

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, DC 20549

FORM 10-Q

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

For the quarterly period ended September 30, 2025

OR

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

For the transition period from \_\_\_\_\_ to \_\_\_\_\_

Commission file number 001-32216

**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, New York 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:**

<b>Title of Each Class</b>	<b>Trading Symbols</b>	<b>Name of Each Exchange on Which Registered</b>
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

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

[Table of Contents](#)

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.

Large Accelerated Filer  Accelerated Filer  Non-Accelerated Filer  Smaller Reporting Company  Emerging Growth Company

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

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

The number of shares of the registrant’s common stock, par value \$0.01 per share, outstanding on October 24, 2025 was 90,307,776.

---

ADAMAS TRUST, INC.

FORM 10-Q

<u>PART I. Financial Information</u>	
Item 1. Condensed Consolidated Financial Statements	
Condensed Consolidated Balance Sheets as of September 30, 2025 (Unaudited) and December 31, 2024	4
Unaudited Condensed Consolidated Statements of Operations for the Three and Nine Months Ended September 30, 2025 and 2024	5
Unaudited Condensed Consolidated Statements of Comprehensive Income (Loss) for the Three and Nine Months Ended September 30, 2025 and 2024	6
Unaudited Condensed Consolidated Statements of Changes in Stockholders' Equity for the Three and Nine Months Ended September 30, 2025 and 2024	7
Unaudited Condensed Consolidated Statements of Cash Flows for the Nine Months Ended September 30, 2025 and 2024	10
Unaudited Notes to the Condensed Consolidated Financial Statements	12
Note 1. Organization	12
Note 2. Summary of Significant Accounting Policies	13
Note 3. Investment Securities Available For Sale, at Fair Value	18
Note 4. Residential Loans and Residential Loans Held for Sale, at Fair Value	20
Note 5. Multi-family Loans, at Fair Value	24
Note 6. Equity Investments, at Fair Value	25
Note 7. Use of Special Purpose Entities (SPE) and Variable Interest Entities (VIE)	27
Note 8. Real Estate, Net	34
Note 9. Assets and Liabilities of Disposal Group Held for Sale	36
Note 10. Derivative Instruments	38
Note 11. Mortgage Servicing Rights	45
Note 12. Other Assets and Other Liabilities	46
Note 13. Repurchase Agreements and Warehouse Facilities	47
Note 14. Collateralized Debt Obligations	50
Note 15. Debt	52
Note 16. Commitments and Contingencies	56
Note 17. Fair Value of Financial Instruments	57
Note 18. Stockholders' Equity	70
Note 19. Earnings (Loss) Per Common Share	74
Note 20. Stock Based Compensation	75
Note 21. Income Taxes	79
Note 22. Net Interest Income	81
Note 23. Other Income	82
Note 24. Business Combination	83
Note 25. Segment Reporting	86
Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations	90
Item 3. Quantitative and Qualitative Disclosures about Market Risk	152
Item 4. Controls and Procedures	158
<u>PART II. OTHER INFORMATION</u>	
Item 1A. Risk Factors	159
Item 2. Unregistered Sales of Equity Securities and Use of Proceeds	161
Item 5. Other Information	161
Item 6. Exhibits	164
<u>SIGNATURES</u>	168

**PART I. FINANCIAL INFORMATION**

**Item 1. Condensed Consolidated Financial Statements**

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

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

	September 30, 2025 (unaudited)	December 31, 2024
<b>ASSETS</b>		
Investment securities available for sale, at fair value	\$ 6,838,715	\$ 3,828,544
Residential loans, at fair value	4,151,647	3,841,738
Residential loans held for sale, at fair value	105,036	—
Multi-family loans, at fair value	68,647	86,192
Equity investments, at fair value	28,825	113,492
Cash and cash equivalents	185,285	167,422
Real estate, net	601,748	623,407
Assets of disposal group held for sale	1,383	118,613
Goodwill	22,396	—
Other assets	398,180	437,874
<b>Total Assets <sup>(1)</sup></b>	<b>\$ 12,401,862</b>	<b>\$ 9,217,282</b>
<b>LIABILITIES AND EQUITY</b>		
<b>Liabilities:</b>		
Repurchase agreements and warehouse facilities	\$ 6,481,072	\$ 4,012,225
Collateralized debt obligations (\$3,202,295 at fair value and \$375,164 at amortized cost, net as of September 30, 2025 and \$2,135,680 at fair value and \$842,764 at amortized cost, net as of December 31, 2024)	3,577,459	2,978,444
Senior unsecured notes (\$257,590 at fair value and \$99,275 at amortized cost, net as of September 30, 2025 and \$60,310 at fair value and \$98,886 at amortized cost, net as of December 31, 2024)	356,865	159,196
Subordinated debentures	45,000	45,000
Mortgages payable on real estate, net	362,747	366,606
Liabilities of disposal group held for sale	78	97,065
Other liabilities	173,863	147,612
<b>Total liabilities <sup>(1)</sup></b>	<b>10,997,084</b>	<b>7,806,148</b>
<b>Commitments and Contingencies (See Note 16)</b>		
<b>Redeemable Non-Controlling Interest in Consolidated Variable Interest Entities</b>	<b>13,713</b>	<b>12,359</b>
<b>Stockholders' Equity:</b>		
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 September 30, 2025 and December 31, 2024, respectively (\$559,642 and \$554,110 aggregate liquidation preference as of September 30, 2025 and December 31, 2024, respectively)	540,472	535,445
Common stock, par value \$0.01 per share, 200,000,000 shares authorized, 90,307,776 and 90,574,996 shares issued and outstanding as of September 30, 2025 and December 31, 2024, respectively	903	906
Additional paid-in capital	2,279,204	2,289,044
Accumulated other comprehensive loss	—	—
Accumulated deficit	(1,429,802)	(1,430,675)
<b>Company's stockholders' equity</b>	<b>1,390,777</b>	<b>1,394,720</b>
Non-controlling interests	288	4,055
<b>Total equity</b>	<b>1,391,065</b>	<b>1,398,775</b>
<b>Total Liabilities and Equity</b>	<b>\$ 12,401,862</b>	<b>\$ 9,217,282</b>

<sup>(1)</sup> Our condensed 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 September 30, 2025 and December 31, 2024, assets of consolidated VIEs totaled \$4,478,542 and \$3,988,584, respectively, and the liabilities of consolidated VIEs totaled \$3,981,131 and \$3,477,211, respectively. See Note 7 for further discussion.

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

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

	For the Three Months Ended September 30,		For the Nine Months Ended September 30,	
	2025	2024	2025	2024
<b>NET INTEREST INCOME:</b>				
Interest income	\$ 160,633	\$ 108,361	\$ 431,268	\$ 283,027
Interest expense	124,047	88,124	325,137	225,883
Total net interest income	36,586	20,237	106,131	57,144
<b>NET LOSS FROM REAL ESTATE:</b>				
Rental income	16,600	26,382	51,940	90,353
Other real estate income	2,504	5,521	8,457	16,093
Total income from real estate	19,104	31,903	60,397	106,446
Interest expense, mortgages payable on real estate	5,409	12,676	17,298	49,996
Depreciation and amortization	5,936	8,131	17,759	32,942
Other real estate expenses	11,637	18,591	34,466	60,476
Total expenses related to real estate	22,982	39,398	69,523	143,414
Total net loss from real estate	(3,878)	(7,495)	(9,126)	(36,968)
<b>OTHER INCOME (LOSS):</b>				
Realized losses, net	(5,610)	(1,380)	(50,481)	(19,404)
Unrealized gains, net	54,852	96,949	197,670	41,046
(Losses) gains on derivative instruments, net	(13,006)	(60,640)	(86,774)	4,042
Mortgage banking activities, net	14,103	—	14,103	—
(Loss) income from equity investments	(1,595)	6,054	567	10,026
Impairment of real estate	(1,619)	(7,823)	(9,437)	(48,142)
Loss on reclassification of disposal group	—	—	—	(14,636)
Other income	1,479	19,715	5,644	16,541
Total other income (loss)	48,604	52,875	71,292	(10,527)
<b>GENERAL, ADMINISTRATIVE AND OPERATING EXPENSES:</b>				
General and administrative expenses	23,349	11,941	47,549	36,643
Portfolio operating expenses	6,747	8,531	21,307	23,672
Loan origination costs	3,788	—	3,788	—
Financing transaction costs	7,941	2,354	14,173	10,452
Total general, administrative and operating expenses	41,825	22,826	86,817	70,767
<b>INCOME (LOSS) FROM OPERATIONS BEFORE INCOME TAXES</b>	39,487	42,791	81,480	(61,118)
Income tax (benefit) expense	(298)	2,325	189	2,556
<b>NET INCOME (LOSS)</b>	39,785	40,466	81,291	(63,674)
Net loss attributable to non-controlling interests	5,035	2,383	14,231	33,034
<b>NET INCOME (LOSS) ATTRIBUTABLE TO COMPANY</b>	44,820	42,849	95,522	(30,640)
Preferred stock dividends	(12,118)	(10,439)	(36,021)	(31,317)
<b>NET INCOME (LOSS) ATTRIBUTABLE TO COMPANY'S COMMON STOCKHOLDERS</b>	\$ 32,702	\$ 32,410	\$ 59,501	\$ (61,957)
Basic earnings (loss) per common share	\$ 0.36	\$ 0.36	\$ 0.66	\$ (0.68)
Diluted earnings (loss) per common share	\$ 0.36	\$ 0.36	\$ 0.65	\$ (0.68)
Weighted average shares outstanding-basic	90,406	90,582	90,437	90,895
Weighted average shares outstanding-diluted	91,614	90,586	91,352	90,895

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

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

	<b>For the Three Months Ended September 30,</b>		<b>For the Nine Months Ended September 30,</b>	
	<b>2025</b>	<b>2024</b>	<b>2025</b>	<b>2024</b>
NET INCOME (LOSS) ATTRIBUTABLE TO COMPANY'S COMMON STOCKHOLDERS	\$ 32,702	\$ 32,410	\$ 59,501	\$ (61,957)
OTHER COMPREHENSIVE INCOME				
Reclassification adjustment for net loss included in net loss	—	—	—	4
TOTAL OTHER COMPREHENSIVE INCOME	—	—	—	4
COMPREHENSIVE INCOME (LOSS) ATTRIBUTABLE TO COMPANY'S COMMON STOCKHOLDERS	\$ 32,702	\$ 32,410	\$ 59,501	\$ (61,953)

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

**ADAMAS TRUST, INC. AND SUBSIDIARIES**  
**CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY**  
(Dollar amounts in thousands)  
(unaudited)  
For the Three Months Ended

	Common Stock	Preferred Stock	Additional Paid-In Capital	Accumulated Deficit	Accumulated Other Comprehensive Loss	Total Company's Stockholders' Equity	Non- Controlling Interest in Consolidated VIEs	Total
Balance, June 30, 2025	\$ 903	\$ 539,414	\$ 2,281,974	\$ (1,441,088)	\$ —	\$ 1,381,203	\$ 2,670	\$ 1,383,873
Net income (loss) (\$4,241) allocated to redeemable non-controlling interest)	—	—	—	44,820	—	44,820	(794)	44,026
Preferred stock issuance, net	—	1,058	—	—	—	1,058	—	1,058
Stock based compensation expense, net	—	—	2,439	—	—	2,439	—	2,439
Dividends declared on common stock	—	—	—	(20,772)	—	(20,772)	—	(20,772)
Dividends declared on preferred stock	—	—	—	(12,118)	—	(12,118)	—	(12,118)
Dividends attributable to dividend equivalents	—	—	—	(644)	—	(644)	—	(644)
Contributions of non-controlling interest in Consolidated VIEs	—	—	—	—	—	—	433	433
Decrease in non-controlling interest related to distributions from Consolidated VIEs	—	—	—	—	—	—	(2,021)	(2,021)
Adjustment of redeemable non-controlling interest to estimated redemption value	—	—	(5,209)	—	—	(5,209)	—	(5,209)
Balance, September 30, 2025	<u>\$ 903</u>	<u>\$ 540,472</u>	<u>\$ 2,279,204</u>	<u>\$ (1,429,802)</u>	<u>\$ —</u>	<u>\$ 1,390,777</u>	<u>\$ 288</u>	<u>\$ 1,391,065</u>
Balance, June 30, 2024	\$ 906	\$ 535,445	\$ 2,280,664	\$ (1,385,105)	\$ —	\$ 1,431,910	\$ 9,753	\$ 1,441,663
Net income (loss) (\$565) allocated to redeemable non-controlling interest)	—	—	—	42,849	—	42,849	(1,818)	41,031
Stock based compensation expense, net	—	—	2,435	—	—	2,435	—	2,435
Dividends declared on common stock	—	—	—	(18,116)	—	(18,116)	—	(18,116)
Dividends declared on preferred stock	—	—	—	(10,439)	—	(10,439)	—	(10,439)
Dividends attributable to dividend equivalents	—	—	—	(262)	—	(262)	—	(262)
Decrease in non-controlling interest related to de-consolidation of VIEs	—	—	—	—	—	—	(24)	(24)
Decrease in non-controlling interest related to distributions from Consolidated VIEs	—	—	—	—	—	—	(1,922)	(1,922)
Adjustment of redeemable non-controlling interest to estimated redemption value	—	—	(4,230)	—	—	(4,230)	—	(4,230)
Balance, September 30, 2024	<u>\$ 906</u>	<u>\$ 535,445</u>	<u>\$ 2,278,869</u>	<u>\$ (1,371,073)</u>	<u>\$ —</u>	<u>\$ 1,444,147</u>	<u>\$ 5,989</u>	<u>\$ 1,450,136</u>

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

**ADAMAS TRUST, INC. AND SUBSIDIARIES**  
**CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY**  
(Dollar amounts in thousands)  
(unaudited)  
For the Nine Months Ended

	Common Stock	Preferred Stock	Additional Paid-In Capital	Accumulated Deficit	Accumulated Other Comprehensive Loss	Total Company's Stockholders' Equity	Non- Controlling Interest in Consolidated VIEs	Total
Balance, December 31, 2024	\$ 906	\$ 535,445	\$ 2,289,044	\$ (1,430,675)	\$ —	\$ 1,394,720	\$ 4,055	\$ 1,398,775
Net income (loss) \$(11,966) allocated to redeemable non- controlling interest)	—	—	—	95,522	—	95,522	(2,265)	93,257
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)	—	5,768	—	—	5,767	—	5,767
Dividends declared on common stock	—	—	—	(56,941)	—	(56,941)	—	(56,941)
Dividends declared on preferred stock	—	—	—	(36,021)	—	(36,021)	—	(36,021)
Dividends attributable to dividend equivalents	—	—	—	(1,687)	—	(1,687)	—	(1,687)
Contributions of non-controlling interest in Consolidated VIEs	—	—	—	—	—	—	1,028	1,028
Decrease in non-controlling interest related to distributions from Consolidated VIEs	—	—	—	—	—	—	(2,530)	(2,530)
Adjustment of redeemable non- controlling interest to estimated redemption value	—	—	(14,108)	—	—	(14,108)	—	(14,108)
Balance, September 30, 2025	<u>\$ 903</u>	<u>\$ 540,472</u>	<u>\$ 2,279,204</u>	<u>\$ (1,429,802)</u>	<u>\$ —</u>	<u>\$ 1,390,777</u>	<u>\$ 288</u>	<u>\$ 1,391,065</u>

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

[Table of Contents](#)

Balance, December 31, 2023	\$ 907	\$ 535,445	\$ 2,297,081	\$ (1,253,817)	\$ (4)	\$ 1,579,612	\$ 20,453	\$ 1,600,065
Net loss \$(19,543) allocated to redeemable non-controlling interest)	—	—	—	(30,640)	—	(30,640)	(13,491)	(44,131)
Common stock repurchases	(6)	—	(3,487)	—	—	(3,493)	—	(3,493)
Stock based compensation expense, net	5	—	3,496	—	—	3,501	—	3,501
Dividends declared on common stock	—	—	—	(54,481)	—	(54,481)	—	(54,481)
Dividends declared on preferred stock	—	—	—	(31,317)	—	(31,317)	—	(31,317)
Dividends attributable to dividend equivalents	—	—	—	(818)	—	(818)	—	(818)
Reclassification adjustment for net loss included in net loss	—	—	—	—	4	4	—	4
Increase in non-controlling interest related to de-consolidation of VIEs	—	—	—	—	—	—	1,502	1,502
Contributions of non-controlling interest in Consolidated VIEs	—	—	—	—	—	—	462	462
Decrease in non-controlling interest related to distributions from Consolidated VIEs	—	—	—	—	—	—	(2,937)	(2,937)
Adjustment of redeemable non-controlling interest to estimated redemption value	—	—	(18,221)	—	—	(18,221)	—	(18,221)
Balance, September 30, 2024	<u>\$ 906</u>	<u>\$ 535,445</u>	<u>\$ 2,278,869</u>	<u>\$ (1,371,073)</u>	<u>\$ —</u>	<u>\$ 1,444,147</u>	<u>\$ 5,989</u>	<u>\$ 1,450,136</u>

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

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

	<b>For the Nine Months Ended September 30,</b>	
	<b>2025</b>	<b>2024</b>
<b>Cash Flows from Operating Activities:</b>		
Net income (loss)	\$ 81,291	\$ (63,674)
Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities:		
Net amortization	13,365	14,673
Depreciation and amortization expense related to operating real estate	17,759	32,942
Realized losses, net	50,481	19,404
Unrealized gains, net	(197,670)	(41,046)
Losses (gains) on derivative instruments, net	86,774	(4,042)
Other losses (gains), net	8,379	(19,476)
Gains on residential loans held for sale, net	(8,592)	—
Originations of residential loans held for sale	(235,513)	—
Proceeds from sales and repayments of residential loans held for sale	217,770	—
Impairment of real estate	9,437	48,142
Loss on reclassification of disposal group	—	14,636
Income from preferred equity, mezzanine loan and equity investments	(7,435)	(18,110)
Distributions of income from preferred equity, mezzanine loan and equity investments	25,425	11,889
Stock based compensation expense, net	5,767	3,501
Cash reclassified from assets of disposal group held for sale	1,612	2,632
Changes in operating assets and liabilities	3,109	(16,516)
Net cash provided by (used in) operating activities	<u>71,959</u>	<u>(15,045)</u>
<b>Cash Flows from Investing Activities:</b>		
Acquisition of businesses, net of cash and restricted cash acquired	(16,733)	—
Proceeds from sales of investment securities	663,336	—
Principal paydowns received on investment securities	392,783	171,415
Purchases of investment securities	(3,951,844)	(1,535,586)
Principal repayments received on residential loans	1,102,826	800,761
Proceeds from sales of residential loans	165,116	149,833
Purchases and originations of residential loans	(1,194,262)	(1,345,122)
Principal repayments received on preferred equity and mezzanine loan investments	14,000	5,100
Return of capital from equity investments	33,150	5,000
Funding of preferred equity, mezzanine loan and equity investments	(413)	(1,258)
Net variation margin paid for derivative instruments	(104,379)	(17,046)
Net payments received from derivative instruments	24,305	25,957
Net proceeds from sale of real estate	142,299	113,587
Proceeds from sales of joint venture equity investments in VIEs	500	800
Decrease in cash from de-consolidation of Consolidated VIEs	—	(2,495)
Purchases of investments held in Consolidated SLST	(12,179)	(9,857)
Capital expenditures on real estate	(6,887)	(21,194)
Purchases of other assets	(674)	(65)
Net cash used in investing activities	<u>(2,749,056)</u>	<u>(1,660,170)</u>
<b>Cash Flows from Financing Activities:</b>		
Net proceeds received from repurchase agreements and warehouse facilities	2,331,955	1,135,835
Proceeds from issuance of senior unsecured notes, net	193,505	60,000
Proceeds from issuance of collateralized debt obligations, net	947,788	1,055,392
Repurchases of common stock	(1,502)	(3,493)
Proceeds from preferred stock issuance, net	5,027	—
Dividends paid on common stock and dividend equivalents	(54,714)	(56,829)
Dividends paid on preferred stock	(34,323)	(31,299)
Net distributions to non-controlling interests in Consolidated VIEs	(2,291)	(7,388)
Payments made on and extinguishment of collateralized debt obligations	(586,071)	(398,762)
Payments made on Consolidated SLST CDOs	(55,857)	(43,624)
Net payments made on mortgages payable on real estate	(97,729)	(33,262)
Net cash provided by financing activities	<u>2,645,788</u>	<u>1,676,570</u>

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

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

<b>Net (Decrease) Increase in Cash, Cash Equivalents and Restricted Cash</b>	(31,309)	1,355
<b>Cash, Cash Equivalents and Restricted Cash - Beginning of Period</b>	329,024	330,642
<b>Cash, Cash Equivalents and Restricted Cash - End of Period</b>	<u>\$ 297,715</u>	<u>\$ 331,997</u>
<b>Supplemental Disclosure:</b>		
Cash paid for interest	\$ 322,497	\$ 248,939
Cash paid (refunds received) for income taxes	\$ 506	\$ (105)
<b>Non-Cash Investing Activities:</b>		
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	\$ —	\$ 444,392
De-consolidation of mortgages payable on real estate held in Consolidated VIEs	\$ —	\$ 446,832
Consolidation of residential loans held in Consolidated SLST	\$ 247,405	\$ 285,057
Consolidation of Consolidated SLST CDOs	\$ 235,226	\$ 275,200
Transfer from residential loans to real estate owned	\$ 41,280	\$ 68,229
Transfer from residential loans to real estate, net	\$ —	\$ 2,640
Transfer from residential loans held for sale to residential loans	\$ 213,811	\$ —
Distribution of mortgage servicing rights from equity investment	\$ 3,405	\$ —
<b>Non-Cash Financing Activities:</b>		
Dividends declared on common stock and dividend equivalents to be paid in subsequent period	\$ 23,758	\$ 20,186
Dividends declared on preferred stock to be paid in subsequent period	\$ 12,133	\$ 10,454
Mortgages and notes payable assumed by purchaser of real estate held for sale in Consolidated VIEs	\$ —	\$ 24,073
<b>Cash, Cash Equivalents and Restricted Cash Reconciliation:</b>		
Cash and cash equivalents	\$ 185,285	\$ 195,066
Restricted cash included in other assets	112,430	136,931
<b>Total cash, cash equivalents, and restricted cash</b>	<u>\$ 297,715</u>	<u>\$ 331,997</u>

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

**ADAMAS TRUST, INC. AND SUBSIDIARIES**  
**NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
September 30, 2025  
(unaudited)

**1. 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 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 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* – The accompanying condensed consolidated balance sheet as of December 31, 2024 has been derived from audited financial statements. The accompanying condensed consolidated balance sheet as of September 30, 2025, the accompanying condensed consolidated statements of operations for the three and nine months ended September 30, 2025 and 2024, the accompanying condensed consolidated statements of comprehensive income (loss) for the three and nine months ended September 30, 2025 and 2024, the accompanying condensed consolidated statements of changes in stockholders' equity for the three and nine months ended September 30, 2025 and 2024 and the accompanying condensed consolidated statements of cash flows for the nine months ended September 30, 2025 and 2024 are unaudited. In our opinion, all adjustments (which include only normal recurring adjustments) necessary to present fairly the Company's financial position, results of operations and cash flows have been made. Certain information and footnote disclosures normally included in financial statements prepared in accordance with GAAP have been condensed or omitted in accordance with Article 10 of Regulation S-X and the instructions to Form 10-Q. These condensed consolidated financial statements should be read in conjunction with the audited consolidated financial statements and notes thereto included in our Annual Report on Form 10-K for the year ended December 31, 2024, as filed with the U.S. Securities and Exchange Commission ("SEC"). Accordingly, significant accounting policies and other disclosures have been omitted since such items are disclosed in *Note 2* in the audited consolidated financial statements and notes thereto included in our Annual Report on Form 10-K for the year ended December 31, 2024. Provided in this section is a summary of additional accounting policies that are significant to, or newly adopted by, the Company for the three and nine months ended September 30, 2025. The results of operations for the three and nine months ended September 30, 2025 are not necessarily indicative of the operating results for the full year.

The accompanying condensed 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 in the accompanying condensed consolidated financial statements to conform to current period presentation.

*Principles of Consolidation and Variable Interest Entities* – The accompanying condensed 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 condensed consolidated balance sheets.

*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 condensed consolidated statements of cash flows. Amounts held back from cash consideration, if any, are recorded as liabilities on the accompanying condensed 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.

*Intangible Assets* – Intangible assets consisting of acquired trade name, acquired customer relationships, acquired technology and acquired in-place leases with estimated useful lives ranging from 5 months to 11 years are included in other assets on the accompanying condensed 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.

*Derivative Financial Instruments* – The Company enters into various types of derivative financial 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*. Changes in fair value are accounted for depending on the use of the derivative financial instruments and whether they qualify for hedge accounting treatment. The Company elected not to apply hedge accounting for its derivative financial instruments; accordingly, all changes in fair value are reported on the accompanying condensed 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 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 condensed 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 gold future contracts that obligate the Company to sell or buy a specific quantity of gold at 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 gold 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 financial 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 condensed 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 condensed 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 condensed 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 condensed 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 condensed consolidated statements of cash flows.

*Derivative Financial 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 condensed 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 Reserves for Origination Activity* – Constructive routinely sells business purpose loans to secondary market investors. 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 condensed consolidated balance sheets. Provisions to the business purpose loan repurchase reserve reduce gains recognized on sales of loans.

*Segment Reporting* – As of September 30, 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* to the Consolidated Financial Statements in the Company's Annual Report on Form 10-K for the year ended December 31, 2024, as updated herein, with the exception of allocations of certain corporate expenses not directly assigned or allocated to one of the Company's two reportable segments.

#### *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.

In December 2023, the FASB issued ASU 2023-09, *Income Taxes (Topic 740): Improvements to Income Tax Disclosures* (“ASU 2023-09”). ASU 2023-09 requires enhanced disclosures in connection with an entity's effective tax rate reconciliation and additional disclosures about income taxes paid. ASU 2023-09 is effective for annual periods beginning after December 15, 2024. The Company expects that the adoption of ASU 2023-09 will result in additional income tax 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, *Financial Instruments*, where changes in fair value are recorded in unrealized gains (losses), net on the Company's condensed consolidated statements of operations. The Company's investment securities available for sale consisted of the following as of September 30, 2025 and December 31, 2024, respectively (dollar amounts in thousands):

	September 30, 2025				December 31, 2024			
	Amortized Cost	Unrealized Gains	Unrealized Losses	Fair Value	Amortized Cost	Unrealized Gains	Unrealized Losses	Fair Value
Agency RMBS								
Fixed rate								
Fannie Mae	\$ 3,505,119	\$ 54,745	\$ (752)	\$ 3,559,112	\$ 1,483,619	\$ 7,819	\$ (7,991)	\$ 1,483,447
Freddie Mac	2,804,052	39,785	(380)	2,843,457	1,465,419	3,914	(13,720)	1,455,613
Total Fixed rate	6,309,171	94,530	(1,132)	6,402,569	2,949,038	11,733	(21,711)	2,939,060
Adjustable rate								
Fannie Mae	88,317	2,981	—	91,298	97,267	265	(631)	96,901
Freddie Mac	30,875	815	—	31,690	32,852	20	(191)	32,681
Total Adjustable rate	119,192	3,796	—	122,988	130,119	285	(822)	129,582
Interest-only								
Ginnie Mae	110,459	1,401	(12,944)	98,916	78,627	843	(16,092)	63,378
Freddie Mac	4,461	—	(931)	3,530	5,251	—	(459)	4,792
Total Interest-only	114,920	1,401	(13,875)	102,446	83,878	843	(16,551)	68,170
Total Agency RMBS	6,543,283	99,727	(15,007)	6,628,003	3,163,035	12,861	(39,084)	3,136,812
Non-Agency RMBS	24,085	6,405	(2,316)	28,174	66,203	6,098	(2,614)	69,687
U.S. Treasury securities	180,868	2,520	(850)	182,538	657,659	—	(35,614)	622,045
Total	\$ 6,748,236	\$ 108,652	\$ (18,173)	\$ 6,838,715	\$ 3,886,897	\$ 18,959	\$ (77,312)	\$ 3,828,544

Accrued interest receivable for investment securities available for sale in the amount of \$32.2 million and \$22.4 million as of September 30, 2025 and December 31, 2024, respectively, is included in other assets on the Company's condensed consolidated balance sheets.

For the three and nine months ended September 30, 2025, the Company recognized \$47.8 million and \$148.8 million in net unrealized gains on investment securities available for sale, respectively. For the three and nine months ended September 30, 2024, the Company recognized \$58.3 million and \$10.4 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 condensed consolidated balance sheets with the fair value of securities pledged disclosed in *Notes 10 and 13*, respectively.

*Realized Gain and Loss Activity*

The Company did not sell investment securities during the three months ended September 30, 2025. The following table summarizes our investment securities sold during the nine months ended September 30, 2025 (dollar amounts in thousands):

	<b>For the Nine Months Ended September 30, 2025</b>			
	<b>Sales Proceeds</b>	<b>Realized Gains</b>	<b>Realized Losses</b>	<b>Net Realized Gains (Losses)</b>
U.S. Treasury Securities	\$ 658,763	\$ 3,700	\$ (30,570)	\$ (26,870)
Non-Agency RMBS	4,573	52	—	52
<b>Total</b>	<b>\$ 663,336</b>	<b>\$ 3,752</b>	<b>\$ (30,570)</b>	<b>\$ (26,818)</b>

The Company did not sell investment securities during the three and nine months ended September 30, 2024.

The Company recognized write-downs of certain Agency RMBS IOs for a loss of \$2.5 million for the nine months ended September 30, 2025, which is included in realized losses, net on the accompanying condensed consolidated statements of operations. The Company recognized write-downs of non-Agency RMBS for a loss of \$0.4 million and \$0.9 million for the three and nine months ended September 30, 2024, 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 September 30, 2025 and December 31, 2024, based on management's estimates, the weighted average life of the Company's investment securities available for sale portfolio was approximately 6.5 years and 7.4 years, respectively.

The following table sets forth the weighted average lives of our investment securities available for sale as of September 30, 2025 and December 31, 2024, respectively (dollar amounts in thousands):

<b>Weighted Average Life</b>	<b>September 30, 2025</b>	<b>December 31, 2024</b>
0 to 5 years	\$ 1,630,237	\$ 604,459
Over 5 to 10 years	5,054,934	2,923,871
10+ years	153,544	300,214
<b>Total</b>	<b>\$ 6,838,715</b>	<b>\$ 3,828,544</b>

#### 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 condensed 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 condensed 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 September 30, 2025 and December 31, 2024, respectively (dollar amounts in thousands):

<b>September 30, 2025</b>						
	<b>Residential loans (1)</b>	<b>Consolidated SLST (2)</b>	<b>Residential loans held in securitization trusts (3)</b>	<b>Total Residential loans</b>	<b>Residential loans held for sale (4)</b>	<b>Total</b>
Principal	\$ 315,228	\$ 1,329,199	\$ 2,707,733	\$ 4,352,160	\$ 102,439	\$ 4,454,599
Premium / (Discount)	270	(62,042)	(28,215)	(89,987)	—	(89,987)
Change in fair value	(7,076)	(84,558)	(18,892)	(110,526)	2,597	(107,929)
Carrying value	<u>\$ 308,422</u>	<u>\$ 1,182,599</u>	<u>\$ 2,660,626</u>	<u>\$ 4,151,647</u>	<u>\$ 105,036</u>	<u>\$ 4,256,683</u>

  

<b>December 31, 2024</b>						
	<b>Residential loans (1)</b>	<b>Consolidated SLST (2)</b>	<b>Residential loans held in securitization trusts (3)</b>	<b>Total Residential loans</b>		
Principal	\$ 652,642	\$ 1,111,633	\$ 2,365,060	\$ 4,129,335		
Discount	(1,750)	(24,303)	(48,702)	(74,755)		
Change in fair value	(18,626)	(121,658)	(72,558)	(212,842)		
Carrying value	<u>\$ 632,266</u>	<u>\$ 965,672</u>	<u>\$ 2,243,800</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 September 30, 2025 and December 31, 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 condensed consolidated balance sheets (see Note 14). During the nine months ended September 30, 2025, the Company purchased an additional first loss subordinated security issued from a securitization that it determined to consolidate as Consolidated SLST. As a result, the Company consolidated assets and liabilities of the securitization (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 condensed 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 September 30, 2025 (see Note 13).

*Residential Loans, at Fair Value*

The following tables present the unrealized gains (losses), net attributable to residential loans, at fair value for the three and nine months ended September 30, 2025 and 2024, respectively (dollar amounts in thousands):

	For the Three Months Ended					
	September 30, 2025			September 30, 2024		
	Residential loans	Consolidated SLST <sup>(1)</sup>	Residential loans held in securitization trusts	Residential loans	Consolidated SLST <sup>(1)</sup>	Residential loans held in securitization trusts
Unrealized gains (losses), net	\$ 6,575	\$ 7,395	\$ 12,958	\$ 9,882	\$ 28,655	\$ 42,283

	For the Nine Months Ended					
	September 30, 2025			September 30, 2024		
	Residential loans	Consolidated SLST <sup>(1)</sup>	Residential loans held in securitization trusts	Residential loans	Consolidated SLST <sup>(1)</sup>	Residential loans held in securitization trusts
Unrealized gains (losses), net	\$ 14,552	\$ 37,100	\$ 45,711	\$ 13,934	\$ 27,855	\$ 32,995

<sup>(1)</sup> 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 \$5.4 million of net realized losses on the payoff of residential loans, at fair value during the three and nine months ended September 30, 2025. The Company recognized \$0.6 million and \$2.3 million of net realized gains on the payoff of residential loans, at fair value during the three and nine months ended September 30, 2024, respectively. The Company also recognized \$7.1 million of net realized gains on the sale of residential loans, at fair value during the three and nine months ended September 30, 2025. The Company recognized \$4.7 million and \$1.5 million of net realized gains on the sale of residential loans, at fair value during the three and nine months ended September 30, 2024, respectively.

The geographic concentrations of credit risk exceeding 5% of the unpaid principal balance of residential loans, at fair value as of September 30, 2025 and December 31, 2024, respectively, are as follows:

	September 30, 2025			December 31, 2024		
	Residential loans	Consolidated SLST	Residential loans held in securitization trusts	Residential loans	Consolidated SLST	Residential loans held in securitization trusts
California	14.2 %	11.2 %	16.6 %	23.0 %	11.7 %	20.2 %
Florida	10.2 %	8.7 %	10.5 %	10.4 %	9.1 %	12.2 %
New York	7.2 %	10.7 %	6.7 %	6.6 %	10.8 %	6.6 %
New Jersey	7.1 %	6.2 %	6.1 %	8.0 %	6.8 %	5.2 %
Pennsylvania	6.1 %	3.8 %	5.5 %	5.1 %	3.9 %	3.8 %
Ohio	5.9 %	3.4 %	4.0 %	3.6 %	1.6 %	2.0 %
Texas	4.8 %	4.4 %	7.0 %	6.2 %	4.4 %	7.9 %
Illinois	4.1 %	7.4 %	3.3 %	2.2 %	6.3 %	3.1 %

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 September 30, 2025 and December 31, 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
September 30, 2025	\$ 99,764	\$ 116,087	\$ 938	\$ 993
December 31, 2024	159,558	183,067	8,098	8,749

Formal foreclosure proceedings were in process with respect to residential loans with an aggregate fair value of \$73.7 million and an aggregate unpaid principal balance of \$88.0 million as of September 30, 2025.

Residential loans held in Consolidated SLST with an aggregate unpaid principal balance of \$139.4 million and \$117.1 million were 90 days or more delinquent as of September 30, 2025 and December 31, 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 \$47.5 million as of September 30, 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 secondary market investors as of September 30, 2025. Residential loans held for sale are presented at fair value on the Company's condensed 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 mortgage banking activities, net on the Company's condensed consolidated statements of operations. Direct loan origination costs and loan origination fee income are immediately recognized through earnings as a result of the fair value option election.

The following table details activity of residential loans held for sale between July 15, 2025 and September 30, 2025 (dollar amounts in thousands):

Principal balance of loans acquired through business combination	\$	142,324
Principal balance of loans originated		382,443
Principal balance of loans sold to third parties		(213,333)
Proceeds from repayments		(137)
Principal balance of loans transferred from residential loans held for sale to residential loans		(208,858)
Principal balance as of September 30, 2025	\$	<u>102,439</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 September 30, 2025 are as follows:

	<u>September 30, 2025</u>
Ohio	12.5 %
Pennsylvania	12.0 %
New Jersey	10.8 %
Illinois	9.3 %
Tennessee	8.4 %

*Mortgage Banking Activities, Net*

The following table summarizes the components of mortgage banking activities, net for the three and nine months ended September 30, 2025 (dollar amounts in thousands):

Residential loan origination and other fees	\$	5,511
Gains on residential loans held for sale, net <sup>(1)</sup>		8,592
Mortgage banking activities, net	\$	<u>14,103</u>

<sup>(1)</sup> Includes gains on sale and unrealized gains, net of provision for loan repurchases, and gains 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, and mezzanine loans to, entities that have multi-family real estate assets are presented at fair value on the Company's condensed 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 condensed consolidated statements of operations. Multi-family loans consist of the following as of September 30, 2025 and December 31, 2024, respectively (dollar amounts in thousands):

	<b>September 30, 2025</b>	<b>December 31, 2024</b>
Investment amount	\$ 72,313	\$ 90,485
Unrealized losses, net	(3,666)	(4,293)
<b>Total, at Fair Value</b>	<b>\$ 68,647</b>	<b>\$ 86,192</b>

For the three and nine months ended September 30, 2025, the Company recognized \$0.1 million and \$0.6 million in net unrealized gains on multi-family loans, respectively. For the three and nine months ended September 30, 2024, the Company recognized \$0.2 million in net unrealized gains and \$4.6 million in net unrealized losses 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 September 30, 2025 and December 31, 2024 (dollar amounts in thousands):

<b>Days Late</b>	<b>Fair Value <sup>(1)</sup></b>	<b>Unpaid Principal Balance</b>
90 +	\$ —	\$ 3,363

<sup>(1)</sup> 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 September 30, 2025 and December 31, 2024, respectively, are as follows:

	<b>September 30, 2025</b>	<b>December 31, 2024</b>
Texas	46.8 %	36.1 %
Florida	15.1 %	11.6 %
Louisiana	11.2 %	8.8 %
North Carolina	7.7 %	6.2 %
Arkansas	7.6 %	10.3 %
Indiana	7.0 %	5.6 %

## 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 condensed consolidated balance sheets as a result of a fair value election.

The following table presents the Company's equity investments as of September 30, 2025 and December 31, 2024, respectively (dollar amounts in thousands):

Investment Name	September 30, 2025		December 31, 2024	
	Ownership Interest	Fair Value	Ownership Interest	Fair Value
<b>Multi-Family Preferred Equity Ownership Interests</b>				
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%	\$ 9,879	58%	\$ 9,322
Tides on 27th Investors, LLC	54%	7,653	54%	10,245
Rapid City RMI JV LLC	50%	11,293	50%	10,637
Lucie at Tradition Holdings, LLC	—	—	70%	21,821
EHOFF-NYMT Sunset Apartments Preferred, LLC	—	—	57%	21,411
Total - Multi-Family Preferred Equity Ownership Interests		28,825		73,436
<b>Joint Venture Equity Investments in Multi-Family Properties</b>				
GWR Cedars Partners, LLC <sup>(1)</sup>	—	—	70%	141
GWR Gateway Partners, LLC <sup>(1)</sup>	—	—	70%	1,197
Total - Joint Venture Equity Investments in Multi-Family Properties		—		1,338
<b>Single-Family Equity Ownership Interests</b>				
Constructive Loans, LLC <sup>(2)</sup>	—	—	50%	38,718
Total - Single-Family Equity Ownership Interests		—		38,718
<b>Total</b>		<b>\$ 28,825</b>		<b>\$ 113,492</b>

<sup>(1)</sup> 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 nine months ended September 30, 2025 (see Note 9).

<sup>(2)</sup> 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 \$70.9 million and \$299.6 million of residential loans from this entity during the three and nine months ended September 30, 2025, respectively, and approximately \$30.2 million and \$137.6 million of residential loans from this entity during the three and nine months ended September 30, 2024, respectively. 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 during the nine months ended September 30, 2025.

The Company records its equity in earnings or losses from its multi-family preferred equity ownership interests 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. Pursuant to the fair value election, changes in fair value of the Company's multi-family preferred equity ownership interests are reported in current period earnings.

The following table presents income from multi-family preferred equity ownership interests for the three and nine months ended September 30, 2025 and 2024, respectively (dollar amounts in thousands). Income from these investments is presented in (loss) income from equity investments in the Company's accompanying condensed consolidated statements of operations. Income from these investments during the three and nine months ended September 30, 2025 includes \$2.9 million and \$2.0 million of net unrealized losses, respectively. Income from these investments during the three and nine months ended September 30, 2024 includes \$4.5 million and \$5.2 million of net unrealized losses, respectively.

Investment Name	For the Three Months Ended September 30,		For the Nine Months Ended September 30,	
	2025	2024	2025	2024
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)	\$ 249	\$ 438	\$ 1,030	\$ 693
Tides on 27th Investors, LLC	(2,765)	(4,111)	(2,422)	(3,436)
Rapid City RMI JV LLC	412	388	1,225	1,199
Lucie at Tradition Holdings, LLC	462	798	2,176	2,332
EHOF-NYMT Sunset Apartments Preferred, LLC	—	627	950	1,999
Syracuse Apartments and Townhomes, LLC	—	724	—	2,354
Palms at Cape Coral, LLC	—	—	—	69
Total (Loss) Income - Multi-Family Preferred Equity Ownership Interests	<u>\$ (1,642)</u>	<u>\$ (1,136)</u>	<u>\$ 2,959</u>	<u>\$ 5,210</u>

Income (loss) from single-family equity ownership interests 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 condensed consolidated statements of operations. The following table presents income (loss) from these investments for the three and nine months ended September 30, 2025 and 2024, respectively (dollar amounts in thousands):

Investment Name	For the Three Months Ended September 30,		For the Nine Months Ended September 30,	
	2025	2024	2025	2024
<b>Single-Family Equity Ownership Interests <sup>(1)</sup></b>				
Constructive Loans, LLC	\$ 47	\$ 7,611	\$ (1,554)	\$ 9,301
Total Income (Loss) - Single-Family Equity Ownership Interests	<u>\$ 47</u>	<u>\$ 7,611</u>	<u>\$ (1,554)</u>	<u>\$ 9,301</u>
<b>Joint Venture Equity Investments in Multi-Family Properties <sup>(2)</sup></b>				
GWR Cedars Partners, LLC	\$ —	\$ (112)	\$ 39	\$ (1,741)
GWR Gateway Partners, LLC	—	(309)	(877)	(2,744)
Total Loss - Joint Venture Equity Investments in Multi-Family Properties	<u>\$ —</u>	<u>\$ (421)</u>	<u>\$ (838)</u>	<u>\$ (4,485)</u>

<sup>(1)</sup> 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 condensed consolidated statements of operations for the nine months ended September 30, 2025. Includes net unrealized gains of \$3.9 million and \$2.0 million for the three and nine months ended September 30, 2024, respectively.

<sup>(2)</sup> Includes net realized losses of \$0.8 million for the nine months ended September 30, 2025, and includes net unrealized losses of \$0.4 million and \$4.5 million for the three and nine months ended September 30, 2024, respectively.

## 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 three and nine months ended September 30, 2025, the Company completed two and four securitizations of certain residential loans for which the Company received net proceeds of approximately \$619.2 million and \$945.5 million, 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 condensed consolidated balance sheets.

During the three and nine months ended September 30, 2025, the Company exercised its right to an optional redemption of two and three of its residential loan securitizations with outstanding principal balances of approximately \$370.2 million and \$424.6 million, respectively, 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 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 September 30, 2025 and December 31, 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 September 30, 2025 and December 31, 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 condensed 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 condensed consolidated statements of operations. Consolidated SLST is comprised of three and two securitization trusts as of September 30, 2025 and December 31, 2024, respectively.

During the nine months ended September 30, 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 (dollar amounts in thousands):

	For the Nine Months Ended September 30,	
	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 September 30, 2025 and December 31, 2024, the Consolidated SLST securities owned by the Company had a fair value of \$158.8 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 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 condensed 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 three and nine months ended September 30, 2024, the Company sold its ownership interests in four and six joint venture equity investments that owned multi-family properties, respectively, 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 condensed 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 as of September 30, 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	\$ —	\$ —	\$ 3,147	\$ 3,147
Residential loans, at fair value	2,660,626	1,182,599	—	3,843,225
Real estate, net held in Consolidated VIEs <sup>(1)</sup>	—	—	469,764	469,764
Assets of disposal group held for sale <sup>(2)</sup>	—	—	1,383	1,383
Other assets	140,124	4,648	16,251	161,023
Total assets	\$ 2,800,750	\$ 1,187,247	\$ 490,545	\$ 4,478,542
Collateralized debt obligations (\$3,202,295 at fair value and \$375,164 at amortized cost, net)	\$ 2,560,507	\$ 1,016,952	\$ —	\$ 3,577,459
Mortgages payable on real estate, net in Consolidated VIEs <sup>(3)</sup>	—	—	362,747	362,747
Liabilities of disposal group held for sale <sup>(2)</sup>	—	—	78	78
Other liabilities	20,157	10,127	10,563	40,847
Total liabilities	\$ 2,580,664	\$ 1,027,079	\$ 373,388	\$ 3,981,131
Redeemable non-controlling interest in Consolidated VIEs <sup>(4)</sup>	\$ —	\$ —	\$ 13,713	\$ 13,713
Non-controlling interest in Consolidated VIEs <sup>(5)</sup>	\$ —	\$ —	\$ 163	\$ 163
Net investment <sup>(6)</sup>	\$ 220,086	\$ 160,168	\$ 103,281	\$ 483,535

<sup>(1)</sup> Included in real estate, net in the accompanying condensed consolidated balance sheets.

<sup>(2)</sup> Represents assets and liabilities, respectively, of certain Consolidated Real Estate VIEs included in disposal group held for sale (see Note 9).

<sup>(3)</sup> Included in mortgages payable on real estate, net in the accompanying condensed consolidated balance sheets.

<sup>(4)</sup> Represents redeemable third-party ownership of membership interests in Consolidated Real Estate VIEs. See *Redeemable Non-Controlling Interest in Consolidated VIEs* below.

<sup>(5)</sup> Represents third-party ownership of membership interests in Consolidated Real Estate VIEs.

<sup>(6)</sup> 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 <sup>(1)</sup>	—	—	481,161	481,161
Assets of disposal group held for sale <sup>(2)</sup>	—	—	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 <sup>(3)</sup>	—	—	366,606	366,606
Liabilities of disposal group held for sale <sup>(2)</sup>	—	—	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 <sup>(4)</sup>	\$ —	\$ —	\$ 12,359	\$ 12,359
Non-controlling interest in Consolidated VIEs <sup>(5)</sup>	\$ —	\$ —	\$ 3,930	\$ 3,930
Net investment <sup>(6)</sup>	\$ 215,211	\$ 149,833	\$ 130,040	\$ 495,084

(1) Included in real estate, net in the accompanying condensed 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 condensed 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 three and nine months ended September 30, 2025 and 2024, 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 Three Months Ended September 30,					
	2025			2024		
	Consolidated SLST	Consolidated Real Estate	Total	Consolidated SLST	Consolidated Real Estate	Total
Interest income	\$ 14,306	\$ —	\$ 14,306	\$ 11,002	\$ —	\$ 11,002
Interest expense	11,199	—	11,199	7,375	—	7,375
Total net interest income	3,107	—	3,107	3,627	—	3,627
Income from real estate	—	17,123	17,123	—	29,096	29,096
Expenses related to real estate	—	19,943	19,943	—	36,024	36,024
Total net loss from real estate	—	(2,820)	(2,820)	—	(6,928)	(6,928)
Unrealized gains, net	2,440	—	2,440	6,753	—	6,753
Gains (losses) on derivative instruments, net	—	8	8	—	(179)	(179)
Impairment of real estate	—	—	—	—	(8,402)	(8,402)
Other income	—	138	138	—	16,266	16,266
Total other income (loss)	2,440	146	2,586	6,753	7,685	14,438
Net income (loss)	5,547	(2,674)	2,873	10,380	757	11,137
Net loss attributable to non-controlling interest in Consolidated VIEs	—	5,035	5,035	—	2,383	2,383
Net income attributable to Company	\$ 5,547	\$ 2,361	\$ 7,908	\$ 10,380	\$ 3,140	\$ 13,520

	For the Nine Months Ended September 30,					
	2025			2024		
	Consolidated SLST	Consolidated Real Estate	Total	Consolidated SLST	Consolidated Real Estate	Total
Interest income	\$ 36,936	\$ —	\$ 36,936	\$ 28,284	\$ —	\$ 28,284
Interest expense	26,592	—	26,592	19,928	—	19,928
Total net interest income	10,344	—	10,344	8,356	—	8,356
Income from real estate	—	53,999	53,999	—	97,725	97,725
Expenses related to real estate	—	60,631	60,631	—	134,667	134,667
Total net loss from real estate	—	(6,632)	(6,632)	—	(36,942)	(36,942)
Unrealized gains, net	11,225	—	11,225	7,259	—	7,259
Gains on derivative instruments, net	—	54	54	—	2,668	2,668
Impairment of real estate	—	(7,180)	(7,180)	—	(44,173)	(44,173)
Loss on reclassification of disposal group	—	—	—	—	(14,636)	(14,636)
Other income	—	141	141	—	16,272	16,272
Total other income (loss)	11,225	(6,985)	4,240	7,259	(39,869)	(32,610)
Net income (loss)	21,569	(13,617)	7,952	15,615	(76,811)	(61,196)
Net loss attributable to non-controlling interest in Consolidated VIEs	—	14,231	14,231	—	33,034	33,034
Net income (loss) attributable to Company	\$ 21,569	\$ 614	\$ 22,183	\$ 15,615	\$ (43,777)	\$ (28,162)

*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 interests in Consolidated VIEs in mezzanine equity on the accompanying condensed 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.

The following table presents activity in redeemable non-controlling interest in Consolidated VIEs for the three and nine months ended September 30, 2025 and 2024, respectively (dollar amounts in thousands):

	For the Three Months Ended September 30,		For the Nine Months Ended September 30,	
	2025	2024	2025	2024
Beginning balance	\$ 12,782	\$ 23,088	\$ 12,359	\$ 28,061
Contributions	—	7	—	46
Distributions	(37)	(4,934)	(788)	(4,959)
Net loss attributable to redeemable non-controlling interest in Consolidated VIEs	(4,241)	(565)	(11,966)	(19,543)
Adjustment of redeemable non-controlling interest to estimated redemption value <sup>(1)</sup>	5,209	4,230	14,108	18,221
Ending balance	\$ 13,713	\$ 21,826	\$ 13,713	\$ 21,826

- <sup>(1)</sup> 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 September 30, 2025 include a weighted average capitalization rate of 5.6% (ranges from 5.0% to 6.5%) and a weighted average discount rate of 14.7% (ranges from 13.6% to 15.6%).

*Unconsolidated VIEs*

As of September 30, 2025 and December 31, 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 September 30, 2025 and December 31, 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 September 30, 2025 and December 31, 2024, respectively (dollar amounts in thousands):

	<b>September 30, 2025</b>				
	<b>Multi-family loans</b>	<b>Investment securities available for sale, at fair value</b>	<b>Equity investments</b>	<b>Other assets</b>	<b>Total</b>
Non-Agency RMBS	\$ —	\$ 22,513	\$ —	\$ —	\$ 22,513
Preferred equity investments in multi-family properties	68,647	—	28,825	—	97,472
Other investments	—	—	—	2,000	2,000
Maximum exposure	<u>\$ 68,647</u>	<u>\$ 22,513</u>	<u>\$ 28,825</u>	<u>\$ 2,000</u>	<u>\$ 121,985</u>

	<b>December 31, 2024</b>				
	<b>Multi-family loans</b>	<b>Investment securities available for sale, at fair value</b>	<b>Equity investments</b>	<b>Other assets</b>	<b>Total</b>
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 September 30, 2025 and December 31, 2024, respectively (dollar amounts in thousands):

	September 30, 2025	December 31, 2024
Land	\$ 77,899	\$ 80,190
Building and improvements	573,542	581,283
Furniture, fixture and equipment	18,303	16,866
Operating real estate	\$ 669,744	\$ 678,339
Accumulated depreciation	(78,523)	(61,834)
Operating real estate, net	\$ 591,221	\$ 616,505
Real estate held for sale, net <sup>(1)</sup>	\$ 10,527	\$ 6,902
Real estate, net <sup>(2)</sup>	\$ 601,748	\$ 623,407

<sup>(1)</sup> Real estate held for sale, net includes certain single-family rental properties and is recorded at the lower of the net carrying amount of the assets or the estimated fair value, net of selling costs.

