Exhibit 99.2

ARES
COMMERCIAL REAL ESTATE CORPORATION

# Third Quarter 2024 Earnings Presentation

# Disclaimer

Statements included herein may constitute “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995 and Section 21E of the Securities Exchange Act of 1934, as amended, which may relate to future events or the future performance or financial condition of Ares Commercial Real Estate Corporation (“ACRE” or, the “Company”), Ares Commercial Real Estate Management LLC (“ACREM”), a subsidiary of Ares Management Corporation (“Ares Corp.”), Ares Corp., certain of their subsidiaries and certain funds and accounts managed by ACREM, Ares Corp. and/or their subsidiaries, including, without limitation, ACRE. These statements include, but are not limited to, statements about the resolution of underperforming loans, reduction or increase of CECL reserve, liquidity management and the industry and loan market and are not guarantees of future results or financial condition and involve a number of risks and uncertainties. Actual results could 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 or recession, changes to fiscal and monetary policy, higher interest rates and currency fluctuations, as well as geopolitical instability, including conflicts between Russia and Ukraine and in the Middle East, changes in interest rates, credit spreads and the market value of the Company's investments, the Company's business and investment strategy, the Company's projected operating results, the return or impact of current and future investments, access to the financing and debt markets, the Company's business and investment strategy, the Company's projected operating results, the return or impact of current and future investments, the demand for commercial real estate loans, rates of prepayments on the Company’s mortgage loans and the effect on the Company’s business of such prepayments, availability of investment opportunities in mortgage-related and real estate-related investments and securities, ACREM’s ability to locate suitable investments for the Company, monitor, service and administer the Company’s investments and execute its investment strategy, and other risks described from time to time in ACRE’s filings within the Securities and Exchange Commission (“SEC”). Any forward-looking statement, including any contained herein, speaks only as of the time of this release and none of ACRE, ARES Corp. nor ACREM undertakes any duty to update any forward-looking statements made herein. Any such forward-looking statements are made pursuant to the safe harbor provisions available under applicable securities laws.

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# 3Q 2024 Company Results and Highlights

| | |
|---|---|
| **Earnings and Results** | • 3Q 2024 GAAP net income (loss) of $(0.11) per diluted common share<br>• 3Q 2024 Distributable Earnings of $0.07 per diluted common share[1]<br>• 3Q 2024 Distributable Earnings of $0.17 per diluted common share excluding realized losses of $0.10 per diluted common share[1,2]<br>• Received $4 million (or approximately $0.08 per diluted common share) of cash from loans on non-accrual in 3Q 2024[3]<br>• $146 million CECL reserve at 3Q 2024 or 8% of outstanding principal balance for loans held for investment<br>• Book value per common share of $10.34 (or $13.01 excluding CECL reserve) as of September 30, 2024[4] |
| **Objectives** | • Further reduce debt and increase liquidity to support our objectives of resolving risk rated 4 and 5 loans and actively managing the portfolio<br>• Resolve risk rated 4 and 5 loans to seek the highest net benefit by balancing recovery of capital, impact on earnings (including loans on non-accrual status) and liquidity, and timing<br>• Continue to actively manage existing loan portfolio to identify and minimize risks and generate additional liquidity |
| **Progress** | **Continued to Increase Liquidity and Lower Financial Leverage to Support Loan Resolutions**<br>• Outstanding borrowings declined to $1.3 billion, which decreased 8% from 2Q 2024<br>• Net debt to equity ratio excluding CECL reserve was lowered to 1.8x, down from 1.9x at 2Q 2024[5]<br>• $134 million[6] of available capital as of November 5, which increased 11% from 2Q 2024[7]<br>• Received $124 million of repayments in 3Q 2024<br>**Further Addressed Risk Rated 4 and 5 Loans**<br>• Total outstanding principal balance of risk rated 4 and 5 loans declined by $157 million or 33% from 2Q 2024[8]<br>  ◦ Exited a $98 million outstanding principal balance risk rated 5 loan above carrying value, excluding CECL reserve<br>  ◦ Converted a risk rated 5 office loan with a $69 million outstanding principal balance to real estate owned, resulting in a realized loss of $6 million, in line with the prior quarter's CECL reserve<br>• Total outstanding principal balance of loans on non-accrual decreased by 12% from 2Q 2024<br>**Actively Managed Existing Loan Portfolio**<br>• Borrowers contributed more than $37 million as repayment of loans or funding of reserves, capital expenditures, purchase of interest rate caps, or other purposes during 3Q 2024 |
| **Dividends** | • Declared cash dividend of $0.25 per common share for shareholders for 4Q 2024 |

Note: As of September 30, 2024, unless otherwise noted. Past performance is not indicative of future results. Due to rounding, numbers presented may not add up to the totals provided. **See relevant endnotes on page 23.**

# Ares Management

» With approximately $464 billion in assets under management, Ares Management Corporation is a global alternative investment manager operating an integrated platform across five business groups

## Profile

| | |
|---|---|
| Founded | 1997 |
| AUM | $464bn |
| Employees | 3,140+ |
| Investment Professionals | 1,095+ |
| Global Offices | 35+ |
| Direct Institutional Relationships | 2,660+ |
| Listing: NYSE – Market Capitalization | $53.2bn[1] |

## Global Footprint[2]

## The Ares Differentiators

**Power of a broad and scaled platform enhancing investment capabilities**

**Deep management team with integrated and collaborative approach**

**20+ year track record of attractive risk adjusted returns through market cycles**

**A pioneer and leader in leveraged finance, private credit and secondaries**

| | Credit | Real Assets | Private Equity | Secondaries | Other Businesses |
|---|---|---|---|---|---|
| AUM | $335.3bn | $70.3bn | $24.5bn | $27.3bn | $6.4bn |
| Strategies | Direct Lending | Real Estate Equity | Corporate Private Equity | Private Equity Secondaries | Ares Insurance Solutions[4] |
| | Liquid Credit | Real Estate Debt | APAC Private Equity | Real Estate Secondaries | Ares Acquisition Corporation[5] |
| | Alternative Credit | Infrastructure Opportunities | | Infrastructure Secondaries | |
| | Opportunistic Credit[3] | Infrastructure Debt | | Credit Secondaries | |
| | APAC Credit | | | | |

Note: As of September 30, 2024. AUM amounts include funds managed by Ivy Hill Asset Management, L.P., a wholly owned portfolio company of Ares Capital Corporation and registered investment adviser. Past performance is not indicative of future results.

