



Adamas Trust, Inc. Reports Third Quarter 2025 Results

NEW YORK, October 29, 2025 (GLOBE NEWSWIRE) - Adamas Trust, Inc. (Nasdaq: ADAM) (“Adamas,” the “Company,” “we,” “our” or “us”) today reported results for the three and nine months ended September 30, 2025.

Summary of Third Quarter 2025:

(dollar amounts in thousands, except per share data)

Net income attributable to Company's common stockholders	\$	32,702
Net income attributable to Company's common stockholders per share (basic)	\$	0.36
Earnings available for distribution attributable to Company's common stockholders ⁽¹⁾	\$	21,991
Earnings available for distribution per common share ⁽¹⁾	\$	0.24
Yield on average interest earning assets ⁽¹⁾⁽²⁾		6.33 %
Interest income	\$	160,633
Interest expense	\$	124,047
Net interest income	\$	36,586
Net interest spread ⁽¹⁾⁽³⁾		1.50 %
Book value per common share at the end of the period	\$	9.20
Adjusted book value per common share at the end of the period ⁽¹⁾	\$	10.38
Economic return on book value ⁽⁴⁾		3.51 %
Economic return on adjusted book value ⁽⁵⁾		3.41 %
Dividends per common share	\$	0.23

- (1) Represents a non-GAAP financial measure. A reconciliation of the Company's non-GAAP financial measures to their most directly comparable GAAP measure is included below in "Reconciliation of Financial Information."
- (2) Calculated as the quotient of our adjusted interest income and our average interest earning assets and excludes all Consolidated SLST assets other than those securities owned by the Company.
- (3) Our calculation of net interest spread may not be comparable to similarly-titled measures of other companies who may use a different calculation.
- (4) Economic return on book value is based on the periodic change in GAAP book value per common share plus dividends declared per common share, if any, during the period.
- (5) Economic return on adjusted book value is based on the periodic change in adjusted book value per common share, a non-GAAP financial measure, plus dividends declared per common share, if any, during the period.

Key Developments:

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 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 Loans, LLC ("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 underwritten 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.

Management Overview

Jason Serrano, Chief Executive Officer, commented: “The third quarter was an active and strategically significant period for Adamas. We marked the Company’s recent rebranding with its highest level of quarterly investment activity since inception, expanding the investment portfolio by \$1.8 billion. The momentum generated from our disciplined and deliberate capital rotation that focuses on assets with greater earnings durability has allowed for a meaningful increase in the Company’s quarterly dividend. Additionally, we deepened relationships across the investment ecosystem in the quarter with our acquisition of the remaining 50% interest in a market leading business purpose loan origination platform. Together, these initiatives drove earnings available for distribution higher for the sixth consecutive quarter, reinforcing our commitment to long-term value creation for our stockholders.”

Capital Allocation

The following table sets forth our allocated capital at September 30, 2025 (dollar amounts in thousands):

	Investment Portfolio ⁽¹⁾	Constructive	Corporate/ Other	Total
Investment securities available for sale and TBAs ⁽²⁾	\$ 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 ⁽³⁾	157,385	—	—	157,385
Equity investments in disposal group held for sale ⁽⁴⁾	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 ⁽⁵⁾	(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 ⁽⁶⁾	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	<u>\$ 1,606,840</u>	<u>\$ 65,396</u>	<u>\$ (281,459)</u>	<u>\$ 1,390,777</u>
Company Recourse Leverage Ratio ⁽⁷⁾				5.0x
Portfolio Recourse Leverage Ratio ⁽⁸⁾				4.7x

(1) The Company, through its ownership of certain securities, has determined it is the primary beneficiary of Consolidated SLST and has consolidated the assets and liabilities of Consolidated SLST in the Company's condensed consolidated financial statements. Consolidated SLST is primarily presented on our condensed consolidated balance sheets as residential loans, at fair value and collateralized debt obligations, at fair value. Our investment in Consolidated SLST as of September 30, 2025 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.