<sup>(2)</sup> 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 condensed consolidated balance sheets as of December 31, 2024. See *Note 9* for additional information.

### *Multi-family Apartment Properties*

As of September 30, 2025 and December 31, 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 September 30, 2025 and December 31, 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 condensed consolidated financial statements (*see Note 7*). During the nine months ended September 30, 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.

During the three months ended September 30, 2024, an entity in which the Company holds a joint venture equity investment that is not in disposal group held for sale sold one of its multi-family apartment communities for approximately \$43.5 million, subject to certain prorations and adjustments typical in such real estate transactions, including the assumption of the related mortgage payable in the amount of approximately \$24.1 million. The sale generated a net gain of approximately \$6.6 million and accelerated amortization of remaining loan costs of approximately \$0.1 million, both of which are included in other income on the accompanying condensed consolidated statements of operations. The sale also generated net income attributable to non-controlling interest of approximately \$5.0 million, resulting in a net gain attributable to the Company's common stockholders of approximately \$1.5 million.

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 is periodically evaluated for impairment. As of September 30, 2025, the Company determined that no multi-family properties owned by joint venture equity investments were impaired. As of September 30, 2024, the Company determined that two multi-family properties owned by joint venture equity investments were impaired. The calculation of impairment amounts for multi-family properties 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 \$4.6 million and \$18.4 million impairment of real estate in the three and nine months ended September 30, 2024, respectively.

*Single-family Rental Properties*

As of September 30, 2025 and December 31, 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 nine months ended September 30, 2025, 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 \$1.4 million and \$1.6 million during the three and nine months ended September 30, 2025, respectively, which are included in impairment of real estate on the accompanying condensed consolidated statements of operations.

During the nine months ended September 30, 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 a loss upon transfer of \$4.0 million during the nine months ended September 30, 2024.

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 three and nine months ended September 30, 2025, the Company recognized \$1.6 million and \$2.3 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 three and nine months ended September 30, 2024, the Company recognized a \$0.6 million net recovery of impairment and \$4.0 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 three and nine months ended September 30, 2025, the Company sold single-family rental properties for proceeds of approximately \$2.2 million and \$5.1 million, respectively, recognizing a net loss on sale of approximately \$0.5 million and \$0.6 million, respectively, which is included in other income (loss) on the accompanying condensed consolidated statements of operations. During the three and nine months ended September 30, 2024, the Company sold single-family rental properties for proceeds of approximately \$2.7 million and \$4.5 million, respectively, recognizing net losses on sale of approximately \$0.1 million and net gains on sale of approximately \$0.2 million, respectively.

*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 condensed consolidated balance sheets. Lease intangibles were fully amortized as of September 30, 2025 and December 31, 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 condensed 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 three and nine months ended September 30, 2025 and 2024, respectively (dollar amounts in thousands):

	<b>For the Three Months Ended September 30,</b>		<b>For the Nine Months Ended September 30,</b>	
	<b>2025</b>	<b>2024</b>	<b>2025</b>	<b>2024</b>
Depreciation expense on operating real estate	\$ 5,936	\$ 8,131	\$ 17,759	\$ 30,564
Amortization of lease intangibles related to operating real estate	—	—	—	2,378
<b>Total depreciation and amortization</b>	<b>\$ 5,936</b>	<b>\$ 8,131</b>	<b>\$ 17,759</b>	<b>\$ 32,942</b>

## 9. Assets and Liabilities of Disposal Group Held for Sale

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 condensed consolidated balance sheets as of September 30, 2025 and December 31, 2024.

In March 2024, the Company suspended the marketing of one joint venture equity investment, determined that it no longer met the criteria to be classified as held for sale and transferred the assets and liabilities of the Consolidated VIE to their respective categories on the accompanying consolidated balance sheets. As a result of this transfer, the Company adjusted the carrying value of the long-lived assets in the Consolidated VIE and recognized an approximately \$14.6 million loss on reclassification of disposal group during the three months ended March 31, 2024.

In June 2024, in response to productive negotiations with operating partners and increased transactional activity, the Company determined that five joint venture equity investments met the criteria to be classified as held for sale and transferred the assets and liabilities of the respective Consolidated VIEs to assets and liabilities of disposal group held for sale on the accompanying condensed consolidated balance sheets as of June 30, 2024. As a result, the Company recognized a loss of \$1.8 million included in impairment of real estate in the accompanying condensed consolidated statements of operations during the three months ended June 30, 2024.

During the three and nine months ended September 30, 2024, the Company sold its ownership interests in four and six joint venture equity investments that owned multi-family properties, respectively, which resulted in the de-consolidation of the respective joint venture entities' assets and liabilities and a gain on de-consolidation of approximately \$3.4 million and \$3.7 million, respectively, which is included in other income in the accompanying condensed consolidated statements of operations for the three and nine months ended September 30, 2024.

During the three months ended September 30, 2024, one of the entities in which the Company held a joint venture equity investment that was in disposal group held for sale sold its multi-family apartment community for approximately \$56.4 million, subject to certain prorations and adjustments typical in such real estate transactions, and repaid the related mortgage payable in the amount of approximately \$31.8 million. The sale generated a net gain of approximately \$11.4 million and a loss on extinguishment of debt of approximately \$1.6 million, both of which are included in other income on the accompanying condensed consolidated statements of operations. The sale also generated net income attributable to non-controlling interest of approximately \$1.1 million, resulting in net gain attributable to the Company's common stockholders of approximately \$8.7 million.

In September 2024, in response to productive negotiations with operating partners and increased transactional activity, the Company determined that two joint venture equity investments met the criteria to be classified as held for sale and transferred the assets and liabilities of the respective Consolidated VIEs to assets and liabilities of disposal group held for sale on the accompanying condensed consolidated balance sheets. As a result, the Company recognized a loss of \$2.0 million, which is included in impairment of real estate in the accompanying condensed consolidated statements of operations for the three months ended September 30, 2024.

In June 2025, in response to productive negotiations with operating partners, the Company determined that two joint venture equity investments accounted for as equity investments met the criteria to be classified as held for sale and transferred its equity investments in the joint venture entities to disposal group held for sale on the accompanying condensed consolidated balance sheets as of June 30, 2025. As these investments were carried at fair value, the Company recognized no gain or loss on the transfer. The Company sold its ownership interests in the joint venture equity investments during the three months ended September 30, 2025, resulting in no gain or loss.

During the three months ended September 30, 2025, two of the entities in which the Company held joint venture equity investments that were in disposal group held for sale sold their multi-family apartment communities for approximately \$108.6 million, subject to certain prorations and adjustments typical in such real estate transactions, and repaid the related mortgages payable in the amount of approximately \$89.6 million. The sales generated net gains of approximately \$0.6 million and losses on extinguishment of debt of approximately \$0.4 million, both of which are included in other income on the accompanying condensed consolidated statements of operations. The sales also generated net income attributable to non-controlling interest of approximately \$13.5 thousand, resulting in net gain attributable to the Company's common stockholders of approximately \$0.1 million.

The Company completed its disposition of the real property held by its joint venture equity investments in multi-family properties during the three months ended September 30, 2025. Accordingly, assets and liabilities of disposal group held for sale as of September 30, 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 September 30, 2025 and December 31, 2024, respectively (dollar amounts in thousands):

	September 30, 2025	December 31, 2024
Cash and cash equivalents <sup>(1)</sup>	\$ 849	\$ 2,461
Real estate, net <sup>(1)</sup>	—	111,032
Other assets <sup>(1)</sup>	534	5,120
Total assets of disposal group held for sale	<u>\$ 1,383</u>	<u>\$ 118,613</u>
Mortgages payable on real estate, net <sup>(2)</sup>	\$ —	\$ 93,370
Other liabilities	78	3,695
Total liabilities of disposal group held for sale <sup>(1)</sup>	<u>\$ 78</u>	<u>\$ 97,065</u>

<sup>(1)</sup> Certain assets and liabilities of the disposal group held for sale are in Consolidated VIEs because the Company is the primary beneficiary.

<sup>(2)</sup> During the nine months ended September 30, 2024, two entities in which the Company held joint venture equity investments entered into debt restructuring agreements with the respective senior lenders for their mortgages payable. As part of the agreements, portions of interest payments were deferred until the maturity date. The restructurings did not result in a change in the carrying amount of the mortgage payables and no gains were recorded. During the year ended December 31, 2024, the Company sold its ownership interests in these entities, which resulted in the de-consolidation of the related mortgages payable 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 September 30, 2025 and December 31, 2024, respectively.

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, net 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 equity return rates. During the nine months ended September 30, 2025, the Company recognized net impairment losses of \$7.2 million for real estate, net in the disposal group held for sale. During the three and nine months ended September 30, 2024, the Company recognized net impairment losses of \$3.8 million and \$25.8 million, inclusive of losses recognized upon transfer into disposal group held for sale, for real estate, net in the disposal group held for sale, respectively. See Note 17 for descriptions of valuation methodologies utilized for financial instruments included in assets and liabilities of disposal group held for sale.

The following table presents the pretax losses of the disposal group held for sale as of September 30, 2025 for the three and nine months ended September 30, 2025 and 2024, respectively (dollar amounts in thousands):

	For the Three Months Ended September 30,		For the Nine Months Ended September 30,	
	2025	2024	2025	2024
Pretax income (loss) of disposal group held for sale	\$ 155	\$ (1,588)	\$ (6,886)	\$ (62,120)
Pretax (income) loss of disposal group attributable to non-controlling interest in Consolidated VIEs	(80)	273	479	6,411
Pretax income (loss) of disposal group attributable to Company's common stockholders	<u>\$ 75</u>	<u>\$ (1,315)</u>	<u>\$ (6,407)</u>	<u>\$ (55,709)</u>

## 10. Derivative Instruments

The Company is exposed to certain risks arising from both its business operations and economic conditions. The Company enters into derivative financial instruments in connection with its risk management activities. These derivative instruments may include interest rate swaps, interest rate caps, TBAs, credit default swaps, 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 September 30, 2025 and December 31, 2024, respectively (dollar amounts in thousands):

Type of Derivative Instrument	Consolidated Balance Sheet Location	Fair Value	
		September 30, 2025	December 31, 2024
Interest rate caps	Other assets	\$ 150	\$ 56
Options	Other assets	79	—
IRLCs	Other assets	2,383	—
Interest rate swaps	Other assets	—	—
Futures	Other assets	—	—
Total derivative assets <sup>(1)</sup>		\$ 2,612	\$ 56
Futures	Other liabilities	\$ —	\$ —
TBAs	Other liabilities	(121)	—
Credit default swaps	Other liabilities	—	—
Interest rate swaps	Other liabilities	—	—
Total derivative liabilities		\$ (121)	\$ —

<sup>(1)</sup> 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 condensed consolidated balance sheets as of September 30, 2025 and December 31, 2024, respectively (dollar amounts in thousands):

<b>September 30, 2025</b>				
	<b>Gross Amount of Recognized Assets (Liabilities)</b>	<b>Gross Amounts Offset in Balance Sheets</b>	<b>Variation Margin</b>	<b>Net Amounts of Assets (Liabilities) Presented in Balance Sheets</b>
<b>Derivative assets</b>				
Interest rate caps	\$ 150	\$ —	\$ —	\$ 150
Options	79	—	—	79
IRLCs	2,383	—	—	2,383
Interest rate swaps	3,402	(3,402)	—	—
Futures	3,494	(139)	(3,355)	—
<b>Total derivative assets</b>	<b>\$ 9,508</b>	<b>\$ (3,541)</b>	<b>\$ (3,355)</b>	<b>\$ 2,612</b>
<b>Derivative liabilities</b>				
Credit default swaps	\$ (10,268)	\$ —	\$ 10,268	\$ —
TBAs	(121)	—	—	(121)
Interest rate swaps	(56,064)	3,402	52,662	—
Futures	(4,704)	139	4,565	—
<b>Total derivative liabilities</b>	<b>\$ (71,157)</b>	<b>\$ 3,541</b>	<b>\$ 67,495</b>	<b>\$ (121)</b>
<b>December 31, 2024</b>				
	<b>Gross Amount of Recognized Assets (Liabilities)</b>	<b>Gross Amounts Offset in Balance Sheets</b>	<b>Variation Margin</b>	<b>Net Amounts of Assets (Liabilities) Presented in Balance Sheets</b>
<b>Derivative assets</b>				
Interest rate caps	\$ 56	\$ —	\$ —	\$ 56
Interest rate swaps	63,942	(10,134)	(53,808)	—
Futures	952	(658)	(294)	—
<b>Total derivative assets</b>	<b>\$ 64,950</b>	<b>\$ (10,792)</b>	<b>\$ (54,102)</b>	<b>\$ 56</b>
<b>Derivative liabilities</b>				
Credit default swaps	\$ (9,120)	\$ —	\$ 9,120	\$ —
Interest rate swaps	(10,134)	10,134	—	—
Futures	(658)	658	—	—
<b>Total derivative liabilities</b>	<b>\$ (19,912)</b>	<b>\$ 10,792</b>	<b>\$ 9,120</b>	<b>\$ —</b>

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 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 financial instrument's maximum estimated single-day price movement. The following table summarizes assets pledged as initial margin as of September 30, 2025 and December 31, 2024, respectively (dollar amounts in thousands):

<b>Initial Margin Collateral</b>	<b>Consolidated Balance Sheet Location</b>	<b>September 30, 2025</b>	<b>December 31, 2024</b>
Agency RMBS	Investment securities available for sale, at fair value	\$ 68,231	\$ 33,399
Restricted cash	Other assets	69,016	68,253
<b>Total initial margin collateral</b>		<b>\$ 137,247</b>	<b>\$ 101,652</b>

Margin excess related to settlement of variation margin in the amount of approximately \$11.5 million and \$11.1 million as of September 30, 2025 and December 31, 2024, respectively, is included in other assets on the accompanying condensed consolidated balance sheets. Margin deficit related to settlement of variation margin in the amount of approximately \$13.3 million and \$8.1 million as of September 30, 2025 and December 31, 2024, respectively, is included in other liabilities on the accompanying condensed consolidated balance sheets.

The tables below summarize the notional activity of derivative instruments for the three and nine months ended September 30, 2025 and 2024, respectively (dollar amounts in thousands):

<b>Notional Amount For the Three Months Ended September 30, 2025</b>				
<b>Type of Derivative Instrument</b>	<b>June 30, 2025</b>	<b>Additions</b>	<b>Terminations/Pair-Offs</b>	<b>September 30, 2025</b>
Interest rate caps	\$ 45,142	\$ —	\$ —	\$ 45,142
Options	—	349	(185)	164
TBAs	10,000	130,000	(110,000)	30,000
Interest rate swaps	4,867,217	1,117,681	(1,205,090)	4,779,808
Credit default swaps	475,000	—	—	475,000
Futures	247,500	1,051,727	(673,500)	625,727

<b>Notional Amount For the Three Months Ended September 30, 2024</b>				
<b>Type of Derivative Instrument</b>	<b>June 30, 2024</b>	<b>Additions</b>	<b>Terminations</b>	<b>September 30, 2024</b>
Interest rate caps	\$ 263,142	\$ —	\$ —	\$ 263,142
Options	80	—	(80)	—
Interest rate swaps	2,972,030	881,235	(550,952)	3,302,313
Credit default swaps	400,000	—	—	400,000
Futures	67,000	—	(67,000)	—

<b>Notional Amount For the Nine Months Ended September 30, 2025</b>				
<b>Type of Derivative Instrument</b>	<b>December 31, 2024</b>	<b>Additions</b>	<b>Terminations/Pair-Offs</b>	<b>September 30, 2025</b>
Interest rate caps	\$ 45,142	\$ 45,142	\$ (45,142)	\$ 45,142
Options	—	601	(437)	164
TBAs	—	150,000	(120,000)	30,000
Interest rate swaps	4,134,267	3,373,016	(2,727,475)	4,779,808
Credit default swaps	400,000	75,000	—	475,000
Futures	406,100	1,521,127	(1,301,500)	625,727

<b>Notional Amount For the Nine Months Ended September 30, 2024</b>				
<b>Type of Derivative Instrument</b>	<b>December 31, 2023</b>	<b>Additions/Transfers In <sup>(1)</sup></b>	<b>Terminations/Transfers Out <sup>(1)</sup></b>	<b>September 30, 2024</b>
Interest rate caps	\$ 550,025	\$ 177,044	\$ (463,927)	\$ 263,142
Options	—	382	(382)	—
Interest rate swaps	2,778,015	1,974,659	(1,450,361)	3,302,313
Credit default swaps	—	400,000	—	400,000
Futures	—	498,950	(498,950)	—

<sup>(1)</sup> 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 derivative instruments, which are included in (losses) gains on derivative instruments, net in the condensed consolidated statements of operations for the three and nine months ended September 30, 2025 and 2024, respectively (dollar amounts in thousands):

Type of Derivative Instrument	For the Three Months Ended September 30,				For the Nine Months Ended September 30,			
	2025		2024		2025		2024	
	Realized Gains (Losses)	Unrealized Gains (Losses)	Realized Gains (Losses)	Unrealized Gains (Losses)	Realized Gains (Losses)	Unrealized Gains (Losses)	Realized Gains (Losses)	Unrealized Gains (Losses)
Interest rate caps <sup>(1)</sup>	\$ —	\$ 9	\$ —	\$ (209)	\$ —	\$ 54	\$ —	\$ 3,044
Options	(517)	(408)	(772)	(7)	2,125	(408)	(2,261)	—
IRLCs	—	(1,940)	—	—	—	(1,940)	—	—
TBAs	484	(226)	—	—	480	(121)	—	—
Interest rate swaps	1,804	(5,868)	(835)	(55,611)	33,219	(106,470)	16,591	(7,760)
Credit default swaps	(1,240)	210	(1,022)	(720)	(3,454)	(542)	(3,056)	(1,023)
Futures	(10,145)	4,831	(1,729)	265	(8,213)	(1,504)	(1,493)	—
Total	\$ (9,614)	\$ (3,392)	\$ (4,358)	\$ (56,282)	\$ 24,157	\$ (110,931)	\$ 9,781	\$ (5,739)

<sup>(1)</sup> 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 September 30, 2025 and December 31, 2024, respectively (dollar amounts in thousands):

September 30, 2025			
Financing Type	SOFR Strike Price	Notional Amount	Expiration Date
Mortgage payable on real estate	3.22%	45,142	January 1, 2026

December 31, 2024			
Financing Type	SOFR Strike Price	Notional Amount	Expiration Date
Mortgage payable on real estate	3.22%	45,142	January 1, 2025

The following table presents information about the Company's TBA purchase and sale contracts as of September 30, 2025 (dollar amounts in thousands). The Company did not own TBAs as of December 31, 2024.

	Notional Amount <sup>(1)</sup>	Cost Basis <sup>(2)</sup>	Fair Value <sup>(3)</sup>	Net Carrying Value <sup>(4)</sup>
Purchase contracts	\$ 40,000	\$ 40,845	\$ 40,724	\$ (121)
Sale contracts	(10,000)	(10,081)	(10,081)	—
Total TBAs	\$ 30,000	\$ 30,764	\$ 30,643	\$ (121)

<sup>(1)</sup> Notional amount represents the par value (or principal balance) of the underlying Agency RMBS.

<sup>(2)</sup> Cost basis represents the forward price to be paid for the underlying Agency RMBS.

<sup>(3)</sup> Fair value represents the current fair value of the TBA (or of the underlying Agency RMBS) as of period end.

<sup>(4)</sup> Net carrying value represents the difference between the fair value and the cost basis as of period end.

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 September 30, 2025 and December 31, 2024, respectively (dollar amounts in thousands):

Swap Maturities	September 30, 2025		
	Notional Amount	Weighted Average Fixed Interest Rate	Weighted Average Variable Interest Rate
2025	\$ 71,885	4.97 %	4.51 %
2026	30,660	4.37 %	4.44 %
2027	688,633	3.94 %	4.42 %
2028	1,697,021	3.75 %	4.35 %
2029	270,275	3.91 %	4.39 %
2030	1,155,582	3.75 %	4.36 %
2033	199,590	3.73 %	4.34 %
2034	178,224	3.86 %	4.39 %
2035	300,878	4.00 %	4.38 %
2045	134,010	4.01 %	4.36 %
Total	\$ 4,726,758	3.84 %	4.37 %

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 September 30, 2025 and December 31, 2024, respectively (dollar amounts in thousands):

Swap Maturities	September 30, 2025		
	Notional Amount	Weighted Average Fixed Interest Rate	Weighted Average Variable Interest Rate
2028	\$ 9,550	3.48 %	4.37 %
2033	43,500	3.64 %	4.34 %
Total	\$ 53,050	3.61 %	4.35 %

  

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 September 30, 2025 and December 31, 2024 resulting from the sale of loans Constructive originates with servicing retained, distributions received from Constructive prior to July 15, 2025 or purchases of MSRs. 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 condensed 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 three and nine months ended September 30, 2025, respectively (dollar amounts in thousands). The Company did not have MSR during the three and nine months ended September 30, 2024.

	<b>For the Three Months Ended September 30, 2025</b>	<b>For the Nine Months Ended September 30, 2025</b>
Balance at beginning of period	\$ 19,449	\$ 21,003
Additions:		
MSRs received from equity investment in Constructive	3,405	3,405
MSRs acquired through business combination	141	141
Changes in fair value due to:		
Changes in valuation inputs or assumptions used in valuation model	(506)	(1,088)
Other changes in fair value, including runoff	(593)	(1,565)
Balance at end of period	<u>\$ 21,896</u>	<u>\$ 21,896</u>

The following table presents the components of servicing fee income recognized during the three and nine months ended September 30, 2025, respectively (dollar amounts in thousands). Servicing fee income is included in other income (loss) on the accompanying condensed consolidated statements of operations.

	<b>For the Three Months Ended September 30, 2025</b>	<b>For the Nine Months Ended September 30, 2025</b>
Servicing fees	\$ 1,290	\$ 3,755
Prepayment fees	657	2,052
Ancillary and other fee income <sup>(1)</sup>	52	145
Servicing fee income	<u>\$ 1,999</u>	<u>\$ 5,952</u>

<sup>(1)</sup> Includes default interest and late fee collections.

The Company recognized subservicing fee expenses in the amount of \$0.2 million and \$0.6 million related to MSR during the three and nine months ended September 30, 2025, respectively, which is included in portfolio operating expenses on the accompanying condensed 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 September 30, 2025 and December 31, 2024, respectively (dollar amounts in thousands):

	<b>September 30, 2025</b>	<b>December 31, 2024</b>
Restricted cash <sup>(1)</sup>	\$ 112,430	\$ 161,602
Accrued interest receivable	72,887	62,075
Real estate owned	42,669	47,651
Collections receivable from residential loan servicers	34,082	50,294
Other receivables	30,096	27,776
Mortgage servicing rights	21,896	21,003
Intangible assets	17,882	252
Other assets in consolidated multi-family properties	16,101	16,640
Recoverable advances on residential loans	14,589	17,391
Receivables from derivative counterparties	11,500	11,059
Deferred tax assets	9,373	10,864
Operating lease right-of-use assets	4,571	5,460
Derivative assets <sup>(2)</sup>	2,612	56
Other	7,492	5,751
<b>Total</b>	<b>\$ 398,180</b>	<b>\$ 437,874</b>

(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 September 30, 2025 and December 31, 2024, respectively (dollar amounts in thousands):

	<b>September 30, 2025</b>	<b>December 31, 2024</b>
Accrued interest payable	\$ 56,128	\$ 41,015
Dividends and dividend equivalents payable	35,891	30,280
Accrued expenses	19,319	11,141
Margin payable to derivative counterparties	13,322	8,137
Accrued expenses and other liabilities in consolidated multi-family properties	10,563	10,621
Unfunded commitments for residential and multi-family investments	8,729	14,001
Deferred tax liabilities	7,802	9,282
Deferred revenue	6,976	5,817
Operating lease liabilities	4,972	5,935
Advanced remittances from residential loan servicers	2,926	7,029
Holdback for representations and warranties	2,500	—
Derivative liabilities	121	—
Other	4,614	4,354
<b>Total</b>	<b>\$ 173,863</b>	<b>\$ 147,612</b>

### 13. Repurchase Agreements and Warehouse Facilities

The following table presents the carrying value of the Company's repurchase agreements and warehouse facilities as of September 30, 2025 and December 31, 2024, respectively (dollar amounts in thousands):

<b>Repurchase Agreements and Warehouse Facilities Secured By:</b>	<b>September 30, 2025</b>	<b>December 31, 2024</b>
Investment securities	\$ 6,100,691	\$ 3,516,611
Residential loans and real estate owned	217,612	428,399
Residential loans held for sale	97,290	—
Single-family rental properties	65,479	67,215
<b>Total carrying value</b>	<b>\$ 6,481,072</b>	<b>\$ 4,012,225</b>

As of September 30, 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 September 30, 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 September 30, 2025, the Company had \$180.9 million included in cash and cash equivalents and \$459.6 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 September 30, 2025 (dollar amounts in thousands):

<b>Unencumbered Securities</b>	<b>September 30, 2025</b>
Agency RMBS	\$ 423,418
Non-Agency RMBS <sup>(1)</sup>	34,417
U.S. Treasury securities	1,798
<b>Total</b>	<b>\$ 459,633</b>

(1) Includes IOs in Consolidated SLST with a fair value of \$11.9 million as of September 30, 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 \$57.7 million at September 30, 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, residential loans 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 September 30, 2025 and December 31, 2024, respectively (dollar amounts in thousands):

	<b>Maximum Aggregate Uncommitted Principal or Line Amount</b>	<b>Outstanding Repurchase Agreements and Warehouse Facilities</b>	<b>Net Deferred Finance Costs <sup>(1)</sup></b>	<b>Carrying Value of Repurchase Agreements and Warehouse Facilities</b>	<b>Carrying Value of Assets Pledged <sup>(2)</sup></b>	<b>Weighted Average Rate</b>	<b>Weighted Average Months to Maturity <sup>(3)</sup></b>
September 30, 2025	\$ 3,225,000	\$ 380,692	\$ (311)	\$ 380,381	\$ 474,220	6.37 %	5.56
December 31, 2024	\$ 2,775,000	\$ 496,410	\$ (796)	\$ 495,614	\$ 659,183	6.70 %	9.64

- (1) Costs related to 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 condensed 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 \$252.9 million, residential loans held for sale with an aggregate carrying value of \$102.8 million and single-family rental properties with a net carrying value of \$118.5 million as of September 30, 2025. Includes residential loans and real estate owned with an aggregate carrying 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 either roll outstanding amounts under these repurchase agreements and warehouse facilities into new financing arrangements or repay outstanding amounts in full prior to or at maturity.

The outstanding financing under these repurchase agreements and warehouse facilities as of September 30, 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 September 30, 2025 and December 31, 2024 amounted to \$2.8 million and \$2.5 million, respectively, and is included in other liabilities on the Company's condensed consolidated balance sheets.

As of September 30, 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 September 30, 2025 and through the date of this Quarterly Report on Form 10-Q.

#### *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 September 30, 2025 and December 31, 2024, the Company had amounts outstanding under repurchase agreements with 12 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 September 30, 2025 and December 31, 2024, respectively (dollar amounts in thousands):

	September 30, 2025			December 31, 2024		
	Outstanding Repurchase Agreements	Fair Value of Collateral Pledged <sup>(1)</sup>	Amortized Cost of Collateral Pledged <sup>(1)</sup>	Outstanding Repurchase Agreements	Fair Value of Collateral Pledged <sup>(1)</sup>	Amortized Cost of Collateral Pledged <sup>(1)</sup>
Agency RMBS	\$ 5,903,078	\$ 6,136,353	\$ 6,055,555	\$ 2,830,925	\$ 2,975,400	\$ 2,995,820
Non-Agency RMBS <sup>(2)</sup>	18,482	27,662	27,073	50,622	67,352	64,375
U.S. Treasury securities	179,131	181,390	179,745	635,064	633,833	669,447
Balance at end of the period	<u>\$ 6,100,691</u>	<u>\$ 6,345,405</u>	<u>\$ 6,262,373</u>	<u>\$ 3,516,611</u>	<u>\$ 3,676,585</u>	<u>\$ 3,729,642</u>

- (1) Collateral pledged includes restricted cash posted as margin in the amount of \$0.7 million and \$11.8 million as of September 30, 2025 and December 31, 2024, respectively.

(2) Includes first loss subordinated securities in Consolidated SLST with a fair value of \$22.0 million and \$20.6 million as of September 30, 2025 and December 31, 2024, respectively. Consolidated SLST securities owned by the Company are eliminated in consolidation in accordance with GAAP.

As of September 30, 2025 and December 31, 2024, the outstanding balances under our repurchase agreements secured by investment securities were funded at a weighted average advance rate of 96.4% and 96.0%, respectively, that implies an average "haircut" of 3.6% and 4.0%, respectively. As of September 30, 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 3.6%, 34.5%, and 1.7%, respectively.

As of September 30, 2025 and December 31, 2024, the average days to maturity for repurchase agreements secured by investment securities were 41 days and 26 days, respectively, and the weighted average interest rates were 4.43% and 4.84%, respectively. The Company's accrued interest payable on outstanding repurchase agreements secured by investment securities at September 30, 2025 and December 31, 2024 amounted to \$39.5 million and \$28.4 million, respectively, and is included in other liabilities on the Company's condensed consolidated balance sheets.

The following table presents contractual maturity information about the Company's outstanding repurchase agreements secured by investment securities at September 30, 2025 and December 31, 2024, respectively (dollar amounts in thousands):

<b>Contractual Maturity</b>	<b>September 30, 2025</b>	<b>December 31, 2024</b>
Within 30 days	\$ 2,212,518	\$ 2,103,332
Over 30 days to 90 days	3,225,562	1,413,279
Over 90 days	662,611	—
<b>Total</b>	<b>\$ 6,100,691</b>	<b>\$ 3,516,611</b>

#### 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 September 30, 2025 and December 31, 2024, respectively (dollar amounts in thousands):

	September 30, 2025			
	Outstanding Face Amount	Carrying Value	Weighted Average Interest Rate <sup>(1)(2)</sup>	Stated Maturity <sup>(3)</sup>
Consolidated SLST at fair value <sup>(4)</sup>	\$ 1,074,080	\$ 1,016,952	3.36 %	2059 - 2065
Residential loan securitizations at fair value <sup>(4)</sup>	2,148,070	2,118,581	5.34 %	2029 - 2069
Residential loan securitizations at amortized cost, net	376,200	375,164	3.73 %	2035 - 2061
Non-Agency RMBS re-securitization at fair value <sup>(4)</sup>	66,742	66,762	7.38 %	2064
Total collateralized debt obligations	\$ 3,665,092	\$ 3,577,459		

	December 31, 2024			
	Outstanding Face Amount	Carrying Value	Weighted Average Interest Rate <sup>(1)(2)</sup>	Stated Maturity <sup>(3)</sup>
Consolidated SLST at fair value <sup>(4)</sup>	\$ 867,004	\$ 811,591	3.49 %	2059 - 2064
Residential loan securitizations at fair value <sup>(4)</sup>	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 <sup>(4)</sup>	70,867	70,757	7.38 %	2064
Total collateralized debt obligations	\$ 3,070,314	\$ 2,978,444		

<sup>(1)</sup> 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.

<sup>(2)</sup> 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 September 30, 2025, CDOs with an aggregate outstanding face amount of \$2.0 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.

<sup>(3)</sup> 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.

<sup>(4)</sup> 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 three and nine months ended September 30, 2025, the Company recognized \$8.8 million and \$20.9 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 condensed consolidated statements of operations. For the three and nine months ended September 30, 2024, the Company recognized \$19.5 million and \$18.0 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 condensed consolidated statements of operations.

The Company's CDOs as of September 30, 2025 had stated maturities as follows:

<b>Year ending December 31,</b>		<b>Total</b>
2025	\$	—
2026		—
2027		—
2028		—
2029		225,000
Thereafter		3,440,092
<b>Total</b>	<b>\$</b>	<b>3,665,092</b>

## 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% Senior Notes due 2030 (the "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% Senior Notes due 2030 (the "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 9.125% Senior Notes due 2029 (the "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 9.875% 2030 Senior Notes, 9.125% 2030 Senior Notes, 2029 Senior Notes and 2026 Senior Notes (collectively, 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 September 30, 2025 and December 31, 2024, respectively (dollar amounts in thousands):

	September 30, 2025		December 31, 2024	
	Outstanding Face Amount	Carrying Value	Outstanding Face Amount	Carrying Value
9.875% 2030 Senior Notes at fair value	\$ 115,000	\$ 115,745	\$ —	\$ —
9.125% 2030 Senior Notes at fair value	82,500	82,121	—	—
2029 Senior Notes at fair value	60,000	59,724	60,000	60,310
2026 Senior Notes at amortized cost, net	100,000	99,275	100,000	98,886
<b>Total Senior Unsecured Notes</b>	<b>\$ 357,500</b>	<b>\$ 356,865</b>	<b>\$ 160,000</b>	<b>\$ 159,196</b>

### *9.875% 2030 Senior Notes*

The 9.875% 2030 Senior Notes bear interest at a rate equal to 9.875% per year, payable in cash 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 may redeem the 9.875% 2030 Senior Notes, in whole or in part, at any time at the Company's option on or after October 1, 2027, at a redemption price equal to 100% of the outstanding principal amount of the 9.875% 2030 Senior Notes to be redeemed plus accrued and unpaid interest to, but excluding, the redemption date.

The Company has elected the fair value option with respect to the 9.875% 2030 Senior Notes. None of the change in the fair value of the 9.875% 2030 Senior Notes for the three and nine months ended September 30, 2025 was due to instrument-specific credit risk. Accordingly, the Company recognized \$0.7 million in net unrealized losses on the 9.875% 2030 Senior Notes, which are included in unrealized gains (losses), net on the accompanying condensed consolidated statements of operations for the three and nine months ended September 30, 2025.

#### *9.125% 2030 Senior Notes*

The 9.125% 2030 Senior Notes bear interest at a rate equal to 9.125% per year, payable in cash 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 may redeem the 9.125% 2030 Senior Notes, in whole or in part, at any time at the Company's option on or after April 1, 2027, at a redemption price equal to 100% of the outstanding principal amount of the 9.125% 2030 Senior Notes to be redeemed plus accrued and unpaid interest to, but excluding, the redemption date.

The Company has elected the fair value option with respect to the 9.125% 2030 Senior Notes. None of the change in the fair value of the 9.125% 2030 Senior Notes for the three and nine months ended September 30, 2025 was due to instrument-specific credit risk. Accordingly, the Company recognized \$2.9 million in net unrealized losses and \$0.4 million in net unrealized gains on the 9.125% 2030 Senior Notes, which are included in unrealized gains (losses), net on the accompanying condensed consolidated statements of operations for the three and nine months ended September 30, 2025, respectively.

#### *2029 Senior Notes*

The 2029 Senior Notes bear interest at a rate equal to 9.125% per year, payable in cash 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 may redeem the 2029 Senior Notes, in whole or in part, at any time at the Company's option on or after July 1, 2026, at a redemption price equal to 100% of the outstanding principal amount of the 2029 Senior Notes to be redeemed plus accrued and unpaid interest to, but excluding, the redemption date.

The Company has elected the fair value option with respect to the 2029 Senior Notes. None of the change in the fair value of the 2029 Senior Notes for the three and nine months ended September 30, 2025 was due to instrument-specific credit risk. Accordingly, the Company recognized \$1.6 million in net unrealized losses and \$0.6 million in net unrealized gains on the 2029 Senior Notes, which are included in unrealized gains (losses), net on the accompanying condensed consolidated statements of operations for the three and nine months ended September 30, 2025, respectively.

#### *2026 Senior Notes*

As of September 30, 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 condensed consolidated balance sheets in the amount of \$0.7 million and \$1.1 million as of September 30, 2025 and December 31, 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 condensed consolidated statements of operations for the nine months ended September 30, 2025.

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 September 30, 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 September 30, 2025 and through the date of this Quarterly Report on Form 10-Q.

#### *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 September 30, 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 September 30, 2025 and December 31, 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 November 4, 2025, 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 September 30, 2025 and December 31, 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 condensed consolidated financial statements (*see Note 7*).

During the nine months ended September 30, 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 as of December 31, 2024.

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 September 30, 2025 and December 31, 2024, respectively (dollar amounts in thousands):

	<b>Maximum Committed Mortgage Principal Amount</b>	<b>Outstanding Mortgage Balance</b>	<b>Net Deferred Finance Cost</b>	<b>Mortgage Payable, Net <sup>(1)</sup></b>	<b>Stated Maturity</b>	<b>Weighted Average Interest Rate <sup>(2) (3)</sup></b>
September 30, 2025	\$ 364,147	\$ 364,147	\$ (1,400)	\$ 362,747	2026 - 2032	4.42 %
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 condensed 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 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 September 30, 2025, maturities for debt on the Company's condensed consolidated balance sheet are as follows (dollar amounts in thousands):

<b>Year Ending December 31,</b>	<b>Outstanding Balance</b>
2025	\$ —
2026	125,626
2027	—
2028	—
2029	280,068
2030	197,500
Thereafter	163,453
	<b>\$ 766,647</b>

## 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 September 30, 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 September 30, 2025, the Company had commitments to fund up to \$160.5 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 \$143.8 million as of September 30, 2025.

### *Repurchase Reserves for Origination Activity*

As a seller of business purpose loans to secondary market investors, 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 condensed consolidated balance sheets as of September 30, 2025.

## 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 securitizations and its investment in the securitizations (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 approach 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 by both market comparable pricing and 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 determined by (i) the valuation process for preferred equity and mezzanine loan investments as described in c. above, (ii) using a direct capitalization rate applied to stabilized net income of the underlying property, (iii) using the negotiated membership interest purchase price or (iv) 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's options and TBAs are classified as Level 2 fair values and are measured using prices obtained from the counterparty.

The Company obtains additional third-party valuations for interest rate swaps, credit default swaps, futures, interest rate cap agreements, option contracts and TBAs. 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 *d.* 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 September 30, 2025 and December 31, 2024, respectively, on the Company's condensed consolidated balance sheets (dollar amounts in thousands):

	Measured at Fair Value on a Recurring Basis at							
	September 30, 2025				December 31, 2024			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
<b>Assets carried at fair value</b>								
Investment securities available for sale:								
Agency RMBS	\$ —	\$ 6,628,003	\$ —	\$ 6,628,003	\$ —	\$ 3,136,812	\$ —	\$ 3,136,812
Non-Agency RMBS	—	28,174	—	28,174	—	69,687	—	69,687
U.S. Treasury securities	—	182,538	—	182,538	—	622,045	—	622,045
Residential loans:								
Residential loans	—	—	308,422	308,422	—	—	632,266	632,266
Consolidated SLST	—	—	1,182,599	1,182,599	—	—	965,672	965,672
Residential loans held in securitization trusts	—	—	2,660,626	2,660,626	—	—	2,243,800	2,243,800
Residential loans held for sale	—	—	105,036	105,036	—	—	—	—
Multi-family loans	—	—	68,647	68,647	—	—	86,192	86,192
Equity investments	—	—	28,825	28,825	—	—	113,492	113,492
Derivative assets:								
Interest rate caps <sup>(1)(2)</sup>	—	150	—	150	—	56	—	56
Options <sup>(2)</sup>	—	79	—	79	—	—	—	—
IRLCs <sup>(2)</sup>	—	—	2,383	2,383	—	—	—	—
Interest rate swaps <sup>(2)(4)</sup>	—	—	—	—	—	—	—	—
Futures <sup>(2)(4)</sup>	—	—	—	—	—	—	—	—
MSRs <sup>(2)</sup>	—	—	21,896	21,896	—	—	21,003	21,003
Assets of disposal group held for sale <sup>(3)</sup>	—	—	—	—	—	67	—	67
Total	\$ —	\$ 6,838,944	\$ 4,378,434	\$ 11,217,378	\$ —	\$ 3,828,667	\$ 4,062,425	\$ 7,891,092
<b>Liabilities carried at fair value</b>								
CDOs:								
Consolidated SLST	\$ —	\$ —	\$ 1,016,952	\$ 1,016,952	\$ —	\$ —	\$ 811,591	\$ 811,591
Residential loan securitizations	—	2,118,581	—	2,118,581	—	1,253,332	—	1,253,332
Non-Agency RMBS re-securitization	—	66,762	—	66,762	—	70,757	—	70,757
Senior unsecured notes	—	257,590	—	257,590	—	60,310	—	60,310
Derivative liabilities:								
Interest rate swaps <sup>(2)(4)</sup>	—	—	—	—	—	—	—	—
Futures <sup>(2)(4)</sup>	—	—	—	—	—	—	—	—
Credit default swaps <sup>(2)(4)</sup>	—	—	—	—	—	—	—	—
TBAs <sup>(2)</sup>	—	121	—	121	—	—	—	—
Total	\$ —	\$ 2,443,054	\$ 1,016,952	\$ 3,460,006	\$ —	\$ 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 condensed 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 \$71.0 million netted against derivative assets of \$6.9 million and a net variation margin of \$64.1 million as of September 30, 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 three and nine months ended September 30, 2025 and 2024, respectively (dollar amounts in thousands):

**Level 3 Assets:**

	<b>For the Three Months Ended September 30, 2025</b>									
	<b>Residential loans</b>			<b>Residential Loans Held for Sale</b>	<b>Multi- family loans</b>	<b>Equity investments</b>	<b>Assets of disposal group held for sale</b>	<b>MSRs</b>	<b>IRLCs</b>	<b>Total</b>
<b>Residential loans</b>	<b>Consolidated SLST</b>	<b>Residential loans held in securitization trusts</b>								
Balance at beginning of period	\$ 367,089	\$ 1,199,383	\$ 2,459,555	\$ —	\$ 74,999	\$ 91,440	\$ 500	\$ 19,449	\$ —	\$4,212,415
Total gains/(losses) (realized/unrealized)										—
Included in earnings	8,813	7,677	13,354	8,824	2,224	(1,582)	—	(1,099)	(1,919)	36,292
Transfers in <sup>(1)</sup>	580	—	—	145,748	—	—	—	141	4,302	150,771
Transfers out <sup>(2)</sup>	(4,014)	—	(6,670)	—	—	(33,759)	—	—	—	(44,443)
Transfer to securitization trust, net <sup>(3)</sup>	(442,741)	—	442,741	—	—	—	—	—	—	—
Transfer from residential loans held for sale to residential loans	213,811	—	—	(213,811)	—	—	—	—	—	—
Paydowns/Distributions <sup>(4)</sup>	(41,743)	(24,461)	(280,146)	(137)	(8,576)	(27,274)	—	3,405	—	(378,932)
Sales	(121,221)	—	(6,945)	(218,031)	—	—	(500)	—	—	(346,697)
Acquisitions	327,848	—	38,737	—	—	—	—	—	—	366,585
Originations	—	—	—	382,443	—	—	—	—	—	382,443
Balance at the end of period	<u>\$ 308,422</u>	<u>\$ 1,182,599</u>	<u>\$ 2,660,626</u>	<u>\$ 105,036</u>	<u>\$ 68,647</u>	<u>\$ 28,825</u>	<u>\$ —</u>	<u>\$ 21,896</u>	<u>\$ 2,383</u>	<u>\$4,378,434</u>

- (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 three months ended September 30, 2025, the Company transferred, on a net basis, certain residential loans into residential loan revolver 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.

For the Three Months Ended September 30, 2024

	Residential loans					
	Residential loans	Consolidated SLST	Residential loans held in securitization trusts	Multi-family loans	Equity investments	Total
Balance at beginning of period	\$ 667,218	\$ 1,004,944	\$ 1,831,029	\$ 92,997	\$ 142,915	\$ 3,739,103
Total gains/(losses) (realized/unrealized)						
Included in earnings	14,397	26,939	44,079	2,887	6,054	94,356
Transfers out <sup>(1)</sup>	(25,064)	—	(1,513)	—	—	(26,577)
Transfer to securitization trust, net <sup>(2)</sup>	(354,169)	—	354,169	—	—	—
Paydowns/Distributions	(77,187)	(23,300)	(190,645)	(8,270)	(2,136)	(301,538)
Sales	(117,915)	—	—	—	—	(117,915)
Acquisitions	593,575	—	30,587	—	—	624,162
Balance at the end of period	\$ 700,855	\$ 1,008,583	\$ 2,067,706	\$ 87,614	\$ 146,833	\$ 4,011,591

<sup>(1)</sup> Transfers out of Level 3 assets represents the transfer of residential loans to real estate owned 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).

<sup>(2)</sup> During the three months ended September 30, 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).

**For the Nine Months Ended September 30, 2025**

	<b>Residential loans</b>									
	<b>Residential loans</b>	<b>Consolidated SLST</b>	<b>Residential loans held in securitization trusts</b>	<b>Residential Loans Held for Sale</b>	<b>Multi-family loans</b>	<b>Equity investments</b>	<b>Assets of disposal group held for sale</b>	<b>MSRs</b>	<b>IRLCs</b>	<b>Total</b>
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	15,592	35,429	50,338	8,824	7,447	580	—	(2,653)	(1,919)	113,638
Transfers in <sup>(1)</sup>	580	—	—	145,748	—	—	—	141	4,302	150,771
Transfers out <sup>(2)</sup>	(30,740)	—	(10,540)	—	—	(33,759)	—	—	—	(75,039)
Transfer to securitization trust, net <sup>(3)</sup>	(1,127,837)	—	1,127,837	—	—	—	—	—	—	—
Transfer to disposal group held for sale	—	—	—	—	—	(500)	500	—	—	—
Transfer from residential loans held for sale to residential loans	213,811	—	—	(213,811)	—	—	—	—	—	—
Paydowns/Distributions	(162,548)	(65,907)	(862,024)	(137)	(24,992)	(50,988)	—	3,405	—	(1,163,191)
Sales	(151,894)	—	(13,222)	(218,031)	—	—	(500)	—	—	(383,647)
Acquisitions <sup>(5)</sup>	919,192	247,405	124,437	—	—	—	—	—	—	1,291,034
Originations	—	—	—	382,443	—	—	—	—	—	382,443
Balance at the end of period	<u>\$ 308,422</u>	<u>\$ 1,182,599</u>	<u>\$ 2,660,626</u>	<u>\$ 105,036</u>	<u>\$ 68,647</u>	<u>\$ 28,825</u>	<u>\$ —</u>	<u>\$ 21,896</u>	<u>\$ 2,383</u>	<u>\$ 4,378,434</u>

<sup>(1)</sup> 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).

<sup>(2)</sup> 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).

<sup>(3)</sup> During the nine months ended September 30, 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).

<sup>(4)</sup> Includes in-kind distribution of MSRs received from the Company's Constructive equity investment prior to acquisition on July 15, 2025.

<sup>(5)</sup> During the nine months ended September 30, 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).

**For the Nine Months Ended September 30, 2024**

	<b>Residential loans</b>					
	<b>Residential loans</b>	<b>Consolidated SLST</b>	<b>Residential loans held in securitization trusts</b>	<b>Multi-family loans</b>	<b>Equity investments</b>	<b>Total</b>
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	15,554	24,250	38,841	3,404	10,124	92,173
Transfers out <sup>(1)</sup>	(66,065)	—	(5,283)	—	—	(71,348)
Transfer to securitization trust, net <sup>(2)</sup>	(987,452)	—	987,452	—	—	—
Paydowns/Distributions	(223,643)	(55,584)	(521,018)	(11,582)	(10,407)	(822,234)
Sales	(143,125)	—	(6,708)	—	—	(149,833)
Acquisitions <sup>(3)</sup>	1,278,051	285,057	72,514	—	—	1,635,622
Balance at the end of period	<u>\$ 700,855</u>	<u>\$ 1,008,583</u>	<u>\$ 2,067,706</u>	<u>\$ 87,614</u>	<u>\$ 146,833</u>	<u>\$ 4,011,591</u>

- <sup>(1)</sup> Transfers out of Level 3 assets represents the transfer of residential loans to real estate owned, single-family rental properties and other assets.
- <sup>(2)</sup> During the nine months ended September 30, 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).
- <sup>(3)</sup> During the nine months ended September 30, 2024, the Company purchased first loss subordinated securities 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).

The following tables details change in valuation for the Level 3 liabilities for the three and nine months ended September 30, 2025 and 2024, respectively (dollar amounts in thousands):

**Level 3 Liabilities:**

	<b>Consolidated SLST CDOs</b>	
	<b>For the Three Months Ended September 30,</b>	
	<b>2025</b>	<b>2024</b>
Balance at beginning of period	\$ 1,031,897	\$ 844,032
Total losses/(gains) (realized/unrealized)		
Included in earnings	6,284	20,638
Paydowns	(21,229)	(18,859)
Balance at the end of period	<u>\$ 1,016,952</u>	<u>\$ 845,811</u>

	<b>Consolidated SLST CDOs</b>	
	<b>For the Nine Months Ended September 30,</b>	
	<b>2025</b>	<b>2024</b>
Balance at beginning of period	\$ 811,591	\$ 593,737
Total losses/(gains) (realized/unrealized)		
Included in earnings	25,992	20,498
Acquisitions <sup>(1)</sup>	235,226	275,200
Paydowns	(55,857)	(43,624)
Balance at the end of period	<u>\$ 1,016,952</u>	<u>\$ 845,811</u>

<sup>(1)</sup> During the nine months ended September 30, 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):

September 30, 2025	Fair Value	Valuation Technique	Unobservable Input	Weighted Average	Range	
<b>Assets</b>						
Residential loans, residential loans held in securitization trusts and residential loans held for sale: <sup>(1)</sup>						
	\$2,807,775	Discounted cash flow	Lifetime CPR	9.6%	—	- 47.0%
			Lifetime CDR	0.6%	—	- 33.7%
			Loss severity	13.2%	0.2%	- 100.0%
			Yield	6.7%	5.4%	- 45.9%
	\$106,622	Liquidation model	Annual home price appreciation/(depreciation)	0.2%	(1.5)%	- 7.1%
			Liquidation timeline (months)	16	—	- 54
			Property value	\$2,020,758	\$30,000	- \$13,900,000
			Yield	8.3%	5.9%	- 35.6%
	\$159,687	Transaction price	Non-binding investor price	N/A		
Consolidated SLST <sup>(4)</sup>	\$1,182,599		Liability price	N/A		
<b>Total</b>	<b>\$4,256,683</b>					
Multi-family loans <sup>(1)(2)</sup>	\$68,647	Discounted cash flow	Discount rate	12.1%	11.0%	- 13.5%
			Months to assumed redemption	22	<1	- 45
			Loss severity	—		
Equity investments <sup>(1)</sup>	\$28,825	Discounted cash flow	Discount rate	16.2%	15.0%	- 17.5%
			Months to assumed redemption	16	5	- 29
			Loss severity	—		
Mortgage servicing rights <sup>(1)</sup>	\$21,896	Discounted cash flow	Lifetime voluntary prepayment rate	10.3%	0.3%	- 27.5%
			Lifetime CDR	2.2%	—	- 41.8%
			Yield	12.2%	12.0%	- 14.0%
IRLCs <sup>(1)</sup>	\$2,383	Internal valuation model	Pull-through rate	79.4%	78.8%	- 81.7%
<b>Liabilities</b>						
Consolidated SLST CDOs <sup>(3)(4)</sup>	\$1,016,952	Discounted cash flow	Yield	5.2%	4.4%	- 12.3%
			Collateral prepayment rate	6.1%	2.7%	- 7.3%
			Collateral default rate	1.1%	—	- 18.4%
			Loss severity	15.4%	0.3%	- 25.7%

- (1) Weighted average amounts are calculated based on the weighted average fair value of the assets.
- (2) As of September 30, 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. As of September 30, 2025, the Company had one multi-family loan scheduled to redeem on October 3, 2025, which was repaid in full on the scheduled redemption date.
- (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 September 30, 2025, the fair value of investment securities we own in Consolidated SLST amounts to \$158.8 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 three and nine months ended September 30, 2025 and 2024, respectively, for our Level 3 assets and liabilities held as of September 30, 2025 and 2024, respectively (dollar amounts in thousands):

	For the Three Months Ended September 30,		For the Nine Months Ended September 30,	
	2025	2024	2025	2024
<b>Assets</b>				
Residential loans:				
Residential loans <sup>(1)</sup>	\$ 1,110	\$ 2,305	\$ (3,557)	\$ (3,768)
Consolidated SLST <sup>(1)</sup>	7,395	28,655	37,100	27,855
Residential loans held in securitization trusts <sup>(1)</sup>	16,774	42,170	50,064	34,918
Residential loans held for sale <sup>(1)</sup>	2,552	—	2,552	—
Multi-family loans <sup>(1)</sup>	123	176	479	(4,613)
Equity investments <sup>(2)</sup>	(2,860)	(1,097)	(2,368)	(7,677)
IRLCs	2,383	—	2,383	—
Mortgage servicing rights <sup>(1)</sup>	(1,019)	—	(2,573)	—
<b>Liabilities</b>				
Consolidated SLST CDOs <sup>(1)</sup>	(4,955)	(21,902)	(25,875)	(20,596)

(1) Presented in unrealized gains (losses), net on the Company's condensed consolidated statements of operations.