1. As of October 21, 2024.
2. New Delhi office is operated by a third party with whom Ares Asia maintains an ongoing relationship relating to the sourcing, acquisition and/or management of investments.
3. In 1Q 2024, Ares Management moved our Special Opportunities strategy from our Private Equity Group into our Credit Group as Opportunistic Credit. The fund name remains Special Opportunities. Opportunistic Credit has been reclassified and presented within the Credit Group and reflected on a historical basis.
4. AUM managed by Ares Insurance Solutions excludes assets which are sub-advised by other Ares' investment groups or invested in Ares funds and investment vehicles.
5. AUM includes Ares Acquisition Corporation II ("AACT").

# Ares Real Estate

- Global real estate investment manager with vertically integrated operating platform that seeks to generate compelling risk-adjusted performance through market cycles

**$54 bn**
Real Estate AUM

**280+**
Investment Professionals

**17**
Offices and Market Coverage Locations

**550**
Real Estate Investments Globally

| Core/Core-Plus | Value-Add | Opportunistic |
|---|---|---|
| Global Debt | | |
| US Private Real Estate | | |
| European Private Equity Real Estate | | |

**Key Differentiators**

- Scaled Real Estate Platform Experienced Across All Sectors
- Cycle-Tested & Collaborative Team with Local Networks
- In-House Sector Experience Vertical Integration
- Real Time Corporate & Market Insights

Note: As of September 30, 2024, unless otherwise noted. Past performance is not indicative of future results. Due to rounding, numbers presented may not add up to the totals provided. All investments involve risk, including loss of principal. References to "risk-adjusted performance" or similar phrases are not guarantees against loss of investment capital or value. Returns may increase or decrease as a result of currency fluctuations.

# Portfolio Overview

Focused on maximizing outcomes for our risk rated 4 and 5 loans

## Risk Rated 1-3 Loan Portfolio

**$1.5 billion** Portfolio Size[2]

**35** Loans

- Majority Collateralized by Multifamily, Industrial, Mixed Use, Self-Storage and Student Housing[2]
- CECL Reserve is Approximately 1% of Loan Balance[2,4]
- Approximately $138 million of Additional Borrower Capital Contributions in the LTM[6]
- $79 million of Future Funding Commitments[8]


## Risk Rated 4 and 5 Loan Portfolio

**$0.3 billion** Portfolio Size[3]

**5** Loans

- 94% is Collateralized by Office and Residential / Condo Properties[3]
- 87% of Total CECL Reserve Relates to Risk Rated 4 and 5 Loans[5]
- CECL Reserve is 40% of Loan Balance[7]
- CECL Reserve is 44% of Loan Balance for Office Loans[9]

Note: As of September 30, 2024 unless otherwise noted. Past performance is not indicative of future results. Due to rounding, numbers presented may not add up to the totals provided.

1. Based on outstanding principal balance of loans held for investment.
2. Based on outstanding principal balance of loans with risk ratings of 1, 2 or 3.
3. Based on outstanding principal balance of loans with risk ratings of 4 or 5.
4. $18 million of the $146 million total CECL reserve related to loans risk rated 1, 2 and 3.
5. $128 million of the $146 million total CECL reserve related to loans risk rated 4 and 5.
6. Includes borrower capital contributions relating to repayment of loans or funding of reserves, capital expenditures, purchase of interest rate caps, or other purposes.
7. $128 million of CECL reserve for risk rated 4 and 5 loans as a percentage of the $320 million in outstanding principal balance of risk rated 4 and 5 loans.
8. Primarily represents ACRE's commitment to fund future tenant improvement costs.
9. Based on outstanding principal balance of loans backed by office properties with risk ratings of 4 or 5.



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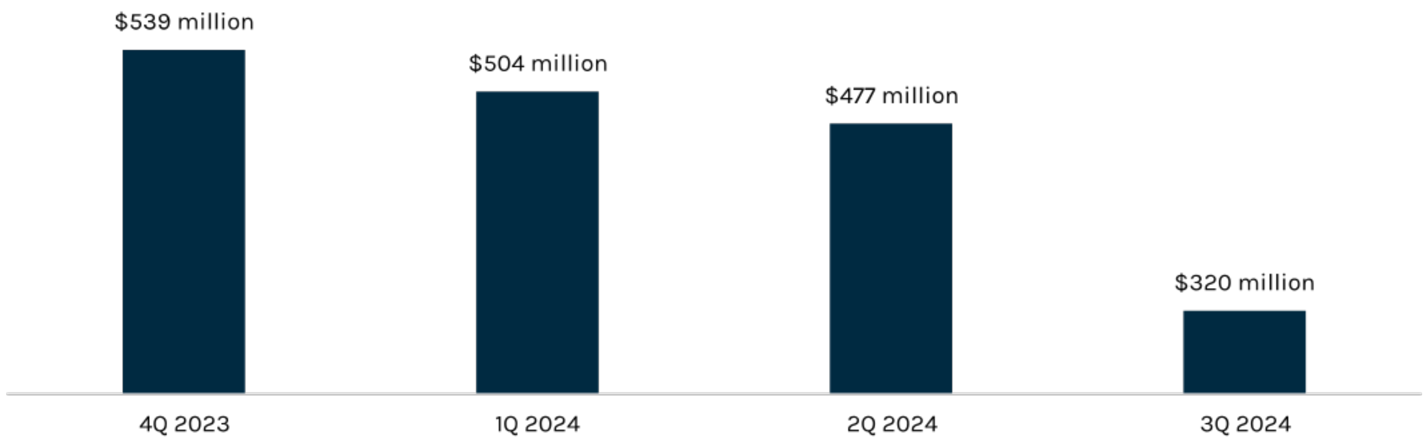
# Continued Progress Addressing Risk Rated 4 and 5 Loans in 3Q 2024

- 33% reduction in outstanding principal balance of loans risk rated 4 and 5 since 2Q 2024 and a 41% reduction since 4Q 2023

