

APOLLO

Q3 2024 Financial Results

Apollo Commercial Real Estate Finance, Inc.

October 30, 2024

Unless otherwise noted, information as of September 30, 2024

It should not be assumed that investments made in the future will be profitable or will equal the performance of the investments shown in this document.

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This presentation contains information regarding ARI's financial results that is calculated and presented on the basis of methodologies other than in accordance with accounting principles generally accepted in the United States ("GAAP"), including Distributable Earnings and Distributable Earnings per share. Please refer to page 21 for a definition of "Distributable Earnings" and the reconciliation of the applicable GAAP financial measures to non-GAAP financial measures set forth on page 20.

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Q3 Summary Results

Financial Results

- Net income available to common stockholders of **(\$95) million**, or **(\$0.69)** per diluted share of common stock
 - Includes a **\$128 million** realized loss recorded on the extinguishment of a commercial mortgage loan secured by a healthcare portfolio in Massachusetts (“Massachusetts Healthcare”), resulting in a **(\$0.93)** impact to GAAP book value per share
 - Distributable Earnings^{1,(a)} of **\$44 million**, or **\$0.31** per diluted share of common stock
- Declared common stock dividends of **\$0.25** per share, which implies a dividend yield² of **11.3%**

Loan Portfolio

- Total loan portfolio of **\$7.8 billion** with w/a unlevered all-in yield³ of **8.5%**
 - **95%** first mortgages
 - **96%** floating rate
- Weighted-average risk rating of **3.0**
- Committed **\$1.1 billion** (\$955 million funded at close) to new loans year-to-date; committed **\$597 million** (\$460 million funded at close) in Q3
- Loan repayments of **\$1.7 billion^(b)** year-to-date, **\$953 million** in Q3
- Gross add-on fundings⁴ of **\$531 million** year-to-date, **\$93 million** in Q3

Capitalization

- Ended the quarter with total common equity book value of **\$1.8 billion^(c)**
- Upsized our secured credit facility with Goldman Sachs providing **£242.1 million** (\$314.6 million^(d) in USD) of additional capacity
- No corporate debt maturities until May 2026

Subsequent Events

- October 1, 2024, five of the seven Massachusetts Healthcare hospitals were sold to third parties, and the total consideration was allocated among ARI and other Apollo Co-Lenders based on our pro-rata interests in the commercial mortgage loan. We received consideration of approximately \$133.1 million, which included a \$41.2 million promissory note.