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

The following table presents the carrying value and estimated fair value of the Company's financial instruments at September 30, 2025 and December 31, 2024, respectively (dollar amounts in thousands):

	Fair Value Hierarchy Level	September 30, 2025		December 31, 2024	
		Carrying Value	Estimated Fair Value	Carrying Value	Estimated Fair Value
<b>Financial Assets:</b>					
Cash and cash equivalents	Level 1	\$ 185,285	\$ 185,285	\$ 167,422	\$ 167,422
Investment securities available for sale	Level 2	6,838,715	6,838,715	3,828,544	3,828,544
Residential loans	Level 3	4,151,647	4,151,647	3,841,738	3,841,738
Residential loans held for sale	Level 3	105,036	105,036	—	—
Multi-family loans	Level 3	68,647	68,647	86,192	86,192
Equity investments	Level 3	28,825	28,825	113,492	113,492
Derivative assets	Level 2	229	229	56	56
IRLCs	Level 3	2,383	2,383	—	—
Derivative assets in disposal group held for sale	Level 2	—	—	67	67
Mortgage servicing rights	Level 3	21,896	21,896	21,003	21,003
<b>Financial Liabilities:</b>					
Repurchase agreements	Level 2	6,481,072	6,481,072	4,012,225	4,012,225
Collateralized debt obligations:					
Residential loan securitizations at amortized cost, net	Level 3	375,164	359,892	842,764	818,482
Residential loan securitizations at fair value	Level 2	2,118,581	2,118,581	1,253,332	1,253,332
Consolidated SLST	Level 3	1,016,952	1,016,952	811,591	811,591
Non-Agency RMBS re-securitization	Level 2	66,762	66,762	70,757	70,757
Subordinated debentures	Level 3	45,000	40,108	45,000	38,918
Derivative liabilities	Level 2	121	121	—	—
Senior unsecured notes:					
Senior unsecured notes at amortized cost, net	Level 2	99,275	98,957	98,886	98,632
Senior unsecured notes at fair value	Level 2	257,590	257,590	60,310	60,310
Mortgages payable on real estate	Level 3	362,747	354,629	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 September 30, 2025 and December 31, 2024, respectively.

As of September 30, 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, 2026, 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 three and nine months ended September 30, 2025 and 2024. As of September 30, 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 September 30, 2025 and December 31, 2024, respectively (dollar amounts in thousands):

September 30, 2025									
Class of Preferred Stock	Shares Authorized	Shares Issued and Outstanding	Carrying Value	Liquidation Preference	Contractual Rate <sup>(1)</sup>	Optional Redemption Date <sup>(2)</sup>	Fixed-to-Floating Rate Conversion Date <sup>(1)(3)</sup>	Floating Annual Rate <sup>(4)(5)</sup>	Rate as of Period End
<b>Fixed-to-Floating Rate</b>									
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%	11.008 %
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 %
<b>Fixed Rate</b>									
Series G	5,450,000	2,976,857	71,642	74,421	7.000 %	January 15, 2027			7.000 %
<b>Total</b>	<u>31,500,000</u>	<u>22,385,674</u>	<u>\$ 540,472</u>	<u>\$ 559,642</u>					

December 31, 2024

Class of Preferred Stock	Shares Authorized	Shares Issued and Outstanding	Carrying Value	Liquidation Preference	Contractual Rate <sup>(1)</sup>	Optional Redemption Date <sup>(2)</sup>	Fixed-to-Floating Rate Conversion Date <sup>(1)(3)</sup>	Floating Annual Rate <sup>(5)</sup>	Rate as of Period End
<b>Fixed-to-Floating Rate</b>									
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 %
<b>Fixed Rate</b>									
Series G	5,450,000	2,973,736	71,585	74,343	7.000 %	January 15, 2027			7.000 %
<b>Total</b>	<b>31,500,000</b>	<b>22,164,414</b>	<b>\$ 535,445</b>	<b>\$ 554,110</b>					

<sup>(1)</sup> 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.

<sup>(2)</sup> 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).

<sup>(3)</sup> 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 <sup>(4)</sup> and <sup>(5)</sup> below.

<sup>(4)</sup> 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.

<sup>(5)</sup> 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, 2024 through September 30, 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
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

*(c) Common Stock*

The Company had 200,000,000 authorized shares of common stock, par value \$0.01 per share, with 90,307,776 and 90,574,996 shares issued and outstanding as of September 30, 2025 and December 31, 2024, respectively.

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 upside of the common stock repurchase program to \$246.0 million. The program, which expires on March 31, 2026, 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. The Company did not repurchase shares of its common stock during the three months ended September 30, 2025. During the nine months ended September 30, 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.

The Company did not repurchase shares of its common stock during the three months ended September 30, 2024. During the nine months ended September 30, 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.

As of September 30, 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, 2024 through September 30, 2025:

<b>Period</b>	<b>Declaration Date</b>	<b>Record Date</b>	<b>Payment Date</b>	<b>Cash Dividend Per Share</b>
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

*(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 three and nine months ended September 30, 2025 and 2024. As of September 30, 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 three months ended September 30, 2025, the Company issued 45,765 shares of Preferred Stock under the Preferred Equity Distribution Agreement, at an average price of \$23.64 per share, resulting in total net proceeds to the Company of approximately \$1.1 million. During the nine months ended September 30, 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 three and nine months ended September 30, 2024. As of September 30, 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 performance share units ("PSUs"), restricted stock units ("RSUs") and deferred stock units ("DSUs"), and the number of incremental shares that are to be added to the weighted-average number of shares outstanding.

During the three and nine months ended September 30, 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 three months ended September 30, 2024, certain of the 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. During the nine months ended September 30, 2024, the RSUs and 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.

During the three and nine months ended September 30, 2024, the PSUs awarded under the 2017 Plan were determined to be anti-dilutive and were not included in the calculation of diluted earnings (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 Three Months Ended September 30,		For the Nine Months Ended September 30,	
	2025	2024	2025	2024
<b>Basic Earnings (Loss) per Common Share:</b>				
Net income (loss) attributable to Company	\$ 44,820	\$ 42,849	\$ 95,522	\$ (30,640)
Less: Preferred Stock dividends	(12,118)	(10,439)	(36,021)	(31,317)
Net income (loss) attributable to Company's common stockholders	\$ 32,702	\$ 32,410	\$ 59,501	\$ (61,957)
Basic weighted average common shares outstanding	90,406	90,582	90,437	90,895
<b>Basic Earnings (Loss) per Common Share</b>	\$ 0.36	\$ 0.36	\$ 0.66	\$ (0.68)
<b>Diluted Earnings (Loss) per Common Share:</b>				
Net income (loss) attributable to Company	\$ 44,820	\$ 42,849	\$ 95,522	\$ (30,640)
Less: Preferred Stock dividends	(12,118)	(10,439)	(36,021)	(31,317)
Net income (loss) attributable to Company's common stockholders	\$ 32,702	\$ 32,410	\$ 59,501	\$ (61,957)
Weighted average common shares outstanding	90,406	90,582	90,437	90,895
Net effect of assumed PSUs vested	850	—	676	—
Net effect of assumed RSUs and DSUs vested	358	4	239	—
Diluted weighted average common shares outstanding	91,614	90,586	91,352	90,895
<b>Diluted Earnings (Loss) per Common Share</b>	\$ 0.36	\$ 0.36	\$ 0.65	\$ (0.68)

## 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 September 30, 2025, 3,078,294 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 September 30, 2025. The Company's employees have been issued 1,428,253 shares of restricted stock under the 2017 Plan as of September 30, 2025. At September 30, 2025, there were 226,890 shares of non-vested restricted stock outstanding, 2,863,258 common shares reserved for issuance in connection with outstanding PSUs under the 2017 Plan, 1,184,470 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 three and nine months ended September 30, 2025, the Company recognized non-cash compensation expense on its restricted common stock awards of \$0.4 million and \$1.2 million, respectively. During the three and nine months ended September 30, 2024, the Company recognized non-cash compensation expense on its restricted common stock awards of \$0.8 million and \$2.4 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 nine months ended September 30, 2025 and 2024, respectively, is presented below:

	2025		2024	
	Number of Non-vested Restricted Shares	Weighted Average Per Share Grant Date Fair Value <sup>(1)</sup>	Number of Non-vested Restricted Shares	Weighted Average Per Share Grant Date Fair Value <sup>(1)</sup>
Non-vested shares as of January 1	538,159	\$ 10.39	524,570	\$ 13.57
Granted	—	—	342,628	8.23
Vested	(264,338)	11.44	(246,917)	13.90
Forfeited	(46,931)	9.31	(67,772)	10.09
Non-vested shares as of September 30	226,890	\$ 9.39	552,509	\$ 10.50
Restricted stock granted during the period	—	\$ —	342,628	\$ 8.23

) 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 September 30, 2025 and 2024, the Company had unrecognized compensation expense of \$1.1 million and \$3.6 million, respectively, related to the non-vested shares of restricted common stock under the 2017 Plan. The unrecognized compensation expense at September 30, 2025 is expected to be recognized over a weighted average period of 1.1 years. The total fair value of restricted shares vested during the nine months ended September 30, 2025 and 2024 was approximately \$1.6 million and \$2.1 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 nine months ended September 30, 2025 and 2024, 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 dividend equivalent rights ("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 nine months ended September 30, 2024 were settled in cash.

A summary of the activity of the target PSU awards under the 2017 Plan for the nine months ended September 30, 2025 and 2024, respectively, is presented below:

	2025		2024	
	Number of Non-vested Target Shares	Weighted Average Per Share Grant Date Fair Value <sup>(1)</sup>	Number of Non-vested Target Shares	Weighted Average Per Share Grant Date Fair Value <sup>(1)</sup>
Non-vested target PSUs as of January 1	939,523	\$ 11.48	905,825	\$ 18.12
Granted	710,132	6.82	384,584	5.72
Vested	—	—	(350,886)	22.31
Forfeited	(218,026)	18.66	—	—
Non-vested target PSUs as of September 30	1,431,629	\$ 8.08	939,523	\$ 11.48

<sup>(1)</sup> 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 nine months ended September 30, 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 nine months ended September 30, 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. Non-vested PSUs are forfeited upon the recipient's termination of employment, subject to certain exceptions.

As of September 30, 2025 and 2024, there was \$5.1 million and \$4.4 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 September 30, 2025 is expected to be recognized over a weighted average period of 1.9 years. Compensation expense related to the PSUs was \$1.0 million and \$2.7 million for the three and nine months ended September 30, 2025, respectively. Compensation expense related to the PSUs was \$1.0 million and \$2.7 million for the three and nine months ended September 30, 2024, respectively.

*(c) Restricted Stock Units*

During the nine months ended September 30, 2025 and 2024, 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 nine months ended September 30, 2025 and 2024 were settled in cash.

A summary of the activity of the RSU awards under the 2017 Plan for the nine months ended September 30, 2025 and 2024, respectively, is presented below:

	2025		2024	
	Number of Non-vested Shares	Weighted Average Per Share Grant Date Fair Value <sup>(1)</sup>	Number of Non-vested Shares	Weighted Average Per Share Grant Date Fair Value <sup>(1)</sup>
Non-vested RSUs as of January 1	450,600	\$ 9.59	351,974	\$ 11.65
Granted	1,042,229	5.91	256,389	8.53
Vested	(198,297)	10.24	(157,763)	12.45
Forfeited	(110,062)	6.17	—	—
Non-vested RSUs as of September 30	1,184,470	\$ 6.56	450,600	\$ 9.59

<sup>(1)</sup> 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 nine months ended September 30, 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 nine months ended September 30, 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. Non-vested RSUs are forfeited upon the recipient's termination of employment, subject to certain exceptions.

As of September 30, 2025 and 2024, there was \$5.3 million and \$2.9 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 September 30, 2025 is expected to be recognized over a weighted average period of 2.0 years. Compensation expense related to the RSUs was \$0.8 million and \$2.4 million for the three and nine months ended September 30, 2025, respectively. Compensation expense related to the RSUs was \$0.6 million and \$1.5 million for the three and nine months ended September 30, 2024, respectively.

*(d) Deferred Stock Units*

During the nine months ended September 30, 2025 and the year ended December 31, 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 nine months ended September 30, 2025 were settled in cash.

A summary of the activity of the DSU awards under the 2017 Plan for the nine months ended September 30, 2025 and 2024, respectively, is presented below:

	2025		2024	
	Number of Non-vested Shares	Weighted Average Per Share Grant Date Fair Value <sup>(1)</sup>	Number of Non-vested Shares	Weighted Average Per Share Grant Date Fair Value <sup>(1)</sup>
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 September 30	112,068	\$ 6.96	110,772	\$ 6.50

<sup>(1)</sup> 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 nine months ended September 30, 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 September 30, 2025.

As of September 30, 2025 and 2024, there was \$0.5 million and \$0.6 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 September 30, 2025 is expected to be recognized over a weighted average period of 0.7 years. Compensation expense related to the DSUs was \$0.2 million and \$0.6 million for the three and nine months ended September 30, 2025, respectively. Compensation expense related to the DSUs was \$0.1 million for the three and nine months ended September 30, 2024.

## 21. Income Taxes

For the three and nine months ended September 30, 2025 and 2024, the Company qualified to be taxed as a REIT under the Internal Revenue Code of 1986, as amended, 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 condensed consolidated financial statements.

The income tax (benefit) expense for the three and nine months ended September 30, 2025 and 2024, respectively, is comprised of the following components (dollar amounts in thousands):

	For the Three Months Ended September 30,		For the Nine Months Ended September 30,	
	2025	2024	2025	2024
Current income tax (benefit) expense	\$ (308)	\$ —	\$ 178	\$ 163
Deferred income tax expense	10	2,325	11	2,393
<b>Total income tax (benefit) expense</b>	<b>\$ (298)</b>	<b>\$ 2,325</b>	<b>\$ 189</b>	<b>\$ 2,556</b>

### *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 September 30, 2025 and December 31, 2024, respectively, are as follows (dollar amounts in thousands):

	September 30, 2025	December 31, 2024
<b>Deferred tax assets</b>		
Net operating loss carryforward	\$ 8,966	\$ 9,671
Capital loss carryover	20,719	16,259
GAAP/Tax basis differences	9,220	11,346
Deferred tax assets	38,905	37,276
Less: Valuation allowance	(29,532)	(26,412)
Net deferred tax assets <sup>(1)</sup>	9,373	10,864
<b>Deferred tax liabilities</b>		
GAAP/Tax basis differences	7,802	9,282
Deferred tax liabilities <sup>(2)</sup>	7,802	9,282
<b>Total net deferred tax asset</b>	<b>\$ 1,571</b>	<b>\$ 1,582</b>

<sup>(1)</sup> Included in other assets in the accompanying condensed consolidated balance sheets.

<sup>(2)</sup> Included in other liabilities in the accompanying condensed consolidated balance sheets.

As of September 30, 2025, the Company, through wholly-owned TRSs, had incurred net operating losses in the aggregate amount of approximately \$40.4 million. The Company's carryforward net operating losses can be carried forward indefinitely until they are offset by future taxable income. Additionally, as of September 30, 2025, the Company, through its wholly-owned TRSs, had also incurred approximately \$93.4 million in capital losses. The Company's carryforward capital losses will expire between 2025 and 2030 if they are not offset by future capital gains.

As of September 30, 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 change in the valuation for the current year is an increase of approximately \$3.1 million. The Company 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 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.

*Recent Tax Law Changes*

On July 4, 2025, the legislation known as the One Big Beautiful Bill Act (the "OBBBA") was signed into law. The OBBBA made significant changes to the U.S. federal income tax law that impact REITs and their investors. Specifically, the OBBBA 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 OBBBA 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 OBBBA 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 three and nine months ended September 30, 2025 and 2024, respectively (dollar amounts in thousands):

	For the Three Months Ended September 30,		For the Nine Months Ended September 30,	
	2025	2024	2025	2024
<b>Interest income</b>				
Investment securities available for sale	\$ 87,565	\$ 44,431	\$ 220,106	\$ 112,785
Residential loans				
Residential loans	9,036	16,237	27,694	39,723
Consolidated SLST	14,306	11,002	36,936	28,284
Residential loans held in securitization trusts	43,392	31,833	132,609	88,866
Total residential loans	66,734	59,072	197,239	156,873
Residential loans held for sale	2,149	—	2,149	—
Multi-family loans	2,090	2,646	6,846	7,957
Other	2,095	2,212	4,928	5,412
<b>Total interest income</b>	<b>160,633</b>	<b>108,361</b>	<b>431,268</b>	<b>283,027</b>
<b>Interest expense</b>				
Repurchase agreements and warehouse facilities	71,550	52,326	180,063	133,059
Collateralized debt obligations				
Consolidated SLST	11,199	7,375	26,592	19,928
Residential loan securitizations	31,478	23,435	94,657	62,462
Non-Agency RMBS re-securitization	1,239	906	3,794	906
Total collateralized debt obligations	43,916	31,716	125,043	83,296
Senior unsecured notes	7,615	3,001	17,160	6,303
Subordinated debentures	966	1,081	2,871	3,225
<b>Total interest expense</b>	<b>124,047</b>	<b>88,124</b>	<b>325,137</b>	<b>225,883</b>
<b>Net interest income</b>	<b>\$ 36,586</b>	<b>\$ 20,237</b>	<b>\$ 106,131</b>	<b>\$ 57,144</b>

### 23. Other Income

The following table details the components of the Company's other income for the three and nine months ended September 30, 2025 and 2024, respectively (dollar amounts in thousands):

	For the Three Months Ended September 30,		For the Nine Months Ended September 30,	
	2025	2024	2025	2024
Servicing fee income	\$ 1,999	\$ —	\$ 5,952	\$ —
Gain on sale of real estate <sup>(1)</sup>	74	17,903	10	18,164
Gain on de-consolidation of joint venture equity investment in Consolidated VIEs	—	3,393	—	3,703
Loss on extinguishment of collateralized debt obligations and mortgages payable on real estate	(448)	(1,699)	(448)	(2,391)
Miscellaneous <sup>(2)</sup>	(146)	118	130	(2,935)
Total other income	\$ 1,479	\$ 19,715	\$ 5,644	\$ 16,541

<sup>(1)</sup> See Notes 8 and 9 for description of nature of transactions out of which items arose.

<sup>(2)</sup> During the nine months ended September 30, 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 condensed 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 <sup>(1)</sup>	\$	31,525
Holdback for representations and warranties <sup>(2)</sup>		2,500
Fair value of previously held membership interests		33,759
Total consideration transferred	\$	<u>67,784</u>

<sup>(1)</sup> 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.

<sup>(2)</sup> 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 <sup>(1)</sup>		4,122
Other assets		8,982
Intangible assets <sup>(1)</sup>		18,000
<b>Total identifiable assets acquired</b>	<b>\$</b>	<b>188,102</b>
Repurchase agreements and warehouse facilities	\$	135,817
Other liabilities		6,897
<b>Total liabilities assumed</b>	<b>\$</b>	<b>142,714</b>
<b>Net identifiable assets acquired</b>	<b>\$</b>	<b>45,388</b>
Goodwill	\$	22,396
<b>Net assets acquired</b>	<b>\$</b>	<b>67,784</b>

<sup>(1)</sup> Included in other assets on the condensed 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.

<b>Intangible asset</b>	<b>Acquisition Date Fair Value</b>	<b>Accumulated Amortization</b>	<b>Carrying Value at September 30, 2025</b>	<b>Amortization Period (Years)</b>
Customer relationships	\$ 17,000	\$ (354)	\$ 16,646	10
Trade name	1,000	(19)	981	11
<b>Total identified intangible assets (weighted average amortization period)</b>	<b>\$ 18,000</b>	<b>\$ (373)</b>	<b>\$ 17,627</b>	<b>10.06</b>

During the three and nine months ended September 30, 2025, the Company recognized \$0.4 million of amortization expense related to these intangible assets, which is included in general and administrative expenses on the Company's condensed consolidated statements of operations. The estimated amortization expense related to the acquired identifiable intangible assets is as follows (dollar amounts in thousands):

<b>Year Ending December 31,</b>	<b>Amortization expense for</b>	
	<b>Customer relationships</b>	<b>Trade name</b>
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, *Intangibles - Goodwill and Other*. As of September 30, 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 Company estimates that \$20.3 million of goodwill is deductible for tax purposes.

The amount of revenue of Constructive included in the Company's condensed consolidated statements of operations for the period from the Acquisition Date through September 30, 2025 is \$14.4 million. The Company recognized acquisition-related costs of approximately \$1.3 million, which are included in portfolio operating expenses on the condensed 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 three and nine months ended September 30, 2025 and 2024, respectively (dollar amounts in thousands):

	For the Three Months Ended September 30,		For the Nine Months Ended September 30,	
	2025	2024	2025	2024
Revenue	\$ 151,715	\$ 142,053	\$ 403,443	\$ 242,153
Net income (loss) attributable to Company's common stockholders	\$ 33,787	\$ 30,808	\$ 73,531	\$ (53,373)
Basic proforma earnings per common share	\$ 0.37	\$ 0.34	\$ 0.81	\$ (0.59)
Diluted pro forma earnings per common share	\$ 0.37	\$ 0.34	\$ 0.80	\$ (0.59)

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. Material, 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 September 30, 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* to the Consolidated Financial Statements in the Company's Annual Report on Form 10-K for the year ended December 31, 2024, as updated in *Note 2* in this Quarterly Report on Form 10-Q, 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 condensed 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") in the United States, 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 condensed consolidated financial statements and notes thereto were a single reportable segment. Accordingly, segment information for prior periods has not been recast. For the three and nine months ended September 30, 2024, the CODM also considered significant, and regularly reviewed, consolidated salaries and benefits expense in the amounts of approximately \$8.4 million and \$25.2 million, respectively, which is included in general and administrative expenses in the accompanying condensed consolidated statements of operations.

The following tables present financial information by reportable segment for the three and nine months ended September 30, 2025, respectively, which in total reconciles to the same data for the Company on a consolidated basis (dollar amounts in thousands):

	<b>For the Three Months Ended September 30, 2025</b>			
	<b>Investment Portfolio</b>	<b>Constructive</b>	<b>Corporate/Other</b>	<b>Total</b>
<b>NET INTEREST INCOME:</b>				
Interest income	\$ 158,421	\$ 2,192	\$ 20	\$ 160,633
Interest expense	113,398	2,068	8,581	124,047
Total net interest income (loss)	45,023	124	(8,561)	36,586
<b>NET LOSS FROM REAL ESTATE:</b>				
Rental income	16,600	—	—	16,600
Other real estate income	2,504	—	—	2,504
Total income from real estate	19,104	—	—	19,104
Interest expense, mortgages payable on real estate	5,409	—	—	5,409
Depreciation and amortization	5,936	—	—	5,936
Other real estate expenses	11,637	—	—	11,637
Total expenses related to real estate	22,982	—	—	22,982
Total net loss from real estate	(3,878)	—	—	(3,878)
<b>OTHER INCOME (LOSS):</b>				
Realized losses, net	(5,610)	—	—	(5,610)
Unrealized gains (losses), net	60,024	—	(5,172)	54,852
Loss on derivative instruments, net	(10,912)	(1,941)	(153)	(13,006)
Mortgage banking activities, net	—	14,103	—	14,103
(Loss) income from equity investments	(1,642)	—	47	(1,595)
Impairment of real estate	(1,619)	—	—	(1,619)
Other income (loss)	1,479	—	—	1,479
Total other income (loss)	41,720	12,162	(5,278)	48,604
<b>GENERAL, ADMINISTRATIVE AND OPERATING EXPENSES:</b>				
General and administrative expenses	463	12,274	10,612	23,349
Portfolio operating expenses	6,040	—	707	6,747
Loan origination costs	—	3,788	—	3,788
Financing transaction costs	4,306	—	3,635	7,941
Total general, administrative and operating expenses	10,809	16,062	14,954	41,825
<b>INCOME (LOSS) FROM OPERATIONS BEFORE INCOME TAXES</b>	<b>72,056</b>	<b>(3,776)</b>	<b>(28,793)</b>	<b>39,487</b>
Income tax expense (benefit)	12	—	(310)	(298)
<b>NET INCOME (LOSS)</b>	<b>72,044</b>	<b>(3,776)</b>	<b>(28,483)</b>	<b>39,785</b>
Net loss attributable to non-controlling interests	5,035	—	—	5,035
<b>NET INCOME (LOSS) ATTRIBUTABLE TO COMPANY</b>	<b>77,079</b>	<b>(3,776)</b>	<b>(28,483)</b>	<b>44,820</b>
Preferred stock dividends	—	—	(12,118)	(12,118)
<b>NET INCOME (LOSS) ATTRIBUTABLE TO COMPANY'S COMMON STOCKHOLDERS</b>	<b>\$ 77,079</b>	<b>\$ (3,776)</b>	<b>\$ (40,601)</b>	<b>\$ 32,702</b>

**For the Nine Months Ended September 30, 2025**

	<b>Investment Portfolio</b>	<b>Constructive</b>	<b>Corporate/Other</b>	<b>Total</b>
<b>NET INTEREST INCOME:</b>				
Interest income	\$ 429,025	\$ 2,192	\$ 51	\$ 431,268
Interest expense	303,038	2,068	20,031	325,137
Total net interest income (loss)	125,987	124	(19,980)	106,131
<b>NET LOSS FROM REAL ESTATE:</b>				
Rental income	51,940	—	—	51,940
Other real estate income	8,457	—	—	8,457
Total income from real estate	60,397	—	—	60,397
Interest expense, mortgages payable on real estate	17,298	—	—	17,298
Depreciation and amortization	17,759	—	—	17,759
Other real estate expenses	34,466	—	—	34,466
Total expenses related to real estate	69,523	—	—	69,523
Total net loss from real estate	(9,126)	—	—	(9,126)
<b>OTHER INCOME:</b>				
Realized losses, net	(50,481)	—	—	(50,481)
Unrealized gains, net	197,450	—	220	197,670
(Losses) gains on derivative instruments, net	(87,995)	(1,941)	3,162	(86,774)
Mortgage banking activities, net	—	14,103	—	14,103
Income (loss) from equity investments	2,121	—	(1,554)	567
Impairment of real estate	(9,437)	—	—	(9,437)
Other income	5,644	—	—	5,644
Total other income	57,302	12,162	1,828	71,292
<b>GENERAL, ADMINISTRATIVE AND OPERATING EXPENSES:</b>				
General and administrative expenses	1,277	12,274	33,998	47,549
Portfolio operating expenses	20,040	—	1,267	21,307
Loan origination costs	—	3,788	—	3,788
Financing transaction costs	6,589	—	7,584	14,173
Total general, administrative and operating expenses	27,906	16,062	42,849	86,817
<b>INCOME (LOSS) FROM OPERATIONS BEFORE INCOME TAXES</b>	146,257	(3,776)	(61,001)	81,480
Income tax expense	26	—	163	189
<b>NET INCOME (LOSS)</b>	146,231	(3,776)	(61,164)	81,291
Net loss attributable to non-controlling interests	14,231	—	—	14,231
<b>NET INCOME (LOSS) ATTRIBUTABLE TO COMPANY</b>	160,462	(3,776)	(61,164)	95,522
Preferred stock dividends	—	—	(36,021)	(36,021)
<b>NET INCOME (LOSS) ATTRIBUTABLE TO COMPANY'S COMMON STOCKHOLDERS</b>	\$ 160,462	\$ (3,776)	\$ (97,185)	\$ 59,501

The following table presents the Company's assets by reportable segment as of September 30, 2025, which in total reconciles to the same data for the Company on a consolidated basis (dollar amounts in thousands):

	<b>Investment Portfolio</b>	<b>Constructive <sup>(2)</sup></b>	<b>Corporate/Other</b>	<b>Total</b>
<b>Total Assets</b>	\$ 11,983,324	\$ 224,261	\$ 194,277	\$ 12,401,862

<sup>(1)</sup> The Company had investments in equity method investees in the amount of approximately \$28.8 million as of September 30, 2025 (*see Note 6*). During the nine months ended September 30, 2025, the Company's expenditures for long-lived assets totaled approximately \$6.9 million.

<sup>(2)</sup> Goodwill in the amount of approximately \$22.4 million was allocated to Constructive during the three months ended September 30, 2025 (*see Note 24*).

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

### CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

When used in this Quarterly Report on Form 10-Q, 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 Securities Exchange Act of 1934, as amended (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 real estate investment trust (“REIT”) for U.S. federal income tax purposes;
- our ability to maintain our exemption from registration under the Investment Company Act of 1940, as amended (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 Loans, LLC (“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 described in our most recent Annual Report on Form 10-K and in this Quarterly Report on Form 10-Q, 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.

## Defined Terms

In this Quarterly Report on Form 10-Q 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 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 Governmental 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;
- “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;
- “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.

## Investing Activity

During the three months ended September 30, 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, residential loan sales and the completion of the disposition of our joint venture equity investments in multi-family properties. The following table presents investment activity for the three months ended September 30, 2025 (dollar amounts in thousands):

	June 30, 2025	Acquisitions/Originations <sup>(1)</sup>	Repayments <sup>(2)</sup>	Sales	Transfers/Initial Consolidation <sup>(3)</sup>	Fair Value Changes and Other <sup>(4)</sup>	September 30, 2025
<b>Investment securities</b>							
Agency RMBS and TBAs <sup>(5)</sup>	\$ 4,939,963	\$ 1,816,692	\$ (141,333)	\$ —	\$ —	\$ 43,324	\$ 6,658,646
Non-Agency RMBS	39,367	—	(12,507)	—	—	1,314	28,174
U.S. Treasury securities	140,435	39,450	—	—	—	2,653	182,538
Total investment securities available for sale and TBAs	5,119,765	1,856,142	(153,840)	—	—	47,291	6,869,358
Consolidated SLST <sup>(6)</sup>	160,930	—	(3,531)	—	—	1,392	158,791
Total investment securities	5,280,695	1,856,142	(157,371)	—	—	48,683	7,028,149
Residential loans <sup>(7)</sup>	2,826,644	525,745	(321,888)	(128,165)	55,231	11,481	2,969,048
Residential loans held for sale	—	382,443	(137)	(218,031)	(68,063)	8,824	105,036
Preferred equity investments, mezzanine loans and equity investments	166,439	—	(19,250)	—	(37,164)	(12,553)	97,472
Equity investments in consolidated multi-family properties <sup>(8)</sup>	155,581	925	(1,280)	—	—	2,159	157,385
Equity investments in disposal group held for sale <sup>(9)</sup>	17,386	—	(16,230)	(500)	—	22	678
Single-family rental properties	137,075	294	—	(2,683)	—	(2,702)	131,984
MSRs	19,449	—	—	—	3,546	(1,099)	21,896
<b>Total investments</b>	<b>\$ 8,603,269</b>	<b>\$ 2,765,549</b>	<b>\$ (516,156)</b>	<b>\$ (349,379)</b>	<b>\$ (46,450)</b>	<b>\$ 54,815</b>	<b>\$ 10,511,648</b>

<sup>(1)</sup> Also 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.

<sup>(2)</sup> Includes principal repayments and return of invested capital.

<sup>(3)</sup> 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.

<sup>(4)</sup> 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 and net loss from real estate attributable to the Company.

- (5) Includes TBAs that are recorded as derivative instruments in the Company's condensed consolidated financial statements. As of September 30, 2025, our TBAs had a net carrying value of \$0.1 million reported in other liabilities on the Company's condensed consolidated balance sheets. The net carrying value represents the difference between the implied fair value of the underlying security in the TBA contract and the price to be paid or received for the underlying security (or cost basis).
- (6) Consolidated SLST is primarily presented on our condensed consolidated balance sheets as residential loans, at fair value and collateralized debt obligations, at fair value. A reconciliation to our condensed consolidated financial statements as of September 30, 2025 and June 30, 2025, respectively, follows (dollar amounts in thousands):

	<u>September 30, 2025</u>	<u>June 30, 2025</u>
Residential loans, at fair value	\$ 1,182,599	\$ 1,199,383
Deferred interest <sup>(a)</sup>	(6,856)	(6,556)
Less: Collateralized debt obligations, at fair value	(1,016,952)	(1,031,897)
Consolidated SLST investment securities owned by Adamas	<u>\$ 158,791</u>	<u>\$ 160,930</u>

(a) Included in other liabilities on our condensed consolidated balance sheets as of September 30, 2025 and June 30, 2025.

- (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 condensed consolidated balance sheets.
- (9) 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 assets and liabilities related to certain joint venture equity investments in multi-family properties are included in assets and liabilities of disposal group held for sale on the accompanying condensed consolidated balance sheets. 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 condensed consolidated balance sheets.

## 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 Loans, LLC ("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.

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 income generated in our TRSs.

## 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 third quarter of 2025 represented a strategically significant period for the Company. The quarter was marked by our corporate rebranding, acquisition of Constructive, continued 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 \$32.7 million, or \$0.36 per share, for the quarter ended September 30, 2025. Earnings available for distribution ("EAD"), a non-GAAP financial measure, increased 9% quarter-over-quarter to \$0.24 per share, representing the sixth consecutive quarterly increase and a 140% year-over-year improvement. GAAP book value per share as of September 30, 2025 increased 1.0% to \$9.20 and adjusted book value per share as of September 30, 2025 rose 1.2% to \$10.38, resulting in a quarterly economic return of 3.51% and 3.41% on GAAP book value per share and adjusted book value per share, respectively. Supported by this sustained earnings momentum, our Board of Directors declared a quarterly dividend of \$0.23 per share, a 15% increase from the prior quarter, equating to a 13.2% annualized dividend yield as of September 30, 2025.

During the quarter ended September 30, 2025, we achieved the highest level of quarterly investment activity in our history, expanding our investment portfolio by approximately \$1.8 billion, or 20%, to \$10.4 billion. Total acquisitions of \$2.4 billion were primarily concentrated in Agency RMBS and business purpose loans, including \$1.8 billion of Agency RMBS and \$522 million 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. Constructive operates in 48 states and originated approximately \$1.8 billion of loans over the twelve months ended September 30, 2025, including \$439.3 million in the third quarter, a 9% increase from the prior quarter. From July 15, 2025 to September 30, 2025, Constructive generated \$14.1 million of mortgage banking income from origination and sale activity and incurred \$3.8 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 quarter ended September 30, 2025 designed to support future portfolio growth and further strengthen our balance sheet. During the quarter ended September 30, 2025, we completed two securitizations of residential loans totaling approximately \$619.2 million in net proceeds, consisting of a \$369.7 million rated securitization of performing and re-performing loans and a \$275.3 million rated BPL-Rental securitization. In addition, we issued \$115.0 million of 9.875% 2030 Senior Notes, providing additional flexibility to fund new investments. As of September 30, 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 3.8x and 3.6x as of June 30, 2025, 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 quarter ended September 30, 2025. As of September 30, 2025, our multi-family exposure was limited to our mezzanine lending portfolio, which continues to perform well, with a 32.4% payoff rate during the quarter and an average occupancy rate of 92% across underlying properties.

Our targeted assets include (i) residential loans, including business purpose loans; (ii) Agency RMBS; (iii) non-Agency RMBS; and (iv) 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, securities issued by newly originated securitizations, including credit sensitive securities from these securitizations, ABS and debt or equity investments in alternative assets or businesses.

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.

## 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.

Repelling some of the volatility seen during the year, financial markets experienced strong performance in the third quarter of 2025, due in part to significant investment in artificial intelligence, a relative ebb in trade tensions and the first cut to the target range to the federal funds rate in 2025. The Dow Jones Industrial Average finished the third quarter of 2025 up 5.22%, and the Nasdaq Composite Index finished the third quarter of 2025 up 11.24%. Mortgage-related markets experienced volatility and relatively improved performance in the third quarter of 2025. Trade policy and labor market uncertainty, elevated inflation, geopolitical instability and the shutdown of the U.S. federal government following quarter end 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 through the end of 2025.

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

*Select U.S. Financial and Economic Data.* The ongoing shutdown of the U.S. federal government after the end of the third quarter has halted the U.S. government's publication of certain economic data, including U.S. real gross domestic product ("GDP"). However, the Federal Reserve Bank of Atlanta and the Federal Reserve Bank of New York have each published their own estimates of GDP. The Federal Reserve Bank of Atlanta estimates that GDP grew at an annualized rate of 3.9% in the third quarter of 2025, and the Federal Reserve Bank of New York estimates that GDP grew at an annualized rate of 2.4% in the third quarter of 2025. According to these estimates of third quarter GDP growth, the U.S. economy continued the GDP growth seen in the second quarter when GDP grew at an annualized rate of 3.8%, as compared to the annualized 0.6% GDP contraction in the first quarter of 2025. While, by these estimates, GDP growth remained robust in the third quarter of 2025, inflation remains persistently above the Federal Reserve's target of two percent, the labor market shows signs of cooling and U.S. trade policy remains volatile. 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 appears to have cooled over the course of the year and into the third quarter, as suggested recently by a number of market commentators. According to the U.S. Department of Labor, the U.S. unemployment rate trended up slightly over the course of the third quarter and was 4.1% at the end of June 2025, 4.2% at the end of July 2025, and 4.3% at the end of August 2025, which represented the highest unemployment rate since October 2021. Due to the U.S. federal government shutdown, the U.S. Department of Labor has not released, and will not release until the federal government is reopened, its report on the employment situation, including the unemployment rate, for September 2025. However, some organizations, including the Federal Reserve Bank of Chicago, have published unemployment rate estimates in the interim, with several estimating the unemployment rate to have held steady at 4.3% at the end of September 2025. Additionally, the number of unemployed persons exceeded the number of available job openings in July 2025. This marked the first time since April 2021 that the number of job openings fell below the number of unemployed persons and further signaled a potential softening in the labor market. The disparity in number of unemployed persons and job openings continued through the end of August 2025, at which time there were 7.4 million unemployed persons and 7.2 million available job openings. 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. In September 2025, the Federal Reserve cut the target range for the federal funds rate by 25 basis points, and in October 2025, the Federal Reserve cut the target range for the federal funds rate by another 25 basis points, bringing the target range to its lowest level since 2022. Earlier in the year, the Federal Reserve signaled that three total cuts to the target range may be appropriate in 2025, but following its October meeting, the Federal Reserve cautioned expectations of another rate cut in 2025. In considering 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 October 2025 statement, the Federal Reserve noted that job gains have slowed this year, the unemployment rate has edged up (but remains low through August) 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 September 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 2025 are divided. 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. have abated in recent months, but market observers and the Federal Reserve are closely monitoring the labor market and inflation, among other items, for resurgent indicators of recession risk. Uncertain and evolving U.S. trade policy has also contributed to some market commentators’ concerns for an economic recession. Since the current U.S. administration rolled out “Liberation Day” tariffs in April 2025, including a minimum baseline tariff of 10% on all trading partners and targeted punitive levies on certain countries with the largest U.S. trade deficits, legal challenges and ongoing negotiations with trading partners have led to persistent uncertainty with respect to U.S. trade policy and the specific tariffs that will be imposed on U.S. trading partners and/or certain goods. 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.* In the first nine months of 2025, the residential real estate market remained competitive for home buyers. Data released by the S&P Dow Jones Indices for their S&P CoreLogic Case-Shiller National Home Price NSA Indices for July 2025 showed that, on average, home prices increased 1.8% for the 20-City Composite over July 2024. Additionally, according to the National Association of Realtors (“NAR”), existing home sales in August 2025 decreased 0.2% month-over-month, but increased 1.8% year-over-year. NAR also reported that the median existing-home sales price for all housing types in August 2025 was \$422,600, up 2.0% from \$414,200 in August 2024, which marked the 26<sup>th</sup> consecutive month of year-over-year price increases. However, the residential real estate market has shown some preliminary signs of potential moderation. NAR notes that total housing inventory as of the end of August 2025 was up 11.7% year-over-year and that the supply of unsold housing inventory sat at 4.6 months as of the end of August 2025, up 0.4 months from August 2024. However, relatively elevated interest rates continue to contribute to affordability challenges for home buyers. According to Freddie Mac, the weekly average 30-year fixed-rate mortgage was 6.34% as of October 2, 2025, up 0.22% 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 0.3% in the third quarter of 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 deepest rent cuts in the third quarter of 2025 and the past year. Further, Zillow Research forecasts that relatively slower rent growth for both single-family and multi-family rental housing is expected to continue through the end of the year. 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 tightened over the course of the third quarter of 2025 with investment grade spreads finishing 10 basis points lower than the start of the third quarter of 2025 and high-yield spreads finishing 16 basis points lower than the start of the first quarter 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 September 30, 2025, the spread between the 2-Year U.S. Treasury yield and the 10-Year U.S. Treasury yield closed at 56 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. On June 1, 2022, the Federal Reserve shifted course and began shrinking its balance sheet by reducing its holdings of U.S. Treasuries and Agency RMBS. Through December 1, 2025, the Federal Reserve is expected to continue to shrink its balance sheet by allowing \$5 billion of U.S. Treasuries and \$35 billion of Agency RMBS to roll off its balance sheet each month. In October 2025, the Federal Reserve announced that it would end the drawdown of its balance sheet by halting the reduction of its holdings of U.S. Treasuries beginning on December 1, 2025 but would continue with the reduction of its holdings of Agency RMBS. As of October 29, 2025, the Federal Reserve held about \$6.6 trillion in assets. Sales or reductions in the pace of purchasing of Agency RMBS by the Federal Reserve could create headwinds in the market for Agency RMBS where increased supply could drive prices lower and interest rates higher.

In July 2025, the U.S. Congress approved the "One Big Beautiful Bill Act of 2025" (the "OBBBA"), which raised the U.S. debt limit, which is the statutory maximum amount of money that the U.S. government may borrow to meet its existing obligations, by \$5 trillion. Previously, uncertainty had existed regarding the debt limit. However, the longer-term impacts of the OBBBA continue to be debated among market commentators.

Since 2008, Fannie Mae and Freddie Mac have fallen under the conservatorship of the FHFA. The current administration is revisiting the idea of taking Fannie Mae and Freddie Mac public, an idea that the current administration had sought to advance in prior years. 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. 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" in our Annual Report on Form 10-K for the year ended December 31, 2024.

The scope and nature of the actions the Federal Reserve and 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.

**Third Quarter 2025 Summary***Earnings and Return Metrics*

The following table presents key earnings and return metrics for the three and nine months ended September 30, 2025, respectively (dollar amounts in thousands, except per share data):

	<b>For the Three Months Ended September 30, 2025</b>	<b>For the Nine Months Ended September 30, 2025</b>
Net income attributable to Company's common stockholders	\$ 32,702	\$ 59,501
Net income attributable to Company's common stockholders per share (basic)	\$ 0.36	\$ 0.66
Earnings available for distribution attributable to Company's common stockholders <sup>(1)</sup>	\$ 21,991	\$ 60,208
Earnings available for distribution per common share <sup>(1)</sup>	\$ 0.24	\$ 0.67
Yield on average interest earning assets <sup>(1)(2)</sup>	6.33 %	6.42 %
Interest income	\$ 160,633	\$ 431,268
Interest expense	\$ 124,047	\$ 325,137
Net interest income	\$ 36,586	\$ 106,131
Net interest spread <sup>(1)(3)</sup>	1.50 %	1.44 %
Book value per common share at the end of the period	\$ 9.20	\$ 9.20
Adjusted book value per common share at the end of the period <sup>(1)</sup>	\$ 10.38	\$ 10.38
Economic return on book value <sup>(4)</sup>	3.51 %	5.93 %
Economic return on adjusted book value <sup>(5)</sup>	3.41 %	6.38 %
Dividends per common share	\$ 0.23	\$ 0.63

<sup>(1)</sup> 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.

<sup>(2)</sup> 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.

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

<sup>(4)</sup> 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.

<sup>(5)</sup> 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 Third Quarter 2025*Investing Activities

- Acquired approximately \$1.8 billion of Agency investments with an average coupon of 5.27%.
- Acquired approximately \$525.7 million in residential loans with an average gross coupon of 8.81%.
- Exited remaining multi-family joint venture equity investments at their approximate carrying value of \$17.0 million.
- Received approximately \$26.4 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.

Financing Activities

- Completed the issuance of \$115.0 million in aggregate principal amount of our 9.875% Senior Notes due 2030 in public offerings. The total 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 two securitizations of residential loans, resulting in approximately \$619.2 million in net proceeds to us after deducting expenses associated with the transactions. We utilized a portion of the net proceeds to redeem two residential loan securitizations and to repay approximately \$270.5 million on outstanding repurchase agreements related to residential loans.
- Increased common stock dividend declared in September 2025 to \$0.23 per common share.

## Capital Allocation

The following provides an overview of the allocation of our total equity as of September 30, 2025 and December 31, 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 September 30, 2025 and December 31, 2024, respectively (dollar amounts in thousands).

At September 30, 2025:

	Investment Portfolio	Constructive	Corporate/Other	Total
Investment securities available for sale and TBAs <sup>(1)</sup>	\$ 6,869,358	\$ —	\$ —	\$ 6,869,358
Residential loans	4,096,213	55,434	—	4,151,647
Consolidated SLST CDOs	(1,016,952)	—	—	(1,016,952)
Residential loans held for sale	—	105,036	—	105,036
Multi-family loans	68,647	—	—	68,647
Equity investments	28,825	—	—	28,825
Equity investments in consolidated multi-family properties <sup>(2)</sup>	157,385	—	—	157,385
Equity investments in disposal group held for sale <sup>(3)</sup>	678	—	—	678
Single-family rental properties	131,984	—	—	131,984
Mortgage servicing rights	21,835	61	—	21,896
Total investments	10,357,973	160,531	—	10,518,504
Liabilities:				
Repurchase agreements, warehouse facilities and TBA cost basis <sup>(4)</sup>	(6,363,494)	(148,341)	—	(6,511,835)
Collateralized debt obligations				
Residential loan securitization CDOs	(2,493,745)	—	—	(2,493,745)
Non-Agency RMBS re-securitization	(66,762)	—	—	(66,762)
Senior unsecured notes	—	—	(356,865)	(356,865)
Subordinated debentures	—	—	(45,000)	(45,000)
Cash, cash equivalents and restricted cash <sup>(5)</sup>	104,964	15,400	174,204	294,568
Goodwill	—	22,396	—	22,396
Cumulative adjustment of redeemable non-controlling interest to estimated redemption value	(54,782)	—	—	(54,782)
Other	122,686	15,410	(53,798)	84,298
Net Company capital allocated	\$ 1,606,840	\$ 65,396	\$ (281,459)	\$ 1,390,777
Company Recourse Leverage Ratio <sup>(6)</sup>				5.0x
Portfolio Recourse Leverage Ratio <sup>(7)</sup>				4.7x

<sup>(1)</sup> Includes implied fair value of outstanding TBAs of \$30.6 million. TBAs are recorded as derivative instruments in the Company's condensed consolidated financial statements. As of September 30, 2025, our TBAs had a net carrying value of \$0.1 million reported in other liabilities on the Company's condensed consolidated balance sheets. The net carrying value represents the difference between the implied fair value of the underlying security in the TBA contract and the price to be paid or received for the underlying security (or cost basis).

- (2) 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 condensed consolidated financial statements.
- (3) Represents the Company's equity investments in 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 condensed consolidated financial statements.
- (4) Includes repurchase agreements and warehouse facilities with a carrying value of \$6.5 billion and outstanding TBAs with a cost basis of \$30.8 million.
- (5) Excludes cash in the amount of \$4.0 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 \$112.4 million is included in the Company's accompanying condensed consolidated balance sheets in other assets.
- (6) Represents the Company's total outstanding recourse repurchase agreement and warehouse facility financing, subordinated debentures, senior unsecured notes and cost basis of outstanding TBAs 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 \$2.5 billion, non-Agency RMBS re-securitization CDOs amounting to \$66.8 million and mortgages payable on real estate totaling \$362.7 million as they are non-recourse debt.
- (7) Represents the Company's outstanding recourse repurchase agreement and warehouse facility financing and cost basis of outstanding TBAs 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 <sup>(1)</sup>	151,210	—	151,210
Equity investments in disposal group held for sale <sup>(2)</sup>	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 <sup>(3)</sup>	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 <sup>(4)</sup>			3.0 x
Portfolio Recourse Leverage Ratio <sup>(5)</sup>			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 condensed 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 condensed 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 condensed 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 three and nine months ended September 30, 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 three and nine months ended September 30, 2025 are greater or less than the results from the respective period in 2024. Unless otherwise specified, references in this section to increases or decreases in the “three-month period” refer to the change in results for the three months ended September 30, 2025 when compared to the three months ended September 30, 2024 and increases or decreases in the “nine-month period” refer to the change in results for the nine months ended September 30, 2025 when compared to the nine months ended September 30, 2024.

The following table presents the main components of our net income (loss) for the three and nine months ended September 30, 2025 and 2024, respectively (dollar amounts in thousands, except per share data):

	For the Three Months Ended September 30,			For the Nine Months Ended September 30,		
	2025	2024	\$ Change	2025	2024	\$ Change
Interest income	\$ 160,633	\$ 108,361	\$ 52,272	\$ 431,268	\$ 283,027	\$ 148,241
Interest expense	124,047	88,124	35,923	325,137	225,883	99,254
Total net interest income	36,586	20,237	16,349	106,131	57,144	48,987
Total net loss from real estate	(3,878)	(7,495)	3,617	(9,126)	(36,968)	27,842
Total other income (loss)	48,604	52,875	(4,271)	71,292	(10,527)	81,819
General and administrative expenses	23,349	11,941	11,408	47,549	36,643	10,906
Portfolio operating expenses	6,747	8,531	(1,784)	21,307	23,672	(2,365)
Loan origination costs	3,788	—	3,788	3,788	—	3,788
Financing transaction costs	7,941	2,354	5,587	14,173	10,452	3,721
Income (loss) from operations before income taxes	39,487	42,791	(3,304)	81,480	(61,118)	142,598
Income tax (benefit) expense	(298)	2,325	(2,623)	189	2,556	(2,367)
Net loss attributable to non-controlling interests	5,035	2,383	2,652	14,231	33,034	(18,803)
Net income (loss) attributable to Company	44,820	42,849	1,971	95,522	(30,640)	126,162
Preferred stock dividends	(12,118)	(10,439)	(1,679)	(36,021)	(31,317)	(4,704)
Net income (loss) attributable to Company's common stockholders	32,702	32,410	292	59,501	(61,957)	121,458
Basic earnings (loss) per common share	\$ 0.36	\$ 0.36	\$ —	\$ 0.66	\$ (0.68)	\$ 1.34
Diluted earnings (loss) per common share	\$ 0.36	\$ 0.36	\$ —	\$ 0.65	\$ (0.68)	\$ 1.33

### Interest Income and Interest Expense

Interest income increased in the three- and nine-month periods primarily due to increased investments in Agency RMBS, business purpose loans and additional income from a Consolidated SLST subordinated bond purchased since September 2024. The increases in interest expense in the three- and nine-month periods were 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 since September 2024.

