the third business day following the Change of Control Conversion Date. Notwithstanding the foregoing, the persons entitled to receive any shares of our common stock or other securities delivered on conversion will be deemed to have become the holders of record thereof as of the Change of Control Conversion Date.

In connection with the exercise of any Change of Control Conversion Right, we will comply with all applicable federal and state securities laws and stock exchange rules in connection with any conversion of shares of the Series F Preferred Stock into shares of our common stock or other property. Notwithstanding any other provision of the Series F Preferred Stock, no holder of Series F Preferred Stock will be entitled to convert such shares of the Series F Preferred Stock into shares of our common stock to the extent that receipt of such shares of common stock would cause such holder (or any other person) to violate the applicable restrictions on transfer and ownership of our stock contained in our charter, unless we provide an exemption from this limitation to such holder pursuant to the terms of our charter. Please see the sections entitled “—Restrictions on Transfer and Ownership” below and “Description of Common Stock—Restrictions on Ownership and Transfer” hereto.

The Change of Control conversion feature may make it more difficult for a third party to acquire us or discourage a party from acquiring us.

Except as provided above in connection with a Change of Control, the Series F Preferred Stock is not convertible into or exchangeable for any other securities or property.

Voting Rights

Holders of Series F Preferred Stock will not have any voting rights, except as set forth below.

Whenever dividends on any shares of Series F Preferred Stock are in arrears for six or more full quarterly Dividend Periods, whether or not consecutive, the number of directors constituting our board of directors will be automatically increased by two (if not already increased by two by reason of the election of directors by the holders of any other class or series of our Parity Stock upon which like voting rights have been conferred and are exercisable) and the holders of Series F Preferred Stock, voting as a single class with holders of the Parity Stock upon which like voting rights have been conferred and are exercisable, will be entitled to vote for the election of those two additional directors at a special meeting called by us at the request of the holders of record of at least 25% of the outstanding shares of Series F Preferred Stock and all other classes or series of our Parity Stock upon which like voting rights have been conferred and are exercisable to be held no later than 90 days after our receipt of such request (unless the request is received less than 90 days before the date fixed for the next annual or special meeting of our stockholders, in which case such vote will be held at the earlier of the next annual or special meeting of the stockholders to the extent permitted by applicable law), and at each subsequent annual meeting until all dividends accumulated on the Series F Preferred Stock for all past Dividend Periods and the then current Dividend Period will have been fully paid or declared and a sum sufficient for the payment thereof set apart for payment. In that case, the right of holders of Series F Preferred Stock to elect any directors will cease and, unless there are other classes or series of our Parity Stock upon which like voting rights have been conferred and are exercisable, the term of office of any directors elected by holders of Series F Preferred Stock will immediately terminate and the number of directors constituting the board of directors will be reduced accordingly. For the avoidance of doubt, in no event will the total number of directors elected by holders of Series F Preferred Stock (voting together as a single class with the Parity Stock upon which like voting rights have been conferred and are exercisable) pursuant to these voting rights exceed two. The directors elected by the holders of the Series F Preferred Stock and the holders of the Parity Stock upon which like voting rights have been conferred and are exercisable will be elected by a plurality of the votes cast by the holders of the outstanding shares of Series F Preferred Stock when they have the voting rights described in this paragraph and the Parity Stock upon which like voting rights have been conferred and are exercisable (voting together as a single class), with each such director to serve until our next annual meeting of stockholders and until their successors are duly elected and qualify or until such directors' right to hold the office terminates as described above, whichever occurs earlier.

On each matter on which holders of Series F Preferred Stock are entitled to vote, each share of Series F Preferred Stock will be entitled to one vote, except that when shares of any other class or series of preferred stock we may issue, including the Parity Stock, have the right to vote with the Series F Preferred Stock as a single class on any matter, the Series F Preferred Stock, the Parity Stock and each such other class or series of stock will have one vote for each \$25.00 of liquidation preference (excluding accumulated dividends). If, at any time when the voting rights conferred upon the Series F Preferred Stock are exercisable, any vacancy in the office of a director elected by the holders of the Parity Stock upon which like voting rights have been conferred and are exercisable occurs, then such vacancy may be filled only by the remaining director or by vote of the holders of the outstanding Series F Preferred Stock and any other classes or series of our Parity Stock upon which like voting rights have been conferred and are exercisable.

Any director elected by holders of shares of Series F Preferred Stock and any class or series of Parity Stock upon which like voting rights have been conferred and are exercisable may be removed at any time, with or without cause, only by the vote of, and may not be removed otherwise than by the vote of, the holders of record of a majority of the outstanding shares of Series F Preferred Stock and any such class or series of Parity Stock when they have the voting rights described above (voting as a single class with all other classes or series of Parity Stock upon which like voting rights have been conferred and are exercisable).

So long as any shares of Series F Preferred Stock remain outstanding, we will not, without the affirmative vote or consent of the holders of at least two-thirds of the shares of Series F Preferred Stock, and our Parity Stock upon which like voting rights have been conferred and are exercisable (voting together as a single class), (i) authorize, create, or increase the authorized or issued amount of, any class or series of Senior Stock or reclassify any of our authorized stock into such shares, or create or authorize or issue any obligation or security convertible into or evidencing the right to purchase any such shares or (ii) amend, alter or repeal the provisions of our charter, whether by merger, conversion, consolidation or otherwise, so as to materially and adversely affect any right, preference, privilege or voting power of the Series F Preferred Stock (each, an "Event"); provided, however, with respect to the occurrence of any Event set forth in clause (ii) above, so long as the Series F Preferred Stock remains outstanding with the terms thereof materially unchanged, or the holders of Series F Preferred Stock receive shares of stock or other equity interests with rights, preferences, privileges and voting powers substantially the same as those of the Series F Preferred Stock, taking into account that upon the occurrence of an Event we may not be the successor entity, the occurrence of any such Event will not be deemed to materially and adversely affect the rights, preferences, privileges or voting power of holders of Series F Preferred Stock; and, provided further, that any increase in the amount of the authorized or issued Series F Preferred Stock or the creation or issuance, or any increase in the amounts authorized of any Parity Stock, including Outstanding Series of Preferred Stock or Junior Stock, will not be deemed to materially and adversely affect the rights, preferences, privileges or voting powers of holders of Series F Preferred Stock. Notwithstanding the foregoing, holders of any class or series of Parity Stock will not be entitled to vote together as a class with the holders of the Series F Preferred Stock on any amendment, alteration or repeal of any provision of our charter unless such action affects the holders of the Series F Preferred Stock and such other Parity Stock equally.

The foregoing voting provisions will not apply if, at or prior to the time when the act with respect to which such vote would otherwise be required will be effected, all outstanding shares of Series F Preferred Stock have been redeemed or called for redemption upon proper notice and sufficient funds have been irrevocably set apart to effect such redemption.

Except as expressly stated in the Series F Articles Supplementary, the Series F Preferred Stock will not have any relative, participating, optional or other special voting rights or powers and the consent of the holders thereof will not be required for the taking of any corporate action. The holders of Series F Preferred Stock will have exclusive voting rights on any amendment to our charter that would alter the contract rights, as expressly set forth in the charter, of only the Series F Preferred Stock.

Information Rights

During any period in which we are not subject to Section 13 or 15(d) of the Exchange Act and any shares of Series F Preferred Stock are outstanding, we will use our best efforts to (i) transmit through our website at www.adamasreit.com (or other permissible means under the Exchange Act) copies of the Annual Reports on Form 10-K and Quarterly Reports on Form 10-Q that we would have been required to file with the SEC pursuant to Section 13 or 15(d) of the Exchange Act if we were subject thereto (other than any exhibits that would have been required). We will use our best efforts to provide such reports on our website within 15 days after the respective dates by which we would have been required to file such reports with the SEC if we were subject to Section 13 or 15(d) of the Exchange Act and we were a "non-accelerated filer" within the meaning of the Exchange Act.

Restrictions on Transfer and Ownership

The Series F Articles Supplementary provide that the aggregate stock ownership limitation included in our charter (as described under “Description of Common Stock—Restrictions on Ownership and Transfer” hereto) applies to ownership of shares of Series F Preferred Stock. Our charter provides that generally no person may own, or be deemed to own by virtue of the attribution provisions of the Code, either (i) more than 9.9% in value of the aggregate of our outstanding shares of capital stock or (ii) more than 9.9% in value or number of shares, whichever is more restrictive, of the aggregate of shares of our outstanding common stock. See “Description of Common Stock—Restrictions on Ownership and Transfer” hereto. No holder of Series F Preferred Stock will be entitled to convert any shares of Series F Preferred Stock into shares of our common stock to the extent that receipt of shares of our common stock would cause such holder or any other person to exceed the ownership limits contained in our charter. Our board of directors may, in its sole discretion, exempt a person from any of the ownership limits, as described under “Description of Common Stock—Restrictions on Ownership and Transfer” hereto.

Preemptive Rights

No holders of Series F Preferred Stock will, as holders of Series F Preferred Stock, have any preemptive rights to purchase or subscribe for our common stock or any of our other securities.

Effect of Benchmark Transition Event

Benchmark Replacement. If the calculation agent determines that a Benchmark Transition Event and its related Benchmark Replacement Date have occurred on or prior to the Reference Time in respect of any determination of the Benchmark on any date, then the Benchmark Replacement will replace the then-current Benchmark for all purposes relating to the Series F Preferred Stock during the Floating Rate Period in respect of such determination on such date and all determinations on all subsequent dates.

Benchmark Replacement Conforming Changes. In connection with the implementation of a Benchmark Replacement, the calculation agent will have the right to make Benchmark Replacement Conforming Changes from time to time.

Certain Defined Terms. As used herein:

“Benchmark Replacement” means the Interpolated Benchmark with respect to the then-current Benchmark, plus the Benchmark Replacement Adjustment for such Benchmark; provided that if (a) the calculation agent cannot determine the Interpolated Benchmark as of the Benchmark Replacement Date or (b) the then-current Benchmark is Three-Month Term SOFR and a Benchmark Transition Event and its related Benchmark Replacement Date have occurred with respect to Three-Month Term SOFR (in which event no Interpolated Benchmark with respect to Three-Month Term SOFR shall be determined), then “Benchmark Replacement” means the first alternative set forth in the order below that can be determined by the calculation agent as of the Benchmark Replacement Date:

- (1) Compounded SOFR;
- (2) the sum of: (a) the alternate rate that has been selected or recommended by the Relevant Governmental Body as the replacement for the then-current Benchmark for the applicable Corresponding Tenor and (b) the Benchmark Replacement Adjustment;
- (3) the sum of: (a) the ISDA Fallback Rate and (b) the Benchmark Replacement Adjustment;
- (4) the sum of: (a) the alternate rate that has been selected by the calculation agent as the replacement for the then-current Benchmark for the applicable Corresponding Tenor, giving due consideration to any industry-accepted rate as a replacement for the then-current Benchmark for U.S. dollar-denominated floating rate securities at such time, and (b) the Benchmark Replacement Adjustment.

"Benchmark Replacement Adjustment" means the first alternative set forth in the order below that can be determined by the calculation agent as of the Benchmark Replacement Date:

- (1) the spread adjustment, or method for calculating or determining such spread adjustment (which may be a positive or negative value or zero), that has been selected or recommended by the Relevant Governmental Body for the applicable Unadjusted Benchmark Replacement;
- (2) if the applicable Unadjusted Benchmark Replacement is equivalent to the ISDA Fallback Rate, then the ISDA Fallback Adjustment; and
- (3) the spread adjustment (which may be a positive or negative value or zero) that has been selected by the calculation agent giving due consideration to any industry-accepted spread adjustment or method for calculating or determining such spread adjustment, for the replacement of the then-current Benchmark with the applicable Unadjusted Benchmark Replacement for U.S. dollar-denominated floating rate securities at such time.

"Benchmark Replacement Conforming Changes" means, with respect to any Benchmark Replacement, any technical, administrative or operational changes (including changes to the definition of "dividend period," timing and frequency of determining rates with respect to each dividend period and making payments of dividends, rounding of amounts or tenors, and other administrative matters) that the calculation agent decides may be appropriate to reflect the adoption of such Benchmark Replacement in a manner substantially consistent with market practice (or, if the calculation agent decides that adoption of any portion of such market practice is not administratively feasible or if the calculation agent determines that no market practice for use of the Benchmark Replacement exists, in such other manner as the calculation agent determines is reasonably necessary).

"Benchmark Replacement Date" means the earliest to occur of the following events with respect to the then-current Benchmark:

- (1) in the case of clause (1) of the definition of "Benchmark Transition Event," the relevant Reference Time in respect of any determination;
- (2) in the case of clause (2) or (3) of the definition of "Benchmark Transition Event," the later of (a) the date of the public statement or publication of information referenced therein and (b) the date on which the administrator of the Benchmark permanently or indefinitely ceases to provide the Benchmark; or
- (3) in the case of clause (4) of the definition of "Benchmark Transition Event," the date of the public statement or publication of information referenced therein.

For the avoidance of doubt, for purposes of the definitions of Benchmark Replacement Date and Benchmark Transition Event, references to the Benchmark also include any reference rate underlying the Benchmark (for example, if the Benchmark becomes Compounded SOFR, references to the Benchmark would include SOFR).

For the avoidance of doubt, if the event giving rise to the Benchmark Replacement Date occurs on the same day as, but earlier than, the Reference Time in respect of any determination, the Benchmark Replacement Date will be deemed to have occurred prior to the Reference Time for such determination.

"Benchmark Transition Event" means the occurrence of one or more of the following events with respect to the then-current Benchmark:

- (1) if the Benchmark is Three-Month Term SOFR, (a) the Relevant Governmental Body has not selected or recommended a forward-looking term rate for a tenor of three months based on SOFR, (b) the development of a forward-looking term rate for a tenor of three months based on SOFR that has been recommended or selected by the Relevant Governmental Body is not complete or (c) we determine that the use of a forward-looking rate for a tenor of three months based on SOFR is not administratively feasible;

- (2) a public statement or publication of information by or on behalf of the administrator of the Benchmark announcing that such administrator has ceased or will cease to provide the Benchmark, permanently or indefinitely, provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide the Benchmark;
- (3) a public statement or publication of information by the regulatory supervisor for the administrator of the Benchmark, the central bank for the currency of the Benchmark, an insolvency official with jurisdiction over the administrator for the Benchmark, a resolution authority with jurisdiction over the administrator for the Benchmark or a court or an entity with similar insolvency or resolution authority over the administrator for the Benchmark, which states that the administrator of the Benchmark has ceased or will cease to provide the Benchmark permanently or indefinitely, provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide the Benchmark; or
- (4) a public statement or publication of information by the regulatory supervisor for the administrator of the Benchmark announcing that the Benchmark is no longer representative.

"Compounded SOFR" means the compounded average of SOFRs for the applicable Corresponding Tenor, with the rate, or methodology for this rate, and conventions for this rate being established by the calculation agent in accordance with:

- (1) the rate, or methodology for this rate, and conventions for this rate selected or recommended by the Relevant Governmental Body for determining compounded SOFR; provided that:
- (2) if, and to the extent that, the calculation agent determines that Compounded SOFR cannot be determined in accordance with clause (1) above, then the rate, or methodology for this rate, and conventions for this rate that have been selected by the calculation agent giving due consideration to any industry-accepted market practice for U.S. dollar-denominated floating rate securities at such time.

For the avoidance of doubt, the calculation of Compounded SOFR shall exclude the Benchmark Replacement Adjustment (if applicable) and the spread of 6.130% per annum.

"Corresponding Tenor" with respect to a Benchmark Replacement means a tenor (including overnight) having approximately the same length (disregarding business day adjustment) as the applicable tenor for the then-current Benchmark.

"Interpolated Benchmark" with respect to the Benchmark means the rate determined for the Corresponding Tenor by interpolating on a linear basis between: (1) the Benchmark for the longest period (for which the Benchmark is available) that is shorter than the Corresponding Tenor, and (2) the Benchmark for the shortest period (for which the Benchmark is available) that is longer than the Corresponding Tenor.

"ISDA" means the International Swaps and Derivatives Association, Inc. or any successor.

"ISDA Definitions" means the 2006 ISDA Definitions published by ISDA, as amended or supplemented from time to time, or any successor definitional booklet for interest rate derivatives published from time to time.

"ISDA Fallback Adjustment" means the spread adjustment (which may be a positive or negative value or zero) that would apply for derivatives transactions referencing the ISDA Definitions to be determined upon the occurrence of an index cessation event with respect to the Benchmark for the applicable tenor.

"ISDA Fallback Rate" means the rate that would apply for derivatives transactions referencing the ISDA Definitions to be effective upon the occurrence of an index cessation date with respect to the Benchmark for the applicable tenor excluding the applicable ISDA Fallback Adjustment.

"Unadjusted Benchmark Replacement" means the Benchmark Replacement excluding the Benchmark Replacement Adjustment.

The terms "FRBNY's Website," "Reference Time," "Relevant Governmental Body," "SOFR" and "Term SOFR" have the meanings set forth above under the heading "—Dividends."

Determinations and Decisions

The calculation agent is expressly authorized to make certain determinations, decisions and elections under the terms of the Series F Preferred Stock, including with respect to the use of Three-Month Term SOFR as the Benchmark for the Floating Rate Period and under the benchmark transition provisions. Any determination, decision or election that may be made by the calculation agent under the terms of the Series F Preferred Stock, including any determination with respect to a tenor, rate or adjustment or of the occurrence or non-occurrence of an event, circumstance or date and any decision to take or refrain from taking any action or any selection:

- will be conclusive and binding on the holders of the Series F Preferred Stock and the transfer agent absent manifest error;
- if made by us as calculation agent, will be made in our sole discretion;
- if made by a calculation agent other than us, will be made after consultation with us, and the calculation agent will not make any such determination, decision or election to which we reasonably object; and
- notwithstanding anything to the contrary in the articles supplementary, shall become effective without consent from the holders of the Series F Preferred Stock, the transfer agent or any other party.

Listing

Our Series F Preferred Stock listed on Nasdaq under the symbol "ADAML."

Our Series G Preferred Stock

Terms defined in this "Our Series G Preferred Stock" section have the meanings ascribed to such terms herein only when used in this "Our Series G Preferred Stock" section.

Maturity

The Series G Preferred Stock has no stated maturity and will not be subject to any sinking fund or mandatory redemption. Shares of the Series G Preferred Stock will remain outstanding indefinitely unless we decide to redeem or otherwise repurchase them or they become convertible and are converted as described below under "—Conversion Rights." We are not required to set apart for payment any funds to redeem the Series G Preferred Stock.

Ranking

The Series G Preferred Stock ranks, with respect to rights to the payment of dividends and other distributions and the distribution of assets upon our liquidation, dissolution or winding up:

- senior to all classes or series of our Junior Stock;
- on a parity with our Parity Stock;
- junior to any of our Senior Stock; and
- effectively junior to all of our existing and future indebtedness (including indebtedness convertible into or exchangeable for our common stock or preferred stock) and the indebtedness of our existing and future subsidiaries.

Dividends

Holders of shares of the Series G Preferred Stock are entitled to receive, when, as and if authorized by our board of directors and declared by us, out of funds legally available for the payment of dividends, cumulative cash dividends at a rate of 7.000% of the \$25.00 per share liquidation preference per annum (equivalent to \$1.75 per annum per share). Dividends on the Series G Preferred Stock will accumulate daily and with respect to any shares of Series G Preferred Stock issued before January 15, 2022, will be cumulative from, and including, November 24, 2021 (the "original issue date"), or, with respect to any shares of Series G Preferred Stock issued on or after January 15, 2022, will be cumulative from the most recent dividend payment date to which dividends have been paid in full, and will be payable quarterly in arrears on the 15th day of each January, April, July and October, beginning on January 15, 2022 (each, a "dividend payment date"). If any dividend payment is a day that is not a Business Day, then the dividend which would otherwise have been payable on that dividend payment date will instead be paid on the immediately succeeding business day with the same force and effect as if paid on such dividend payment date. No interest, additional dividends or sums in lieu of interest will be payable for the period from and after that dividend payment date to that next succeeding Business Day. Any dividends payable on the Series G Preferred Stock, including dividends payable for the first Dividend Period and any partial Dividend Period, will be computed on the basis of a 360-day year consisting of twelve 30-day months. Dividends will be payable to holders of record as they appear on our stock records at the close of business on the applicable record date, which will be the first day of the calendar month (whether or not a Business Day) in which the applicable dividend payment date falls (each, a "dividend record date"). The dividends payable on any dividend payment date shall include dividends accumulated to, but not including, such dividend payment date.

"Dividend Period" means the period from, and including, a dividend payment date to, but excluding, the next succeeding dividend payment date, except for the initial Dividend Period, which was be the period from, and including, the original issue date of the Series G Preferred Stock to, but excluding, January 15, 2022.

"Business Day" means any day, other than a Saturday or Sunday, that is neither a legal holiday nor a day on which banking institutions in New York, New York are authorized or required by law, regulation or executive order to close.

"Set apart for payment" is deemed to include (without limitation), without any action other than the following: the recording by us in our accounting ledgers of any accounting or bookkeeping entry which indicates, pursuant to an authorization by our board of directors and a declaration of dividends or other distribution by us, the allocation of funds to be so paid on any series or class of shares of our stock; provided, however, that if any funds for any class or series of Junior Stock or Parity Stock are placed in a separate account of our Company or delivered to a disbursing, paying or other similar agent, then "set apart for payment" with respect to the Series G Preferred Stock shall mean placing such funds in a separate account or delivering such funds to a disbursing, paying or other similar agent.

No dividends on shares of Series G Preferred Stock may be authorized by our board of directors or paid or set apart for payment by us at any time when the terms and provisions of any agreement of ours, including any agreement relating to our indebtedness, prohibit the authorization, payment or setting apart for payment thereof or provide that the authorization, payment or setting apart for payment thereof would constitute a breach of the agreement or a default under the agreement, or if the authorization, payment or setting apart for payment is restricted or prohibited by law.

Notwithstanding anything to the contrary contained herein, dividends on the Series G Preferred Stock will accumulate whether or not (i) the terms and provisions of any laws or agreements referred to in the preceding paragraph at any time prohibit the current payment of dividends, (ii) we have earnings, (iii) there are funds legally available for the payment of those dividends and (iv) those dividends are authorized and declared. No interest, or sum in lieu of interest, will be payable in respect of any dividend payment or payments on the Series G Preferred Stock which may be in arrears, and holders of Series G Preferred Stock will not be entitled to any dividends in excess of full cumulative dividends described above. Any dividend payment made on the Series G Preferred Stock will first be credited against the earliest accumulated but unpaid dividend due with respect to those shares.

Future dividends on our common stock and preferred stock will be at the discretion of our board of directors and will depend on, among other things, our results of operations, cash flow from operations, financial condition and capital requirements, the annual distribution requirements under the REIT provisions of the Code, applicable law, any debt service requirements and any other factors our board of directors deems relevant. Accordingly, we cannot guarantee that we will be able to make cash distributions on our Series G Preferred Stock or what the actual dividends will be for any future period.

Except as noted below, unless full cumulative dividends on the Series G Preferred Stock have been or contemporaneously are declared and paid or declared and a sum sufficient for the payment thereof is set apart for payment for all past Dividend Periods, no dividends (other than in shares of our Junior Stock) may be declared or paid or set apart for payment upon our Junior Stock or our Parity Stock and no other distribution may be declared or made upon our Junior Stock or our Parity Stock. In addition, our Junior Stock or Parity Stock may not be redeemed, purchased or otherwise acquired for any consideration (or any moneys be paid to or made available for a sinking fund for the redemption of any such securities) by us (except by conversion into or exchange for shares of, or options, warrants or rights to purchase or subscribe for, our Junior Stock or pursuant to an exchange offer made on the same terms to all holders of Series G Preferred Stock and all Parity Stock). The foregoing will not, however, prevent the redemption, purchase or acquisition by us of shares of any class or series of stock for the purpose of enforcing restrictions on transfer and ownership of our stock contained in our charter, including in order to preserve our qualification as a REIT for U.S. federal income tax purposes, or the redemption, purchase or acquisition by us of shares of our common stock for purposes of and in compliance with any incentive or benefit plan of ours.

When dividends are not paid in full (or a sum sufficient for such full payment is not so set apart) upon the Series G Preferred Stock and shares of any class or series of our Parity Stock, all dividends declared upon the Series G Preferred Stock and such Parity Stock must be declared pro rata so that the amount of dividends declared per share of Series G Preferred Stock and such Parity Stock will in all cases bear to each other the same ratio that accumulated dividends per share on the Series G Preferred Stock and such Parity Stock (which will not include any accrual in respect of unpaid dividends for prior Dividend Periods if such other Parity Stock do not have a cumulative dividend) bear to each other. No interest, or sum of money in lieu of interest, will be payable in respect of any dividend payment or payments on the Series G Preferred Stock which may be in arrears.

Liquidation Preference

In the event of our voluntary or involuntary liquidation, dissolution or winding up, the holders of Series G Preferred Stock will be entitled to be paid out of the assets we have legally available for distribution to our stockholders, subject to the preferential rights of the holders of any classes or series of our Senior Stock, a liquidation preference of \$25.00 per share, plus any accumulated and unpaid dividends thereon (whether or not authorized or declared) to, but excluding, the payment date, without interest, before any distribution of assets is made to holders of Junior Stock; and the holders of Series G Preferred Stock will not be entitled to any further payment.

In the event that, upon any such voluntary or involuntary liquidation, dissolution or winding up, our available assets are insufficient to pay the amount of the liquidating distributions on all outstanding shares of our Series G Preferred Stock and the corresponding amounts payable on all shares of our other Parity Stock, then the holders of our Series G Preferred Stock and all other such Parity Stock will share ratably in any such distribution of assets in proportion to the full liquidating distributions to which they would otherwise be respectively entitled.

Notice of any such liquidation will be given no fewer than 30 days and no more than 60 days prior to the payment date, to each holder of record of Series G Preferred Stock at the address of such holder as it appears on our stock records. After payment of the full amount of the liquidating distributions to which they are entitled, the holders of Series G Preferred Stock will have no right or claim to any of our remaining assets. The consolidation, conversion or merger of us with or into any other corporation, trust or entity or of any other entity with or into us, the sale, lease, transfer or conveyance of all or substantially all of our property or business or a statutory share exchange, will not be deemed to constitute a liquidation, dissolution or winding up of us (although such events may give rise to the special optional redemption and contingent conversion rights described below).

In determining whether a distribution (other than upon voluntary or involuntary liquidation), by dividend, redemption or other acquisition of shares of stock or otherwise, is permitted under Maryland law with respect to any share of any class or series of our stock, amounts that would be needed, if we were to be dissolved at the time of the distribution, to satisfy the preferential rights upon dissolution of holders of shares of Series G Preferred Stock will not be added to our total liabilities.

Redemption

The Series G Preferred Stock is not redeemable by us prior to January 15, 2027, except under circumstances where it is necessary to preserve our qualification as a REIT for U.S. federal income tax purposes (please see “—Restrictions on Transfer and Ownership” below and “Description of Common Stock—Restrictions on Ownership and Transfer” hereto) and except as described below under “—Special Optional Redemption” upon the occurrence of a Change of Control (as defined below).

Optional Redemption. On and after January 15, 2027, we may, at our option, upon not less than 30 nor more than 60 days’ notice, redeem the Series G Preferred Stock, in whole or in part, at any time or from time to time, for cash at a redemption price of \$25.00 per share, plus any accumulated and unpaid dividends thereon (whether or not authorized or declared) to, but excluding, the redemption date, without interest.

Special Optional Redemption. Upon the occurrence of a Change of Control, we may, at our option, upon not less than 30 nor more than 60 days’ notice, redeem the Series G Preferred Stock, in whole or in part, within 120 days on or after the first date on which such Change of Control occurred, for cash at a redemption price of \$25.00 per share, plus any accumulated and unpaid dividends thereon (whether or not authorized or declared) to, but excluding, the redemption date, without interest. If, prior to the Change of Control Conversion Date (as defined below), we have provided notice of our election to redeem some or all of the shares of Series G Preferred Stock (whether pursuant to our optional redemption right described above under “—Optional Redemption” or this special optional redemption right), the holders of Series G Preferred Stock will not have the Change of Control Conversion Right (as defined below) described below under “—Conversion Rights” with respect to the shares called for redemption.

A “Change of Control” is deemed to occur when, after the original issuance of the Series G Preferred Stock, the following have occurred and are continuing:

- the acquisition by any person, including any syndicate or group deemed to be a “person” under Section 13(d)(3) of the Exchange Act, of beneficial ownership, directly or indirectly, through a purchase, merger or other acquisition transaction or series of purchases, mergers or other acquisition transactions of our capital stock entitling that person to exercise more than 50% of the total voting power of all our capital stock entitled to vote generally in the election of our directors (except that such person will be deemed to have beneficial ownership of all securities that such person has the right to acquire, whether such right is currently exercisable or is exercisable only upon the occurrence of a subsequent condition); and
- following the closing of any transaction referred to in the bullet point above, neither we nor the acquiring or surviving entity has a class of common securities (or American Depositary Receipts representing such securities) listed on the NYSE, the NYSE American, LLC or the Nasdaq Stock Market, or listed or quoted on an exchange or quotation system that is a successor to the NYSE, the NYSE American, LLC or the Nasdaq Stock Market, or listed or quoted on a successor to the foregoing exchanges.