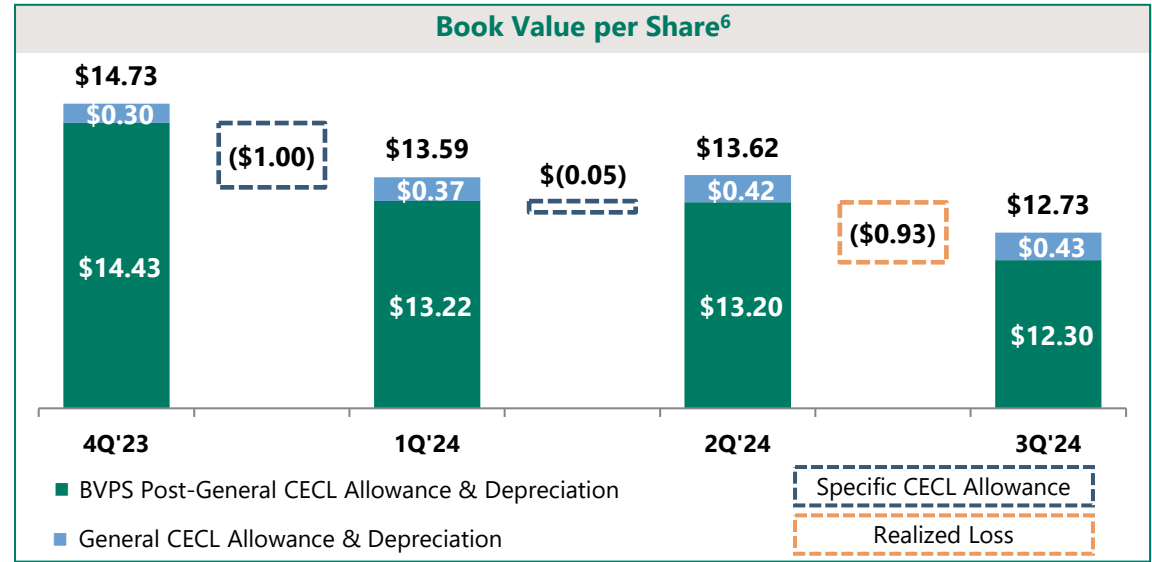
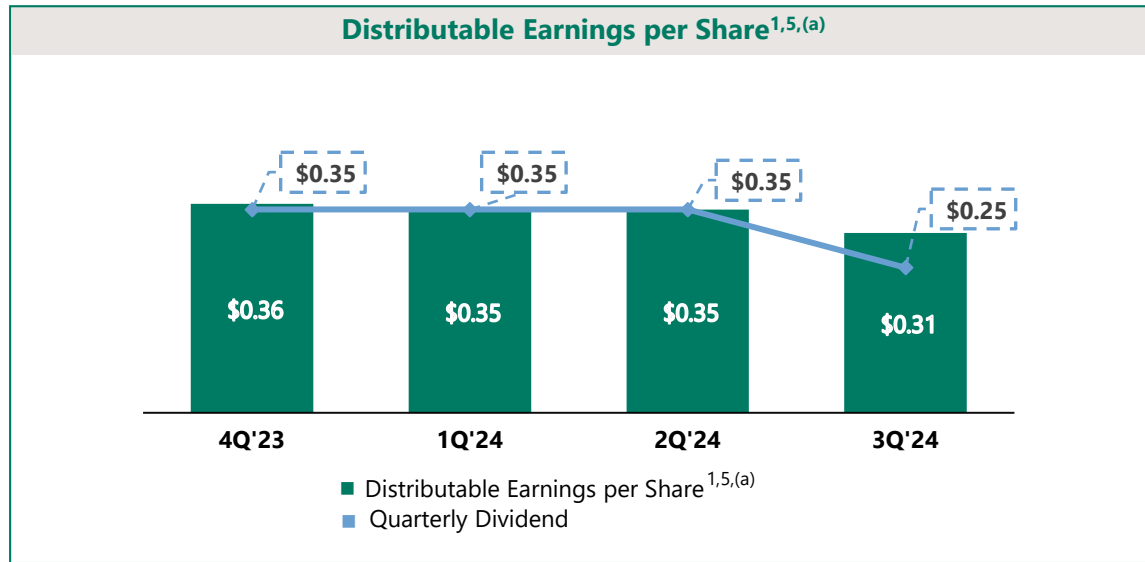
a) Amount reflects Distributable Earnings prior to net realized loss on investments

b) Includes the sale of a \$135 million commercial mortgage in April 2024

c) Reflects book value per share (excluding General CECL Allowance and depreciation) of \$12.73 multiplied by shares of common stock outstanding

d) Represents USD equivalent based on foreign exchange rates as of date funded or commitment closed