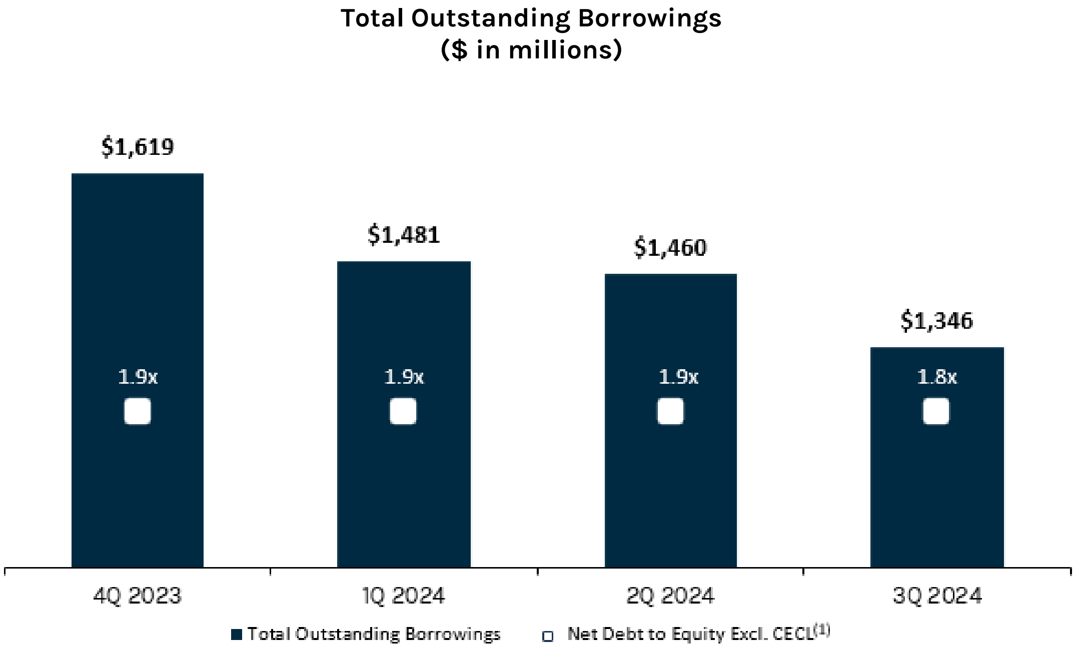
**Reduced Loans Risk Rated 4 and 5[1]**
**as Measured by Outstanding Principal Balance**




Note: As of September 30, 2024 unless otherwise noted. Past performance is not indicative of future results.
1. Loan balances relate to outstanding principal balance.

# Balance Sheet and Capital Position Provides Flexibility

» Focused on further de-levering the balance sheet and maintaining higher levels of available liquidity to support positive outcomes on risk rated 4 and 5 loans




**2024 Loan Repayments**

**$124 million in 3Q**

**$203 million YTD**

**Available Capital[2]**

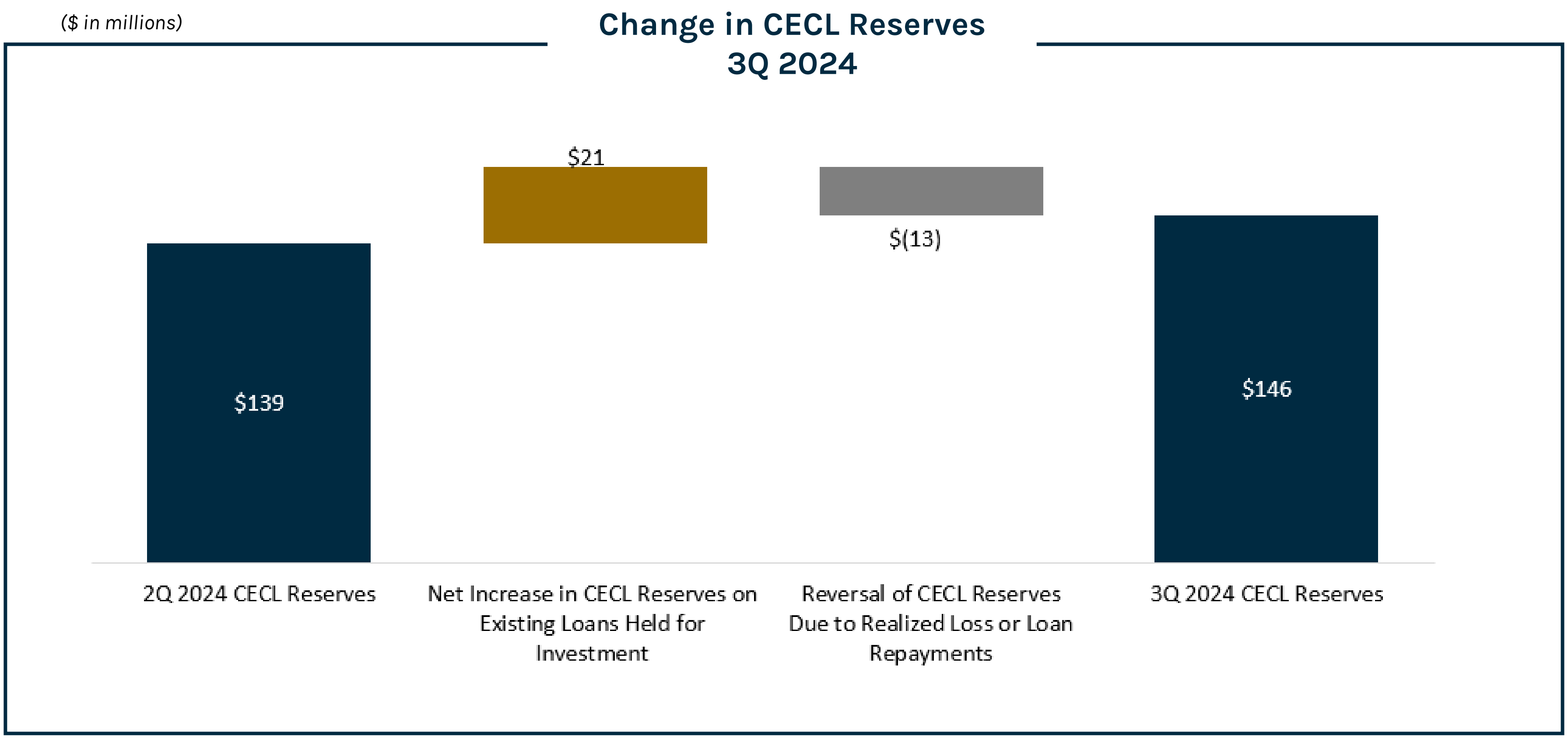
**$134 million**

Note: Past performance is not indicative of future results. Due to rounding, numbers presented may not add up to the totals provided.

1. Net debt to equity ratio (excluding CECL reserves) is calculated as (i) $1.3 billion of outstanding principal of borrowings less $72 million of cash (inclusive of restricted amounts), (ii) divided by the sum of total stockholders' equity of $564 million plus CECL reserve of $146 million at September 30, 2024. Net debt to equity ratio including CECL reserve is 2.3x. Total debt to equity ratio excluding CECL reserve is 1.9x and including CECL reserve is 2.4x.
2. As of November 5, 2024, includes $92 million of cash and approximately $42 million of available financing proceeds under the CNB Facility. The amount immediately available under the CNB Facility at any given time can fluctuate based on the fair value of the collateral in the borrowing base that secures the CNB Facility. As of November 5, 2024, there was approximately $42 million immediately available under the CNB Facility based on the fair value of the collateral in the borrowing base at such time. The amount immediately available under the CNB Facility may be increased to up to $75 million by the pledge of additional collateral into the borrowing base in accordance with the CNB Facility agreement.