Redemption Procedures. In the event we elect to redeem Series G Preferred Stock pursuant to our optional redemption right or our special optional redemption right, the notice of redemption will be given by us, postage prepaid, not less than 30 nor more than 60 days prior to the redemption date, to each holder of record of Series G Preferred Stock called for redemption at such holder’s address as it appears on our stock records and will state the following:

- the redemption date;
- the number of shares of Series G Preferred Stock to be redeemed;

- the redemption price;
- the place or places where certificates (if any) for the Series G Preferred Stock are to be surrendered for payment of the redemption price;
- that dividends on the shares to be redeemed will cease to accumulate on the redemption date;
- if applicable, that such redemption is being made in connection with a Change of Control and, in that case, a brief description of the transaction or transactions constituting such Change of Control; and
- if such redemption is being made in connection with a Change of Control, that the holders of the shares of Series G Preferred Stock being so called for redemption will not be able to tender such shares of Series G Preferred Stock for conversion in connection with the Change of Control and that each share of Series G Preferred Stock tendered for conversion that is called, prior to the Change of Control Conversion Date, for redemption will be redeemed on the related date of redemption instead of converted on the Change of Control Conversion Date.

If less than all of the Series G Preferred Stock held by any holder is to be redeemed, the notice given to such holder will also specify the number of shares of Series G Preferred Stock held by such holder to be redeemed. No failure to give such notice or any defect thereto or in the giving thereof will affect the validity of the proceedings for the redemption of any shares of Series G Preferred Stock, except as to the holder to whom notice was defective or not given. Notwithstanding the foregoing, no notice of redemption will be required where we elect to redeem Series G Preferred Stock to preserve our status as a REIT.

Holders of shares of Series G Preferred Stock to be redeemed must surrender such shares at the place designated in the notice of redemption and will be entitled to the redemption price and any accumulated and unpaid dividends payable upon the redemption following the surrender.

If notice of redemption of any shares of Series G Preferred Stock has been given and if we have irrevocably set apart for payment the funds necessary for redemption (including any accumulated and unpaid dividends) in trust for the benefit of the holders of the shares of Series G Preferred Stock so called for redemption, then from and after the redemption date (unless we default in providing for the payment of the redemption price plus accumulated and unpaid dividends, if any), dividends will cease to accumulate on those shares of Series G Preferred Stock, those shares of Series G Preferred Stock will no longer be deemed outstanding and all rights of the holders of those shares will terminate, except the right to receive the redemption price plus accumulated and unpaid dividends, if any, payable upon redemption.

If any redemption date is not a Business Day, then the redemption price and accumulated and unpaid dividends, if any, payable upon redemption may be paid on the next Business Day and no interest, additional dividends or other sums will accumulate on the amount payable for the period from and after that redemption date to that next Business Day.

If less than all of the outstanding shares of Series G Preferred Stock are to be redeemed, the shares to be redeemed may be selected pro rata (as nearly as practicable without creating fractional shares) or by lot. If such redemption is to be by lot and, as a result of such redemption, any holder of shares of Series G Preferred Stock would become a holder of a number of shares of Series G Preferred Stock in excess of the ownership limit described in our charter, then the Company will redeem the requisite number of shares of such holder so that no holder will hold a number of shares in excess of the ownership limit provided in our charter. See "Description of Common Stock—Restrictions on Ownership and Transfer" and "Description of Preferred Stock—Our Series G Preferred Stock—Restrictions on Ownership" hereto.

Immediately prior to any redemption of Series G Preferred Stock, we will pay, in cash, any accumulated and unpaid dividends to, but excluding, the redemption date, unless a redemption date falls after a dividend record date and prior to the corresponding dividend payment date, in which case each holder of Series G Preferred Stock at the close of business on such dividend record date will be entitled to the dividend payable on such shares on the corresponding dividend payment date notwithstanding the redemption of such shares before such dividend payment date. Except as provided above, we will make no payment or allowance for unpaid dividends, whether or not in arrears, on shares of the Series G Preferred Stock to be redeemed.

Unless full cumulative dividends on all shares of Series G Preferred Stock have been or contemporaneously are declared and paid or declared and a sum sufficient for the payment thereof has been or contemporaneously is set apart for payment for all past Dividend Periods, no shares of Series G Preferred Stock may be redeemed unless all outstanding shares of Series G Preferred Stock are simultaneously redeemed, and we may not purchase or otherwise acquire directly or indirectly any shares of Series G Preferred Stock (except by conversion into or exchange for shares of, or options, warrants or rights to purchase or subscribe for, our Junior Stock or pursuant to a purchase or exchange offer made on the same terms to all holders of Series G Preferred Stock and all classes or series of Parity Stock); provided, however, that the foregoing will not prevent the redemption, purchase or acquisition by us of shares of Series G Preferred Stock for the purpose of enforcing restrictions on ownership and transfer of our stock contained in our charter, including in order to preserve our qualification as a REIT for U.S. federal income tax purposes.

Subject to applicable law, we may purchase shares of Series G Preferred Stock in the open market, by tender or by privately negotiated transactions. Any shares of Series G Preferred Stock that we acquire, by redemption or otherwise, will be reclassified as authorized but unissued shares of preferred stock, without designation as to class or series, and may thereafter be issued as any class or series of preferred stock.

Conversion Rights

Upon the occurrence of a Change of Control, each holder of Series G Preferred Stock will have the right (unless, prior to the Change of Control Conversion Date, we have provided notice of our election to redeem some or all of the shares of Series G Preferred Stock held by such holder as described above under "—Redemption," in which case such holder will have the right only with respect to shares of Series G Preferred Stock that are not called for redemption) to convert some or all of the shares of the Series G Preferred Stock held by such holder (the "Change of Control Conversion Right") on the Change of Control Conversion Date into a number of shares of our common stock per share of Series G Preferred Stock (the "Common Stock Conversion Consideration") equal to the lesser of:

- the quotient obtained by dividing (i) the sum of the \$25.00 liquidation preference per share of Series G Preferred Stock, plus any accumulated and unpaid dividends thereon (whether or not authorized or declared) to, but excluding, the Change of Control Conversion Date (unless the Change of Control Conversion Date is after a dividend record date and prior to the corresponding dividend payment date for the Series G Preferred Stock, in which case no additional amount for such accumulated and unpaid dividends to be paid on such dividend payment date will be included in this sum) by (ii) the Common Stock Price, as defined below (such quotient, the "Conversion Rate"); and
- 3.0413625, or the "Share Cap," subject to certain adjustments as described below. The Share Cap has been adjusted to reflect the one-for-four reverse stock split of the outstanding shares of our common stock effected on March 9, 2023.

Notwithstanding anything in the articles supplementary filed with the State Department of Assessment and Taxation of Maryland on November 23, 2021, setting forth the terms of the Series G Preferred Stock (the "Series G Articles Supplementary") to the contrary and except as otherwise required by law, the persons who are the holders of record of shares of Series G Preferred Stock at the close of business on a dividend record date will be entitled to receive the dividend payable on the corresponding dividend payment date notwithstanding the conversion of those shares after such dividend record date and on or prior to such dividend payment date and, in such case, the full amount of such dividend will be paid on such dividend payment date to the persons who were the holders of record at the close of business on such dividend record date. Except as provided above, we will make no allowance for unpaid dividends that are not in arrears on the shares of Series G Preferred Stock to be converted.

The Share Cap is subject to pro rata adjustments for any share splits (including those effected pursuant to a distribution of our common stock to existing holders of our common stock), subdivisions or combinations (in each case, a "Share Split") with respect to our common stock as follows: the adjusted Share Cap as the result of a Share Split will be the number of shares of our common stock that is equivalent to the product obtained by multiplying (i) the Share Cap in effect immediately prior to such Share Split by (ii) a fraction, the numerator of which is the number of shares of our common stock outstanding immediately after giving effect to such Share Split and the denominator of which is the number of shares of our common stock outstanding immediately prior to such Share Split.

For the avoidance of doubt, subject to the immediately succeeding paragraph, the aggregate number of shares of our common stock (or equivalent Alternative Conversion Consideration (as defined below), as applicable) issuable or deliverable, as applicable, in connection with the exercise of the Change of Control Conversion Right will not exceed the product of the Share Cap times the aggregate number of shares of the Series G Preferred Stock issued and outstanding at the Change of Control Conversion Date (or equivalent Alternative Conversion Consideration, as applicable) (the "Exchange Cap"). The Exchange Cap is subject to pro rata adjustments for any Share Splits on the same basis as the corresponding adjustment to the Share Cap.

In the case of a Change of Control pursuant to which our common stock is or will be converted into cash, securities or other property or assets (including any combination thereof) (the "Alternative Form Consideration"), a holder of Series G Preferred Stock will receive upon conversion of such shares of Series G Preferred Stock the kind and amount of Alternative Form Consideration which such holder would have owned or been entitled to receive upon the Change of Control had such holder held a number of shares of our common stock equal to the Common Stock Conversion Consideration immediately prior to the effective time of the Change of Control (the "Alternative Conversion Consideration"). The Common Stock Conversion Consideration or the Alternative Conversion Consideration, whichever is applicable to a Change of Control, is referred to as the "Conversion Consideration."

If the holders of our common stock have the opportunity to elect the form of consideration to be received in the Change of Control, the Conversion Consideration in respect of such Change of Control will be deemed to be the kind and amount of consideration actually received by holders of a majority of the outstanding shares of our common stock that made or voted for such an election (if electing between two types of consideration) or holders of a plurality of the outstanding shares of our common stock that made or voted for such an election (if electing between more than two types of consideration), as the case may be, and will be subject to any limitations to which all holders of our common stock are subject, including, without limitation, pro rata reductions applicable to any portion of the consideration payable in such Change of Control.

We will not issue fractional shares of our common stock upon the conversion of the Series G Preferred Stock in connection with a Change of Control. Instead, we will make a cash payment equal to the value of such fractional shares based upon the Common Stock Price used in determining the Common Stock Conversion Consideration for such Change of Control.

Within 15 days following the occurrence of a Change of Control, provided that we have not exercised our right to redeem all shares of Series G Preferred Stock pursuant to the redemption provisions described above, we will provide to holders of Series G Preferred Stock a notice of occurrence of the Change of Control that describes the resulting Change of Control Conversion Right, which notice will be delivered to the holders of record of the shares of Series G Preferred Stock to their addresses as they appear on our stock records. No failure to give such notice or any defect thereto or in the giving thereof will affect the validity of the proceedings for the conversion of any shares of Series G Preferred Stock except as to the holder to whom notice was defective or not given. This notice will state the following:

- the events constituting the Change of Control;
- the date of the Change of Control;
- the last date on which the holders of Series G Preferred Stock may exercise their Change of Control Conversion Right;
- the method and period for calculating the Common Stock Price;
- the Change of Control Conversion Date;
- that if, prior to the Change of Control Conversion Date, we have provided notice of our election to redeem all or any shares of Series G Preferred Stock, holders of Series G Preferred Stock that are subject to such redemption will not be able to convert the shares of Series G Preferred Stock called for redemption and such shares will be redeemed on the related redemption date, even if such shares have already been tendered for conversion pursuant to the Change of Control Conversion Right;
- if applicable, the type and amount of Alternative Conversion Consideration entitled to be received per share of Series G Preferred Stock;
- the name and address of the paying agent, transfer agent and conversion agent for the Series G Preferred Stock;
- the procedures that the holders of Series G Preferred Stock must follow to exercise the Change of Control Conversion Right (including procedures for surrendering shares of Series G Preferred Stock for conversion through the facilities of a Depositary (as defined below)), including the form of conversion notice to be delivered by such holders as described below; and
- the last date on which holders of Series G Preferred Stock may withdraw shares of Series G Preferred Stock surrendered for conversion and the procedures that such holders must follow to effect such a withdrawal.

Under such circumstances, we also will issue a press release containing such notice for publication on the Dow Jones & Company, Inc., Wall Street Journal, Business Wire, PR Newswire or Bloomberg Business News (or, if these organizations are not in existence at the time of issuance of the press release, such other news or press organization as is reasonably calculated to broadly disseminate the relevant information to the public), and post a notice on our website (if any), in any event prior to the opening of business on the first Business Day following any date on which we provide the notice described above to the holders of Series G Preferred Stock.

To exercise the Change of Control Conversion Right, the holders of Series G Preferred Stock will be required to deliver, on or before the close of business on the Change of Control Conversion Date, the certificates (if any) representing the shares of Series G Preferred Stock to be converted, duly endorsed for transfer (or, in the case of any shares of Series G Preferred Stock held in book-entry form through a Depositary or shares directly registered with the transfer agent therefor, to deliver, on or before the close of business on the Change of Control Conversion Date, the shares of Series G Preferred Stock to be converted through the facilities of such Depositary or through such transfer agent, respectively), together with a written conversion notice in the form provided by us, duly completed, to our transfer agent. The conversion notice must state:

- the relevant Change of Control Conversion Date;
- the number of shares of Series G Preferred Stock to be converted; and
- that the shares of the Series G Preferred Stock are to be converted pursuant to the applicable provisions of the Series G Articles Supplementary.

The "Change of Control Conversion Date" is the date the Series G Preferred Stock is to be converted, which will be a Business Day selected by us that is not fewer than 20 days nor more than 35 days after the date on which we provide the notice described above to the holders of Series G Preferred Stock.

The "Common Stock Price" is (i) if the consideration to be received in the Change of Control by the holders of our common stock is solely cash, the amount of cash consideration per share of our common stock or (ii) if the consideration to be received in the Change of Control by holders of our common stock is other than solely cash (x) the average of the closing sale prices per share of our common stock (or, if no closing sale price is reported, the average of the closing bid and ask prices per share or, if more than one in either case, the average of the average closing bid and the average closing ask prices per share) for the ten consecutive trading days immediately preceding, but not including, the date on which such Change of Control occurred as reported on the principal U.S. securities exchange on which our common stock is then traded, or (y) if our common stock is not then listed for trading on a U.S. securities exchange, the average of the last quoted bid prices for our common stock in the over-the-counter market as reported by OTC Markets Group Inc. or similar organization for the ten consecutive trading days immediately preceding, but not including, the date on which such Change of Control occurred.

Holders of Series G Preferred Stock may withdraw any notice of exercise of a Change of Control Conversion Right (in whole or in part) by a written notice of withdrawal delivered to our transfer agent prior to the close of business on the Business Day prior to the Change of Control Conversion Date. The notice of withdrawal delivered by any holder must state:

- the number of withdrawn shares of Series G Preferred Stock;
- if certificated shares of Series G Preferred Stock have been surrendered for conversion, the certificate numbers of the withdrawn shares of Series G Preferred Stock; and
- the number of shares of Series G Preferred Stock, if any, which remain subject to the holder's conversion notice.

Notwithstanding the foregoing, if any shares of Series G Preferred Stock are held in book-entry form through The Depository Trust Company ("DTC") or a similar depository (each, a "Depository"), the conversion notice and/or the notice of withdrawal, as applicable, must comply with applicable procedures, if any, of the applicable Depository.

Shares of Series G Preferred Stock as to which the Change of Control Conversion Right has been properly exercised and for which the conversion notice has not been properly withdrawn will be converted into the applicable Conversion Consideration in accordance with the Change of Control Conversion Right on the Change of Control Conversion Date, unless prior to the Change of Control Conversion Date we have provided notice of our election to redeem some or all of the shares of Series G Preferred Stock, as described above under "—Redemption," in which case only the shares of Series G Preferred Stock properly surrendered for conversion and not properly withdrawn that are not called for redemption will be converted as aforesaid. If we elect to redeem shares of Series G Preferred Stock that would otherwise be converted into the applicable Conversion Consideration on a Change of Control Conversion Date, such shares of Series G Preferred Stock will not be so converted and the holders of such shares will be entitled to receive on the applicable redemption date the redemption price described above under "—Redemption—Optional Redemption" or "—Redemption—Special Optional Redemption," as applicable.

We will deliver all securities, cash and any other property owing upon conversion no later than the third Business Day following the Change of Control Conversion Date. Notwithstanding the foregoing, the persons entitled to receive any shares of our common stock or other securities delivered on conversion will be deemed to have become the holders of record thereof as of the Change of Control Conversion Date.

In connection with the exercise of any Change of Control Conversion Right, we will comply with all applicable federal and state securities laws and stock exchange rules in connection with any conversion of shares of the Series G Preferred Stock into shares of our common stock or other property. Notwithstanding any other provision of the Series G Preferred Stock, no holder of Series G Preferred Stock will be entitled to convert such shares of the Series G Preferred Stock into shares of our common stock to the extent that receipt of such shares of common stock would cause such holder (or any other person) to violate the applicable restrictions on transfer and ownership of our stock contained in our charter, unless we provide an exemption from this limitation to such holder pursuant to the terms of our charter. Please see the sections entitled “—Restrictions on Transfer and Ownership” below and “Description of Common Stock—Restrictions on Ownership and Transfer” hereto.

The Change of Control conversion feature may make it more difficult for a third party to acquire us or discourage a party from acquiring us.

Except as provided above in connection with a Change of Control, the Series G Preferred Stock is not convertible into or exchangeable for any other securities or property.

Voting Rights

Holders of Series G Preferred Stock will not have any voting rights, except as set forth below.

Whenever dividends on any shares of Series G Preferred Stock are in arrears for six or more full quarterly Dividend Periods, whether or not consecutive, the number of directors constituting our board of directors will be automatically increased by two (if not already increased by two by reason of the election of directors by the holders of any other class or series of our Parity Stock upon which like voting rights have been conferred and are exercisable) and the holders of Series G Preferred Stock, voting as a single class with holders of the Parity Stock upon which like voting rights have been conferred and are exercisable, will be entitled to vote for the election of those two additional directors at a special meeting called by us at the request of the holders of record of at least 25% of the outstanding shares of Series G Preferred Stock and all other classes or series of our Parity Stock upon which like voting rights have been conferred and are exercisable to be held no later than 90 days after our receipt of such request (unless the request is received less than 90 days before the date fixed for the next annual or special meeting of our stockholders, in which case such vote will be held at the earlier of the next annual or special meeting of the stockholders to the extent permitted by applicable law), and at each subsequent annual meeting until all dividends accumulated on the Series G Preferred Stock for all past Dividend Periods and the then current Dividend Period will have been fully paid or declared and a sum sufficient for the payment thereof set apart for payment. In that case, the right of holders of Series G Preferred Stock to elect any directors will cease and, unless there are other classes or series of our Parity Stock upon which like voting rights have been conferred and are exercisable, the term of office of any directors elected by holders of Series G Preferred Stock will immediately terminate and the number of directors constituting the board of directors will be reduced accordingly. For the avoidance of doubt, in no event will the total number of directors elected by holders of Series G Preferred Stock (voting together as a single class with the Parity Stock upon which like voting rights have been conferred and are exercisable) pursuant to these voting rights exceed two. The directors elected by the holders of the Series G Preferred Stock and the holders of the Parity Stock upon which like voting rights have been conferred and are exercisable will be elected by a plurality of the votes cast by the holders of the outstanding shares of Series G Preferred Stock when they have the voting rights described in this paragraph and the Parity Stock upon which like voting rights have been conferred and are exercisable (voting together as a single class), with each such director to serve until our next annual meeting of stockholders and until their successors are duly elected and qualify or until such directors' right to hold the office terminates as described above, whichever occurs earlier.

On each matter on which holders of Series G Preferred Stock are entitled to vote, each share of Series G Preferred Stock will be entitled to one vote, except that when shares of any other class or series of preferred stock we may issue, including the Parity Stock, have the right to vote with the Series G Preferred Stock as a single class on any matter, the Series G Preferred Stock, the Parity Stock and each such other class or series of stock will have one vote for each \$25.00 of liquidation preference (excluding accumulated dividends). If, at any time when the voting rights conferred upon the Series G Preferred Stock are exercisable, any vacancy in the office of a director elected by the holders of the Parity Stock upon which like voting rights have been conferred and are exercisable occurs, then such vacancy may be filled only by the remaining director or by vote of the holders of the outstanding Series G Preferred Stock and any other classes or series of our Parity Stock upon which like voting rights have been conferred and are exercisable.

Any director elected by holders of shares of Series G Preferred Stock and any class or series of Parity Stock upon which like voting rights have been conferred and are exercisable may be removed at any time, with or without cause, only by the vote of, and may not be removed otherwise than by the vote of, the holders of record of a majority of the outstanding shares of Series G Preferred Stock and any such class or series of Parity Stock when they have the voting rights described above (voting as a single class with all other classes or series of Parity Stock upon which like voting rights have been conferred and are exercisable).

So long as any shares of Series G Preferred Stock remain outstanding, we will not, without the affirmative vote or consent of the holders of at least two-thirds of the shares of Series G Preferred Stock, and our Parity Stock upon which like voting rights have been conferred and are exercisable (voting together as a single class), (i) authorize, create, or increase the authorized or issued amount of, any class or series of Senior Stock or reclassify any of our authorized stock into such shares, or create or authorize or issue any obligation or security convertible into or evidencing the right to purchase any such shares or (ii) amend, alter or repeal the provisions of our charter, whether by merger, conversion, consolidation or otherwise, so as to materially and adversely affect any right, preference, privilege or voting power of the Series G Preferred Stock (each, an "Event"), provided, however, with respect to the occurrence of any Event set forth in clause (ii) above, so long as the Series G Preferred Stock remains outstanding with the terms thereof materially unchanged, or the holders of Series G Preferred Stock receive shares of stock or other equity interests with rights, preferences, privileges and voting powers substantially the same as those of the Series G Preferred Stock, taking into account that upon the occurrence of an Event we may not be the successor entity, the occurrence of any such Event will not be deemed to materially and adversely affect the rights, preferences, privileges or voting power of holders of Series G Preferred Stock; and, provided further, that any increase in the amount of the authorized or issued Series G Preferred Stock or the creation or issuance, or any increase in the amounts authorized of any Parity Stock, including Outstanding Series of Preferred Stock or Junior Stock, will not be deemed to materially and adversely affect the rights, preferences, privileges or voting powers of holders of Series G Preferred Stock. Notwithstanding the foregoing, holders of any class or series of Parity Stock will not be entitled to vote together as a class with the holders of the Series G Preferred Stock on any amendment, alteration or repeal of any provision of our charter unless such action affects the holders of the Series G Preferred Stock and such other Parity Stock equally.

The foregoing voting provisions will not apply if, at or prior to the time when the act with respect to which such vote would otherwise be required will be effected, all outstanding shares of Series G Preferred Stock have been redeemed or called for redemption upon proper notice and sufficient funds have been irrevocably set apart to effect such redemption.

Except as expressly stated in the Series G Articles Supplementary, the Series G Preferred Stock will not have any relative, participating, optional or other special voting rights or powers and the consent of the holders thereof will not be required for the taking of any corporate action. The holders of Series G Preferred Stock will have exclusive voting rights on any amendment to our charter that would alter the contract rights, as expressly set forth in the charter, of only the Series G Preferred Stock.

Information Rights

During any period in which we are not subject to Section 13 or 15(d) of the Exchange Act and any shares of Series G Preferred Stock are outstanding, we will use our best efforts to (i) transmit through our website at www.adamasreit.com (or other permissible means under the Exchange Act) copies of the Annual Reports on Form 10-K and Quarterly Reports on Form 10-Q that we would have been required to file with the SEC pursuant to Section 13 or 15(d) of the Exchange Act if we were subject thereto (other than any exhibits that would have been required). We will use our best efforts to provide such reports on our website within 15 days after the respective dates by which we would have been required to file such reports with the SEC if we were subject to Section 13 or 15(d) of the Exchange Act and we were a "non-accelerated filer" within the meaning of the Exchange Act.

Restrictions on Transfer and Ownership

The Series G Articles Supplementary provide that the aggregate stock ownership limitation included in our charter (as described under "Description of Common Stock—Restrictions on Ownership and Transfer" hereto) applies to ownership of shares of Series G Preferred Stock. Our charter provides that generally no person may own, or be deemed to own by virtue of the attribution provisions of the Code, either (i) more than 9.9% in value of the aggregate of our outstanding shares of capital stock or (ii) more than 9.9% in value or number of shares, whichever is more restrictive, of the aggregate of shares of our outstanding common stock. See "Description of Common Stock—Restrictions on Ownership and Transfer" hereto. No holder of Series G Preferred Stock will be entitled to convert any shares of Series G Preferred Stock into shares of our common stock to the extent that receipt of shares of our common stock would cause such holder or any other person to exceed the ownership limits contained in our charter. Our board of directors may, in its sole discretion, exempt a person from any of the ownership limits, as described under "Description of Common Stock—Restrictions on Ownership and Transfer" hereto.

Preemptive Rights

No holders of Series G Preferred Stock will, as holders of Series G Preferred Stock, have any preemptive rights to purchase or subscribe for our common stock or any of our other securities.

Listing

Our Series G Preferred Stock listed on Nasdaq under the symbol "ADAMZ."

DESCRIPTION OF DEBT SECURITIES

Our 9.125% Senior Notes due 2029

The following is a description of the terms of our 9.125% Senior Notes due 2029 (the "2029 Notes"), and certain terms and provisions of the Second Supplemental Indenture (as defined below) that we entered into in connection with the offering of the 2029 Notes, which have been filed or incorporated by reference as exhibits to the Annual Report on Form 10-K of which this exhibit is a part. The following description is not intended to be comprehensive. Our description of the 2029 Notes below is qualified by reference to the Second Supplemental Indenture, which we urge you to read. Terms defined in this "Our 9.125% Senior Notes due 2029" section have the meanings ascribed to such terms herein only when used in this "Our 9.125% Senior Notes due 2029" section. Capitalized terms used but not otherwise defined herein have the meanings assigned to them in the Second Supplemental Indenture, and those definitions are incorporated herein by reference.

General

Subject to the discussion below, the 2029 Notes:

- were issued pursuant to an indenture, dated as of January 23, 2017, between the Company and U.S. Bank Trust Company, National Association, as successor to U.S. Bank National Association, as trustee (the "Base Indenture"), as supplemented by a supplemental indenture thereto, dated as of June 28, 2024, between the Company and U.S. Bank Trust Company, National Association, as successor to U.S. Bank National Association, as trustee (the "Second Supplemental Indenture," and, together with the Base Indenture, the "2029 Indenture"). The terms of the 2029 Notes include those expressly set forth in the 2029 Indenture and those made part of the 2029 Indenture by reference to the Trust Indenture Act. Copies of the 2029 Indenture and the form of the 2029 Notes have been filed with the SEC;
- were issued in the initial aggregate principal amount of \$60,000,000;
- will mature on July 1, 2029;
- were issued in minimum denominations of \$25 and integral multiples of \$25 in excess thereof;
- are redeemable at our option, in whole or in part, at any time on and after July 1, 2026, at a redemption price equal to 100% of the principal amount redeemed plus accrued and unpaid interest to, but excluding, the redemption date as described under "—Optional Redemption" below;
- are not convertible into, or exchangeable for, our common stock or any other securities;
- are not subject to a sinking fund; and
- are listed on the Nasdaq Global Select Market under the symbol "ADAMI".

Our subsidiaries are separate and distinct legal entities and have no obligation, contingent or otherwise, to pay any amounts due on the 2029 Notes or to make any funds available to us for payment on the 2029 Notes, whether by dividends, loans or other payments.

Additional 2029 Notes

We may, from time to time, issue additional 2029 Notes ranking equally and ratably with and with terms identical to the 2029 Notes initially issued under the 2029 Indenture, except with respect to issue date, issue price and, if applicable, the date from which interest will accrue, without notice to, or the consent of, any of the holders of the outstanding 2029 Notes, provided that if any such additional 2029 Notes are not fungible with the 2029 Notes initially issued under the 2029 Indenture for U.S. federal income tax purposes, such additional 2029 Notes will have separate CUSIP and ISIN numbers from the 2029 Notes initially issued under the 2029 Indenture. Any such additional 2029 Notes will carry the same right to receive accrued and unpaid interest as the 2029 Notes initially issued under the 2029 Indenture, and such additional 2029 Notes will form a single series with the 2029 Notes initially issued under the 2029 Indenture.

Ranking

The 2029 Notes:

- are our senior direct unsecured obligations;
- rank equal in right of payment to any of our existing and future unsecured and unsubordinated indebtedness that is not so subordinated, including our 9.125% Senior Notes due 2030, 9.875% Senior Notes due 2030 and 9.250% Senior Notes due 2031;
- are effectively subordinated in right of payment to any of our existing and future secured indebtedness to the extent of the value of the assets securing such indebtedness; and

- are structurally subordinated to all existing and future indebtedness and other liabilities (including trade payables) and (to the extent not held by us) preferred stock, if any, of our subsidiaries and of any entity we account for using the equity method of accounting.

Interest

The 2029 Notes bear interest at 9.125% per annum from, and including, June 28, 2024, and the subsequent interest periods will be the periods from, and including, an interest payment date to, but excluding, the next interest payment date or the stated maturity date or earlier redemption date, as the case may be. Interest is payable quarterly in arrears on January 1, April 1, July 1 and October 1 of each year, beginning on October 1, 2024, to the persons in whose names the 2029 Notes are registered at the close of business on December 15, March 15, June 15 and September 15, as the case may be, immediately before the relevant interest payment date. All payments will be made in U.S. dollars.