Per Share Overview



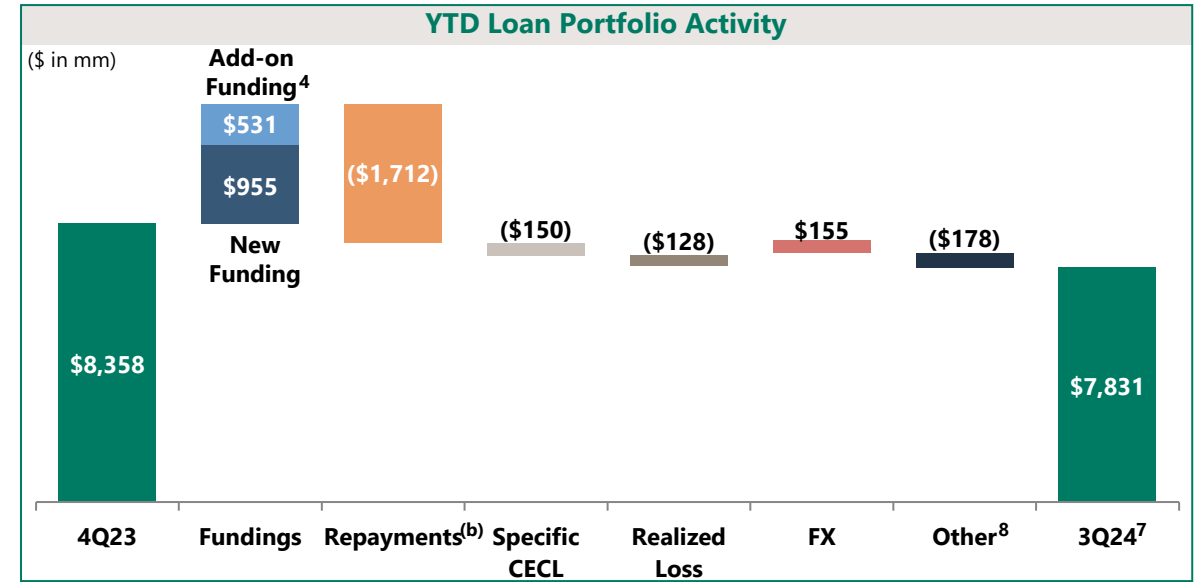
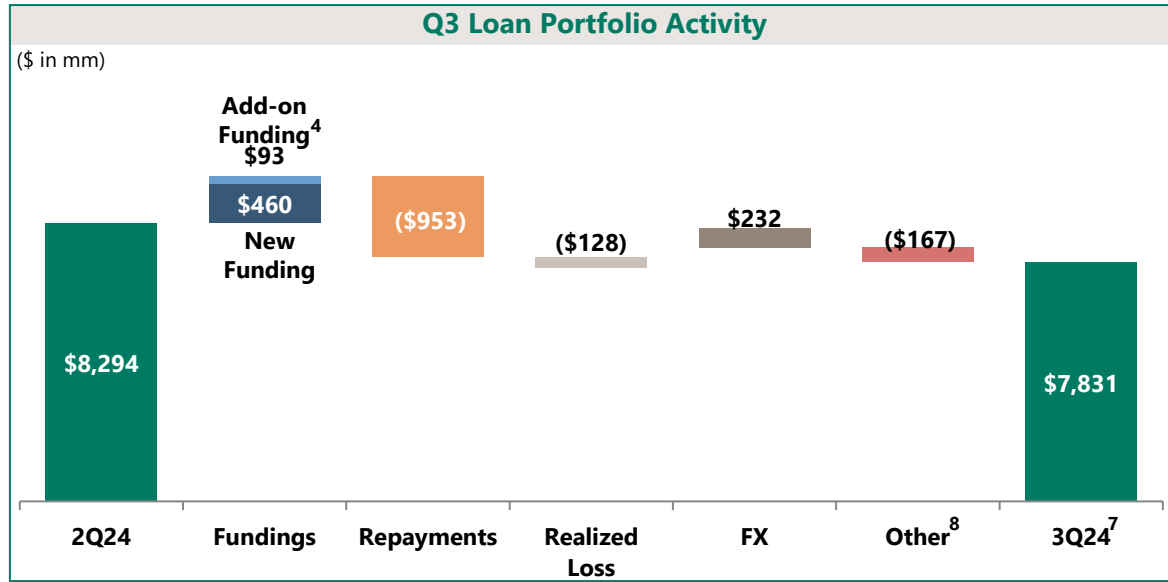
Book Value per Share⁶ Roll Forward

	BVPS	General CECL Allowance & Depreciation	BVPS excl. General CECL Allowance & Depreciation
December 31, 2023	\$14.43	(\$0.30)	\$14.73
(+) Diluted Distributable Earnings ^{1,(a)} per share	\$1.01	-	\$1.01
(+) Impact of share repurchases	\$0.12	-	\$0.12
(-) Common dividends declared	(\$0.95)	-	(\$0.95)
(-) Net increase in Specific CECL Allowance	(\$1.06)	-	(\$1.06)
(-) Realized loss on investments	(\$0.93)	-	(\$0.93)
(-) Vesting and delivery of RSUs	(\$0.14)	-	(\$0.14)
(-) Change in General CECL Allowance & Depreciation	(\$0.13)	(\$0.13)	-
(-) Net loss on currency and interest hedges ^(b)	(\$0.05)	-	(\$0.05)
Change during period⁷	(\$2.13)	(\$0.13)	(\$2.00)
September 30, 2024	\$12.30	(\$0.43)	\$12.73

a) Amount reflects Distributable Earnings prior to net realized loss on investments and gain on extinguishment of debt

b) Includes net foreign currency gain, net unrealized loss on forward currency contracts and interest rate hedges, and realized gain on forward currency contracts related to principal outside impact of forward points
See footnotes on page 21