(2) 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).

(3) Represents the Company's equity investments in consolidated multi-family properties that are not in disposal group held for sale. See "Reconciliation of Financial Information" section below 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) Represents the Company's equity investments in multi-family properties that are held for sale in disposal group. See "Reconciliation of Financial Information" section below 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.

- (5) 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.
- (6) 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.
- (7) Represents the Company's total outstanding recourse repurchase agreement and warehouse facility financing, senior unsecured notes, subordinated debentures, 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.
- (8) 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.

Net Interest Spread

The following table sets 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 months ended September 30, 2025 (dollar amounts in thousands):

Three Months Ended September 30, 2025

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

- (1) Represents a non-GAAP financial measure. A reconciliation of the Company's non-GAAP financial measures to their most directly comparable GAAP measure is included below in "Reconciliation of Financial Information."
- (2) Includes interest income earned on cash accounts held by the Company.
- (3) Average Interest Earning Assets for the period include residential loans, residential loans held for sale, multi-family loans and 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 period.
- (4) Average Interest Bearing Liabilities for the period 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 period.
- (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 period.
- (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.

Segment Information

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):

For the Three Months Ended September 30, 2025				
	Investment Portfolio	Constructive	Corporate/ Other	Total
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 ⁽¹⁾	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	<u>\$ 77,079</u>	<u>\$ (3,776)</u>	<u>\$ (40,601)</u>	<u>\$ 32,702</u>

For the Nine Months Ended September 30, 2025				
	Investment Portfolio	Constructive	Corporate/ Other	Total
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 ⁽¹⁾	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	<u>\$ 160,462</u>	<u>\$ (3,776)</u>	<u>\$ (97,185)</u>	<u>\$ 59,501</u>

⁽¹⁾ General, administrative and operating expenses of the Constructive segment include \$8.0 million of direct general and administrative expenses and \$3.8 million of direct loan origination costs incurred by Constructive.

Conference Call

On Thursday, October 30, 2025 at 9:00 a.m., Eastern Time, Adamas Trust's executive management is scheduled to host a conference call and audio webcast to discuss the Company's financial results for the three and nine months ended September 30, 2025. To access the conference call, please pre-register at <https://register-conf.media-server.com/register/B107c2fc5c3d6e4e958466c688b7770d9f>. Registrants will receive confirmation with dial-in details. A live audio webcast of the conference call can be accessed, on a listen-only basis, at the Investor Relations section of the Company's website at www.adamasreit.com or at <https://edge.media-server.com/mmc/p/yy2ueety/>. Please allow extra time, prior to the call, to visit the site and download the necessary software to listen to the Internet broadcast. A webcast replay link of the conference call will be available on the Investor Relations section of the Company's website approximately two hours after the call and will be available for 12 months.

In connection with the release of these financial results, the Company will also post a supplemental financial presentation that will accompany the conference call on its website at www.adamasreit.com under the "Investors — Events and Presentations" section. Third quarter 2025 financial and operating data can be viewed in the Company's Quarterly Report on Form 10-Q for the quarter ended September 30, 2025. A copy of the Form 10-Q will be posted at the Company's website as soon as reasonably practicable following its filing with the Securities and Exchange Commission.

About Adamas Trust

Adamas Trust, Inc. 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. For a list of defined terms used from time to time in this press release, see "Defined Terms" below.

Defined Terms

The following defines certain of the commonly used terms that may appear in this press release: "Constructive" refers to Constructive Loans, LLC, the Company's wholly-owned origination platform; "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"); "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; "Agency investments" refer to Agency RMBS and TBAs; "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; "non-Agency RMBS" refers to RMBS that are not guaranteed by any agency of the U.S. Government or any 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; "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; "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 variable interest entities ("VIE") 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; "Consolidated Real Estate VIEs" refers to Consolidated VIEs that own multi-family properties; "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; "Mezzanine Lending" refers, collectively, to preferred equity and mezzanine loan investments in multi-family properties; "Multi-Family Credit" includes Mezzanine Lending and certain equity investments in multi-family assets, including joint venture equity investments; "Single-Family Credit" includes residential loans, residential loans held for sale, non-Agency RMBS and single-family rental properties; and "Corporate/Other" includes, or included, other investment securities and an equity investment in an entity that originates residential loans.