Interest on the 2029 Notes will be computed on the basis of a 360 day year consisting of twelve 30 day months. Interest payments are made only on a Business Day (as defined below). If any interest payment date falls on a day that is a non-Business Day, we will make the payment on the next day that is a Business Day. Payments made on the next Business Day in this situation will be treated under the 2029 Indenture as if they were made on the original due date. Such payment will not result in a Default under the 2029 Notes or the 2029 Indenture, and no interest will accrue on the payment amount from the original due date to the next day that is a Business Day. If payment of withholding taxes is required, we will not pay any additional amounts in respect of any amounts withheld with respect to the 2029 Notes.

“Business Day” means a day other than a Saturday, Sunday or any other day on which banking institutions in New York City or the location of the designated corporate trust office of the trustee are authorized or required by law, regulation or executive order to close.

“Default” means any event that is, or after notice or passage of time or both would be, an Event of Default (as defined in “— Events of Default” below).

We will pay interest to the person listed in the registrar’s records as the owner of the 2029 Notes at the close of business on the record date for the applicable interest payment date, even if that person no longer owns the note on the interest payment date. Because we pay all of the interest for an interest period to the holders on the record date, holders buying and selling the 2029 Notes must work out between themselves the appropriate purchase price. The most common manner is to adjust the sales price of the 2029 Notes to prorate interest fairly between buyer and seller based on their respective ownership periods within the particular interest period.

Maturity

The 2029 Notes will mature on July 1, 2029 and will be paid against presentation and surrender thereof at the designated corporate trust office of the trustee, unless earlier redeemed by us at our option as described under “Optional Redemption of the 2029 Notes” below. The 2029 Notes will not be entitled to the benefits of, or be subject to, any sinking fund. If the maturity date or any redemption date falls on a non-Business Day, we will make the payment on the next succeeding Business Day.

The 2029 Notes will not be subject to repayment at the option of the holder prior to the stated maturity date.

Optional Redemption of the 2029 Notes

On or after July 1, 2026, we may redeem for cash all or any portion of the 2029 Notes, at our option, at a redemption price equal to 100% of the principal amount of the 2029 Notes to be redeemed, plus accrued and unpaid interest to, but excluding, the redemption date.

Notwithstanding the foregoing, interest due on an interest payment date falling on or prior to a redemption date will be payable to holders at the close of business on the record date for such interest payment date.

We are required to give notice of such redemption not less than 30 days nor more than 60 days prior to the redemption date to each holder at its address appearing in the securities register maintained by the trustee. In the event we elect to redeem less than all of the 2029 Notes, the particular 2029 Notes to be redeemed will be selected by the trustee in accordance with policies and procedures of DTC.

Certain Covenants

Other than as described below under “— Offer to Repurchase Upon a Change of Control Repurchase Event,” and “— Consolidation, Merger and Sale of Assets,” the 2029 Indenture does not contain any provisions that would limit our ability to incur indebtedness or that would afford holders of the 2029 Notes protection in the event of a sudden and significant decline in our credit quality or a takeover, change of control, recapitalization or highly leveraged or similar transaction involving us. Accordingly, we could in the future enter into transactions that could increase the amount of indebtedness outstanding at that time or otherwise adversely affect our capital structure or credit rating.

The 2029 Indenture does not contain any financial covenants and does not restrict us from paying dividends or issuing or repurchasing any of our other securities. Other than the restrictions described under “Consolidation, Merger and Sale of Assets” below, the 2029 Indenture does not contain any covenants or other provisions designed to afford holders of the 2029 Notes protection in the event of a takeover, recapitalization, highly leveraged transaction or similar restructuring involving us that could adversely affect such holders.

Consolidation, Merger and Sale of Assets

The 2029 Indenture provides that we may not consolidate with or merge into any other corporation, nor may we transfer or lease substantially all of our assets and property to any other person, unless:

- the corporation formed by the consolidation or into which we are merged, or the person that acquires by conveyance or transfer, or that leases, substantially all of our property and assets:
 - is organized and validly existing under the laws of any domestic jurisdiction; and
 - expressly assumes by supplemental indenture our obligations on the 2029 Notes and under the 2029 Indenture;
- immediately after giving effect to the transaction, no Event of Default, and no event that (after notice or lapse of time or both) would become an Event of Default, has occurred and is continuing; and
- we have delivered to the trustee an officer’s certificate and opinion of counsel as provided in the 2029 Indenture.

Offer to Repurchase Upon a Change of Control Repurchase Event

If a Change of Control Repurchase Event (as defined below) occurs, unless we have exercised our option to redeem the 2029 Notes as described above, we will make an offer to each holder of the 2029 Notes to repurchase all or any part (in a principal amount of \$25 and integral multiples of \$25 in excess thereof) of that holder's 2029 Notes at a repurchase price in cash equal to 101% of the aggregate principal amount of the 2029 Notes repurchased plus any accrued and unpaid interest on the 2029 Notes repurchased to, but excluding, the date of repurchase. Within 30 days following any Change of Control Repurchase Event or, at our option, prior to any Change of Control, but after the public announcement of the Change of Control, we will give notice to each holder with copies to the trustee and the paying agent (if other than the trustee) describing the transaction or transactions that constitute or may constitute the Change of Control Repurchase Event and offering to repurchase the 2029 Notes on the payment date specified in the notice, which date will be no earlier than 30 days and no later than 60 days from the date such notice is given. The notice shall, if given prior to the date of consummation of the Change of Control, state that the offer to purchase is conditioned on the Change of Control Repurchase Event occurring on or prior to the payment date specified in the notice. We will comply with the requirements of Rule 14c-1 under the Exchange Act, and any other securities laws and regulations thereunder to the extent those laws and regulations are applicable in connection with the repurchase of the 2029 Notes as a result of a Change of Control Repurchase Event. To the extent that the provisions of any securities laws or regulations conflict with the Change of Control Repurchase Event provisions of the 2029 Notes, we will comply with the applicable securities laws and regulations and will not be deemed to have breached our obligations under the Change of Control Repurchase Event provisions of the 2029 Notes by virtue of such conflict.

On the Change of Control Repurchase Event payment date, we will, to the extent lawful:

- (1) accept for payment all 2029 Notes or portions of 2029 Notes properly tendered pursuant to our offer;
- (2) deposit with the trustee an amount equal to the aggregate purchase price in respect of all 2029 Notes or portions of 2029 Notes properly tendered; and
- (3) deliver or cause to be delivered to the trustee the 2029 Notes properly accepted, together with an officers' certificate stating the aggregate principal amount of 2029 Notes being purchased by us.

We will not be required to make an offer to repurchase the 2029 Notes upon a Change of Control Repurchase Event if (i) we or our successor delivered a notice to redeem in the manner, at the times and otherwise in compliance with the optional redemption and repayment provision described above prior to the occurrence of the Change of Control Repurchase Event or (ii) a third party makes an offer in respect of the 2029 Notes in the manner, at the times and otherwise in compliance with the requirements for an offer made by us and such third party purchases all 2029 Notes properly tendered and not withdrawn under its offer.

There can be no assurance that sufficient funds will be available at the time of any Change of Control Repurchase Event to make required repurchases of the 2029 Notes tendered. Our failure to repurchase the 2029 Notes upon a Change of Control Repurchase Event would result in a default under the 2029 Indenture. If the holders of the 2029 Notes exercise their right to require us to repurchase the 2029 Notes upon a Change of Control Repurchase Event, the financial effect of this repurchase could result in defaults under any credit facility or other debt instruments to which we are or could become party, including the acceleration of the payment of any borrowings thereunder. It is possible that we will not have sufficient funds at the time of the Change of Control Repurchase Event to make the required repurchase of our other debt and the 2029 Notes.

"Change of Control" means the occurrence of the following:

- the sale, assignment, lease, transfer or other conveyance (other than by way of merger or consolidation), in one or a series of related transactions, of all or substantially all of the properties and assets of the Company and its subsidiaries taken as a whole to any "person" (as that term is used in Section 13(d)(3) of the Exchange Act) other than to the Company or one or more of its subsidiaries or a combination thereof or a person controlled by the Company or one or more of its subsidiaries or a combination thereof; or

- the consummation of any transaction (including any merger or consolidation) the result of which is that any “person” (as that term is used in Section 13(d)(3) of the Exchange Act) (other than any subsidiary of the Company) becomes the “beneficial owner” (as defined in Rules 13d-3 and 13d-5 under the Exchange Act), directly or indirectly, of more than 50% of the outstanding Voting Stock of the Company, measured by voting power rather than number of shares or the like.

Notwithstanding the foregoing, a transaction shall not be deemed to involve a “Change of Control” if (i) the Company becomes a direct or indirect wholly owned subsidiary of a holding company and (ii)(A) the direct or indirect holders of the Voting Stock of such holding company immediately following such transaction are substantially the same as the holders of the Voting Stock of the Company immediately prior to such transaction or (B) immediately following such transaction no “person” (as that term is used in Section 13(d)(3) of the Exchange Act) (other than a holding company satisfying the requirements of this sentence) is the “beneficial owner” (as defined in Rules 13d-3 and 13d-5 under the Exchange Act), directly or indirectly, of more than 50% of the outstanding Voting Stock of such holding company, measured by voting power rather than number of shares or the like.

“Change of Control Repurchase Event” means that, following the consummation of a Change of Control, neither the Company nor the acquiring or surviving entity has a class of common securities (or American Depositary Receipts representing such securities) listed on the New York Stock Exchange (the “NYSE”), the NYSE American LLC (the “NYSE AMER”) or the Nasdaq Stock Market, or listed or quoted on an exchange or quotation system that is a successor to the NYSE, the NYSE AMER or the Nasdaq Stock Market. Notwithstanding the foregoing, no Change of Control Repurchase Event will be deemed to have occurred in connection with any particular Change of Control unless and until such Change of Control has actually been consummated.

“Control” means the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of a person, whether through the ownership of voting securities, by agreement or otherwise.

“Voting Stock,” as applied to stock of any person, means shares, interests, participations or other equivalents in the equity interest (however designated) in such person having ordinary voting power for the election of a majority of the directors (or the equivalent) of such person, other than shares, interests, participations or other equivalents having such power only by reason of the occurrence of a contingency.

Information Rights

We, pursuant to Section 314(a) of the Trust Indenture Act, shall: deliver to the trustee, within 15 days after we file the same with the SEC, copies of the annual reports and of the information, documents and other reports (or copies of such portions of any of the foregoing as the SEC may from time to time by rules and regulations prescribe) which we may be required to file with the SEC pursuant to Section 13 or Section 15(d) of the Exchange Act; or, if we are not required to file information, documents or reports pursuant to either of said Sections, then we shall deliver to the trustee and file with the SEC, in accordance with rules and regulations prescribed from time to time by the SEC, such of the supplementary and periodic information, documents and reports which may be required pursuant to Section 13 of the Exchange Act in respect of a security listed and registered on a national securities exchange as may be prescribed from time to time in such rules and regulations.

Events of Default

Any one of the following is an “Event of Default” with respect to the 2029 Notes:

- failure to pay any interest due within 30 days after it becomes due;
- failure to pay principal or premium, if any, when due;
- breach of or failure to perform any other covenant or warranty in the 2029 Indenture for 60 days (subject to extension under certain circumstances for another 120 days) after we receive notice from the trustee, or we and the trustee receive notice from the holders of at least 33% in principal amount of the 2029 Notes outstanding under the 2029 Indenture according to the provisions of the 2029 Indenture; and

- certain events of bankruptcy, insolvency or reorganization.

If an Event of Default with respect to a particular series of the 2029 Notes occurs and is continuing, either the trustee or the holders of at least 33% in principal amount of the outstanding 2029 Notes may declare the principal amount of all of the 2029 Notes to be due and payable immediately.

The 2029 Indenture includes provisions as to the duties of the trustee in case an Event of Default occurs and is continuing. Consistent with these provisions, the trustee will be under no obligation to exercise any of its rights or powers at the request or direction of any of the holders unless those holders have offered to the trustee reasonable security or indemnity against the costs, expenses and liabilities that may be incurred by it in compliance with such request or direction. Subject to these provisions for indemnification, the holders of a majority in principal amount of the outstanding 2029 Notes may direct the time, method and place of conducting any proceeding for any remedy available to the trustee, or exercising any trust or power conferred on the trustee, with respect to the 2029 Notes.

No holder of 2029 Notes may institute any proceeding regarding the 2029 Indenture, or for the appointment of a receiver or a trustee, or for any other remedy under the 2029 Indenture, except as provided in the 2029 Indenture.

We must furnish annually to the trustee a statement by an appropriate officer as to that officer's knowledge of our compliance with all conditions and covenants under the 2029 Indenture. Our compliance is to be determined without regard to any grace period or notice requirement under the 2029 Indenture.

Modification and Waiver

We and the trustee, without the consent of the holders of the 2029 Notes, may enter into one or more supplemental indentures for any of the following purposes:

- to evidence the assumption by any permitted successor of our covenants in the 2029 Indenture and the 2029 Notes;
- to add one or more covenants or other provisions for the benefit of the holders of outstanding 2029 Notes or to surrender any right or power conferred upon us by the 2029 Indenture;
- to add any additional events of default;
- to change or eliminate any provision of the 2029 Indenture or add any new provision to it, but if this action would adversely affect the interests of the holders of the 2029 Notes in any material respect, the action will not become effective with respect to the 2029 Notes while any 2029 Notes remain outstanding under the 2029 Indenture;
- to provide collateral security for the 2029 Notes;
- to establish the form or terms of the 2029 Notes according to the provisions of the 2029 Indenture;
- to provide for the authentication and delivery of bearer securities (and coupons representing any interest thereon) and for procedures for the registration, exchange and replacement of such bearer securities and for the giving of notice to, and the solicitation of the vote or consent of, the holders of such bearer securities, and for all related incidental matters;
- to evidence the acceptance of appointment of a successor trustee under the 2029 Indenture with respect to the 2029 Notes and to add to or change any of the provisions of the 2029 Indenture as necessary to provide for trust administration under the 2029 Indenture by more than one trustee;
- to provide for the procedures required to permit the use of a non-certificated system of registration for the 2029 Notes;
- to change any place where:

- the principal of and any premium and interest on the 2029 Notes are payable;
 - the 2029 Notes may be surrendered for registration of transfer or exchange; or
 - notices and demands to or upon us regarding the 2029 Notes and the 2029 Indenture may be served; or
- to cure any ambiguity or inconsistency, but only by means of changes or additions that will not adversely affect the interests of the holders of the 2029 Notes in any material respect.

The holders of at least a majority in aggregate principal amount of the outstanding 2029 Notes may waive:

- compliance by us with certain provisions of the 2029 Indenture; and
- any past default under the 2029 Indenture, except a default in the payment of principal, premium or interest and certain covenants and provisions of the 2029 Indenture that cannot be modified or amended without consent of each holder of each outstanding 2029 Note.

The Trust Indenture Act of 1939 may be amended after the date of the 2029 Indenture to require changes to the 2029 Indenture. In this event, the 2029 Indenture will be deemed to have been amended so as to effect the changes, and we and the trustee may, without the consent of any holders, enter into one or more supplemental indentures to evidence or effect the amendment.

Except as provided in this section, the consent of the holders of a majority in aggregate principal amount of the outstanding debt securities of all series issued pursuant to the 2029 Indenture, considered as one class, is required to change in any manner the 2029 Indenture pursuant to one or more supplemental indentures. If there are debt securities of more than one series outstanding under the 2029 Indenture and less than all of such series are directly affected by a proposed supplemental indenture, however, only the consent of the holders of a majority in aggregate principal amount of the outstanding debt securities of all series directly affected, considered as one class, will be required. In addition, an amendment or modification:

- may not, without the consent of each affected holder:
 - change the maturity of the principal of, or any installment of principal of or interest on, the 2029 Notes;
 - reduce the principal amount or the rate of interest, or the amount of any installment of interest, or change the method of calculating the rate of interest;
 - reduce any premium payable upon the redemption of the 2029 Notes;
 - change the currency or other property in which the 2029 Notes or premium or interest on the 2029 Notes is payable; or
 - impair the right to institute suit for the enforcement of any payment on or after the stated maturity, or in the case of redemption, on or after the redemption date, of the 2029 Notes;
- may not reduce the percentage of principal amount requirement for consent of the holders for any supplemental indenture, or for any waiver of compliance with any provision of or any default under the 2029 Indenture, or reduce the requirements for quorum or voting, without the consent of the holder of each affected holder; and
- may not modify provisions of the 2029 Indenture relating to supplemental indentures, waivers of certain covenants and waivers of past defaults with respect to the 2029 Notes of any series, or any tranche of a series, without the consent of each affected holder.

A supplemental indenture will be deemed not to affect the rights under the 2029 Indenture of the holders of any series or tranche of debt securities if the supplemental indenture:

- changes or eliminates any covenant or other provision of the 2029 Indenture expressly included solely for the benefit of one or more other particular series of debt securities or tranches thereof; or
- modifies the rights of the holders of the debt securities of any other series or tranches with respect to any covenant or other provision.

If we solicit from holders of the 2029 Notes any type of action, we may at our option by board resolution fix in advance a record date for the determination of the holders entitled to vote on the action. We shall have no obligation, however, to do so. If we fix a record date, the action may be taken before or after the record date, but only the holders of record at the close of business on the record date shall be deemed to be holders for the purposes of determining whether holders of the requisite proportion of the outstanding 2029 Notes have authorized the action. For that purpose, the outstanding 2029 Notes shall be computed as of the record date. Any holder action shall bind every future holder of the same security and the holder of every security issued upon the registration of transfer of or in exchange for or in lieu of the security in respect of anything done or permitted by the trustee or us in reliance on that action, whether or not notation of the action is made upon the security.

Defeasance

The 2029 Notes, or portion of the principal amount of the 2029 Notes, will be deemed to have been paid for purposes of the 2029 Indenture, and, at our election, our entire indebtedness in respect of the 2029 Notes, or portion thereof, will be deemed to have been satisfied and discharged, if we have irrevocably deposited with the trustee or any paying agent other than us, in trust money, certain eligible obligations, as defined in the 2029 Indenture, or a combination of the two, sufficient to pay principal of and any premium and interest due and to become due on the 2029 Notes or portion thereof, and other required documentation. Included among the documentation we are required to deliver to be deemed to have our indebtedness deemed satisfied and discharged with respect to the 2029 Notes pursuant to the preceding sentence is an opinion of counsel to the effect that, as a result of a change in law occurring after the date of the 2029 Indenture, the holders of the 2029 Notes, or portions thereof, will not recognize income, gain or loss for U.S. federal income tax purposes as a result of the satisfaction and discharge of our indebtedness in respect thereof and will be subject to U.S. federal income tax on the same amounts, at the same times and in the same manner as if such satisfaction and discharge had not been effected. For this purpose, eligible obligations include direct obligations of, or obligations unconditionally guaranteed by, the U.S., entitled to the benefit of full faith and credit of the U.S., and certificates, depositary receipts or other instruments that evidence a direct ownership interest in those obligations or in any specific interest or principal payments due in respect of those obligations.

Title

The trustee and its agents, and we and our agents, may treat the person in whose name a 2029 Note is registered as the absolute owner of that 2029 Note, whether or not that 2029 Note may be overdue, for the purpose of making payment and for all other purposes.

Governing Law

The 2029 Indenture and the 2029 Notes are governed by the laws of the State of New York.

Concerning the Trustee

U.S. Bank Trust Company, National Association is the trustee.

Our 9.125% Senior Notes due 2030

The following is a description of the terms of our 9.125% Senior Notes due 2030 (the "9.125% 2030 Notes"), and certain terms and provisions of the Third Supplemental Indenture (as defined below) that we entered into in connection with the offering of the 9.125% 2030 Notes, which have been filed or incorporated by reference as exhibits to the Annual Report on Form 10-K of which this exhibit is a part. The following description is not intended to be comprehensive. Our description of the 9.125% 2030 Notes below is qualified by reference to the Third Supplemental Indenture, which we urge you to read. Terms defined in this "Our 9.125% Senior Notes due 2030" section have the meanings ascribed to such terms herein only when used in this "Our 9.125% Senior Notes due 2030" section. Capitalized terms used but not otherwise defined herein have the meanings assigned to them in the Third Supplemental Indenture, and those definitions are incorporated herein by reference.

General

Subject to the discussion below, the 9.125% 2030 Notes:

- were issued pursuant to an indenture, dated as of January 23, 2017, between the Company and U.S. Bank Trust Company, National Association, as successor to U.S. Bank National Association, as trustee (the "Base Indenture"), as supplemented by a supplemental indenture thereto, dated as of January 14, 2025, between the Company and U.S. Bank Trust Company, National Association, as successor to U.S. Bank National Association, as trustee (the "Third Supplemental Indenture," and, together with the Base Indenture, the "9.125% 2030 Indenture"). The terms of the 9.125% 2030 Notes include those expressly set forth in the 9.125% 2030 Indenture and those made part of the 9.125% 2030 Indenture by reference to the Trust Indenture Act. Copies of the 9.125% 2030 Indenture and the form of the 9.125% 2030 Notes have been filed with the SEC;
- were issued in the initial aggregate principal amount of \$82,500,000;
- will mature on April 1, 2030;
- were issued in minimum denominations of \$25 and integral multiples of \$25 in excess thereof;
- are redeemable at our option, in whole or in part, at any time on and after April 1, 2027, at a redemption price equal to 100% of the principal amount redeemed plus accrued and unpaid interest to, but excluding, the redemption date as described under "—Optional Redemption" below;
- are not convertible into, or exchangeable for, our common stock or any other securities;
- are not subject to a sinking fund; and
- are listed on the Nasdaq Global Select Market under the symbol "ADAMG".

Our subsidiaries are separate and distinct legal entities and have no obligation, contingent or otherwise, to pay any amounts due on the 9.125% 2030 Notes or to make any funds available to us for payment on the 9.125% 2030 Notes, whether by dividends, loans or other payments.

Additional 9.125% 2030 Notes

We may, from time to time, issue additional 9.125% 2030 Notes ranking equally and ratably with and with terms identical to the 9.125% 2030 Notes initially issued under the 9.125% 2030 Indenture, except with respect to issue date, issue price and, if applicable, the date from which interest will accrue, without notice to, or the consent of, any of the holders of the outstanding 9.125% 2030 Notes, provided that if any such additional 9.125% 2030 Notes are not fungible with the 9.125% 2030 Notes initially issued under the 9.125% 2030 Indenture for U.S. federal income tax purposes, such additional 9.125% 2030 Notes will have separate CUSIP and ISIN numbers from the 9.125% 2030 Notes initially issued under the 9.125% 2030 Indenture. Any such additional 9.125% 2030 Notes will carry the same right to receive accrued and unpaid interest as the 9.125% 2030 Notes initially issued under the 9.125% 2030 Indenture, and such additional 9.125% 2030 Notes will form a single series with the 9.125% 2030 Notes initially issued under the 9.125% 2030 Indenture.

Ranking

The 9.125% 2030 Notes:

- are our senior direct unsecured obligations;
- rank equal in right of payment to any of our existing and future unsecured and unsubordinated indebtedness that is not so subordinated, including our 9.125% Senior Notes due 2029, 9.875% Senior Notes due 2030 and 9.250% Senior Notes due 2031;
- are effectively subordinated in right of payment to any of our existing and future secured indebtedness to the extent of the value of the assets securing such indebtedness; and
- are structurally subordinated to all existing and future indebtedness and other liabilities (including trade payables) and (to the extent not held by us) preferred stock, if any, of our subsidiaries and of any entity we account for using the equity method of accounting.

Interest

The 9.125% 2030 Notes bear interest at 9.125% per annum from, and including, January 14, 2025, and the subsequent interest periods will be the periods from, and including, an interest payment date to, but excluding, the next interest payment date or the stated maturity date or earlier redemption date, as the case may be. Interest is payable quarterly in arrears on January 1, April 1, July 1 and October 1 of each year, beginning on April 1, 2025, to the persons in whose names the 9.125% 2030 Notes are registered at the close of business on December 15, March 15, June 15 and September 15, as the case may be, immediately before the relevant interest payment date. All payments will be made in U.S. dollars.

Interest on the 9.125% 2030 Notes will be computed on the basis of a 360 day year consisting of twelve 30 day months. Interest payments are made only on a Business Day (as defined below). If any interest payment date falls on a day that is a non-Business Day, we will make the payment on the next day that is a Business Day. Payments made on the next Business Day in this situation will be treated under the 9.125% 2030 Indenture as if they were made on the original due date. Such payment will not result in a Default under the 9.125% 2030 Notes or the 9.125% 2030 Indenture, and no interest will accrue on the payment amount from the original due date to the next day that is a Business Day. If payment of withholding taxes is required, we will not pay any additional amounts in respect of any amounts withheld with respect to the 9.125% 2030 Notes.

“Business Day” means a day other than a Saturday, Sunday or any other day on which banking institutions in New York City or the location of the designated corporate trust office of the trustee are authorized or required by law, regulation or executive order to close.

“Default” means any event that is, or after notice or passage of time or both would be, an Event of Default (as defined in “— Events of Default” below).

We will pay interest to the person listed in the registrar's records as the owner of the 9.125% 2030 Notes at the close of business on the record date for the applicable interest payment date, even if that person no longer owns the note on the interest payment date. Because we pay all of the interest for an interest period to the holders on the record date, holders buying and selling the 9.125% 2030 Notes must work out between themselves the appropriate purchase price. The most common manner is to adjust the sales price of the 9.125% 2030 Notes to prorate interest fairly between buyer and seller based on their respective ownership periods within the particular interest period.

Maturity

The 9.125% 2030 Notes will mature on April 1, 2030 and will be paid against presentation and surrender thereof at the designated corporate trust office of the trustee, unless earlier redeemed by us at our option as described under "Optional Redemption of the 9.125% 2030 Notes" below. The 9.125% 2030 Notes will not be entitled to the benefits of, or be subject to, any sinking fund. If the maturity date or any redemption date falls on a non-Business Day, we will make the payment on the next succeeding Business Day.

The 9.125% 2030 Notes will not be subject to repayment at the option of the holder prior to the stated maturity date.

Optional Redemption of the 9.125% 2030 Notes

On or after April 1, 2027, we may redeem for cash all or any portion of the 9.125% 2030 Notes, at our option, at a redemption price equal to 100% of the principal amount of the 9.125% 2030 Notes to be redeemed, plus accrued and unpaid interest to, but excluding, the redemption date.

Notwithstanding the foregoing, interest due on an interest payment date falling on or prior to a redemption date will be payable to holders at the close of business on the record date for such interest payment date.

We are required to give notice of such redemption not less than 30 days nor more than 60 days prior to the redemption date to each holder at its address appearing in the securities register maintained by the trustee. In the event we elect to redeem less than all of the 9.125% 2030 Notes, the particular 9.125% 2030 Notes to be redeemed will be selected by the trustee in accordance with policies and procedures of DTC.

Certain Covenants

Other than as described below under "— Offer to Repurchase Upon a Change of Control Repurchase Event," and "— Consolidation, Merger and Sale of Assets," the 9.125% 2030 Indenture does not contain any provisions that would limit our ability to incur indebtedness or that would afford holders of the 9.125% 2030 Notes protection in the event of a sudden and significant decline in our credit quality or a takeover, change of control, recapitalization or highly leveraged or similar transaction involving us. Accordingly, we could in the future enter into transactions that could increase the amount of indebtedness outstanding at that time or otherwise adversely affect our capital structure or credit rating.

The 9.125% 2030 Indenture does not contain any financial covenants and does not restrict us from paying dividends or issuing or repurchasing any of our other securities. Other than the restrictions described under "Consolidation, Merger and Sale of Assets" below, the 9.125% 2030 Indenture does not contain any covenants or other provisions designed to afford holders of the 9.125% 2030 Notes protection in the event of a takeover, recapitalization, highly leveraged transaction or similar restructuring involving us that could adversely affect such holders.

Consolidation, Merger and Sale of Assets

The 9.125% 2030 Indenture provides that we may not consolidate with or merge into any other corporation, nor may we transfer or lease substantially all of our assets and property to any other person, unless:

- the corporation formed by the consolidation or into which we are merged, or the person that acquires by conveyance or transfer, or that leases, substantially all of our property and assets:
 - is organized and validly existing under the laws of any domestic jurisdiction; and
 - expressly assumes by supplemental indenture our obligations on the 9.125% 2030 Notes and under the 9.125% 2030 Indenture;
- immediately after giving effect to the transaction, no Event of Default, and no event that (after notice or lapse of time or both) would become an Event of Default, has occurred and is continuing; and
- we have delivered to the trustee an officer's certificate and opinion of counsel as provided in the 9.125% 2030 Indenture.

Offer to Repurchase Upon a Change of Control Repurchase Event

If a Change of Control Repurchase Event (as defined below) occurs, unless we have exercised our option to redeem the 9.125% 2030 Notes as described above, we will make an offer to each holder of the 9.125% 2030 Notes to repurchase all or any part (in a principal amount of \$25 and integral multiples of \$25 in excess thereof) of that holder's 9.125% 2030 Notes at a repurchase price in cash equal to 101% of the aggregate principal amount of the 9.125% 2030 Notes repurchased plus any accrued and unpaid interest on the 9.125% 2030 Notes repurchased to, but excluding, the date of repurchase. Within 30 days following any Change of Control Repurchase Event or, at our option, prior to any Change of Control, but after the public announcement of the Change of Control, we will give notice to each holder with copies to the trustee and the paying agent (if other than the trustee) describing the transaction or transactions that constitute or may constitute the Change of Control Repurchase Event and offering to repurchase the 9.125% 2030 Notes on the payment date specified in the notice, which date will be no earlier than 30 days and no later than 60 days from the date such notice is given. The notice shall, if given prior to the date of consummation of the Change of Control, state that the offer to purchase is conditioned on the Change of Control Repurchase Event occurring on or prior to the payment date specified in the notice. We will comply with the requirements of Rule 14e-1 under the Exchange Act, and any other securities laws and regulations thereunder to the extent those laws and regulations are applicable in connection with the repurchase of the 9.125% 2030 Notes as a result of a Change of Control Repurchase Event. To the extent that the provisions of any securities laws or regulations conflict with the Change of Control Repurchase Event provisions of the 9.125% 2030 Notes, we will comply with the applicable securities laws and regulations and will not be deemed to have breached our obligations under the Change of Control Repurchase Event provisions of the 9.125% 2030 Notes by virtue of such conflict.

