



**ARES COMMERCIAL REAL ESTATE CORPORATION REPORTS
FOURTH QUARTER AND FULL YEAR 2025 RESULTS**

***Fourth quarter GAAP net income (loss) of \$(3.9) million or \$(0.07) per diluted common share and
Distributable Earnings¹ of \$8.5 million or \$0.15 per diluted common share***

***Full year GAAP net income (loss) of \$(0.9) million or \$(0.02) per diluted common share and
Distributable Earnings (Loss)¹ of \$(6.7) million or \$(0.12) per diluted common share***

- Subsequent to the year ended December 31, 2025 -

Closed \$150 million of new loan commitments

Declared first quarter 2026 dividend of \$0.15 per common share

NEW YORK—(BUSINESS WIRE)—Ares Commercial Real Estate Corporation (the “Company”) (NYSE:ACRE), a specialty finance company primarily engaged in directly originating and investing in commercial real estate loans and related investments, reported generally accepted accounting principles (“GAAP”) net income (loss) of \$(3.9) million or \$(0.07) per diluted common share and Distributable Earnings¹ of \$8.5 million or \$0.15 per diluted common share for the fourth quarter of 2025. The Company reported GAAP net income (loss) of \$(0.9) million or \$(0.02) per diluted common share and Distributable Earnings (Loss)¹ of \$(6.7) million or \$(0.12) per diluted common share for full year 2025.

“The advancements we made in 2025 against our strategic goals of addressing risk rated 4 and 5 loans, reducing office and REO properties and maintaining our flexible balance sheet position allowed ACRE to return to investing in the second half of 2025,” said Bryan Donohoe, Chief Executive Officer of Ares Commercial Real Estate Corporation. “As we enter 2026, we remain focused on achieving these objectives and ultimately repositioning the portfolio to drive earnings growth.”

“During 2025, we collected \$572 million in loan repayments, further increasing our balance sheet flexibility in order to support asset resolutions and new investment activity,” said Jeff Gonzales, Chief Financial Officer of Ares Commercial Real Estate Corporation. “We continue to optimize our financing structure by increasing the availability and reducing the cost of our borrowings to support our future growth objectives.”

(1) Distributable Earnings (Loss) is a non-GAAP financial measure. Refer to Schedule I for the definition and reconciliation of Distributable Earnings (Loss).

2026 ANNUAL STOCKHOLDERS MEETING

The Board of Directors set March 26, 2026 as the record date for the Company's 2026 Annual Meeting of Stockholders. The 2026 Annual Meeting of Stockholders will be held on May 27, 2026.

COMMON STOCK DIVIDEND

On November 7, 2025, the Board of Directors of the Company declared a regular cash dividend of \$0.15 per common share for the fourth quarter of 2025. The fourth quarter 2025 dividend was paid on January 15, 2026 to common stockholders of record as of December 31, 2025.

On February 10, 2026, the Board of Directors of the Company declared a regular cash dividend of \$0.15 per common share for the first quarter of 2026. The first quarter 2026 dividend will be payable on April 15, 2026 to common stockholders of record as of March 31, 2026.

ADDITIONAL INFORMATION

The Company issued a presentation of its fourth quarter and full year 2025 results, which can be viewed at www.arescre.com on the Investor Resources section of our home page under Events and Presentations. The presentation is titled "Fourth Quarter and Full Year 2025 Earnings Presentation." The Company also filed its Annual Report on Form 10-K for the year ended December 31, 2025 with the U.S. Securities and Exchange Commission on February 10, 2026.

CONFERENCE CALL AND WEBCAST INFORMATION

On Tuesday, February 10, 2026, the Company invites all interested persons to attend its webcast/conference call at 12:00 p.m. (Eastern Time) to discuss its fourth quarter and full year 2025 financial results.

All interested parties are invited to participate via telephone or the live webcast, which will be hosted on a webcast link located on the Home page of the Investor Resources section of the Company's website at www.arescre.com. Please visit the website to test your connection before the webcast. Domestic callers can access the conference call by dialing +1 (800) 225-9448. International callers can access the conference call by dialing +1 (203) 518-9708. Please provide passcode ACREQ425. All callers are asked to dial in 10-15 minutes prior to the call so that name and company information can be collected. For interested parties, an archived replay of the call will be available through March 10, 2026 at 5:00 p.m. (Eastern Time) to domestic callers by dialing +1 (800) 723-0389 and to international callers by dialing +1 (402) 220-2647. An archived replay will also be available through March 10, 2026 on a webcast link located on the Home page of the Investor Resources section of the Company's website.