Cautionary Statement Regarding Forward-Looking Statements

When used in this press release, in future filings with the Securities and Exchange Commission (the “SEC”) or in other written or oral communications, 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, 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 the Company’s business and investment strategy; inflation and changes in interest rates and the fair market value of the Company’s assets, including negative changes resulting in margin calls relating to the financing of the Company’s 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 the Company invests; changes in prepayment rates on the loans the Company owns or that underlie the Company’s investment securities; increased rates of default, delinquency or vacancy and/or decreased recovery rates on or at the Company’s assets; the Company’s ability to identify and acquire targeted assets, including assets in its investment pipeline; the Company’s ability to dispose of assets from time to time on terms favorable to it; changes in relationships with the Company’s financing counterparties and the Company’s ability to borrow to finance its assets and the terms thereof; changes in the Company’s relationships with and/or the performance of its operating partners; the Company’s ability to predict and control costs; changes in laws, regulations or policies affecting the Company’s business; the Company’s ability to make distributions to its stockholders in the future; the Company’s ability to maintain its qualification as a REIT for U.S. federal income tax purposes; the Company’s ability to maintain its exemption from registration under the Investment Company Act of 1940, as amended; impairments and declines in the value of the collateral underlying the Company’s investments; changes in the benefits the Company anticipates from the acquisition of Constructive; the Company’s ability to effectively integrate Constructive into the Company and the risks associated with the ongoing operation thereof; the Company’s ability to manage or hedge credit risk, interest rate risk, and other financial and operational risks; the Company’s 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 the Company owns or in which the Company invests.

These and other risks, uncertainties and factors, including the risk factors and other information described in the Company’s reports filed with the SEC pursuant to the Exchange Act, could cause the Company’s actual results to differ materially from those projected in any forward-looking statements the Company makes. 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 the Company. Except as required by law, the Company is not obligated to, and does not intend to, update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

For Further Information

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FINANCIAL TABLES FOLLOW

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

	September 30, 2025	December 31, 2024
	(unaudited)	
ASSETS		
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
Total Assets ⁽¹⁾	\$ 12,401,862	\$ 9,217,282
LIABILITIES AND EQUITY		
Liabilities:		
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
Total liabilities ⁽¹⁾	10,997,084	7,806,148
Commitments and Contingencies		
Redeemable Non-Controlling Interest in Consolidated Variable Interest Entities	13,713	12,359
Stockholders' Equity:		
Preferred stock, par value \$0.01 per share, 31,500,000 shares authorized, 22,385,674 and 22,164,414 shares issued and outstanding as of 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)
Company's stockholders' equity	1,390,777	1,394,720
Non-controlling interests	288	4,055
Total equity	1,391,065	1,398,775
Total Liabilities and Equity	\$ 12,401,862	\$ 9,217,282

- (1) 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.

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
NET INTEREST INCOME:				
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
NET LOSS FROM REAL ESTATE:				
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)
OTHER INCOME (LOSS):				
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)
GENERAL, ADMINISTRATIVE AND OPERATING EXPENSES:				
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
INCOME (LOSS) FROM OPERATIONS BEFORE INCOME TAXES	39,487	42,791	81,480	(61,118)
Income tax (benefit) expense	(298)	2,325	189	2,556
NET INCOME (LOSS)	39,785	40,466	81,291	(63,674)
Net loss attributable to non-controlling interests	5,035	2,383	14,231	33,034
NET INCOME (LOSS) ATTRIBUTABLE TO COMPANY	44,820	42,849	95,522	(30,640)
Preferred stock dividends	(12,118)	(10,439)	(36,021)	(31,317)
NET INCOME (LOSS) ATTRIBUTABLE TO COMPANY'S COMMON STOCKHOLDERS	<u>\$ 32,702</u>	<u>\$ 32,410</u>	<u>\$ 59,501</u>	<u>\$ (61,957)</u>
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