### Net Loss from Real Estate

The following table presents the components of net loss from real estate for the three and nine months ended September 30, 2025 and 2024, respectively (dollar amounts in thousands):

	For the Three Months Ended September 30,			For the Nine Months Ended September 30,		
	2025	2024	\$ Change	2025	2024	\$ Change
Income from real estate	\$ 19,104	\$ 31,903	\$ (12,799)	\$ 60,397	\$ 106,446	\$ (46,049)
Expenses related to real estate:						
Interest expense, mortgages payable on real estate	(5,409)	(12,676)	7,267	(17,298)	(49,996)	32,698
Depreciation expense on operating real estate	(5,936)	(8,131)	2,195	(17,759)	(30,564)	12,805
Amortization of lease intangibles related to operating real estate	—	—	—	—	(2,378)	2,378
Other real estate expenses	(11,637)	(18,591)	6,954	(34,466)	(60,476)	26,010
Total expenses related to real estate	(22,982)	(39,398)	16,416	(69,523)	(143,414)	73,891
Total net loss from real estate	\$ (3,878)	\$ (7,495)	\$ 3,617	\$ (9,126)	\$ (36,968)	\$ 27,842

The decrease in net loss from real estate in the three- and nine-month periods was primarily attributable to reductions in expenses resulting from the sale or de-consolidation, since September 30, 2024, of certain multi-family real estate assets owned by entities in which we had joint venture equity investments. Rental income also decreased in these periods due to the aforementioned sales or de-consolidation of multi-family real estate assets.

### Other Income (Loss)

#### Realized Losses, Net

The following table presents the components of realized losses, net recognized for the three and nine months ended September 30, 2025 and 2024, respectively (dollar amounts in thousands):

	For the Three Months Ended September 30,			For the Nine Months Ended September 30,		
	2025	2024	\$ Change	2025	2024	\$ Change
Residential loans and real estate owned	\$ (5,610)	\$ (958)	\$ (4,652)	\$ (21,130)	\$ (18,492)	\$ (2,638)
Investment securities	—	(422)	422	(29,351)	(912)	(28,439)
Total realized losses, net	\$ (5,610)	\$ (1,380)	\$ (4,230)	\$ (50,481)	\$ (19,404)	\$ (31,077)

During the three months ended September 30, 2025, the Company recognized \$5.6 million of net realized losses primarily related to losses incurred on foreclosed properties due to lower valuations and losses on discounted payoffs on non-performing business purpose bridge loans. During the three months ended September 30, 2024, the Company recognized \$1.0 million of net realized losses on residential loans and real estate owned primarily related to losses incurred on foreclosed properties which were partially offset by net realized gains recognized on the sale and payoff of residential loans. The Company also recognized net realized losses of \$0.4 million on write-downs of non-Agency RMBS during the three months ended September 30, 2024.

During the nine months ended September 30, 2025, the Company recognized \$50.5 million of net realized losses primarily related to the sale of U.S. Treasury securities, losses incurred on foreclosed properties and losses on discounted payoffs on non-performing business purpose bridge loans. During the nine months ended September 30, 2024, the Company recognized \$18.5 million of net realized losses primarily related to losses incurred on foreclosed properties which were partially offset by net realized gains recognized on the sale and payoff of residential loans. The Company also recognized net realized losses of \$0.9 million on write-downs of non-Agency RMBS during the nine months ended September 30, 2024.

### Unrealized Gains, Net

The following table presents the components of unrealized gains, net recognized for the three and nine months ended September 30, 2025 and 2024, respectively (dollar amounts in thousands):

	For the Three Months Ended September 30,			For the Nine Months Ended September 30,		
	2025	2024	\$ Change	2025	2024	\$ Change
Residential loans	\$ 19,533	\$ 52,165	\$ (32,632)	\$ 60,263	\$ 46,929	\$ 13,334
Consolidated SLST	2,440	6,753	(4,313)	11,225	7,259	3,966
CDOs at fair value	(8,839)	(19,533)	10,694	(20,885)	(18,032)	(2,853)
Senior unsecured notes at fair value	(5,172)	(900)	(4,272)	220	(900)	1,120
Preferred equity and mezzanine loan investments	125	213	(88)	591	(4,581)	5,172
Investment securities	47,784	58,251	(10,467)	148,830	10,371	138,459
MSRs	(1,019)	—	(1,019)	(2,574)	—	(2,574)
Total unrealized gains, net	\$ 54,852	\$ 96,949	\$ (42,097)	\$ 197,670	\$ 41,046	\$ 156,624

Decreases in interest rates in both the three- and nine-month periods continued to have positive impacts on our residential loan and investment securities portfolios to a greater extent than the effect of the same movement in interest rates on our financing reported at fair value.

### (Losses) Gains on Derivative Instruments, Net

The following table presents the components of (losses) gains on derivative investments, net for the three and nine months ended September 30, 2025 and 2024, respectively (dollar amounts in thousands):

	For the Three Months Ended September 30,			For the Nine Months Ended September 30,		
	2025	2024	\$ Change	2025	2024	\$ Change
Unrealized losses on derivative instruments	\$ (3,392)	\$ (56,282)	\$ 52,890	\$ (110,931)	\$ (5,739)	\$ (105,192)
Realized (losses) gains on derivative instruments	(9,614)	(4,358)	(5,256)	24,157	9,781	14,376
Total (losses) gains on derivative instruments, net	\$ (13,006)	\$ (60,640)	\$ 47,634	\$ (86,774)	\$ 4,042	\$ (90,816)

The decrease in losses in the three-month period was primarily driven by changes in interest rates during the period which impact the valuation of our derivative instruments, mainly interest rate swaps. The Company also recognized realized losses on the settlement of derivative instruments during the three-month period.

The increase in losses in the nine-month period was primarily related to decreases in interest rates, which resulted in lower valuations of our interest rate swaps. This was partially offset by net gains realized on contract terminations and net payments received on derivative instruments.

*Mortgage Banking Activities, Net*

The following table presents the components of mortgage banking activities, net for the three and nine months ended September 30, 2025 and 2024, respectively (dollar amounts in thousands):

	For the Three Months Ended September 30,			For the Nine Months Ended September 30,		
	2025	2024	\$ Change	2025	2024	\$ Change
Residential loan origination and other fees	\$ 5,511	\$ —	\$ 5,511	\$ 5,511	\$ —	\$ 5,511
Gains on residential loans held for sale, net	8,592	—	8,592	8,592	—	8,592
Mortgage banking activities, net	<u>\$ 14,103</u>	<u>\$ —</u>	<u>\$ 14,103</u>	<u>\$ 14,103</u>	<u>\$ —</u>	<u>\$ 14,103</u>

The increase in mortgage banking activities in the three- and nine-month periods is primarily related to the consolidation of Constructive.

*(Loss) Income from Equity Investments*

The following table presents the components of (loss) income from equity investments for the three and nine months ended September 30, 2025 and 2024, respectively (dollar amounts in thousands):

	For the Three Months Ended September 30,			For the Nine Months Ended September 30,		
	2025	2024	\$ Change	2025	2024	\$ Change
Preferred return on preferred equity investments accounted for as equity	\$ 1,218	\$ 3,401	\$ (2,183)	\$ 5,000	\$ 10,440	\$ (5,440)
Unrealized losses, net on preferred equity investments accounted for as equity	(2,860)	(4,537)	1,677	(2,041)	(5,230)	3,189
Loss from unconsolidated joint venture equity investments in multi-family properties	—	(421)	421	(838)	(4,485)	3,647
Income (loss) from investment in Constructive	47	7,611	(7,564)	(1,554)	9,301	(10,855)
Total (loss) income from equity investments	<u>\$ (1,595)</u>	<u>\$ 6,054</u>	<u>\$ (7,649)</u>	<u>\$ 567</u>	<u>\$ 10,026</u>	<u>\$ (9,459)</u>

The decreases in income from equity investments during the three- and nine-month periods were primarily due to 1) a reduction in our share of income from our equity investment in Constructive, following its consolidation in our financial statements during the third quarter of 2025 and 2) a decrease in preferred return on preferred equity investments accounted for as equity as a result of redemptions that have occurred since September 30, 2024. These decreases were partially offset by lower unrealized losses recognized on preferred equity investments accounted for as equity and unconsolidated joint venture equity investments in multi-family properties, reflecting both the impact of redemptions or sales since September 30, 2024 and improved performance of certain remaining underlying properties.

*Impairment of Real Estate*

The following table presents impairment of real estate for the three and nine months ended September 30, 2025 and 2024, respectively (dollar amounts in thousands):

	For the Three Months Ended September 30,			For the Nine Months Ended September 30,		
	2025	2024	\$ Change	2025	2024	\$ Change
Impairment of real estate	\$ (1,619)	\$ (7,823)	\$ 6,204	\$ (9,437)	\$ (48,142)	\$ 38,705

The decreases in impairment of real estate recognized in 2025 can primarily be attributed to the sale or de-consolidation of a significant portion of our multi-family real estate assets since September 30, 2024. Also, during the three and nine months ended September 30, 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 three and nine months ended September 30, 2025 and 2024, respectively (dollar amounts in thousands):

	For the Three Months Ended September 30,			For the Nine Months Ended September 30,		
	2025	2024	\$ Change	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 during the nine months ended September 30, 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 nine months ended September 30, 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 three and nine months ended September 30, 2025 and 2024, respectively (dollar amounts in thousands):

	For the Three Months Ended September 30,			For the Nine Months Ended September 30,		
	2025	2024	\$ Change	2025	2024	\$ Change
Servicing fee income	\$ 1,999	\$ —	\$ 1,999	\$ 5,952	\$ —	\$ 5,952
Gain on sale of real estate	74	17,903	(17,829)	10	18,164	(18,154)
Gain on de-consolidation of joint venture equity investment in Consolidated VIEs	—	3,393	(3,393)	—	3,703	(3,703)
Loss on extinguishment of collateralized debt obligations and mortgages payable on real estate	(448)	(1,699)	1,251	(448)	(2,391)	1,943
Miscellaneous	(146)	118	(264)	130	(2,935)	3,065
Total other income	\$ 1,479	\$ 19,715	\$ (18,236)	\$ 5,644	\$ 16,541	\$ (10,897)

The declines in other income during the three- and nine-month periods reflect the elevated levels of other income in the three- and nine-month periods ended September 30, 2024, which was driven by gains recognized on the sales of certain multi-family properties in consolidated joint venture equity investments and sale of our membership interests in consolidated joint venture equity investments during those 2024 periods. Other income for the three- and nine-month periods ended September 30, 2025 benefitted from servicing fee income related to mortgage servicing rights acquired in late 2024. Additionally, miscellaneous income increased in the nine-month period due to a provision for uncollectible receivables that was recorded in the prior year period. The provision is related to asset management expenses incurred on a non-accrual multi-family loan 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 three and nine months ended September 30, 2025 and 2024, respectively (dollar amounts in thousands):

	For the Three Months Ended September 30,			For the Nine Months Ended September 30,		
	2025	2024	\$ Change	2025	2024	\$ Change
<b>General and Administrative Expenses</b>						
Salaries, benefits and directors' compensation	\$ 17,214	\$ 8,736	\$ 8,478	\$ 34,758	\$ 26,340	\$ 8,418
Professional fees	1,719	1,212	507	4,156	4,327	(171)
Other	4,416	1,993	2,423	8,635	5,976	2,659
Total general and administrative expenses	\$ 23,349	\$ 11,941	\$ 11,408	\$ 47,549	\$ 36,643	\$ 10,906

The increases in general and administrative expenses in the three- and nine-month periods are primarily related to the consolidation of Constructive.

	For the Three Months Ended September 30,			For the Nine Months Ended September 30,		
	2025	2024	\$ Change	2025	2024	\$ Change
Portfolio operating expenses	\$ 6,747	\$ 8,531	\$ (1,784)	\$ 21,307	\$ 23,672	\$ (2,365)

The decreases in portfolio operating expenses in the three- and nine-month periods are 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 September 30, 2024.

	For the Three Months Ended September 30,			For the Nine Months Ended September 30,		
	2025	2024	\$ Change	2025	2024	\$ Change
Loan origination costs	\$ 3,788	\$ —	\$ 3,788	\$ 3,788	\$ —	\$ 3,788

The increases in loan origination expenses in the three- and nine-month periods are related to the consolidation of Constructive.

	For the Three Months Ended September 30,			For the Nine Months Ended September 30,		
	2025	2024	\$ Change	2025	2024	\$ Change
<b>Financing Transaction Costs</b>						
Securitization transaction costs	\$ 4,306	\$ 2,354	\$ 1,952	\$ 6,590	\$ 7,972	\$ (1,382)
Senior unsecured notes transaction costs	3,635	—	3,635	7,293	2,480	4,813
Equity transaction costs	—	—	—	290	—	290
Total financing transaction costs	\$ 7,941	\$ 2,354	\$ 5,587	\$ 14,173	\$ 10,452	\$ 3,721

Financing transaction costs increased in the three- and nine-month periods as a result of increased debt issuances in 2025 as compared to 2024. Senior unsecured notes transaction costs recognized in the three months ended September 30, 2025 are related to the issuance of the 9.875% 2030 Senior Notes.

#### **Comprehensive Income (Loss)**

The main components of comprehensive income (loss) for the three and nine months ended September 30, 2025 and 2024, respectively, are detailed in the following table (dollar amounts in thousands):

	For the Three Months Ended September 30,			For the Nine Months Ended September 30,		
	2025	2024	\$ Change	2025	2024	\$ Change
NET INCOME (LOSS) ATTRIBUTABLE TO COMPANY'S COMMON STOCKHOLDERS	\$ 32,702	\$ 32,410	\$ 292	\$ 59,501	\$ (61,957)	\$ 121,458
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	\$ 32,702	\$ 32,410	\$ 292	\$ 59,501	\$ (61,953)	\$ 121,454

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 September 30, 2025, all of the Company's investment securities are accounted for using the fair value option.

### Segment Information

As of September 30, 2025, the Company operates in two reportable segments: (i) investment portfolio and (ii) Constructive. The activities within Corporate/Other are reconciling items to the condensed 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, financing transaction costs unrelated to securitizations and preferred stock dividends.

The following tables present summarized financial information by reportable segment for the three and nine months ended September 30, 2025, respectively, which in total reconciles to the same data for the Company on a consolidated basis (dollar amounts in thousands):

	<b>For the Three Months Ended September 30, 2025</b>			
	<b>Investment Portfolio</b>	<b>Constructive</b>	<b>Corporate/Other</b>	<b>Total</b>
Total net interest income (loss)	\$ 45,023	\$ 124	\$ (8,561)	\$ 36,586
Total net loss from real estate	(3,878)	—	—	(3,878)
Total other income (loss)	41,720	12,162	(5,278)	48,604
Total general, administrative and operating expenses	10,809	16,062	14,954	41,825
Income (loss) from operations before income taxes	72,056	(3,776)	(28,793)	39,487
Income tax expense (benefit)	12	—	(310)	(298)
Net income (loss)	72,044	(3,776)	(28,483)	39,785
Net loss attributable to non-controlling interests	5,035	—	—	5,035
Net income (loss) attributable to Company	77,079	(3,776)	(28,483)	44,820
Preferred stock dividends	—	—	(12,118)	(12,118)
Net income (loss) attributable to Company's common stockholders	\$ 77,079	\$ (3,776)	\$ (40,601)	\$ 32,702

	<b>For the Nine Months Ended September 30, 2025</b>			
	<b>Investment Portfolio</b>	<b>Constructive</b>	<b>Corporate/Other</b>	<b>Total</b>
Total net interest income (loss)	\$ 125,987	\$ 124	\$ (19,980)	\$ 106,131
Total net loss from real estate	(9,126)	—	—	(9,126)
Total other income	57,302	12,162	1,828	71,292
Total general, administrative and operating expenses	27,906	16,062	42,849	86,817
Income (loss) from operations before income taxes	146,257	(3,776)	(61,001)	81,480
Income tax expense	26	—	163	189
Net income (loss)	146,231	(3,776)	(61,164)	81,291
Net loss attributable to non-controlling interests	14,231	—	—	14,231
Net income (loss) attributable to Company	160,462	(3,776)	(61,164)	95,522
Preferred stock dividends	—	—	(36,021)	(36,021)
Net income (loss) attributable to Company's common stockholders	\$ 160,462	\$ (3,776)	\$ (97,185)	\$ 59,501

For more information regarding segment reporting, please see *Note 25* to our condensed consolidated financial statements included in this report.

### Analysis of Changes in GAAP Book Value

The following table analyzes the changes in GAAP book value of our common stock for the three and nine months ended September 30, 2025 (amounts in thousands, except per share data):

	For the Three Months Ended September 30, 2025			For the Nine Months Ended September 30, 2025		
	Amount	Shares	Per Share <sup>(1)</sup>	Amount	Shares	Per Share <sup>(1)</sup>
<b>Beginning Balance</b>	\$ 822,705	90,314	\$ 9.11	\$ 840,610	90,575	\$ 9.28
Common stock issuance, net <sup>(2)</sup>	2,439	(6)		5,767	(36)	
Preferred stock issuance, net	1,058			5,027		
Preferred stock issuance liquidation preference	(1,144)			(5,532)		
Common stock repurchases	—	—		(1,502)	(231)	
Balance after share activity	825,058	90,308	9.14	844,370	90,308	9.35
Adjustment of redeemable non-controlling interest to estimated redemption value	(5,209)		(0.06)	(14,108)		(0.16)
Dividends and dividend equivalents declared	(21,416)		(0.24)	(58,628)		(0.65)
Net income attributable to Company's common stockholders	32,702		0.36	59,501		0.66
<b>Ending Balance</b>	<u>\$ 831,135</u>	<u>90,308</u>	<u>\$ 9.20</u>	<u>\$ 831,135</u>	<u>90,308</u>	<u>\$ 9.20</u>

<sup>(1)</sup> Outstanding shares used to calculate book value per common share for the three and nine months ended September 30, 2025 are 90,307,776.

<sup>(2)</sup> Includes amortization of stock based compensation.

## Non-GAAP Financial Measures

In addition to the results presented in accordance with GAAP, this Quarterly Report on Form 10-Q 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 Quarterly Report on Form 10-Q 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 condensed 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 three and nine months ended September 30, 2025 and 2024, respectively (dollar amounts in thousands):

### Three Months Ended September 30, 2025

	Agency	Single-Family Credit <sup>(8)</sup>	Multi-Family Credit	Corporate/Other	Total
Adjusted Interest Income <sup>(1)(2)</sup>	\$ 86,041	\$ 59,305	\$ 2,124	\$ 2,030	\$ 149,500
Adjusted Interest Expense <sup>(1)</sup>	(55,268)	(41,377)	—	(10,103)	(106,748)
Adjusted Net Interest Income (Loss) <sup>(1)</sup>	\$ 30,773	\$ 17,928	\$ 2,124	\$ (8,073)	\$ 42,752
Average Interest Earning Assets <sup>(3)</sup>	\$ 5,873,080	\$ 3,333,917	\$ 71,026	\$ 172,958	\$ 9,450,981
Average Interest Bearing Liabilities <sup>(4)</sup>	\$ 5,300,885	\$ 2,902,470	\$ —	\$ 561,681	\$ 8,765,036
Yield on Average Interest Earning Assets <sup>(1)(5)</sup>	5.86 %	7.12 %	11.96 %	4.69 %	6.33 %
Average Financing Cost <sup>(1)(6)</sup>	(4.14)%	(5.66)%	—	(7.14)%	(4.83)%
Net Interest Spread <sup>(1)(7)</sup>	1.72 %	1.46 %	11.96 %	(2.45)%	1.50 %

### Three Months Ended September 30, 2024

	Agency	Single-Family Credit <sup>(8)</sup>	Multi-Family Credit	Corporate/Other	Total
Adjusted Interest Income <sup>(1)(2)</sup>	\$ 43,260	\$ 53,976	\$ 2,699	\$ 1,051	\$ 100,986
Adjusted Interest Expense <sup>(1)</sup>	(27,574)	(39,721)	—	(5,001)	(72,296)
Adjusted Net Interest Income (Loss) <sup>(1)</sup>	\$ 15,686	\$ 14,255	\$ 2,699	\$ (3,950)	\$ 28,690
Average Interest Earning Assets <sup>(3)</sup>	\$ 2,827,807	\$ 3,013,637	\$ 91,164	\$ 103,275	\$ 6,035,883
Average Interest Bearing Liabilities <sup>(4)</sup>	\$ 2,530,166	\$ 2,519,000	\$ —	\$ 306,946	\$ 5,356,112
Yield on Average Interest Earning Assets <sup>(1)(5)</sup>	6.12 %	7.16 %	11.84 %	4.08 %	6.69 %
Average Financing Cost <sup>(1)(6)</sup>	(4.32)%	(6.26)%	—	(6.46)%	(5.37)%
Net Interest Spread <sup>(1)(7)</sup>	1.80 %	0.90 %	11.84 %	(2.38)%	1.32 %

**Nine Months Ended September 30, 2025**

	Agency	Single-Family Credit <sup>(8)</sup>	Multi-Family Credit	Corporate/Other	Total
Adjusted Interest Income <sup>(1)(2)</sup>	\$ 211,458	\$ 178,684	\$ 6,931	\$ 7,675	\$ 404,748
Adjusted Interest Expense <sup>(1)</sup>	(136,871)	(122,487)	—	(26,321)	(285,679)
Adjusted Net Interest Income (Loss) <sup>(1)</sup>	<u>\$ 74,587</u>	<u>\$ 56,197</u>	<u>\$ 6,931</u>	<u>\$ (18,646)</u>	<u>\$ 119,069</u>
Average Interest Earning Assets <sup>(3)</sup>	\$ 4,800,319	\$ 3,288,334	\$ 77,238	\$ 239,397	\$ 8,405,288
Average Interest Bearing Liabilities <sup>(4)</sup>	\$ 4,317,105	\$ 2,810,728	\$ —	\$ 547,932	\$ 7,675,765
Yield on Average Interest Earning Assets <sup>(1)(5)</sup>	5.87 %	7.25 %	11.96 %	4.27 %	6.42 %
Average Financing Cost <sup>(1)(6)</sup>	(4.24)%	(5.83)%	—	(6.42)%	(4.98)%
Net Interest Spread <sup>(1)(7)</sup>	<u>1.63 %</u>	<u>1.42 %</u>	<u>11.96 %</u>	<u>(2.15)%</u>	<u>1.44 %</u>

**Nine Months Ended September 30, 2024**

	Agency	Single-Family Credit <sup>(8)</sup>	Multi-Family Credit	Corporate/Other	Total
Adjusted Interest Income <sup>(1)(2)</sup>	\$ 111,652	\$ 142,324	\$ 8,072	\$ 1,051	\$ 263,099
Adjusted Interest Expense <sup>(1)</sup>	(67,672)	(104,612)	—	(8,596)	(180,880)
Adjusted Net Interest Income (Loss) <sup>(1)</sup>	<u>\$ 43,980</u>	<u>\$ 37,712</u>	<u>\$ 8,072</u>	<u>\$ (7,545)</u>	<u>\$ 82,219</u>
Average Interest Earning Assets <sup>(3)</sup>	\$ 2,414,191	\$ 2,834,435	\$ 94,306	\$ 34,425	\$ 5,377,357
Average Interest Bearing Liabilities <sup>(4)</sup>	\$ 2,157,482	\$ 2,284,165	\$ —	\$ 199,649	\$ 4,641,296
Yield on Average Interest Earning Assets <sup>(1)(5)</sup>	6.17 %	6.69 %	11.41 %	4.07 %	6.52 %
Average Financing Cost <sup>(1)(6)</sup>	(4.19)%	(6.12)%	—	(5.75)%	(5.21)%
Net Interest Spread <sup>(1)(7)</sup>	<u>1.98 %</u>	<u>0.57 %</u>	<u>11.41 %</u>	<u>(1.68)%</u>	<u>1.31 %</u>

(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 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 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 annualized 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 annualized 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 condensed 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).

For the three- and nine-month periods, adjusted interest income increased by approximately \$48.5 million and \$141.7 million, respectively, primarily due to an increase in interest earning assets driven by increased investment in Agency RMBS and residential loans since September 30, 2024. Yield on average interest earnings assets declined in the three- and nine-month periods, reflecting our emphasis on lower yielding Agency RMBS and business purpose rental loans (relative to business purpose bridge loans).

Adjusted interest expense increased for the three- and nine-month periods by approximately \$34.5 million and \$104.8 million, respectively, as a result of increased financing obtained to fund investing activity through repurchase agreements and securitizations as well as issuance of senior unsecured notes. Average financing cost decreased for the three- and nine-month periods primarily due to improved financing terms and base interest rate movements.

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 three and nine months ended September 30, 2025 and 2024, respectively, is presented below (dollar amounts in thousands):

	For the Three Months Ended September 30,									
	2025					2024				
	Agency	Single-Family Credit	Multi-Family Credit	Corporate/Other	Total	Agency	Single-Family Credit	Multi-Family Credit	Corporate/Other	Total
GAAP interest income	\$ 85,975	\$ 70,504	\$ 2,124	\$ 2,030	\$ 160,633	\$ 43,260	\$ 61,351	\$ 2,699	\$ 1,051	\$ 108,361
GAAP interest expense	(60,472)	(53,080)	—	(10,495)	(124,047)	(35,116)	(47,641)	—	(5,367)	(88,124)
GAAP total net interest income (loss)	\$ 25,503	\$ 17,424	\$ 2,124	\$ (8,465)	\$ 36,586	\$ 8,144	\$ 13,710	\$ 2,699	\$ (4,316)	\$ 20,237
GAAP interest income	\$ 85,975	\$ 70,504	\$ 2,124	\$ 2,030	\$ 160,633	\$ 43,260	\$ 61,351	\$ 2,699	\$ 1,051	\$ 108,361
Adjusted for:										
Consolidated SLST CDO interest expense	—	(11,199)	—	—	(11,199)	—	(7,375)	—	—	(7,375)
TBA dollar roll income	66	—	—	—	66	—	—	—	—	—
Adjusted interest income	\$ 86,041	\$ 59,305	\$ 2,124	\$ 2,030	\$ 149,500	\$ 43,260	\$ 53,976	\$ 2,699	\$ 1,051	\$ 100,986
GAAP interest expense	\$ (60,472)	\$ (53,080)	\$ —	\$ (10,495)	\$ (124,047)	\$ (35,116)	\$ (47,641)	\$ —	\$ (5,367)	\$ (88,124)
Adjusted for:										
Consolidated SLST CDO interest expense	—	11,199	—	—	11,199	—	7,375	—	—	7,375
Net interest benefit of interest rate swaps	5,204	504	—	392	6,100	7,542	545	—	366	8,453
Adjusted interest expense	\$ (55,268)	\$ (41,377)	\$ —	\$ (10,103)	\$ (106,748)	\$ (27,574)	\$ (39,721)	\$ —	\$ (5,001)	\$ (72,296)
Adjusted net interest income (loss) <sup>(1)</sup>	\$ 30,773	\$ 17,928	\$ 2,124	\$ (8,073)	\$ 42,752	\$ 15,686	\$ 14,255	\$ 2,699	\$ (3,950)	\$ 28,690

For the Nine Months Ended September 30,										
	2025					2024				
	Agency	Single-Family Credit	Multi-Family Credit	Corporate/Other	Total	Agency	Single-Family Credit	Multi-Family Credit	Corporate/Other	Total
GAAP interest income	211,385	205,276	6,931	\$ 7,675	\$ 431,267	\$ 111,652	162,252	\$ 8,072	\$ 1,051	\$ 283,027
GAAP interest expense	(147,403)	(150,025)	—	(27,709)	(325,137)	(90,022)	(125,048)	—	(10,813)	(225,883)
GAAP total net interest income (loss)	<u>\$ 63,982</u>	<u>\$ 55,251</u>	<u>\$ 6,931</u>	<u>\$ (20,034)</u>	<u>\$ 106,130</u>	<u>\$ 21,630</u>	<u>\$ 37,204</u>	<u>\$ 8,072</u>	<u>\$ (9,762)</u>	<u>\$ 57,144</u>
GAAP interest income	\$ 211,385	\$ 205,276	\$ 6,931	\$ 7,675	\$ 431,267	\$ 111,652	\$ 162,252	\$ 8,072	\$ 1,051	\$ 283,027
Adjusted for:										
Consolidated SLST CDO interest expense	—	(26,592)	—	—	(26,592)	—	(19,928)	—	—	(19,928)
TBA dollar roll income	73	—	—	—	73	—	—	—	—	—
Adjusted interest income	<u>\$ 211,458</u>	<u>\$ 178,684</u>	<u>\$ 6,931</u>	<u>\$ 7,675</u>	<u>\$ 404,748</u>	<u>\$ 111,652</u>	<u>\$ 142,324</u>	<u>\$ 8,072</u>	<u>\$ 1,051</u>	<u>\$ 263,099</u>
GAAP interest expense	\$ (147,403)	\$ (150,025)	\$ —	\$ (27,709)	\$ (325,137)	\$ (90,022)	\$ (125,048)	\$ —	\$ (10,813)	\$ (225,883)
Adjusted for:										
Consolidated SLST CDO interest expense	—	26,592	—	—	26,592	—	19,928	—	—	19,928
Net interest benefit of interest rate swaps	10,532	946	—	1,388	12,866	22,350	508	—	2,217	25,075
Adjusted interest expense	<u>\$ (136,871)</u>	<u>\$ (122,487)</u>	<u>\$ —</u>	<u>\$ (26,321)</u>	<u>\$ (285,679)</u>	<u>\$ (67,672)</u>	<u>\$ (104,612)</u>	<u>\$ —</u>	<u>\$ (8,596)</u>	<u>\$ (180,880)</u>
Adjusted net interest income (loss) <sup>(1)</sup>	<u>\$ 74,587</u>	<u>\$ 56,197</u>	<u>\$ 6,931</u>	<u>\$ (18,646)</u>	<u>\$ 119,069</u>	<u>\$ 43,980</u>	<u>\$ 37,712</u>	<u>\$ 8,072</u>	<u>\$ (7,545)</u>	<u>\$ 82,219</u>

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

#### *Earnings Available for Distribution*

Previously, we presented undepreciated earnings (loss) as a supplemental non-GAAP financial measure comparable to GAAP net income (loss) attributable to Company's common stockholders. Commencing with the quarter ended March 31, 2025, we have discontinued disclosure of undepreciated earnings (loss). Beginning with the quarter ended March 31, 2025, we are presenting 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.

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.

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) non-recurring transaction expenses, (i) the income tax effect of non-EAD income (loss) items and (j) EAD adjustments attributable to non-controlling interests.

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 three and nine months ended September 30, 2025 and 2024, respectively, is presented below (amounts in thousands, except per share data):

	For the Three Months Ended September 30,		For the Nine Months Ended September 30,	
	2025	2024	2025	2024
GAAP net income (loss) attributable to Company's common stockholders	\$ 32,702	\$ 32,410	\$ 59,501	\$ (61,957)
Adjustments:				
Realized losses, net	5,610	1,380	50,481	19,404
Unrealized gains, net	(54,852)	(96,949)	(197,670)	(41,046)
Losses on derivative instruments, net <sup>(1)</sup>	19,172	69,093	99,713	21,033
Unrealized losses, net on equity investments <sup>(2)</sup>	2,860	1,097	7,310	7,685
Impairment of real estate	1,619	7,823	9,437	48,142
Loss on reclassification of disposal group	—	—	—	14,636
Other losses (gains) <sup>(3)</sup>	311	(21,124)	(1,012)	(19,114)
Depreciation and amortization of operating real estate	5,936	8,131	17,759	32,942
Non-cash expenses <sup>(4)</sup>	2,961	2,531	7,720	7,033
Transaction expenses <sup>(5)</sup>	9,233	2,454	16,891	10,915
Income tax effect of adjustments	(336)	2,325	(23)	2,393
EAD adjustments attributable to non-controlling interests	(3,225)	155	(9,899)	(22,628)
Earnings available for distribution attributable to Company's common stockholders	\$ 21,991	\$ 9,326	\$ 60,208	\$ 19,438
Weighted average shares outstanding - basic	90,406	90,582	90,437	90,895
GAAP net income (loss) attributable to Company's common stockholders per common share - basic	\$ 0.36	\$ 0.36	\$ 0.66	\$ (0.68)
EAD per common share - basic	\$ 0.24	\$ 0.10	\$ 0.67	\$ 0.21

<sup>(1)</sup> Excludes net interest benefit of interest rate swaps of approximately \$6.1 million and \$8.5 million for the three months ended September 30, 2025 and 2024, respectively, and \$12.9 million and \$25.1 million for the nine months ended September 30, 2025 and 2024, respectively. Also excludes TBA dollar roll income of approximately \$66.2 thousand and \$73.0 thousand for the three and nine months ended September 30, 2025, respectively.

- (2) Included in income from equity investments on the Company's condensed consolidated statements of operations.
- (3) Included in other income on the Company's condensed consolidated statements of operations and 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 financing transaction costs and transaction and/or restructuring 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 fee simple interests in single-family rental homes and joint venture equity interests 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 and joint venture equity investments 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 certain of the Consolidated Real Estate VIEs, we record redeemable non-controlling interests as mezzanine equity on our condensed 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 the applicable Consolidated Real Estate VIEs. 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 condensed 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 joint venture equity 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 condensed 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 condensed 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 September 30, 2025 and December 31, 2024, respectively, is presented below (amounts in thousands, except per share data):

	<b>September 30, 2025</b>	<b>December 31, 2024</b>
Company's stockholders' equity	\$ 1,390,777	\$ 1,394,720
Preferred stock liquidation preference	(559,642)	(554,110)
GAAP book value	831,135	840,610
Add:		
Cumulative depreciation expense on real estate <sup>(1)</sup>	26,357	20,837
Cumulative amortization of lease intangibles related to real estate <sup>(1)</sup>	4,620	4,620
Cumulative adjustment of redeemable non-controlling interest to estimated redemption value	54,782	40,675
Adjustment of amortized cost liabilities to fair value	20,481	30,619
Adjusted book value	<u>\$ 937,375</u>	<u>\$ 937,361</u>
Common shares outstanding	90,308	90,575
GAAP book value per common share <sup>(2)</sup>	\$ 9.20	\$ 9.28
Adjusted book value per common share <sup>(3)</sup>	\$ 10.38	\$ 10.35

<sup>(1)</sup> 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.

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

<sup>(3)</sup> 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 September 30, 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. There have been no material changes to our critical accounting estimates as previously described under Part II, Item 7 of our Annual Report on Form 10-K for the year ended December 31, 2024. For a discussion of our critical accounting estimates and the possible effects of changes in estimates on our consolidated financial statements, please see Part II., Item 7 of our Annual Report on Form 10-K for the year ended December 31, 2024.

### **Recent Accounting Pronouncements**

A discussion of recent accounting pronouncements and the possible effects on our consolidated financial statements is included in “Note 2 — Summary of Significant Accounting Policies” included in Part I, Item 1 of this Quarterly Report on Form 10-Q.

**Balance Sheet Analysis**

As of September 30, 2025, we had approximately \$12.4 billion of total assets. Included in this amount is approximately \$1.2 billion of assets held in Consolidated SLST and \$490.5 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 September 30, 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 TBAs and first loss subordinated securities and certain IOs issued by Consolidated SLST. At September 30, 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 September 30, 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 September 30, 2025 and December 31, 2024 (dollar amounts in thousands):

Investment Securities	September 30, 2025						
	Current Par Value	Amortized Cost	Unrealized		Fair Value	Weighted Average	
			Gains	Losses		Coupon <sup>(1)</sup>	Yield <sup>(2)</sup>
<b>Available for Sale (“AFS”) and TBAs</b>							
Agency RMBS and TBAs							
Fixed rate	\$ 6,339,838	\$ 6,309,171	\$ 94,530	\$ (1,132)	\$ 6,402,569	5.61 %	5.66 %
Adjustable rate	120,821	119,192	3,796	—	122,988	5.44 %	5.53 %
IO	1,519,683	114,920	1,401	(13,875)	102,446	1.66 %	11.90 %
TBAs <sup>(3)</sup>	30,000	30,764	—	(121)	30,643	5.88 %	—
Total Agency RMBS and TBAs	8,010,342	6,574,047	99,727	(15,128)	6,658,646	4.81 %	5.78 %
Non-Agency RMBS							
Senior	4,000	4,000	104	—	4,104	8.76 %	8.76 %
Subordinated	8,509	7,917	8	(2,316)	5,609	4.71 %	5.51 %
IO	322,032	12,168	6,293	—	18,461	1.49 %	28.86 %
Total Non-Agency RMBS	334,541	24,085	6,405	(2,316)	28,174	1.64 %	18.55 %
U.S. Treasury securities	180,890	180,868	2,520	(850)	182,538	4.58 %	4.57 %
Total - AFS and TBAs	\$ 8,525,773	\$ 6,779,000	\$ 108,652	\$ (18,294)	\$ 6,869,358	4.63 %	5.82 %
<b>Consolidated SLST</b>							
Non-Agency RMBS							
Subordinated	\$ 252,075	\$ 183,146	\$ 2,744	\$ (39,004)	\$ 146,886	4.78 %	6.84 %
IO	122,546	12,262	—	(357)	11,905	3.50 %	9.09 %
Total Non-Agency RMBS	374,621	195,408	2,744	(39,361)	158,791	4.34 %	7.00 %
Total - Consolidated SLST	\$ 374,621	\$ 195,408	\$ 2,744	\$ (39,361)	\$ 158,791	4.34 %	7.00 %
Total Investment Securities	\$ 8,900,394	\$ 6,974,408	\$ 111,396	\$ (57,655)	\$ 7,028,149	4.62 %	5.86 %

Investment Securities	December 31, 2024						
	Current Par Value	Amortized Cost	Unrealized		Fair Value	Weighted Average	
			Gains	Losses		Coupon <sup>(1)</sup>	Yield <sup>(2)</sup>
<b>Available for Sale (“AFS”)</b>							
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 %
<b>Consolidated SLST</b>							
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 %

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

<sup>(2)</sup> Our weighted average yield was calculated by dividing our annualized interest income by our weighted average amortized cost for the respective periods and excludes TBAs.

<sup>(3)</sup> TBAs are recorded as derivative instruments in the accompanying condensed consolidated financial statements. As of September 30, 2025, our TBAs had a net carrying value of \$0.1 million reported in other liabilities on the accompanying condensed consolidated balance sheets. The net carrying value represents the difference between the implied fair value of the underlying security in the TBA contract and the price to be paid or received for the underlying security (or amortized cost).

The following tables summarize certain characteristics of our Agency RMBS portfolio, inclusive of TBAs, as of September 30, 2025 and December 31, 2024 (dollar amounts in thousands):

September 30, 2025				
	Current Par Value	Fair Value	Weighted Average	
			CPR <sup>(1) (2)</sup>	Loan Age <sub>(2)</sub> (Months)
<b>Agency RMBS and TBAs</b>				
30-Year Fixed rate				
4.5%	\$ 50,630	\$ 49,169	3.6 %	26
5.0%	1,432,880	1,423,030	4.4 %	11
5.5%	3,450,197	3,486,471	6.8 %	15
6.0%	1,127,767	1,154,854	9.5 %	23
6.5%	278,364	289,045	16.5 %	29
TBAs 6.0%	30,000	30,643	—	—
Total 30-Year Fixed rate	6,369,838	6,433,212	7.1 %	16
Adjustable rate	120,821	122,988	10.3 %	29
IO	1,519,683	102,446	15.2 %	20
Total Agency RMBS and TBAs	<u>\$ 8,010,342</u>	<u>\$ 6,658,646</u>	<u>7.3 %</u>	<u>16</u>

December 31, 2024				
	Current Par Value	Fair Value	Weighted Average	
			CPR <sup>(1)</sup>	Loan Age (Months)
<b>Agency RMBS</b>				
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	<u>\$ 4,244,730</u>	<u>\$ 3,136,812</u>	<u>13.6 %</u>	<u>17</u>

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

<sup>(2)</sup> Excludes TBAs as they do not have a defined weighted-average loan balance or age until mortgages have been assigned to the pool.

As of September 30, 2025 and December 31, 2024, investment securities with a fair value of \$6.3 billion and \$3.7 billion, respectively, were pledged as collateral under the Company's outstanding repurchase agreements.

As of September 30, 2025 and December 31, 2024, Agency RMBS with a fair value of \$68.2 million and \$33.4 million, respectively, were pledged as initial margin for outstanding interest rate swaps.

As of September 30, 2025 and December 31, 2024, Consolidated SLST subordinated bonds with a fair value of \$124.9 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 September 30, 2025, the Company had \$6.1 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 September 30, 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 September 30, 2025, the weighted average interest rate for repurchase agreements secured by investment securities was 4.43%.

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):

<b>Quarter Ended</b>	<b>Quarterly Average Balance</b>	<b>End of Quarter Balance</b>	<b>Maximum Balance at any Month-End</b>
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

*TBA Dollar Rolls*

From time to time, we enter into TBAs as an alternate means of investing in and financing Agency RMBS. We include the cost basis of outstanding TBAs in our measures of leverage because a forward contract to acquire Agency RMBS in the TBA market carries similar risks to Agency RMBS purchased in the cash market and funded with on-balance sheet liabilities. As of September 30, 2025, the Company had outstanding TBA forward contracts with a cost basis of \$30.8 million.

*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 September 30, 2025 and December 31, 2024:

	<b>Outstanding Face Amount</b>	<b>Carrying Value</b>	<b>Interest Rate <sup>(1)(2)</sup></b>	<b>Stated Maturity <sup>(3)</sup></b>
September 30, 2025	\$ 66,742	\$ 66,762	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 September 30, 2025, CDOs with an aggregate outstanding face amount of \$66.7 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 three and nine months ended September 30, 2025, the Company recognized \$50.0 thousand and \$132.6 thousand in net unrealized losses, respectively, on its non-Agency RMBS re-securitization, which are included in unrealized gains, net on the accompanying condensed 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 September 30, 2025 and December 31, 2024, respectively (dollar amounts in thousands):

	September 30, 2025	December 31, 2024
Acquired and originated residential loans	\$ 2,969,048	\$ 2,876,066
Consolidated SLST	1,182,599	965,672
Originated residential loans held for sale	105,036	—
Total	<u>\$ 4,256,683</u>	<u>\$ 3,841,738</u>

#### Acquired and Originated Residential Loans

Acquired and originated residential loans held in the Company's investment portfolio includes business purpose loans and performing, re-performing, and non-performing residential loans and are presented at fair value on our condensed 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 condensed consolidated statements of operations.

The following tables detail our acquired and originated residential loans by strategy at September 30, 2025 and December 31, 2024, respectively (dollar amounts in thousands):

	September 30, 2025					
	Number of Loans	Unpaid Principal	Fair Value	Weighted Average FICO	Weighted Average LTV <sup>(1)</sup>	Weighted Average Coupon
Business purpose rental loan strategy	5,996	\$ 1,201,784	\$ 1,227,776	747	70%	7.07%
Business purpose bridge loan strategy	1,924	928,677	917,069	741	65%	10.42%
Performing residential loan strategy	2,405	551,781	492,192	749	52%	4.21%
Re-performing residential loan strategy	2,687	340,719	332,011	659	46%	5.16%
Total	<u>13,012</u>	<u>\$ 3,022,961</u>	<u>\$ 2,969,048</u>			

	December 31, 2024					
	Number of Loans	Unpaid Principal	Fair Value	Weighted Average FICO	Weighted Average LTV <sup>(1)</sup>	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>			

<sup>(1)</sup> 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:*

<b>Loan to Value at Purchase <sup>(1)</sup></b>	<b>September 30, 2025</b>	<b>December 31, 2024</b>
50% or less	8.1 %	9.0 %
>50% - 60%	8.7 %	9.7 %
>60% - 70%	21.2 %	21.7 %
>70% - 80%	44.1 %	38.0 %
>80% - 90%	10.8 %	12.7 %
>90% - 100%	4.1 %	4.7 %
>100%	3.0 %	4.2 %
Total	100.0 %	100.0 %

<sup>(1)</sup> 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.

<b>FICO Scores at Purchase</b>	<b>September 30, 2025</b>	<b>December 31, 2024</b>
550 or less	3.8 %	5.6 %
551 to 600	3.7 %	4.8 %
601 to 650	4.5 %	5.3 %
651 to 700	13.8 %	14.6 %
701 to 750	30.4 %	27.5 %
751 to 800	35.6 %	34.5 %
801 and over	8.2 %	7.7 %
Total	100.0 %	100.0 %

<b>Current Coupon</b>	<b>September 30, 2025</b>	<b>December 31, 2024</b>
3.00% or less	4.8 %	5.4 %
3.01% - 4.00%	9.8 %	11.6 %
4.01% - 5.00%	12.0 %	14.2 %
5.01% - 6.00%	5.0 %	5.9 %
6.01% - 7.00%	10.3 %	7.6 %
7.01% - 8.00%	20.2 %	11.5 %
8.01% and over	37.9 %	43.8 %
Total	100.0 %	100.0 %

<b>Delinquency Status</b>	<b>September 30, 2025</b>	<b>December 31, 2024</b>
Current	94.7 %	91.2 %
31 – 60 days	0.9 %	1.6 %
61 – 90 days	0.6 %	1.1 %
90+ days	3.8 %	6.1 %
Total	100.0 %	100.0 %

<b>Origination Year</b>	<b>September 30, 2025</b>	<b>December 31, 2024</b>
2007 or earlier	10.2 %	13.8 %
2008 - 2019	7.0 %	8.3 %
2020 - 2022	21.6 %	27.1 %
2023	4.1 %	8.2 %
2024	28.4 %	42.6 %
2025	28.7 %	—
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 \$70.9 million and \$299.6 million of residential loans from Constructive during the three and nine months ended September 30, 2025, respectively, and approximately \$30.2 million and \$137.6 million of residential loans from Constructive during the three and nine months ended September 30, 2024, 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 nine months ended September 30, 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 nine months ended September 30, 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. Our investment in Consolidated SLST as of September 30, 2025 and December 31, 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 \$158.8 million and \$148.5 million, respectively. For more information on investment securities held by the Company within Consolidated SLST, refer to the "Investment Securities" section above.

[Table of Contents](#)

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 September 30, 2025 and December 31, 2024, respectively (dollar amounts in thousands, except current average loan size):

	<b>September 30, 2025</b>	<b>December 31, 2024</b>
Current fair value	\$ 1,182,599	\$ 965,672
Current unpaid principal balance	\$ 1,329,199	\$ 1,111,633
Number of loans	8,763	7,246
Current average loan size	\$ 151,684	\$ 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	791	767
<b>Current Coupon:</b>		
3.00% or less	6.7 %	5.1 %
3.01% – 4.00%	36.1 %	35.4 %
4.01% – 5.00%	38.9 %	40.6 %
5.01% – 6.00%	10.8 %	11.2 %
6.01% and over	7.5 %	7.7 %
<b>Delinquency Status:</b>		
Current	68.5 %	68.2 %
31 - 60	15.1 %	15.3 %
61 - 90	5.9 %	6.0 %
90+	10.5 %	10.5 %
<b>Origination Year:</b>		
2005 or earlier	24.0 %	27.5 %
2006	12.5 %	14.4 %
2007	18.5 %	19.8 %
2008 or later	45.0 %	38.3 %
<b>Geographic state concentration (greater than 5.0%):</b>		
California	11.2 %	11.7 %
New York	10.7 %	10.8 %
Florida	8.7 %	9.1 %
Illinois	7.4 %	6.3 %
New Jersey	6.2 %	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 secondary market investors as of September 30, 2025.

The following table details the loan characteristics of our residential loans held for sale as of September 30, 2025 (dollar amounts in thousands, except current average loan size):

	<b>September 30, 2025</b>	
Current fair value	\$	105,036
Current unpaid principal balance	\$	102,439
Number of loans		491
Current average loan size	\$	208,634
Weighted average FICO		753
Weighted average LTV		74 %
Weighted average coupon		7.2 %

The following tables include additional information on residential loans originated between July 15, 2025 and September 30, 2025 (dollar amounts in thousands):

<b>Originations by Channel</b>	<b>Unpaid Principal</b>	<b>%</b>
Retail	\$ 47,987	12.5 %
Wholesale	334,456	87.5 %
Total	<u>\$ 382,443</u>	<u>100.0 %</u>

<b>Originations by Strategy</b>	<b>Unpaid Principal</b>	<b>%</b>
Business purpose bridge loan strategy	\$ 18,530	4.8 %
Business purpose rental loan strategy	363,913	95.2 %
Total	<u>\$ 382,443</u>	<u>100.0 %</u>

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

### Repurchase Agreements and Warehouse Facilities

As of September 30, 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 September 30, 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 following table presents detailed information about these repurchase agreements and warehouse facilities and associated assets pledged as collateral at September 30, 2025 and December 31, 2024, respectively (dollar amounts in thousands):

	Maximum Aggregate Uncommitted Principal or Line Amount	Outstanding Repurchase Agreements and Warehouse Facilities	Net Deferred Finance Costs <sup>(1)</sup>	Carrying Value of Repurchase Agreements and Warehouse Facilities	Carrying Value of Assets Pledged <sup>(2)</sup>	Weighted Average Rate	Weighted Average Months to Maturity <sup>(3)</sup>
September 30, 2025	\$ 3,225,000	\$ 380,692	\$ (311)	\$ 380,381	\$ 474,220	6.37 %	5.56
December 31, 2024	\$ 2,775,000	\$ 496,410	\$ (796)	\$ 495,614	\$ 659,183	6.70 %	9.64

<sup>(1)</sup> 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 condensed 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.

<sup>(2)</sup> Includes residential loans and real estate owned with an aggregate carrying value of \$252.9 million, residential loans held for sale with a net carrying value of \$102.8 million, and single-family rental properties with a net carrying value of \$118.5 million as of September 30, 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.

<sup>(3)</sup> The Company expects to either roll outstanding amounts under these repurchase agreements and warehouse facilities into new financing arrangements or 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
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 \$160.2 million and \$286.8 million, respectively, as of September 30, 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 September 30, 2025 and December 31, 2024, respectively (dollar amounts in thousands):

	<b>September 30, 2025</b>			
	<b>Outstanding Face Amount</b>	<b>Carrying Value</b>	<b>Weighted Average Interest Rate <sup>(1)(2)</sup></b>	<b>Stated Maturity <sup>(3)</sup></b>
Consolidated SLST <sup>(4)</sup>	\$ 1,074,080	\$ 1,016,952	3.36 %	2059 - 2065
Residential loan securitizations at fair value <sup>(4)</sup>	\$ 2,148,070	\$ 2,118,581	5.34 %	2029 - 2069
Residential loan securitizations at amortized cost, net	\$ 376,200	\$ 375,164	3.73 %	2035 - 2061

	<b>December 31, 2024</b>			
	<b>Outstanding Face Amount</b>	<b>Carrying Value</b>	<b>Weighted Average Interest Rate <sup>(1)</sup></b>	<b>Stated Maturity <sup>(3)</sup></b>
Consolidated SLST <sup>(4)</sup>	\$ 867,004	\$ 811,591	3.49 %	2059 - 2064
Residential loan securitizations at fair value <sup>(4)</sup>	\$ 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

<sup>(1)</sup> 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.

<sup>(2)</sup> 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 September 30, 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.

<sup>(3)</sup> 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.

<sup>(4)</sup> 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 three and nine months ended September 30, 2025, the Company recognized \$8.8 million and \$20.8 million in net unrealized losses, respectively, on residential loan securitizations at fair value, which are included in unrealized gains (losses), net on the accompanying condensed consolidated statements of operations. For the three and nine months ended September 30, 2024, the Company recognized \$18.8 million and \$17.3 million in net unrealized losses, respectively, on residential loan securitizations at fair value, which are included in unrealized gains (losses), net on the accompanying condensed consolidated statements of operations.

### ***Mezzanine Lending***

The Company's Mezzanine Lending strategy may include preferred equity in, and mezzanine loans to, entities that have 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 condensed 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 condensed 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 condensed consolidated financial statements.

During the three months ended September 30, 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 nine months ended September 30, 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 nine months ended September 30, 2025.

During the nine months ended September 30, 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 2.7% 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 26.2% of the total investment amount of the Mezzanine Lending portfolio.