# Trends in CECL Reserves

*($ in millions)*




Note: As of September 30, 2024 unless otherwise noted. Past performance is not indicative of future results. Numbers may not sum due to rounding.

# CECL Reserves

**$146 million**

Total CECL Reserves

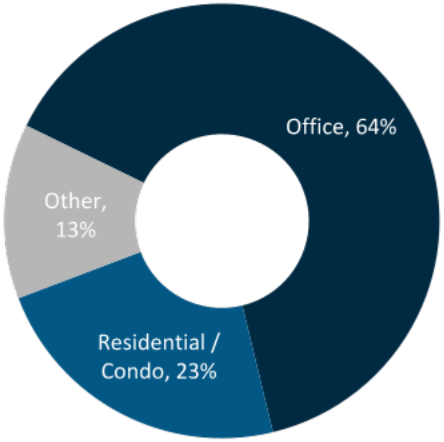
**8%**

CECL Reserves as a Percent of Loans Held for Investment (1)

## CECL Reserves by Risk Rating (1)


**87%**
CECL reserves relates to risk rated 4 and 5 loans

## CECL Reserves by Property Type (1)




**87%**
CECL reserves relates to office and residential / condo loans

Note: As of September 30, 2024 unless otherwise noted. Past performance is not indicative of future results. Due to rounding, numbers presented may not add up to the totals provided.

1. Percentages are based on outstanding principal balance of loans held for investment.



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# CECL Reserves for Risk Rated 4 and 5 Loans

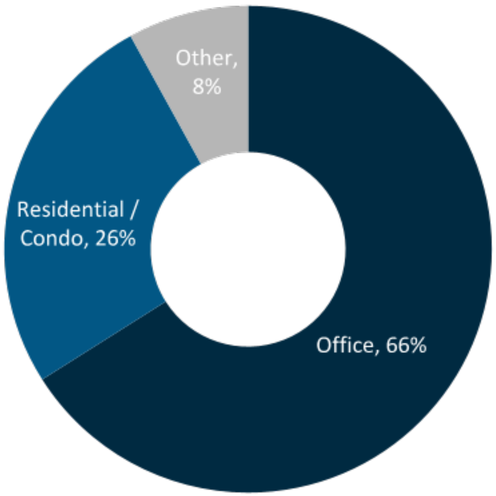
**$128 million**

CECL Reserves for Risk Rated 4 and 5 Loans

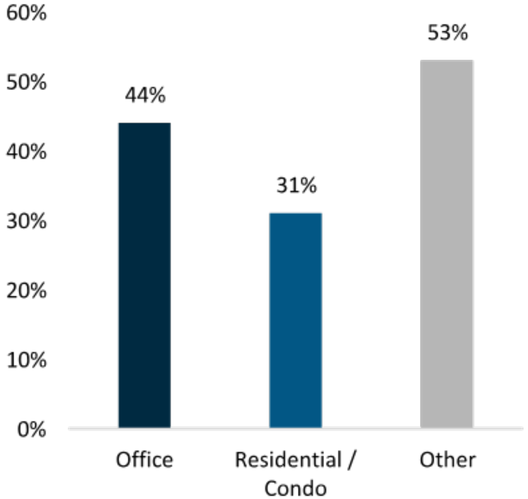
**40%**

CECL Reserves as a Percent of Risk Rated 4 and 5 Loan Balance[1]

**Risk Rated 4 and 5 Loans CECL Reserves by Property Type**




**Risk Rated 4 and 5 Loans CECL Reserves as a Percent of Loan Balance [2]**




Note: As of September 30, 2024 unless otherwise noted. Past performance is not indicative of future results. Due to rounding, numbers presented may not add up to the totals provided.

1. Based on outstanding principal balance of loans with risk ratings of 4 or 5.
2. Based on outstanding principal balance of loans with risk ratings of 4 or 5 by property type.



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# Summary of Real Estate Owned ("REO")

| |  |  |  |
|---|---|---|---|
| | Mixed Use | Office | Office |
| Quarter Converted to REO: | 3Q 2023 | 2Q 2024 | 3Q 2024 |
| Location: | Florida | California | North Carolina |
| Square Footage: | 816 | 197 | 568 |
| Carrying Value:[1] | $81 | $15 | $60 |
| Income Yield:[2] | 9% | 11% | 8%[3] |

Note: As of September 30, 2024 unless otherwise noted. Past performance may not be indicative of future results. Numbers may not sum due to rounding. All dollars in millions and square feet in thousands.

1. Carrying value is net of accumulated depreciation and amortization of $3.3 million for the Florida mixed-use property and $0.2 million for the North Carolina office property. There was no accumulated depreciation and amortization for the California office property as it was classified as held for sale.
2. Calculated as the annualized property level net operating income for the three months ended August 31, 2024 divided by the carrying value.
3. ACRE acquired legal title of the property on September 19, 2024. The property level net operating income used to calculate the Income Yield was not earned while ACRE owned the property.



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# Appendix

# Loans Held for Investment Portfolio Details

*($ in millions)*

| # | Loan Type | Location | Origination Date | Current Loan Commitment | Outstanding Principal | Carrying Value | Interest Rate | SOFR Floor | Unleveraged Effective Yield | Maturity Date | Payment Terms[(1)] |
|---|---|---|---|---|---|---|---|---|---|---|---|
| **Office Loans:** | | | | | | | | | | | |
| 1 | Senior | IL | Nov 2020 | $162.6 | $162.6 | $152.1 | (2) | 1.5% | —%[(2)] | Mar 2025 | I/O |
| 2 | Senior | Diversified | Jan 2020 | 88.9 | 88.9 | 88.8 | S+3.75% | 1.6% | 8.9% | Jan 2025 | P/I |
| 3 | Senior | AZ | Sep 2021 | 100.7 | 74.5 | 74.5 | S+3.61% | 0.1% | 8.9% | Oct 2024 | I/O |
| 4 | Senior | NC | Aug 2021 | 85.0 | 70.6 | 70.5 | S+3.65% | 0.2% | 8.5% | Aug 2028 | I/O |
| 5 | Senior | NY | Jul 2021 | 59.0 | 59.0 | 59.0 | S+2.65%[(3)] | 3.0% | 7.5% | Jul 2027 | I/O |
| 6 | Senior | IL | Dec 2022 | 55.9 | 55.9 | 55.9 | S+4.25% | 3.0% | 9.6% | Jan 2025 | P/I |
| 7 | Senior[(4)] | MA | Apr 2022 | 82.2 | 51.5 | 51.0 | S+3.75% | —% | 9.2% | Apr 2026 | I/O |
| 8 | Senior | GA | Nov 2019 | 48.2 | 48.2 | 48.2 | S+3.15% | 1.9% | 8.3% | Dec 2024 | P/I |
| 9 | Senior | CA | Nov 2018 | 20.3 | 20.3 | 20.2 | S+3.50% | 2.3% | 8.6% | Nov 2025 | P/I |
| 10 | Subordinated | NJ | Mar 2016 | 18.5 | 18.5 | 15.7 | 12.00% | —% | —%[(5)] | Jan 2026 | I/O |
| 11 | Subordinated | NY | Jul 2021 | 10.0 | 10.0 | 7.6 | 5.50%[(3)] | —% | —%[(3)] | Jul 2027 | I/O |
| **Total Office** | | | | **$731.3** | **$660.0** | **$643.5** | | | | | |