ADAMAS TRUST, INC. AND SUBSIDIARIES
SUMMARY OF QUARTERLY EARNINGS (LOSS)
(Dollar amounts in thousands, except per share data)
(unaudited)

	For the Three Months Ended				
	September 30, 2025	June 30, 2025	March 31, 2025	December 31, 2024	September 30, 2024
Interest income	\$ 160,633	\$ 140,901	\$ 129,734	\$ 118,253	\$ 108,361
Interest expense	124,047	104,454	96,636	91,542	88,124
Total net interest income	36,586	36,447	33,098	26,711	20,237
Total net loss from real estate	(3,878)	(3,014)	(2,235)	(5,871)	(7,495)
Total other income (loss)	48,604	(9,264)	31,952	(31,710)	52,875
Total general, administrative and operating expenses	41,825	19,890	25,102	20,929	22,826
Income (loss) from operations before income taxes	39,487	4,279	37,713	(31,799)	42,791
Income tax (benefit) expense	(298)	(161)	648	(1,520)	2,325
Net income (loss)	39,785	4,440	37,065	(30,279)	40,466
Net loss (income) attributable to non-controlling interests	5,035	4,106	5,090	(1,110)	2,383
Net income (loss) attributable to Company	44,820	8,546	42,155	(31,389)	42,849
Preferred stock dividends	(12,118)	(12,032)	(11,870)	(10,439)	(10,439)
Net income (loss) attributable to Company's common stockholders	32,702	(3,486)	30,285	(41,828)	32,410
Basic earnings (loss) per common share	\$ 0.36	\$ (0.04)	\$ 0.33	\$ (0.46)	\$ 0.36
Diluted earnings (loss) per common share	\$ 0.36	\$ (0.04)	\$ 0.33	\$ (0.46)	\$ 0.36
Weighted average shares outstanding - basic	90,406	90,324	90,583	90,579	90,582
Weighted average shares outstanding - diluted	91,614	90,324	91,091	90,579	90,586
Yield on average interest earning assets ⁽¹⁾	6.33 %	6.48 %	6.47 %	6.57 %	6.69 %
Net interest spread ⁽¹⁾	1.50 %	1.50 %	1.32 %	1.37 %	1.32 %
Earnings available for distribution attributable to Company's common stockholders ⁽¹⁾	\$ 21,991	\$ 20,024	\$ 18,194	\$ 14,178	\$ 9,326
Earnings available for distribution per common share - basic ⁽¹⁾	\$ 0.24	\$ 0.22	\$ 0.20	\$ 0.16	\$ 0.10
Book value per common share	\$ 9.20	\$ 9.11	\$ 9.37	\$ 9.28	\$ 9.83
Adjusted book value per common share ⁽¹⁾	\$ 10.38	\$ 10.26	\$ 10.43	\$ 10.35	\$ 10.87
Dividends declared per common share	\$ 0.23	\$ 0.20	\$ 0.20	\$ 0.20	\$ 0.20
Dividends declared per preferred share on Series D Preferred Stock	\$ 0.50	\$ 0.50	\$ 0.50	\$ 0.50	\$ 0.50
Dividends declared per preferred share on Series E Preferred Stock	\$ 0.70	\$ 0.69	\$ 0.69	\$ 0.49	\$ 0.49
Dividends declared per preferred share on Series F Preferred Stock	\$ 0.43	\$ 0.43	\$ 0.43	\$ 0.43	\$ 0.43
Dividends declared per preferred share on Series G Preferred Stock	\$ 0.44	\$ 0.44	\$ 0.44	\$ 0.44	\$ 0.44

⁽¹⁾ Represents a non-GAAP financial measure. A reconciliation of the Company's non-GAAP financial measures to their most directly comparable GAAP measure is included below in "Reconciliation of Financial Information."