ABOUT ARES COMMERCIAL REAL ESTATE CORPORATION

Ares Commercial Real Estate Corporation (the "Company") is a specialty finance company primarily engaged in directly originating and investing in commercial real estate loans and related investments. Through its national direct origination platform, the Company provides a broad offering of flexible and reliable financing solutions for commercial real estate owners and operators. The Company invests in whole and co-invested senior mortgage loans, as well as subordinate financings, mezzanine debt and preferred equity, with an emphasis on providing value added financing on a variety of properties located in liquid markets across the United States. Ares Commercial Real Estate Corporation elected and qualified to be taxed as a real estate investment trust and is externally managed by a subsidiary of Ares Management Corporation. For more information, please visit www.arescre.com. The contents of such website are not, and should not be deemed to be, incorporated by reference herein.

FORWARD-LOOKING STATEMENTS

Statements included herein or on the webcast / conference call may constitute "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995, Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities and Exchange Act of 1934, as amended. These statements relate to future events or the Company's future performance or financial condition and include, but are not limited to, statements about potential earnings, the resolution of underperforming loans, increased investment activity, liquidity management, reduction or increase of CECL reserve, reduction or increase of available borrowings, the industry and the loan market. These statements are not guarantees of future performance, condition or results and involve a number of risks and uncertainties. Actual results may differ materially from those in the forward-looking statements as a result of a number of factors, including global economic trends and economic

conditions, including high inflation, slower growth, changes to fiscal and monetary policy, high interest rates, currency fluctuations and changes caused by tariffs and trade disputes, as well as geopolitical instability, changes in interest rates and credit spreads, management's estimate of current expected credit losses and current expected credit loss reserve, the amount of commercial mortgage loans requiring refinancing, the demand for commercial real estate loans, the Company's expected investment capacity and available capital, rates of default or decreased recovery rates on the Company's target investments, the Company's business and investment strategy, the Company's projected operating results, the ability of Ares Commercial Real Estate Management LLC ("ACREM" or the Company's "Manager") to locate suitable investments for the Company, monitor, service and administer the Company's investments and execute its investment strategy, and the risks described from time to time in the Company's filings with the Securities and Exchange Commission (the "SEC"), including, but not limited to, the risk factors described in Part I, Item 1A. Risk Factors in the Company's Annual Report on Form 10-K, filed with the SEC on February 10, 2026. Any forward-looking statement, including any contained herein, speaks only as of the time of this press release and Ares Commercial Real Estate Corporation undertakes no duty to update any forward-looking statements made herein or on the webcast/conference call. Projections and forward-looking statements are based on management's good faith and reasonable assumptions, including the assumptions described herein.

INVESTOR RELATIONS CONTACTS

Ares Commercial Real Estate Corporation
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ARES COMMERCIAL REAL ESTATE CORPORATION AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(in thousands, except share and per share data)

	As of December 31,	
	2025	2024
ASSETS		
Cash and cash equivalents	\$ 29,289	\$ 63,799
Restricted cash (\$1,108 and \$2,495 related to consolidated VIEs, respectively)	37,868	2,495
Loans held for investment (\$138,950 and \$551,955 related to consolidated VIEs, respectively)	1,528,806	1,656,688
Current expected credit loss reserve	(125,756)	(136,224)
Loans held for investment, net of current expected credit loss reserve	1,403,050	1,520,464
Investment in available-for-sale debt securities, at fair value	—	8,684
Real estate owned held for investment, net (\$52,634 and \$58,844 related to consolidated VIEs, respectively)	130,165	139,032
Other assets (\$76 and \$1,991 of interest receivable related to consolidated VIEs, respectively)	17,770	16,732
Total assets	<u>\$ 1,618,142</u>	<u>\$ 1,751,206</u>
LIABILITIES AND STOCKHOLDERS' EQUITY		
LIABILITIES		
Secured funding agreements	\$ 858,176	\$ 588,468
Secured term loan	89,360	128,062
Collateralized loan obligation securitization debt (consolidated VIEs)	99,921	455,839
Due to affiliate	4,061	3,790
Dividends payable	8,442	13,924
Other liabilities (\$257 and \$1,309 of interest payable related to consolidated VIEs, respectively)	48,614	20,991
Total liabilities	<u>1,108,574</u>	<u>1,211,074</u>
Commitments and contingencies		
STOCKHOLDERS' EQUITY		
Common stock, par value \$0.01 per share, 450,000,000 shares authorized at December 31, 2025 and 2024 and 55,026,453 and 54,542,178 shares issued and outstanding at December 31, 2025 and 2024, respectively	532	532
Additional paid-in capital	820,827	816,923
Accumulated other comprehensive income (loss)	—	37
Accumulated earnings (deficit)	(311,791)	(277,360)
Total stockholders' equity	<u>509,568</u>	<u>540,132</u>
Total liabilities and stockholders' equity	<u>\$ 1,618,142</u>	<u>\$ 1,751,206</u>

ARES COMMERCIAL REAL ESTATE CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS
(in thousands, except share and per share data)