Note: As of September 30, 2024.

1. I/O = interest only, P/I = principal and interest.
2. The Illinois loan is structured as both a senior and mezzanine loan with the Company holding both positions. The senior position has a per annum interest rate of S + 2.25% and the mezzanine position has a fixed per annum interest rate of 10.00%. The senior and mezzanine loans were both on non-accrual status as of September 30, 2024 and the Unleveraged Effective Yield is not applicable.
3. The New York loan is structured as both a senior A-Note with an outstanding principal balance of $59.0 million and a subordinated B-Note with an outstanding principal balance of $10.0 million. The subordinated B-Note is subordinate to new sponsor equity contributed in March 2024 and additional capital contributions. The senior A-Note has a per annum interest rate of S + 2.65% and the subordinated B-Note has a fixed per annum interest rate of 5.50%. As of September 30, 2024, the subordinated B-Note, which had an outstanding principal balance of $10.0 million, was on non-accrual status and therefore, the Unleveraged Effective Yield is not applicable.
4. The senior Massachusetts loan is collateralized by a life sciences property.
5. Loan was on non-accrual status as of September 30, 2024 and the Unleveraged Effective Yield is not applicable. The mezzanine New Jersey loan is currently in default due to the borrower not making its contractual interest payments due subsequent to the December 2023 interest payment date.

# Loans Held for Investment Portfolio Details

*($ in millions)*

| # | Loan Type | Location | Origination Date | Current Loan Commitment | Outstanding Principal | Carrying Value | Interest Rate | SOFR Floor | Unleveraged Effective Yield | Maturity Date | Payment Terms [1] |
|---|---|---|---|---|---|---|---|---|---|---|---|
| **Multifamily Loans:** | | | | | | | | | | | |
| 12 | Senior | NY | May 2022 | $133.0 | $132.2 | $131.8 | S+3.90% | 0.2% | 9.2% | Jun 2025 | I/O |
| 13 | Senior | TX | Nov 2021 | 68.8 | 68.5 | 68.5 | S+2.95% | —% | 8.2% | Dec 2024 | I/O |
| 14 | Senior [2] | SC | Dec 2021 | 67.0 | 67.0 | 67.0 | S+3.00% | —% | 8.1% | Nov 2024 | I/O |
| 15 | Senior | OH | Sep 2023 | 57.8 | 57.3 | 56.9 | S+3.05% | 2.5% | 8.3% | Oct 2026 | I/O |
| 16 | Senior | CA | Nov 2021 | 31.7 | 31.7 | 31.6 | S+3.00% | —% | 8.1% | Dec 2025 | I/O |
| 17 | Senior | PA | Dec 2018 | 28.2 | 28.2 | 28.2 | S+2.50% | 2.8% | 7.3% | Dec 2025 | I/O |
| 18 | Senior | WA | Dec 2021 | 23.1 | 23.1 | 23.1 | S+3.00% | —% | 8.0% | Nov 2025 | I/O |
| 19 | Senior | TX | Oct 2021 | 23.1 | 23.1 | 23.1 | S+2.60% | —% | 7.8% | Oct 2024 | I/O |
| 20 | Subordinated | SC | Aug 2022 | 20.6 | 20.6 | 20.6 | S+9.53% | 1.5% | 14.8% | Sep 2025 [3] | I/O |
| **Total Multifamily** | | | | **$453.3** | **$451.7** | **$450.8** | | | | | |
| **Industrial Loans:** | | | | | | | | | | | |
| 21 | Senior | IL | May 2021 | $100.7 | $100.7 | $100.7 | S+4.65% | 0.1% | 11.1% | Nov 2024 | I/O |
| 22 | Senior | MA | Jun 2023 | 49.0 | 47.5 | 47.3 | S+2.90% | —% | 7.9% | Jun 2028 | I/O |
| 23 | Senior | NJ | Jun 2021 | 28.3 | 27.8 | 27.8 | S+3.85% | 0.2% | 10.8% | Nov 2024 [4] | I/O |
| 24 | Senior | FL | Dec 2021 | 25.5 | 25.5 | 25.4 | S+3.00% | —% | 8.1% | Dec 2025 | I/O |
| 25 | Senior | CA | Aug 2019 | 19.6 | 19.6 | 17.9 | S+3.85% | 2.0% | —% [5] | Nov 2024 [5] | I/O |
| 26 | Senior | TN | Oct 2021 | 6.4 | 6.4 | 6.4 | S+5.60% | 0.2% | 10.8% | Nov 2024 | I/O |
| **Total Industrial** | | | | **$229.5** | **$227.5** | **$225.5** | | | | | |

Note: As of September 30, 2024
1. I/O = interest only, P/I = principal and interest.
2. Loan commitment is allocated between a multifamily property ($61 million) and an office property ($6 million).
3. As of June 30, 2024, the Company intended to sell the mezzanine South Carolina loan to a third party and the loan was classified as held for sale and was carried at its carrying value, which was equal to fair value, in the Company's consolidated balance sheets. As of September 30, 2024, the Company no longer had plans to sell the mezzanine South Carolina loan and it was reclassified to held for investment. The Company did not recognize any gain or loss upon reclassifying the loan to held for investment as the carrying value was equal to fair value.
4. In July 2024, the borrower exercised a three-month extension option in accordance with the loan agreement, which extended the maturity date on the senior New Jersey loan from August 2024 to November 2024.
5. Loan was on non-accrual status as of September 30, 2024 and the Unleveraged Effective Yield is not applicable. The Company and the borrower entered into a modification and extension agreement that was effective in September 2024 to, among other things, extend the maturity date on the senior California loan from September 2024 to November 2024.