Reconciliation of Financial Information

Non-GAAP Financial Measures

In addition to the results presented in accordance with GAAP, this press release 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 press release 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.

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 months ended as of the dates indicated is presented below (dollar amounts in thousands):

	September 30, 2025				
	Agency	Single-Family Credit	Multi-Family Credit	Corporate/Other	Total
GAAP interest income	\$ 85,975	\$ 70,504	\$ 2,124	\$ 2,030	\$ 160,633
GAAP interest expense	(60,472)	(53,080)	—	(10,495)	(124,047)
GAAP total net interest income (loss)	<u>\$ 25,503</u>	<u>\$ 17,424</u>	<u>\$ 2,124</u>	<u>\$ (8,465)</u>	<u>\$ 36,586</u>
GAAP interest income	\$ 85,975	\$ 70,504	\$ 2,124	\$ 2,030	\$ 160,633
Adjusted for:					
Consolidated SLST CDO interest expense	—	(11,199)	—	—	(11,199)
TBA dollar roll income	66	—	—	—	66
Adjusted interest income	<u>\$ 86,041</u>	<u>\$ 59,305</u>	<u>\$ 2,124</u>	<u>\$ 2,030</u>	<u>\$ 149,500</u>
GAAP interest expense	\$ (60,472)	\$ (53,080)	\$ —	\$ (10,495)	\$ (124,047)
Adjusted for:					
Consolidated SLST CDO interest expense	—	11,199	—	—	11,199
Net interest benefit of interest rate swaps	5,204	504	—	392	6,100
Adjusted interest expense	<u>\$ (55,268)</u>	<u>\$ (41,377)</u>	<u>\$ —</u>	<u>\$ (10,103)</u>	<u>\$ (106,748)</u>
Adjusted net interest income (loss) ⁽¹⁾	<u>\$ 30,773</u>	<u>\$ 17,928</u>	<u>\$ 2,124</u>	<u>\$ (8,073)</u>	<u>\$ 42,752</u>

June 30, 2025

	Agency	Single-Family Credit	Multi-Family Credit	Corporate/Other	Total
GAAP interest income	\$ 69,743	\$ 67,506	\$ 2,203	\$ 1,449	\$ 140,901
GAAP interest expense	(48,564)	(48,637)	—	(7,253)	(104,454)
GAAP total net interest income (loss)	<u>\$ 21,179</u>	<u>\$ 18,869</u>	<u>\$ 2,203</u>	<u>\$ (5,804)</u>	<u>\$ 36,447</u>
GAAP interest income	\$ 69,743	\$ 67,506	\$ 2,203	\$ 1,449	\$ 140,901
Adjusted for:					
Consolidated SLST CDO interest expense	—	(8,429)	—	—	(8,429)
TBA dollar roll income	7	—	—	—	7
Adjusted interest income	<u>\$ 69,750</u>	<u>\$ 59,077</u>	<u>\$ 2,203</u>	<u>\$ 1,449</u>	<u>\$ 132,479</u>
GAAP interest expense	\$ (48,564)	\$ (48,637)	\$ —	\$ (7,253)	\$ (104,454)
Adjusted for:					
Consolidated SLST CDO interest expense	—	8,429	—	—	8,429
Net interest benefit of interest rate swaps	3,149	183	—	322	3,654
Adjusted interest expense	<u>\$ (45,415)</u>	<u>\$ (40,025)</u>	<u>\$ —</u>	<u>\$ (6,931)</u>	<u>\$ (92,371)</u>
Adjusted net interest income (loss) ⁽¹⁾	<u>\$ 24,335</u>	<u>\$ 19,052</u>	<u>\$ 2,203</u>	<u>\$ (5,482)</u>	<u>\$ 40,108</u>