The following tables summarize our Mezzanine Lending portfolio as of September 30, 2025 and December 31, 2024, respectively (dollar amounts in thousands):

<b>September 30, 2025</b>					
	<b>Count</b>	<b>Fair Value <sup>(1)(2)</sup></b>	<b>Investment <sup>(2)</sup> Amount</b>	<b>Weighted Average Preferred Return Rate <sup>(3)</sup></b>	<b>Weighted Average Remaining Life (Years)</b>
Preferred equity investments	14	\$ 97,472	\$ 108,725	12.33 %	4.8
Preferred equity investment in Consolidated VIE <sup>(4)</sup>	1	18,138	18,162	13.89 %	6.3
<b>Total</b>	<b>15</b>	<b>\$ 115,610</b>	<b>\$ 126,887</b>	<b>12.55 %</b>	<b>5.0</b>

  

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

(1) Preferred equity investments in the amounts of \$68.6 million and \$86.2 million are included in multi-family loans on the accompanying condensed consolidated balance sheets as of September 30, 2025 and December 31, 2024, respectively. Preferred equity investments in the amounts of \$28.8 million and \$73.4 million are included in equity investments on the accompanying condensed consolidated balance sheets as of September 30, 2025 and December 31, 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 condensed consolidated financial statements as of September 30, 2025 and December 31, 2024, respectively, is shown below (dollar amounts in thousands):

	<b>September 30, 2025</b>	<b>December 31, 2024</b>
Cash and cash equivalents	\$ 451	\$ 392
Real estate, net	53,606	53,508
Other assets	4,037	4,939
<b>Total assets</b>	<b>58,094</b>	<b>58,839</b>
Mortgage payable on real estate, net	45,128	45,120
Other liabilities	1,914	1,823
<b>Total liabilities</b>	<b>47,042</b>	<b>46,943</b>
Non-controlling interest in Consolidated VIE	(7,086)	(5,071)
<b>Preferred equity investment in Consolidated VIE</b>	<b>\$ 18,138</b>	<b>\$ 16,967</b>

*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 September 30, 2025 and December 31, 2024, respectively (dollar amounts in thousands):

September 30, 2025						
State	Count	Investment Amount	% Total	Weighted Average Coupon	Weighted Average LTV <sup>(1)</sup>	Weighted Average DSCR <sup>(2)</sup>
Texas	6	\$ 51,994	41.0 %	12.44 %	85 %	1.12x
Arizona	1	15,031	11.9 %	14.00 %	80 %	1.49x
South Dakota	1	11,242	8.9 %	15.00 %	86 %	1.50x
Florida	1	10,887	8.6 %	11.00 %	85 %	1.06x
South Carolina	1	10,139	8.0 %	13.00 %	76 %	1.26x
Louisiana	1	8,124	6.4 %	10.00 %	87 %	1.62x
Other	4	19,470	15.2 %	12.04 %	80 %	1.38x
Total	15	\$ 126,887	100.0 %	12.55 %	83 %	1.26x

December 31, 2024						
State	Count	Investment Amount	% Total	Weighted Average Coupon	Weighted Average LTV <sup>(1)</sup>	Weighted Average DSCR <sup>(2)</sup>
Florida	3	\$ 54,115	29.0 %	13.12 %	83 %	0.89x <sup>(3)</sup>
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 <sup>(4)</sup>
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

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

<sup>(2)</sup> 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.

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

<sup>(4)</sup> DSCR affected by senior loan and Mezzanine Lending modifications.

***Equity Investments in Multi-Family Entities***

The Company owns, or owned, joint venture equity investments in entities that own multi-family properties. The Company determined that these joint venture entities are VIEs and that the Company is the primary beneficiary of all but two of these VIEs, resulting in consolidation of the VIEs where we are the primary beneficiary, including their assets, liabilities, income and expenses, in our condensed 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 condensed consolidated balance sheets as of September 30, 2025 and December 31, 2024. *See Note 9* in the Notes to Condensed Consolidated Financial Statements for additional information. The Company's net equity in consolidated joint venture equity investments ("Consolidated JVs") and disposal group held for sale totaled \$139.9 million and \$153.7 million as of September 30, 2025 and December 31, 2024, respectively.

A reconciliation of our net equity investments in Consolidated JVs and disposal group held for sale, including one preferred equity investment in a Consolidated VIE, to our condensed consolidated financial statements as of September 30, 2025 and December 31, 2024, respectively, is shown below (dollar amounts in thousands):

	<b>September 30, 2025</b>	<b>December 31, 2024</b>
Cash and cash equivalents	\$ 3,147	\$ 4,151
Real estate, net	469,764	481,161
Assets of disposal group held for sale <sup>(1)</sup>	1,383	118,613
Other assets	16,251	16,696
<b>Total assets</b>	<b>\$ 490,545</b>	<b>\$ 620,621</b>
Mortgages payable on real estate, net <sup>(2)</sup>	\$ 362,747	\$ 366,606
Liabilities of disposal group held for sale <sup>(1)</sup>	78	97,065
Other liabilities	10,563	10,621
<b>Total liabilities</b>	<b>\$ 373,388</b>	<b>\$ 474,292</b>
Redeemable non-controlling interest in Consolidated VIEs	\$ 13,713	\$ 12,359
Less: Cumulative adjustment of redeemable non-controlling interest to estimated redemption value	(54,782)	(40,675)
Non-controlling interest in Consolidated VIEs	(464)	1,887
Non-controlling interest in disposal group held for sale	627	2,044
<b>Net equity investment <sup>(3)</sup></b>	<b>\$ 158,063</b>	<b>\$ 170,714</b>
Less: Net equity in preferred equity investment in Consolidated VIE <sup>(4)</sup>	(18,138)	(16,967)
<b>Net equity investment in Consolidated JVs and disposal group held for sale</b>	<b>\$ 139,925</b>	<b>\$ 153,747</b>

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

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

<sup>(3)</sup> The Company's net equity investment as of September 30, 2025 consists of \$157.4 million of net equity investments in consolidated multi-family properties (including its preferred equity investment in a Consolidated VIE) and \$0.7 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.

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

#### *Joint Venture Equity Investments in Consolidated Multi-Family Properties not in Disposal Group Held for Sale*

As of September 30, 2025, the Company's net joint venture equity investments in consolidated multi-family properties not in disposal group held for sale of \$139.2 million consists of a combined preferred equity and common equity investment in one joint venture entity that does not meet the criteria to be classified as disposal group held for sale. The joint venture 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 \$13.7 million as of September 30, 2025.

The geographic concentrations in joint venture equity investments in consolidated multi-family properties exceeding 5% of our joint venture equity investments in consolidated multi-family properties not in disposal group held for sale as of September 30, 2025 and December 31, 2024, respectively, are shown below (dollar amounts in thousands):

**September 30, 2025**

State	Property Count	Total Equity Ownership Interest	Net Equity Investment <sup>(1)</sup>	Percentage of Total Net Equity Investment
Texas	5	70%	\$ 46,279	54.8 %
Florida	1	50%	\$ 14,832	17.6 %
Kentucky	1	70%	\$ 10,366	12.3 %
Alabama	1	70%	\$ 6,671	7.9 %
Tennessee	1	65%	\$ 4,675	5.5 %

**December 31, 2024**

State	Property Count	Total Equity Ownership Interest	Net Equity Investment <sup>(1)</sup>	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 %

<sup>(1)</sup> Represents our joint venture equity investment in consolidated multi-family properties net of redeemable non-controlling interest at its estimated redemption value.

*Property Data for Joint Venture Equity Investments in Multi-Family Properties not in Disposal Group Held for Sale*

The following table provides summary information regarding our joint venture equity investments in multi-family properties that are not in disposal group held for sale as of September 30, 2025.

Market	Property Count	Occupancy %	Units	Rent per Unit <sup>(1)</sup>	LTV <sup>(2)</sup>
Collierville, TN	1	94.5 %	324	\$ 1,521	85.7 %
Dallas, TX	2	94.2 %	401	1,882	89.5 %
Houston, TX	1	94.2 %	192	1,434	78.7 %
Little Rock, AR	1	96.2 %	202	1,378	90.1 %
Louisville, KY	1	91.9 %	300	1,494	84.4 %
Montgomery, AL	1	94.9 %	252	1,104	70.9 %
San Antonio, TX	2	93.4 %	684	1,225	83.8 %
St Petersburg, FL	1	97.5 %	326	2,614	79.0 %
<b>Total Count/Average</b>	<b>10</b>	<b>94.4 %</b>	<b>2,681</b>	<b>\$ 1,578</b>	<b>83.4 %</b>

<sup>(1)</sup> Represents average monthly rent per unit.

<sup>(2)</sup> 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.

*Unconsolidated Multi-Family Joint Venture Equity Investments*

The Company owned equity interests in two joint venture entities that owned multi-family apartment communities. The Company determined that these joint venture entities were VIEs but that the Company was not the primary beneficiary, resulting in the Company recording its equity investments at fair value. We received variable distributions from these investments on a pro rata basis and management fees based upon property performance. The Company sold its equity interests in the two joint venture entities during the three months ended September 30, 2025. The following table summarizes our unconsolidated multi-family joint venture equity investments as of December 31, 2024 (dollar amounts in thousands):

**December 31, 2024**

<b>State</b>	<b>Property Count</b>	<b>Ownership Interest</b>	<b>Fair Value</b>
Texas	2	70%	\$ 1,338

*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).

	<b>Strategy</b>	<b>Ownership Interest</b>	<b>Fair Value</b>
Constructive Loans, LLC <sup>(1)</sup>	Residential Loans	50%	\$ 38,718

<sup>(1)</sup> 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 financial instruments in connection with its risk management activities. These derivative instruments may include interest rate swaps, interest rate caps, TBAs, credit default swaps, 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. 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 elected not to apply hedge accounting for its derivative instruments.

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.

The Company 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 uses TBAs to mitigate interest rate risk and also invests 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 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 gold future contracts that obligate the Company to sell or buy a specific quantity of gold 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.

## **Debt**

The Company's debt as of September 30, 2025 included senior unsecured notes and subordinated debentures.

### *9.875% 2030 Senior Notes*

On July 8, 2025, the Company completed the issuance of \$90.0 million in aggregate principal amount of its 9.875% Senior Notes due 2030 (the "9.875% 2030 Senior Notes") in an underwritten public offering. 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 9.875% 2030 Senior Notes were issued at par, bear interest at a rate equal to 9.875% per year and mature on October 1, 2030, unless earlier redeemed.

### *9.125% 2030 Senior Notes*

On January 14, 2025, the Company completed the issuance of \$82.5 million in aggregate principal amount of its 9.125% Senior Notes due 2030 (the "9.125% 2030 Senior Notes") in an underwritten public offering. The 9.125% 2030 Senior Notes were issued at par, bear interest at a rate equal to 9.125% per year and mature on April 1, 2030, unless earlier redeemed.

### *2029 Senior Notes*

On June 28, 2024, the Company completed the issuance of \$60.0 million in aggregate principal amount of its 9.125% Senior Notes due 2029 (the "2029 Senior Notes") in an underwritten public offering. The 2029 Senior Notes were issued at par, bear interest at a rate equal to 9.125% per year and mature on July 1, 2029, unless earlier redeemed.

### *2026 Senior Notes*

As of September 30, 2025, the Company had \$100.0 million aggregate principal amount of its 5.75% Senior Notes due 2026 (the "2026 Senior Notes") outstanding. The 2026 Senior Notes were issued at par and carry deferred charges resulting in a total cost to the Company of approximately 6.73%. The Company's 2026 Senior Notes, which mature on April 30, 2026, 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.

### *Subordinated Debentures*

As of September 30, 2025, certain of our wholly-owned subsidiaries had trust preferred securities outstanding of \$45.0 million with a weighted average interest rate of 8.24% 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 condensed consolidated balance sheets.

**Balance Sheet Analysis - Company's Stockholders' Equity**

The following table provides a summary of the Company's stockholders' equity at September 30, 2025 and December 31, 2024, respectively (dollar amounts in thousands):

	<b>September 30, 2025</b>	<b>December 31, 2024</b>
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	2,279,204	2,289,044
Accumulated deficit	(1,429,802)	(1,430,675)
<b>Company's stockholders' equity</b>	<b>\$ 1,390,777</b>	<b>\$ 1,394,720</b>

## Liquidity and Capital Resources

### General

Liquidity is a measure of our ability to meet potential cash requirements. Our short-term (the 12 months ending September 30, 2026) and long-term (beyond September 30, 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 nine months ended September 30, 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 September 30, 2025, the Company's portfolio recourse leverage ratio of 4.7x remains within our target range. As of September 30, 2025, 68% of our debt, excluding mortgages payable on real estate and Consolidated SLST CDOs, is subject to mark-to-market margin calls, with 62% of that debt collateralized by Agency RMBS, 4% collateralized by residential credit assets and 2% collateralized by U.S. Treasury securities. The remaining 32% 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 with a 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 September 30, 2025, we had \$180.9 million of available cash and cash equivalents (excluding cash and cash equivalents held by Consolidated Real Estate VIEs and cash reserved for potential TBA variation margin), \$459.6 million of unencumbered investment securities (including the securities we own in Consolidated SLST) and \$57.7 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 the multi-family properties in which we hold joint venture equity investments, the 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 Nine Months Ended September 30, 2025*

During the nine months ended September 30, 2025, net cash, cash equivalents and restricted cash decreased by \$31.3 million.

*Cash Flows from Operating Activities*

We generated net cash flows from operating activities totaling \$72.0 million during the nine months ended September 30, 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 nine months ended September 30, 2025, our net cash flows used in investing activities were \$2.7 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 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 nine months ended September 30, 2025, our net cash flows provided by financing activities were \$2.6 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 September 30, 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 September 30, 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 September 30, 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 September 30, 2025, we had an aggregate amount at risk under repurchase agreements secured by residential loans, real estate owned and single-family rental properties of approximately \$93.5 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 September 30, 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 September 30, 2025, we had \$180.9 million included in cash and cash equivalents and \$459.6 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 September 30, 2025 included \$423.4 million of Agency RMBS, \$34.4 million of non-Agency RMBS (including an IO security we own in Consolidated SLST) and \$1.8 million of U.S. Treasury securities.

At September 30, 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.

At September 30, 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 September 30, 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 September 30, 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 September 30, 2025, we also had other longer-term debt which includes Company-sponsored residential loan securitization CDOs with a carrying value of \$2.5 billion and non-Agency RMBS re-securitization CDOs with a carrying value of \$66.8 million. We had 14 Company-sponsored securitizations with CDOs outstanding as of September 30, 2025. *See Note 14* to our condensed consolidated financial statements included in this report for further discussion.

The real estate assets held by our multi-family joint venture equity investments 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 September 30, 2025, our Company recourse leverage ratio, which represents our total outstanding recourse repurchase agreement and warehouse facility financing, subordinated debentures, senior unsecured notes and cost basis of outstanding TBAs 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 September 30, 2025, our portfolio recourse leverage ratio, which represents our outstanding recourse repurchase agreement and warehouse facility financing and cost basis of outstanding TBAs 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, 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, 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 three and nine months ended September 30, 2025, the Company issued 45,765 and 221,260 shares of Preferred Stock under the Preferred Equity Distribution Agreement, respectively, at an average price of \$23.64 and \$23.19 per share, respectively, resulting in total net proceeds to the Company of approximately \$1.1 million and \$5.1 million, respectively. As of September 30, 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 in an underwritten public offering and the 9.875% 2030 Senior Notes in an underwritten public offering and registered direct offering during the nine months ended September 30, 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 nine months ended September 30, 2025. As of September 30, 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, 2026.

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 nine months ended September 30, 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 September 30, 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, 2026.

### *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 condensed 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 September 30, 2025, the Company had commitments to fund up to \$160.5 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, such commitments totaled \$143.8 million as of September 30, 2025.

### *Repurchase Reserves for Origination Activity*

As a seller of business purpose loans to secondary market investors, 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 condensed consolidated balance sheets as of September 30, 2025.

### *Redeemable Non-Controlling Interest*

Pursuant to the operating agreement for one of our joint venture equity investments, third party investors in this joint venture 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 condensed consolidated financial statements included in this report for further discussion of redeemable non-controlling interest.

### Item 3. Quantitative and Qualitative Disclosures about Market Risk

*This section should be read in conjunction with “Item 1A. Risk Factors” in our Annual Report on Form 10-K for the year ended December 31, 2024, “Part II. Item 1A. Risk Factors” in this Quarterly Report on Form 10-Q and in 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 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 a variable-rate mortgage payable has entered into an interest rate cap contract 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 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 annualized 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 annualized 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 annualized adjusted net interest income based on our assets and liabilities as of September 30, 2025 (dollar amounts in thousands):

<b>Changes in Interest Rates (basis points)</b>		<b>Changes in Adjusted Net Interest Income <sup>(1) (2)</sup></b>
+200	\$	(130,338)
+100	\$	(65,156)
-100	\$	65,140
-200	\$	130,251

<sup>(1)</sup> Represents a non-GAAP financial measure. See Item 2, "Management's Discussion and Analysis of Financial Condition and Results of Operations — Non-GAAP Financial Measures" in this Quarterly Report on Form 10-Q for a reconciliation of the Company's non-GAAP financial measures to their most directly comparable GAAP measure.

<sup>(2)</sup> 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 September 30, 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, as was the case in 2024 and continuing into 2025. 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 certain 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 2, “Management’s Discussion and Analysis of Financial Condition and Results of Operations — Liquidity and Capital Resources” and the other information in this Quarterly Report on Form 10-Q 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, the implementation of tariffs and trade policy uncertainty 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 residential loans, our RMBS investments and multi-family loans and rental income and reduce the distributions we receive from our joint venture equity 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 equity investments in owners of multi-family properties, including joint venture equity investments. 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 preferred equity and equity 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 secondary market investors 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 September 30, 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 September 30, 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.

<b>Fair Value Changes</b>	
<b>Changes in Interest Rates</b>	<b>Percentage Change in Net Asset Fair Value <sup>(1)</sup></b>
(basis points)	
+200	(1.58)%
+100	(1.14)%
Base	—
-100	0.09%
-200	0.48%

<sup>(1)</sup> Includes residential loans, residential loans held for sale, Mezzanine Lending investments, investment securities, 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 4. 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 September 30, 2025. Based upon that evaluation, our principal executive officer and principal financial officer concluded that our disclosure controls and procedures were effective as of September 30, 2025.

*Changes in Internal Control Over Financial Reporting.* There have been no changes in our internal control over financial reporting during the quarter ended September 30, 2025 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

## PART II. OTHER INFORMATION

### Item 1A. Risk Factors

We are supplementing the risk factors described in [Part I, “Item 1A. Risk Factors”](#) of our Annual Report on Form 10-K for the year ended December 31, 2024 (“2024 Form 10-K”), with the additional risk factors set forth below. These supplemental risk factors should be read in conjunction with the other risk factors described in the 2024 Form 10-K.

***Global trade disruption, significant introductions of trade barriers and bilateral trade frictions, together with any future downturns in the global economy or market disruptions resulting therefrom, could materially and adversely impact our business, results of operations, financial condition and ability to make distributions to our stockholders.***

Political leaders in the U.S. and certain foreign countries have recently been elected on protectionist platforms, fueling doubts about the future of global free trade. The U.S. government has indicated its intent to alter its approach to international trade policy and in some cases to renegotiate certain existing trade agreements with foreign countries. In addition, the U.S. government has recently imposed tariffs on certain foreign goods and has indicated a willingness to impose tariffs on imports of other products. Some foreign governments, including China, have instituted retaliatory tariffs on certain U.S. goods and have indicated a willingness to impose additional tariffs on U.S. products. Global trade disruption, significant introductions of trade barriers and bilateral trade frictions, together with any future downturns in the global economy or market disruptions resulting therefrom, could materially and adversely impact our business, results of operations, financial condition and ability to make distributions to our stockholders.

***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.

***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. Accordingly, TBA dollar roll income generally represents the economic equivalent of the net interest income earned on the underlying Agency RMBS less an implied financing cost. 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, could expose us to new or increased risks, 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, 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 could also 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. 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 that 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.

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

### *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 upsized of the common stock repurchase program to \$246.0 million. The program, which expires on March 31, 2026, 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 September 30, 2025, the Company did not repurchase any shares of its common stock pursuant to the common stock repurchase program. As of September 30, 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, 2026, 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 September 30, 2025, the Company did not repurchase any shares of its preferred stock pursuant to the preferred stock repurchase program. As of September 30, 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 5. Other Information

On November 3, 2025, the Company entered into amended and restated employment agreements with each of Jason T. Serrano, the Company's Chief Executive Officer (the "Serrano Employment Agreement"), Nicholas Mah, the Company's President (the "Mah Employment Agreement"), and Kristine R. Nario-Eng, the Company's Chief Financial Officer and Secretary (the "Nario-Eng Employment Agreement" and together with the Serrano Employment Agreement and Mah Employment Agreement, the "Employment Agreements"), each effective as of November 3, 2025. The Serrano Employment Agreement amends, restates and supersedes the Employment Agreement, dated as of December 23, 2021, between the Company and Mr. Serrano. The Mah Employment Agreement amends, restates and supersedes the Employment Agreement, dated as of December 13, 2022, between the Company and Mr. Mah. The Nario-Eng Employment Agreement amends, restates and supersedes the Employment Agreement, dated as of February 1, 2022, between the Company and Ms. Nario-Eng. The Employment Agreements adjust the compensation and other terms of employment for, clarify the duties of, and update certain termination provisions for Messrs. Serrano and Mah and Ms. Nario-Eng. The material terms of the Employment Agreements are described below. The following descriptions do not purport to be complete and are qualified by their entirety by reference to the full text of the Employment Agreements, which are filed as Exhibits 10.1, 10.2, and 10.3 to this Quarterly Report on Form 10-Q.

The material terms of each executive's Employment Agreement are as follows:

**Term:** Each Employment Agreement has a two-year term, beginning on November 3, 2025 and ending on November 2, 2027 (unless sooner terminated in accordance with the terms thereof) and is subject to potential automatic annual one-year renewals after the initial term. Pursuant to each Employment Agreement, in the event the Company fails to provide an executive with written notice of the Company's determination to not extend the term of such executive's Employment Agreement at least 90 days prior to the expiration date of the initial or any applicable renewal term, such executive's Employment Agreement will be automatically extended for an additional one-year period following the end of such term.

**Base Salary:** Pursuant to the Employment Agreements, each of the executives has the annualized base salary approved for such executive in early 2025 by the Compensation Committee of the Board of Directors (the “Compensation Committee”) or the Board of Directors (as applicable), subject to future increases at the discretion of the Compensation Committee or the Board of Directors.

**Annual Short-Term Incentive Awards:** Each executive is eligible to earn annual incentive bonuses based on the level of achievement of specified performance measures set by the Compensation Committee. No later than March 31 of each fiscal year during the term of each Employment Agreement, the Compensation Committee will adopt an annual incentive plan (the “Bonus Plan”), which will set forth the performance criteria for the fiscal year. If the applicable executive or the Company, as the case may be, satisfies the performance criteria contained in the Bonus Plan for a fiscal year, such executive shall receive an annual incentive bonus in an amount pursuant to such Bonus Plan or as determined by the Compensation Committee, as applicable, and subject to ratification by the Board of Directors, if required.

**Long-Term Incentive Awards:** Each executive is eligible to participate in the Company's 2017 Equity Incentive Plan, as amended from time to time (together with any successor plans thereto, the “Stock Incentive Plan”). Under the Stock Incentive Plan, each executive is eligible to receive equity-based awards of the Company. The Compensation Committee shall approve any such awards made to an executive pursuant to the Stock Incentive Plan and each award shall be governed by the terms and conditions of the Stock Incentive Plan and the applicable award agreement.

**Termination/Severance:** If an executive's employment is terminated by the Company without Cause or due to Non-Renewal, or is terminated by an executive for Good Reason (as each such term is defined in the applicable Employment Agreement), such executive would be entitled to the following (subject to satisfaction of the release requirements set forth in the applicable Employment Agreement): (a) an amount equal to the product of (i) two, multiplied by (ii) the sum of (A) such executive's annual base salary at the time of such termination, plus (B) the target annual incentive bonus for the fiscal year in which the date of termination occurs (or, if such executive's target annual incentive bonus for the fiscal year in which the date of termination occurs has not been approved by the Compensation Committee or the Board of Directors, as applicable, prior to the date of termination, such executive's target annual incentive bonus for the fiscal year preceding the fiscal year in which the date of termination occurs); (b) COBRA reimbursements for such executive's eligible dependents for up to 18 months; and (c) acceleration of any outstanding unvested equity awards; provided, however, that with respect to each award that is subject to a performance-based vesting condition, such award shall only vest and become earned upon the satisfaction of the applicable performance metrics, as determined by the Board of Directors, calculated through the end of the applicable performance period.

If an executive's employment is terminated due to his or her death, his or her designated beneficiaries would be entitled (subject to satisfaction of the release requirements set forth in the applicable Employment Agreement) to the following: (a) an amount equal to the sum of such executive's (i) annual base salary for the year in which the date of termination occurs and (ii) such executive's target annual incentive bonus for the fiscal year in which the date of termination occurs (or, if such executive's target annual incentive bonus for the fiscal year in which the date of termination occurs has not been approved by the Compensation Committee or the Board of Directors, as applicable, prior to the date of termination, such executive's target annual incentive bonus for the fiscal year preceding the fiscal year in which the date of termination occurs); (b) acceleration of any outstanding unvested equity awards held by such executive; provided, however, that with respect to each award that is subject to a performance-based vesting condition, the extent to which such award shall vest and become earned shall remain subject to the applicable performance metrics calculated through the date of termination; and (c) COBRA reimbursements for such executive's surviving spouse and eligible dependents for up to 18 months.

If an executive's employment is terminated due to his or her disability, such executive would be entitled (subject to satisfaction of the release requirements set forth in the applicable Employment Agreement) to the following: (a) all amounts to which such executive is entitled under the disability plans, programs and policies maintained by the Company or in connection with employment by the Company; (b) COBRA reimbursements for such executive's eligible dependents for up to 18 months; and (c) acceleration of any outstanding unvested equity awards; provided, however, that with respect to each award that is subject to a performance-based vesting condition, such award shall only vest and become earned upon the satisfaction of the applicable performance metrics, as determined by the Board of Directors, calculated through the date of termination.

If an executive's employment is terminated by the Company for Cause or is terminated by an executive without Good Reason, the Company shall not have any further obligations to such executive other than payment of any earned and accrued but unpaid installment of such executive's base salary through the date of termination, at the rate in effect at the time notice of termination is given, and reimbursement of all reasonable expenses incurred by such executive in such executive's duties prior to the date of termination, such payments and reimbursements to be made in a lump sum within sixty (60) days following the date of termination.

Restrictive Covenants: Pursuant to each Employment Agreement, each executive is, under certain conditions, subject to one-year post-employment non-competition and non-solicitation covenants, as well as confidentiality covenants.

**Item 6. Exhibits****EXHIBIT INDEX**

<b>Exhibit</b>	<b>Description</b>
<a href="#">3.1*</a>	Articles of Amendment and Restatement of the Company, as amended.
<a href="#">3.2</a>	Fourth Amended and Restated Bylaws of the Company (Incorporated by reference to Exhibit 3.2 to the Company's Current Report on Form 8-K filed with the Securities and Exchange Commission on September 2, 2025).
<a href="#">3.3</a>	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).
<a href="#">3.4</a>	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).
<a href="#">3.5</a>	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).
<a href="#">3.6</a>	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).
<a href="#">3.7</a>	Articles Supplementary classifying and designating 2,460,000 additional shares of the Series C 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 29, 2019).
<a href="#">3.8</a>	Articles Supplementary classifying and designating 2,650,000 additional shares of the Series D Preferred Stock (Incorporated by reference to Exhibit 3.3 to the Company's Current Report on Form 8-K filed with the Securities and Exchange Commission on March 29, 2019).
<a href="#">3.9</a>	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).
<a href="#">3.10</a>	Articles Supplementary classifying and designating 3,000,000 additional shares of the Series E 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 November 27, 2019).
<a href="#">3.11</a>	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).
<a href="#">3.12</a>	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 to the Company's Current Report on Form 8-K filed with the Securities and Exchange Commission on August 5, 2021).
<a href="#">3.13</a>	Articles Supplementary classifying and designating 2,000,000 additional shares of the Series F 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 August 11, 2021).
<a href="#">3.14</a>	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 to 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 to the Company's Current Report on Form 8-K filed with the Securities and Exchange Commission on March 2, 2022).
- [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).

<a href="#">4.14</a>	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).
<a href="#">4.15</a>	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).  <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>
<a href="#">10.1</a> †*	Amended and Restated Employment Agreement, dated as of November 3, 2025, between the Company and Jason T. Serrano.
<a href="#">10.2</a> †*	Amended and Restated Employment Agreement, dated as of November 3, 2025, between the Company and Kristine R. Nario-Eng.
<a href="#">10.3</a> †*	Amended and Restated Employment Agreement, dated as of November 3, 2025, between the Company and Nicholas Mah.
<a href="#">31.1</a> *	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.
<a href="#">31.2</a> *	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.
<a href="#">32.1</a> **	Certification Pursuant to 18 U.S.C. 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
101.INS***	XBRL Instance Document - the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document.
101.SCH***	Taxonomy Extension Schema Document
101.CAL***	Taxonomy Extension Calculation Linkbase Document
101.DEF XBRL***	Taxonomy Extension Definition Linkbase Document
101.LAB***	Taxonomy Extension Label Linkbase Document
101.PRE***	Taxonomy Extension Presentation Linkbase Document
104	The cover page for the Registrant’s Quarterly Report on Form 10-Q for the quarter ended September 30, 2025 (formatted in Inline XBRL and contained in Exhibit 101).

† 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) Condensed Consolidated Balance Sheets at September 30, 2025 and December 31, 2024; (ii) Condensed Consolidated Statements of Operations for the three and nine months ended September 30, 2025 and 2024; (iii) Condensed Consolidated Statements of Comprehensive Income (Loss) for the three and nine months ended September 30, 2025 and 2024; (iv) Condensed Consolidated Statements of Changes in Stockholders' Equity for the three and nine months ended September 30, 2025 and 2024; (v) Condensed Consolidated Statements of Cash Flows for the nine months ended September 30, 2025 and 2024; and (vi) Notes to Condensed Consolidated Financial Statements.

**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: November 4, By:  
2025

/s/ Jason T. Serrano

---

Jason T. Serrano  
Chief Executive Officer  
(Principal Executive Officer)

Date: November 4, By:  
2025

/s/ Kristine R. Nario-Eng

---

Kristine R. Nario-Eng  
Chief Financial Officer  
(Principal Financial and Accounting Officer)

**ADAMAS TRUST, INC.**

**ARTICLES OF AMENDMENT AND RESTATEMENT**

**(as amended)**

**FIRST:** Adamas Trust, Inc., a Maryland corporation (the “**Corporation**”), desires to amend and restate its charter (the “**Charter**”) as currently in effect and as hereinafter amended.

**SECOND:** The following provisions are all the provisions of the Charter currently in effect and as hereinafter amended.

**ARTICLE 1**

**INCORPORATION**

The undersigned, Daniel M. LeBey, whose address is c/o Hunton & Williams LLP, Riverfront Plaza, East Tower, 951 E. Byrd Street, Richmond, Virginia 23219, being at least eighteen (18) years of age, does hereby form a corporation under the general laws of the State of Maryland.

**ARTICLE 2**

**NAME**

The name of the corporation (which is hereinafter called the “**Corporation**”) is:

Adamas Trust, Inc.

**ARTICLE 3**

**PURPOSE**

The purposes for which the Corporation is formed are to engage in any lawful act or activity (including, without limitation or obligation, engaging in business as a real estate investment trust under the Internal Revenue Code of 1986, as amended, or any successor statute (the “**Code**”)) for which corporations may be organized under the general laws of the State of Maryland as now or hereafter in force. For purposes of this Charter, “REIT” means a real estate investment trust under Sections 856 through 860 of the Code.

---

## ARTICLE 4

### RESIDENT AGENT AND PRINCIPAL OFFICE IN MARYLAND

The address of the principal office of the Corporation in this State is c/o The Corporation Trust Incorporated, 300 E. Lombard Street, Baltimore, Maryland 21202. The name and address of the resident agent of the Corporation are The Corporation Trust Incorporated, 300 E. Lombard Street, Baltimore, Maryland 21202. The resident agent is a Maryland corporation.

## ARTICLE 5

### PROVISIONS FOR DEFINING, LIMITING AND REGULATING CERTAIN POWERS OF THE CORPORATION AND OF THE STOCKHOLDERS AND DIRECTORS

**Section 5.1 Number of Directors.** The business and affairs of the Corporation shall be managed under the direction of the Board of Directors. The number of directors of the Corporation shall be nine (9), which number may be increased or decreased only by the Board of Directors pursuant to the Bylaws of the Corporation (the "**Bylaws**"), but shall never be less than the minimum number required by the Maryland General Corporation Law, or any successor statute (the "**MGCL**"). The names of the directors who shall serve until the first annual meeting of stockholders and until their successors are duly elected and qualify are:

Steven B. Schnall  
David A. Akre  
Raymond A. Redlingshafer, Jr.  
David R. Bock  
Alan L. Hainey  
Steven G. Norcutt  
Mary Dwyer Pembroke  
Jerome F. Sherman  
Thomas W. White

These directors may increase the number of directors and may fill any vacancy, whether resulting from an increase in the number of directors or otherwise, on the Board of Directors occurring before the first annual meeting of stockholders in the manner provided in the Bylaws.

The Corporation elects, at such time as it becomes eligible to make the election provided for under Section 3-802(b) of the MGCL, that, except as may be provided by the Board of Directors in setting the terms of any class or series, any and all vacancies on the Board of Directors may be filled only by the affirmative vote of a majority of the remaining directors in office, even if the remaining directors do not constitute a quorum, and any director elected to fill a vacancy shall serve for the remainder of the full term of the directorship in which such vacancy occurred.

**Section 5.2 Extraordinary Actions.** Except as specifically provided in Section 5.8 (relating to removal of directors) and in Article 8, notwithstanding any provision of law permitting or requiring any action to be taken or approved by the affirmative vote of the holders of shares entitled to cast a greater number of votes, any such action shall be effective and valid if taken or approved by the affirmative vote of holders of shares entitled to cast a majority of all the votes entitled to be cast on the matter.

**Section 5.3 Authorization by Board of Stock Issuance.** The Board of Directors may authorize the issuance from time to time of shares of stock of the Corporation of any class or series, whether now or hereafter authorized, or securities or rights convertible into shares of its stock of any class or series, whether now or hereafter authorized, for such consideration as the Board of Directors may deem advisable (or without consideration in the case of a stock split or stock dividend), subject to such restrictions or limitations, if any, as may be set forth in the charter (the “**Charter**”) or the Bylaws.

**Section 5.4 Preemptive Rights and Appraisal Rights.** Except as may be provided by the Board of Directors in setting the terms of classified or reclassified shares of stock pursuant to Section 6.4 or as may otherwise be provided by contract, no holder of shares of stock of the Corporation shall, as such holder, have any preemptive right to purchase or subscribe for any additional shares of stock of the Corporation or any other security of the Corporation which it may issue or sell. Holders of shares of stock shall not be entitled to exercise any rights of an objecting stockholder provided for under Title 3, Subtitle 2 of the MGCL unless the Board of Directors, upon the affirmative vote of a majority of the Board of Directors, shall determine that such rights apply, with respect to all or any classes or series of stock, to one or more transactions occurring after the date of such determination in connection with which holders of such shares would otherwise be entitled to exercise such rights.

**Section 5.5 Indemnification.** The Corporation shall have the power, to the maximum extent permitted by Maryland law in effect from time to time, to obligate itself to indemnify, and to pay or reimburse reasonable expenses in advance of final disposition of a proceeding to, (a) any individual who is a present or former director or officer of the Corporation or (b) any individual who, while a director of the Corporation and at the request of the Corporation, serves or has served as a director, officer, partner or trustee of another corporation, real estate investment trust, partnership, joint venture, trust, employee benefit plan or any other enterprise from and against any claim or liability to which such person may become subject or which such person may incur by reason of his service in any of the foregoing capacities. The Corporation shall have the power, with the approval of the Board of Directors, to provide such indemnification and advancement of expenses to a person who served a predecessor of the Corporation in any of the capacities described in (a) or (b) above and to any employee or agent of the Corporation or a predecessor of the Corporation.

**Section 5.6 Determinations by Board.** The determination as to any of the following matters, made in good faith by or pursuant to the direction of the Board of Directors consistent with the Charter and in the absence of actual receipt of an improper benefit in money, property or services or active and deliberate dishonesty established by a court, shall be final and conclusive and shall be binding upon the Corporation and every holder of shares of its stock: the amount of the net income of the Corporation for any period and the amount of assets at any time legally available for the payment of dividends, redemption of its stock or the payment of other distributions on its stock; the amount of paid-in surplus, net assets, other surplus, annual or other net profit, cash flow, fund from operations, net assets in excess of capital, undivided profits or excess of profits over losses on sales of assets; the amount, purpose, time of creation, increase or decrease, alteration or cancellation of any reserves or charges and the propriety thereof (whether or not any obligation or liability for which such reserves or charges shall have been created shall have been paid or discharged); the fair value, or any sale, bid or asked price to be applied in determining the fair value, of any asset owned or held by the Corporation or of any shares of stock of the Corporation; the number of shares of stock of any class of the Corporation; any matter relating to the acquisition, holding and disposition of any assets by the Corporation; or any other matter relating to the business and affairs of the Corporation or required or permitted by the Charter to be determined by the Board of Directors.

**Section 5.7 REIT Qualification.** If the Board of Directors determines that it is no longer in the best interests of the Corporation to continue to be qualified as a REIT, the Board of Directors may revoke or otherwise terminate the Corporation's REIT election pursuant to Section 856(g) of the Code. The Board of Directors also may determine that compliance with any restriction or limitation on stock ownership and transfers set forth in Article 8 is no longer required for REIT qualification.

**Section 5.8 Removal of Directors.** Subject to the rights of holders of one or more classes or series of Preferred Stock to elect or remove one or more directors, any director, or the entire Board of Directors, may be removed from office at any time but only by the affirmative vote of at least two-thirds of the votes entitled to be cast generally in the election of directors.

## ARTICLE 6

### STOCK

**Section 6.1 Authorized Shares.** The Corporation has authority to issue 600,000,000 shares of stock, consisting of 400,000,000 shares of Common Stock, \$0.01 par value per share ("**Common Stock**"), and 200,000,000 shares of Preferred Stock, \$0.01 par value per share ("**Preferred Stock**"). The aggregate par value of all authorized shares of stock having par value is \$6,000,000. If shares of one class of stock are classified or reclassified into shares of another class of stock pursuant to this Article 6, the number of authorized shares of the former class shall be automatically decreased and the number of shares of the latter class shall be automatically increased, in each case by the number of shares so classified or reclassified, so that the aggregate number of shares of stock of all classes that the Corporation has authority to issue shall not be more than the total number of shares of stock set forth in the first sentence of this paragraph. The Board of Directors, without any action by the stockholders of the Corporation, may amend the Charter from time to time to increase or decrease the aggregate number of shares of stock or the number of shares of stock of any class or series that the Corporation has authority to issue.

**Section 6.2 Common Stock.** Subject to the provisions of Article 7, each share of Common Stock shall entitle the holder thereof to one vote. The Board of Directors may reclassify any unissued shares of Common Stock from time to time in one or more classes or series of stock.

**Section 6.3 Preferred Stock.** The Board of Directors may classify any unissued shares of Preferred Stock and reclassify any previously classified but unissued shares of Preferred Stock of any series from time to time, in one or more classes or series of stock.

**Section 6.4 Classified or Reclassified Shares.** Prior to issuance of classified or reclassified shares of any class or series, the Board of Directors by resolution shall: (a) designate that class or series to distinguish it from all other classes and series of stock of the Corporation; (b) specify the number of shares to be included in the class or series; (c) set or change, subject to the provisions of Article 7 and subject to the express terms of any class or series of stock of the Corporation outstanding at the time, the preferences, conversion or other rights, voting powers, restrictions, limitations as to dividends or other distributions, qualifications and terms and conditions of redemption for each class or series; and (d) cause the Corporation to file articles supplementary with the State Department of Assessments and Taxation of Maryland ("**SDAT**"). Any of the terms of any class or series of stock set or changed pursuant to clause (c) of this Section 6.4 may be made dependent upon facts or events ascertainable outside the Charter (including determinations by the Board of Directors or other facts or events within the control of the Corporation) and may vary among holders thereof, provided that the manner in which such facts, events or variations shall operate upon the terms of such class or series of stock is clearly and expressly set forth in the articles supplementary or other Charter document accepted for record by the SDAT.

**Section 6.5 Charter and Bylaws.** All persons who shall acquire stock in the Corporation shall acquire the same subject to the provisions of the Charter and the Bylaws.

## ARTICLE 7

### RESTRICTION ON TRANSFER AND OWNERSHIP OF SHARES

**Section 7.1 Definitions.** For the purpose of this Article 7, the following terms shall have the following meanings:

**Aggregate Stock Ownership Limit.** The term “**Aggregate Stock Ownership Limit**” shall mean nine and four-tenths percent (9.4%) in value of the aggregate of the outstanding shares of Capital Stock.

**Beneficial Ownership.** The term “**Beneficial Ownership**” shall mean ownership of Capital Stock by a Person, whether the interest in the shares of Capital Stock is held directly or indirectly (including by a nominee), and shall include interests that would be treated as owned through the application of Section 544 of the Code, as modified by Section 856(h)(1)(B) of the Code. The terms “**Beneficial Owner**,” “**Beneficially Owns**” and “**Beneficially Owned**” shall have the correlative meanings.

**Business Day.** The term “**Business Day**” shall mean any day, other than a Saturday or Sunday, that is neither a legal holiday nor a day on which banking institutions in New York City are authorized or required by law, regulation or executive order to close.

**Capital Stock.** The term “**Capital Stock**” shall mean all classes or series of stock of the Corporation, including, without limitation, Common Stock and Preferred Stock.

**Charitable Beneficiary.** The term “**Charitable Beneficiary**” shall mean one or more beneficiaries of the Trust as determined pursuant to Section 7.3.6, provided that each such organization must be described in Section 501(c)(3) of the Code and contributions to each such organization must be eligible for deduction under one of Sections 170(b)(1)(A), 2055 and 2522 of the Code.

**Charitable Trust.** The term “**Charitable Trust**” shall mean any trust provided for in Section 7.3.1.

**Common Stock Ownership Limit.** The term “**Common Stock Ownership Limit**” shall mean nine and four-tenths percent (9.4%) in value or in number of shares, whichever is more restrictive, of the outstanding shares of Common Stock of the Corporation excluding any outstanding shares of Common Stock not treated as outstanding for federal income tax purposes.

**Constructive Ownership.** The term “**Constructive Ownership**” shall mean ownership of Capital Stock by a Person, whether the interest in the shares of Capital Stock is held directly or indirectly (including by a nominee), and shall include interests that would be treated as owned through the application of Section 318(a) of the Code, as modified by Section 856(d)(5) of the Code. The terms “**Constructive Owner**,” “**Constructively Owns**” and “**Constructively Owned**” shall have the correlative meanings.

**Disqualified Organization.** The term “**Disqualified Organization**” shall mean (a) the United States, any state or political subdivision thereof, any foreign government, any international organization, and any agency or instrumentality of the foregoing, (b) any tax-exempt organization (other than a farmers’ cooperative described in Section 521 of the Code) that is exempt from both income taxation and from taxation under the unrelated business taxable income provisions of the Code, and (c) any rural electrical or telephone cooperative.

**Excepted Holder.** The term “**Excepted Holder**” shall mean a stockholder of the Corporation for whom an Excepted Holder Limit is created by the Charter or by the Board of Directors pursuant to Section 7.2.7, and shall include Steven B. Schnall, as long as the Excepted Holder Limit for Steven B. Schnall (described below) remains in effect pursuant to its terms.

**Excepted Holder Limit.** The term “**Excepted Holder Limit**” shall mean, provided that the affected Excepted Holder agrees to comply with the requirements established by the Charter or by the Board of Directors pursuant to Section 7.2.7 and subject to adjustment pursuant to Section 7.2.8, the percentage limit established for an Excepted Holder by the Charter or by the Board of Directors pursuant to Section 7.2.7. Subject to adjustment pursuant to Section 7.2.8, the Excepted Holder Limit for Steven B. Schnall shall be twelve percent (12.0%) in value of the aggregate of the outstanding shares of Capital Stock and twelve percent (12.0%) in value or in number of shares, whichever is more restrictive, of the outstanding shares of Common Stock of the Corporation.

**Initial Date.** The term “**Initial Date**” shall mean the date of issuance of Common Stock pursuant to the initial underwritten public offering of Common Stock.

**Market Price.** The term “**Market Price**” on any date shall mean, with respect to any class or series of outstanding shares of Capital Stock, the Closing Price for such Capital Stock on such date. The “**Closing Price**” on any date shall mean the last reported sale price for such Capital Stock, regular way, or, in case no such sale takes place on such day, the average of the closing bid and asked prices, regular way, for such Capital Stock, in either case as reported in the principal consolidated transaction reporting system with respect to securities listed or admitted to trading on the NYSE or, if such Capital Stock is not listed or admitted to trading on the NYSE, as reported on the principal consolidated transaction reporting system with respect to securities listed on the principal national securities exchange on which such Capital Stock is listed or admitted to trading or, if such Capital Stock is not listed or admitted to trading on any national securities exchange, the last quoted price, or, if not so quoted, the average of the high bid and low asked prices in the over-the-counter market, as reported by the National Association of Securities Dealers, Inc. Automated Quotation System or, if such system is no longer in use, the principal other automated quotation system that may then be in use or, if such Capital Stock is not quoted by any such organization, the average of the closing bid and asked prices as furnished by a professional market maker making a market in such Capital Stock selected by the Board of Directors of the Corporation or, in the event that no trading price is available for such Capital Stock, the fair market value of the Capital Stock, as determined in good faith by the Board of Directors of the Corporation.

**NYSE.** The term “**NYSE**” shall mean the New York Stock Exchange.

**Person.** The term “**Person**” shall mean an individual, corporation, partnership, estate, trust (including a trust qualified under Sections 401(a) or 501(c)(17) of the Code), a portion of a trust permanently set aside for or to be used exclusively for the purposes described in Section 642(c) of the Code, association, private foundation within the meaning of Section 509(a) of the Code, joint stock company or other entity and also includes a “group” as that term is used for purposes of Section 13(d)(3) of the Securities Exchange Act of 1934, as amended, and a group to which an Excepted Holder Limit applies.

**Prohibited Owner.** The term “**Prohibited Owner**” shall mean, with respect to any purported Transfer, any Person who, but for the provisions of Section 7.2.1, would Beneficially Own or Constructively Own shares of Capital Stock in violation of the provisions of Section 7.2.1(a), and if appropriate in the context, shall also mean any Person who would have been the record owner of the shares of Capital Stock that the Prohibited Owner would have so owned.

**REIT.** The term “**REIT**” shall mean a real estate investment trust within the meaning of Section 856 of the Code.

**Restriction Termination Date.** The term “**Restriction Termination Date**” shall mean the first day after the Initial Date on which the Corporation determines pursuant to Section 5.7 of the Charter that it is no longer in the best interests of the Corporation to attempt to, or continue to, qualify as a REIT or that compliance with the restrictions and limitations on Beneficial Ownership, Constructive Ownership and Transfers of shares of Capital Stock set forth herein is no longer required in order for the Corporation to qualify as a REIT.

**Transfer.** The term “**Transfer**” shall mean any issuance, sale, transfer, gift, assignment, devise or other disposition, as well as any other event that causes any Person to acquire Beneficial Ownership or Constructive Ownership, or any agreement to take any such actions or cause any such events, of Capital Stock or the right to vote or receive dividends on Capital Stock, including (a) the granting or exercise of any option (or any disposition of any option), (b) any disposition of any securities or rights convertible into or exchangeable for Capital Stock or any interest in Capital Stock or any exercise of any such conversion or exchange right and (c) Transfers of interests in other entities that result in changes in Beneficial or Constructive Ownership of Capital Stock; in each case, whether voluntary or involuntary, whether owned of record, Constructively Owned or Beneficially Owned and whether by operation of law or otherwise. The terms “**Transferring**” and “**Transferred**” shall have the correlative meanings.

**Trustee.** The term “**Trustee**” shall mean the Person unaffiliated with the Corporation and a Prohibited Owner, that is appointed by the Corporation to serve as trustee of the Charitable Trust.

## Section 7.2 Capital Stock.

**Section 7.2.1 Ownership Limitations.** During the period commencing on the Initial Date and prior to the Restriction Termination Date:

(a) Basic Restrictions.

(i) (1) No Person, other than an Excepted Holder, shall Beneficially Own or Constructively Own shares of Capital Stock in excess of the Aggregate Stock Ownership Limit, (2) no Person, other than an Excepted Holder, shall Beneficially Own or Constructively Own shares of Common Stock in excess of the Common Stock Ownership Limit and (3) neither Steven B. Schnall nor any other Excepted Holder shall Beneficially Own or Constructively Own shares of Capital Stock in excess of the Excepted Holder Limit for such Excepted Holder.

(ii) Except as provided in Section 7.2.7 hereof, no Person shall Beneficially Own or Constructively Own shares of Capital Stock to the extent that such Beneficial Ownership or Constructive Ownership of Capital Stock would result in the Corporation being “closely held” within the meaning of Section 856(h) of the Code (without regard to whether the ownership interest is held during the last half of a taxable year).

(iii) Except as provided in Section 7.2.7 hereof, notwithstanding any other provisions contained herein, no person shall Transfer shares of Capital Stock (whether or not such Transfer is the result of a transaction entered into through the facilities of the NYSE or any other national securities exchange or automated inter-dealer quotation system) to the extent such transfer would result in the Capital Stock being beneficially owned by less than one hundred (100) Persons (determined under the principles of Section 856(a)(5) of the Code).

(iv) Except as provided in Section 7.2.7 hereof, no Disqualified Organization shall Beneficially Own any shares of Capital Stock, and no Person shall Transfer shares of Capital Stock to the extent that such Transfer would result in shares of Capital Stock being Beneficially Owned by a Disqualified Organization.

(b) Transfer in Trust. If any Transfer of shares of Capital Stock (whether or not such Transfer is the result of a transaction entered into through the facilities of the NYSE or any other national securities exchange or automated inter-dealer quotation system) occurs which, if effective, would result in any Person Beneficially Owning or Constructively Owning shares of Capital Stock in violation of Section 7.2.1(a)(i), (ii), (iii), or (iv),

(i) then that number of shares of the Capital Stock the Beneficial or Constructive Ownership of which otherwise would cause such Person to violate of Section 7.2.1(a)(i), (ii), (iii), or (iv) (rounded up to the nearest whole share) shall be automatically transferred to a Charitable Trust for the benefit of a Charitable Beneficiary, as described in Section 7.3, effective as of the close of business on the Business Day prior to the date of such Transfer, and such Person shall acquire no rights in such shares of Capital Stock; or

(ii) if the transfer to the Trust described in clause (i) of this sentence would not be effective for any reason to prevent the violation of Section 7.2.1(a)(i), (ii), (iii), or (iv), then the Transfer of that number of shares of Capital Stock that otherwise would cause any Person to violate Section 7.2.1(a)(i), (ii), (iii), or (iv) shall be void ab initio, and the intended transferee shall acquire no rights in such shares of Capital Stock.

**Section 7.2.2 Remedies for Breach.** If the Board of Directors of the Corporation or any duly authorized committee thereof or other designees if permitted by the MGCL shall at any time determine in good faith that a Transfer or other event has taken place that results in a violation of Section 7.2.1 or that a Person intends to acquire or has attempted to acquire Beneficial or Constructive Ownership of any shares of Capital Stock in violation of Section 7.2.1 (whether or not such violation is intended), the Board of Directors or a committee thereof or other designees if permitted by the MGCL shall take such action as it deems advisable to refuse to give effect to or to prevent such Transfer or other event, including, without limitation, causing the Corporation to redeem shares of Capital Stock, refusing to give effect to such Transfer on the books of the Corporation or instituting proceedings to enjoin such Transfer or other event; provided, however, that any Transfers or attempted Transfers or other events in violation of Section 7.2.1 shall automatically result in the transfer to the Charitable Trust described above, and, where applicable, such Transfer (or other event) shall be void ab initio as provided above irrespective of any action (or non-action) by the Board of Directors or a committee thereof.