# Loans Held for Investment Portfolio Details

*($ in millions)*

| # | Loan Type | Location | Origination Date | Current Loan Commitment | Outstanding Principal | Carrying Value | Interest Rate | SOFR Floor | Unleveraged Effective Yield | Maturity Date | Payment Terms[1] |
|---|---|---|---|---|---|---|---|---|---|---|---|
| **Residential/Condominium Loans:** | | | | | | | | | | | |
| 27 | Senior | NY | Mar 2022 | $109.5 | $109.5 | $94.1 | S+8.95% | 0.4% | —%[2] | Dec 2025 | I/O |
| 28 | Senior | FL | Jul 2021 | 75.0 | 75.0 | 75.0 | S+5.35% | —% | 10.2% | Jul 2025[3] | I/O |
| **Total Residential/Condominium** | | | | **$184.5** | **$184.5** | **$169.1** | | | | | |
| **Hotel Loans:** | | | | | | | | | | | |
| 29 | Senior | CA | Mar 2022 | $60.8 | $58.6 | $58.5 | S+4.20% | —% | 9.5% | Mar 2025 | I/O |
| 30 | Senior | NY | Mar 2022 | 55.7 | 55.5 | 55.3 | S+4.40% | 0.1% | 9.6% | Mar 2026 | I/O |
| **Total Hotel** | | | | **$116.5** | **$114.1** | **$113.8** | | | | | |
| **Mixed-Use Loans:** | | | | | | | | | | | |
| 31 | Senior | NY | Jul 2021 | $78.3 | $77.2 | $77.0 | S+3.75% | —% | 8.9% | Jul 2025[4] | I/O |
| 32 | Senior | TX | Sep 2019 | 35.3 | 35.3 | 35.3 | S+3.85% | 0.7% | 9.5% | Dec 2024[5] | I/O |
| **Total Mixed-Use** | | | | **$113.6** | **$112.5** | **$112.3** | | | | | |

Note: As of September 30, 2024.

1. I/O = interest only, P/I = principal and interest.
2. The New York loan is structured as both a senior and mezzanine loan with the Company holding both positions. The senior and mezzanine positions each have a per annum interest rate of S + 8.95%. The senior and mezzanine loans were both on non-accrual status as of September 30, 2024 and the Unleveraged Effective Yield is not applicable.
3. In July 2024, the borrower exercised a 12-month extension option in accordance with the loan agreement, which extended the maturity date on the senior Florida loan to July 2025.
4. In July 2024, the Company and the borrower entered into a modification and extension agreement to, among other things, extend the maturity date on the senior New York loan from July 2024 to July 2025.
5. In September 2024, the Company and the borrower entered into a modification and extension agreement to, among other things, extend the maturity date on the senior Texas loan from September 2024 to December 2024.

# Loans Held for Investment Portfolio Details

*($ in millions)*

| # | Loan Type | Location | Origination Date | Current Loan Commitment | Outstanding Principal | Carrying Value | Interest Rate | SOFR Floor | Unleveraged Effective Yield | Maturity Date | Payment Terms[1] |
|---|---|---|---|---|---|---|---|---|---|---|---|
| **Self Storage Loans:** | | | | | | | | | | | |
| 33 | Senior | PA | Mar 2022 | $18.2 | $18.2 | $18.1 | S+3.00% | 1.0% | 8.1% | Dec 2025 | I/O |
| 34 | Senior | NJ | Aug 2022 | 17.6 | 17.6 | 17.5 | S+2.90% | 1.0% | 8.5% | Apr 2025 | I/O |
| 35 | Senior | WA | Aug 2022 | 11.5 | 11.5 | 11.5 | S+2.90% | 1.0% | 8.5% | Mar 2025 | I/O |
| 36 | Senior | IN | Sep 2023 | 11.4 | 10.9 | 10.9 | S+3.60% | 0.9% | 8.6% | Jun 2026 | I/O |
| 37 | Senior | MA | Apr 2022 | 7.7 | 7.7 | 7.7 | S+3.00% | 0.8% | 8.1% | Nov 2024 | I/O |
| 38 | Senior | MA | Apr 2022 | 6.8 | 6.8 | 6.8 | S+3.00% | 0.8% | 8.1% | Oct 2024 | I/O |
| 39 | Senior | NJ | Mar 2022 | 5.9 | 5.9 | 5.9 | S+3.00% | 0.8% | 8.1% | Jul 2025 | I/O |
| **Total Self Storage** | | | | **$79.1** | **$78.6** | **$78.4** | | | | | |
| **Student Housing Loans:** | | | | | | | | | | | |
| 40 | Senior | AL | Apr 2021 | $19.5 | $19.5 | $19.4 | S+3.95% | 2.0% | 10.1% | Dec 2024 | P/I |
| **Total Student Housing** | | | | **$19.5** | **$19.5** | **$19.4** | | | | | |
| **Loan Portfolio Total/Weighted Average** | | | | **$1,927.3** | **$1,848.4** | **$1,812.8** | | **1.1%[2]** | **7.5%** | | |

Note: As of September 30, 2024.

1. I/O = interest only, P/I = principal and interest.
2. The weighted average floor is calculated based on loans with SOFR floors.

# Consolidated Balance Sheets

| ($ in thousands, except share and per share data) | As of 9/30/2024 | As of 12/31/2023 |
|---|---|---|
| **ASSETS** | | |
| Cash and cash equivalents | $ 68,881 | $ 110,459 |
| Restricted cash ($3,466 related to consolidated VIEs as of September 30, 2024) | 3,466 | — |
| Loans held for investment ($658,956 and $892,166 related to consolidated VIEs, respectively) | 1,812,773 | 2,126,524 |
| Current expected credit loss reserve | (144,068) | (159,885) |
| Loans held for investment, net of current expected credit loss reserve | 1,668,705 | 1,966,639 |
| Loans held for sale ($38,981 related to consolidated VIEs as of December 31, 2023) | — | 38,981 |
| Investment in available-for-sale debt securities, at fair value | 27,005 | 28,060 |
| Real estate owned held for investment, net ($59,953 related to consolidated VIEs as of September 30, 2024) | 140,912 | 83,284 |
| Real estate owned held for sale ($14,509 related to consolidated VIEs as of September 30, 2024) | 14,509 | — |
| Other assets ($2,094 and $3,690 of interest receivable related to consolidated VIEs, respectively; $32,002 of other receivables related to consolidated VIEs as of December 31, 2023) | 17,125 | 52,354 |
| Total assets | $ 1,940,603 | $ 2,279,777 |
| **LIABILITIES AND STOCKHOLDERS' EQUITY** | | |
| **LIABILITIES** | | |
| Secured funding agreements | $ 640,610 | $ 639,817 |
| Notes payable | — | 104,662 |
| Secured term loan | 127,828 | 149,393 |
| Collateralized loan obligation securitization debt (consolidated VIEs) | 574,896 | 723,117 |
| Due to affiliate | 4,106 | 4,135 |
| Dividends payable | 13,809 | 18,220 |
| Other liabilities ($1,686 and $2,263 of interest payable related to consolidated VIEs, respectively) | 15,601 | 14,584 |
| Total liabilities | 1,376,850 | 1,653,928 |
| Commitments and contingencies | | |
| **STOCKHOLDERS' EQUITY** | | |
| Common stock, par value $0.01 per share, 450,000,000 shares authorized at September 30, 2024 and December 31, 2023 and 54,532,393 and 54,149,225 shares issued and outstanding at September 30, 2024 and December 31, 2023, respectively | 532 | 532 |
| Additional paid-in capital | 815,802 | 812,184 |
| Accumulated other comprehensive income | 190 | 153 |
| Accumulated earnings (deficit) | (252,771) | (187,020) |
| Total stockholders' equity | 563,753 | 625,849 |
| Total liabilities and stockholders' equity | $ 1,940,603 | $ 2,279,777 |