March 31, 2025

	Agency	Single-Family Credit	Multi-Family Credit	Corporate/Other	Total
GAAP interest income	\$ 55,668	\$ 67,266	\$ 2,605	\$ 4,195	\$ 129,734
GAAP interest expense	(38,367)	(48,308)	—	(9,961)	(96,636)
GAAP total net interest income (loss)	<u>\$ 17,301</u>	<u>\$ 18,958</u>	<u>\$ 2,605</u>	<u>\$ (5,766)</u>	<u>\$ 33,098</u>
GAAP interest income	\$ 55,668	\$ 67,266	\$ 2,605	\$ 4,195	\$ 129,734
Adjusted for:					
Consolidated SLST CDO interest expense	—	(6,964)	—	—	(6,964)
Adjusted interest income	<u>\$ 55,668</u>	<u>\$ 60,302</u>	<u>\$ 2,605</u>	<u>\$ 4,195</u>	<u>\$ 122,770</u>
GAAP interest expense	\$ (38,367)	\$ (48,308)	\$ —	\$ (9,961)	\$ (96,636)
Adjusted for:					
Consolidated SLST CDO interest expense	—	6,964	—	—	6,964
Net interest benefit of interest rate swaps	2,180	258	—	674	3,112
Adjusted interest expense	<u>\$ (36,187)</u>	<u>\$ (41,086)</u>	<u>\$ —</u>	<u>\$ (9,287)</u>	<u>\$ (86,560)</u>
Adjusted net interest income (loss) ⁽¹⁾	<u>\$ 19,481</u>	<u>\$ 19,216</u>	<u>\$ 2,605</u>	<u>\$ (5,092)</u>	<u>\$ 36,210</u>

December 31, 2024

	Agency	Single-Family Credit	Multi-Family Credit	Corporate/Other	Total
GAAP interest income	\$ 45,054	\$ 65,026	\$ 2,683	\$ 5,490	\$ 118,253
GAAP interest expense	(34,393)	(47,054)	—	(10,095)	(91,542)
GAAP total net interest income (loss)	<u>\$ 10,661</u>	<u>\$ 17,972</u>	<u>\$ 2,683</u>	<u>\$ (4,605)</u>	<u>\$ 26,711</u>
GAAP interest income	\$ 45,054	\$ 65,026	\$ 2,683	\$ 5,490	\$ 118,253
Adjusted for:					
Consolidated SLST CDO interest expense	—	(6,563)	—	—	(6,563)
Adjusted interest income	<u>\$ 45,054</u>	<u>\$ 58,463</u>	<u>\$ 2,683</u>	<u>\$ 5,490</u>	<u>\$ 111,690</u>
GAAP interest expense	\$ (34,393)	\$ (47,054)	\$ —	\$ (10,095)	\$ (91,542)
Adjusted for:					
Consolidated SLST CDO interest expense	—	6,563	—	—	6,563
Net interest benefit of interest rate swaps	4,243	195	—	1,402	5,840
Adjusted interest expense	<u>\$ (30,150)</u>	<u>\$ (40,296)</u>	<u>\$ —</u>	<u>\$ (8,693)</u>	<u>\$ (79,139)</u>
Adjusted net interest income (loss) ⁽¹⁾	<u>\$ 14,904</u>	<u>\$ 18,167</u>	<u>\$ 2,683</u>	<u>\$ (3,203)</u>	<u>\$ 32,551</u>