Portfolio Activity & REO Overview



Q3 Loan Portfolio Activity

- **\$460 million** of new loan originations, across three first mortgages
- **\$953 million** of loan repayments including **\$808 million** of full repayments of six first mortgages and one subordinate loan
- **Massachusetts Healthcare:** recorded an aggregate **\$128 million** realized loss on the extinguishment of a commercial mortgage loan secured by eight hospitals:
 - On September 4, 2024, we and Apollo Co-Lenders acquired title to one of the eight hospitals, which was subsequently taken by eminent domain on September 27, 2024
 - On September 30, 2024, the borrowers were released from their loan obligations via a guaranty payment and transferred the deeds of the remaining seven hospitals into escrow
 - The aggregate \$128 million realized loss was based on the difference between the loan's amortized cost basis and the total of the eminent domain award and our allocated value of the hospitals

REO Highlights

- **Brooklyn Development:** 51-story multifamily tower component topped out in July 2024, and interior fit-out continues to progress

	Net Assets	Debt ^(a)	Net Equity
As of September 30, 2024			
Brooklyn Development	\$495	(\$206)	\$289
D.C. Hotel	157	(73)	84
Atlanta Hotel	69	-	69
Total REO Held for Investment⁷	\$721	(\$279)	\$442

a) Debt related to real estate owned represents construction financing on our Brooklyn Development (maximum commitment of \$388 million and presented net of \$2 million in deferred financing costs) and mortgage on our D.C. Hotel (maximum commitment of \$74 million and presented net of \$1 million in deferred financing costs)

b) Includes the sale of a \$135 million commercial mortgage in April 2024

Q3'24 Loan Originations & Repayments

New Originations^(a)

Asset Photos



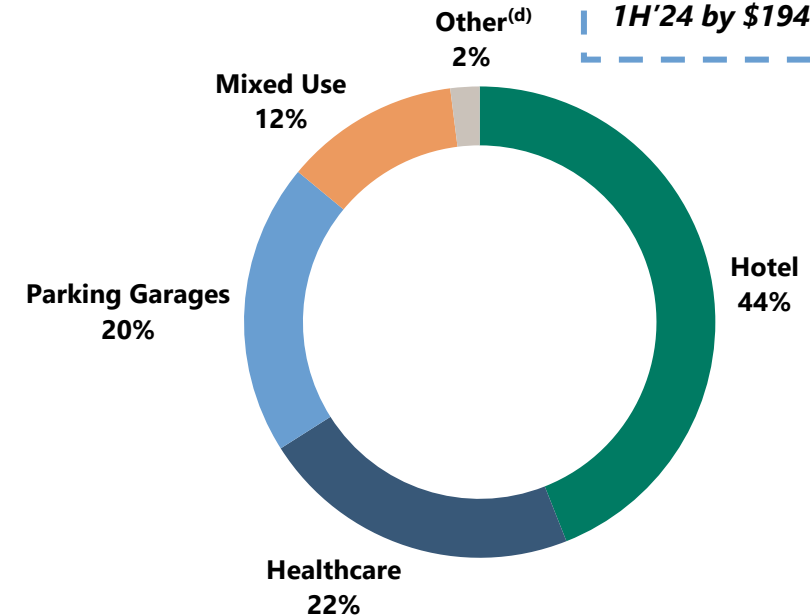
Loan Type	Floating-Rate Senior Loan	Floating-Rate Senior Loan
Loan Size^(b)	\$149 million	\$253 million
Location	United Kingdom	United Kingdom
Collateral	Six Premium Senior Care Homes	Six Grade-A Logistics Developments
Loan Purpose	Acquisition	Refinance
LTV^(c)	51%	61%
Investment Date	August 2024	August 2024