On the Change of Control Repurchase Event payment date, we will, to the extent lawful:

- (1) accept for payment all 9.125% 2030 Notes or portions of 9.125% 2030 Notes properly tendered pursuant to our offer;
- (2) deposit with the trustee an amount equal to the aggregate purchase price in respect of all 9.125% 2030 Notes or portions of 9.125% 2030 Notes properly tendered; and
- (3) deliver or cause to be delivered to the trustee the 9.125% 2030 Notes properly accepted, together with an officers' certificate stating the aggregate principal amount of 9.125% 2030 Notes being purchased by us.

We will not be required to make an offer to repurchase the 9.125% 2030 Notes upon a Change of Control Repurchase Event if (i) we or our successor delivered a notice to redeem in the manner, at the times and otherwise in compliance with the optional redemption and repayment provision described above prior to the occurrence of the Change of Control Repurchase Event or (ii) a third party makes an offer in respect of the 9.125% 2030 Notes in the manner, at the times and otherwise in compliance with the requirements for an offer made by us and such third party purchases all 9.125% 2030 Notes properly tendered and not withdrawn under its offer.

There can be no assurance that sufficient funds will be available at the time of any Change of Control Repurchase Event to make required repurchases of the 9.125% 2030 Notes tendered. Our failure to repurchase the 9.125% 2030 Notes upon a Change of Control Repurchase Event would result in a default under the 9.125% 2030 Indenture. If the holders of the 9.125% 2030 Notes exercise their right to require us to repurchase the 9.125% 2030 Notes upon a Change of Control Repurchase Event, the financial effect of this repurchase could result in defaults under any repurchase agreement, credit facility or other debt instruments to which we are or could become party, including the acceleration of the payment of any borrowings thereunder. It is possible that we will not have sufficient funds at the time of the Change of Control Repurchase Event to make the required repurchase of our other debt and the 9.125% 2030 Notes.

“Change of Control” means the occurrence of the following:

- the sale, assignment, lease, transfer or other conveyance (other than by way of merger or consolidation), in one or a series of related transactions, of all or substantially all of the properties and assets of the Company and its subsidiaries taken as a whole to any “person” (as that term is used in Section 13(d)(3) of the Exchange Act) other than to the Company or one or more of its subsidiaries or a combination thereof or a person controlled by the Company or one or more of its subsidiaries or a combination thereof; or
- the consummation of any transaction (including any merger or consolidation) the result of which is that any “person” (as that term is used in Section 13(d)(3) of the Exchange Act) (other than any subsidiary of the Company) becomes the “beneficial owner” (as defined in Rules 13d-3 and 13d-5 under the Exchange Act), directly or indirectly, of more than 50% of the outstanding Voting Stock of the Company, measured by voting power rather than number of shares or the like.

Notwithstanding the foregoing, a transaction shall not be deemed to involve a “Change of Control” if (i) the Company becomes a direct or indirect wholly owned subsidiary of a holding company and (ii)(A) the direct or indirect holders of the Voting Stock of such holding company immediately following such transaction are substantially the same as the holders of the Voting Stock of the Company immediately prior to such transaction or (B) immediately following such transaction no “person” (as that term is used in Section 13(d)(3) of the Exchange Act) (other than a holding company satisfying the requirements of this sentence) is the “beneficial owner” (as defined in Rules 13d-3 and 13d-5 under the Exchange Act), directly or indirectly, of more than 50% of the outstanding Voting Stock of such holding company, measured by voting power rather than number of shares or the like.

“Change of Control Repurchase Event” means that, following the consummation of a Change of Control, neither the Company nor the acquiring or surviving entity has a class of common securities (or American Depositary Receipts representing such securities) listed on the New York Stock Exchange (the “NYSE”), the NYSE American LLC (the “NYSE AMER”) or the Nasdaq Stock Market, or listed or quoted on an exchange or quotation system that is a successor to the NYSE, the NYSE AMER or the Nasdaq Stock Market. Notwithstanding the foregoing, no Change of Control Repurchase Event will be deemed to have occurred in connection with any particular Change of Control unless and until such Change of Control has actually been consummated.

“Control” means the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of a person, whether through the ownership of voting securities, by agreement or otherwise.

“Voting Stock,” as applied to stock of any person, means shares, interests, participations or other equivalents in the equity interest (however designated) in such person having ordinary voting power for the election of a majority of the directors (or the equivalent) of such person, other than shares, interests, participations or other equivalents having such power only by reason of the occurrence of a contingency.

Information Rights

We, pursuant to Section 314(a) of the Trust Indenture Act, shall: deliver to the trustee, within 15 days after we file the same with the SEC, copies of the annual reports and of the information, documents and other reports (or copies of such portions of any of the foregoing as the SEC may from time to time by rules and regulations prescribe) which we may be required to file with the SEC pursuant to Section 13 or Section 15(d) of the Exchange Act; or, if we are not required to file information, documents or reports pursuant to either of said Sections, then we shall deliver to the trustee and file with the SEC, in accordance with rules and regulations prescribed from time to time by the SEC, such of the supplementary and periodic information, documents and reports which may be required pursuant to Section 13 of the Exchange Act in respect of a security listed and registered on a national securities exchange as may be prescribed from time to time in such rules and regulations.

Events of Default

Any one of the following is an "Event of Default" with respect to the 9.125% 2030 Notes:

- failure to pay any interest due within 30 days after it becomes due;
- failure to pay principal or premium, if any, when due;
- breach of or failure to perform any other covenant or warranty in the 9.125% 2030 Indenture for 60 days (subject to extension under certain circumstances for another 120 days) after we receive notice from the trustee, or we and the trustee receive notice from the holders of at least 33% in principal amount of the 9.125% 2030 Notes outstanding under the 9.125% 2030 Indenture according to the provisions of the 9.125% 2030 Indenture; and
- certain events of bankruptcy, insolvency or reorganization.

If an Event of Default with respect to a particular series of the 9.125% 2030 Notes occurs and is continuing, either the trustee or the holders of at least 33% in principal amount of the outstanding 9.125% 2030 Notes may declare the principal amount of all of the 9.125% 2030 Notes to be due and payable immediately.

The 9.125% 2030 Indenture includes provisions as to the duties of the trustee in case an Event of Default occurs and is continuing. Consistent with these provisions, the trustee will be under no obligation to exercise any of its rights or powers at the request or direction of any of the holders unless those holders have offered to the trustee reasonable security or indemnity against the costs, expenses and liabilities that may be incurred by it in compliance with such request or direction. Subject to these provisions for indemnification, the holders of a majority in principal amount of the outstanding 9.125% 2030 Notes may direct the time, method and place of conducting any proceeding for any remedy available to the trustee, or exercising any trust or power conferred on the trustee, with respect to the 9.125% 2030 Notes.

No holder of 9.125% 2030 Notes may institute any proceeding regarding the 9.125% 2030 Indenture, or for the appointment of a receiver or a trustee, or for any other remedy under the 9.125% 2030 Indenture, except as provided in the 9.125% 2030 Indenture.

We must furnish annually to the trustee a statement by an appropriate officer as to that officer's knowledge of our compliance with all conditions and covenants under the 9.125% 2030 Indenture. Our compliance is to be determined without regard to any grace period or notice requirement under the 9.125% 2030 Indenture.

Modification and Waiver

We and the trustee, without the consent of the holders of the 9.125% 2030 Notes, may enter into one or more supplemental indentures for any of the following purposes:

- to evidence the assumption by any permitted successor of our covenants in the 9.125% 2030 Indenture and the 9.125% 2030 Notes;

- to add one or more covenants or other provisions for the benefit of the holders of outstanding 9.125% 2030 Notes or to surrender any right or power conferred upon us by the 9.125% 2030 Indenture;
- to add any additional events of default;
- to change or eliminate any provision of the 9.125% 2030 Indenture or add any new provision to it, but if this action would adversely affect the interests of the holders of the 9.125% 2030 Notes in any material respect, the action will not become effective with respect to the 9.125% 2030 Notes while any 9.125% 2030 Notes remain outstanding under the 9.125% 2030 Indenture;
- to provide collateral security for the 9.125% 2030 Notes;
- to establish the form or terms of the 9.125% 2030 Notes according to the provisions of the 9.125% 2030 Indenture;
- to provide for the authentication and delivery of bearer securities (and coupons representing any interest thereon) and for procedures for the registration, exchange and replacement of such bearer securities and for the giving of notice to, and the solicitation of the vote or consent of, the holders of such bearer securities, and for all related incidental matters;
- to evidence the acceptance of appointment of a successor trustee under the 9.125% 2030 Indenture with respect to the 9.125% 2030 Notes and to add to or change any of the provisions of the 9.125% 2030 Indenture as necessary to provide for trust administration under the 9.125% 2030 Indenture by more than one trustee;
- to provide for the procedures required to permit the use of a non-certificated system of registration for the 9.125% 2030 Notes;
- to change any place where:
 - the principal of and any premium and interest on the 9.125% 2030 Notes are payable;
 - the 9.125% 2030 Notes may be surrendered for registration of transfer or exchange; or
 - notices and demands to or upon us regarding the 9.125% 2030 Notes and the 9.125% 2030 Indenture may be served; or
- to cure any ambiguity or inconsistency, but only by means of changes or additions that will not adversely affect the interests of the holders of the 9.125% 2030 Notes in any material respect.

The holders of at least a majority in aggregate principal amount of the outstanding 9.125% 2030 Notes may waive:

- compliance by us with certain provisions of the 9.125% 2030 Indenture; and
- any past default under the 9.125% 2030 Indenture, except a default in the payment of principal, premium or interest and certain covenants and provisions of the 9.125% 2030 Indenture that cannot be modified or amended without consent of each holder of each outstanding 9.125% 2030 Note.

The Trust Indenture Act of 1939 may be amended after the date of the 9.125% 2030 Indenture to require changes to the 9.125% 2030 Indenture. In this event, the 9.125% 2030 Indenture will be deemed to have been amended so as to effect the changes, and we and the trustee may, without the consent of any holders, enter into one or more supplemental indentures to evidence or effect the amendment.

Except as provided in this section, the consent of the holders of a majority in aggregate principal amount of the outstanding debt securities of all series issued pursuant to the 9.125% 2030 Indenture, considered as one class, is required to change in any manner the 9.125% 2030 Indenture pursuant to one or more supplemental indentures. If there are debt securities of more than one series outstanding under the 9.125% 2030 Indenture and less than all of such series are directly affected by a proposed supplemental indenture, however, only the consent of the holders of a majority in aggregate principal amount of the outstanding debt securities of all series directly affected, considered as one class, will be required. In addition, an amendment or modification:

- may not, without the consent of each affected holder:
 - change the maturity of the principal of, or any installment of principal or interest on, the 9.125% 2030 Notes;
 - reduce the principal amount or the rate of interest, or the amount of any installment of interest, or change the method of calculating the rate of interest;
 - reduce any premium payable upon the redemption of the 9.125% 2030 Notes;
 - change the currency or other property in which the 9.125% 2030 Notes or premium or interest on the 9.125% 2030 Notes is payable; or
 - impair the right to institute suit for the enforcement of any payment on or after the stated maturity, or in the case of redemption, on or after the redemption date, of the 9.125% 2030 Notes;
- may not reduce the percentage of principal amount requirement for consent of the holders for any supplemental indenture, or for any waiver of compliance with any provision of or any default under the 9.125% 2030 Indenture, or reduce the requirements for quorum or voting, without the consent of the holder of each affected holder; and
- may not modify provisions of the 9.125% 2030 Indenture relating to supplemental indentures, waivers of certain covenants and waivers of past defaults with respect to the 9.125% 2030 Notes of any series, or any tranche of a series, without the consent of each affected holder.

A supplemental indenture will be deemed not to affect the rights under the 9.125% 2030 Indenture of the holders of any series or tranche of debt securities if the supplemental indenture:

- changes or eliminates any covenant or other provision of the 9.125% 2030 Indenture expressly included solely for the benefit of one or more other particular series of debt securities or tranches thereof; or
- modifies the rights of the holders of the debt securities of any other series or tranches with respect to any covenant or other provision.

If we solicit from holders of the 9.125% 2030 Notes any type of action, we may at our option by board resolution fix in advance a record date for the determination of the holders entitled to vote on the action. We shall have no obligation, however, to do so. If we fix a record date, the action may be taken before or after the record date, but only the holders of record at the close of business on the record date shall be deemed to be holders for the purposes of determining whether holders of the requisite proportion of the outstanding 9.125% 2030 Notes have authorized the action. For that purpose, the outstanding 9.125% 2030 Notes shall be computed as of the record date. Any holder action shall bind every future holder of the same security and the holder of every security issued upon the registration of transfer of or in exchange for or in lieu of the security in respect of anything done or permitted by the trustee or us in reliance on that action, whether or not notation of the action is made upon the security.

Defeasance

The 9.125% 2030 Notes, or portion of the principal amount of the 9.125% 2030 Notes, will be deemed to have been paid for purposes of the 9.125% 2030 Indenture, and, at our election, our entire indebtedness in respect of the 9.125% 2030 Notes, or portion thereof, will be deemed to have been satisfied and discharged, if we have irrevocably deposited with the trustee or any paying agent other than us, in trust money, certain eligible obligations, as defined in the 9.125% 2030 Indenture, or a combination of the two, sufficient to pay principal of and any premium and interest due and to become due on the 9.125% 2030 Notes or portion thereof, and other required documentation. Included among the documentation we are required to deliver to be deemed to have our indebtedness deemed satisfied and discharged with respect to the 9.125% 2030 Notes pursuant to the preceding sentence is an opinion of counsel to the effect that, as a result of a change in law occurring after the date of the 9.125% 2030 Indenture, the holders of the 9.125% 2030 Notes, or portions thereof, will not recognize income, gain or loss for U.S. federal income tax purposes as a result of the satisfaction and discharge of our indebtedness in respect thereof and will be subject to U.S. federal income tax on the same amounts, at the same times and in the same manner as if such satisfaction and discharge had not been effected. For this purpose, eligible obligations include direct obligations of, or obligations unconditionally guaranteed by, the U.S., entitled to the benefit of full faith and credit of the U.S., and certificates, depositary receipts or other instruments that evidence a direct ownership interest in those obligations or in any specific interest or principal payments due in respect of those obligations.

Title

The trustee and its agents, and we and our agents, may treat the person in whose name a 9.125% 2030 Note is registered as the absolute owner of that 9.125% 2030 Note, whether or not that 9.125% 2030 Note may be overdue, for the purpose of making payment and for all other purposes.

Governing Law

The 9.125% 2030 Indenture and the 9.125% 2030 Notes are governed by the laws of the State of New York.

Concerning the Trustee

U.S. Bank Trust Company, National Association is the trustee.

Our 9.875% Senior Notes due 2030

The following is a description of the terms of our 9.875% Senior Notes due 2030 (the "9.875% 2030 Notes"), and certain terms and provisions of the Fourth Supplemental Indenture (as defined below) that we entered into in connection with the offering of the 9.875% 2030 Notes, which have been filed or incorporated by reference as exhibits to the Annual Report on Form 10-K of which this exhibit is a part. The following description is not intended to be comprehensive. Our description of the 9.875% 2030 Notes below is qualified by reference to the Fourth Supplemental Indenture, which we urge you to read. Terms defined in this "Our 9.875% Senior Notes due 2030" section have the meanings ascribed to such terms herein only when used in this "Our 9.875% Senior Notes due 2030" section. Capitalized terms used but not otherwise defined herein have the meanings assigned to them in the Fourth Supplemental Indenture, and those definitions are incorporated herein by reference.

General

Subject to the discussion below, the 9.875% 2030 Notes:

- were issued pursuant to an indenture, dated as of January 23, 2017, between the Company and U.S. Bank Trust Company, National Association, as successor to U.S. Bank National Association, as trustee (the “Base Indenture”), as supplemented by a supplemental indenture thereto, dated as of July 8, 2025, between the Company and U.S. Bank Trust Company, National Association, as successor to U.S. Bank National Association, as trustee (the “Fourth Supplemental Indenture,” and, together with the Base Indenture, the “9.875% 2030 Indenture”). The terms of the 9.875% 2030 Notes include those expressly set forth in the 9.875% 2030 Indenture and those made part of the 9.875% 2030 Indenture by reference to the Trust Indenture Act. Copies of the 9.875% 2030 Indenture and the form of the 9.875% 2030 Notes have been filed with the SEC;
- were issued in the initial aggregate principal amount of \$115,000,000;
- will mature on October 1, 2030;
- were issued in minimum denominations of \$25 and integral multiples of \$25 in excess thereof;
- are redeemable at our option, in whole or in part, at any time on and after October 1, 2027, at a redemption price equal to 100% of the principal amount redeemed plus accrued and unpaid interest to, but excluding, the redemption date as described under “—Optional Redemption” below;
- are not convertible into, or exchangeable for, our common stock or any other securities;
- are not subject to a sinking fund; and
- are listed on the Nasdaq Global Select Market under the symbol “ADAMH”.

Our subsidiaries are separate and distinct legal entities and have no obligation, contingent or otherwise, to pay any amounts due on the 9.875% 2030 Notes or to make any funds available to us for payment on the 9.875% 2030 Notes, whether by dividends, loans or other payments.

Additional 9.875% 2030 Notes

We may, from time to time, issue additional 9.875% 2030 Notes ranking equally and ratably with and with terms identical to the 9.875% 2030 Notes initially issued under the 9.875% 2030 Indenture, except with respect to issue date, issue price and, if applicable, the date from which interest will accrue, without notice to, or the consent of, any of the holders of the outstanding 9.875% 2030 Notes, provided that if any such additional 9.875% 2030 Notes are not fungible with the 9.875% 2030 Notes initially issued under the 9.875% 2030 Indenture for U.S. federal income tax purposes, such additional 9.875% 2030 Notes will have separate CUSIP and ISIN numbers from the 9.875% 2030 Notes initially issued under the 9.875% 2030 Indenture. Any such additional 9.875% 2030 Notes will carry the same right to receive accrued and unpaid interest as the 9.875% 2030 Notes initially issued under the 9.875% 2030 Indenture, and such additional 9.875% 2030 Notes will form a single series with the 9.875% 2030 Notes initially issued under the 9.875% 2030 Indenture.

Ranking

The 9.875% 2030 Notes:

- are our senior direct unsecured obligations;
- rank equal in right of payment to any of our existing and future unsecured and unsubordinated indebtedness that is not so subordinated, including our 9.125% Senior Notes due 2029, 9.125% Senior Notes due 2030 and 9.250% Senior Notes due 2031;

- are effectively subordinated in right of payment to any of our existing and future secured indebtedness to the extent of the value of the assets securing such indebtedness; and
- are structurally subordinated to all existing and future indebtedness and other liabilities (including trade payables) and (to the extent not held by us) preferred stock, if any, of our subsidiaries and of any entity we account for using the equity method of accounting.

Interest

The 9.875% 2030 Notes bear interest at 9.875% per annum from, and including, July 8, 2025, and the subsequent interest periods will be the periods from, and including, an interest payment date to, but excluding, the next interest payment date or the stated maturity date or earlier redemption date, as the case may be. Interest is payable quarterly in arrears on January 1, April 1, July 1 and October 1 of each year, beginning on October 1, 2025, to the persons in whose names the 9.875% 2030 Notes are registered at the close of business on December 15, March 15, June 15 and September 15, as the case may be, immediately before the relevant interest payment date. All payments will be made in U.S. dollars.

Interest on the 9.875% 2030 Notes will be computed on the basis of a 360 day year consisting of twelve 30 day months. Interest payments are made only on a Business Day (as defined below). If any interest payment date falls on a day that is a non-Business Day, we will make the payment on the next day that is a Business Day. Payments made on the next Business Day in this situation will be treated under the 9.875% 2030 Indenture as if they were made on the original due date. Such payment will not result in a Default under the 9.875% 2030 Notes or the 9.875% 2030 Indenture, and no interest will accrue on the payment amount from the original due date to the next day that is a Business Day. If payment of withholding taxes is required, we will not pay any additional amounts in respect of any amounts withheld with respect to the 9.875% 2030 Notes.

“Business Day” means a day other than a Saturday, Sunday or any other day on which banking institutions in New York City or the location of the designated corporate trust office of the trustee are authorized or required by law, regulation or executive order to close.

“Default” means any event that is, or after notice or passage of time or both would be, an Event of Default (as defined in “— Events of Default” below).

We will pay interest to the person listed in the registrar’s records as the owner of the 9.875% 2030 Notes at the close of business on the record date for the applicable interest payment date, even if that person no longer owns the note on the interest payment date. Because we pay all of the interest for an interest period to the holders on the record date, holders buying and selling the 9.875% 2030 Notes must work out between themselves the appropriate purchase price. The most common manner is to adjust the sales price of the 9.875% 2030 Notes to prorate interest fairly between buyer and seller based on their respective ownership periods within the particular interest period.

Maturity

The 9.875% 2030 Notes will mature on October 1, 2030 and will be paid against presentation and surrender thereof at the designated corporate trust office of the trustee, unless earlier redeemed by us at our option as described under “Optional Redemption of the 9.875% 2030 Notes” below. The 9.875% 2030 Notes will not be entitled to the benefits of, or be subject to, any sinking fund. If the maturity date or any redemption date falls on a non-Business Day, we will make the payment on the next succeeding Business Day.

The 9.875% 2030 Notes will not be subject to repayment at the option of the holder prior to the stated maturity date.

Optional Redemption of the 9.875% 2030 Notes

On or after October 1, 2027, we may redeem for cash all or any portion of the 9.875% 2030 Notes, at our option, at a redemption price equal to 100% of the principal amount of the 9.875% 2030 Notes to be redeemed, plus accrued and unpaid interest to, but excluding, the redemption date.

Notwithstanding the foregoing, interest due on an interest payment date falling on or prior to a redemption date will be payable to holders at the close of business on the record date for such interest payment date.

We are required to give notice of such redemption not less than 30 days nor more than 60 days prior to the redemption date to each holder at its address appearing in the securities register maintained by the trustee. In the event we elect to redeem less than all of the 9.875% 2030 Notes, the particular 9.875% 2030 Notes to be redeemed will be selected by the trustee in accordance with policies and procedures of DTC.

Certain Covenants

Other than as described below under “— Offer to Repurchase Upon a Change of Control Repurchase Event,” and “— Consolidation, Merger and Sale of Assets,” the 9.875% 2030 Indenture does not contain any provisions that would limit our ability to incur indebtedness or that would afford holders of the 9.875% 2030 Notes protection in the event of a sudden and significant decline in our credit quality or a takeover, change of control, recapitalization or highly leveraged or similar transaction involving us. Accordingly, we could in the future enter into transactions that could increase the amount of indebtedness outstanding at that time or otherwise adversely affect our capital structure or credit rating.

The 9.875% 2030 Indenture does not contain any financial covenants and does not restrict us from paying dividends or issuing or repurchasing any of our other securities. Other than the restrictions described under “Consolidation, Merger and Sale of Assets” below, the 9.875% 2030 Indenture does not contain any covenants or other provisions designed to afford holders of the 9.875% 2030 Notes protection in the event of a takeover, recapitalization, highly leveraged transaction or similar restructuring involving us that could adversely affect such holders.

Consolidation, Merger and Sale of Assets

The 9.875% 2030 Indenture provides that we may not consolidate with or merge into any other corporation, nor may we transfer or lease substantially all of our assets and property to any other person, unless:

- the corporation formed by the consolidation or into which we are merged, or the person that acquires by conveyance or transfer, or that leases, substantially all of our property and assets:
 - is organized and validly existing under the laws of any domestic jurisdiction; and
 - expressly assumes by supplemental indenture our obligations on the 9.875% 2030 Notes and under the 9.875% 2030 Indenture;
- immediately after giving effect to the transaction, no Event of Default, and no event that (after notice or lapse of time or both) would become an Event of Default, has occurred and is continuing; and
- we have delivered to the trustee an officer’s certificate and opinion of counsel as provided in the 9.875% 2030 Indenture.

Offer to Repurchase Upon a Change of Control Repurchase Event

If a Change of Control Repurchase Event (as defined below) occurs, unless we have exercised our option to redeem the 9.875% 2030 Notes as described above, we will make an offer to each holder of the 9.875% 2030 Notes to repurchase all or any part (in a principal amount of \$25 and integral multiples of \$25 in excess thereof) of that holder's 9.875% 2030 Notes at a repurchase price in cash equal to 101% of the aggregate principal amount of the 9.875% 2030 Notes repurchased plus any accrued and unpaid interest on the 9.875% 2030 Notes repurchased to, but excluding, the date of repurchase. Within 30 days following any Change of Control Repurchase Event or, at our option, prior to any Change of Control, but after the public announcement of the Change of Control, we will give notice to each holder with copies to the trustee and the paying agent (if other than the trustee) describing the transaction or transactions that constitute or may constitute the Change of Control Repurchase Event and offering to repurchase the 9.875% 2030 Notes on the payment date specified in the notice, which date will be no earlier than 30 days and no later than 60 days from the date such notice is given. The notice shall, if given prior to the date of consummation of the Change of Control, state that the offer to purchase is conditioned on the Change of Control Repurchase Event occurring on or prior to the payment date specified in the notice. We will comply with the requirements of Rule 14c-1 under the Exchange Act, and any other securities laws and regulations thereunder to the extent those laws and regulations are applicable in connection with the repurchase of the 9.875% 2030 Notes as a result of a Change of Control Repurchase Event. To the extent that the provisions of any securities laws or regulations conflict with the Change of Control Repurchase Event provisions of the 9.875% 2030 Notes, we will comply with the applicable securities laws and regulations and will not be deemed to have breached our obligations under the Change of Control Repurchase Event provisions of the 9.875% 2030 Notes by virtue of such conflict.

On the Change of Control Repurchase Event payment date, we will, to the extent lawful:

- (1) accept for payment all 9.875% 2030 Notes or portions of 9.875% 2030 Notes properly tendered pursuant to our offer;
- (2) deposit with the trustee an amount equal to the aggregate purchase price in respect of all 9.875% 2030 Notes or portions of 9.875% 2030 Notes properly tendered; and
- (3) deliver or cause to be delivered to the trustee the 9.875% 2030 Notes properly accepted, together with an officers' certificate stating the aggregate principal amount of 9.875% 2030 Notes being purchased by us.

We will not be required to make an offer to repurchase the 9.875% 2030 Notes upon a Change of Control Repurchase Event if (i) we or our successor delivered a notice to redeem in the manner, at the times and otherwise in compliance with the optional redemption and repayment provision described above prior to the occurrence of the Change of Control Repurchase Event or (ii) a third party makes an offer in respect of the 9.875% 2030 Notes in the manner, at the times and otherwise in compliance with the requirements for an offer made by us and such third party purchases all 9.875% 2030 Notes properly tendered and not withdrawn under its offer.

There can be no assurance that sufficient funds will be available at the time of any Change of Control Repurchase Event to make required repurchases of the 9.875% 2030 Notes tendered. Our failure to repurchase the 9.875% 2030 Notes upon a Change of Control Repurchase Event would result in a default under the 9.875% 2030 Indenture. If the holders of the 9.875% 2030 Notes exercise their right to require us to repurchase the 9.875% 2030 Notes upon a Change of Control Repurchase Event, the financial effect of this repurchase could result in defaults under any repurchase agreement, credit facility or other debt instruments to which we are or could become party, including the acceleration of the payment of any borrowings thereunder. It is possible that we will not have sufficient funds at the time of the Change of Control Repurchase Event to make the required repurchase of our other debt and the 9.875% 2030 Notes.

“Change of Control” means the occurrence of the following:

- the sale, assignment, lease, transfer or other conveyance (other than by way of merger or consolidation), in one or a series of related transactions, of all or substantially all of the properties and assets of the Company and its subsidiaries taken as a whole to any “person” (as that term is used in Section 13(d)(3) of the Exchange Act) other than to the Company or one or more of its subsidiaries or a combination thereof or a person controlled by the Company or one or more of its subsidiaries or a combination thereof; or
- the consummation of any transaction (including any merger or consolidation) the result of which is that any “person” (as that term is used in Section 13(d)(3) of the Exchange Act) (other than any subsidiary of the Company) becomes the “beneficial owner” (as defined in Rules 13d-3 and 13d-5 under the Exchange Act), directly or indirectly, of more than 50% of the outstanding Voting Stock of the Company, measured by voting power rather than number of shares or the like.