September 30, 2024

	Agency	Single-Family Credit	Multi-Family Credit	Corporate/Other	Total
GAAP interest income	\$ 43,260	\$ 61,351	\$ 2,699	\$ 1,051	\$ 108,361
GAAP interest expense	(35,116)	(47,641)	—	(5,367)	(88,124)
GAAP total net interest income (loss)	<u>\$ 8,144</u>	<u>\$ 13,710</u>	<u>\$ 2,699</u>	<u>\$ (4,316)</u>	<u>\$ 20,237</u>
GAAP interest income	\$ 43,260	\$ 61,351	\$ 2,699	\$ 1,051	\$ 108,361
Adjusted for:					
Consolidated SLST CDO interest expense	—	(7,375)	—	—	(7,375)
Adjusted interest income	<u>\$ 43,260</u>	<u>\$ 53,976</u>	<u>\$ 2,699</u>	<u>\$ 1,051</u>	<u>\$ 100,986</u>
GAAP interest expense	\$ (35,116)	\$ (47,641)	\$ —	\$ (5,367)	\$ (88,124)
Adjusted for:					
Consolidated SLST CDO interest expense	—	7,375	—	—	7,375
Net interest benefit of interest rate swaps	7,542	545	—	366	8,453
Adjusted interest expense	<u>\$ (27,574)</u>	<u>\$ (39,721)</u>	<u>\$ —</u>	<u>\$ (5,001)</u>	<u>\$ (72,296)</u>
Adjusted net interest income (loss) ⁽¹⁾	<u>\$ 15,686</u>	<u>\$ 14,255</u>	<u>\$ 2,699</u>	<u>\$ (3,950)</u>	<u>\$ 28,690</u>

⁽¹⁾ 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 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 respective periods ended is presented below (amounts in thousands, except per share data):

	For the Three Months Ended				
	September 30, 2025	June 30, 2025	March 31, 2025	December 31, 2024	September 30, 2024
GAAP net income (loss) attributable to Company's common stockholders	\$ 32,702	\$ (3,486)	\$ 30,285	\$ (41,828)	\$ 32,410
Adjustments:					
Realized losses, net	5,610	3,771	41,100	9,947	1,380
Unrealized (gains) losses, net	(54,852)	(24,614)	(118,203)	131,576	(96,949)
Losses (gains) on derivative instruments, net ⁽¹⁾	19,172	30,627	49,914	(86,114)	69,093
Unrealized losses (gains), net on equity investments ⁽²⁾	2,860	3,352	1,098	(1,570)	1,097
Impairment of real estate	1,619	3,913	3,905	733	7,823
Other losses (gains) ⁽³⁾	311	(548)	(775)	(12,263)	(21,124)
Depreciation and amortization of operating real estate	5,936	5,928	5,895	6,879	8,131
Non-cash expenses ⁽⁴⁾	2,961	2,561	2,199	2,664	2,531
Transaction expenses ⁽⁵⁾	9,233	1,340	6,317	1,885	2,454
Income tax effect of adjustments	(336)	(173)	486	(1,478)	2,325
EAD adjustments attributable to non-controlling interests	(3,225)	(2,647)	(4,027)	3,747	155
Earnings available for distribution attributable to Company's common stockholders	<u>\$ 21,991</u>	<u>\$ 20,024</u>	<u>\$ 18,194</u>	<u>\$ 14,178</u>	<u>\$ 9,326</u>
Weighted average shares outstanding - basic	90,406	90,324	90,583	90,579	90,582
GAAP net income (loss) attributable to Company's common stockholders per common share - basic	\$ 0.36	\$ (0.04)	\$ 0.33	\$ (0.46)	\$ 0.36
EAD per common share - basic	\$ 0.24	\$ 0.22	\$ 0.20	\$ 0.16	\$ 0.10

⁽¹⁾ Excludes net interest benefit of interest rate swaps of approximately \$6.1 million, \$3.7 million, \$3.1 million, \$5.8 million and \$8.5 million for the three months ended September 30, 2025, June 30, 2025, March 31, 2025, December 31, 2024 and September 30, 2024, respectively. Also excludes TBA dollar roll income of approximately \$66.2 thousand and \$7.0 thousand for the three months ended September 30, 2025 and June 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 investment portfolio 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 the dates indicated is presented below (amounts in thousands, except per share data):