**Section 7.2.3 Notice of Restricted Transfer.** Any Person who acquires or attempts or intends to acquire Beneficial Ownership or Constructive Ownership of shares of Capital Stock that will or may violate Section 7.2.1(a) or any Person who would have owned shares of Capital Stock that resulted in a transfer to the Charitable Trust pursuant to the provisions of Section 7.2.1(b) shall immediately give written notice to the Corporation of such event, or in the case of such a proposed or attempted transaction, give at least fifteen (15) days' prior written notice, and shall provide to the Corporation such other information as the Corporation may request in order to determine the effect, if any, of such Transfer on the Corporation's status as a REIT.

**Section 7.2.4 Owners Required To Provide Information.** From the Initial Date and prior to the Restriction Termination Date:

(a) Every owner of more than five percent (5%) (or such lower percentage as required by the Code or the Treasury Regulations promulgated thereunder) in value of the outstanding shares of Capital Stock, within thirty (30) days after the end of each taxable year, shall give written notice to the Corporation stating the name and address of such owner, the number of shares of Capital Stock Beneficially Owned and a description of the manner in which such shares are held. Each such owner shall provide to the Corporation such additional information as the Corporation may request in order to determine the effect, if any, of such Beneficial Ownership on the Corporation's status as a REIT and to ensure compliance with the Aggregate Stock Ownership Limit and the Common Stock Ownership Limit; and

(b) Each Person who is a Beneficial or Constructive Owner of Capital Stock and each Person (including the stockholder of record) who is holding Capital Stock for a Beneficial or Constructive Owner shall provide to the Corporation such information as the Corporation may request, in good faith, in order to determine the Corporation's status as a REIT and to comply with requirements of any taxing authority or governmental authority or to determine such compliance and to ensure compliance with the Aggregate Stock Ownership Limit and the Common Stock Ownership Limit.

**Section 7.2.5 Remedies Not Limited.** Subject to Section 5.7 of the Charter, nothing contained in this Section 7.2 shall limit the authority of the Board of Directors of the Corporation to take such other action as it deems necessary or advisable to protect the Corporation and the interests of its stockholders in preserving the Corporation's status as a REIT.

**Section 7.2.6 Ambiguity.** In the case of an ambiguity in the application of any of the provisions of this Section 7.2, Section 7.3, or any definition contained in Section 7.1, the Board of Directors of the Corporation shall have the power to determine the application of the provisions of this Section 7.2 or Section 7.3 or any such definition with respect to any situation based on the facts known to it. In the event Section 7.2 or 7.3 requires an action by the Board of Directors and the Charter fails to provide specific guidance with respect to such action, the Board of Directors shall have the power to determine the action to be taken so long as such action is not contrary to the provisions of Sections 7.1, 7.2 or 7.3.

**Section 7.2.7 Exceptions.**

(a) The Board of Directors of the Corporation, in its sole discretion, may exempt (prospectively or retroactively) a Person from the Aggregate Stock Ownership Limit, the Common Stock Ownership Limit and/or the restrictions contained in Section 7.2.1(a)(ii), or (iii), as the case may be, and may establish or increase an Excepted Holder Limit for such Person if the Board of Directors obtains such representations, covenants and undertakings as the Board of Directors may deem appropriate in order to conclude that granting the exemption and/or establishing or increasing the Excepted Holder Limit, as the case may be, will not cause the Corporation to lose its status as a REIT.

The Board of Directors, in its sole discretion, may exempt a Disqualified Organization from the restriction contained in Section 7.2.1(a)(iv) if either (i) the Disqualified Organization agrees to reimburse the Corporation for any tax it incurs as a result of having such Disqualified Organization as a stockholder and to make the Corporation whole for any tax imposed on the reimbursement payment, (ii) each of the following requirements is met: (A) the record holder of the shares of Capital Stock Beneficially Owned by the Disqualified Organization is a nominee of such Disqualified Organization, (B) the nominee is not itself a Disqualified Organization, (C) the nominee agrees not to transfer record ownership of such shares of Capital Stock to a Disqualified Organization, and (D) the Board of Directors obtains such representations and undertakings from such Disqualified Organization and nominee as are reasonably necessary to ascertain the foregoing, or (iii) the Corporation receives a ruling from the Internal Revenue Service or an opinion of counsel in each case to the effect that a tax will not be imposed on the Corporation as a result of the exemption.

(b) Prior to granting any exception pursuant to Section 7.2.7(a), the Board of Directors of the Corporation may require a ruling from the Internal Revenue Service, or an opinion of counsel, in either case in form and substance satisfactory to the Board of Directors in its sole discretion, as it may deem necessary or advisable in order to determine or ensure the Corporation's status as a REIT. Notwithstanding the receipt of any ruling or opinion, the Board of Directors may impose such conditions or restrictions as it deems appropriate in connection with granting such exception.

(c) Subject to Section 7.2.1(a)(ii), an underwriter or placement agent that participates in a public offering or a private placement of Capital Stock (or securities convertible into or exchangeable for Capital Stock) may Beneficially Own or Constructively Own shares of Capital Stock (or securities convertible into or exchangeable for Capital Stock) in excess of the Aggregate Stock Ownership Limit, the Common Stock Ownership Limit, or both such limits, but only to the extent necessary to facilitate such public offering or private placement and

provided that the restrictions contained in Section 7.2.1(a) will not be violated following the distribution by such underwriter or placement agent of such shares of Capital Stock.

**Section 7.2.8 Change in Aggregate Stock Ownership Limit, Common Stock Ownership Limit, and Excepted Holder Limit for Steven B. Schnall.** The Board of Directors may from time to time increase or decrease the Common Stock Ownership Limit and the Aggregate Stock Ownership Limit; provided, however, that a decreased Common Stock Ownership Limit and/or Aggregate Stock Ownership Limit will not be effective for any Person whose percentage ownership of Capital Stock is in excess of such decreased Common Stock Ownership Limit and/or Aggregate Stock Ownership Limit until such time as such Person's percentage of Capital Stock equals or falls below the decreased Common Stock Ownership Limit and/or Aggregate Stock Ownership Limit, but until such time as such Person's percentage of Capital Stock falls below such decreased Common Stock Ownership Limit and/or Aggregate Stock Ownership Limit, any further acquisition of Capital Stock will be in violation of the Common Stock Ownership Limit and/or Aggregate Stock Ownership Limit and, provided further, that the new Common Stock Ownership Limit and/or Aggregate Stock Ownership Limit would not allow five or fewer Persons (taking into account all Excepted Holders) to Beneficially Own more than 49.9% in value of the outstanding Capital Stock.

If at any time Steven B. Schnall's ownership of the Common Stock falls to or below nine and nine-tenths percent (9.9%) in value and in number of the outstanding shares of Common Stock, then, at all times after such decrease in Steven B. Schnall's ownership of the Common Stock, (i) the Common Stock Ownership Limit shall be increased to nine and nine-tenths percent (9.9%) in value or in number of shares, whichever is more restrictive, of the outstanding shares of Common Stock, (ii) the Aggregate Stock Ownership Limit shall be increased to nine and nine-tenths percent (9.9%) in value of the aggregate of the outstanding shares of Capital Stock, and (iii) the Excepted Holder Limit for Steven B. Schnall shall no longer apply and Mr. Schnall shall be subject to the Common Stock Ownership Limit and the Aggregate Stock Ownership Limit.

**Section 7.2.9 Legend.** Each certificate for shares of Capital Stock shall bear substantially the following legend:

The shares represented by this certificate are subject to restrictions on Beneficial and Constructive Ownership and Transfer. Subject to certain further restrictions and except as expressly provided in the Corporation's Charter, (i) no Person may Beneficially or Constructively Own shares of the Corporation's Common Stock in excess of nine and four-tenths percent (9.4%) in value or in number of shares, whichever is more restrictive, of the aggregate of the outstanding shares of Common Stock of the Corporation unless such Person is an Excepted Holder (in which case the Excepted Holder Limit shall be applicable); (ii) no Person may Beneficially or Constructively Own shares of Capital Stock of the Corporation in excess of nine and four-tenths percent (9.4%) in value of the aggregate of the outstanding shares of Capital Stock of the Corporation unless such Person is an Excepted Holder (in which case the Excepted Holder Limit shall be applicable); (iii) no Person may Beneficially or Constructively Own shares of Capital Stock that would result in the Corporation being "closely held" under Section 856(h) of the Internal Revenue Code of 1986, as amended (the "**Code**"); (iv) no Person may Transfer shares of Capital Stock that would result in the Capital Stock of the Corporation being beneficially owned by less than one hundred (100) Persons (determined without reference to any rules of attribution) and (v) no Disqualified Organization shall Beneficially Own any shares of Capital Stock, and no Person shall Transfer shares of Capital Stock to the extent that such Transfer would result in shares of Capital Stock being Beneficially Owned by a Disqualified Organization. Any Person who Beneficially or Constructively Owns or attempts to Beneficially or Constructively Own shares of Capital Stock which causes or will cause a Person to Beneficially or Constructively Own shares of Capital Stock in excess or in violation of the above limitations must immediately notify the Corporation. If any of the restrictions on transfer or ownership are violated, the shares of Capital Stock represented hereby will be automatically transferred to a Trustee of a Charitable Trust for the benefit of one or more Charitable Beneficiaries. In addition, the Corporation may redeem shares upon the terms and conditions specified by the Board of Directors in its sole discretion if the Board of Directors determines that ownership or a Transfer or other event may violate the restrictions described above. Furthermore, upon the occurrence of certain events, attempted Transfers in violation of the restrictions described above may be void ab initio. All capitalized terms in this legend have the meanings defined in the Charter of the Corporation, as the same may be amended from time to time, a copy of which, including the restrictions on transfer and ownership, will be furnished to each holder of Capital Stock of the Corporation on request and without charge. Requests for such a copy may be directed to the Secretary of the Corporation at its principal office.

Instead of the foregoing legend, the certificate may state that the Corporation will furnish a full statement about certain restrictions on transferability to a stockholder on request and without charge.

### **Section 7.3 Transfer of Capital Stock in Trust.**

**Section 7.3.1 Ownership in Trust.** Upon any purported Transfer or other event described in Section 7.2.1(b) that would result in a transfer of shares of Capital Stock to a Charitable Trust, such shares of Capital Stock shall be deemed to have been transferred to the Trustee as trustee for the exclusive benefit of one or more Charitable Beneficiaries. Such transfer to the Trustee shall be deemed to be effective as of the close of business on the Business Day prior to the purported Transfer or other event that results in the transfer to the Charitable Trust pursuant to Section 7.2.1(b). The Trustee shall be appointed by the Corporation and shall be a Person unaffiliated with the Corporation and any Prohibited Owner. Each Charitable Beneficiary shall be designated by the Corporation as provided in Section 7.3.6.

**Section 7.3.2 Status of Shares Held by the Trustee.** Shares of Capital Stock held by the Trustee shall continue to be issued and outstanding shares of Capital Stock of the Corporation. The Prohibited Owner shall have no rights in the Capital Stock held by the Trustee. The Prohibited Owner shall not benefit economically from ownership of any shares held in trust by the Trustee, shall have no rights to dividends or other distributions and shall not possess any rights to vote or other rights attributable to the shares held in the Trust.

**Section 7.3.3 Dividend and Voting Rights.** The Trustee shall have all voting rights and rights to dividends or other distributions with respect to shares of Capital Stock held in the Charitable Trust, which rights shall be exercised for the exclusive benefit of the Charitable Beneficiary. Any dividend or other distribution paid to a Prohibited Owner prior to the discovery by the Corporation that the shares of Capital Stock have been transferred to the Trustee shall be paid with respect to such shares of Capital Stock by the Prohibited Owner to the Trustee upon demand and any dividend or other distribution authorized but unpaid shall be paid when due to the Trustee. Any dividends or distributions so paid over to the Trustee shall be held in trust for the Charitable Beneficiary. The Prohibited Owner shall have no voting rights with respect to shares held in the Charitable Trust and, subject to Maryland law, effective as of the date that the shares of Capital Stock have been transferred to the Trustee, the Trustee shall have the authority (at the Trustee's sole discretion) (a) to rescind as void any vote cast by a Prohibited Owner prior to the discovery by the Corporation that the shares of Capital Stock have been transferred to the Trustee and (b) to recast such vote in accordance with the desires of the Trustee acting for the benefit of the Charitable Beneficiary; provided, however, that if the Corporation has already taken irreversible corporate action, then the Trustee shall not have the authority to rescind and recast such vote. Notwithstanding the provisions of this Article 7, until the Corporation has received notification that shares of Capital Stock have been transferred into a Charitable Trust, the Corporation shall be entitled to rely on its share transfer and other stockholder records for purposes of preparing lists of stockholders entitled to vote at meetings, determining the validity and authority of proxies and otherwise conducting votes of stockholders.

**Section 7.3.4 Sale of Shares by Trustee.** Within twenty (20) days of receiving notice from the Corporation that shares of Capital Stock have been transferred to the Charitable Trust, the Trustee of the Charitable Trust shall sell the shares held in the Charitable Trust to a person, designated by the Trustee, whose ownership of the shares will not violate the ownership limitations set forth in Section 7.2.1(a). Upon such sale, the interest of the Charitable Beneficiary in the shares sold shall terminate and the Trustee shall distribute the net proceeds of the sale to the Prohibited Owner and to the Charitable Beneficiary as provided in this Section 7.3.4. The Prohibited Owner shall receive the lesser of (a) 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 (e.g., in the case of a gift, devise or other such transaction), the Market Price of the shares on the day of the event causing the shares to be held in the Charitable Trust and (b) the price per share received by the Trustee (net of any commissions and other expenses of sale) from the sale or other disposition of the shares held in the Charitable Trust. The Trustee may reduce the amount payable to the Prohibited Owner by the amount of dividends and distributions paid to the Prohibited Owner and owed by the Prohibited Owner to the Trustee pursuant to Section 7.3.3 of this Article 7. Any net sales proceeds in excess of the amount payable to the Prohibited Owner shall be immediately paid to the Charitable Beneficiary. If, prior to the discovery by the Corporation that shares of Capital Stock have been transferred to the Trustee, such shares are sold by a Prohibited Owner, then (i) such shares shall be deemed to have been sold on behalf of the Trust and (ii) to the extent that the Prohibited Owner received an amount for such shares that exceeds the amount that such Prohibited Owner was entitled to receive pursuant to this Section 7.3.4, such excess shall be paid to the Trustee upon demand.

**Section 7.3.5 Purchase Right in Stock Transferred to the Trustee.** Shares of Capital Stock transferred to the Trustee shall be deemed to have been offered for sale to the Corporation, or its designee, at a price per share equal to the lesser of (a) the price per share in the transaction that resulted in such transfer to the Charitable Trust (or, in the case of a devise or gift, the Market Price at the time of such devise or gift) and (b) the Market Price on the date the Corporation, or its designee, accepts such offer. The Corporation may reduce the amount payable to the Prohibited Owner by the amount of dividends and distributions paid to the Prohibited Owner and are owed by the Prohibited Owner to the Trustee pursuant to Section 7.3.3 of this Article 7. The Corporation may pay the amount of such reduction to the Trustee for the benefit of the Charitable Beneficiary. The Corporation shall have the right to accept such offer until the Trustee has sold the shares held in the Charitable Trust pursuant to Section 7.3.4. Upon such a sale to the Corporation, the interest of the Charitable Beneficiary in the shares sold shall terminate and the Trustee shall distribute the net proceeds of the sale to the Prohibited Owner and any dividends or other distributions held by the Trustee shall be paid to the Charitable Beneficiary.

**Section 7.3.6 Designation of Charitable Beneficiaries.** By written notice to the Trustee, the Corporation shall designate one or more nonprofit organizations to be the Charitable Beneficiary of the interest in the Charitable Trust such that (a) the shares of Capital Stock held in the Charitable Trust would not violate the restrictions set forth in Section 7.2.1(a) in the hands of such Charitable Beneficiary and (b) each such organization must be described in Section 501(c)(3) of the Code and contributions to each such organization must be eligible for deduction under one of Sections 170(b)(1)(A), 2055 and 2522 of the Code.

**Section 7.4 NYSE Transactions.** Nothing in this Article 7 shall preclude the settlement of any transaction entered into through the facilities of the NYSE or any other national securities exchange or automated inter-dealer quotation system. The fact that the settlement of any transaction occurs shall not negate the effect of any other provision of this Article 7 and any transferee in such a transaction shall be subject to all of the provisions and limitations set forth in this Article 7.

**Section 7.5 Enforcement.** The Corporation is authorized specifically to seek equitable relief, including injunctive relief, to enforce the provisions of this Article 7.

**Section 7.6 Non-Waiver.** No delay or failure on the part of the Corporation or the Board of Directors in exercising any right hereunder shall operate as a waiver of any right of the Corporation or the Board of Directors, as the case may be, except to the extent specifically waived in writing.

**Section 7.7 Ambiguity.** In the case of an ambiguity in the application of any of the provisions of this Article 7, including any definition contained in Section 7.1 of this Article 7, the Board of Directors shall have the power to determine the application of the provisions of this Article 7 with respect to any situation based on the facts known to it.

## ARTICLE 8

### AMENDMENTS

The Corporation reserves the right from time to time to make any amendment to its Charter, now or hereafter authorized by law, including any amendment altering the terms or contract rights, as expressly set forth in the Charter, of any shares of outstanding stock. All rights and powers conferred by the Charter on stockholders, directors and officers are granted subject to this reservation. Except as otherwise provided in the Charter, any amendment to the Charter shall be valid only if approved by the affirmative vote of the holders of a majority of all the votes entitled to be cast on the matter. However, any amendment to Section 5.8, Section 6.3, Section 6.4, Article 7 or to this sentence of the Charter shall be valid only if approved by the affirmative vote of the holders of two-thirds of all the votes entitled to be cast on the matter.

## ARTICLE 9

### LIMITATION OF LIABILITY

To the maximum extent that Maryland law in effect from time to time permits limitation of the liability of directors and officers of a corporation, no present or former director or officer of the Corporation shall be liable to the Corporation or its stockholders for money damages. Neither the amendment nor repeal of this Article 9, nor the adoption or amendment of any other provision of the Charter or Bylaws inconsistent with this Article 9, shall apply to or affect in any respect the applicability of the preceding sentence with respect to any act or failure to act which occurred prior to such amendment, repeal or adoption.

THIRD: The foregoing amendment to and restatement of the Charter has been approved by a majority of the Board of Directors and approved by the stockholders of the Corporation as required by law.

FOURTH: The current address of the principal office of the Corporation is as set forth in Article 4 of the foregoing amended and restated Charter.

FIFTH: The name and address of the Corporation's current resident agent is as set forth in Article 4 of the foregoing amended and restated Charter.

SIXTH: The number of directors of the Corporation and the names of those currently in office are as set forth in Article 5 of the foregoing amended and restated Charter.

SEVENTH: The total number of shares of stock which the Corporation had authority to issue immediately prior to this amendment and restatement was 100 shares, \$0.01 par value per share. The aggregate par value of all shares of stock having par value was \$1.00.

EIGHTH: The total number of shares of stock which the Corporation has authority to issue pursuant to the foregoing amended and restated Charter is 600,000,000, consisting of 400,000,000 shares of Common Stock, \$0.01 par value per share, and 200,000,000 shares of Preferred Stock, \$.01 par value per share. The aggregate par value of all shares of stock having par value is \$6,000,000.00.

NINTH: The undersigned President acknowledges these Articles of Amendment and Restatement to be the corporate act of the Corporation and as to all matters or facts required to be verified under oath, the undersigned President acknowledges that, to the best of his knowledge, information and belief, these matters and facts are true in all material respects and that this statement is made under the penalties for perjury.

IN WITNESS WHEREOF, the Corporation has caused these Articles of Amendment and Restatement to be signed in its name and on its behalf by its President and attested to by its Secretary on this 17th day of June, 2004.

ATTEST:

New York Mortgage Trust, Inc.

/s/ Michael I. Wirth  
Michael I. Wirth  
Secretary

By: /s/ Raymond A. Redlingshafer, Jr. (SEAL)  
Raymond A. Redlingshafer, Jr.  
President

**NEW YORK MORTGAGE TRUST, INC.**

**ARTICLES OF AMENDMENT**

New York Mortgage Trust, Inc., a Maryland corporation (the “**Corporation**”), hereby certifies to the State Department of Assessments and Taxation of Maryland that:

**FIRST:** The charter of the Corporation is hereby amended by deleting the definitions of “**Aggregate Stock Ownership Limit**,” “**Common Stock Ownership Limit**,” “**Excepted Holder**” and “**Excepted Holder Limit**” in Section 7.1 of Article Seventh in their entirety and inserting the following in lieu thereof:

**Aggregate Stock Ownership Limit.** The term “**Aggregate Stock Ownership Limit**” shall mean not more than 5 percent, or such higher or lower percentage as the Board of Directors shall from time to time determine pursuant to Section 7.2.8, in value of the aggregate of the outstanding shares of Capital Stock. The value of the outstanding shares of Capital Stock shall be determined by the Board of Directors, which determination shall be conclusive for all purposes hereof.

**Common Stock Ownership Limit.** The term “**Common Stock Ownership Limit**” shall mean not more than 5 percent (in value or in number of shares, whichever is more restrictive), or such higher or lower percentage as the Board of Directors shall from time to time determine pursuant to Section 7.2.8, of the aggregate of the outstanding shares of Common Stock. The number and value of outstanding shares of Common Stock shall be determined by the Board of Directors, which determination shall be conclusive for all purposes hereof.

**Excepted Holder.** The term “**Excepted Holder**” shall mean a stockholder of the Corporation for whom an Excepted Holder Limit is created by these Articles or by the Board of Directors pursuant to Section 7.2.7.

**Excepted Holder Limit.** The term “**Excepted Holder Limit**” shall mean, provided that the affected Excepted Holder agrees to comply with the requirements established by the Board of Directors pursuant to Section 7.2.7 and subject to adjustment pursuant to Section 7.2.8, the percentage limit established by the Board of Directors pursuant to Section 7.2.7.

**SECOND:** The charter of the Corporation is hereby further amended by deleting Section 7.2.8 of Article Seventh in its entirety and inserting the following in lieu thereof:

**Section 7.2.8 Change in Aggregate Stock Ownership Limit and Common Stock Ownership Limit.** The Board of Directors may from time to time increase or decrease the Common Stock Ownership Limit and the Aggregate Stock Ownership Limit; provided, however, that a decreased Common Stock Ownership Limit and/or Aggregate Stock Ownership Limit will not be effective for any Person whose percentage ownership of Capital Stock is in excess of such decreased Common Stock Ownership Limit and/or Aggregate Stock Ownership Limit until such time as such Person's percentage of Capital Stock equals or falls below the decreased Common Stock Ownership Limit and/or Aggregate Stock Ownership Limit, but until such time as such Person's percentage of Capital Stock falls below such decreased Common Stock Ownership Limit and/or Aggregate Stock Ownership Limit, any further acquisition of Capital Stock will be in violation of the Common Stock Ownership Limit and/or Aggregate Stock Ownership Limit and, provided further, that the new Common Stock Ownership Limit and/or Aggregate Stock Ownership Limit would not allow five or fewer individuals (taking into account all Excepted Holders) to Beneficially Own more than 49.9% in value of the outstanding Capital Stock or otherwise cause the Corporation to fail to qualify as a REIT.

**THIRD:** The amendments to the charter of the Corporation as set forth above have been duly advised by the Board of Directors and approved by the stockholders of the Corporation as required by law.

**FOURTH:** : There has been no change in the authorized stock of the Corporation effected by the amendments to the charter of the Corporation as set forth above.

**FIFTH:** The undersigned President acknowledges these Articles of Amendment to be the corporate act of the Corporation and as to all matters or facts required to be verified under oath, the undersigned President acknowledges that to the best of his knowledge, information and belief, these matters and facts are true in all material respects and that this statement is made under the penalties for perjury.

IN WITNESS WHEREOF, the Corporation has caused these Articles of Amendment to be executed in its name and on its behalf by its President and attested to by its Secretary on this 11th day of June, 2009.

ATTEST:

NEW YORK MORTGAGE TRUST, INC.

By: /s/ Nathan R. Reese  
Name: Nathan R. Reese  
Title: Secretary

By: /s/ Steven R. Mumma  
Name: Steven R. Mumma  
Title: President

**NEW YORK MORTGAGE TRUST, INC.**

**CERTIFICATE OF NOTICE**

THIS IS TO CERTIFY THAT:

FIRST: The Board of Directors of New York Mortgage Trust, Inc., a Maryland corporation (the “**Corporation**”), pursuant to Section 7.2.8 of Article 7 of the charter of the Corporation (the “**Charter**”), has (i) increased the Common Stock Ownership Limit (as defined in the Charter) to 9.9% (in value or number of shares, whichever is more restrictive), of the aggregate of the outstanding shares of Common Stock (as defined in the Charter), and (ii) increased the Aggregate Stock Ownership Limit (as defined in the Charter) to 9.9% in value of the aggregate of the outstanding shares of Capital Stock (as defined in the Charter).

SECOND: The undersigned officer acknowledges this Certificate of Notice to be the corporate act of the Corporation and as to all matters or facts required to be verified under oath, the undersigned officer acknowledges that to the best of his knowledge, information and belief, these matters and facts are true in all material respects and that this statement is made under the penalties for perjury.

IN WITNESS WHEREOF, the Corporation has caused this Certificate of Notice to be signed in its name and on its behalf by the undersigned officer and attested to by its Secretary on this 4th day of May, 2012.

ATTEST:

**NEW YORK MORTGAGE TRUST, INC.**

By: /s/ Nathan R. Reese  
Name: Nathan R. Reese  
Title: Secretary

By: /s/ Steven R. Mumma  
Name: Steven R. Mumma  
Title: President and Chief Executive Officer

**NEW YORK MORTGAGE TRUST, INC.**

**ARTICLES OF AMENDMENT**

New York Mortgage Trust, Inc., a Maryland corporation (the “Corporation”), hereby certifies to the State Department of Assessments and Taxation of Maryland that:

**FIRST:** The charter of the Corporation (the “Charter”) is hereby amended by deleting therefrom in its entirety the first two sentences of Section 6.1 and inserting in lieu thereof two new sentences to read as follows:

“The Corporation has authority to issue 1,000,000,000 shares of stock, consisting of 800,000,000 shares of Common Stock, \$0.01 par value per share (“Common Stock”), and 200,000,000 shares of Preferred Stock, \$0.01 par value per share (“Preferred Stock”), of which (i) 6,000,000 shares are classified as 7.75% Series B Cumulative Redeemable Preferred Stock, \$0.01 par value per share, (ii) 6,600,000 shares are classified as 7.875% Series C Cumulative Redeemable Preferred Stock, \$0.01 par value per share, and (iii) 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. The aggregate par value of all authorized shares of stock having par value is \$10,000,000.”

**SECOND:** The total number of shares of stock which the Corporation had authority to issue immediately prior to the foregoing amendment of the Charter was 600,000,000 shares, consisting of 400,000,000 shares of Common Stock, \$0.01 par value per share (“Common Stock”), and 200,000,000 shares of Preferred Stock, \$0.01 par value per share (“Preferred Stock”), 6,000,000 of which were classified as 7.75% Series B Cumulative Redeemable Preferred Stock, \$0.01 par value per share (“Series B Preferred Stock”), 6,600,000 of which were classified as 7.875% Series C Cumulative Redeemable Preferred Stock, \$0.01 par value per share (“Series C Preferred Stock”), and 8,400,000 of which were classified as 8.00% Series D Fixed-to-Floating Rate Cumulative Redeemable Preferred Stock, \$0.01 par value per share (“Series D Preferred Stock”). The aggregate par value of all authorized shares of stock having par value was \$6,000,000.

**THIRD:** The total number of shares of stock which the Corporation has authority to issue pursuant to the foregoing amendment of the Charter is 1,000,000,000 shares, consisting of 800,000,000 shares of Common Stock, \$0.01 par value per share, and 200,000,000 shares of Preferred Stock \$0.01 par value per share, 6,000,000 of which are classified as Series B Preferred Stock, \$0.01 par value per share, 6,600,000 of which are classified as Series C Preferred Stock, \$0.01 par value per share, and 8,400,000 of which are classified as Series D Preferred Stock, \$0.01 par value per share. The aggregate par value of all authorized shares of stock having par value is \$10,000,000.

**FOURTH:** The information required by Section 2-607(b)(2)(i) of the Maryland General Corporation Law (the “MGCL”) is not changed by the foregoing amendment of the Charter.

FIFTH: The foregoing amendment of the Charter was approved by a majority of the entire Board of Directors of the Corporation as required by law and was limited to a change expressly authorized by the Charter and Section 2-105(a)(13) of the MGCL without any action by the stockholders of the Corporation.

SIXTH: The undersigned officer acknowledges these Articles of Amendment to be the corporate act of the Corporation and as to all matters of facts required to be verified under oath, the undersigned acknowledges that to the best of such officer's knowledge, information and belief, these matters and facts are true in all material respects and that this statement is made under the penalties for perjury.

IN WITNESS WHEREOF, the Corporation has caused these Articles of Amendment to be executed in its name and on its behalf by its Chairman and Chief Executive Officer and attested to by its Secretary on this 10th day of October, 2019.

ATTEST:

NEW YORK MORTGAGE TRUST, INC.

By: /s/ Nathan R. Reese  
Name: Nathan R. Reese  
Title: Secretary

By: /s/ Steven R. Mumma  
Name: Steven R. Mumma  
Title: Chairman and Chief Executive Officer

**NEW YORK MORTGAGE TRUST, INC.**

**ARTICLES OF AMENDMENT**

New York Mortgage Trust, Inc., a Maryland corporation (the “Corporation”), hereby certifies to the State Department of Assessments and Taxation of Maryland that:

**FIRST**: The charter of the Corporation (the “Charter”) is hereby amended to provide that, at the Effective Time (as defined below), every four shares of Common Stock, \$.01 par value per share, of the Corporation, which are issued and outstanding immediately prior to the Effective Time, shall be changed into one issued and outstanding share of Common Stock, \$.04 par value per share. No fractional shares of Common Stock of the Corporation will be or remain issued upon such amendment and each stockholder otherwise entitled to a fractional share shall be entitled to receive in lieu thereof cash in an amount equal to the product of the fraction of a share multiplied by the Market Price (as defined in Section 7.1 of the Charter) on the date of the Effective Time.

**SECOND**: The amendment to the Charter as set forth above has been duly approved by a majority of the Board of Directors of the Corporation as required by the Maryland General Corporation Law (the “MGCL”). Pursuant to Section 2-309(e)(2) of the MGCL, no stockholder approval was required.

**THIRD**: The Corporation desires to, and does hereby, further amend its Charter pursuant to Section 2-105(a)(13) and Section 2-605(a)(2) of the MGCL to replace Section 6.1 of the Charter with the following, effective immediately after the Effective Time:

**“Section 6.1. Authorized Shares.** The Corporation has authority to issue 400,000,000 shares of stock, consisting of 200,000,000 shares of Common Stock, \$0.01 par value per share (“**Common Stock**”), and 200,000,000 shares of Preferred Stock, \$0.01 par value per share (“**Preferred Stock**”), of which (i) 8,400,000 shares are classified and designated as 8.00% Series D Fixed-to-Floating Rate Cumulative Redeemable Preferred Stock, \$0.01 par value per share, (ii) 9,900,000 shares are classified and designated as 7.875% Series E Fixed-to-Floating Rate Cumulative Redeemable Preferred Stock, \$0.01 par value per share, (iii) 7,750,000 shares are classified and designated as 6.875% Series F Fixed-to-Floating Rate Cumulative Redeemable Preferred Stock, par value \$0.01 per share, 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. The aggregate par value of all authorized shares of stock having par value is \$4,000,000. If shares of one class of stock are classified or reclassified into shares of another class of stock pursuant to this Article 6, the number of authorized shares of the former class shall be automatically decreased and the number of shares of the latter class shall be automatically increased, in each case by the number of shares so classified or reclassified, so that the aggregate number of shares of stock of all classes that the Corporation has authority to issue shall not be more than the total number of shares of stock set forth in the first sentence of this paragraph. The Board of Directors, without any action by the stockholders of the Corporation, may amend the Charter from time to time to increase or decrease the aggregate number of shares of stock or the number of shares of stock of any class or series that the Corporation has authority to issue.”

FOURTH: Immediately prior to the foregoing amendment, the Corporation had authority to issue 1,000,000,000 shares of stock, consisting of 800,000,000 shares of Common Stock and 200,000,000 shares of Preferred Stock, of which (i) 8,400,000 shares were classified and designated as 8.00% Series D Fixed-to-Floating Rate Cumulative Redeemable Preferred Stock, \$0.01 par value per share, (ii) 9,900,000 shares were classified and designated as 7.875% Series E Fixed-to-Floating Rate Cumulative Redeemable Preferred Stock, \$0.01 par value per share, (iii) 7,750,000 shares were classified and designated as 6.875% Series F Fixed-to-Floating Rate Cumulative Redeemable Preferred Stock, par value \$0.01 per share, and (iv) 5,450,000 shares were classified and designated as 7.000% Series G Cumulative Redeemable Preferred Stock, \$0.01 par value per share. The aggregate par value of all authorized shares of all classes of stock having par value was \$10,000,000.

FIFTH: The total number of shares of stock which the Corporation has authority to issue pursuant to the foregoing amendment is 400,000,000 shares of stock, consisting of 200,000,000 shares of Common Stock and 200,000,000 shares of Preferred Stock, of which (i) 8,400,000 shares are classified and designated as 8.00% Series D Fixed-to-Floating Rate Cumulative Redeemable Preferred Stock, \$0.01 par value per share, (ii) 9,900,000 shares are classified and designated as 7.875% Series E Fixed-to-Floating Rate Cumulative Redeemable Preferred Stock, \$0.01 par value per share, (iii) 7,750,000 shares are classified and designated as 6.875% Series F Fixed-to-Floating Rate Cumulative Redeemable Preferred Stock, par value \$0.01 per share, 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. The aggregate par value of all authorized shares of stock having par value is \$4,000,000.

SIXTH: The information required by Section 2-607(b)(2)(i) of the Maryland General Corporation Law is not changed by the foregoing amendment of the Charter.

SEVENTH: These Articles of Amendment shall be effective at 12:01 a.m., eastern time, on March 9, 2023 (the “Effective Time”).

EIGHTH: The undersigned acknowledges these Articles of Amendment to be the corporate act of the Corporation and, as to all matters or facts required to be verified under oath, the undersigned acknowledges that to the best of her knowledge, information and belief, these matters and facts are true in all material respects and that this statement is made under the penalties for perjury.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the Corporation has caused these Articles of Amendment to be executed in its name and on its behalf by its Chief Financial Officer and attested to by its Chief Operating Officer and Secretary on this 28th day of February, 2023.

**ATTEST:**

By: /s/ Nathan R. Reese  
Name: Nathan R. Reese  
Title: Chief Operating Officer and Secretary

**NEW YORK MORTGAGE TRUST, INC.**

By: /s/ Kristine R. Nario-Eng  
Name: Kristine R. Nario-Eng  
Title: Chief Financial Officer

**NEW YORK MORTGAGE TRUST, INC.**

**ARTICLES OF AMENDMENT**

New York Mortgage Trust, Inc., a Maryland corporation (the “Corporation”), hereby certifies to the State Department of Assessments and Taxation of Maryland that:

**FIRST:** The charter of the Corporation (the “Charter”) is hereby amended to provide that, at the Effective Time (as defined below), the Corporation’s name shall be changed to Adamas Trust, Inc. and by deleting existing Article 2 in its entirety and substituting in lieu thereof a new article to read as follows:

**“ARTICLE 2**

**NAME**

The name of the corporation (which is hereinafter called the “**Corporation**”) is:

Adamas Trust, Inc.”

**SECOND:** These Articles of Amendment shall be effective at 12:01 a.m., eastern time, on September 3, 2025 (the “Effective Time”).

**THIRD:** The information required by Section 2-607(b)(2)(i) of the MGCL is not changed by these Articles of Amendment.

**FOURTH:** The amendments to the Charter as set forth above have been duly approved by a majority of the Board of Directors of the Corporation as required by the MGCL. Pursuant to Section 2-605(a)(1) of the MGCL, no stockholder approval was required.

**FIFTH:** The undersigned acknowledges these Articles of Amendment to be the corporate act of the Corporation and, as to all matters or facts required to be verified under oath, the undersigned acknowledges that to the best of her knowledge, information and belief, these matters and facts are true in all material respects and that this statement is made under the penalties for perjury.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the Corporation has caused these Articles of Amendment to be executed in its name and on its behalf by its President and attested to by its Chief Financial Officer and Secretary on this 14th day of August, 2025.

**ATTEST:**

By: /s/ Kristine R. Nario-Eng  
Name: Kristine R. Nario-Eng  
Title: Chief Financial Officer and Secretary

**NEW YORK MORTGAGE TRUST, INC.**

By: /s/ Nicholas Mah  
Name: Nicholas Mah  
Title: President

**AMENDED AND RESTATED EMPLOYMENT AGREEMENT OF  
JASON T. SERRANO**

This AMENDED AND RESTATED EMPLOYMENT AGREEMENT (this “Agreement”) is made and entered into this November 3, 2025 to be effective as of November 3, 2025 (the “Effective Date”), between Adamas Trust, Inc., a Maryland corporation (the “Company”), and Jason T. Serrano (the “Executive”). This Agreement supersedes and replaces in all respects that certain Employment Agreement, dated December 23, 2021, by and between the Company and the Executive (the “Prior Employment Agreement”). The Executive and the Company are each referred to herein as a “Party” and collectively as the “Parties.”

WHEREAS, the Parties now desire to amend and restate in its entirety the Prior Employment Agreement to memorialize the terms of the Executive’s employment, as of the Effective Date, as Chief Executive Officer; and

WHEREAS, the Company desires to continue to employ Executive and Executive desires to continue to be employed by the Company, on the terms and subject to the conditions set forth herein.

NOW THEREFORE, in consideration of the premises and the respective covenants and agreements of the Parties herein contained, and intending to be legally bound hereby, the Parties hereto agree as follows:

1. Employment. As of the Effective Date and during the Term (as defined below), the Company hereby agrees to continue to employ the Executive, and the Executive hereby agrees to continue to serve the Company, on the terms and conditions set forth herein.

2. Term.

(a) The Term of this Agreement will commence on the Effective Date and end on the date immediately preceding the second anniversary of the Effective Date (the “Expiration Date”), unless further extended or sooner terminated as hereinafter provided. “Term” shall mean the period from the Effective Date through the first to occur of the Expiration Date (unless the Term is extended in accordance herewith) or the Date of Termination in the event this Agreement is sooner terminated pursuant to Section 6.

(b) The Company agrees to provide the Executive with written notice, at least 90 days prior to the Expiration Date, of its determination not to extend the Term of this Agreement (a “Notice of Non-Renewal”). Failure by the Company to provide the Executive with a Notice of Non-Renewal at least 90 days prior to the Expiration Date will result in the automatic extension of the Term for another one-year period after the Expiration Date, and the new Expiration Date will be the first anniversary of the previous Expiration Date for purposes of this Agreement.

---

3. Position and Duties. The Executive shall serve as the Chief Executive Officer of the Company and shall have responsibilities, duties and authority consistent with this position. Executive's duties and responsibilities shall include those requested by the Board of Directors of the Company (the "Board") that are suitable for the Chief Executive Officer of the Company, which may include providing services to the Company's direct and indirect subsidiaries with positions, titles and responsibilities that are suitable for the Chief Executive Officer of the Company, without additional compensation. Collectively, the Company and its direct and indirect subsidiaries are referred to herein as the "Company Group." The Executive shall devote substantially all his working time and efforts to the business and affairs of the Company Group, provided, that nothing in this Agreement shall preclude the Executive from serving as a director or trustee in any of the firms set forth on Exhibit A (or any other firms for which the Executive receives prior written authorization from the Board) or from pursuing personal real estate investments and other personal investments, as long as such activities do not interfere with the Executive's performance of his duties hereunder or violate the terms of this Agreement. For the avoidance of doubt, Executive owes the Company and each member of the Company Group fiduciary duties including duties of loyalty and disclosure, and such other fiduciary duties provided for by applicable law with respect to an officer of the Company, and the obligations described in this Agreement are in addition to, and not in lieu of, the obligations Executive owes the Company and each member of the Company Group under statutory and common law.

4. Place of Performance. In connection with the Executive's employment by the Company, the Executive shall be based at the principal executive offices of the Company in New York, New York, except for required travel on the Company's business to an extent substantially consistent with present business travel obligations.

5. Compensation and Related Matters.

(a) Base Salary. The Company shall pay the Executive a base salary (the "Base Salary"), which shall be payable by Hypotheca Capital, LLC or such other member of the Company Group (the "Payrolling Entity") as the Company may determine from time to time, and in periodic installments according to the Payrolling Entity's normal payroll practices. The Executive's Base Salary shall be at the annualized rate of \$920,000. During the Term, the Board or the Compensation Committee of the Board (the "Compensation Committee") shall review the Base Salary at least once a year, or otherwise at the Board's or the Compensation Committee's discretion from time to time, to determine whether the Base Salary should be increased. The Base Salary, including any increases, shall not be decreased during the Term. For purposes of this Agreement, the term "Base Salary" shall mean the amount established and adjusted from time to time pursuant to this Section 5(a).

(b) Short-Term Incentive Awards. The Executive shall be eligible to participate in the Company's annual incentive plan adopted by the Compensation Committee for each fiscal year (including any partial year) during the Term of this Agreement ("Bonus Plan"). The Compensation Committee will adopt a Bonus Plan for each fiscal year during the Term by no later than March 31 of that fiscal year. If the Executive or the Company, as the case may be, satisfies the performance criteria contained in such Bonus Plan for a fiscal year, the Executive shall receive an incentive bonus (the "Incentive Bonus") in an amount pursuant to such Bonus Plan or as determined by the Compensation Committee, as applicable, and subject to ratification by the Board, if required. The Bonus Plan shall contain both individual and corporate performance goals for each fiscal year established by the Compensation Committee. If the Executive or the Company, as the case may be, fails to satisfy the performance criteria contained in such Bonus Plan for a fiscal year, the Compensation Committee may determine whether any Incentive Bonus shall be payable to Executive for that year, subject to ratification by the Board, if required. The annual Incentive Bonus (if any) shall be paid to the Executive no later than March 14 of the year immediately following the year for which the applicable Bonus Plan was adopted. If the Compensation Committee does not adopt a Bonus Plan for a particular fiscal year, the Executive will be eligible to receive an Incentive Bonus for that year in an amount, if any, that is determined by the Compensation Committee in its discretion.

(c) Long-Term Incentive Awards. The Company has established the 2017 Equity Incentive Plan, as amended from time to time (together with any successor plan thereto, the "Stock Incentive Plan"). Subject to the terms and conditions of the Stock Incentive Plan, as amended from time to time, and any awards issued thereunder, the Executive shall be eligible to participate in the Stock Incentive Plan, and shall be eligible to receive equity-based awards under the Stock Incentive Plan. The Compensation Committee shall approve any such awards made to the Executive pursuant to the Stock Incentive Plan and each award shall be governed by the terms and conditions of the Stock Incentive Plan and the applicable award agreement.

(d) Benefits.

(i) Vacation. The Executive shall be entitled to up to four (4) weeks of paid vacation per full calendar year, which shall accrue, carry over, and be taken in accordance with the Company's vacation policies as in effect from time to time.

(ii) Sick and Personal Days. The Executive shall be entitled to sick and personal days in accordance with the policies of the Company as in effect from time to time.

(iii) Employee Benefits.

(A) Participation in Employee Benefit Plans. Subject to the terms of any applicable plans, policies or programs as in effect from time to time, the Executive and his spouse and eligible dependents, if any, and their respective designated beneficiaries where applicable, will be eligible to participate in any Company sponsored employee benefit plans, including but not limited to benefits such as group health, dental, accident, disability insurance, group life insurance, and a 401(k) plan, as such benefits may be offered from time to time, on a basis no less favorable than that applicable to other executives of the Company.

(B) Annual Physical. If the Executive desires an annual physical examination, the Company shall provide, at its cost, a medical examination for the Executive on an annual basis by a licensed physician in the New York, New York metropolitan area selected by the Executive. The results of the examination and any medical information or records regarding the examination will be provided by the physician to the Executive, and not to the Company.

(C) Directors and Officers Insurance. During the Term and for a period of six (6) years thereafter, the Company will maintain a directors' and officers' insurance policy that provides Executive with coverage in respect of acts and omissions of the Executive in his capacity as such and occurring during Executive's employment, in an amount and on terms generally no less favorable than the coverage the Company provides to other officers and directors.

(iv) Expenses, Office and Systems Support. The Executive shall be entitled to reimbursement of all reasonable expenses, in accordance with the Company's policy as in effect from time to time and on a basis no less favorable than that applicable to other executives of the Company, including, without limitation, telephone, reasonable travel and reasonable business entertainment expenses incurred by the Executive in connection with the business of the Company, upon the presentation by the Executive of appropriate documentation.

6. Termination. The Executive's employment pursuant to this Agreement may be terminated at any time in accordance with this Section 6:

(a) Death. The Executive's employment hereunder shall terminate upon his death.

(b) Disability. If the Board (sitting without the Executive, if applicable) determines that a Disability prevents Executive from performing the essential functions of the Executive's job, after accounting for reasonable accommodation (if applicable and required by applicable law), the Company may terminate the Executive's employment hereunder. As used in this Agreement, the term "Disability" shall mean the inability of the Executive, due to physical or mental condition, to perform the essential functions of the Executive's job, after consideration of the availability of reasonable accommodations (if applicable and required by applicable law), for more than 180 total calendar days during any period of 12 consecutive months.

(c) For Cause. The Company may terminate the Executive's employment hereunder for Cause. For purposes of this Agreement, the Company shall have "Cause" to terminate the Executive's employment hereunder upon a determination by at least a majority of the members of the Board (other than the Executive, if the Executive serves on the Board) at a meeting of the Board called and held for such purpose that Executive (i) has committed fraud, misappropriated, stolen or embezzled funds or property from the Company or an affiliate of the Company, or engaged in willful misconduct, (ii) has been convicted of, or entered a plea of guilty or "nolo contendere" to, a felony (excluding any vehicular felony for which a non-custodial sentence is received) which in the reasonable opinion of the Board brings Executive into disrepute or is likely to cause harm to the Company or its business, reputation, financial condition or prospects, (iii) has materially failed to perform his duties hereunder and has failed to cure same within 30 days of Executive's receipt of written notice from the Board, (iv) has violated or breached any material law or regulation to the material detriment of the Company or its business, or (v) has willfully breached any of his duties or obligations under this Agreement where such breach causes or is reasonably likely to cause material harm to the Company.

(d) Without Cause. The Company may at any time terminate the Executive's employment hereunder without Cause.

(e) Termination by the Executive.

(i) The Executive may terminate his employment hereunder (A) for Good Reason in accordance with Section 6(e)(ii) or (B) other than for Good Reason by giving the Company a Notice of Termination at least thirty (30) days prior to the Date of Termination.

(ii) For purposes of this Agreement, “Good Reason” shall mean (A) a failure by the Company or its successors or assigns to comply with any material provision of this Agreement, (B) a material reduction in the Executive’s duties, authority (including reporting requirements) or responsibilities, or a materially adverse change to the Executive’s title, without the consent of the Executive, except that (i) a determination by the Nominating and Corporate Governance Committee of the Board of Directors not to nominate the Executive for re-election as a director of the Company or any member of the Company Group or (ii) a failure by stockholders to elect the Executive as a director of the Company or any member of the Company Group shall not be deemed to be “Good Reason,” (C) without the consent of the Executive, a material reduction in (i) Executive’s Base Salary or (ii) Executive’s employee benefits, in either case, other than a reduction generally applicable to similarly situated executives of the Company, (D) without the consent of the Executive, relocation of the Company’s principal place of business outside of a 50-mile radius of the Borough of Manhattan in the City of New York, or (E) any failure by the Company to pay the Executive Base Salary or any Incentive Bonus to which he is entitled under a Bonus Plan; provided, however, that in order for an event or condition described in (A), (B), (C), (D) or (E) to constitute Good Reason, all of the following conditions must be satisfied: (1) Executive must provide written notice to the Board within ninety (90) days of the initial existence of the event(s) or condition(s) giving rise to Good Reason; (2) the event(s) and condition(s) specified within such notice must remain uncured for thirty (30) days after the notice is received by the Board; and (3) the Date of Termination must occur after the end of the Company’s thirty (30) day cure period and no later than one hundred and twenty (120) days after the initial occurrence of the event(s) or condition(s) giving rise to Good Reason. For the avoidance of doubt, the Executive acknowledges and agrees that Executive’s entering into this Agreement shall not constitute, and shall not be deemed to constitute, “Good Reason” under this Agreement or the Prior Employment Agreement.

(f) Any termination of the Executive’s employment by the Company or its successors or assigns or by the Executive (other than termination pursuant to subsection (a) or (b) of this Section 6) shall be communicated by written Notice of Termination to the other Party hereto in accordance with Section 12. For purposes of this Agreement, a “Notice of Termination” shall mean a notice which shall (i) indicate the specific termination provision in this Agreement relied upon, (ii) set forth in reasonable detail the facts and circumstances claimed to provide a basis for termination of the Executive’s employment under the provision so indicated and (iii) if the Executive’s termination of employment is for Good Reason, set forth the condition giving rise to the Executive’s termination of employment for Good Reason.

(g) “Date of Termination” shall mean, at any time during the Term, (i) if the Executive’s employment is terminated by his death, the date of his death, (ii) if the Executive’s employment is terminated pursuant to Section 6(b) above, the date as of which the Company terminated the Executive’s employment, (iii) if the Executive’s employment is terminated pursuant to Section 6(c) above, the date specified in the Notice of Termination, which date must, for the avoidance of doubt, be after the end of any applicable cure period, (iv) if the Executive’s termination of employment is for Good Reason, the date identified in the Notice of Termination, which date must, for the avoidance of doubt, follow the end of the Company’s thirty (30) day cure period described in Section 6(e), and (v) if the Executive’s employment is terminated for any other reason, the date that is set forth in the applicable Notice of Termination. Notwithstanding anything in this Agreement to the contrary, if Executive gives a Notice of Termination pursuant to this Agreement, the Company may determine, in its sole discretion, that such resignation other than for Good Reason shall be effective (and that the Term shall therefore end) on any date prior to the effective date of resignation provided in such notice, and any such determination by the Company shall not alter the basis for Executive’s separation, as Executive’s separation shall still be due to Executive’s resignation, and not due to a termination by the Company.

#### 7. Compensation Upon Termination.

(a) Death. If the Executive’s employment is terminated by his death, the Company shall, subject to Section 7(f) below, within thirty (30) days following the date of the Executive’s death, pay to the Executive’s designated beneficiary(ies) an amount equal to the sum of (i) the Executive’s annual Base Salary for the year in which the Date of Termination occurs and (ii) the Executive’s target annual Incentive Bonus for the fiscal year in which the Date of Termination occurs (or, if the Executive’s target annual Incentive Bonus for the fiscal year in which the Date of Termination occurs has not been approved by the Compensation Committee or the Board, as applicable, prior to the Date of Termination, the Executive’s target annual Incentive Bonus for the fiscal year preceding the fiscal year in which the Date of Termination occurs). The Company shall also provide any other amounts to which the Executive is entitled pursuant to applicable death benefit plans, programs and policies as in effect from time to time. In addition, all stock options, restricted stock awards and any other equity awards granted by the Company to the Executive shall become fully vested, unrestricted and exercisable as of the Date of Termination under this Section 7(a); provided, however, that with respect to each award that is subject to a performance-based vesting condition, the extent to which such award shall vest and become earned shall remain subject to the satisfaction of applicable performance metrics calculated through the Date of Termination. The Company shall provide the COBRA Subsidy, in accordance with applicable law and as defined in Section 7(e) below. For the avoidance of doubt, under this Section 7(a), the COBRA Subsidy shall only cover the Executive’s surviving spouse and eligible dependents and not the executive.