Notwithstanding the foregoing, a transaction shall not be deemed to involve a “Change of Control” if (i) the Company becomes a direct or indirect wholly owned subsidiary of a holding company and (ii)(A) the direct or indirect holders of the Voting Stock of such holding company immediately following such transaction are substantially the same as the holders of the Voting Stock of the Company immediately prior to such transaction or (B) immediately following such transaction no “person” (as that term is used in Section 13(d)(3) of the Exchange Act) (other than a holding company satisfying the requirements of this sentence) is the “beneficial owner” (as defined in Rules 13d-3 and 13d-5 under the Exchange Act), directly or indirectly, of more than 50% of the outstanding Voting Stock of such holding company, measured by voting power rather than number of shares or the like.

“Change of Control Repurchase Event” means that, following the consummation of a Change of Control, neither the Company nor the acquiring or surviving entity has a class of common securities (or American Depositary Receipts representing such securities) listed on the New York Stock Exchange (the “NYSE”), the NYSE American LLC (the “NYSE AMER”) or the Nasdaq Stock Market, or listed or quoted on an exchange or quotation system that is a successor to the NYSE, the NYSE AMER or the Nasdaq Stock Market. Notwithstanding the foregoing, no Change of Control Repurchase Event will be deemed to have occurred in connection with any particular Change of Control unless and until such Change of Control has actually been consummated.

“Control” means the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of a person, whether through the ownership of voting securities, by agreement or otherwise.

“Voting Stock,” as applied to stock of any person, means shares, interests, participations or other equivalents in the equity interest (however designated) in such person having ordinary voting power for the election of a majority of the directors (or the equivalent) of such person, other than shares, interests, participations or other equivalents having such power only by reason of the occurrence of a contingency.

Information Rights

We, pursuant to Section 314(a) of the Trust Indenture Act, shall: deliver to the trustee, within 15 days after we file the same with the SEC, copies of the annual reports and of the information, documents and other reports (or copies of such portions of any of the foregoing as the SEC may from time to time by rules and regulations prescribe) which we may be required to file with the SEC pursuant to Section 13 or Section 15(d) of the Exchange Act; or, if we are not required to file information, documents or reports pursuant to either of said Sections, then we shall deliver to the trustee and file with the SEC, in accordance with rules and regulations prescribed from time to time by the SEC, such of the supplementary and periodic information, documents and reports which may be required pursuant to Section 13 of the Exchange Act in respect of a security listed and registered on a national securities exchange as may be prescribed from time to time in such rules and regulations.

Events of Default

Any one of the following is an "Event of Default" with respect to the 9.875% 2030 Notes:

- failure to pay any interest due within 30 days after it becomes due;
- failure to pay principal or premium, if any, when due;
- breach of or failure to perform any other covenant or warranty in the 9.875% 2030 Indenture for 60 days (subject to extension under certain circumstances for another 120 days) after we receive notice from the trustee, or we and the trustee receive notice from the holders of at least 33% in principal amount of the 9.875% 2030 Notes outstanding under the 9.875% 2030 Indenture according to the provisions of the 9.875% 2030 Indenture; and
- certain events of bankruptcy, insolvency or reorganization.

If an Event of Default with respect to a particular series of the 9.875% 2030 Notes occurs and is continuing, either the trustee or the holders of at least 33% in principal amount of the outstanding 9.875% 2030 Notes may declare the principal amount of all of the 9.875% 2030 Notes to be due and payable immediately.

The 9.875% 2030 Indenture includes provisions as to the duties of the trustee in case an Event of Default occurs and is continuing. Consistent with these provisions, the trustee will be under no obligation to exercise any of its rights or powers at the request or direction of any of the holders unless those holders have offered to the trustee reasonable security or indemnity against the costs, expenses and liabilities that may be incurred by it in compliance with such request or direction. Subject to these provisions for indemnification, the holders of a majority in principal amount of the outstanding 9.875% 2030 Notes may direct the time, method and place of conducting any proceeding for any remedy available to the trustee, or exercising any trust or power conferred on the trustee, with respect to the 9.875% 2030 Notes.

No holder of 9.875% 2030 Notes may institute any proceeding regarding the 9.875% 2030 Indenture, or for the appointment of a receiver or a trustee, or for any other remedy under the 9.875% 2030 Indenture, except as provided in the 9.875% 2030 Indenture.

We must furnish annually to the trustee a statement by an appropriate officer as to that officer's knowledge of our compliance with all conditions and covenants under the 9.875% 2030 Indenture. Our compliance is to be determined without regard to any grace period or notice requirement under the 9.875% 2030 Indenture.

Modification and Waiver

We and the trustee, without the consent of the holders of the 9.875% 2030 Notes, may enter into one or more supplemental indentures for any of the following purposes:

- to evidence the assumption by any permitted successor of our covenants in the 9.875% 2030 Indenture and the 9.875% 2030 Notes;
- to add one or more covenants or other provisions for the benefit of the holders of outstanding 9.875% 2030 Notes or to surrender any right or power conferred upon us by the 9.875% 2030 Indenture;
- to add any additional events of default;
- to change or eliminate any provision of the 9.875% 2030 Indenture or add any new provision to it, but if this action would adversely affect the interests of the holders of the 9.875% 2030 Notes in any material respect, the action will not become effective with respect to the 9.875% 2030 Notes while any 9.875% 2030 Notes remain outstanding under the 9.875% 2030 Indenture;
- to provide collateral security for the 9.875% 2030 Notes;

- to establish the form or terms of the 9.875% 2030 Notes according to the provisions of the 9.875% 2030 Indenture;
- to provide for the authentication and delivery of bearer securities (and coupons representing any interest thereon) and for procedures for the registration, exchange and replacement of such bearer securities and for the giving of notice to, and the solicitation of the vote or consent of, the holders of such bearer securities, and for all related incidental matters;
- to evidence the acceptance of appointment of a successor trustee under the 9.875% 2030 Indenture with respect to the 9.875% 2030 Notes and to add to or change any of the provisions of the 9.875% 2030 Indenture as necessary to provide for trust administration under the 9.875% 2030 Indenture by more than one trustee;
- to provide for the procedures required to permit the use of a non-certificated system of registration for the 9.875% 2030 Notes;
- to change any place where:
 - the principal of and any premium and interest on the 9.875% 2030 Notes are payable;
 - the 9.875% 2030 Notes may be surrendered for registration of transfer or exchange; or
 - notices and demands to or upon us regarding the 9.875% 2030 Notes and the 9.875% 2030 Indenture may be served; or
- to cure any ambiguity or inconsistency, but only by means of changes or additions that will not adversely affect the interests of the holders of the 9.875% 2030 Notes in any material respect.

The holders of at least a majority in aggregate principal amount of the outstanding 9.875% 2030 Notes may waive:

- compliance by us with certain provisions of the 9.875% 2030 Indenture; and
- any past default under the 9.875% 2030 Indenture, except a default in the payment of principal, premium or interest and certain covenants and provisions of the 9.875% 2030 Indenture that cannot be modified or amended without consent of each holder of each outstanding 9.875% 2030 Note.

The Trust Indenture Act of 1939 may be amended after the date of the 9.875% 2030 Indenture to require changes to the 9.875% 2030 Indenture. In this event, the 9.875% 2030 Indenture will be deemed to have been amended so as to effect the changes, and we and the trustee may, without the consent of any holders, enter into one or more supplemental indentures to evidence or effect the amendment.

Except as provided in this section, the consent of the holders of a majority in aggregate principal amount of the outstanding debt securities of all series issued pursuant to the 9.875% 2030 Indenture, considered as one class, is required to change in any manner the 9.875% 2030 Indenture pursuant to one or more supplemental indentures. If there are debt securities of more than one series outstanding under the 9.875% 2030 Indenture and less than all of such series are directly affected by a proposed supplemental indenture, however, only the consent of the holders of a majority in aggregate principal amount of the outstanding debt securities of all series directly affected, considered as one class, will be required. In addition, an amendment or modification:

- may not, without the consent of each affected holder:
 - change the maturity of the principal of, or any installment of principal of or interest on, the 9.875% 2030 Notes;

- reduce the principal amount or the rate of interest, or the amount of any installment of interest, or change the method of calculating the rate of interest;
- reduce any premium payable upon the redemption of the 9.875% 2030 Notes;
- change the currency or other property in which the 9.875% 2030 Notes or premium or interest on the 9.875% 2030 Notes is payable; or
- impair the right to institute suit for the enforcement of any payment on or after the stated maturity, or in the case of redemption, on or after the redemption date, of the 9.875% 2030 Notes;
- may not reduce the percentage of principal amount requirement for consent of the holders for any supplemental indenture, or for any waiver of compliance with any provision of or any default under the 9.875% 2030 Indenture, or reduce the requirements for quorum or voting, without the consent of the holder of each affected holder; and
- may not modify provisions of the 9.875% 2030 Indenture relating to supplemental indentures, waivers of certain covenants and waivers of past defaults with respect to the 9.875% 2030 Notes of any series, or any tranche of a series, without the consent of each affected holder.

A supplemental indenture will be deemed not to affect the rights under the 9.875% 2030 Indenture of the holders of any series or tranche of debt securities if the supplemental indenture:

- changes or eliminates any covenant or other provision of the 9.875% 2030 Indenture expressly included solely for the benefit of one or more other particular series of debt securities or tranches thereof; or
- modifies the rights of the holders of the debt securities of any other series or tranches with respect to any covenant or other provision.

If we solicit from holders of the 9.875% 2030 Notes any type of action, we may at our option by board resolution fix in advance a record date for the determination of the holders entitled to vote on the action. We shall have no obligation, however, to do so. If we fix a record date, the action may be taken before or after the record date, but only the holders of record at the close of business on the record date shall be deemed to be holders for the purposes of determining whether holders of the requisite proportion of the outstanding 9.875% 2030 Notes have authorized the action. For that purpose, the outstanding 9.875% 2030 Notes shall be computed as of the record date. Any holder action shall bind every future holder of the same security and the holder of every security issued upon the registration of transfer of or in exchange for or in lieu of the security in respect of anything done or permitted by the trustee or us in reliance on that action, whether or not notation of the action is made upon the security.

Defeasance

The 9.875% 2030 Notes, or portion of the principal amount of the 9.875% 2030 Notes, will be deemed to have been paid for purposes of the 9.875% 2030 Indenture, and, at our election, our entire indebtedness in respect of the 9.875% 2030 Notes, or portion thereof, will be deemed to have been satisfied and discharged, if we have irrevocably deposited with the trustee or any paying agent other than us, in trust money, certain eligible obligations, as defined in the 9.875% 2030 Indenture, or a combination of the two, sufficient to pay principal of and any premium and interest due and to become due on the 9.875% 2030 Notes or portion thereof, and other required documentation. Included among the documentation we are required to deliver to be deemed to have our indebtedness deemed satisfied and discharged with respect to the 9.875% 2030 Notes pursuant to the preceding sentence is an opinion of counsel to the effect that, as a result of a change in law occurring after the date of the 9.875% 2030 Indenture, the holders of the 9.875% 2030 Notes, or portions thereof, will not recognize income, gain or loss for U.S. federal income tax purposes as a result of the satisfaction and discharge of our indebtedness in respect thereof and will be subject to U.S. federal income tax on the same amounts, at the same times and in the same manner as if such satisfaction and discharge had not been effected. For this purpose, eligible obligations include direct obligations of, or obligations unconditionally guaranteed by, the U.S., entitled to the benefit of full faith and credit of the U.S., and certificates, depository receipts or other instruments that evidence a direct ownership interest in those obligations or in any specific interest or principal payments due in respect of those obligations.

Title

The trustee and its agents, and we and our agents, may treat the person in whose name a 9.875% 2030 Note is registered as the absolute owner of that 9.875% 2030 Note, whether or not that 9.875% 2030 Note may be overdue, for the purpose of making payment and for all other purposes.

Governing Law

The 9.875% 2030 Indenture and the 9.875% 2030 Notes are governed by the laws of the State of New York.

Concerning the Trustee

U.S. Bank Trust Company, National Association is the trustee.

Our 9.250% Senior Notes due 2031

The following is a description of the terms of our 9.250% Senior Notes due 2031 (the "2031 Notes"), and certain terms and provisions of the Fifth Supplemental Indenture (as defined below) that we entered into in connection with the offering of the 2031 Notes, which have been filed or incorporated by reference as exhibits to the Annual Report on Form 10-K of which this exhibit is a part. The following description is not intended to be comprehensive. Our description of the 2031 Notes below is qualified by reference to the Fifth Supplemental Indenture, which we urge you to read. Terms defined in this "Our 9.250% Senior Notes due 2031" section have the meanings ascribed to such terms herein only when used in this "Our 9.250% Senior Notes due 2031" section. Capitalized terms used but not otherwise defined herein have the meanings assigned to them in the Fifth Supplemental Indenture, and those definitions are incorporated herein by reference.

General

Subject to the discussion below, the 2031 Notes:

- were issued pursuant to an indenture, dated as of January 23, 2017, between the Company and U.S. Bank Trust Company, National Association, as successor to U.S. Bank National Association, as trustee (the "Base Indenture"), as supplemented by a supplemental indenture thereto, dated as of January 13, 2026, between the Company and U.S. Bank Trust Company, National Association, as successor to U.S. Bank National Association, as trustee (the "Fifth Supplemental Indenture," and, together with the Base Indenture, the "2031 Indenture"). The terms of the 2031 Notes include those expressly set forth in the 2031 Indenture and those made part of the 2031 Indenture by reference to the Trust Indenture Act. Copies of the 2031 Indenture and the form of the 2031 Notes have been filed with the SEC;
- were issued in the initial aggregate principal amount of \$90,000,000;
- will mature on April 1, 2031;
- were issued in minimum denominations of \$25 and integral multiples of \$25 in excess thereof;
- are redeemable at our option, in whole or in part, at any time on and after April 1, 2028, at a redemption price equal to 100% of the principal amount redeemed plus accrued and unpaid interest to, but excluding, the redemption date as described under "—Optional Redemption" below;
- are not convertible into, or exchangeable for, our common stock or any other securities;
- are not subject to a sinking fund; and
- are listed on the Nasdaq Global Select Market under the symbol "ADAMO".

Our subsidiaries are separate and distinct legal entities and have no obligation, contingent or otherwise, to pay any amounts due on the 2031 Notes or to make any funds available to us for payment on the 2031 Notes, whether by dividends, loans or other payments.

Additional 2031 Notes

We may, from time to time, issue additional 2031 Notes ranking equally and ratably with and with terms identical to the 2031 Notes initially issued under the 2031 Indenture, except with respect to issue date, issue price and, if applicable, the date from which interest will accrue, without notice to, or the consent of, any of the holders of the outstanding 2031 Notes, provided that if any such additional 2031 Notes are not fungible with the 2031 Notes initially issued under the 2031 Indenture for U.S. federal income tax purposes, such additional 2031 Notes will have separate CUSIP and ISIN numbers from the 2031 Notes initially issued under the 2031 Indenture. Any such additional 2031 Notes will carry the same right to receive accrued and unpaid interest as the 2031 Notes initially issued under the 2031 Indenture, and such additional 2031 Notes will form a single series with the 2031 Notes initially issued under the 2031 Indenture.

Ranking

- The 2031 Notes:
- are our senior direct unsecured obligations;
 - rank equal in right of payment to any of our existing and future unsecured and unsubordinated indebtedness, including our 9.125% Senior Notes due 2029 and 9.125% Senior Notes due 2030 and 9.875% Senior Notes due 2030;
 - are effectively subordinated in right of payment to any of our existing and future secured indebtedness to the extent of the value of the assets securing such indebtedness; and
 - are structurally subordinated to all existing and future indebtedness and other liabilities (including trade payables) and (to the extent not held by us) preferred stock, if any, of our subsidiaries and of any entity we account for using the equity method of accounting.

Interest

The 2031 Notes bear interest at 9.250% per annum from, and including, January 13, 2026, and the subsequent interest periods will be the periods from, and including, an interest payment date to, but excluding, the next interest payment date or the stated maturity date or earlier redemption date, as the case may be. Interest is payable quarterly in arrears on January 1, April 1, July 1 and October 1 of each year, beginning on April 1, 2026, to the persons in whose names the 2031 Notes are registered at the close of business on December 15, March 15, June 15 and September 15, as the case may be, immediately before the relevant interest payment date. All payments will be made in U.S. dollars.

Interest on the 2031 Notes will be computed on the basis of a 360 day year consisting of twelve 30 day months. Interest and principal payments are made only on a Business Day (as defined below). If any interest or principal payment date falls on a day that is a non-Business Day, we will make the payment on the next day that is a Business Day. Payments made on the next Business Day in this situation will be treated under the 2031 Indenture as if they were made on the original due date. Such payment will not result in a Default under the 2031 Notes or the 2031 Indenture, and no interest will accrue on the payment amount from the original due date to the next day that is a Business Day. If payment of withholding taxes is required, we will not pay any additional amounts in respect of any amounts withheld with respect to the 2031 Notes.

“Business Day” means a day other than a Saturday, Sunday or any other day on which banking institutions in New York City or the location of the designated corporate trust office of the trustee are authorized or required by law, regulation or executive order to close.

“Default” means any event that is, or after notice or passage of time or both would be, an Event of Default (as defined in “— Events of Default” below).

We will pay interest to the person listed in the registrar’s records as the owner of the 2031 Notes at the close of business on the record date for the applicable interest payment date, even if that person no longer owns the note on the interest payment date. Because we pay all of the interest for an interest period to the holders on the record date, holders buying and selling the 2031 Notes must work out between themselves the appropriate purchase price. The most common manner is to adjust the sales price of the 2031 Notes to prorate interest fairly between buyer and seller based on their respective ownership periods within the particular interest period.

Maturity

The 2031 Notes will mature on April 1, 2031 and will be paid against presentation and surrender thereof at the designated corporate trust office of the trustee, unless earlier redeemed by us at our option as described under "Optional Redemption of the 2031 Notes" below. The 2031 Notes will not be entitled to the benefits of, or be subject to, any sinking fund. If the maturity date or any redemption date falls on a non-Business Day, we will make the payment on the next succeeding Business Day.

The 2031 Notes will not be subject to repayment at the option of the holder prior to the stated maturity date.

Optional Redemption of the 2031 Notes

On or after April 1, 2028, we may redeem for cash all or any portion of the 2031 Notes, at our option, at any time and from time to time, at a redemption price equal to 100% of the principal amount of the 2031 Notes to be redeemed, plus accrued and unpaid interest to, but excluding, the redemption date.

Notwithstanding the foregoing, interest due on an interest payment date falling on or prior to a redemption date will be payable to holders at the close of business on the record date for such interest payment date.

We are required to give notice of such redemption not less than 30 days nor more than 60 days prior to the redemption date to each holder at its address appearing in the securities register maintained by the trustee. In the event we elect to redeem less than all of the 2031 Notes, the particular 2031 Notes to be redeemed will be selected by the trustee in accordance with policies and procedures of DTC.

Certain Covenants

Other than as described below under "— Offer to Repurchase Upon a Change of Control Repurchase Event," and "— Consolidation, Merger and Sale of Assets," the 2031 Indenture does not contain any provisions that would limit our ability to incur indebtedness or that would afford holders of the 2031 Notes protection in the event of a sudden and significant decline in our credit quality or a takeover, change of control, recapitalization or highly leveraged or similar transaction involving us. Accordingly, we could in the future enter into transactions that could increase the amount of indebtedness outstanding at that time or otherwise adversely affect our capital structure or credit rating.

The 2031 Indenture does not contain any financial covenants and does not restrict us from paying dividends or issuing or repurchasing any of our other securities. Other than the restrictions described under "Consolidation, Merger and Sale of Assets" below, the 2031 Indenture does not contain any covenants or other provisions designed to afford holders of the 2031 Notes protection in the event of a takeover, recapitalization, highly leveraged transaction or similar restructuring involving us that could adversely affect such holders.

Consolidation, Merger and Sale of Assets

The 2031 Indenture provides that we may not consolidate with or merge into any other corporation, nor may we transfer or lease substantially all of our assets and property to any other person, unless:

- the corporation formed by the consolidation or into which we are merged, or the person that acquires by conveyance or transfer, or that leases, substantially all of our property and assets:
 - is organized and validly existing under the laws of any domestic jurisdiction; and
 - expressly assumes by supplemental indenture our obligations on the 2031 Notes and under the 2031 Indenture;
- immediately after giving effect to the transaction, no Event of Default, and no event that (after notice or lapse of time or both) would become an Event of Default, has occurred and is continuing; and

- we have delivered to the trustee an officer's certificate and opinion of counsel as provided in the 2031 Indenture.

Offer to Repurchase Upon a Change of Control Repurchase Event

If a Change of Control Repurchase Event (as defined below) occurs, unless we have exercised our option to redeem the 2031 Notes as described above, we will make an offer to each holder of the 2031 Notes to repurchase all or any part (in a principal amount of \$25 and integral multiples of \$25 in excess thereof) of that holder's 2031 Notes at a repurchase price in cash equal to 101% of the aggregate principal amount of the 2031 Notes repurchased plus any accrued and unpaid interest on the 2031 Notes repurchased to, but excluding, the date of repurchase. Within 30 days following any Change of Control Repurchase Event or, at our option, prior to any Change of Control, but after the public announcement of the Change of Control, we will give notice to each holder with copies to the trustee and the paying agent (if other than the trustee) describing the transaction or transactions that constitute or may constitute the Change of Control Repurchase Event and offering to repurchase the 2031 Notes on the payment date specified in the notice, which date will be no earlier than 30 days and no later than 60 days from the date such notice is given. The notice shall, if given prior to the date of consummation of the Change of Control, state that the offer to purchase is conditioned on the Change of Control Repurchase Event occurring on or prior to the payment date specified in the notice. We will comply with the requirements of Rule 14e-1 under the Exchange Act, and any other securities laws and regulations thereunder to the extent those laws and regulations are applicable in connection with the repurchase of the 2031 Notes as a result of a Change of Control Repurchase Event. To the extent that the provisions of any securities laws or regulations conflict with the Change of Control Repurchase Event provisions of the 2031 Notes, we will comply with the applicable securities laws and regulations and will not be deemed to have breached our obligations under the Change of Control Repurchase Event provisions of the 2031 Notes by virtue of such conflict.

On the Change of Control Repurchase Event payment date, we will, to the extent lawful:

- (1) accept for payment all 2031 Notes or portions of 2031 Notes properly tendered pursuant to our offer;
- (2) deposit with the trustee an amount equal to the aggregate purchase price in respect of all 2031 Notes or portions of 2031 Notes properly tendered; and
- (3) deliver or cause to be delivered to the trustee the 2031 Notes properly accepted, together with an officer's certificate stating the aggregate principal amount of 2031 Notes being purchased by us.

We will not be required to make an offer to repurchase the 2031 Notes upon a Change of Control Repurchase Event if (i) we or our successor delivered a notice to redeem in the manner, at the times and otherwise in compliance with the optional redemption and repayment provision described above prior to the occurrence of the Change of Control Repurchase Event or (ii) a third party makes an offer in respect of the 2031 Notes in the manner, at the times and otherwise in compliance with the requirements for an offer made by us and such third party purchases all 2031 Notes properly tendered and not withdrawn under its offer.

There can be no assurance that sufficient funds will be available at the time of any Change of Control Repurchase Event to make required repurchases of the 2031 Notes tendered. Our failure to repurchase the 2031 Notes upon a Change of Control Repurchase Event would result in a default under the 2031 Indenture. If the holders of the 2031 Notes exercise their right to require us to repurchase the 2031 Notes upon a Change of Control Repurchase Event, the financial effect of this repurchase could result in defaults under any repurchase agreement, credit facility or other debt instruments to which we are or could become party, including the acceleration of the payment of any borrowings thereunder. It is possible that we will not have sufficient funds at the time of the Change of Control Repurchase Event to make the required repurchase of our other debt and the 2031 Notes.

“Change of Control” means the occurrence of the following:

- the sale, assignment, lease, transfer or other conveyance (other than by way of merger or consolidation), in one or a series of related transactions, of all or substantially all of the properties and assets of the Company and its subsidiaries taken as a whole to any “person” (as that term is used in Section 13(d)(3) of the Exchange Act) other than to the Company or one or more of its subsidiaries or a combination thereof or a person controlled by the Company or one or more of its subsidiaries or a combination thereof; or
- the consummation of any transaction (including any merger or consolidation) the result of which is that any “person” (as that term is used in Section 13(d)(3) of the Exchange Act) (other than any subsidiary of the Company) becomes the “beneficial owner” (as defined in Rules 13d-3 and 13d-5 under the Exchange Act), directly or indirectly, of more than 50% of the outstanding Voting Stock of the Company, measured by voting power rather than number of shares or the like.

Notwithstanding the foregoing, a transaction shall not be deemed to involve a “Change of Control” if (i) the Company becomes a direct or indirect wholly owned subsidiary of a holding company and (ii)(A) the direct or indirect holders of the Voting Stock of such holding company immediately following such transaction are substantially the same as the holders of the Voting Stock of the Company immediately prior to such transaction or (B) immediately following such transaction no “person” (as that term is used in Section 13(d)(3) of the Exchange Act) (other than a holding company satisfying the requirements of this sentence) is the “beneficial owner” (as defined in Rules 13d-3 and 13d-5 under the Exchange Act), directly or indirectly, of more than 50% of the outstanding Voting Stock of such holding company, measured by voting power rather than number of shares or the like.

“Change of Control Repurchase Event” means that, following the consummation of a Change of Control, neither the Company nor the acquiring or surviving entity has a class of common securities (or American Depositary Receipts representing such securities) listed on the New York Stock Exchange (the “NYSE”), the NYSE American LLC (the “NYSE AMER”) or the Nasdaq Stock Market, or listed or quoted on an exchange or quotation system that is a successor to the NYSE, the NYSE AMER or the Nasdaq Stock Market. Notwithstanding the foregoing, no Change of Control Repurchase Event will be deemed to have occurred in connection with any particular Change of Control unless and until such Change of Control has actually been consummated.

“Control” means the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of a person, whether through the ownership of voting securities, by agreement or otherwise.

“Voting Stock,” as applied to stock of any person, means shares, interests, participations or other equivalents in the equity interest (however designated) in such person having ordinary voting power for the election of a majority of the directors (or the equivalent) of such person, other than shares, interests, participations or other equivalents having such power only by reason of the occurrence of a contingency.

Information Rights

We, pursuant to Section 314(a) of the Trust Indenture Act, shall: deliver to the trustee, within 15 days after we file the same with the SEC, copies of the annual reports and of the information, documents and other reports (or copies of such portions of any of the foregoing as the SEC may from time to time by rules and regulations prescribe) which we may be required to file with the SEC pursuant to Section 13 or Section 15(d) of the Exchange Act; or, if we are not required to file information, documents or reports pursuant to either of said Sections, then we shall deliver to the trustee and file with the SEC, in accordance with rules and regulations prescribed from time to time by the SEC, such of the supplementary and periodic information, documents and reports which may be required pursuant to Section 13 of the Exchange Act in respect of a security listed and registered on a national securities exchange as may be prescribed from time to time in such rules and regulations.

Events of Default

Any one of the following is an "Event of Default" with respect to the 2031 Notes:

- failure to pay any interest due within 30 days after it becomes due;
- failure to pay principal or premium, if any, when due;
- breach of or failure to perform any other covenant or warranty in the 2031 Indenture for 60 days (subject to extension under certain circumstances for another 120 days) after we receive notice from the trustee, or we and the trustee receive notice from the holders of at least 33% in principal amount of the 2031 Notes outstanding under the 2031 Indenture according to the provisions of the 2031 Indenture; and
- certain events of bankruptcy, insolvency or reorganization.

If an Event of Default with respect to a particular series of the 2031 Notes occurs and is continuing, either the trustee or the holders of at least 33% in principal amount of the outstanding 2031 Notes may declare the principal amount of all of the 2031 Notes to be due and payable immediately.

The 2031 Indenture includes provisions as to the duties of the trustee in case an Event of Default occurs and is continuing. Consistent with these provisions, the trustee will be under no obligation to exercise any of its rights or powers at the request or direction of any of the holders unless those holders have offered to the trustee reasonable security or indemnity against the costs, expenses and liabilities that may be incurred by it in compliance with such request or direction. Subject to these provisions for indemnification, the holders of a majority in principal amount of the outstanding 2031 Notes may direct the time, method and place of conducting any proceeding for any remedy available to the trustee, or exercising any trust or power conferred on the trustee, with respect to the 2031 Notes.

No holder of 2031 Notes may institute any proceeding regarding the 2031 Indenture, or for the appointment of a receiver or a trustee, or for any other remedy under the 2031 Indenture, except as provided in the 2031 Indenture.

We must furnish annually to the trustee a statement by an appropriate officer as to that officer's knowledge of our compliance with all conditions and covenants under the 2031 Indenture. Our compliance is to be determined without regard to any grace period or notice requirement under the 2031 Indenture.