	September 30, 2025	June 30, 2025	March 31, 2025	December 31, 2024	September 30, 2024
Company's stockholders' equity	\$ 1,390,777	\$ 1,381,203	\$ 1,401,946	\$ 1,394,720	\$ 1,444,147
Preferred stock liquidation preference	(559,642)	(558,498)	(554,110)	(554,110)	(554,110)
GAAP book value	831,135	822,705	847,836	840,610	890,037
Add:					
Cumulative depreciation expense on real estate ⁽¹⁾	26,357	25,170	22,989	20,837	19,180
Cumulative amortization of lease intangibles related to real estate ⁽¹⁾	4,620	4,620	4,620	4,620	4,903
Cumulative adjustment of redeemable non-controlling interest to estimated redemption value	54,782	49,574	46,011	40,675	48,282
Adjustment of amortized cost liabilities to fair value	20,481	24,153	22,488	30,619	21,961
Adjusted book value	<u>\$ 937,375</u>	<u>\$ 926,222</u>	<u>\$ 943,944</u>	<u>\$ 937,361</u>	<u>\$ 984,363</u>
Common shares outstanding	90,308	90,314	90,529	90,575	90,579
GAAP book value per common share ⁽²⁾	\$ 9.20	\$ 9.11	\$ 9.37	\$ 9.28	\$ 9.83
Adjusted book value per common share ⁽³⁾	\$ 10.38	\$ 10.26	\$ 10.43	\$ 10.35	\$ 10.87

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

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

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

Equity Investments in Multi-Family Entities

We own joint venture equity investments in entities that own multi-family properties. We determined that these joint venture entities are VIEs and that we are the primary beneficiary of these VIEs, resulting in consolidation of the VIEs, including their assets, liabilities, income and expenses, in our condensed consolidated financial statements with non-controlling interests for the third-party ownership of the joint ventures' membership interests.

The Company repositioned its business through the opportunistic disposition over time of certain 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, as of September 30, 2025, the Company determined that certain joint venture equity investments meet the criteria to be classified as held for sale and the assets and liabilities of the respective Consolidated VIEs are reported in assets and liabilities of disposal group held for sale.

We also own a preferred equity investment in a VIE that owns a multi-family property and for which, as of September 30, 2025, the Company is the primary beneficiary, resulting in consolidation of the assets, liabilities, income and expenses of the VIE in our condensed consolidated financial statements with a non-controlling interest for the third-party ownership of the VIE's membership interests.

A reconciliation of our net equity investments in consolidated multi-family properties and disposal group held for sale to our condensed consolidated financial statements as of September 30, 2025 is shown below (dollar amounts in thousands):

Cash and cash equivalents	\$	3,147
Real estate, net		469,764
Assets of disposal group held for sale ⁽¹⁾		1,383
Other assets		16,251
Total assets	\$	490,545
Mortgages payable on real estate, net	\$	362,747
Liabilities of disposal group held for sale ⁽¹⁾		78
Other liabilities		10,563
Total liabilities	\$	373,388
Redeemable non-controlling interest in Consolidated VIEs	\$	13,713
Less: Cumulative adjustment of redeemable non-controlling interest to estimated redemption value		(54,782)
Non-controlling interest in Consolidated VIEs		(464)
Non-controlling interest in disposal group held for sale		627
Net equity investment ⁽²⁾	\$	158,063

⁽¹⁾ Assets and liabilities of disposal group held for sale as of September 30, 2025 consisted of assets and liabilities held by the respective Consolidated Real Estate VIEs for the conclusion of business operations after real property sales that occurred during the three months ended September 30, 2025.

⁽²⁾ 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 and \$0.7 million of net equity investments in disposal group held for sale.