(b) Disability. If a physical or mental condition makes Executive unable to perform the essential functions of the Executive's job for less than 180 total calendar days during any period of twelve (12) consecutive months (the "Disability Period"), the Executive shall continue to receive his full Base Salary at the rate then in effect for such Disability Period, notwithstanding the Company's other rights to terminate Executive's employment hereunder, including pursuant to Section 6(b). The Executive's rights under the disability plans, programs and policies maintained by the Company or in connection with employment by the Company shall be determined in accordance with the provisions of such plan. Subject to Section 7(f) below, if the Executive's employment is terminated due to Disability, the Company shall provide the COBRA Subsidy (as defined in Section 7(e) below). In addition, if the Executive's employment is terminated due to Disability, all stock options, restricted stock grants awards and any other equity awards granted by the Company to the Executive shall become fully vested, unrestricted and exercisable as of the Date of Termination; provided, however, that with respect to each award that is subject to a performance-based vesting condition, such award shall only vest and become earned upon the satisfaction of the applicable performance metrics, as determined by the Board, calculated through the Date of Termination.

(c) Termination by the Company for Cause or Termination by the Executive without Good Reason. If the Executive's employment is terminated by the Company for Cause or by the Executive without Good Reason, the Company shall (i) pay the Executive any earned and accrued but unpaid installment of Base Salary through the Date of Termination, at the rate in effect at the time Notice of Termination is given, and (ii) reimburse the Executive for all reasonable expenses incurred by the Executive in performing services hereunder prior to the Date of Termination in accordance with Section 5(d)(iv), such payments and reimbursements to be made in a lump sum within sixty (60) days following the Date of Termination. Except as expressly provided in this Section 7(c), the Company shall have no further obligations to the Executive under this Agreement.

(d) Termination by the Company without Cause (other than for death or Disability), Termination by the Executive for Good Reason or Termination by the Company due to Non-Renewal. If the Company terminates the Executive's employment other than for death, Disability (pursuant to Section 6(b)) or Cause, or if the Executive terminates his employment for Good Reason, or if the Executive's employment hereunder is terminated by the Company due to the Company issuing a Notice of Non-Renewal to the Executive, then the Company shall (i) pay the Executive for any earned and accrued but unpaid installment of Base Salary, at the rate in effect at the time Notice of Termination is given, and an amount equal to any Incentive Bonus previously determined to have been earned by the Compensation Committee (and previously ratified by the Board, if required) that remains unpaid as of the Date of Termination, and all other unpaid and pro rata amounts earned by Executive as of the Date of Termination subject to the terms of any compensation plan or program of the Company, including, without limitation, all accrued but unused vacation time subject to the Company's applicable vacation policy at the Date of Termination and (ii) reimburse the Executive for all reasonable expenses incurred by the Executive in performing services hereunder prior to the Date of Termination in accordance with Section 5(d)(iv), such payments and reimbursements to be made in a lump sum within sixty (60) days following the Date of Termination. In addition, subject to Section 7(f) below:

(i) the Company shall pay to the Executive an amount equal to the product of (x) two (2) and (y) the sum of the (a) Executive's Base Salary in effect at the Date of Termination and (b) the target annual Incentive Bonus for the fiscal year in which the Date of Termination occurs (or, if the Executive's target annual Incentive Bonus for the fiscal year in which the Date of Termination occurs has not been approved by the Compensation Committee or the Board, as applicable, prior to the Date of Termination, the Executive's target annual Incentive Bonus for the fiscal year preceding the fiscal year in which the Date of Termination occurs); such payment to be made in a lump sum within sixty (60) days following the Date of Termination, provided the Executive has complied with Section 7(f). In addition, all stock options, restricted stock awards and any other equity awards granted by the Company to the Executive shall become fully vested, unrestricted and exercisable as of the Date of Termination; provided, however, that with respect to each award that is subject to a performance-based vesting condition, such award shall only vest and become earned upon the satisfaction of applicable performance metrics, as determined by the Board, calculated through the end of the applicable performance period; and

(ii) the Company shall provide the COBRA Subsidy.

(e) If the Executive's employment hereunder is terminated in circumstances in which Executive is eligible to receive the benefits described in Section 7(a), Section 7(b) or Section 7(d) and the Executive complies with Section 7(f), then, if Executive, elects to continue coverage for the Executive and the Executive's spouse and eligible dependents, if any, under the Company's group health plans pursuant to Consolidated Omnibus Budget Reconciliation Act of 1985 ("COBRA"), the Company shall promptly reimburse the Executive on a monthly basis for the difference between the amount the Executive pays to effect and continue such coverage and the employee contribution amount that similarly situated employees of the Company pay for the same or similar coverage under such group health plans (the "COBRA Subsidy"). Each payment of the COBRA Subsidy shall be paid to the Executive on the Company's first regularly scheduled pay date in the calendar month immediately following the calendar month in which the Executive submits to the Company documentation of the applicable premium payment having been paid by the Executive, which documentation shall be submitted by the Executive to the Company within thirty (30) days following the date on which the applicable premium payment is paid. The Executive shall be eligible to receive such reimbursement payments until the earliest of: (1) 18 months following the Date of Termination (the "COBRA Expiration Date"); (2) the date the Executive no longer eligible to receive COBRA continuation coverage; and (3) the date on which the Executive becomes eligible to receive coverage under a group health plan sponsored by another employer (and any such eligibility shall be promptly reported to the Company by the Executive); provided, however, that the election of COBRA continuation coverage and the payment of any premiums due with respect to such COBRA continuation coverage shall remain the Executive's sole responsibility, and the Company shall not assume any obligation for payment of any such premiums relating to such COBRA continuation coverage. For the avoidance of doubt, in the event of a termination pursuant to Section 7(a), following the COBRA Expiration Date, the Executive's spouse and eligible dependents may elect to continue coverage under the Company's group health plans pursuant to COBRA at their own expense and to the extent permitted by applicable law. Notwithstanding the foregoing, if the provision of the benefits described in this Section 7(e) cannot be provided in the manner described above without penalty, tax or other adverse impact on the Company, then the Company and the Executive shall negotiate in good faith to determine an alternative manner in which the Company may provide substantially equivalent benefits to the Executive without such adverse impact on the Company. For purposes of this Section 7(e), to the extent that Executive's spouse and eligible dependents are eligible to receive the COBRA Subsidy pursuant to Section 7(a), any references to the Executive in this Section 7(e) shall be deemed to refer to Executive's spouse and eligible dependents, as applicable.

(f) The obligations of the Company to make any payments or provide any benefits (including without limitation accelerated vesting of equity-based awards) to the Executive or the Executive's spouse and eligible dependents required under Section 7(a), Section 7(b), Section 7(d), or Section 7(e) hereof shall be conditioned on the timely execution and delivery to the Company (and non-revocation in any time provided by the Company to do so) by the Executive (or, in the event of a termination pursuant to Section 7(a), an authorized representative of Executive's estate) of a general release of claims in form and substance satisfactory to the Company (the "Release"), which Release shall be provided to the Executive (or, in the event of a termination pursuant to Section 7(a), an authorized representative of Executive's estate) no later than twenty-one (21) days following the Date of Termination, and which Release shall release each member of the Company Group and their respective affiliates, and the foregoing entities' respective shareholders, members, partners, officers, managers, directors, predecessors, successors, fiduciaries, employees, representatives, agents and benefit plans (and fiduciaries of such plans) from any and all claims, including any and all causes of action arising out of Executive's employment, engagement, or affiliation with the Company and any other member of the Company Group or the termination of such employment, engagement or affiliation, but excluding all claims to severance payments Executive may have under this Section 7.

(g) In the event of any conflict between the terms and conditions of this Section 7 as it relates to the accelerated vesting, exercisability, or the lapse of restrictions on any equity award granted by the Company to the Executive and the terms and conditions of the applicable award agreement governing such equity award, as applicable, the terms and conditions of the applicable document that provides the Executive with the most favorable treatment shall control and be given effect.

#### 8. Covenants of the Executive.

(a) General Covenants of the Executive. The Executive acknowledges that (i) the principal business of the Company is investing in mortgage-backed securities and other mortgage-related assets (such business, and any and all other businesses that after the date hereof, and from time to time during the Term, become material with respect to the Company's business, are collectively referred to herein as the "Business"); (ii) the Business is national in scope; (iii) the Executive's work for the Company and other members of the Company Group has given and will continue to give the Executive access to the confidential affairs and confidential, proprietary and trade secret information (including Confidential Information, as defined below) of the Company and other members of the Company Group; (iv) the covenants and agreements of the Executive contained in this Section 8 are essential to the business and goodwill of the Company and other members of the Company Group; and (v) the Company would not have entered into this Agreement but for the covenants and agreements set forth in this Section 8.

(b) Covenant Against Competition. The covenant against competition described in this Section 8(b) shall apply during the Term and for a period of one (1) year following the Date of Termination (such period, the “Restricted Period”). During the Restricted Period, the Executive covenants that Executive shall not, directly or indirectly, own, manage, control or participate in the ownership, management, or control of, or be employed or engaged by or otherwise affiliated or associated as an employee, employer, consultant, agent, principal, partner, stockholder, corporate officer, director or in any other individual or representative capacity, engage or participate in any Competing Business (as defined below) in any state in which the Company conducts Business as of the Date of Termination; provided, however, that, notwithstanding the foregoing, the Executive may invest in securities of any entity, solely for investment purposes and without participating in the business thereof, if (A) such securities are traded on any national securities exchange or the National Association of Securities Dealers, Inc. Automated Quotation System or equivalent non-U.S. securities exchange, (B) the Executive is not a controlling person of, or a member of a group which controls, such entity, and (C) the Executive does not, directly or indirectly, own one percent (1%) or more of any class of securities of such entity.

For purposes of this Agreement, “Competing Business” means any real estate investment trust or other investment vehicle whose business strategy is primarily focused on investing in and managing residential mortgage-backed securities and other mortgage-related assets.

(c) All memoranda, notes, lists, records, property and any other tangible product and documents (and all copies thereof) made, produced or compiled by the Executive or made available to the Executive during the Term concerning the Business of the Company and its affiliates shall be the Company's property and shall be delivered to the Company at any time on request. The Executive shall hold in a fiduciary capacity for the benefit of the Company all confidential, competitively valuable, non-public or proprietary information, knowledge or data relating to any member of the Company Group or its affiliates, or their respective businesses, which shall have been conceived, made, developed, acquired, disclosed to or obtained by the Executive during the Executive's employment or engagement by any member of the Company Group or its affiliates, and whether now known or later to become known (collectively, the "Confidential Information"), and both during and after the Term the Executive shall not use any such Confidential Information other than for the benefit of any member of the Company Group or its affiliates, or disclose any such Confidential Information to any person or entity. For purposes of this Agreement, Confidential Information shall not include any information that is or becomes generally available to the public other than as a result of a disclosure or wrongful act of Executive or any of Executive's affiliates or agents. Both during Executive's employment with the Company and thereafter, the Executive shall not, without the prior written consent of the Company or as may otherwise be required by law or legal process, communicate or divulge any such Confidential Information to anyone other than the Company and those designated by it. The agreement made in this Section 8(c) shall be in addition to, and not in limitation or derogation of, any obligations otherwise imposed by law or by separate agreement upon the Executive in respect of confidential information of the Company. Notwithstanding the foregoing, nothing herein will prevent the Executive from disclosing any factual information related to any future claim of discrimination to law enforcement, the Equal Employment Opportunity Commission, any state division of human rights (including the New York State Division of Human Rights), any local commission on human rights, or any attorney retained by the Executive.

(d) During the Term and for a period of one (1) year following the termination of the Executive's employment for any reason, the Executive shall not, without the Company's prior written consent, directly or indirectly, (i) knowingly solicit or knowingly encourage to leave the employment or engagement of the Company or any of its affiliates, any employee employed by, or independent contractor engaged by, the Company or its affiliate at the time of the Date of Termination; (ii) knowingly hire (on behalf of the Executive or any other person or entity) any employee employed by, or independent contractor engaged by, the Company or its affiliate at the time of the Date of Termination or who has left the employment or engagement of the Company or any of its affiliates (or any predecessor of either) within one (1) year of the Date of Termination; or (iii) whether for the Executive's own account or for the account of any other person, firm, corporation or other business organization, intentionally interfere with the Company's or any of its affiliates', relationship with, or endeavor to entice away from the Company or any of its affiliates, any person who during the Executive's employment with the Company is or was a customer or client of the Company or any of its affiliates (or any predecessor of either).

(e) The Executive acknowledges and agrees that any breach by him of any of the provisions of Sections 8(b), 8(c) or 8(d) (the “Restrictive Covenants”) would result in irreparable injury and damage for which money damages would not provide an adequate remedy. Therefore, if the Executive breaches, or threatens to commit a breach of, any of the Restrictive Covenants, the Company and its affiliates shall have the right and remedy to have the Restrictive Covenants specifically enforced (without posting bond and without the need to prove damages) by any court having equity jurisdiction, including, without limitation, the right to an entry against the Executive of restraining orders and injunctions (preliminary, mandatory, temporary and permanent) against violations, threatened or actual, and whether or not then continuing, of such covenants. This right and remedy shall be in addition to, and not in lieu of, any other rights and remedies available to the Company or its affiliates under law or in equity (including, without limitation, the recovery of damages). The existence of any claim or cause of action by the Executive, whether predicated on this Agreement or otherwise, shall not constitute a defense to the enforcement of the Restrictive Covenants. In addition to all other available rights and remedies, the Company has the right to cease making severance payments or otherwise providing severance benefits as set forth in Section 7 above in the event of a breach of any of the Restrictive Covenants that, if capable of cure and not willful, is not cured within thirty (30) days after receipt of notice thereof from the Company.

(f) The covenants in this Section 8, and each provision and portion hereof, are severable and separate, and the unenforceability of any specific covenant (or portion thereof) shall not affect the provisions of any other covenant (or portion thereof). Moreover, in the event any arbitrator or court of competent jurisdiction shall determine that the scope, time or territorial restrictions set forth are unreasonable, then it is the intention of the Parties that such restrictions be enforced to the fullest extent which such arbitrator or court deems reasonable, and this Agreement shall thereby be reformed.

(g) Permitted Disclosures. Nothing in this Agreement shall prohibit or restrict the Executive from lawfully (i) initiating communications directly with, cooperating with, providing information to, causing information to be provided to, or otherwise assisting in an investigation by any governmental agency, commission, or regulatory authority (collectively, “Governmental Authorities”) regarding a possible violation of any law; (ii) responding to any inquiry or legal process directed to the Executive individually from any such Governmental Authorities; (iii) testifying, participating or otherwise assisting in an action or proceeding by any such Governmental Authorities relating to a possible violation of law; or (iv) making any other disclosures that are protected under the whistleblower provisions of any applicable law. Additionally, pursuant to the federal Defend Trade Secrets Act of 2016, the Executive shall not be held criminally or civilly liable under any federal or state trade secret law for the disclosure of a trade secret that: (x) is made (A) in confidence to a federal, state, or local government official, either directly or indirectly, or to an attorney; and (B) solely for the purpose of reporting or investigating a suspected violation of law; or (y) is made to the Executive’s attorney in relation to a lawsuit for retaliation against the Executive for reporting a suspected violation of law; or (z) is made in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal. Nothing in this Agreement requires the Executive to obtain prior authorization from any member of the Company Group before engaging in any conduct described in this paragraph, or to notify any member of the Company Group that Executive has engaged in any such conduct.

9. Successors; Binding Agreement. This Agreement shall be binding upon and inure to the benefit of successors and permitted assigns of the Parties. This Agreement may not be assigned, nor may performance of any duty hereunder be delegated, by either Party without the prior written consent of the other; provided, however, the Company may assign this Agreement without Executive’s consent to any successor to or acquirer of its business, including but not limited to in connection with any subsequent merger, consolidation, sale of all or substantially all of the assets, business or stock of the Company, or similar transaction involving the Company or a successor corporation.

10. Parachute Payments. If any amount payable to, or other benefit receivable by the Executive pursuant to this Agreement or under other agreements, plans and agreements is deemed to constitute a “parachute payment” as defined in Section 280G of the Internal Revenue Code of 1986, as amended (the “Code”), then such payments or benefits shall be reduced in accordance with, and to the extent required by, the provisions of the Stock Incentive Plan.

11. Continued Performance. Provisions of this Agreement shall survive the end of the Term and the termination of Executive’s employment hereunder if so provided herein or if necessary or desirable fully to accomplish the purposes of such provisions, including, without limitation, the obligations of the Executive under the terms and conditions of Section 8. Any obligation of the Company to make payments to or on behalf of the Executive under Section 7 is expressly conditioned upon the Executive’s continued performance of the Executive’s obligations under Section 8 for the time periods stated in Section 8. The Executive recognizes that, except to the extent, if any, provided in Section 7, the Executive will earn no compensation from the Company after the Date of Termination.

12. Notices. For the purposes of this Agreement, notices, demands and all other communications provided for in this Agreement shall be in writing and shall be deemed to have been duly received (a) when delivered in person, (b) on the first business day after such notice is sent by express overnight courier service, or (d) on the second business day following deposit with an internationally-recognized second-day courier service with proof of receipt maintained, in each case, to the following address, as applicable:

If to the Executive:

Jason T. Serrano  
c/o Adamas Trust, Inc.  
90 Park Avenue, Floor 23  
New York, NY 10016

If to the Company:

Adamas Trust, Inc.  
90 Park Avenue, Floor 23  
New York, NY 10016  
Attention: Compensation Committee

with a copy to:

Vinson & Elkins L.L.P.  
2200 Pennsylvania Avenue NW  
Suite 500 West  
Washington, DC 20037  
Attention: Christopher Green, Esq.

or to such other address as any Party may have furnished to the others in writing in accordance herewith, except that notices of change of address shall be effective only upon receipt.

13. Miscellaneous. No provisions of this Agreement may be modified, amended, waived or discharged unless such waiver, modification, amendment, or discharge is agreed to in writing signed by the Executive and such officer of the Company as may be specifically designated by the Board. No waiver by either Party hereto at any time of any breach by the other Party hereto of, or compliance with, any condition or provision of this Agreement to be performed by such other Party shall be deemed a waiver of similar or dissimilar provisions or conditions at the same or at any prior or subsequent time. No agreements or representations, oral or otherwise, express or implied, with respect to the subject matter hereof have been made by either Party which are not set forth expressly in this Agreement. The validity, interpretation, construction and performance of this Agreement shall be governed by the laws of the State of New York without regard to its conflicts of law principles.

(a) Validity. The invalidity or unenforceability of any provision or provisions of this Agreement shall not affect the validity or enforceability of any other provision of this Agreement, which shall remain in full force and effect.

(b) Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed to be an original but all of which together will constitute one and the same instrument.

(c) Disputes.

(i) Subject to Section 13(c)(ii) – (iii) below, any dispute or controversy arising out of or relating to this Agreement or Executive’s employment or engagement with the Company or any member of the Company Group shall be settled exclusively by binding arbitration conducted before a single arbitrator in New York, New York in accordance with the Employment Arbitration Rules of the American Arbitration Association (“AAA”) then in effect. Judgment may be entered on the arbitrator’s award in any court having jurisdiction. The expenses of arbitration charged by the AAA shall be borne by the Company (for the avoidance of doubt, the Parties shall each bear their own attorney’s fees and costs). The decision of the arbitrator shall be reasoned and rendered in writing.

(ii) Notwithstanding Section 13(c)(i), either Party may make a timely application for, and obtain, judicial emergency or temporary injunctive relief to enforce any of the provisions herein; *provided, however*, that the remainder of any such dispute (beyond the application for emergency or temporary injunctive relief) shall be subject to arbitration under Section 13(c)(i).

(iii) This Section 13(c) is subject to, and shall be governed by, the Federal Arbitration Act, 9 U.S.C. §1, et seq. By entering into this Agreement and entering into the arbitration provisions of this Section 13(c), THE PARTIES EXPRESSLY ACKNOWLEDGE AND AGREE THAT THEY ARE KNOWINGLY, VOLUNTARILY AND INTENTIONALLY WAIVING THEIR RIGHTS TO A JURY TRIAL. Nothing in this Section 13(c) precludes the Executive from filing a charge or complaint with a federal, state or other governmental agency, commission, or regulatory authority.

(d) Section 409A. The Parties agree that this Agreement is intended to comply with the requirements of Section 409A of the Code and the regulations promulgated thereunder (“Section 409A”) or an exemption therefrom. For purposes of this Agreement, each amount to be paid or benefit to be provided hereunder (including any right to a series of installment payments) shall be construed as a separate identified payment or a right to a series of separate payments for purposes of Section 409A. With respect to any reimbursement of expenses of, or any provision of in-kind benefits to, the Executive, as specified under this Agreement, such reimbursement of expenses or provision of in-kind benefits shall be subject to the following conditions: (i) the expenses eligible for reimbursement or the amount of in-kind benefits provided in one taxable year shall not affect the expenses eligible for reimbursement or the amount of in-kind benefits provided in any other taxable year, except for any medical reimbursement arrangement providing for the reimbursement of expenses referred to in Section 105(b) of the Code; (ii) the reimbursement of an eligible expense shall be made no later than the end of the year after the year in which such expense was incurred; and (iii) the right to reimbursement or in-kind benefits shall not be subject to liquidation or exchange for another benefit. Any payments to be made under this Agreement upon a termination of the Executive’s employment shall only be made if such termination of employment constitutes a “separation from service” under Section 409A. Notwithstanding any provision in this Agreement to the contrary, if any payment or benefit provided for herein would be subject to additional taxes and interest under Section 409A if the Executive’s receipt of such payment or benefit is not delayed until the earlier of (x) the date of the Executive’s death or (y) the date that is six (6) months after the Date of Termination (such date, the “Section 409A Payment Date”), then such payment or benefit shall not be provided to the Executive (or the Executive’s estate, if applicable) until the Section 409A Payment Date. Notwithstanding the foregoing, the Company does not make any representations that the payments and benefits provided under this Agreement are exempt from, or compliant with, Section 409A and in no event shall the Company be liable for all or any portion of any taxes, penalties, interest or other expenses that may be incurred by the Executive on account of non-compliance with Section 409A.

(e) Entire Agreement. Upon the Effective Date, this Agreement shall supersede the Prior Employment Agreement, and the Executive shall have no further or future rights pursuant to the Prior Employment Agreement and all Company obligations pursuant to the Prior Employment Agreement shall be deemed satisfied in full (other than any obligations, if still unsatisfied, to pay the Executive any base salary for services provided in the pay period in which the Effective Date occurs). From and after the Effective Date, this Agreement shall set forth the entire agreement of the Parties hereto in respect of the subject matter contained herein and supersedes all prior agreements, promises, covenants, arrangements, communications, representations or warranties, whether oral or written, with respect to the subject matter hereof.

(f) Clawback. Notwithstanding any provision in this Agreement 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) the Adamas Trust, Inc. Clawback Policy or any other policy that may be adopted or amended by the Board from time to time to the extent necessary to comply with such law(s), amounts paid or payable under this Agreement shall be subject to forfeiture, repurchase, recoupment and/or cancellation to the extent necessary to comply with such law(s) and/or policies.

(g) Defense of Claims; Continued Cooperation. Subject to Section 8(g), during the Term and thereafter, upon request from the Company, Executive shall: (a) cooperate with the Company or any other member of the Company Group in the defense of any claims or actions that may be made by or against such member of the Company Group that relate to Executive's actual or prior areas of knowledge or responsibility, and (b) provide such information as the Company may reasonably request with respect to Executive's services performed for the Company and the other members of the Company Group.

(h) Deemed Resignations. Except as otherwise determined by the Board or as otherwise agreed to in writing by Executive and the Company or any other member of the Company Group prior to the termination of Executive's employment with the Company or any member of the Company Group, any termination of Executive's employment shall constitute, as applicable, an automatic resignation of Executive (a) as an officer of the Company and each other member of the Company Group and (b) from the board of directors or board of managers (or similar governing body) of any member of the Company Group and from the board of directors or board of managers (or similar governing body) of any corporation, limited liability entity, unlimited liability entity or other entity in which any member of the Company Group holds an equity interest and with respect to which board of directors or board of managers (or similar governing body) Executive serves as such Company Group member's designee or other representative, in each case, as applicable.

*[Signatures on next page]*

IN WITNESS WHEREOF, the Parties have executed and caused this Agreement to be effective as of the Effective Date.

**ADAMAS TRUST, INC.**

By: /s/ Kristine R. Nario-Eng  
Name: Kristine R. Nario-Eng  
Title: Chief Financial Officer

/s/ Jason T. Serrano  
JASON T. SERRANO

*Signature Page to Employment Agreement*

---

**Exhibit A**

**Permitted Director or Trustee Positions**

None.

Exhibit A

**AMENDED AND RESTATED EMPLOYMENT AGREEMENT OF  
KRISTINE R. NARIO-ENG**

This AMENDED AND RESTATED EMPLOYMENT AGREEMENT (this “Agreement”) is made and entered into this November 3, 2025 to be effective as of November 3, 2025 (the “Effective Date”), between Adamas Trust, Inc., a Maryland corporation (the “Company”), and Kristine R. Nario-Eng (the “Executive”). This Agreement supersedes and replaces in all respects that certain Employment Agreement, dated February 1, 2022, by and between the Company and the Executive (the “Prior Employment Agreement”). The Executive and the Company are each referred to herein as a “Party” and collectively as the “Parties.”

WHEREAS, the Parties now desire to amend and restate in its entirety the Prior Employment Agreement to memorialize the terms of the Executive’s employment, as of the Effective Date, as Chief Financial Officer; and

WHEREAS, the Company desires to continue to employ Executive and Executive desires to continue to be employed by the Company, on the terms and subject to the conditions set forth herein.

NOW THEREFORE, in consideration of the premises and the respective covenants and agreements of the Parties herein contained, and intending to be legally bound hereby, the Parties hereto agree as follows:

1. Employment. As of the Effective Date and during the Term (as defined below), the Company hereby agrees to continue to employ the Executive, and the Executive hereby agrees to continue to serve the Company, on the terms and conditions set forth herein.

2. Term.

(a) The Term of this Agreement will commence on the Effective Date and end on the date immediately preceding the second anniversary of the Effective Date (the “Expiration Date”), unless further extended or sooner terminated as hereinafter provided. “Term” shall mean the period from the Effective Date through the first to occur of the Expiration Date (unless the Term is extended in accordance herewith) or the Date of Termination in the event this Agreement is sooner terminated pursuant to Section 6.

(b) The Company agrees to provide the Executive with written notice, at least 90 days prior to the Expiration Date, of its determination not to extend the Term of this Agreement (a “Notice of Non-Renewal”). Failure by the Company to provide the Executive with a Notice of Non-Renewal at least 90 days prior to the Expiration Date will result in the automatic extension of the Term for another one-year period after the Expiration Date, and the new Expiration Date will be the first anniversary of the previous Expiration Date for purposes of this Agreement.

---

3. Position and Duties. The Executive shall serve as the Chief Financial Officer of the Company and shall have responsibilities, duties and authority consistent with this position. Executive's duties and responsibilities shall include those requested by the Board of Directors of the Company (the "Board") that are suitable for the Chief Financial Officer of the Company, which may include providing services to the Company's direct and indirect subsidiaries with positions, titles and responsibilities that are suitable for the Chief Financial Officer of the Company, without additional compensation. Collectively, the Company and its direct and indirect subsidiaries are referred to herein as the "Company Group." The Executive shall devote substantially all her working time and efforts to the business and affairs of the Company Group, provided, that nothing in this Agreement shall preclude the Executive from serving as a director or trustee in any of the firms set forth on Exhibit A (or any other firms for which the Executive receives prior written authorization from the Board) or from pursuing personal real estate investments and other personal investments, as long as such activities do not interfere with the Executive's performance of her duties hereunder or violate the terms of this Agreement. For the avoidance of doubt, Executive owes the Company and each member of the Company Group fiduciary duties including duties of loyalty and disclosure, and such other fiduciary duties provided for by applicable law with respect to an officer of the Company, and the obligations described in this Agreement are in addition to, and not in lieu of, the obligations Executive owes the Company and each member of the Company Group under statutory and common law.

4. Place of Performance. In connection with the Executive's employment by the Company, the Executive shall be based at the principal executive offices of the Company in New York, New York, except for required travel on the Company's business to an extent substantially consistent with present business travel obligations.

5. Compensation and Related Matters.

(a) Base Salary. The Company shall pay the Executive a base salary (the "Base Salary"), which shall be payable by Hypotheca Capital, LLC or such other member of the Company Group (the "Payrolling Entity") as the Company may determine from time to time, and in periodic installments according to the Payrolling Entity's normal payroll practices. The Executive's Base Salary shall be at the annualized rate of \$550,000. During the Term, the Board or the Compensation Committee of the Board (the "Compensation Committee") shall review the Base Salary at least once a year, or otherwise at the Board's or the Compensation Committee's discretion from time to time, to determine whether the Base Salary should be increased. The Base Salary, including any increases, shall not be decreased during the Term. For purposes of this Agreement, the term "Base Salary" shall mean the amount established and adjusted from time to time pursuant to this Section 5(a).

(b) Short-Term Incentive Awards. The Executive shall be eligible to participate in the Company's annual incentive plan adopted by the Compensation Committee for each fiscal year (including any partial year) during the Term of this Agreement ("Bonus Plan"). The Compensation Committee will adopt a Bonus Plan for each fiscal year during the Term by no later than March 31 of that fiscal year. If the Executive or the Company, as the case may be, satisfies the performance criteria contained in such Bonus Plan for a fiscal year, the Executive shall receive an incentive bonus (the "Incentive Bonus") in an amount pursuant to such Bonus Plan or as determined by the Compensation Committee, as applicable, and subject to ratification by the Board, if required. The Bonus Plan shall contain both individual and corporate performance goals for each fiscal year established by the Compensation Committee. If the Executive or the Company, as the case may be, fails to satisfy the performance criteria contained in such Bonus Plan for a fiscal year, the Compensation Committee may determine whether any Incentive Bonus shall be payable to Executive for that year, subject to ratification by the Board, if required. The annual Incentive Bonus (if any) shall be paid to the Executive no later than March 14 of the year immediately following the year for which the applicable Bonus Plan was adopted. If the Compensation Committee does not adopt a Bonus Plan for a particular fiscal year, the Executive will be eligible to receive an Incentive Bonus for that year in an amount, if any, that is determined by the Compensation Committee in its discretion.

(c) Long-Term Incentive Awards. The Company has established the 2017 Equity Incentive Plan, as amended from time to time (together with any successor plan thereto, the "Stock Incentive Plan"). Subject to the terms and conditions of the Stock Incentive Plan, as amended from time to time, and any awards issued thereunder, the Executive shall be eligible to participate in the Stock Incentive Plan, and shall be eligible to receive equity-based awards under the Stock Incentive Plan. The Compensation Committee shall approve any such awards made to the Executive pursuant to the Stock Incentive Plan and each award shall be governed by the terms and conditions of the Stock Incentive Plan and the applicable award agreement.

(d) Benefits.

(i) Vacation. The Executive shall be entitled to up to four (4) weeks of paid vacation per full calendar year, which shall accrue, carry over, and be taken in accordance with the Company's vacation policies as in effect from time to time.

(ii) Sick and Personal Days. The Executive shall be entitled to sick and personal days in accordance with the policies of the Company as in effect from time to time.

(iii) Employee Benefits.

(A) Participation in Employee Benefit Plans. Subject to the terms of any applicable plans, policies or programs as in effect from time to time, the Executive and her spouse and eligible dependents, if any, and their respective designated beneficiaries where applicable, will be eligible to participate in any Company sponsored employee benefit plans, including but not limited to benefits such as group health, dental, accident, disability insurance, group life insurance, and a 401(k) plan, as such benefits may be offered from time to time, on a basis no less favorable than that applicable to other executives of the Company.

(B) Annual Physical. If the Executive desires an annual physical examination, the Company shall provide, at its cost, a medical examination for the Executive on an annual basis by a licensed physician in the New York, New York metropolitan area selected by the Executive. The results of the examination and any medical information or records regarding the examination will be provided by the physician to the Executive, and not to the Company.

(C) Directors and Officers Insurance. During the Term and for a period of six (6) years thereafter, the Company will maintain a directors' and officers' insurance policy that provides Executive with coverage in respect of acts and omissions of the Executive in her capacity as such and occurring during Executive's employment, in an amount and on terms generally no less favorable than the coverage the Company provides to other officers and directors.

(iv) Expenses, Office and Systems Support. The Executive shall be entitled to reimbursement of all reasonable expenses, in accordance with the Company's policy as in effect from time to time and on a basis no less favorable than that applicable to other executives of the Company, including, without limitation, telephone, reasonable travel and reasonable business entertainment expenses incurred by the Executive in connection with the business of the Company, upon the presentation by the Executive of appropriate documentation.

6. Termination. The Executive's employment pursuant to this Agreement may be terminated at any time in accordance with this Section 6:

(a) Death. The Executive's employment hereunder shall terminate upon her death.

(b) Disability. If the Board (sitting without the Executive, if applicable) determines that a Disability prevents Executive from performing the essential functions of the Executive's job, after accounting for reasonable accommodation (if applicable and required by applicable law), the Company may terminate the Executive's employment hereunder. As used in this Agreement, the term "Disability" shall mean the inability of the Executive, due to physical or mental condition, to perform the essential functions of the Executive's job, after consideration of the availability of reasonable accommodations (if applicable and required by applicable law), for more than 180 total calendar days during any period of 12 consecutive months.

(c) For Cause. The Company may terminate the Executive's employment hereunder for Cause. For purposes of this Agreement, the Company shall have "Cause" to terminate the Executive's employment hereunder upon a determination by at least a majority of the members of the Board (other than the Executive, if the Executive serves on the Board) at a meeting of the Board called and held for such purpose that Executive (i) has committed fraud, misappropriated, stolen or embezzled funds or property from the Company or an affiliate of the Company, or engaged in willful misconduct, (ii) has been convicted of, or entered a plea of guilty or "nolo contendere" to, a felony (excluding any vehicular felony for which a non-custodial sentence is received) which in the reasonable opinion of the Board brings Executive into disrepute or is likely to cause harm to the Company or its business, reputation, financial condition or prospects, (iii) has materially failed to perform her duties hereunder and has failed to cure same within 30 days of Executive's receipt of written notice from the Board, (iv) has violated or breached any material law or regulation to the material detriment of the Company or its business, or (v) has willfully breached any of her duties or obligations under this Agreement where such breach causes or is reasonably likely to cause material harm to the Company.

(d) Without Cause. The Company may at any time terminate the Executive's employment hereunder without Cause.

(e) Termination by the Executive.

(i) The Executive may terminate her employment hereunder (A) for Good Reason in accordance with Section 6(e)(ii) or (B) other than for Good Reason by giving the Company a Notice of Termination at least thirty (30) days prior to the Date of Termination.

(ii) For purposes of this Agreement, “Good Reason” shall mean (A) a failure by the Company or its successors or assigns to comply with any material provision of this Agreement, (B) a material reduction in the Executive’s duties, authority (including reporting requirements) or responsibilities, or a materially adverse change to the Executive’s title, without the consent of the Executive, except that (i) a determination by the Nominating and Corporate Governance Committee of the Board of Directors not to nominate the Executive for re-election as a director of the Company or any member of the Company Group or (ii) a failure by stockholders to elect the Executive as a director of the Company or any member of the Company Group shall not be deemed to be “Good Reason,” (C) without the consent of the Executive, a material reduction in (i) Executive’s Base Salary or (ii) Executive’s employee benefits, in either case, other than a reduction generally applicable to similarly situated executives of the Company, (D) without the consent of the Executive, relocation of the Company’s principal place of business outside of a 50-mile radius of the Borough of Manhattan in the City of New York, or (E) any failure by the Company to pay the Executive Base Salary or any Incentive Bonus to which she is entitled under a Bonus Plan; provided, however, that in order for an event or condition described in (A), (B), (C), (D) or (E) to constitute Good Reason, all of the following conditions must be satisfied: (1) Executive must provide a written notice to the Board within ninety (90) days of the initial existence of the event(s) or condition(s) giving rise to Good Reason; (2) the event(s) and condition(s) specified within such notice must remain uncured for thirty (30) days after the notice is received by the Board; and (3) the Date of Termination must occur after the end of the Company’s thirty (30) day cure period and no later than one hundred and twenty (120) days after the initial occurrence of the event(s) or condition(s) giving rise to Good Reason. For the avoidance of doubt, the Executive acknowledges and agrees that Executive’s entering into this Agreement shall not constitute, and shall not be deemed to constitute, “Good Reason” under this Agreement or the Prior Employment Agreement.

(f) Any termination of the Executive’s employment by the Company or its successors or assigns or by the Executive (other than termination pursuant to subsection (a) or (b) of this Section 6) shall be communicated by written Notice of Termination to the other Party hereto in accordance with Section 12. For purposes of this Agreement, a “Notice of Termination” shall mean a notice which shall (i) indicate the specific termination provision in this Agreement relied upon, (ii) set forth in reasonable detail the facts and circumstances claimed to provide a basis for termination of the Executive’s employment under the provision so indicated and (iii) if the Executive’s termination of employment is for Good Reason, set forth the condition giving rise to the Executive’s termination of employment for Good Reason.

(g) “Date of Termination” shall mean, at any time during the Term, (i) if the Executive’s employment is terminated by her death, the date of her death, (ii) if the Executive’s employment is terminated pursuant to Section 6(b) above, the date as of which the Company terminated the Executive’s employment, (iii) if the Executive’s employment is terminated pursuant to Section 6(c) above, the date specified in the Notice of Termination, which date must, for the avoidance of doubt, be after the end of any applicable cure period, (iv) if the Executive’s termination of employment is for Good Reason, the date identified in the Notice of Termination, which date must, for the avoidance of doubt, follow the end of the Company’s thirty (30) day cure period described in Section 6(e), and (v) if the Executive’s employment is terminated for any other reason, the date that is set forth in the applicable Notice of Termination. Notwithstanding anything in this Agreement to the contrary, if Executive gives a Notice of Termination pursuant to this Agreement, the Company may determine, in its sole discretion, that such resignation other than for Good Reason shall be effective (and that the Term shall therefore end) on any date prior to the effective date of resignation provided in such notice, and any such determination by the Company shall not alter the basis for Executive’s separation, as Executive’s separation shall still be due to Executive’s resignation, and not due to a termination by the Company.

7. Compensation Upon Termination.

(a) Death. If the Executive’s employment is terminated by her death, the Company shall, subject to Section 7(f) below, within thirty (30) days following the date of the Executive’s death, pay to the Executive’s designated beneficiary(ies) an amount equal to the sum of (i) the Executive’s annual Base Salary for the year in which the Date of Termination occurs and (ii) the Executive’s target annual Incentive Bonus for the fiscal year in which the Date of Termination occurs (or, if the Executive’s target annual Incentive Bonus for the fiscal year in which the Date of Termination occurs has not been approved by the Compensation Committee or the Board, as applicable, prior to the Date of Termination, the Executive’s target annual Incentive Bonus for the fiscal year preceding the fiscal year in which the Date of Termination occurs). The Company shall also provide any other amounts to which the Executive is entitled pursuant to applicable death benefit plans, programs and policies as in effect from time to time. In addition, all stock options, restricted stock awards and any other equity awards granted by the Company to the Executive shall become fully vested, unrestricted and exercisable as of the Date of Termination under this Section 7(a); provided, however, that with respect to each award that is subject to a performance-based vesting condition, the extent to which such award shall vest and become earned shall remain subject to the satisfaction of applicable performance metrics calculated through the Date of Termination. The Company shall provide the COBRA Subsidy, in accordance with applicable law and as defined in Section 7(e) below. For the avoidance of doubt, under this Section 7(a), the COBRA Subsidy shall only cover the Executive’s surviving spouse and eligible dependents and not the executive.

(b) Disability. If a physical or mental condition makes Executive unable to perform the essential functions of the Executive's job for less than 180 total calendar days during any period of twelve (12) consecutive months (the "Disability Period"), the Executive shall continue to receive her full Base Salary at the rate then in effect for such Disability Period, notwithstanding the Company's other rights to terminate Executive's employment hereunder, including pursuant to Section 6(b). The Executive's rights under the disability plans, programs and policies maintained by the Company or in connection with employment by the Company shall be determined in accordance with the provisions of such plan. Subject to Section 7(f) below, if the Executive's employment is terminated due to Disability, the Company shall provide the COBRA Subsidy (as defined in Section 7(e) below). In addition, if the Executive's employment is terminated due to Disability, all stock options, restricted stock grants awards and any other equity awards granted by the Company to the Executive shall become fully vested, unrestricted and exercisable as of the Date of Termination; provided, however, that with respect to each award that is subject to a performance-based vesting condition, such award shall only vest and become earned upon the satisfaction of the applicable performance metrics, as determined by the Board, calculated through the Date of Termination.

(c) Termination by the Company for Cause or Termination by the Executive without Good Reason. If the Executive's employment is terminated by the Company for Cause or by the Executive without Good Reason, the Company shall (i) pay the Executive any earned and accrued but unpaid installment of Base Salary through the Date of Termination, at the rate in effect at the time Notice of Termination is given, and (ii) reimburse the Executive for all reasonable expenses incurred by the Executive in performing services hereunder prior to the Date of Termination in accordance with Section 5(d)(iv), such payments and reimbursements to be made in a lump sum within sixty (60) days following the Date of Termination. Except as expressly provided in this Section 7(c), the Company shall have no further obligations to the Executive under this Agreement.

(d) Termination by the Company without Cause (other than for death or Disability), Termination by the Executive for Good Reason or Termination by the Company due to Non-Renewal. If the Company terminates the Executive's employment other than for death, Disability (pursuant to Section 6(b)) or Cause, or if the Executive terminates her employment for Good Reason, or if the Executive's employment hereunder is terminated by the Company due to the Company issuing a Notice of Non-Renewal to the Executive, then the Company shall (i) pay the Executive for any earned and accrued but unpaid installment of Base Salary, at the rate in effect at the time Notice of Termination is given, and an amount equal to any Incentive Bonus previously determined to have been earned by the Compensation Committee (and previously ratified by the Board, if required) that remains unpaid as of the Date of Termination, and all other unpaid and pro rata amounts earned by Executive as of the Date of Termination subject to the terms of any compensation plan or program of the Company, including without limitation, all accrued but unused vacation time subject to the Company's applicable vacation policy at the Date of Termination and (ii) reimburse the Executive for all reasonable expenses incurred by the Executive in performing services hereunder prior to the Date of Termination in accordance with Section 5(d)(iv), such payments and reimbursements to be made in a lump sum within sixty (60) days following the Date of Termination. In addition, subject to Section 7(f) below:

(i) the Company shall pay to the Executive an amount equal to the product of (x) two (2) and (y) the sum of the (a) Executive's Base Salary in effect at the Date of Termination and (b) the target annual Incentive Bonus for the fiscal year in which the Date of Termination occurs (or, if the Executive's target annual Incentive Bonus for the fiscal year in which the Date of Termination occurs has not been approved by the Compensation Committee or the Board, as applicable, prior to the Date of Termination, the Executive's target annual Incentive Bonus for the fiscal year preceding the fiscal year in which the Date of Termination occurs); such payment to be made in a lump sum within sixty (60) days following the Date of Termination, provided the Executive has complied with Section 7(f). In addition, all stock options, restricted stock awards and any other equity awards granted by the Company to the Executive shall become fully vested, unrestricted and exercisable as of the Date of Termination; provided, however, that with respect to each award that is subject to a performance-based vesting condition, such award shall only vest and become earned upon the satisfaction of applicable performance metrics, as determined by the Board, calculated through the end of the applicable performance period; and

(ii) the Company shall provide the COBRA Subsidy.

(e) If the Executive's employment hereunder is terminated in circumstances in which Executive is eligible to receive the benefits described in Section 7(a), Section 7(b) or Section 7(d) and the Executive complies with Section 7(f), then, if Executive, elects to continue coverage for the Executive and the Executive's spouse and eligible dependents, if any, under the Company's group health plans pursuant to Consolidated Omnibus Budget Reconciliation Act of 1985 ("COBRA"), the Company shall promptly reimburse the Executive on a monthly basis for the difference between the amount the Executive pays to effect and continue such coverage and the employee contribution amount that similarly situated employees of the Company pay for the same or similar coverage under such group health plans (the "COBRA Subsidy"). Each payment of the COBRA Subsidy shall be paid to the Executive on the Company's first regularly scheduled pay date in the calendar month immediately following the calendar month in which the Executive submits to the Company documentation of the applicable premium payment having been paid by the Executive, which documentation shall be submitted by the Executive to the Company within thirty (30) days following the date on which the applicable premium payment is paid. The Executive shall be eligible to receive such reimbursement payments until the earliest of: (1) 18 months following the Date of Termination (the "COBRA Expiration Date"); (2) the date the Executive no longer eligible to receive COBRA continuation coverage; and (3) the date on which the Executive becomes eligible to receive coverage under a group health plan sponsored by another employer (and any such eligibility shall be promptly reported to the Company by the Executive); provided, however, that the election of COBRA continuation coverage and the payment of any premiums due with respect to such COBRA continuation coverage shall remain the Executive's sole responsibility, and the Company shall not assume any obligation for payment of any such premiums relating to such COBRA continuation coverage. For the avoidance of doubt, in the event of a termination pursuant to Section 7(a), following the COBRA Expiration Date, the Executive's spouse and eligible dependents may elect to continue coverage under the Company's group health plans pursuant to COBRA at their own expense and to the extent permitted by applicable law. Notwithstanding the foregoing, if the provision of the benefits described in this Section 7(e) cannot be provided in the manner described above without penalty, tax or other adverse impact on the Company, then the Company and the Executive shall negotiate in good faith to determine an alternative manner in which the Company may provide substantially equivalent benefits to the Executive without such adverse impact on the Company. For purposes of this Section 7(e), to the extent that Executive's spouse and eligible dependents are eligible to receive the COBRA Subsidy pursuant to Section 7(a), any references to the Executive in this Section 7(e) shall be deemed to refer to Executive's spouse and eligible dependents, as applicable.

(f) The obligations of the Company to make any payments or provide any benefits (including without limitation accelerated vesting of equity-based awards) to the Executive or the Executive's spouse and eligible dependents required under Section 7(a), Section 7(b), Section 7(d), or Section 7(e) hereof shall be conditioned on the timely execution and delivery to the Company (and non-revocation in any time provided by the Company to do so) by the Executive (or, in the event of a termination pursuant to Section 7(a), an authorized representative of Executive's estate) of a general release of claims in form and substance satisfactory to the Company (the "Release"), which Release shall be provided to the Executive (or, in the event of a termination pursuant to Section 7(a), an authorized representative of Executive's estate) no later than twenty-one (21) days following the Date of Termination, and which Release shall release each member of the Company Group and their respective affiliates, and the foregoing entities' respective shareholders, members, partners, officers, managers, directors, predecessors, successors, fiduciaries, employees, representatives, agents and benefit plans (and fiduciaries of such plans) from any and all claims, including any and all causes of action arising out of Executive's employment, engagement, or affiliation with the Company and any other member of the Company Group or the termination of such employment, engagement or affiliation, but excluding all claims to severance payments Executive may have under this Section 7.

(g) In the event of any conflict between the terms and conditions of this Section 7 as it relates to the accelerated vesting, exercisability, or the lapse of restrictions on any equity award granted by the Company to the Executive and the terms and conditions of the applicable award agreement governing such equity award, as applicable, the terms and conditions of the applicable document that provides the Executive with the most favorable treatment shall control and be given effect.

#### 8. Covenants of the Executive.

(a) General Covenants of the Executive. The Executive acknowledges that (i) the principal business of the Company is investing in mortgage-backed securities and other mortgage-related assets (such business, and any and all other businesses that after the date hereof, and from time to time during the Term, become material with respect to the Company's business, are collectively referred to herein as the "Business"); (ii) the Business is national in scope; (iii) the Executive's work for the Company and other members of the Company Group has given and will continue to give the Executive access to the confidential affairs and confidential, proprietary and trade secret information (including Confidential Information, as defined below) of the Company and other members of the Company Group; (iv) the covenants and agreements of the Executive contained in this Section 8 are essential to the business and goodwill of the Company and other members of the Company Group; and (v) the Company would not have entered into this Agreement but for the covenants and agreements set forth in this Section 8.

(b) Covenant Against Competition. The covenant against competition described in this Section 8(b) shall apply during the Term and for a period of one (1) year following the Date of Termination (such period, the “Restricted Period”). During the Restricted Period, the Executive covenants that Executive shall not, directly or indirectly, own, manage, control or participate in the ownership, management, or control of, or be employed or engaged by or otherwise affiliated or associated as an employee, employer, consultant, agent, principal, partner, stockholder, corporate officer, director or in any other individual or representative capacity, engage or participate in any Competing Business (as defined below) in any state in which the Company conducts Business as of the Date of Termination; provided, however, that, notwithstanding the foregoing, the Executive may invest in securities of any entity, solely for investment purposes and without participating in the business thereof, if (A) such securities are traded on any national securities exchange or the National Association of Securities Dealers, Inc. Automated Quotation System or equivalent non-U.S. securities exchange, (B) the Executive is not a controlling person of, or a member of a group which controls, such entity, and (C) the Executive does not, directly or indirectly, own one percent (1%) or more of any class of securities of such entity.

For purposes of this Agreement, “Competing Business” means any real estate investment trust or other investment vehicle whose business strategy is primarily focused on investing in and managing residential mortgage-backed securities and other mortgage-related assets.

(c) All memoranda, notes, lists, records, property and any other tangible product and documents (and all copies thereof) made, produced or compiled by the Executive or made available to the Executive during the Term concerning the Business of the Company and its affiliates shall be the Company's property and shall be delivered to the Company at any time on request. The Executive shall hold in a fiduciary capacity for the benefit of the Company all confidential, competitively valuable, non-public or proprietary information, knowledge or data relating to any member of the Company Group or its affiliates, or their respective businesses, which shall have been conceived, made, developed, acquired, disclosed to or obtained by the Executive during the Executive's employment or engagement by any member of the Company Group or its affiliates, and whether now known or later to become known (collectively, the "Confidential Information"), and both during and after the Term the Executive shall not use any such Confidential Information other than for the benefit of any member of the Company Group or its affiliates, or disclose any such Confidential Information to any person or entity. For purposes of this Agreement, Confidential Information shall not include any information that is or becomes generally available to the public other than as a result of a disclosure or wrongful act of Executive or any of Executive's affiliates or agents. Both during Executive's employment with the Company and thereafter, the Executive shall not, without the prior written consent of the Company or as may otherwise be required by law or legal process, communicate or divulge any such Confidential Information to anyone other than the Company and those designated by it. The agreement made in this Section 8(c) shall be in addition to, and not in limitation or derogation of, any obligations otherwise imposed by law or by separate agreement upon the Executive in respect of confidential information of the Company. Notwithstanding the foregoing, nothing herein will prevent the Executive from disclosing any factual information related to any future claim of discrimination to law enforcement, the Equal Employment Opportunity Commission, any state division of human rights (including the New York State Division of Human Rights), any local commission on human rights, or any attorney retained by the Executive.

(d) During the Term and for a period of one (1) year following the termination of the Executive's employment for any reason, the Executive shall not, without the Company's prior written consent, directly or indirectly, (i) knowingly solicit or knowingly encourage to leave the employment or engagement of the Company or any of its affiliates, any employee employed by, or independent contractor engaged by, the Company or its affiliate at the time of the Date of Termination; (ii) knowingly hire (on behalf of the Executive or any other person or entity) any employee employed by, or independent contractor engaged by, the Company or its affiliate at the time of the Date of Termination or who has left the employment or engagement of the Company or any of its affiliates (or any predecessor of either) within one (1) year of the Date of Termination; or (iii) whether for the Executive's own account or for the account of any other person, firm, corporation or other business organization, intentionally interfere with the Company's or any of its affiliates', relationship with, or endeavor to entice away from the Company or any of its affiliates, any person who during the Executive's employment with the Company is or was a customer or client of the Company or any of its affiliates (or any predecessor of either).