Modification and Waiver

We and the trustee, without the consent of the holders of the 2031 Notes, may enter into one or more supplemental indentures for any of the following purposes:

- to evidence the assumption by any permitted successor of our covenants in the 2031 Indenture and the 2031 Notes;
- to add one or more covenants or other provisions for the benefit of the holders of outstanding 2031 Notes or to surrender any right or power conferred upon us by the 2031 Indenture;
- to add any additional events of default;
- to change or eliminate any provision of the 2031 Indenture or add any new provision to it, but if this action would adversely affect the interests of the holders of the 2031 Notes in any material respect, the action will not become effective with respect to the 2031 Notes while any 2031 Notes remain outstanding under the 2031 Indenture;
- to provide collateral security for the 2031 Notes;
- to establish the form or terms of the 2031 Notes according to the provisions of the 2031 Indenture;

- to provide for the authentication and delivery of bearer securities (and coupons representing any interest thereon) and for procedures for the registration, exchange and replacement of such bearer securities and for the giving of notice to, and the solicitation of the vote or consent of, the holders of such bearer securities, and for all related incidental matters;
- to evidence the acceptance of appointment of a successor trustee under the 2031 Indenture with respect to the 2031 Notes and to add to or change any of the provisions of the 2031 Indenture as necessary to provide for trust administration under the 2031 Indenture by more than one trustee;
- to provide for the procedures required to permit the use of a non-certificated system of registration for the 2031 Notes;
- to change any place where:
 - the principal of and any premium and interest on the 2031 Notes are payable;
 - the 2031 Notes may be surrendered for registration of transfer or exchange; or
 - notices and demands to or upon us regarding the 2031 Notes and the 2031 Indenture may be served; or
- to cure any ambiguity or inconsistency, but only by means of changes or additions that will not adversely affect the interests of the holders of the 2031 Notes in any material respect.

The holders of at least a majority in aggregate principal amount of the outstanding 2031 Notes may waive:

- compliance by us with certain provisions of the 2031 Indenture; and
- any past default under the 2031 Indenture, except a default in the payment of principal, premium or interest and certain covenants and provisions of the 2031 Indenture that cannot be modified or amended without consent of each holder of each outstanding 2031 Note.

The Trust Indenture Act of 1939 may be amended after the date of the 2031 Indenture to require changes to the 2031 Indenture. In this event, the 2031 Indenture will be deemed to have been amended so as to effect the changes, and we and the trustee may, without the consent of any holders, enter into one or more supplemental indentures to evidence or effect the amendment.

Except as provided in this section, the consent of the holders of a majority in aggregate principal amount of the outstanding debt securities of all series issued pursuant to the 2031 Indenture, considered as one class, is required to change in any manner the 2031 Indenture pursuant to one or more supplemental indentures. If there are debt securities of more than one series outstanding under the 2031 Indenture and less than all of such series are directly affected by a proposed supplemental indenture, however, only the consent of the holders of a majority in aggregate principal amount of the outstanding debt securities of all series directly affected, considered as one class, will be required. In addition, an amendment or modification:

- may not, without the consent of each affected holder:
 - change the maturity of the principal of, or any installment of principal of or interest on, the 2031 Notes;
 - reduce the principal amount or the rate of interest, or the amount of any installment of interest, or change the method of calculating the rate of interest;
 - reduce any premium payable upon the redemption of the 2031 Notes;
 - change the currency or other property in which the 2031 Notes or premium or interest on the 2031 Notes is payable; or

- impair the right to institute suit for the enforcement of any payment on or after the stated maturity, or in the case of redemption, on or after the redemption date, of the 2031 Notes;
- may not reduce the percentage of principal amount requirement for consent of the holders for any supplemental indenture, or for any waiver of compliance with any provision of or any default under the 2031 Indenture, or reduce the requirements for quorum or voting, without the consent of the holder of each affected holder; and
- may not modify provisions of the 2031 Indenture relating to supplemental indentures, waivers of certain covenants and waivers of past defaults with respect to the 2031 Notes of any series, or any tranche of a series, without the consent of each affected holder.

A supplemental indenture will be deemed not to affect the rights under the 2031 Indenture of the holders of any series or tranche of debt securities if the supplemental indenture:

- changes or eliminates any covenant or other provision of the 2031 Indenture expressly included solely for the benefit of one or more other particular series of debt securities or tranches thereof; or
- modifies the rights of the holders of the debt securities of any other series or tranches with respect to any covenant or other provision.

If we solicit from holders of the 2031 Notes any type of action, we may at our option by board resolution fix in advance a record date for the determination of the holders entitled to vote on the action. We shall have no obligation, however, to do so. If we fix a record date, the action may be taken before or after the record date, but only the holders of record at the close of business on the record date shall be deemed to be holders for the purposes of determining whether holders of the requisite proportion of the outstanding 2031 Notes have authorized the action. For that purpose, the outstanding 2031 Notes shall be computed as of the record date. Any holder action shall bind every future holder of the same security and the holder of every security issued upon the registration of transfer of or in exchange for or in lieu of the security in respect of anything done or permitted by the trustee or us in reliance on that action, whether or not notation of the action is made upon the security.

Defeasance

The 2031 Notes, or portion of the principal amount of the 2031 Notes, will be deemed to have been paid for purposes of the 2031 Indenture, and, at our election, our entire indebtedness in respect of the 2031 Notes, or portion thereof, will be deemed to have been satisfied and discharged, if we have irrevocably deposited with the trustee or any paying agent other than us, in trust money, certain eligible obligations, as defined in the 2031 Indenture, or a combination of the two, sufficient to pay principal of and any premium and interest due and to become due on the 2031 Notes or portion thereof, and other required documentation. Included among the documentation we are required to deliver to be deemed to have our indebtedness deemed satisfied and discharged with respect to the 2031 Notes pursuant to the preceding sentence is an opinion of counsel to the effect that, as a result of a change in law occurring after the date of the 2031 Indenture, the holders of the 2031 Notes, or portions thereof, will not recognize income, gain or loss for U.S. federal income tax purposes as a result of the satisfaction and discharge of our indebtedness in respect thereof and will be subject to U.S. federal income tax on the same amounts, at the same times and in the same manner as if such satisfaction and discharge had not been effected. For this purpose, eligible obligations include direct obligations of, or obligations unconditionally guaranteed by, the U.S., entitled to the benefit of full faith and credit of the U.S., and certificates, depositary receipts or other instruments that evidence a direct ownership interest in those obligations or in any specific interest or principal payments due in respect of those obligations.

Title

The trustee and its agents, and we and our agents, may treat the person in whose name a 2031 Note is registered as the absolute owner of that 2031 Note, whether or not that 2031 Note may be overdue, for the purpose of making payment and for all other purposes.

Governing Law

The 2031 Indenture and the 2031 Notes are governed by the laws of the State of New York.

Concerning the Trustee

U.S. Bank Trust Company, National Association is the trustee.

NEW YORK MORTGAGE TRUST, INC.
2017 EQUITY INCENTIVE PLAN
PERFORMANCE SHARE UNIT GRANT NOTICE

Pursuant to the terms and conditions of the New York Mortgage Trust, Inc. 2017 Equity Incentive Plan, as amended from time to time (the "**Plan**"), Adamas Trust, Inc. (the "**Company**") hereby grants to the individual listed below ("**you**" or the "**Participant**") the number of performance share units (the "**PSUs**") set forth below. This award of PSUs (this "**Award**") is subject to the terms and conditions set forth herein and in the Performance Share Unit Agreement attached hereto as Exhibit A (the "**Agreement**") and the Plan, each of which is incorporated herein by reference. Capitalized terms used but not defined herein shall have the meanings set forth in the Plan.

Participant: [•]

Date of Grant: [•], 2026

Award Type and Description: Performance Award granted pursuant to Article X of the Plan. This Award represents the right to receive shares of Common Stock in an amount up to 200% of the Target PSUs (defined below), subject to the terms and conditions set forth herein and in the Agreement.

Your right to receive settlement of this Award in an amount ranging from 0% to 200% of the Target PSUs shall vest and become earned and nonforfeitable upon (i) your satisfaction of the continued employment or service requirements described below under "Service Requirement" and (ii) the Committee's certification of the level of achievement of the Performance Goal (defined below). The portion of the Target PSUs actually earned upon satisfaction of the foregoing requirements is referred to herein as the "**Earned PSUs**."

Target Number of PSUs: [•] (the "**Target PSUs**").

Performance Period: January 1, 2026 (the "**Performance Period Commencement Date**") through December 31, 2028 (the "**Performance Period End Date**"). The period described in the preceding sentence is referred to herein as the "**Performance Period**."

Service Requirement:

Except as expressly provided in Sections 3 and 4 of the Agreement, you must remain continuously employed by, or continuously provide services to, the Company or an Affiliate, as applicable, from the Date of Grant through the Performance Period End Date to be eligible to receive payment of this Award, which is based on the level of achievement with respect to the Performance Goal (as defined below).

Performance Goal:

Subject to the terms and conditions set forth in the Plan, the Agreement and herein, the number of Target PSUs, if any, that become Earned PSUs during the Performance Period will be determined in accordance with the following table:

Level of Achievement	Percentage of Target PSUs Earned*
< Threshold	0%
Threshold	50%
Target	100%
Maximum	200%

* The percentage of Target PSUs that become Earned PSUs for performance between the threshold, target, and maximum achievement levels shall be calculated using linear interpolation. The "**Performance Goal**" for the Performance Period is based on the Company's achievement with respect to relative total shareholder return, as described in Exhibit B attached hereto. Notwithstanding the foregoing, in the event that the Company's absolute total shareholder return is negative for the Performance Period, the number of Target PSUs that become Earned PSUs shall not exceed 100% of the Target PSUs regardless of the Company's achievement with respect to relative total shareholder return.

Settlement:

Settlement of the Earned PSUs shall be made solely in shares of Common Stock, which shall be delivered to you in accordance with Section 6 of the Agreement.

By your signature below, you agree to be bound by the terms and conditions of the Plan, the Agreement and this Performance Share Unit Grant Notice (this "**Grant Notice**"). You acknowledge that you have reviewed the Agreement, the Plan and this Grant Notice in their entirety and fully understand all provisions of the Agreement, the Plan and this Grant Notice. You hereby agree to accept as binding, conclusive and final all decisions or interpretations of the Committee regarding any questions or determinations that arise under the Agreement, the Plan or this Grant Notice. This Grant Notice may be executed in one or more counterparts (including portable document format (.pdf) and facsimile counterparts), each of which shall be deemed to be an original, but all of which together shall constitute one and the same agreement.

[Signature Page Follows]

IN WITNESS WHEREOF, the Company has caused this Grant Notice to be executed by an officer thereunto duly authorized, and the Participant has executed this Grant Notice, effective for all purposes as provided above.

Adamas Trust, Inc.

By:
Name:
Title:

PARTICIPANT
Name:

[•]

EXHIBIT A

PERFORMANCE SHARE UNIT AGREEMENT

This Performance Share Unit Agreement (together with the Grant Notice to which this Agreement is attached, this "*Agreement*") is made as of the Date of Grant set forth in the Grant Notice to which this Agreement is attached by and between Adamas Trust, Inc., a Maryland corporation (the "*Company*"), and [●] (the "*Participant*"). Capitalized terms used but not specifically defined herein shall have the meanings specified in the Plan or the Grant Notice.

1. **Award.** In consideration of the Participant's past and/or continued employment with, or service to, the Company or its Affiliates and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, effective as of the Date of Grant set forth in the Grant Notice (the "*Date of Grant*"), the Company hereby grants to the Participant the target number of PSUs set forth in the Grant Notice (the "*Target PSUs*") on the terms and conditions set forth in the Grant Notice, this Agreement and the Plan, which is incorporated herein by reference as a part of this Agreement. In the event of any inconsistency between the Plan and this Agreement, the terms of the Plan shall control. To the extent vested, each PSU represents the right to receive one share of Common Stock, subject to the terms and conditions set forth in the Grant Notice, this Agreement and the Plan; provided, however, that, depending on the level of performance determined to be attained with respect to the Performance Goal, the number of shares of Common Stock that may be earned hereunder in respect of this Award may range from 0% to 200% of the Target PSUs. Unless and until the PSUs have become vested in the manner set forth in the Grant Notice, the Participant will have no right to receive any Common Stock or other payments in respect of the PSUs. Prior to settlement of this Award, the PSUs and this Award represent an unsecured obligation of the Company, payable only from the general assets of the Company.

2. **Vesting of PSUs.** Except as otherwise set forth in Sections 3, 4 and 5, the PSUs shall vest and become Earned PSUs in accordance with the Participant's satisfaction of the vesting schedule set forth in the Grant Notice (the "*Service Requirement*") based on the extent to which the Company has satisfied the Performance Goal set forth in the Grant Notice, which shall be determined by the Committee in its sole discretion following the end of the Performance Period (and any PSUs that do not become Earned PSUs shall be automatically forfeited). Except as otherwise set forth herein, unless and until the PSUs have vested and become Earned PSUs as described in the preceding sentence, the Participant will have no right to receive any dividends or other distribution with respect to the PSUs.

3. **Effect of Termination of Employment.** Except as otherwise set forth in Sections 4 and 5 or as provided otherwise in any employment agreement between the Participant and the Company or an Affiliate, if the Participant has not satisfied the Service Requirement, then upon the termination of the Participant's employment with the Company or an Affiliate for any reason, any unearned PSUs (and all rights arising from such PSUs and from being a holder thereof), unless otherwise determined by the Committee, will terminate automatically without any further action by the Company and will be forfeited without further notice and at no cost to the Company.

4. **Change in Control.** Notwithstanding anything contained herein to the contrary, if a Change in Control (as defined in the Plan) of the Company occurs prior to the Performance Period End Date, the Performance Period shall end and the Committee shall determine, in its sole discretion, the number of PSUs that are eligible to become Earned PSUs based on the extent to which the Company has satisfied the Performance Goal set forth in the Grant Notice as measured through the Control Change Date, which shall be determined by the Committee in its sole discretion (the "**Eligible COC PSUs**"). The Eligible COC PSUs shall vest and become Earned PSUs in accordance with the Participant's satisfaction of the Service Requirement, which shall then be eligible for settlement in accordance with Section 6. If the Participant's employment with the Company is terminated within 24 months of such Change in Control by the Company without Cause or by the Participant for Good Reason and prior to the Participant's satisfaction of the Service Requirement, the Participant shall be deemed to have satisfied the Service Requirement with respect to Eligible COC PSUs, which shall become Earned PSUs that are eligible for settlement in accordance with Section 6. Any Eligible COC PSUs that do not become Earned PSUs shall be automatically forfeited.

For purposes of this Agreement, the term "**Cause**" shall mean "cause" (or a term of like import) as defined under the Participant's employment, consulting and/or severance agreement with the Company or, in the absence of such an agreement or definition, shall mean a determination by the Company in its sole discretion that the Participant has: (a) engaged in gross negligence or willful misconduct in the performance of the Participant's duties with respect to the Company or an Affiliate, (b) materially breached any material provision of any written agreement between the Participant and the Company or an Affiliate or corporate policy or code of conduct established by the Company or an Affiliate and applicable to the Participant; (c) willfully engaged in conduct that is materially injurious to the Company or an Affiliate; or (d) been convicted of, pleaded no contest to or received adjudicated probation or deferred adjudication in connection with, a felony involving fraud, dishonestly or moral turpitude (or a crime of similar import in a foreign jurisdiction).

For purposes of this Agreement, the term "**Good Reason**" shall mean "good reason" (or a term of like import) as defined under the Participant's employment, consulting and/or severance agreement with the Company or, in the absence of such an agreement or definition, shall mean (a) a material diminution in the Participant's base salary or (b) the relocation of the geographic location of the Participant's principal place of employment by more than 50 miles from the location of the Participant's principal place of employment as of the Date of Grant; provided that, in the case of the Participant's assertion of Good Reason, (i) the condition described in the foregoing clauses must have arisen without the Participant's consent; (ii) the Participant must provide written notice to the Company of such condition in accordance with this Agreement within 45 days of the initial existence of the condition; (iii) the condition specified in such notice must remain uncorrected for 30 days after receipt of such notice by the Company; and (iv) the date of termination of the Participant's employment or other service relationship with the Company or an Affiliate must occur within 90 days after such notice is received by the Company.

5. **Retirement.** If the Participant's employment with the Company is terminated due to the Participant's Retirement (as defined below) prior to the Performance Period End Date, the Target PSUs shall be reduced on a pro-rata basis to reflect (x) the number of days in which the Participant was employed from the Date of Grant through the date of the Participant's Retirement, divided by (y) the number of days in the Performance Period, and such prorated number of Target PSUs shall remain outstanding and eligible to vest and become Earned PSUs only the extent to which the Company has satisfied the Performance Goal set forth in the Grant Notice, which shall be determined by the Committee in its sole discretion following the end of the Performance Period (and any PSUs that do not become Earned PSUs shall be automatically forfeited), and the Participant shall be deemed to have satisfied the Service Requirement with respect to such Earned PSUs.

For purposes of this Agreement, "**Retirement**" shall mean "retirement" (or a term of like import) as defined under the Participant's employment, consulting and/or severance agreement with the Company or, in the absence of such an agreement or definition, shall mean the termination of the Participant's employment with the Company due to the Participant's voluntary resignation that meets the following conditions: (a) such voluntary resignation occurs on or after the completion of 10 or more full years of service with the Company (which need not be continuous) and (b) the sum of the Participant's age and years of service with the Company equals or exceeds 70 (in each case, measured in years and rounded down to the nearest whole number).

6. **Settlement of PSUs.** As soon as administratively practicable following the later to occur of (a) the Committee's certification of the level of attainment of the Performance Goal or (b) the date that the Participant satisfies the Service Requirement with respect to any Earned PSUs, but in no event later than 60 days following such later date, the Company shall deliver to the Participant (or the Participant's permitted transferee, if applicable), a number of shares of Common Stock equal to the number of Earned PSUs; provided, however, that any fractional PSU that becomes earned hereunder shall be rounded down at the time shares of Common Stock are issued in settlement of such PSU. No fractional shares of Common Stock, nor the cash value of any fractional shares of Common Stock, shall be issuable or payable to the Participant pursuant to this Agreement. All shares of Common Stock, if any, issued hereunder shall be delivered either by delivering one or more certificates for such shares to the Participant or by entering such shares in book-entry form, as determined by the Committee in its sole discretion. The value of shares of Common Stock shall not bear any interest owing to the passage of time. Neither this Section 6 nor any action taken pursuant to or in accordance with this Agreement shall be construed to create a trust or a funded or secured obligation of any kind.

7. **Tax Withholding.** To the extent that the receipt, vesting or settlement of this Award results in compensation income or wages to the Participant for federal, state, local and/or foreign tax purposes, the Participant shall make arrangements satisfactory to the Company for the satisfaction of obligations for the payment of withholding taxes and other tax obligations relating to this Award, which arrangements include the delivery of cash or cash equivalents, Common Stock (including previously owned Common Stock, net settlement, a broker-assisted sale, or other cashless withholding or reduction of the amount of shares otherwise issuable or delivered pursuant to this Award), other property, or any other legal consideration the Committee deems appropriate. If such tax obligations are satisfied through net settlement or the surrender of previously owned Common Stock, the maximum number of shares of Common Stock that may be so withheld (or surrendered) shall be the number of shares of Common Stock that have an aggregate Fair Market Value on the date of withholding or surrender equal to the aggregate amount of such tax liabilities determined based on the greatest withholding rates for federal, state, local and/or foreign tax purposes, including payroll taxes, that may be utilized without creating adverse accounting treatment for the Company with respect to this Award, as determined by the Committee. The Participant acknowledges that there may be adverse tax consequences upon the receipt, vesting or settlement of this Award or disposition of the underlying shares and that the Participant has been advised, and hereby is advised, to consult a tax advisor. The Participant represents that the Participant is in no manner relying on the Board, the Committee, the Company or an Affiliate or any of their respective managers, directors, officers, employees or authorized representatives (including, without limitation, attorneys, accountants, consultants, bankers, lenders, prospective lenders and financial representatives) for tax advice or an assessment of such tax consequences.

8. **Non-Transferability.** During the lifetime of the Participant, the PSUs may not be sold, pledged, assigned or transferred in any manner other than by will or the laws of descent and distribution, unless and until the shares of Common Stock underlying the PSUs have been issued, and all restrictions applicable to such shares have lapsed. Neither the PSUs nor any interest or right therein shall be liable for the debts, contracts or engagements of the Participant or his or her successors in interest or shall be subject to disposition by transfer, alienation, anticipation, pledge, encumbrance, assignment or any other means, whether such disposition be voluntary or involuntary or by operation of law by judgment, levy, attachment, garnishment or any other legal or equitable proceedings (including bankruptcy), and any attempted disposition thereof shall be null and void and of no effect, except to the extent that such disposition is permitted by the preceding sentence.

9. **Compliance with Applicable Law.** Notwithstanding any provision of this Agreement to the contrary, the issuance of shares of Common Stock hereunder will be subject to compliance with all applicable requirements of applicable law with respect to such securities and with the requirements of any stock exchange or market system upon which the Common Stock may then be listed. No shares of Common Stock will be issued hereunder if such issuance would constitute a violation of any applicable law or regulation or the requirements of any stock exchange or market system upon which the Common Stock may then be listed. In addition, shares of Common Stock will not be issued hereunder unless (a) a registration statement under the Securities Act of 1933, as amended from time to time, is in effect at the time of such issuance with respect to the shares to be issued or (b) in the opinion of legal counsel to the Company, the shares to be issued are permitted to be issued in accordance with the terms of an applicable exemption from the registration requirements of the Securities Act of 1933, as amended from time to time. The inability of the Company to obtain from any regulatory body having jurisdiction the authority, if any, deemed by the Company's legal counsel to be necessary for the lawful issuance and sale of any shares of Common Stock hereunder will relieve the Company of any liability in respect of the failure to issue such shares as to which such requisite authority has not been obtained. As a condition to any issuance of Common Stock hereunder, the Company may require the Participant to satisfy any requirements that may be necessary or appropriate to evidence compliance with any applicable law or regulation and to make any representation or warranty with respect to such compliance as may be requested by the Company.

10. **Legends.** If a stock certificate is issued with respect to shares of Common Stock issued hereunder, such certificate shall bear such legend or legends as the Committee deems appropriate in order to reflect the restrictions set forth in this Agreement and to ensure compliance with the terms and provisions of this Agreement, the rules, regulations and other requirements of the Securities and Exchange Commission, any applicable laws or the requirements of any stock exchange on which the Common Stock is then listed. If the shares of Common Stock issued hereunder are held in book-entry form, then such entry will reflect that the shares are subject to the restrictions set forth in this Agreement.

11. **Rights as a Shareholder.** The Participant shall have no rights as a shareholder of the Company with respect to any shares of Common Stock that may become deliverable hereunder unless and until the Participant has become the holder of record of such shares of Common Stock, and no adjustments shall be made for dividends in cash or other property, distributions or other rights in respect of any such shares of Common Stock, except as otherwise specifically provided for in the Plan or this Agreement.

12. **Dividend Equivalents.** Notwithstanding anything to the contrary contained herein, each PSU subject to this Award is hereby granted in tandem with a corresponding dividend equivalent ("**DER**"), which DER shall remain outstanding from the Date of Grant until the earlier of the settlement or forfeiture of the PSU to which the DER corresponds. Each vested DER entitles the Participant to receive payments, subject to and in accordance with this Agreement, in an amount equal to any dividends paid by the Company in respect of the share of Common Stock underlying the PSU to which such DER relates. The Company shall establish, with respect to each PSU, a separate DER bookkeeping account for such PSU (a "**DER Account**"), which shall be credited (without interest) on the applicable dividend payment dates with an amount equal to any dividends paid during the period that such PSU remains outstanding with respect to the share of Common Stock underlying the PSU to which such DER relates. Upon the date that the PSU becomes an Earned PSU, the DER (and the DER Account) with respect to such Earned PSU shall become vested. Similarly, upon the forfeiture of a PSU, the DER (and the DER Account) with respect to such forfeited PSU shall also be forfeited. DERs shall not entitle the Participant to any payments relating to dividends paid after the earlier to occur of the date that the applicable Earned PSU is settled in accordance with Section 6 or the forfeiture of the PSU underlying such DER. Payments with respect to vested DERs shall be made as soon as practicable, and within 60 days, after the date that such DER vests. The Participant shall not be entitled to receive any interest with respect to the payment of DERs.

13. **Execution of Receipts and Releases.** Any issuance or transfer of shares of Common Stock or other property to the Participant or the Participant's legal representative, heir, legatee or distributee, in accordance with this Agreement shall be in full satisfaction of all claims of such person hereunder. As a condition precedent to such payment or issuance, the Company may require the Participant or the Participant's legal representative, heir, legatee or distributee to execute (and not revoke within any time provided to do so) a release and receipt therefor in such form as it shall determine appropriate; provided, however, that any review period under such release will not modify the date of settlement with respect to Earned PSUs.

14. **No Right to Continued Employment, Service or Awards.** Nothing in the adoption of the Plan, nor the award of the PSUs thereunder pursuant to the Grant Notice and this Agreement, shall confer upon the Participant the right to continued employment by, or a continued service relationship with, the Company or any Affiliate, or any other entity, or affect in any way the right of the Company or any such Affiliate, or any other entity to terminate such employment or other service relationship at any time. The grant of the PSUs is a one-time benefit and does not create any contractual or other right to receive a grant of Awards or benefits in lieu of Awards in the future. Any future Awards will be granted at the sole discretion of the Company.

15. **Notices.** All notices and other communications under this Agreement shall be in writing and shall be delivered to the parties at the following addresses (or at such other address for a party as shall be specified by like notice):

If to the Company, unless otherwise designated by the Company in a written notice to the Participant (or other holder):

Adamas Trust, Inc.
Attn: Compensation Committee
90 Park Avenue
New York, New York 10016

If to the Participant, at the Participant's last known address on file with the Company.

Any notice that is delivered personally or by overnight courier or telecopier in the manner provided herein shall be deemed to have been duly given to the Participant when it is mailed by the Company or, if such notice is not mailed to the Participant, upon receipt by the Participant. Any notice that is addressed and mailed in the manner herein provided shall be conclusively presumed to have been given to the party to whom it is addressed at the close of business, local time of the recipient, on the fourth day after the day it is so placed in the mail.

16. **Consent to Electronic Delivery; Electronic Signature.** In lieu of receiving documents in paper format, the Participant agrees, to the fullest extent permitted by law, to accept electronic delivery of any documents that the Company may be required to deliver (including, but not limited to, prospectuses, prospectus supplements, grant or award notifications and agreements, account statements, annual and quarterly reports and all other forms of communications) in connection with this and any other Award made or offered by the Company. Electronic delivery may be via a Company electronic mail system or by reference to a location on a Company intranet to which the Participant has access. The Participant hereby consents to any and all procedures the Company has established or may establish for an electronic signature system for delivery and acceptance of any such documents that the Company may be required to deliver, and agrees that his or her electronic signature is the same as, and shall have the same force and effect as, his or her manual signature.

17. **Agreement to Furnish Information.** The Participant agrees to furnish to the Company all information requested by the Company to enable it to comply with any reporting or other requirement imposed upon the Company by or under any applicable statute or regulation.

18. **Entire Agreement; Amendment.** This Agreement constitutes the entire agreement of the parties with regard to the subject matter hereof, and contains all the covenants, promises, representations, warranties and agreements between the parties with respect to the PSUs granted hereby; provided, however, that unless otherwise stated herein, the terms of this Agreement shall not modify and shall be subject to the terms and conditions of any employment, consulting and/or severance agreement between the Company (or an Affiliate or other entity) and the Participant in effect as of the date a determination is to be made under this Agreement. Without limiting the scope of the preceding sentence, except as provided therein, all prior understandings and agreements, if any, among the parties hereto relating to the subject matter hereof are hereby null and void and of no further force and effect. The Committee may, in its sole discretion, amend this Agreement from time to time in any manner that is not inconsistent with the Plan; provided, however, that except as otherwise provided in the Plan or this Agreement, any such amendment that materially reduces the rights of the Participant shall be effective only if it is in writing and signed by both the Participant and an authorized officer of the Company.

19. **Severability and Waiver.** If a court of competent jurisdiction determines that any provision of this Agreement is invalid or unenforceable, then the invalidity or unenforceability of such provision shall not affect the validity or enforceability of any other provision of this Agreement, and all other provisions shall remain in full force and effect. Waiver by any party of any breach of this Agreement or failure to exercise any right hereunder shall not be deemed to be a waiver of any other breach or right. The failure of any party to take action by reason of such breach or to exercise any such right shall not deprive the party of the right to take action at any time while or after such breach or condition giving rise to such rights continues.

20. **Clawback.** Notwithstanding any provision in the Grant Notice, this Agreement or the Plan to the contrary, to the extent required by (a) applicable law, including, without limitation, the requirements of the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010, any Securities and Exchange Commission rule or any applicable securities exchange listing standards and/or (b) any policy that may be adopted or amended by the Board from time to time, including but not limited to the New York Mortgage Trust, Inc. Clawback Policy, all shares of Common Stock issued hereunder shall be subject to forfeiture, repurchase, recoupment and/or cancellation to the extent necessary to comply with such law(s) and/or policy.

21. **Governing Law.** This Agreement shall be governed by and construed in accordance with the laws of the State of MARYLAND applicable to contracts made and to be performed therein, exclusive of the conflict of laws provisions of MARYLAND LAW.

22. **Successors and Assigns.** The Company may assign any of its rights under this Agreement without the Participant's consent. This Agreement will be binding upon and inure to the benefit of the successors and assigns of the Company. Subject to the restrictions on transfer set forth herein and in the Plan, this Agreement will be binding upon the Participant and the Participant's beneficiaries, executors, administrators and the person(s) to whom the PSUs may be transferred by will or the laws of descent or distribution.

23. **Headings.** Headings are for convenience only and are not deemed to be part of this Agreement.

24. **Counterparts.** The Grant Notice may be executed in one or more counterparts, each of which shall be deemed an original and all of which together shall constitute one instrument. Delivery of an executed counterpart of the Grant Notice by facsimile or portable document format (.pdf) attachment to electronic mail shall be effective as delivery of a manually executed counterpart of the Grant Notice.