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# Consolidated Statements of Operations

| ($ in thousands, except share and per share data) | For the Three Months Ended 9/30/2024 | 6/30/2024 | 3/31/2024 | 12/31/2023 | 9/30/2023 |
|---|---|---|---|---|---|
| **Revenue:** | | | | | |
| Interest income | $ 39,345 | $ 40,847 | $ 44,033 | $ 44,348 | $ 52,819 |
| Interest expense | (27,401) | (27,483) | (28,819) | (29,957) | (29,745) |
| Net interest margin | 11,944 | 13,364 | 15,214 | 14,391 | 23,074 |
| Revenue from real estate owned | 4,709 | 3,433 | 3,478 | 3,161 | 809 |
| Total revenue | 16,653 | 16,797 | 18,692 | 17,552 | 23,883 |
| **Expenses:** | | | | | |
| Management and incentive fees to affiliate | 2,654 | 2,692 | 2,768 | 2,946 | 2,974 |
| Professional fees | 681 | 757 | 533 | 974 | 682 |
| General and administrative expenses | 1,939 | 1,957 | 2,081 | 1,830 | 1,691 |
| General and administrative expenses reimbursed to affiliate | 871 | 1,277 | 1,132 | 818 | 775 |
| Expenses from real estate owned | 3,164 | 2,226 | 2,037 | 2,038 | 480 |
| Total expenses | 9,309 | 8,909 | 8,551 | 8,606 | 6,602 |
| Provision for current expected credit losses | 7,461 | (2,374) | (22,269) | 47,452 | 3,227 |
| Realized losses on loans | 5,766 | 16,387 | 45,726 | — | 4,886 |
| Change in unrealized losses on loans held for sale | — | — | (995) | 995 | — |
| **Income (loss) before income taxes** | (5,883) | (6,125) | (12,321) | (39,501) | 9,168 |
| Income tax expense (benefit), including excise tax | (3) | — | 2 | (87) | (16) |
| **Net income (loss) attributable to common stockholders** | $ (5,880) | $ (6,125) | $ (12,323) | $ (39,414) | $ 9,184 |
| **Earnings (loss) per common share:** | | | | | |
| Basic earnings (loss) per common share | $ (0.11) | $ (0.11) | $ (0.23) | $ (0.73) | $ 0.17 |
| Diluted earnings (loss) per common share | $ (0.11) | $ (0.11) | $ (0.23) | $ (0.73) | $ 0.17 |
| **Weighted average number of common shares outstanding:** | | | | | |
| Basic weighted average shares of common stock outstanding | 54,464,147 | 54,426,112 | 54,396,397 | 54,111,544 | 54,085,035 |
| Diluted weighted average shares of common stock outstanding | 54,464,147 | 54,426,112 | 54,396,397 | 54,111,544 | 54,796,413 |
| **Dividends declared per share of common stock**[1] | $ 0.25 | $ 0.25 | $ 0.25 | $ 0.33 | $ 0.33 |

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



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

| | For the Three Months Ended | | | | |
|---|---|---|---|---|---|
| *($ in thousands, except per share data)* | 9/30/2024 | 6/30/2024 | 3/31/2024 | 12/31/2023 | 9/30/2023 |
| Net income (loss) attributable to common stockholders | $ (5,880) | $ (6,125) | $ (12,323) | $ (39,414) | $ 9,184 |
| Stock-based compensation | 1,182 | 1,152 | 1,284 | 1,041 | 986 |
| Incentive fees to affiliate | — | — | — | — | — |
| Depreciation and amortization of real estate owned | 967 | 770 | 786 | 809 | 206 |
| Provision for current expected credit losses | 7,461 | (2,374) | (22,269) | 47,452 | 3,227 |
| Realized gain on termination of interest rate cap derivative[1] | — | — | — | (105) | (93) |
| Change in unrealized losses on loans held for sale | — | — | (995) | 995 | — |
| **Distributable Earnings (Loss)** | **$ 3,730** | **$ (6,577)** | **$ (33,517)** | **$ 10,778** | **$ 13,510** |
| Realized losses on loans | 5,766 | 16,387 | 45,726 | — | 4,886 |
| **Distributable Earnings excluding realized losses** | **$ 9,496** | **$ 9,810** | **$ 12,209** | **$ 10,778** | **$ 18,396** |
| Net income (loss) attributable to common stockholders | (0.11) | (0.11) | (0.23) | (0.73) | 0.17 |
| Stock-based compensation | 0.02 | 0.02 | 0.02 | 0.02 | 0.02 |
| Incentive fees to affiliate | — | — | — | — | — |
| Depreciation and amortization of real estate owned | 0.02 | 0.01 | 0.01 | 0.01 | — |
| Provision for current expected credit losses | 0.14 | (0.04) | (0.41) | 0.88 | 0.06 |
| Realized gain on termination of interest rate cap derivative[1] | — | — | — | — | — |
| Unrealized losses on loans held for sale | — | — | (0.02) | 0.02 | — |
| **Basic Distributable Earnings (Loss) per common share** | **$ 0.07** | **$ (0.12)** | **$ (0.62)** | **$ 0.20** | **$ 0.25** |
| Realized losses on loans | 0.10 | 0.30 | 0.84 | — | 0.09 |
| **Basic Distributable Earnings excluding realized losses per common share** | **$ 0.17** | **$ 0.18** | **$ 0.22** | **$ 0.20** | **$ 0.34** |
| Net income (loss) attributable to common stockholders | (0.11) | (0.11) | (0.23) | (0.72) | 0.17 |
| Stock-based compensation | 0.02 | 0.02 | 0.02 | 0.02 | 0.02 |
| Incentive fees to affiliate | — | — | — | — | — |
| Depreciation and amortization of real estate owned | 0.02 | 0.01 | 0.01 | 0.01 | — |
| Provision for current expected credit losses | 0.14 | (0.04) | (0.41) | 0.87 | 0.06 |
| Realized gain on termination of interest rate cap derivative[1] | — | — | — | — | — |
| Unrealized losses on loans held for sale | — | — | (0.02) | 0.02 | — |
| **Diluted Distributable Earnings (Loss) per common share** | **$ 0.07** | **$ (0.12)** | **$ (0.62)** | **$ 0.20** | **$ 0.25** |
| Realized losses on loans | 0.10 | 0.30 | 0.84 | — | 0.09 |
| **Diluted Distributable Earnings excluding realized losses per common share** | **$ 0.17** | **$ 0.18** | **$ 0.22** | **$ 0.20** | **$ 0.34** |