(e) The Executive acknowledges and agrees that any breach by her of any of the provisions of Sections 8(b), 8(c) or 8(d) (the “Restrictive Covenants”) would result in irreparable injury and damage for which money damages would not provide an adequate remedy. Therefore, if the Executive breaches, or threatens to commit a breach of, any of the Restrictive Covenants, the Company and its affiliates shall have the right and remedy to have the Restrictive Covenants specifically enforced (without posting bond and without the need to prove damages) by any court having equity jurisdiction, including, without limitation, the right to an entry against the Executive of restraining orders and injunctions (preliminary, mandatory, temporary and permanent) against violations, threatened or actual, and whether or not then continuing, of such covenants. This right and remedy shall be in addition to, and not in lieu of, any other rights and remedies available to the Company or its affiliates under law or in equity (including, without limitation, the recovery of damages). The existence of any claim or cause of action by the Executive, whether predicated on this Agreement or otherwise, shall not constitute a defense to the enforcement of the Restrictive Covenants. In addition to all other available rights and remedies, the Company has the right to cease making severance payments or otherwise providing severance benefits as set forth in Section 7 above in the event of a breach of any of the Restrictive Covenants that, if capable of cure and not willful, is not cured within thirty (30) days after receipt of notice thereof from the Company.

(f) The covenants in this Section 8, and each provision and portion hereof, are severable and separate, and the unenforceability of any specific covenant (or portion thereof) shall not affect the provisions of any other covenant (or portion thereof). Moreover, in the event any arbitrator or court of competent jurisdiction shall determine that the scope, time or territorial restrictions set forth are unreasonable, then it is the intention of the Parties that such restrictions be enforced to the fullest extent which such arbitrator or court deems reasonable, and this Agreement shall thereby be reformed.

(g) Permitted Disclosures. Nothing in this Agreement shall prohibit or restrict the Executive from lawfully (i) initiating communications directly with, cooperating with, providing information to, causing information to be provided to, or otherwise assisting in an investigation by any governmental agency, commission, or regulatory authority (collectively, “Governmental Authorities”) regarding a possible violation of any law; (ii) responding to any inquiry or legal process directed to the Executive individually from any such Governmental Authorities; (iii) testifying, participating or otherwise assisting in an action or proceeding by any such Governmental Authorities relating to a possible violation of law; or (iv) making any other disclosures that are protected under the whistleblower provisions of any applicable law. Additionally, pursuant to the federal Defend Trade Secrets Act of 2016, the Executive shall not be held criminally or civilly liable under any federal or state trade secret law for the disclosure of a trade secret that: (x) is made (A) in confidence to a federal, state, or local government official, either directly or indirectly, or to an attorney; and (B) solely for the purpose of reporting or investigating a suspected violation of law; or (y) is made to the Executive’s attorney in relation to a lawsuit for retaliation against the Executive for reporting a suspected violation of law; or (z) is made in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal. Nothing in this Agreement requires the Executive to obtain prior authorization from any member of the Company Group before engaging in any conduct described in this paragraph, or to notify any member of the Company Group that Executive has engaged in any such conduct.

9. Successors; Binding Agreement. This Agreement shall be binding upon and inure to the benefit of successors and permitted assigns of the Parties. This Agreement may not be assigned, nor may performance of any duty hereunder be delegated, by either Party without the prior written consent of the other; provided, however, the Company may assign this Agreement without Executive’s consent to any successor to or acquirer of its business, including but not limited to in connection with any subsequent merger, consolidation, sale of all or substantially all of the assets, business or stock of the Company, or similar transaction involving the Company or a successor corporation.

10. Parachute Payments. If any amount payable to, or other benefit receivable by the Executive pursuant to this Agreement or under other agreements, plans and agreements is deemed to constitute a “parachute payment” as defined in Section 280G of the Internal Revenue Code of 1986, as amended (the “Code”), then such payments or benefits shall be reduced in accordance with, and to the extent required by, the provisions of the Stock Incentive Plan.

11. Continued Performance. Provisions of this Agreement shall survive the end of the Term and the termination of Executive’s employment hereunder if so provided herein or if necessary or desirable fully to accomplish the purposes of such provisions, including, without limitation, the obligations of the Executive under the terms and conditions of Section 8. Any obligation of the Company to make payments to or on behalf of the Executive under Section 7 is expressly conditioned upon the Executive’s continued performance of the Executive’s obligations under Section 8 for the time periods stated in Section 8. The Executive recognizes that, except to the extent, if any, provided in Section 7, the Executive will earn no compensation from the Company after the Date of Termination.

12. Notices. For the purposes of this Agreement, notices, demands and all other communications provided for in this Agreement shall be in writing and shall be deemed to have been duly received (a) when delivered in person, (b) on the first business day after such notice is sent by express overnight courier service, or (d) on the second business day following deposit with an internationally-recognized second-day courier service with proof of receipt maintained, in each case, to the following address, as applicable:

If to the Executive:

Kristine R. Nario-Eng  
c/o Adamas Trust, Inc.  
90 Park Avenue, Floor 23  
New York, NY 10016

If to the Company:

Adamas Trust, Inc.  
90 Park Avenue, Floor 23  
New York, NY 10016  
Attention: Compensation Committee

with a copy to:

Vinson & Elkins L.L.P.  
2200 Pennsylvania Avenue NW  
Suite 500 West  
Washington, DC 20037  
Attention: Christopher Green, Esq.

or to such other address as any Party may have furnished to the others in writing in accordance herewith, except that notices of change of address shall be effective only upon receipt.

13. Miscellaneous. No provisions of this Agreement may be modified, amended, waived or discharged unless such waiver, modification, amendment, or discharge is agreed to in writing signed by the Executive and such officer of the Company as may be specifically designated by the Board. No waiver by either Party hereto at any time of any breach by the other Party hereto of, or compliance with, any condition or provision of this Agreement to be performed by such other Party shall be deemed a waiver of similar or dissimilar provisions or conditions at the same or at any prior or subsequent time. No agreements or representations, oral or otherwise, express or implied, with respect to the subject matter hereof have been made by either Party which are not set forth expressly in this Agreement. The validity, interpretation, construction and performance of this Agreement shall be governed by the laws of the State of New York without regard to its conflicts of law principles.

(a) Validity. The invalidity or unenforceability of any provision or provisions of this Agreement shall not affect the validity or enforceability of any other provision of this Agreement, which shall remain in full force and effect.

(b) Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed to be an original but all of which together will constitute one and the same instrument.

(c) Disputes.

(i) Subject to Section 13(c)(ii) – (iii) below, any dispute or controversy arising out of or relating to this Agreement or Executive’s employment or engagement with the Company or any member of the Company Group shall be settled exclusively by binding arbitration conducted before a single arbitrator in New York, New York in accordance with the Employment Arbitration Rules of the American Arbitration Association (“AAA”) then in effect. Judgment may be entered on the arbitrator’s award in any court having jurisdiction. The expenses of arbitration charged by the AAA shall be borne by the Company (for the avoidance of doubt, the Parties shall each bear their own attorney’s fees and costs). The decision of the arbitrator shall be reasoned and rendered in writing.

(ii) Notwithstanding Section 13(c)(i), either Party may make a timely application for, and obtain, judicial emergency or temporary injunctive relief to enforce any of the provisions herein; *provided, however*, that the remainder of any such dispute (beyond the application for emergency or temporary injunctive relief) shall be subject to arbitration under Section 13(c)(i).

(iii) This Section 13(c) is subject to, and shall be governed by, the Federal Arbitration Act, 9 U.S.C. §1, et seq. By entering into this Agreement and entering into the arbitration provisions of this Section 13(c), THE PARTIES EXPRESSLY ACKNOWLEDGE AND AGREE THAT THEY ARE KNOWINGLY, VOLUNTARILY AND INTENTIONALLY WAIVING THEIR RIGHTS TO A JURY TRIAL. Nothing in this Section 13(c) precludes the Executive from filing a charge or complaint with a federal, state or other governmental agency, commission, or regulatory authority.

(d) Section 409A. The Parties agree that this Agreement is intended to comply with the requirements of Section 409A of the Code and the regulations promulgated thereunder (“Section 409A”) or an exemption therefrom. For purposes of this Agreement, each amount to be paid or benefit to be provided hereunder (including any right to a series of installment payments) shall be construed as a separate identified payment or a right to a series of separate payments for purposes of Section 409A. With respect to any reimbursement of expenses of, or any provision of in-kind benefits to, the Executive, as specified under this Agreement, such reimbursement of expenses or provision of in-kind benefits shall be subject to the following conditions: (i) the expenses eligible for reimbursement or the amount of in-kind benefits provided in one taxable year shall not affect the expenses eligible for reimbursement or the amount of in-kind benefits provided in any other taxable year, except for any medical reimbursement arrangement providing for the reimbursement of expenses referred to in Section 105(b) of the Code; (ii) the reimbursement of an eligible expense shall be made no later than the end of the year after the year in which such expense was incurred; and (iii) the right to reimbursement or in-kind benefits shall not be subject to liquidation or exchange for another benefit. Any payments to be made under this Agreement upon a termination of the Executive’s employment shall only be made if such termination of employment constitutes a “separation from service” under Section 409A. Notwithstanding any provision in this Agreement to the contrary, if any payment or benefit provided for herein would be subject to additional taxes and interest under Section 409A if the Executive’s receipt of such payment or benefit is not delayed until the earlier of (x) the date of the Executive’s death or (y) the date that is six (6) months after the Date of Termination (such date, the “Section 409A Payment Date”), then such payment or benefit shall not be provided to the Executive (or the Executive’s estate, if applicable) until the Section 409A Payment Date. Notwithstanding the foregoing, the Company does not make any representations that the payments and benefits provided under this Agreement are exempt from, or compliant with, Section 409A and in no event shall the Company be liable for all or any portion of any taxes, penalties, interest or other expenses that may be incurred by the Executive on account of non-compliance with Section 409A.

(e) Entire Agreement. Upon the Effective Date, this Agreement shall supersede the Prior Employment Agreement, and the Executive shall have no further or future rights pursuant to the Prior Employment Agreement and all Company obligations pursuant to the Prior Employment Agreement shall be deemed satisfied in full (other than any obligations, if still unsatisfied, to pay the Executive any base salary for services provided in the pay period in which the Effective Date occurs). From and after the Effective Date, this Agreement shall set forth the entire agreement of the Parties hereto in respect of the subject matter contained herein and supersedes all prior agreements, promises, covenants, arrangements, communications, representations or warranties, whether oral or written, with respect to the subject matter hereof.

(f) Clawback. Notwithstanding any provision in this Agreement 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) the Adamas Trust, Inc. Clawback Policy or any other policy that may be adopted or amended by the Board from time to time to the extent necessary to comply with such law(s), amounts paid or payable under this Agreement shall be subject to forfeiture, repurchase, recoupment and/or cancellation to the extent necessary to comply with such law(s) and/or policies.

(g) Defense of Claims; Continued Cooperation. Subject to Section 8(g), during the Term and thereafter, upon request from the Company, Executive shall: (a) cooperate with the Company or any other member of the Company Group in the defense of any claims or actions that may be made by or against such member of the Company Group that relate to Executive's actual or prior areas of knowledge or responsibility, and (b) provide such information as the Company may reasonably request with respect to Executive's services performed for the Company and the other members of the Company Group.

(h) Deemed Resignations. Except as otherwise determined by the Board or as otherwise agreed to in writing by Executive and the Company or any other member of the Company Group prior to the termination of Executive's employment with the Company or any member of the Company Group, any termination of Executive's employment shall constitute, as applicable, an automatic resignation of Executive (a) as an officer of the Company and each other member of the Company Group and (b) from the board of directors or board of managers (or similar governing body) of any member of the Company Group and from the board of directors or board of managers (or similar governing body) of any corporation, limited liability entity, unlimited liability entity or other entity in which any member of the Company Group holds an equity interest and with respect to which board of directors or board of managers (or similar governing body) Executive serves as such Company Group member's designee or other representative, in each case, as applicable.

*[Signatures on next page]*

IN WITNESS WHEREOF, the Parties have executed and caused this Agreement to be effective as of the Effective Date.

**ADAMAS TRUST, INC.**

By: /s/ Jason T. Serrano  
Name: Jason T. Serrano  
Title: Chief Executive Officer

/s/ Kristine R. Nario-Eng  
KRISTINE R. NARIO-ENG

*Signature Page to Employment Agreement*

---

**Exhibit A**

**Permitted Director or Trustee Positions**

None.

Exhibit A

**AMENDED AND RESTATED EMPLOYMENT AGREEMENT OF  
NICHOLAS MAH**

This AMENDED AND RESTATED EMPLOYMENT AGREEMENT (this “Agreement”) is made and entered into this November 3, 2025 to be effective as of November 3, 2025 (the “Effective Date”), between Adamas Trust, Inc., a Maryland corporation (the “Company”), and Nicholas Mah (the “Executive”). This Agreement supersedes and replaces in all respects that certain Employment Agreement, dated December 13, 2022, by and between the Company and the Executive (the “Prior Employment Agreement”). The Executive and the Company are each referred to herein as a “Party” and collectively as the “Parties.”

WHEREAS, the Parties now desire to amend and restate in its entirety the Prior Employment Agreement to memorialize the terms of the Executive’s employment, as of the Effective Date, as President; and

WHEREAS, the Company desires to continue to employ Executive and Executive desires to continue to be employed by the Company, on the terms and subject to the conditions set forth herein.

NOW THEREFORE, in consideration of the premises and the respective covenants and agreements of the Parties herein contained, and intending to be legally bound hereby, the Parties hereto agree as follows:

1. Employment. As of the Effective Date and during the Term (as defined below), the Company hereby agrees to continue to employ the Executive, and the Executive hereby agrees to continue to serve the Company, on the terms and conditions set forth herein.

2. Term.

(a) The Term of this Agreement will commence on the Effective Date and end on the date immediately preceding the second anniversary of the Effective Date (the “Expiration Date”), unless further extended or sooner terminated as hereinafter provided. “Term” shall mean the period from the Effective Date through the first to occur of the Expiration Date (unless the Term is extended in accordance herewith) or the Date of Termination in the event this Agreement is sooner terminated pursuant to Section 6.

(b) The Company agrees to provide the Executive with written notice, at least 90 days prior to the Expiration Date, of its determination not to extend the Term of this Agreement (a “Notice of Non-Renewal”). Failure by the Company to provide the Executive with a Notice of Non-Renewal at least 90 days prior to the Expiration Date will result in the automatic extension of the Term for another one-year period after the Expiration Date, and the new Expiration Date will be the first anniversary of the previous Expiration Date for purposes of this Agreement.

---

3. Position and Duties. The Executive shall serve as the President of the Company and shall have such responsibilities, duties and authority consistent with this position. Executive's duties and responsibilities shall include those requested by the Board of Directors of the Company (the "Board") that are suitable for the President of the Company, which may include providing services to the Company's direct and indirect subsidiaries with positions, titles and responsibilities that are suitable for the President of the Company, without additional compensation. Collectively, the Company and its direct and indirect subsidiaries are referred to herein as the "Company Group." The Executive shall devote substantially all his working time and efforts to the business and affairs of the Company Group, provided, that nothing in this Agreement shall preclude the Executive from serving as a director or trustee in any of the firms set forth on Exhibit A (or any other firms for which the Executive receives prior written authorization from the Board) or from pursuing personal real estate investments and other personal investments, as long as such activities do not interfere with the Executive's performance of his duties hereunder or violate the terms of this Agreement. For the avoidance of doubt, Executive owes the Company and each member of the Company Group fiduciary duties including duties of loyalty and disclosure, and such other fiduciary duties provided for by applicable law with respect to an officer of the Company, and the obligations described in this Agreement are in addition to, and not in lieu of, the obligations Executive owes the Company and each member of the Company Group under statutory and common law.

4. Place of Performance. In connection with the Executive's employment by the Company, the Executive shall be based at the principal executive offices of the Company in New York, New York, except for required travel on the Company's business to an extent substantially consistent with present business travel obligations.

5. Compensation and Related Matters.

(a) Base Salary. The Company shall pay the Executive a base salary (the "Base Salary"), which shall be payable by Hypotheca Capital, LLC or such other member of the Company Group (the "Payrolling Entity") as the Company may determine from time to time, and in periodic installments according to the Payrolling Entity's normal payroll practices. The Executive's Base Salary shall be at the annualized rate of \$720,000. During the Term, the Board or the Compensation Committee of the Board (the "Compensation Committee") shall review the Base Salary at least once a year, or otherwise at the Board's or the Compensation Committee's discretion from time to time, to determine whether the Base Salary should be increased. The Base Salary, including any increases, shall not be decreased during the Term. For purposes of this Agreement, the term "Base Salary" shall mean the amount established and adjusted from time to time pursuant to this Section 5(a).

(b) Short-Term Incentive Awards. The Executive shall be eligible to participate in the Company's annual incentive plan adopted by the Compensation Committee for each fiscal year (including any partial year) during the Term of this Agreement ("Bonus Plan"). The Compensation Committee will adopt a Bonus Plan for each fiscal year during the Term by no later than March 31 of that fiscal year. If the Executive or the Company, as the case may be, satisfies the performance criteria contained in such Bonus Plan for a fiscal year, the Executive shall receive an incentive bonus (the "Incentive Bonus") in an amount pursuant to such Bonus Plan or as determined by the Compensation Committee, as applicable, and subject to ratification by the Board, if required. The Bonus Plan shall contain both individual and corporate performance goals for each fiscal year established by the Compensation Committee. If the Executive or the Company, as the case may be, fails to satisfy the performance criteria contained in such Bonus Plan for a fiscal year, the Compensation Committee may determine whether any Incentive Bonus shall be payable to Executive for that year, subject to ratification by the Board, if required. The annual Incentive Bonus (if any) shall be paid to the Executive no later than March 14 of the year immediately following the year for which the applicable Bonus Plan was adopted. If the Compensation Committee does not adopt a Bonus Plan for a particular fiscal year, the Executive will be eligible to receive an Incentive Bonus for that year in an amount, if any, that is determined by the Compensation Committee in its discretion.

(c) Long-Term Incentive Awards. The Company has established the 2017 Equity Incentive Plan, as amended from time to time (together with any successor plan thereto, the "Stock Incentive Plan"). Subject to the terms and conditions of the Stock Incentive Plan, as amended from time to time, and any awards issued thereunder, the Executive shall be eligible to participate in the Stock Incentive Plan, and shall be eligible to receive equity-based awards under the Stock Incentive Plan. The Compensation Committee shall approve any such awards made to the Executive pursuant to the Stock Incentive Plan and each award shall be governed by the terms and conditions of the Stock Incentive Plan and the applicable award agreement.

(d) Benefits.

(i) Vacation. The Executive shall be entitled to up to four (4) weeks of paid vacation per full calendar year, which shall accrue, carry over, and be taken in accordance with the Company's vacation policies as in effect from time to time.

(ii) Sick and Personal Days. The Executive shall be entitled to sick and personal days in accordance with the policies of the Company as in effect from time to time.

(iii) Employee Benefits.

(A) Participation in Employee Benefit Plans. Subject to the terms of any applicable plans, policies or programs as in effect from time to time, the Executive and his spouse and eligible dependents, if any, and their respective designated beneficiaries where applicable, will be eligible to participate in any Company sponsored employee benefit plans, including but not limited to benefits such as group health, dental, accident, disability insurance, group life insurance, and a 401(k) plan, as such benefits may be offered from time to time, on a basis no less favorable than that applicable to other executives of the Company.

(B) Annual Physical. If the Executive desires an annual physical examination, the Company shall provide, at its cost, a medical examination for the Executive on an annual basis by a licensed physician in the New York, New York metropolitan area selected by the Executive. The results of the examination and any medical information or records regarding the examination will be provided by the physician to the Executive, and not to the Company.

(C) Directors and Officers Insurance. During the Term and for a period of six (6) years thereafter, the Company will maintain a directors' and officers' insurance policy that provides Executive with coverage in respect of acts and omissions of the Executive in his capacity as such and occurring during Executive's employment, in an amount and on terms generally no less favorable than the coverage the Company provides to other officers and directors.

(iv) Expenses, Office and Systems Support. The Executive shall be entitled to reimbursement of all reasonable expenses, in accordance with the Company's policy as in effect from time to time and on a basis no less favorable than that applicable to other executives of the Company, including, without limitation, telephone, reasonable travel and reasonable business entertainment expenses incurred by the Executive in connection with the business of the Company, upon the presentation by the Executive of appropriate documentation.

6. Termination. The Executive's employment pursuant to this Agreement may be terminated at any time in accordance with this Section 6:

(a) Death. The Executive's employment hereunder shall terminate upon his death.

(b) Disability. If the Board (sitting without the Executive, if applicable) determines that a Disability prevents Executive from performing the essential functions of the Executive's job, after accounting for reasonable accommodation (if applicable and required by applicable law), the Company may terminate the Executive's employment hereunder. As used in this Agreement, the term "Disability" shall mean the inability of the Executive, due to physical or mental condition, to perform the essential functions of the Executive's job, after consideration of the availability of reasonable accommodations (if applicable and required by applicable law), for more than 180 total calendar days during any period of 12 consecutive months.

(c) For Cause. The Company may terminate the Executive's employment hereunder for Cause. For purposes of this Agreement, the Company shall have "Cause" to terminate the Executive's employment hereunder upon a determination by at least a majority of the members of the Board (other than the Executive, if the Executive serves on the Board) at a meeting of the Board called and held for such purpose that Executive (i) has committed fraud, misappropriated, stolen or embezzled funds or property from the Company or an affiliate of the Company, or engaged in willful misconduct, (ii) has been convicted of, or entered a plea of guilty or "nolo contendere" to, a felony (excluding any vehicular felony for which a non-custodial sentence is received) which in the reasonable opinion of the Board brings Executive into disrepute or is likely to cause harm to the Company or its business, reputation, financial condition or prospects, (iii) has materially failed to perform his duties hereunder and has failed to cure same (if capable of cure) within 30 days of Executive's receipt of written notice from the Board, (iv) has violated or breached any material law or regulation to the material detriment of the Company or its business or (v) has willfully breached any of his duties or obligations under this Agreement where such breach causes or is reasonably likely to cause material harm to the Company.

(d) Without Cause. The Company may at any time terminate the Executive's employment hereunder without Cause.

(e) Termination by the Executive.

(i) The Executive may terminate his employment hereunder (A) for Good Reason in accordance with Section 6(e)(ii) or (B) other than for Good Reason by giving the Company a Notice of Termination at least thirty (30) days prior to the Date of Termination.

(ii) For purposes of this Agreement, “Good Reason” shall mean (A) a failure by the Company or its successors or assigns to comply with any material provision of this Agreement, (B) a material reduction in the Executive’s duties, authority (including reporting requirements) or responsibilities, or a materially adverse change to the Executive’s title, without the consent of the Executive, except that (i) a determination by the Nominating and Corporate Governance Committee of the Board of Directors not to nominate the Executive for re-election as a director of the Company or any member of the Company Group or (ii) a failure by stockholders to elect the Executive as a director of the Company or any member of the Company Group shall not be deemed to be “Good Reason,” (C) without the consent of the Executive, a material reduction in (i) Executive’s Base Salary or (ii) Executive’s employee benefits, in either case, other than a reduction generally applicable to similarly situated executives of the Company, (D) without the consent of the Executive, relocation of the Company’s principal place of business outside of a 50-mile radius of the Borough of Manhattan in the City of New York, or (E) any failure by the Company to pay the Executive Base Salary or any Incentive Bonus to which he is entitled under a Bonus Plan; provided, however, that in order for an event or condition described in (A), (B), (C), (D) or (E) to constitute Good Reason, all of the following conditions must be satisfied: (1) Executive must provide a written notice to the Board within ninety (90) days of the initial existence of the event(s) or condition(s) giving rise to Good Reason; (2) the event(s) and condition(s) specified within such notice must remain uncured for thirty (30) days after the notice is received by the Board; and (3) the Date of Termination must occur after the end of the Company’s thirty (30) day cure period and no later than one hundred and twenty (120) days after the initial occurrence of the event(s) or condition(s) giving rise to Good Reason. For the avoidance of doubt, the Executive acknowledges and agrees that Executive’s entering into this Agreement shall not constitute, and shall not be deemed to constitute, “Good Reason” under this Agreement or the Prior Employment Agreement.

(f) Any termination of the Executive’s employment by the Company or its successors or assigns or by the Executive (other than termination pursuant to subsection (a) or (b) of this Section 6) shall be communicated by written Notice of Termination to the other Party hereto in accordance with Section 12. For purposes of this Agreement, a “Notice of Termination” shall mean a notice which shall (i) indicate the specific termination provision in this Agreement relied upon, (ii) set forth in reasonable detail the facts and circumstances claimed to provide a basis for termination of the Executive’s employment under the provision so indicated and (iii) if the Executive’s termination of employment is for Good Reason, set forth the condition giving rise to the Executive’s termination of employment for Good Reason.

(g) “Date of Termination” shall mean, at any time during the Term, (i) if the Executive’s employment is terminated by his death, the date of his death, (ii) if the Executive’s employment is terminated pursuant to Section 6(b) above, the date as of which the Company terminated the Executive’s employment, (iii) if the Executive’s employment is terminated pursuant to Section 6(c) above, the date specified in the Notice of Termination, which date must, for the avoidance of doubt, be after the end of any applicable cure period, (iv) if the Executive’s termination of employment is for Good Reason, the date identified in the Notice of Termination, which date must, for the avoidance of doubt, follow the end of the Company’s thirty (30) day cure period described in Section 6(e), and (v) if the Executive’s employment is terminated for any other reason, the date that is set forth in the applicable Notice of Termination. Notwithstanding anything in this Agreement to the contrary, if Executive gives a Notice of Termination pursuant to this Agreement, the Company may determine, in its sole discretion, that such resignation other than for Good Reason shall be effective (and that the Term shall therefore end) on any date prior to the effective date of resignation provided in such notice, and any such determination by the Company shall not alter the basis for Executive’s separation, as Executive’s separation shall still be due to Executive’s resignation, and not due to a termination by the Company.

#### 7. Compensation Upon Termination.

(a) Death. If the Executive’s employment is terminated by his death, the Company shall, subject to Section 7(f) below, within thirty (30) days following the date of the Executive’s death, pay to the Executive’s designated beneficiary(ies) an amount equal to the sum of (i) the Executive’s annual Base Salary for the year in which the Date of Termination occurs and (ii) the Executive’s target annual Incentive Bonus for the fiscal year in which the Date of Termination occurs (or, if the Executive’s target annual Incentive Bonus for the fiscal year in which the Date of Termination occurs has not been approved by the Compensation Committee or the Board, as applicable, prior to the Date of Termination, the Executive’s target annual Incentive Bonus for the fiscal year preceding the fiscal year in which the Date of Termination occurs). The Company shall also provide any other amounts to which the Executive is entitled pursuant to applicable death benefit plans, programs and policies as in effect from time to time. In addition, all stock options, restricted stock awards and any other equity awards granted by the Company to the Executive shall become fully vested, unrestricted and exercisable as of the Date of Termination under this Section 7(a); provided, however, that with respect to each award that is subject to a performance-based vesting condition, the extent to which such award shall vest and become earned shall remain subject to the satisfaction of applicable performance metrics calculated through the Date of Termination. The Company shall provide the COBRA Subsidy, in accordance with applicable law and as defined in Section 7(e) below. For the avoidance of doubt, under this Section 7(a), the COBRA Subsidy shall only cover the Executive’s surviving spouse and eligible dependents and not the executive.

(b) Disability. If a physical or mental condition makes Executive unable to perform the essential functions of the Executive's job for less than 180 total calendar days during any period of twelve (12) consecutive months (the "Disability Period"), the Executive shall continue to receive his full Base Salary at the rate then in effect for such Disability Period, notwithstanding the Company's other rights to terminate Executive's employment hereunder, including pursuant to Section 6(b). The Executive's rights under the disability plans, programs and policies maintained by the Company or in connection with employment by the Company shall be determined in accordance with the provisions of such plan. Subject to Section 7(f) below, if the Executive's employment is terminated due to Disability, the Company shall provide the COBRA Subsidy (as defined in Section 7(e) below). In addition, if the Executive's employment is terminated due to Disability, all stock options, restricted stock grants awards and any other equity awards granted by the Company to the Executive shall become fully vested, unrestricted and exercisable as of the Date of Termination; provided, however, that with respect to each award that is subject to a performance-based vesting condition, such award shall only vest and become earned upon the satisfaction of the applicable performance metrics, as determined by the Board, calculated through the Date of Termination.

(c) Termination by the Company for Cause or Termination by the Executive without Good Reason. If the Executive's employment is terminated by the Company for Cause or by the Executive without Good Reason, the Company shall (i) pay the Executive any earned and accrued but unpaid installment of Base Salary through the Date of Termination, at the rate in effect at the time Notice of Termination is given, and (ii) reimburse the Executive for all reasonable expenses incurred by the Executive in performing services hereunder prior to the Date of Termination in accordance with Section 5(d)(iv), such payments and reimbursements to be made in a lump sum within sixty (60) days following the Date of Termination. Except as expressly provided in this Section 7(c), the Company shall have no further obligations to the Executive under this Agreement.

(d) Termination by the Company without Cause (other than for death or Disability), Termination by the Executive for Good Reason or Termination by the Company due to Non-Renewal. If the Company terminates the Executive's employment other than for death, Disability (pursuant to Section 6(b)) or Cause, or if the Executive terminates his employment for Good Reason, or if the Executive's employment hereunder is terminated by the Company due to the Company issuing a Notice of Non-Renewal to the Executive, then the Company shall (i) pay the Executive for any earned and accrued but unpaid installment of Base Salary, at the rate in effect at the time Notice of Termination is given, and an amount equal to any Incentive Bonus previously determined to have been earned by the Compensation Committee (and previously ratified by the Board, if required) that remains unpaid as of the Date of Termination, and all other unpaid and pro rata amounts earned by Executive as of the Date of Termination subject to the terms of any compensation plan or program of the Company, including without limitation, all accrued but unused vacation time subject to the Company's applicable vacation policy at the Date of Termination and (ii) reimburse the Executive for all reasonable expenses incurred by the Executive in performing services hereunder prior to the Date of Termination in accordance with Section 5(d)(iv), such payments and reimbursements to be made in a lump sum within sixty (60) days following the Date of Termination. In addition, subject to Section 7(f) below:

(i) the Company shall pay to the Executive an amount equal to the product of (x) two (2) and (y) the sum of the (a) Executive's Base Salary in effect at the Date of Termination and (b) the target annual Incentive Bonus for the fiscal year in which the Date of Termination occurs (or, if the Executive's target annual Incentive Bonus for the fiscal year in which the Date of Termination occurs has not been approved by the Compensation Committee or the Board, as applicable, prior to the Date of Termination, the Executive's target annual Incentive Bonus for the fiscal year preceding the fiscal year in which the Date of Termination occurs); such payment to be made in a lump sum within sixty (60) days following the Date of Termination, provided the Executive has complied with Section 7(f). In addition, all stock options, restricted stock awards and any other equity awards granted by the Company to the Executive shall become fully vested, unrestricted and exercisable as of the Date of Termination; provided, however, that with respect to each award that is subject to a performance-based vesting condition, such award shall only vest and become earned upon the satisfaction of applicable performance metrics, as determined by the Board, calculated through the end of the applicable performance period; and

(ii) the Company shall provide the COBRA Subsidy.

(e) If the Executive's employment hereunder is terminated in circumstances in which Executive is eligible to receive the benefits described in Section 7(a), Section 7(b) or Section 7(d) and the Executive complies with Section 7(f), then, if Executive, elects to continue coverage for the Executive and the Executive's spouse and eligible dependents, if any, under the Company's group health plans pursuant to Consolidated Omnibus Budget Reconciliation Act of 1985 ("COBRA"), the Company shall promptly reimburse the Executive on a monthly basis for the difference between the amount the Executive pays to effect and continue such coverage and the employee contribution amount that similarly situated employees of the Company pay for the same or similar coverage under such group health plans (the "COBRA Subsidy"). Each payment of the COBRA Subsidy shall be paid to the Executive on the Company's first regularly scheduled pay date in the calendar month immediately following the calendar month in which the Executive submits to the Company documentation of the applicable premium payment having been paid by the Executive, which documentation shall be submitted by the Executive to the Company within thirty (30) days following the date on which the applicable premium payment is paid. The Executive shall be eligible to receive such reimbursement payments until the earliest of: (1) 18 months following the Date of Termination (the "COBRA Expiration Date"); (2) the date the Executive no longer eligible to receive COBRA continuation coverage; and (3) the date on which the Executive becomes eligible to receive coverage under a group health plan sponsored by another employer (and any such eligibility shall be promptly reported to the Company by the Executive); provided, however, that the election of COBRA continuation coverage and the payment of any premiums due with respect to such COBRA continuation coverage shall remain the Executive's sole responsibility, and the Company shall not assume any obligation for payment of any such premiums relating to such COBRA continuation coverage. For the avoidance of doubt, in the event of a termination pursuant to Section 7(a), following the COBRA Expiration Date, the Executive's spouse and eligible dependents may elect to continue coverage under the Company's group health plans pursuant to COBRA at their own expense and to the extent permitted by applicable law. Notwithstanding the foregoing, if the provision of the benefits described in this Section 7(e) cannot be provided in the manner described above without penalty, tax or other adverse impact on the Company, then the Company and the Executive shall negotiate in good faith to determine an alternative manner in which the Company may provide substantially equivalent benefits to the Executive without such adverse impact on the Company. For purposes of this Section 7(e), to the extent that Executive's spouse and eligible dependents are eligible to receive the COBRA Subsidy pursuant to Section 7(a), any references to the Executive in this Section 7(e) shall be deemed to refer to Executive's spouse and eligible dependents, as applicable.

(f) The obligations of the Company to make any payments or provide any benefits (including without limitation accelerated vesting of equity-based awards) to the Executive or the Executive's spouse and eligible dependents required under Section 7(a), Section 7(b), Section 7(d), or Section 7(e) hereof shall be conditioned on the timely execution and delivery to the Company (and non-revocation in any time provided by the Company to do so) by the Executive (or, in the event of a termination pursuant to Section 7(a), an authorized representative of Executive's estate) of a general release of claims in form and substance satisfactory to the Company (the "Release"), which Release shall be provided to the Executive (or, in the event of a termination pursuant to Section 7(a), an authorized representative of Executive's estate) no later than twenty-one (21) days following the Date of Termination, and which Release shall release each member of the Company Group and their respective affiliates, and the foregoing entities' respective shareholders, members, partners, officers, managers, directors, predecessors, successors, fiduciaries, employees, representatives, agents and benefit plans (and fiduciaries of such plans) from any and all claims, including any and all causes of action arising out of Executive's employment, engagement, or affiliation with the Company and any other member of the Company Group or the termination of such employment, engagement or affiliation, but excluding all claims to severance payments Executive may have under this Section 7.

(g) In the event of any conflict between the terms and conditions of this Section 7 as it relates to the accelerated vesting, exercisability, or the lapse of restrictions on any equity award granted by the Company to the Executive and the terms and conditions of the applicable award agreement governing such equity award, as applicable, the terms and conditions of the applicable document that provides the Executive with the most favorable treatment shall control and be given effect.

#### 8. Covenants of the Executive.

(a) General Covenants of the Executive. The Executive acknowledges that (i) the principal business of the Company is investing in mortgage-backed securities and other mortgage-related assets (such business, and any and all other businesses that after the date hereof, and from time to time during the Term, become material with respect to the Company's business, are collectively referred to herein as the "Business"); (ii) the Business is national in scope; (iii) the Executive's work for the Company and other members of the Company Group has given and will continue to give the Executive access to the confidential affairs and confidential, proprietary and trade secret information (including Confidential Information, as defined below) of the Company and other members of the Company Group; (iv) the covenants and agreements of the Executive contained in this Section 8 are essential to the business and goodwill of the Company and other members of the Company Group; and (v) the Company would not have entered into this Agreement but for the covenants and agreements set forth in this Section 8.

(b) Covenant Against Competition. The covenant against competition described in this Section 8(b) shall apply during the Term and for a period of one (1) year following the Date of Termination (such period, the “Restricted Period”). During the Restricted Period, the Executive covenants that Executive shall not, directly or indirectly, own, manage, control or participate in the ownership, management, or control of, or be employed or engaged by or otherwise affiliated or associated as an employee, employer, consultant, agent, principal, partner, stockholder, corporate officer, director or in any other individual or representative capacity, engage or participate in any Competing Business (as defined below) in any state in which the Company conducts Business as of the Date of Termination; provided, however, that, notwithstanding the foregoing, the Executive may invest in securities of any entity, solely for investment purposes and without participating in the business thereof, if (A) such securities are traded on any national securities exchange or the National Association of Securities Dealers, Inc. Automated Quotation System or equivalent non-U.S. securities exchange, (B) the Executive is not a controlling person of, or a member of a group which controls, such entity, and (C) the Executive does not, directly or indirectly, own one percent (1%) or more of any class of securities of such entity.

For purposes of this Agreement, “Competing Business” means any real estate investment trust or other investment vehicle whose business strategy is primarily focused on investing in and managing residential mortgage-backed securities and other mortgage-related assets.

(c) All memoranda, notes, lists, records, property and any other tangible product and documents (and all copies thereof) made, produced or compiled by the Executive or made available to the Executive during the Term concerning the Business of the Company and its affiliates shall be the Company's property and shall be delivered to the Company at any time on request. The Executive shall hold in a fiduciary capacity for the benefit of the Company all confidential, competitively valuable, non-public or proprietary information, knowledge or data relating to any member of the Company Group or its affiliates, or their respective businesses, which shall have been conceived, made, developed, acquired, disclosed to or obtained by the Executive during the Executive's employment or engagement by any member of the Company Group or its affiliates, and whether now known or later to become known (collectively, the "Confidential Information"), and both during and after the Term the Executive shall not use any such Confidential Information other than for the benefit of any member of the Company Group or its affiliates, or disclose any such Confidential Information to any person or entity. For purposes of this Agreement, Confidential Information shall not include any information that is or becomes generally available to the public other than as a result of a disclosure or wrongful act of Executive or any of Executive's affiliates or agents. Both during Executive's employment with the Company and thereafter, the Executive shall not, without the prior written consent of the Company or as may otherwise be required by law or legal process, communicate or divulge any such Confidential Information to anyone other than the Company and those designated by it. The agreement made in this Section 8(c) shall be in addition to, and not in limitation or derogation of, any obligations otherwise imposed by law or by separate agreement upon the Executive in respect of confidential information of the Company. Notwithstanding the foregoing, nothing herein will prevent the Executive from disclosing any factual information related to any future claim of discrimination to law enforcement, the Equal Employment Opportunity Commission, any state division of human rights (including the New York State Division of Human Rights), any local commission on human rights, or any attorney retained by the Executive.

(d) During the Term and for a period of one (1) year following the termination of the Executive's employment for any reason, the Executive shall not, without the Company's prior written consent, directly or indirectly, (i) knowingly solicit or knowingly encourage to leave the employment or engagement of the Company or any of its affiliates, any employee employed by, or independent contractor engaged by, the Company or its affiliate at the time of the Date of Termination; (ii) knowingly hire (on behalf of the Executive or any other person or entity) any employee employed by, or independent contractor engaged by, the Company or its affiliate at the time of the Date of Termination or who has left the employment or engagement of the Company or any of its affiliates (or any predecessor of either) within one (1) year of the Date of Termination; or (iii) whether for the Executive's own account or for the account of any other person, firm, corporation or other business organization, intentionally interfere with the Company's or any of its affiliates', relationship with, or endeavor to entice away from the Company or any of its affiliates, any person who during the Executive's employment with the Company is or was a customer or client of the Company or any of its affiliates (or any predecessor of either).

(e) The Executive acknowledges and agrees that any breach by him of any of the provisions of Sections 8(b), 8(c) or 8(d) (the “Restrictive Covenants”) would result in irreparable injury and damage for which money damages would not provide an adequate remedy. Therefore, if the Executive breaches, or threatens to commit a breach of, any of the Restrictive Covenants, the Company and its affiliates shall have the right and remedy to have the Restrictive Covenants specifically enforced (without posting bond and without the need to prove damages) by any court having equity jurisdiction, including, without limitation, the right to an entry against the Executive of restraining orders and injunctions (preliminary, mandatory, temporary and permanent) against violations, threatened or actual, and whether or not then continuing, of such covenants. This right and remedy shall be in addition to, and not in lieu of, any other rights and remedies available to the Company or its affiliates under law or in equity (including, without limitation, the recovery of damages). The existence of any claim or cause of action by the Executive, whether predicated on this Agreement or otherwise, shall not constitute a defense to the enforcement of the Restrictive Covenants. In addition to all other available rights and remedies, the Company has the right to cease making severance payments or otherwise providing severance benefits as set forth in Section 7 above in the event of a breach of any of the Restrictive Covenants that, if capable of cure and not willful, is not cured within thirty (30) days after receipt of notice thereof from the Company.

(f) The covenants in this Section 8, and each provision and portion hereof, are severable and separate, and the unenforceability of any specific covenant (or portion thereof) shall not affect the provisions of any other covenant (or portion thereof). Moreover, in the event any arbitrator or court of competent jurisdiction shall determine that the scope, time or territorial restrictions set forth are unreasonable, then it is the intention of the Parties that such restrictions be enforced to the fullest extent which such arbitrator or court deems reasonable, and this Agreement shall thereby be reformed.

(g) Permitted Disclosures. Nothing in this Agreement shall prohibit or restrict the Executive from lawfully (i) initiating communications directly with, cooperating with, providing information to, causing information to be provided to, or otherwise assisting in an investigation by any governmental agency, commission, or regulatory authority (collectively, “Governmental Authorities”) regarding a possible violation of any law; (ii) responding to any inquiry or legal process directed to the Executive individually from any such Governmental Authorities; (iii) testifying, participating or otherwise assisting in an action or proceeding by any such Governmental Authorities relating to a possible violation of law; or (iv) making any other disclosures that are protected under the whistleblower provisions of any applicable law. Additionally, pursuant to the federal Defend Trade Secrets Act of 2016, the Executive shall not be held criminally or civilly liable under any federal or state trade secret law for the disclosure of a trade secret that: (x) is made (A) in confidence to a federal, state, or local government official, either directly or indirectly, or to an attorney; and (B) solely for the purpose of reporting or investigating a suspected violation of law; or (y) is made to the Executive’s attorney in relation to a lawsuit for retaliation against the Executive for reporting a suspected violation of law; or (z) is made in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal. Nothing in this Agreement requires the Executive to obtain prior authorization from any member of the Company Group before engaging in any conduct described in this paragraph, or to notify any member of the Company Group that Executive has engaged in any such conduct.

9. Successors; Binding Agreement. This Agreement shall be binding upon and inure to the benefit of successors and permitted assigns of the Parties. This Agreement may not be assigned, nor may performance of any duty hereunder be delegated, by either Party without the prior written consent of the other; provided, however, the Company may assign this Agreement without Executive’s consent to any successor to or acquirer of its business, including but not limited to in connection with any subsequent merger, consolidation, sale of all or substantially all of the assets, business or stock of the Company, or similar transaction involving the Company or a successor corporation.

10. Parachute Payments. If any amount payable to, or other benefit receivable by the Executive pursuant to this Agreement or under other agreements, plans and agreements is deemed to constitute a “parachute payment” as defined in Section 280G of the Internal Revenue Code of 1986, as amended (the “Code”), then such payments or benefits shall be reduced in accordance with, and to the extent required by, the provisions of the Stock Incentive Plan.

11. Continued Performance. Provisions of this Agreement shall survive the end of the Term and the termination of Executive’s employment hereunder if so provided herein or if necessary or desirable fully to accomplish the purposes of such provisions, including, without limitation, the obligations of the Executive under the terms and conditions of Section 8. Any obligation of the Company to make payments to or on behalf of the Executive under Section 7 is expressly conditioned upon the Executive’s continued performance of the Executive’s obligations under Section 8 for the time periods stated in Section 8. The Executive recognizes that, except to the extent, if any, provided in Section 7, the Executive will earn no compensation from the Company after the Date of Termination.

12. Notices. For the purposes of this Agreement, notices, demands and all other communications provided for in this Agreement shall be in writing and shall be deemed to have been duly received (a) when delivered in person, (b) on the first business day after such notice is sent by express overnight courier service, or (d) on the second business day following deposit with an internationally-recognized second-day courier service with proof of receipt maintained, in each case, to the following address, as applicable:

If to the Executive:

Nicholas Mah  
c/o Adamas Trust, Inc.  
90 Park Avenue, Floor 23  
New York, NY 10016

If to the Company:

Adamas Trust, Inc.  
90 Park Avenue, Floor 23  
New York, NY 10016  
Attention: Compensation Committee

with a copy to:

Vinson & Elkins L.L.P.  
2200 Pennsylvania Avenue NW  
Suite 500 West  
Washington, DC 20037  
Attention: Christopher Green, Esq.

or to such other address as any Party may have furnished to the others in writing in accordance herewith, except that notices of change of address shall be effective only upon receipt.

13. Miscellaneous. No provisions of this Agreement may be modified, amended, waived or discharged unless such waiver, modification, amendment, or discharge is agreed to in writing signed by the Executive and such officer of the Company as may be specifically designated by the Board. No waiver by either Party hereto at any time of any breach by the other Party hereto of, or compliance with, any condition or provision of this Agreement to be performed by such other Party shall be deemed a waiver of similar or dissimilar provisions or conditions at the same or at any prior or subsequent time. No agreements or representations, oral or otherwise, express or implied, with respect to the subject matter hereof have been made by either Party which are not set forth expressly in this Agreement. The validity, interpretation, construction and performance of this Agreement shall be governed by the laws of the State of New York without regard to its conflicts of law principles.

(a) Validity. The invalidity or unenforceability of any provision or provisions of this Agreement shall not affect the validity or enforceability of any other provision of this Agreement, which shall remain in full force and effect.

(b) Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed to be an original but all of which together will constitute one and the same instrument.

(c) Disputes.

(i) Subject to Section 13(c)(ii) – (iii) below, any dispute or controversy arising out of or relating to this Agreement or Executive’s employment or engagement with the Company or any member of the Company Group shall be settled exclusively by binding arbitration conducted before a single arbitrator in New York, New York in accordance with the Employment Arbitration Rules of the American Arbitration Association (“AAA”) then in effect. Judgment may be entered on the arbitrator’s award in any court having jurisdiction. The expenses of arbitration charged by the AAA shall be borne by the Company (for the avoidance of doubt, the Parties shall each bear their own attorney’s fees and costs). The decision of the arbitrator shall be reasoned and rendered in writing.

(ii) Notwithstanding Section 13(c)(i), either Party may make a timely application for, and obtain, judicial emergency or temporary injunctive relief to enforce any of the provisions herein; *provided, however*, that the remainder of any such dispute (beyond the application for emergency or temporary injunctive relief) shall be subject to arbitration under Section 13(c)(i).

(iii) This Section 13(c) is subject to, and shall be governed by, the Federal Arbitration Act, 9 U.S.C. §1, et seq. By entering into this Agreement and entering into the arbitration provisions of this Section 13(c), THE PARTIES EXPRESSLY ACKNOWLEDGE AND AGREE THAT THEY ARE KNOWINGLY, VOLUNTARILY AND INTENTIONALLY WAIVING THEIR RIGHTS TO A JURY TRIAL. Nothing in this Section 13(c) precludes the Executive from filing a charge or complaint with a federal, state or other governmental agency, commission, or regulatory authority.

(d) Section 409A. The Parties agree that this Agreement is intended to comply with the requirements of Section 409A of the Code and the regulations promulgated thereunder (“Section 409A”) or an exemption therefrom. For purposes of this Agreement, each amount to be paid or benefit to be provided hereunder (including any right to a series of installment payments) shall be construed as a separate identified payment or a right to a series of separate payments for purposes of Section 409A. With respect to any reimbursement of expenses of, or any provision of in-kind benefits to, the Executive, as specified under this Agreement, such reimbursement of expenses or provision of in-kind benefits shall be subject to the following conditions: (i) the expenses eligible for reimbursement or the amount of in-kind benefits provided in one taxable year shall not affect the expenses eligible for reimbursement or the amount of in-kind benefits provided in any other taxable year, except for any medical reimbursement arrangement providing for the reimbursement of expenses referred to in Section 105(b) of the Code; (ii) the reimbursement of an eligible expense shall be made no later than the end of the year after the year in which such expense was incurred; and (iii) the right to reimbursement or in-kind benefits shall not be subject to liquidation or exchange for another benefit. Any payments to be made under this Agreement upon a termination of the Executive’s employment shall only be made if such termination of employment constitutes a “separation from service” under Section 409A. Notwithstanding any provision in this Agreement to the contrary, if any payment or benefit provided for herein would be subject to additional taxes and interest under Section 409A if the Executive’s receipt of such payment or benefit is not delayed until the earlier of (x) the date of the Executive’s death or (y) the date that is six (6) months after the Date of Termination (such date, the “Section 409A Payment Date”), then such payment or benefit shall not be provided to the Executive (or the Executive’s estate, if applicable) until the Section 409A Payment Date. Notwithstanding the foregoing, the Company does not make any representations that the payments and benefits provided under this Agreement are exempt from, or compliant with, Section 409A and in no event shall the Company be liable for all or any portion of any taxes, penalties, interest or other expenses that may be incurred by the Executive on account of non-compliance with Section 409A.

(e) Entire Agreement. Upon the Effective Date, this Agreement shall supersede the Prior Employment Agreement, and the Executive shall have no further or future rights pursuant to the Prior Employment Agreement and all Company obligations pursuant to the Prior Employment Agreement shall be deemed satisfied in full (other than any obligations, if still unsatisfied, to pay the Executive any base salary for services provided in the pay period in which the Effective Date occurs). From and after the Effective Date, this Agreement shall set forth the entire agreement of the Parties hereto in respect of the subject matter contained herein and supersedes all prior agreements, promises, covenants, arrangements, communications, representations or warranties, whether oral or written, with respect to the subject matter hereof.

(f) Clawback. Notwithstanding any provision in this Agreement 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) the Adamas Trust, Inc. Clawback Policy or any other policy that may be adopted or amended by the Board from time to time to the extent necessary to comply with such law(s), amounts paid or payable under this Agreement shall be subject to forfeiture, repurchase, recoupment and/or cancellation to the extent necessary to comply with such law(s) and/or policies.

(g) Defense of Claims; Continued Cooperation. Subject to Section 8(g), during the Term and thereafter, upon request from the Company, Executive shall: (a) cooperate with the Company or any other member of the Company Group in the defense of any claims or actions that may be made by or against such member of the Company Group that relate to Executive's actual or prior areas of knowledge or responsibility, and (b) provide such information as the Company may reasonably request with respect to Executive's services performed for the Company and the other members of the Company Group.

(h) Deemed Resignations. Except as otherwise determined by the Board or as otherwise agreed to in writing by Executive and the Company or any other member of the Company Group prior to the termination of Executive's employment with the Company or any member of the Company Group, any termination of Executive's employment shall constitute, as applicable, an automatic resignation of Executive (a) as an officer of the Company and each other member of the Company Group and (b) from the board of directors or board of managers (or similar governing body) of any member of the Company Group and from the board of directors or board of managers (or similar governing body) of any corporation, limited liability entity, unlimited liability entity or other entity in which any member of the Company Group holds an equity interest and with respect to which board of directors or board of managers (or similar governing body) Executive serves as such Company Group member's designee or other representative, in each case, as applicable.

*[Signatures on next page]*

IN WITNESS WHEREOF, the Parties have executed and caused this Agreement to be effective as of the Effective Date.

**ADAMAS TRUST, INC.**

By: /s/ Kristine R. Nario-Eng  
Name: Kristine R. Nario-Eng  
Title: Chief Financial Officer

/s/ Nicholas Mah  
NICHOLAS MAH

*Signature Page to Employment Agreement*

---

**Exhibit A**

**Permitted Director or Trustee Positions**

None.

Exhibit A

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

I, Jason T. Serrano, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q for the quarter ended September 30, 2025 of New York Mortgage 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: November 4, 2025

/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 Quarterly Report on Form 10-Q for the quarter ended September 30, 2025 of New York Mortgage 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: November 4, 2025

/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 Quarterly Report of New York Mortgage Trust, Inc., (the “Company”) on Form 10-Q for the quarter ended September 30, 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: November 4, 2025

/s/ Jason T. Serrano

Jason T. Serrano

Chief Executive Officer  
(Principal Executive Officer)

Date: November 4, 2025

/s/ Kristine R. Nario-Eng

Kristine R. Nario-Eng

Chief Financial Officer  
(Principal Financial and Accounting Officer)