25. **Section 409A.** Notwithstanding anything herein or in the Plan to the contrary, the PSUs granted pursuant to this Agreement are intended to comply with the applicable requirements of Section 409A of the Code, as amended from time to time, and the guidance and regulations promulgated thereunder and successor provisions, guidance and regulations thereto (the "**Nonqualified Deferred Compensation Rules**") and shall be construed and interpreted in accordance with such intent. If the Participant is deemed to be a "specified employee" within the meaning of the Nonqualified Deferred Compensation Rules, as determined by the Committee, at a time when the Participant becomes eligible for settlement of the PSUs upon his "separation from service" within the meaning of the Nonqualified Deferred Compensation Rules, then to the extent necessary to prevent any accelerated or additional tax under the Nonqualified Deferred Compensation Rules, such settlement will be delayed until the earlier of: (a) the date that is six months following the Participant's separation from service and (b) the Participant's death. Notwithstanding the foregoing, the Company and its Affiliates make no representations that the PSUs provided under this Agreement are compliant with the Nonqualified Deferred Compensation Rules and in no event shall the Company or any Affiliate be liable for all or any portion of any taxes, penalties, interest or other expenses that may be incurred by the Participant on account of non-compliance with the Nonqualified Deferred Compensation Rules.

EXHIBIT B

PERFORMANCE GOAL FOR PERFORMANCE SHARE UNITS

The performance goal for the PSUs shall be based on the relative total shareholder return (“*TSR*”) percentile ranking of the Company as compared to the Company’s Peer Group (as defined below) during the Performance Period. Subject to the satisfaction of the Service Requirement, you will earn and become vested in an applicable number of PSUs, the Earned PSUs, that corresponds to the ranking that the Company achieves as set forth below. The Committee, in its sole discretion, will review, analyze and certify the achievement of the Company’s relative *TSR* percentile ranking for the Performance Period as compared to the Company’s Peer Group and will determine the number of Earned PSUs in accordance with the terms of this Agreement, the Grant Notice and the Plan.

Company Performance Ranking and Payout Schedule

Level	Relative <i>TSR</i> Performance (Percentile Rank vs. Peers)	Earned PSUs (% of Target)^{*^}
< Threshold	< 25th Percentile	0%
Threshold	25th Percentile	50%
Target	55th Percentile	100%
≥ Maximum	≥ 75th Percentile	200%

* The percentage of Target PSUs that become Earned PSUs for performance between the threshold, target, and maximum achievement levels shall be calculated using linear interpolation.

^ Notwithstanding anything contained in the Agreement (including this Exhibit B) to the contrary, in the event that the Company’s absolute *TSR* for the Performance Period is negative, then the total number of Target PSUs that become Earned PSUs shall not exceed 100% of the Target PSUs regardless of the Company’s relative *TSR* percentile ranking for the Performance Period.

Company Peer Group

The following companies will be deemed to be the Company's "**Peer Group**" for purposes of this Agreement:

Ticker Symbol	Name
MITT	AG Mortgage Investment Trust
AGNC	AGNC Investment Corp
AOMR	Angel Oak Mortgage REIT
NLY	Annaly Capital Management
ABR	Arbor Realty Trust
ARR	ARMOUR Residential REIT, Inc.
CHMI	Cherry Hill Mortgage Investment Corporation
CIM	Chimera Investment Corporation
DX	Dynex Capital, Inc.
EFC	Ellington Financial Inc.
IVR	Invesco Mortgage Capital Inc.
MFA	MFA Financial, Inc.
RITM	Rithm Capital Corp.
RPT	Rithm Property Trust, Inc.
ORC	Orchid Island Capital, Inc.
PMT	PennyMac Mortgage Investment Trust
RWT	Redwood Trust, Inc.
RC	Ready Capital Corp.
TWO	Two Harbors Investment Corp.

If a company in the Peer Group undergoes a merger, acquisition or similar transaction during the Performance Period, it shall remain in the Peer Group, and its TSR shall be calculated through the end of the fiscal quarter immediately preceding the completion of such transaction. If a company ceases to exist, ceases to be publicly traded or is delisted from a national securities exchange at any time during the Performance Period for reasons other than a merger, acquisition, or similar transaction it shall be removed from the Peer Group, and the definition of "Peer Group" shall be adjusted to omit such company.

Determination of Relative TSR Rank

The TSR for the Company and each member of the Peer Group shall be determined by dividing (i) the sum of the cumulative amount of such entity's dividends per share for the Performance Period and the arithmetic average per share volume weighted average price (the "*VWAP*") of such entity's common stock for the 30 consecutive trading days immediately prior to the Performance Period End Date minus the arithmetic average per share VWAP of such entity's common stock for the last 30 consecutive trading days immediately prior to the Date of Grant by (ii) the arithmetic average per share VWAP of such entity's common stock for the last 30 consecutive trading days immediately prior to the Date of Grant. To determine the Company's applicable percentile ranking for the Performance Period, TSR will be calculated for the Company and each entity in the Peer Group as of the Performance Period End Date. The entities will be arranged by their respective TSR (highest to lowest) and the percentile rank of the Company within the Peer Group will be calculated.

**NEW YORK MORTGAGE TRUST, INC.
2017 EQUITY INCENTIVE PLAN**

RESTRICTED STOCK UNIT GRANT NOTICE

Pursuant to the terms and conditions of the New York Mortgage Trust, Inc. 2017 Equity Incentive Plan, as amended from time to time (the "*Plan*"), Adamas Trust, Inc. (the "*Company*") hereby grants to the individual listed below ("*you*" or the "*Participant*") the number of Restricted Stock Units (the "*RSUs*") set forth below. This award of RSUs (this "*Award*") is subject to the terms and conditions set forth herein and in the Restricted Stock Unit Agreement attached hereto as Exhibit A (the "*Agreement*") and the Plan, each of which is incorporated herein by reference. Capitalized terms used but not defined herein shall have the meanings set forth in the Plan.

Participant: [●]
Date of Grant: [●], 2026
Total Number of Restricted Stock Units: [●]
Vesting Commencement Date: January 1, 2026
Vesting Schedule:

Except as expressly provided in Section 3 of the Agreement, the Plan and the other terms and conditions set forth herein, the RSUs shall vest according to the following schedule, so long as you remain continuously employed by the Company or an Affiliate from the Date of Grant through each vesting date set forth below:

<u>Vesting Date</u>	<u>Portion of RSUs that Vest</u>
January 1, 2027	1/3
January 1, 2028	1/3
January 1, 2029	1/3

By your signature below, you agree to be bound by the terms and conditions of the Plan, the Agreement and this Restricted Stock Unit Grant Notice (this "**Grant Notice**"). You acknowledge that you have reviewed the Agreement, the Plan and this Grant Notice in their entirety and fully understand all provisions of the Agreement, the Plan and this Grant Notice. You hereby agree to accept as binding, conclusive and final all decisions or interpretations of the Committee regarding any questions or determinations that arise under the Agreement, the Plan or this Grant Notice. This Grant Notice may be executed in one or more counterparts (including portable document format (.pdf) and facsimile counterparts), each of which shall be deemed to be an original, but all of which together shall constitute one and the same agreement.

IN WITNESS WHEREOF, the Company has caused this Grant Notice to be executed by an officer thereunto duly authorized, and the Participant has executed this Grant Notice, effective for all purposes as provided above.

Adamas Trust, Inc.

By: _____
Name:
Title:

PARTICIPANT

Name: [●]

EXHIBIT A

RESTRICTED STOCK UNIT AGREEMENT

This Restricted Stock Unit Agreement (together with the Grant Notice to which this Agreement is attached, this "**Agreement**") is made as of the Date of Grant set forth in the Grant Notice to which this Agreement is attached by and between New York Mortgage Trust, Inc., a Maryland corporation (the "**Company**"), and [•] (the "**Participant**"). Capitalized terms used but not specifically defined herein shall have the meanings specified in the Plan or the Grant Notice.

1. **Award.** In consideration of the Participant's past and/or continued employment with, or service to, the Company or its Affiliates and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, effective as of the Date of Grant set forth in the Grant Notice (the "**Date of Grant**"), the Company hereby grants to the Participant the number of RSUs set forth in the Grant Notice on the terms and conditions set forth in the Grant Notice, this Agreement and the Plan, which is incorporated herein by reference as a part of this Agreement. In the event of any inconsistency between the Plan and this Agreement, the terms of the Plan shall control. To the extent vested, each RSU represents the right to receive one share of Common Stock of the Company, hereafter described as the "**Shares**", subject to the terms and conditions set forth in the Grant Notice, this Agreement and the Plan. Unless and until the RSUs have become vested in accordance with this Agreement, the Participant will have no right to receive any Shares or other payments in respect of the RSUs, except as otherwise specifically provided for in the Plan or this Agreement (including Section 10). Prior to settlement of this Award, the RSUs and this Award represent an unsecured obligation of the Company, payable only from the general assets of the Company.

2. **Vesting of RSUs.** Except as otherwise set forth in Section 3, the RSUs shall vest in accordance with the vesting schedule set forth in the Grant Notice. Unless and until the RSUs have vested in accordance with such vesting schedule, the Participant will have no right to receive any dividends or other distribution with respect to the RSUs. Fractional Shares shall not vest hereunder, and when any provision hereof may cause a fractional Share to vest, any vesting in such fractional Share shall be postponed until such fractional Share and other fractional Shares equal a vested whole Share.

3. **Effect of Termination of Employment or Service; Change in Control.**

(a) **Termination of Employment or Service Relationship due to Death or Disability.** If the Participant's employment with the Company is terminated due to the death of the Participant, any unvested RSUs shall become fully vested and non-forfeitable upon the date of death. If the Participant's employment with the Company is terminated due to Disability of the Participant, any unvested RSUs shall become fully vested and non-forfeitable upon the date of the termination of the Participant's employment. For purposes of this Agreement, "**Disability**" shall mean that the Participant is permanently and totally disabled within the meaning of Section 22(e)(3) of the Code.

(b) Change in Control. If there is both (x) a Change in Control (as defined in the Plan) of the Company and (y) the Participant's employment with the Company is terminated within 24 months of such Change in Control by the Company without Cause (as defined below) or by the Participant for Good Reason (as defined below), any unvested RSUs shall become fully vested and non-forfeitable upon the date of the termination of the Participant's employment.

(c) Other Termination of Employment or Service. Except as otherwise provided in Section 3(a) or 3(b) in the event of the termination of the Participant's employment or other service relationship with the Company or an Affiliate for any reason, any unvested RSUs (and all rights arising from such RSUs and from being a holder thereof) will terminate automatically as of the date of termination without any further action by the Company and will be forfeited without further notice and at no cost to the Company.

(d) Certain Definitions. For purposes of this Agreement, the following terms shall have the meanings specified below:

(i) "Cause" shall mean "cause" (or a term of like import) as defined under the Participant's employment, consulting and/or severance agreement with the Company or, in the absence of such an agreement or definition, shall mean a determination by the Company in its sole discretion that the Participant has: (A) engaged in gross negligence or willful misconduct in the performance of the Participant's duties with respect to the Company or an Affiliate, (B) materially breached any material provision of any written agreement between the Participant and the Company or an Affiliate or corporate policy or code of conduct established by the Company or an Affiliate and applicable to the Participant; (C) willfully engaged in conduct that is materially injurious to the Company or an Affiliate; or (D) been convicted of, pleaded no contest to or received adjudicated probation or deferred adjudication in connection with, a felony involving fraud, dishonestly or moral turpitude (or a crime of similar import in a foreign jurisdiction).

(ii) "Good Reason" shall mean "good reason" (or a term of like import) as defined under the Participant's employment, consulting and/or severance agreement with the Company or, in the absence of such an agreement or definition, shall mean (A) a material diminution in the Participant's base salary or (B) the relocation of the geographic location of the Participant's principal place of employment by more than 50 miles from the location of the Participant's principal place of employment as of the Date of Grant; provided that, in the case of the Participant's assertion of Good Reason, (1) the condition described in the foregoing clauses must have arisen without the Participant's consent; (2) the Participant must provide written notice to the Company of such condition in accordance with this Agreement within 45 days of the initial existence of the condition; (3) the condition specified in such notice must remain uncorrected for 30 days after receipt of such notice by the Company; and (4) the date of termination of the Participant's employment or other service relationship with the Company or an Affiliate must occur within 90 days after such notice is received by the Company.

4. Settlement of RSUs. As soon as administratively practicable following the vesting of RSUs pursuant to Section 2 or 3, but in no event later than 60 days after such vesting date, the Company shall deliver to the Participant a number of Shares equal to the number of RSUs subject to this Award. All Shares issued hereunder shall be delivered either by delivering one or more certificates for such Shares to the Participant or by entering such Shares in book-entry form, as determined by the Committee in its sole discretion. The value of Shares shall not bear any interest owing to the passage of time. Neither this Section 4 nor any action taken pursuant to or in accordance with this Agreement shall be construed to create a trust or a funded or secured obligation of any kind.

5. **Tax Withholding.** To the extent that the receipt, vesting or settlement of this Award results in compensation income or wages to the Participant for federal, state, local and/or foreign tax purposes, the Participant shall make arrangements satisfactory to the Company for the satisfaction of obligations for the payment of withholding taxes and other tax obligations relating to this Award, which arrangements include the delivery of cash or cash equivalents, Shares (including previously owned Shares, net settlement, net early settlement, a broker-assisted sale, or other cashless withholding or reduction of the amount of Shares otherwise issuable or delivered pursuant to this Award), other property, or any other legal consideration the Committee deems appropriate. If such tax obligations are satisfied through net settlement, net early settlement or the surrender of previously owned Shares, the maximum number of Shares that may be so withheld (or surrendered) shall be the number of Shares that have an aggregate Fair Market Value on the date of withholding or surrender equal to the aggregate amount of such tax liabilities determined based on the greatest withholding rates for federal, state, local and/or foreign tax purposes, including payroll taxes, that may be utilized without creating adverse accounting treatment for the Company with respect to this Award, as determined by the Committee. The Participant acknowledges that there may be adverse tax consequences upon the receipt, vesting or settlement of this Award or disposition of the underlying Shares and that the Participant has been advised, and hereby is advised, to consult a tax advisor. The Participant represents that the Participant is in no manner relying on the Board, the Committee, the Company or any of its Affiliates or any of their respective managers, directors, officers, employees or authorized representatives (including, without limitation, attorneys, accountants, consultants, bankers, lenders, prospective lenders and financial representatives) for tax advice or an assessment of such tax consequences.

6. **Non-Transferability.** During the lifetime of the Participant, the RSUs may not be sold, pledged, assigned or transferred in any manner other than by will or the laws of descent and distribution, unless and until the Shares underlying the RSUs have been issued, and all restrictions applicable to such Shares have lapsed. Neither the RSUs nor any interest or right therein shall be liable for the debts, contracts or engagements of the Participant or his or her successors in interest or shall be subject to disposition by transfer, alienation, anticipation, pledge, encumbrance, assignment or any other means, whether such disposition be voluntary or involuntary or by operation of law by judgment, levy, attachment, garnishment or any other legal or equitable proceedings (including bankruptcy), and any attempted disposition thereof shall be null and void and of no effect, except to the extent that such disposition is permitted by the preceding sentence.

7. **Compliance with Applicable Law.** Notwithstanding any provision of this Agreement to the contrary, the issuance of Shares hereunder will be subject to compliance with all applicable requirements of applicable law with respect to such securities and with the requirements of any stock exchange or market system upon which the Shares may then be listed. No Shares will be issued hereunder if such issuance would constitute a violation of any applicable law or regulation or the requirements of any stock exchange or market system upon which the Shares may then be listed. In addition, Shares will not be issued hereunder unless (a) a registration statement under the Securities Act of 1933, as amended from time to time, is in effect at the time of such issuance with respect to the Shares to be issued or (b) in the opinion of legal counsel to the Company, the Shares to be issued are permitted to be issued in accordance with the terms of an applicable exemption from the registration requirements of the Securities Act of 1933, as amended from time to time. The inability of the Company to obtain from any regulatory body having jurisdiction the authority, if any, deemed by the Company's legal counsel to be necessary for the lawful issuance and sale of any Shares hereunder will relieve the Company of any liability in respect of the failure to issue such Shares as to which such requisite authority has not been obtained. As a condition to any issuance of Shares hereunder, the Company may require the Participant to satisfy any requirements that may be necessary or appropriate to evidence compliance with any applicable law or regulation and to make any representation or warranty with respect to such compliance as may be requested by the Company.

8. **Legends.** If a stock certificate is issued with respect to Shares issued hereunder, such certificate shall bear such legend or legends as the Committee deems appropriate in order to reflect the restrictions set forth in this Agreement and to ensure compliance with the terms and provisions of this Agreement, the rules, regulations and other requirements of the Securities and Exchange Commission, any applicable laws or the requirements of any stock exchange on which the Shares are then listed. If the Shares issued hereunder are held in book-entry form, then such entry will reflect that the Shares are subject to the restrictions set forth in this Agreement.

9. **Rights as a Shareholder.** The Participant shall have no rights as a shareholder of the Company with respect to any Shares that may become deliverable hereunder unless and until the Participant has become the holder of record of such Shares, and no adjustments shall be made for dividends in cash or other property, distributions or other rights in respect of any such Shares, except as otherwise specifically provided for in the Plan or this Agreement (including Section 10).

10. **Dividend Equivalents.** Notwithstanding anything to the contrary contained herein, each RSU subject to this Award is hereby granted in tandem with a corresponding dividend equivalent (“**DER**”), which DER shall remain outstanding from the Date of Grant until the earlier of the settlement or forfeiture of the RSU to which the DER corresponds. Each vested DER entitles the Participant to receive payments, subject to and in accordance with this Agreement, in an amount equal to any dividends paid by the Company in respect of the Share underlying the RSU to which such DER relates. The Company shall establish, with respect to each RSU, a separate DER bookkeeping account for such RSU (a “**DER Account**”), which shall be credited (without interest) on the applicable dividend payment dates with an amount equal to any dividends paid during the period that such RSU remains outstanding with respect to the Share underlying the RSU to which such DER relates. Upon the date that the RSU becomes vested, the DER (and the DER Account) with respect to such vested RSU shall become vested. Similarly, upon the forfeiture of a RSU, the DER (and the DER Account) with respect to such forfeited RSU shall also be forfeited. DERs shall not entitle the Participant to any payments relating to dividends paid after the earlier to occur of the date that the applicable vested RSU is settled in accordance with Section 4 or the forfeiture of the RSU underlying such DER. Payments with respect to vested DERs shall be made as soon as practicable, and within 60 days, after the date that such DER vests. The Participant shall not be entitled to receive any interest with respect to the payment of DERs.

11. **Execution of Receipts and Releases.** Any issuance or transfer of Shares or other property to the Participant or the Participant’s legal representative, heir, legatee or distributee, in accordance with this Agreement shall be in full satisfaction of all claims of such person hereunder. As a condition precedent to such payment or issuance, the Company may require the Participant or the Participant’s legal representative, heir, legatee or distributee to execute (and not revoke within any time provided to do so) a release and receipt therefor in such form as it shall determine appropriate; provided, however, that any review period under such release will not modify the date of settlement with respect to vested RSUs.

12. **No Right to Continued Employment, Service or Awards.** Nothing in the adoption of the Plan, nor the award of the RSUs thereunder pursuant to the Grant Notice and this Agreement, shall confer upon the Participant the right to continued employment by, or a continued service relationship with, the Company or any Affiliate, or any other entity, or affect in any way the right of the Company or any such Affiliate, or any other entity to terminate such employment or other service relationship at any time. The grant of the RSUs is a one-time benefit and does not create any contractual or other right to receive a grant of Awards or benefits in lieu of Awards in the future. Any future Awards will be granted at the sole discretion of the Company.

13. **Notices.** All notices and other communications under this Agreement shall be in writing and shall be delivered to the parties at the following addresses (or at such other address for a party as shall be specified by like notice):

If to the Company, unless otherwise designated by the Company in a written notice to the Participant (or other holder):

Adamas Trust, Inc.
Attn: Compensation Committee
90 Park Avenue
New York, New York 10016

If to the Participant, at the Participant’s last known address on file with the Company.

Any notice that is delivered personally or by overnight courier or telecopier in the manner provided herein shall be deemed to have been duly given to the Participant when it is mailed by the Company or, if such notice is not mailed to the Participant, upon receipt by the Participant. Any notice that is addressed and mailed in the manner herein provided shall be conclusively presumed to have been given to the party to whom it is addressed at the close of business, local time of the recipient, on the fourth day after the day it is so placed in the mail.

14. **Consent to Electronic Delivery; Electronic Signature.** In lieu of receiving documents in paper format, the Participant agrees, to the fullest extent permitted by law, to accept electronic delivery of any documents that the Company may be required to deliver (including, but not limited to, prospectuses, prospectus supplements, grant or award notifications and agreements, account statements, annual and quarterly reports and all other forms of communications) in connection with this and any other Award made or offered by the Company. Electronic delivery may be via a Company electronic mail system or by reference to a location on a Company intranet to which the Participant has access. The Participant hereby consents to any and all procedures the Company has established or may establish for an electronic signature system for delivery and acceptance of any such documents that the Company may be required to deliver, and agrees that his or her electronic signature is the same as, and shall have the same force and effect as, his or her manual signature.

15. **Agreement to Furnish Information.** The Participant agrees to furnish to the Company all information requested by the Company to enable it to comply with any reporting or other requirement imposed upon the Company by or under any applicable statute or regulation.

16. **Entire Agreement; Amendment.** This Agreement constitutes the entire agreement of the parties with regard to the subject matter hereof, and contains all the covenants, promises, representations, warranties and agreements between the parties with respect to the RSUs granted hereby; provided, however, that unless otherwise stated herein, the terms of this Agreement shall not modify and shall be subject to the terms and conditions of any employment, consulting and/or severance agreement between the Company (or an Affiliate or other entity) and the Participant in effect as of the date a determination is to be made under this Agreement. Without limiting the scope of the preceding sentence, except as provided therein, all prior understandings and agreements, if any, among the parties hereto relating to the subject matter hereof are hereby null and void and of no further force and effect. The Committee may, in its sole discretion, amend this Agreement from time to time in any manner that is not inconsistent with the Plan; provided, however, that except as otherwise provided in the Plan or this Agreement, any such amendment that materially reduces the rights of the Participant shall be effective only if it is in writing and signed by both the Participant and an authorized officer of the Company.

17. **Severability and Waiver.** If a court of competent jurisdiction determines that any provision of this Agreement is invalid or unenforceable, then the invalidity or unenforceability of such provision shall not affect the validity or enforceability of any other provision of this Agreement, and all other provisions shall remain in full force and effect. Waiver by any party of any breach of this Agreement or failure to exercise any right hereunder shall not be deemed to be a waiver of any other breach or right. The failure of any party to take action by reason of such breach or to exercise any such right shall not deprive the party of the right to take action at any time while or after such breach or condition giving rise to such rights continues.

18. **Clawback.** Notwithstanding any provision in the Grant Notice, this Agreement or the Plan to the contrary, to the extent required by (a) applicable law, including, without limitation, the requirements of the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010, any Securities and Exchange Commission rule or any applicable securities exchange listing standards and/or (b) any policy that may be adopted or amended by the Board from time to time, including but not limited to the New York Mortgage Trust, Inc. Clawback Policy, all Shares issued hereunder shall be subject to forfeiture, repurchase, recoupment and/or cancellation to the extent necessary to comply with such law(s) and/or policy.

19. **Governing Law.** This Agreement shall be governed by and construed in accordance with the laws of the State of MARYLAND applicable to contracts made and to be performed therein, exclusive of the conflict of laws provisions of MARYLAND LAW.

20. **Successors and Assigns.** The Company may assign any of its rights under this Agreement without the Participant's consent. This Agreement will be binding upon and inure to the benefit of the successors and assigns of the Company. Subject to the restrictions on transfer set forth herein and in the Plan, this Agreement will be binding upon the Participant and the Participant's beneficiaries, executors, administrators and the person(s) to whom the RSUs may be transferred by will or the laws of descent or distribution.

21. **Headings.** Headings are for convenience only and are not deemed to be part of this Agreement.

22. **Counterparts.** The Grant Notice may be executed in one or more counterparts, each of which shall be deemed an original and all of which together shall constitute one instrument. Delivery of an executed counterpart of the Grant Notice by facsimile or portable document format (.pdf) attachment to electronic mail shall be effective as delivery of a manually executed counterpart of the Grant Notice.

23. **Section 409A.** Notwithstanding anything herein or in the Plan to the contrary, the RSUs granted pursuant to this Agreement are intended to comply with the applicable requirements of Section 409A of the Code, as amended from time to time, and the guidance and regulations promulgated thereunder and successor provisions, guidance and regulations thereto (the "**Nonqualified Deferred Compensation Rules**") and shall be construed and interpreted in accordance with such intent. If the Participant is deemed to be a "specified employee" within the meaning of the Nonqualified Deferred Compensation Rules, as determined by the Committee, at a time when the Participant becomes eligible for settlement of the RSUs upon his "separation from service" within the meaning of the Nonqualified Deferred Compensation Rules, then to the extent necessary to prevent any accelerated or additional tax under the Nonqualified Deferred Compensation Rules, such settlement will be delayed until the earlier of: (a) the date that is six months following the Participant's separation from service and (b) the Participant's death. Notwithstanding the foregoing, the Company and its Affiliates make no representations that the RSUs provided under this Agreement are compliant with the Nonqualified Deferred Compensation Rules and in no event shall the Company or any Affiliate be liable for all or any portion of any taxes, penalties, interest or other expenses that may be incurred by the Participant on account of non-compliance with the Nonqualified Deferred Compensation Rules.

ADAMAS TRUST, INC.

2026 ANNUAL INCENTIVE PLAN

Adamas Trust, Inc.'s 2026 Annual Incentive Plan (the "**Plan**") is a plan under which eligible employees of Adamas Trust, Inc. (the "**Company**") may receive bonus awards representing the opportunity to receive a payment in accordance with, and subject to the terms of, the Plan ("**Bonus Awards**"). The Compensation Committee of the Board of Directors of the Company, or its delegate (the "**Compensation Committee**") will determine the amount, if any, payable under a Bonus Award based upon the Company's and the employee's performance during the Fiscal Year (as defined below).

I. **Purposes.** The Plan is a component of the Company's overall strategy to pay its employees for performance. The purposes of the Plan are to: (i) attract and retain top performing employees, (ii) motivate employees by tying compensation to the Company's financial performance and (iii) reward exceptional individual performance that supports the Company's overall objectives.

II. **Effective Date.** All eligible employees of the Company may participate in the Plan, except for employees who commence employment pursuant to an offer letter that excludes participation in the Plan. Those employees who are determined to be eligible to receive Bonus Awards under the Plan are called "**Participants**." An employee must commence employment or otherwise become eligible to participate in the Plan no later than July 1 of the applicable Fiscal Year (defined below); provided, however that the Compensation Committee may make exceptions to this requirement in its sole discretion as it deems appropriate. Notwithstanding the foregoing, being a Participant under the Plan does not entitle an individual to receive payment of a Bonus Award.

III. **Plan Year.** The Plan operates on a fiscal year basis beginning January 1 and ending December 31 (the "**Fiscal Year**"), commencing on January 1, 2026.

IV. **Bonus Awards.** A Participant must be an active employee in good standing and on the payroll of the Company, or any approved subsidiary (an "**Approved Payroll**") on the date the Bonus Award is paid to receive payment of any portion of the Bonus Award. A Participant who is not on an Approved Payroll for whatever reason on the date a Bonus Award is to be paid will not be entitled to payment of any portion of the Bonus Award. Bonus Award payments for a given Fiscal Year for an employee that was not actively employed or on an Approved Payroll on the first business day of the applicable Fiscal Year will be paid on a pro-rata basis for such Fiscal Year based on the period of the Fiscal Year during which the Participant was on an Approved Payroll. Notwithstanding the foregoing, a Participant may remain eligible to receive a Bonus Award pursuant to the terms and conditions of his or her employment agreement even if such Participant is not on an Approved Payroll on the date such Bonus Award would have otherwise been paid.

Notwithstanding any language to the contrary contained in the Plan and for the avoidance of doubt, (i) a Participant is not entitled to a minimum Bonus Award payment or a guaranteed Bonus Award payment pursuant to the Plan and (ii) the Compensation Committee, in its sole discretion, may elect not to make a Bonus Award payment even if such Bonus Award payment would otherwise be payable under the terms of the Plan.

V. **Components of the Plan.** The Plan shall be divided into two components, a Quantitative Component (defined below) and a Qualitative Component (defined below). The eligible Bonus Award for each Participant will be based on a percentage allocation of 75% based on the Quantitative Component and 25% based on the Qualitative Component.

a. **Quantitative Component.** The quantitative component (the "**Quantitative Component**") is comprised of three performance measures in total, two of which relate to Total Economic Return on Adjusted Book Value ("**Adjusted TER**"), a non-GAAP financial measure, and one of which relates to Earnings Available for Distribution Return on Adjusted Equity ("**EAD ROAE**"), also a non-GAAP financial measure.

Adjusted TER is defined as (A) the sum of (i) the applicable entity's adjusted book value per share of common stock at December 31 of the applicable Fiscal Year (or the last day of the Performance Period) and (ii) the aggregate dividends per share of common stock declared by the applicable entity during the applicable Fiscal Year (or the Performance Period), divided by (B) the applicable entity's adjusted book value per share of common stock at December 31 of the prior Fiscal Year (or the day preceding the first day of the Performance Period).