1. For the three months ended December 31, 2023 and September 30, 2023, Distributable Earnings includes $0.1 million and $0.1 million, respectively, adjustment to reverse the impact of the $2.0 million realized gain from the termination of the interest rate cap derivative that was amortized into GAAP net income.

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# Diverse Sources of Financing Supports Portfolio

» Diversified financing sources totaling $1.8 billion with $460 million of undrawn capacity[1,2]

| *($ in millions)* Financing Sources | Total Commitments | Outstanding Principal | Pricing Range | Mark to Credit | Non Spread Based Mark to Market |
|---|---|---|---|---|---|
| **Secured Funding Agreements** | | | | | |
| Wells Fargo Facility | $450.0[1] | $212.5 | SOFR+1.50 to 3.75% | ✓ | ✓ |
| Citibank Facility | 325.0[1] | 228.7 | SOFR+1.50 to 2.10% | ✓ | ✓ |
| Morgan Stanley Facility | 250.0[1] | 199.4 | SOFR+1.75 to 2.25% | ✓ | ✓ |
| CNB Facility | 75.0[2] | – | SOFR+3.25% | ✓ | ✓ |
| **Subtotal** | **$1,100.0** | **$640.6** | | | |
| **Capital Markets** | | | | | |
| 2017-FL3 Securitization | $407.5 | $407.5 | SOFR + 1.87% | ✓ | ✓ |
| 2021-FL4 Securitization | 167.7 | 167.7 | SOFR + 2.01% | ✓ | ✓ |
| Secured Term Loan | 130.0 | 130.0 | 4.50% (Fixed)[3] | ✓ | ✓ |
| **Subtotal** | **$705.2** | **$705.2** | | | |
| **Total Debt** | $1,805.2 | $1,345.8 | | | |

Note: As of September 30, 2024.

1. For the Wells Fargo, Citibank and Morgan Stanley facilities, total commitments are available subject to the pledge of additional collateral.
2. Amount immediately available under the CNB Facility at any given time can fluctuate based on the fair value of the collateral in the borrowing base that secures the CNB Facility. As of September 30, 2024, there was approximately $49 million immediately available under the CNB Facility based on the fair value of the collateral in the borrowing base at such time. The amount immediately available under the CNB Facility may be increased to up to $75 million by the pledge of additional collateral into the borrowing base in accordance with the CNB Facility agreement.
3. The Secured Term Loan includes interest rate increases on advances to the following fixed rates: (i) 4.50% per annum until May 1, 2025 and (ii) after May 1, 2025 through November 12, 2026, the interest rate increases 0.25% every three months. Additionally, there is a contingent interest rate increase of 4.00% if the outstanding principal amount of the Secured Term Loan is not paid down to the following amounts on specific dates as follows: (i) $135.0 million as of August 1, 2024, (ii) $130.0 million as of November 1, 2024, (iii) $120.0 million as of February 1, 2025, (iv) $110.0 million as of May 1, 2025, (v) $100.0 million as of August 1, 2025 and (vi) $90.0 million as of November 1, 2025.

# Glossary

| | |
|---|---|
| **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 the Company believes is one of the principal reasons 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) 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. Distributable Earnings excluding realized losses is Distributable Earnings (Loss) further adjusted to exclude realized losses. |

# Endnotes

## Company Results and Highlights

Note: As of September 30, 2024 unless otherwise noted. Past performance is not indicative of future results. Due to rounding, numbers may not add up to the totals provided.

1. Distributable Earnings (Loss) and Distributable Earnings excluding realized losses are non-GAAP financial measures. See page 22 for Distributable Earnings (Loss) and Distributable Earnings excluding realized losses definitions and page 20 for the Reconciliation of Net Income (Loss) to Non-GAAP Distributable Earnings (Loss) and Distributable Earnings excluding realized losses.
2. Distributable Earnings excluding realized losses per diluted common share is calculated as Distributable Earnings of $3.7 million or $0.07 per diluted common share plus realized losses of $5.8 million or $0.10 per diluted common share.
3. Included as part of net cash provided by investing activities in the Consolidated Statement of Cash Flows.
4. Book value per common share excluding CECL reserve is calculated as (i) total stockholders' equity of $564 million plus CECL reserve of $146 million divided by (ii) total outstanding common shares of 54,532,393 as of September 30, 2024.
5. Net debt to equity ratio (excluding CECL reserves) is calculated as (i) $1.3 billion of outstanding principal of borrowings less $72 million of cash (inclusive of restricted amounts), (ii) divided by the sum of total stockholders' equity of $564 million plus CECL reserve of $146 million at September 30, 2024. Net debt to equity ratio including CECL reserve is 2.3x. Total debt to equity ratio excluding CECL reserve is 1.9x and including CECL reserve is 2.4x.
6. As of November 5, 2024, includes $92 million of cash and approximately $42 million of available financing proceeds under the CNB Facility. The amount immediately available under the CNB Facility at any given time can fluctuate based on the fair value of the collateral in the borrowing base that secures the CNB Facility. As of November 5, 2024, there was approximately $42 million immediately available under the CNB Facility based on the fair value of the collateral in the borrowing base at such time. The amount immediately available under the CNB Facility may be increased to up to $75 million by the pledge of additional collateral into the borrowing base in accordance with the CNB Facility agreement.
7. Additional unlevered assets that may be financed in the future include $9 million floating rate investment grade debt securities and other assets that are not levered.
8. One office loan with $163 million of total outstanding principal balance moved from risk rating 4 to risk rating 5 in 3Q 2024.

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