	For the Three Months Ended December 31, 2025	For the Year Ended December 31, 2025
Revenue:		
Interest income	\$ 23,732	\$ 97,590
Interest expense	(16,078)	(65,159)
Net interest margin	7,654	32,431
Revenue from real estate owned	5,562	22,402
Total revenue	13,216	54,833
Expenses:		
Management and incentive fees to affiliate	2,420	9,837
Professional fees	678	2,755
General and administrative expenses	1,595	7,042
General and administrative expenses reimbursed to affiliate	810	3,618
Expenses from real estate owned	4,495	18,157
Total expenses	9,998	41,409
(Provision for) reversal of current expected credit losses, net	(9,835)	17,845
Realized losses on loans	—	(34,643)
Realized gain on sale of real estate owned	2,757	2,757
Income (loss) before income taxes	(3,860)	(617)
Income tax expense (benefit), including excise tax	5	285
Net income (loss) attributable to common stockholders	\$ (3,865)	\$ (902)
Earnings (loss) per common share:		
Basic earnings (loss) per common share	\$ (0.07)	\$ (0.02)
Diluted earnings (loss) per common share	\$ (0.07)	\$ (0.02)
Weighted average number of common shares outstanding:		
Basic weighted average shares of common stock outstanding	54,951,917	54,886,025
Diluted weighted average shares of common stock outstanding	54,951,917	54,886,025
Dividends declared per share of common stock¹	\$ 0.15	\$ 0.60

(1) There is no assurance dividends will continue at these levels or at all.

SCHEDULE I

Reconciliation of Net Income (Loss) to Non-GAAP Distributable Earnings (Loss)

Distributable Earnings (Loss) is a non-GAAP financial measure that helps the Company evaluate its financial performance excluding the effects of certain transactions and GAAP adjustments that it believes are not necessarily indicative of its current loan origination portfolio and operations. To maintain the Company's REIT status, the Company is generally required to annually distribute to its stockholders substantially all of its taxable income. The Company believes the disclosure of Distributable Earnings (Loss) provides useful information to investors regarding the Company's ability to pay dividends, which is one of the principal reasons the Company believes investors invest in the Company. The presentation of this additional information is not meant to be considered in isolation or as a substitute for financial results prepared in accordance with GAAP. Distributable Earnings (Loss) is defined as net income (loss) attributable to common stockholders computed in accordance with GAAP, excluding non-cash equity compensation expense, the incentive fees the Company pays to its Manager, depreciation and amortization (to the extent that any of the Company's target investments are structured as debt and the Company forecloses on any properties underlying such debt), any unrealized gains, losses or other non-cash items recorded in net income (loss) for the period, regardless of whether such items are included in other comprehensive income or loss, or in net income (loss), one-time events pursuant to changes in GAAP and certain non-cash charges after discussions between the Company's Manager and the Company's independent directors and after approval by a majority of the Company's independent directors. Loan balances that are deemed to be uncollectible are written-off as a realized loss and are included in Distributable Earnings (Loss). Distributable Earnings (Loss) is aligned with the calculation of "Core Earnings," which is defined in the Management Agreement and is used to calculate the incentive fees the Company pays to its Manager.

Reconciliation of net income (loss) attributable to common stockholders, the most directly comparable GAAP financial measure, to Distributable Earnings (Loss) is set forth in the table below for the three months and year ended December 31, 2025 (\$ in thousands):

	For the Three Months Ended December 31, 2025	For the Year Ended December 31, 2025
Net income (loss) attributable to common stockholders	\$ (3,865)	\$ (902)
Stock-based compensation	893	3,904
Incentive fees to affiliate	—	—
Depreciation and amortization of real estate owned	1,605	8,115
Provision for (reversal of) current expected credit losses, net	9,835	(17,845)
Distributable Earnings (Loss)	<u>\$ 8,468</u>	<u>\$ (6,728)</u>
Net income (loss) attributable to common stockholders	\$ (0.07)	\$ (0.02)
Stock-based compensation	0.02	0.07
Incentive fees to affiliate	—	—
Depreciation and amortization of real estate owned	0.03	0.15
Provision for (reversal of) current expected credit losses, net	0.18	(0.33)
Basic Distributable Earnings (Loss) per common share	<u>\$ 0.15</u>	<u>\$ (0.12)</u>
Net income (loss) attributable to common stockholders	\$ (0.07)	\$ (0.02)
Stock-based compensation	0.02	0.07
Incentive fees to affiliate	—	—
Depreciation and amortization of real estate owned	0.03	0.15
Provision for (reversal of) current expected credit losses, net	0.18	(0.33)
Diluted Distributable Earnings (Loss) per common share	<u>\$ 0.15</u>	<u>\$ (0.12)</u>

Note: Numbers presented may not foot due to rounding.