EAD ROAE is defined as (A) the sum of Earnings Available for Distribution Per Share of the Company ("**EAD Per Share**") for the Fiscal Year divided by (B) the average of adjusted book value per share of common stock of the Company as of each fiscal quarter end during the Fiscal Year. EAD Per Share is a non-GAAP financial measure that shall be calculated in the same manner as the Company calculates it for purposes of its disclosures in its Quarterly Reports on Form 10-Q during, or Annual Report on Form 10-K for, the Fiscal Year.

The first performance measure under the Quantitative Component relating to Adjusted TER is based on absolute Adjusted TER for the Company (the "**Absolute TER Measure**") while the second performance measure under the Quantitative Component relating to Adjusted TER is based on the relative Adjusted TER ranking of the Company as compared to a performance peer group (the "**Relative TER Measure**"). The performance measure under the Quantitative Component relating to EAD ROAE is referred to as the "**EAD ROAE Measure**."

Absolute TER Measure

One-third of the Quantitative Component (i.e., 25% of the eligible Bonus Award for each Participant) is subject to the Absolute TER Measure. The amount of each Participant's bonus payable in respect of the Absolute TER Measure will be contingent on meeting certain performance levels (as described below) for the Fiscal Year.

The size of the Absolute TER Measure portion of the Quantitative Component shall be contingent upon the Company meeting or exceeding specified hurdle rates for Absolute TER for the Fiscal Year set by the Compensation Committee. The size of the Absolute TER Measure portion of the Quantitative Component of each Participant's Bonus Award shall be based on the following threshold, target and maximum performance levels:

Absolute TER Measure Hurdles	Payout as a % of Target Bonus Upon Achievement of Absolute TER Measure Hurdles
Less than 2%	0%
2%	25%
9%	100%
14%	200%

If performance is between the threshold (2%) and target (9%) or between the target (9%) and maximum (14%), the performance level achieved is determined by applying linear interpolation to the performance interval. For the avoidance of doubt, the amount of each Bonus Award earned under the Absolute TER Measure portion of the Quantitative Component shall be zero if the Company's Adjusted TER is below the 2% threshold hurdle rate. The actual amount earned by each Participant under the Absolute TER Measure portion of the Quantitative Component is calculated by multiplying 25% by the product of the applicable payout percentage and the Participant's target amount under the Bonus Award, which target amount is set forth in the appendix attached hereto.

Relative TER Measure

One-third of the Quantitative Component (i.e., 25% of the eligible Bonus Award for each Participant) is subject to the Relative TER Measure. The amount of each Participant's bonus payable in respect of the Relative TER Measure will be contingent on meeting certain performance levels (as described below).

The size of the Absolute TER Measure portion of the Quantitative Component shall be contingent upon the Company exceeding specified hurdle rates for Relative TER for a performance period that commenced on October 1, 2025 and ends on September 30, 2026 (the "Performance Period"), based on the percentile ranking of the Company's Adjusted TER for the Performance Period against the Adjusted TER for the Performance Period of an identified performance peer group (the "Performance Peer Group") of the following mortgage REITs that are set forth in the Company's performance share unit ("PSU") agreement for PSU awards granted in 2026:

Ticker Symbol	Name
MITT	AG Mortgage Investment Trust
AGNC	AGNC Investment Corp
AOMR	Angel Oak Mortgage REIT, Inc.
NLY	Annaly Capital Management
ABR	Arbor Realty Trust, Inc.
ARR	ARMOUR Residential REIT, Inc.
CHMI	Cherry Hill Mortgage Investment Corporation
CIM	Chimera Investment Corporation
DX	Dynex Capital, Inc.
EFC	Ellington Financial Inc.
RPT	Rithm Property Trust Inc.
IVR	Invesco Mortgage Capital Inc.
MFA	MFA Financial, Inc.
RITM	Rithm Capital Corp.
ORC	Orchid Island Capital, Inc.
PMT	PennyMac Mortgage Investment Trust
RWT	Redwood Trust, Inc.
RC	Ready Capital Corp.
TWO	Two Harbors Investment Corp.

If a company in the Performance Peer Group undergoes a merger, acquisition or similar transaction during the Performance Period, it shall remain in the Performance Peer Group, and its Adjusted TER shall be calculated through the end of the fiscal quarter immediately preceding the completion of such transaction. If a company ceases to exist, ceases to be publicly traded or is delisted from a national securities exchange at any time during the Performance Period for reasons other than a merger, acquisition or similar transaction, it shall be removed from the Performance Peer Group, and the definition of "Performance Peer Group" shall be adjusted to omit such company.

Further, notwithstanding anything contained herein to the contrary, in the event that a company in the Performance Peer Group experiences a change in corporate structure or some other event that could reasonably be expected to affect its Adjusted TER (including but not limited to a financial restatement or late filing), the Compensation Committee shall have sole discretion to take any action in good faith that it believes is necessary to mitigate the impact of such event and preserve the intended incentives of the Plan, which actions shall include but are not limited to one or more of the following: (i) removal of the company from the Performance Peer Group, (ii) measuring the Adjusted TER of the company as of immediately prior to the occurrence of such event (rather than the end of the Performance Period), (iii) deeming the Adjusted TER for the company to be \$0 (or some other amount deemed appropriate by the Compensation Committee), or (iv) any other adjustment that the Compensation Committee deems appropriate to reflect such event.

The size of the Relative TER Measure portion of the Quantitative Component of each Participant's Bonus Award shall be based on the following threshold, target and maximum performance levels:

Relative TER Measure Hurdles	Payout as a % of Target Bonus Upon Achievement of Relative TER Measure Hurdles (2)
Less than 25%	0%
25%	50%
55%	100%
75%	200%

For the Performance Period, if performance is between the threshold (25%) and target (55%) or between the target (55%) and maximum (75%), the performance level achieved is determined by applying linear interpolation to the performance interval. For the avoidance of doubt, the amount of each Bonus Award earned under the Relative TER Measure shall be zero if the Company's percentile ranking with respect to the Relative TER Measure is below 25%. The actual amount earned by each Participant under the Relative TER Measure portion of the Quantitative Component is calculated by multiplying 25% by the product of the applicable payout percentage and the Participant's target amount under the Bonus Award.

Calculation of Adjusted TER

For purposes of calculating the Company's Adjusted TER, it is expected that adjusted book value per common share will be calculated by making the following adjustments to the Company's GAAP book value per common share: (i) exclude the Company's share of cumulative depreciation and lease intangible amortization expenses related to operating real estate, net held at the end of the period, (ii) exclude the adjustment of redeemable non-controlling interests to estimated redemption value, (iii) adjust the Company's liabilities that finance our investment portfolio to fair value and (iv) adjust other items as determined by the Compensation Committee in its sole discretion.

For purposes of calculating the Adjusted TER of the members of the Performance Peer Group for the Performance Period, it is expected that adjusted book value per common share for each member of the Performance Peer Group will be calculated as GAAP book value per common share, as adjusted for any items deemed appropriate in the sole discretion of the Compensation Committee, which may include adjustments similar to those described above with respect to the calculation of the Company's Adjusted TER. In most cases, subject to the discretion of the Compensation Committee, it is expected that the Company will measure the Company's Adjusted TER, calculated as described above, against the total economic return on GAAP book value for the Performance Peer Group.

EAD ROAE Measure

One-third of the Quantitative Component (i.e., 25% of the eligible Bonus Award for each Participant) is subject to the EAD ROAE Measure. The amount of each Participant's bonus payable in respect of the EAD ROAE Measure will be contingent on meeting certain performance levels (as described below) for the Fiscal Year.

The size of the EAD ROAE Measure portion of the Quantitative Component shall be contingent upon the Company meeting or exceeding specified hurdle rates for EAD ROAE for the Fiscal Year set by the Compensation Committee. The size of the EAD ROAE Measure portion of the Quantitative Component of each Participant's Bonus Award shall be based on the following threshold, target and maximum performance levels:

EAD ROAE Measure Hurdles	Payout as a % of Target Bonus Upon Achievement of EAD ROAE Measure Hurdles
Less than 3.0%	0%
3.0%	50%
8.5%	100%
12.0%	200%

If performance is between the threshold (3.0%) and target (8.5%) or between the target (8.5%) and maximum (12.0%), the performance level achieved is determined by applying linear interpolation to the performance interval. For the avoidance of doubt, the amount of each Bonus Award earned under the EAD ROAE Measure portion of the Quantitative Component shall be zero if the Company's EAD ROAE is below the 3.0% threshold hurdle rate. The actual amount earned by each Participant under the EAD ROAE Measure portion of the Quantitative Component is calculated by multiplying 25% by the product of the applicable payout percentage and the Participant's target amount under the Bonus Award, which target amount is set forth in the appendix attached hereto.

For purposes of calculating the Company's EAD ROAE, it is expected that adjusted book value per common share of the Company will be calculated in the same manner as described above in "Calculation of Adjusted TER."

b. **Qualitative Component.** The Plan also includes a qualitative component (the "**Qualitative Component**") which is separate and distinct from the Quantitative Component. The Qualitative Component is intended to allow the Compensation Committee, in its sole discretion, to provide additional compensation to Participants based on the Compensation Committee's evaluation of the Participant's contributions to the success of the Company. The amount of each Bonus Award under the Qualitative Component will be determined by the Compensation Committee in its sole discretion based on its assessment of how each Participant has performed relative to the qualitative factors it deems relevant for each Fiscal Year.

The Qualitative Component for each Participant is based on a percentage of the Participant's target bonus and is set forth as follows:

Qualitative Component Hurdles	Payout as a % of Target Bonus Upon Achievement of Qualitative Component Hurdles(1)
Below Threshold	0%
Threshold	50%
Target	100%
Maximum	200%

(1) For fiscal year 2025, if performance is between the threshold and target or between the target and maximum, the performance level achieved is determined by applying linear interpolation to the performance interval.

The actual amount earned by each Participant under the Qualitative Component is calculated by multiplying 25% by the product of the applicable payout percentage and the Participant's target amount under the Bonus Award.

VI. **Form of Bonuses.** Bonus Awards under the Plan are expected to be settled in cash. Notwithstanding the foregoing, the Bonus Awards may be settled in a combination of cash, shares of the Company's common stock that are subject to certain restrictions and a risk of forfeiture ("**Restricted Stock**") in the sole discretion of the Compensation Committee. Shares of Restricted Stock granted as payment of all or a portion of a Bonus Award under the Plan will be issued pursuant to the Company's 2017 Equity Incentive Plan, as amended (or a successor plan thereto), and will be subject to a vesting period as determined by the Compensation Committee.

The Bonus Award will be paid to the Participant (the "**Payment Date**") between January 1 and March 31 of the year following the applicable Fiscal Year to which the Bonus Award relates, subject to the terms and conditions hereof. The "grant date" for the Restricted Stock portion of any such Bonus Award shall be as soon as practicable following the Payment Date. Any Bonus Award paid under this Plan shall be subject to all applicable federal, state or local taxes required by law to be withheld.

VII. **Bonus Awards Subject to "Clawback"**. Each Bonus Award paid under the Plan, whether the portion paid in cash or the portion paid in Restricted Stock, will be paid subject to the Company's right to recoup or "**clawback**" all or part of the payment in accordance with the requirements of any compensation "**clawback**" policy of the Company in effect from time to time and applicable law, including such a policy that is later adopted by the Company with retroactive effect.

APPENDIX

The target amount under the Bonus Award for each Participant is set forth below:

Name	Bonus Award Target Amount Expressed as a Multiple of Base Salary
Jason Serrano.....	2.5x
Nick Mah.....	2.5x
Kristine Nario-Eng.....	1.5x

ADAMAS TRUST, INC.

AMENDED AND RESTATED INSIDER TRADING POLICY

ADOPTED ON October 28, 2025

Introduction

All directors, executive officers and employees of Adamas Trust, Inc. (the "Company") and its subsidiaries (collectively, the "Covered Persons") are required to comply with this Insider Trading Policy (the "Policy").

This Policy regarding insider trading provides procedures designed to limit the release of material, nonpublic information about the Company and gives guidance to the Covered Persons regarding their individual obligations regarding insider trading. This Policy creates a program and procedures intended to promote compliance with applicable securities laws and to protect the Company and the Covered Persons from inadvertent violations of the Policy and the laws against insider trading.

Please read this Policy carefully. The Company reserves the right to amend or rescind this Policy or any portion of it at any time and to adopt different policies and procedures at any time. In the event of any conflict or inconsistency between this Policy and any other materials distributed by the Company, this Policy, as may be amended, shall govern. If a law conflicts with this Policy, you must comply with the law.

Scope of the Policy

This Policy applies to (1) all Covered Persons, (2) any immediate family member of a Covered Person who resides with such Covered Person, (3) any immediate family member of a Covered Person who resides elsewhere but whose transactions in the Company's securities are directed by such Covered Person or subject to such Covered Person's influence and control, (4) all other individuals who reside in any Covered Person's household (collectively, "Family Members"), and (5) any entities that are subject to such Covered Person's control ("Controlled Entities").

Legal Considerations Relating To Material, Nonpublic Information

Civil and criminal penalties and disciplinary action by the Company, which may include termination or other appropriate action, may result from transacting on material, nonpublic information regarding the Company.

Definitions

What information is "material"? Information should be considered material if it would be considered important by investors making decisions whether to purchase, sell, or hold the securities of the company in question. Stated another way, information is material if there is a substantial likelihood that a reasonable investor would consider the information as altering the total mix of information available to the public. Either positive or negative information may be material.

Common examples of information that could be, but are not necessarily, material include, but are not limited to:

- earnings or revenue projections or results;
- distributions or significant changes in distribution policies;
- a significant acquisition or merger proposal;
- significant new business ventures, partnerships or agreements, or a significant change in existing ventures, partnerships or agreements;
- the execution or proposed execution of a significant contract, lease, or purchase or loan agreement;
- a default or anticipated default under debt instruments or important contracts;
- significant regulatory developments;
- new business information relating to impending bankruptcy or financial problems;

- major personnel changes, particularly departures or elections of executive officers or certain directors;
- significant corporate events, including material cyber, data or personnel matters;
- the gain or loss of a substantial customer or supplier; and
- a change of control.

What information is "nonpublic"? Information is "nonpublic" if it has not been previously disclosed to the general public and is otherwise not available to the investing public. In order for information to be considered "public," it must be widely disseminated in a manner making it generally available to the investing public and with enough time for the investing public to absorb the information fully. Although timing may vary depending on the circumstances, generally, Covered Persons should treat information as nonpublic unless two business days have passed since it was distributed by means likely to result in a general public awareness of the information - for example, by publication of the information in a daily newspaper or a newswire service. Depending on the particular circumstances, the Company (through its Chief Financial Officer (the "CFO")) may determine that a longer or shorter period should apply to the release of material, nonpublic information about the Company.

General Policy

Any Covered Person, Family Member or Controlled Entity (or any other person designated by this Policy or by the Company's CFO as subject to this Policy) who is in possession of or who has knowledge of material, nonpublic information regarding the Company **may not:**

- transact in securities (such as common stock, options to buy or sell common stock, warrants, preferred stock, convertible securities and debt securities) of the Company (other than the Permitted Transactions described in this Policy);

- transact in securities of other companies that are customers, suppliers, vendors or other counterparties to which the Company owes a duty of confidentiality and such person became aware of material nonpublic information about such other company as a result of his or her employment relationship with the Company;
- communicate such information to others; or
- recommend or express opinions on the basis of such information as to transacting in the Company's securities.

Black-Out Periods and Pre-Clearance Procedures

The Company has instituted what it refers to as "Black-Out Periods" and "Pre-Clearance Procedures" in order to assist the Company in the administration of this Policy, help prevent insider trading in the Company's securities, and to protect the Company's reputation and ethical conduct. Under this Policy, certain Covered Persons, referred to as the "Senior Personnel" (defined in the Company's Black-Out Periods and Pre-Clearance Procedures attached hereto as [Exhibit A](#)), are subject to Black-Out Periods. Senior Personnel are prohibited from transacting in the securities of the Company, or other companies as specified in the Company's policies on Black-Out Periods and Pre-Clearance Procedures, during any Black-Out Periods. Even if the Company is not in a Black-Out Period, Senior Personnel, including their Family Members and Controlled Entities, must not transact in the Company's securities if they are in possession of material, nonpublic information about the Company (except as set forth in the Permitted Transactions section of the Policy). Under this Policy, Senior Personnel, including their Family Members and Controlled Entities, are also subject to Pre-Clearance Procedures. As such, Senior Personnel must not engage in any transaction in the Company's securities without first obtaining pre-clearance from the CFO. For further information about Black-Out Periods and Pre-Clearance Procedures, please see our policies on Black-Out Periods and Pre-Clearance Procedures attached hereto as [Exhibit A](#).

Prohibited Transactions

Covered Persons (and their Family Members and Controlled Entities) are prohibited from engaging in the following transactions:

- Transacting in the Company's securities on a short-term basis. Any Company securities purchased in the open market should be held for a minimum of six months and ideally longer;
- Purchases of the Company's securities on margin or using the Company's securities as collateral for margin loans;
- Short sales and sales against the box;
- Hedging or indirect monetization transactions, including, but not limited to, prepaid variable forward contracts, trading in puts, calls, and straddles on the Company's securities, as well as derivative securities, including, but not limited to, swaps, collars, forwards, and exchange funds. This Policy does not, however, restrict holding, exercising, or settling compensation awards such as options, restricted stock, restricted stock units, or other derivative securities granted under a Company equity incentive plan(s);
- Pledging Company securities as collateral; and
- Standing or limit orders on the Company's securities (except under approved Rule 10b5-1 plans).

Permitted Transactions

Regardless of whether you are in possession of material, nonpublic information regarding the Company, certain transactions are permitted under this Policy:

- the cash exercise or settlement of stock options or other stock-based compensation received under the Company's stock plans or your exercise of a tax withholding right or net settlement pursuant to which the Company withholds shares subject to an option or other security or shares that vest under a restricted stock grant or other award in order to satisfy tax withholding requirements or the exercise price. (Note, however, that a same day "cashless exercise" of stock options through a broker or any other market sale for the purpose of generating the cash needed to pay the exercise price of or tax withholding for an option is prohibited when you possess material, nonpublic information regarding the Company);
- the granting or vesting of an award of restricted stock, or the exercise of a tax withholding right pursuant to which you elect to have the Company withhold shares of stock to satisfy tax withholding requirements upon the vesting of any restricted stock. Nevertheless, while you are in possession of material, nonpublic information you may not sell restricted stock in the market.
- purchases or sales of Company securities in the Company's 401(k) plan resulting from your periodic contribution of money to the plan pursuant to your payroll deduction election. Nevertheless, while you are in possession of material, nonpublic information you may not make certain elections under the 401(k) plan, including: (1) an election to increase or decrease the percentage of your periodic contributions that will be allocated to the Company stock fund; (2) an election to make an intra-plan transfer of an existing account balance into or out of the Company stock fund; (3) an election to borrow money against your 401(k) plan account if the loan will result in a liquidation of some or all of your Company stock fund balance; and (4) an election to pre-pay a plan loan if the pre-payment will result in allocation of loan proceeds to the Company stock fund.

- purchases of Company securities in the employee stock purchase plan resulting from your periodic contribution of money to the plan pursuant to the election that you made at the time of your enrollment in the plan, as well as purchases of Company securities resulting from lump sum contributions to the plan, provided that you elected to participate by lump sum payment at the beginning of the applicable enrollment period. Nevertheless, while you are in possession of material, nonpublic information you may not (1) elect to participate in the plan for any enrollment period or (2) sell Company securities purchased pursuant to the plan.
- transactions in diversified mutual funds that are invested in the Company's securities;
- the automatic reinvestment of dividends paid on the Company's securities under the Company's Dividend Reinvestment and Stock Purchase Plan. Nevertheless, while you are in possession of material, nonpublic information you may not (1) make voluntary, additional purchases of the Company's securities resulting from additional contributions you choose to make to this plan, (2) elect to participate in this plan, (3) increase or decrease your level of participation in this plan, or (4) sell any of the Company's securities purchased pursuant to this plan;
- subject to the Company's Black-Out Periods and Pre-Clearance Procedures applicable to Senior Personnel, market order transactions in the Company's securities by Covered Persons (or their Family Members or Controlled Entities) ***that are not in the possession of material, nonpublic information;***
- with respect to Senior Personnel subject to the Company's Black-Out Periods and Pre-Clearance Procedures, any transaction specifically approved in advance by the CFO; and

- transactions under a written Rule 10b5-1 plan for transacting in the Company's securities that, at the time it is adopted or modified, conforms to all of the requirements of Rule 10b5-1 under the Securities Exchange Act of 1934 as then in effect. You must obtain authorization from the CFO before entering into or modifying a Rule 10b5-1 plan, as well as terminating a Rule 10b5-1 plan other than pursuant to the expiration of its terms.

Post-Termination Transactions

Compliance with this Policy also applies to your transactions in the Company's securities even after your employment or position with the Company has ceased. If you are in possession of material, nonpublic information about the Company, or another company as discussed under "General Policy" above, when your employment or position terminates, you may not transact in the Company's securities or securities of such other company, as applicable, until that information has become public or is no longer material.

Transactions by the Company

From time to time, the Company may engage in transactions in its own securities. It is the Company's policy to comply with all applicable securities and state laws (including appropriate approvals by the Board or appropriate committee, if required) when engaging in transactions in the Company's securities.

Summary

Your compliance with this Policy is important for you and the Company. If you have questions about this Policy, do not hesitate to direct any such questions to the Company's CFO. References in this Policy to the Company's CFO mean the Company's CFO or the CFO's designee.

On the last page of this Policy is an Acknowledgment and Disclosure Form certifying that you have read this Policy. After you have read this Policy, upon request, please sign the Acknowledgment and Disclosure Form where indicated and return it to the Company's CFO. Thank you for your cooperation.

This document states a policy of the Company and is not intended to be regarded as the rendering of legal advice.

Exhibit A

Black-Out Periods and Pre-Clearance Procedures

Purpose of Black-Out Periods and Pre-Clearance Procedures

The Company has established these policies on Black-Out Periods and Pre-Clearance Procedures to assist the Company in the administration of its Amended and Restated Insider Trading Policy (the "Policy"), help prevent insider trading in the Company's securities, and to protect the Company's reputation and ethical conduct. Capitalized terms used but not defined herein shall have the meanings set forth in the Policy. If you have any questions about these policies and when they apply to you, please contact the Company's CFO.

Persons Covered

Persons who (A) serve (i) on the Company's Board of Directors, (ii) at or above the level of Director of the Company, (iii) in a position in the Company's accounting or investor relations departments, (iv) as the Company's Vice President of Treasury or (v) as senior officers of Constructive Loans, LLC (which, for the avoidance of doubt, includes, but is not limited to, the Chief Executive Officer, Chief Financial Officer, Senior Vice President, Operations, Controller, and Head of Asset Management and Secondary Marketing of Constructive Loans, LLC) or (B) are Family Members or Controlled Entities of the persons covered by the foregoing clause (A) (all such persons being, collectively, "Senior Personnel") are subject to these Black-Out and Pre-Clearance Procedures.

Scheduled Black-Out Periods

Senior Personnel are subject to "Scheduled Black-Out Periods." During the Scheduled Black-Out Periods, as described in the following paragraph, Senior Personnel must refrain from transacting in the Company's securities (except as set forth in the Permitted Transactions section of the Policy).

The Scheduled Black-Out Periods commence on the 15th day of the last month of each quarter (i.e., March 15, June 15, September 15 and December 15) and end at 11:59 p.m., Eastern Time, two business days after the public announcement of the Company's earnings for the quarter. If such public announcement is made prior to the commencement of trading on a given day, then that day shall count towards the two business days. Accordingly, if a public announcement or press release of material, nonpublic information is made or issued before commencement of trading on, for example, a Monday, Senior Personnel would not be permitted to trade until the following Wednesday. Likewise, if an announcement is made after the close of trading on, for example, a Friday, Senior Personnel would not be permitted to trade until the following Wednesday.

Even outside of a Scheduled Black-Out Period, Senior Personnel in possession of material, nonpublic information about the Company must not transact in the Company's securities (except as set forth in the Permitted Transactions section of the Policy).

Unscheduled Black-Out Periods

From time to time, the Company may also prohibit some or all Senior Personnel or Covered Persons, as well as their Family Members and Controlled Entities, from transacting in the securities of the Company or the securities of another company because of developments known to the Company and not yet disclosed to the public (an "Unscheduled Black-Out Period"). In this event, the CFO will notify the affected persons, and those persons (except as set forth in the Permitted Transactions section of the Policy), may not engage in any transaction involving the securities of the Company or the other specified company, as applicable, until the CFO notifies them that the Unscheduled Black-Out Period is over. In addition, any person made aware of the existence of an Unscheduled Black-Out Period should not disclose the existence of the Unscheduled Black-Out Period to any other person (outside of those subject to the Black-Out Restrictive Period).

Pre-Clearance Procedures

Regardless of whether a Black-Out Period is in effect, all Senior Personnel must pre-clear all of their transactions in the Company's securities, as well as the transactions of their Family Members and Controlled Entities in the Company's securities, in advance, either in writing or by email, with the CFO. This pre-clearance requirement applies even to those transactions set forth in the Permitted Transactions section of the Policy. The CFO is under no obligation to approve a transaction submitted for pre-clearance and may determine not to permit the transaction. Persons who receive permission to engage in a transaction from the CFO must complete their transaction within (i) two business days or (ii) such shorter or longer period as is designated by the CFO, or make a new request for clearance. Furthermore, upon consummation of a transaction, notice must be given promptly (no later than the close of the same business day) to the CFO of the occurrence and details of the transaction. The CFO must inform the President of the Company of all of the CFO's transactions in advance, either in writing or by email, and the transaction must have been pre-cleared by the President. Once the CFO receives permission to engage in a transaction from the President, the CFO must complete the transaction within (i) two business days or (ii) such shorter or longer period as is designated by the President, or make a new request for clearance. Upon consummation of a transaction, the CFO must promptly (no later than the close of the same business day) give notice to the President of the occurrence and details of the transaction.

This document states a policy of the Company and is not intended to be regarded as the rendering of legal advice.

Acknowledgement and Disclosure Form

Please review, date, sign and return this form to the CFO of the Company.

1. I have received a copy of the AMENDED AND RESTATED INSIDER TRADING POLICY.
2. I have read and understand the AMENDED AND RESTATED INSIDER TRADING POLICY and agree to comply with its terms.
3. I understand that a violation of the AMENDED AND RESTATED INSIDER TRADING POLICY may be considered grounds for termination of my employment or other disciplinary action by the Company and may lead to civil or criminal liability.

Date: _____

(Signature)

(Name – please print)

[Insider Trading Policy - Acknowledgement and Disclosure Form]

List of Significant Subsidiaries		
Name	State of Incorporation	Names under which it does Business
Hypotheca Capital, LLC (formerly known as The New York Mortgage Company, LLC)	New York	n/a
New York Mortgage Funding, LLC	Delaware	n/a
NYMT Loan Financing, LLC	Delaware	n/a
RB Commercial Mortgage LLC	Delaware	n/a
Residential Mortgage Aggregation Trust (formerly known as NYMT Loan Trust I)	Delaware	n/a
Constructive Loans, LLC	Delaware	n/a
Commercial Acquisitions, LLC	Delaware	n/a

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We have issued our reports dated February 20, 2026, with respect to the consolidated financial statements and internal control over financial reporting included in the Annual Report of Adamas Trust, Inc. (formerly known as, New York Mortgage Trust, Inc.) on Form 10-K for the year ended December 31, 2025. We consent to the incorporation by reference of said reports in the Registration Statements of Adamas Trust, Inc. on Form S-3 (File No. 333-281046 and File No. 333-290073) and on Form S-8 (File No. 333-257146, File No. 333-232452 and File No. 333-218165).

/s/ Grant Thornton LLP

Philadelphia, Pennsylvania
February 20, 2026

CERTIFICATION PURSUANT TO SECTION 302
OF THE SARBANES-OXLEY ACT OF 2002

I, Jason T. Serrano, certify that:

1. I have reviewed this Annual Report on Form 10-K for the year ended December 31, 2025 of Adamas Trust, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer 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: February 20, 2026

/s/ Jason T. Serrano

Jason T. Serrano
Chief Executive Officer
(Principal Executive Officer)

CERTIFICATION PURSUANT TO SECTION 302
OF THE SARBANES-OXLEY ACT OF 2002

I, Kristine R. Nario-Eng, certify that:

1. I have reviewed this Annual Report on Form 10-K for the year ended December 31, 2025 of Adamas Trust, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer 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: February 20, 2026

/s/ Kristine R. Nario-Eng
Kristine R. Nario-Eng
Chief Financial Officer
(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**

In connection with the Annual Report of Adamas Trust, Inc., (the "Company") on Form 10-K for the year ended December 31, 2025, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), the undersigned hereby certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to our knowledge:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

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

Date: February 20, 2026

/s/ Jason T. Serrano
Jason T. Serrano
Chief Executive Officer
(Principal Executive Officer)

Date: February 20, 2026

/s/ Kristine R. Nario-Eng
Kristine R. Nario-Eng
Chief Financial Officer
(Principal Financial and Accounting Officer)