Repayments by Property Type

Total Repayments
\$953 Million

Full Repayments
\$808 Million/7 Loans

Q3 repayments exceeded 1H'24 by \$194 million



a) Excludes a loan modification accounted for as new loan under GAAP during Q3
 b) Total commitment. Represents USD equivalent based on foreign exchange rates as of date funded or commitment closed
 c) Reflects loan-to-value ("LTV") at the time the loan was originated
 d) Includes Residential (1%), Office (1%) and Other (<1%)
 See footnotes on page 21

Loan Portfolio Overview

**Carrying Value/
Number of Loans**
\$7.8 billion/45 Loans

Loan Position⁹
95% First Mortgage

**W/A Unlevered All-in Yield
on Loan Portfolio^{3,9,(a)}**
8.5%

**W/A Remaining Fully-Extended
Term^{9,10}**
2.5 Years

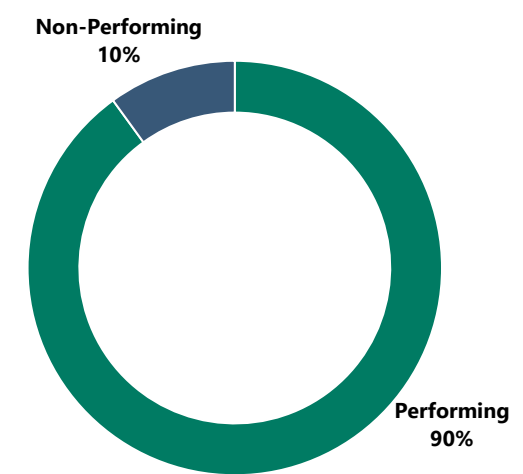
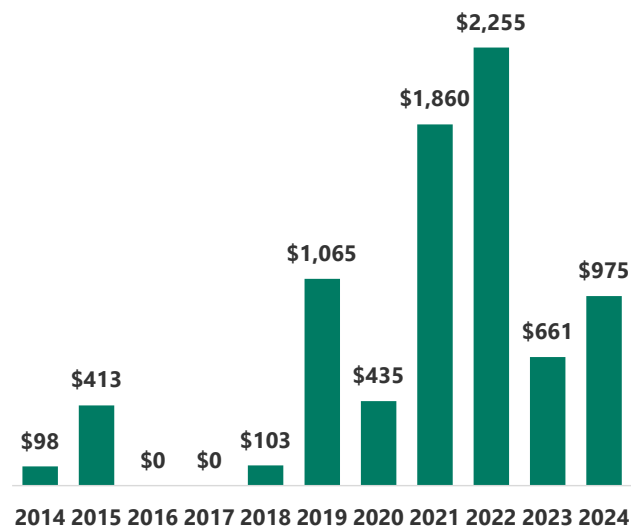
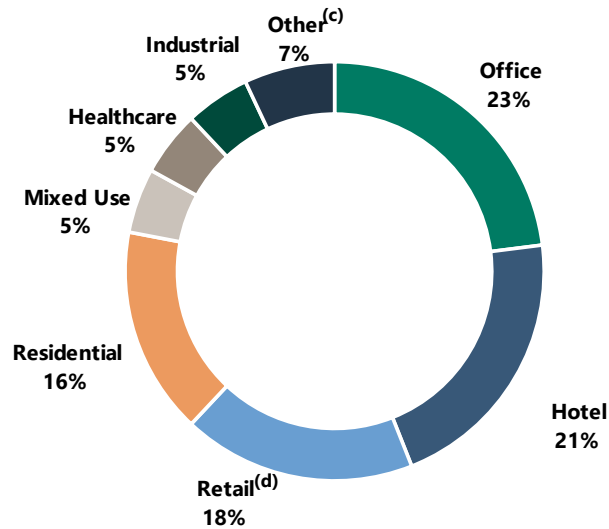
W/A Portfolio Risk Rating⁹
3.0

W/A Portfolio Loan-to-Value^(b)
58%

Collateral Diversification⁹

Origination Vintage⁹

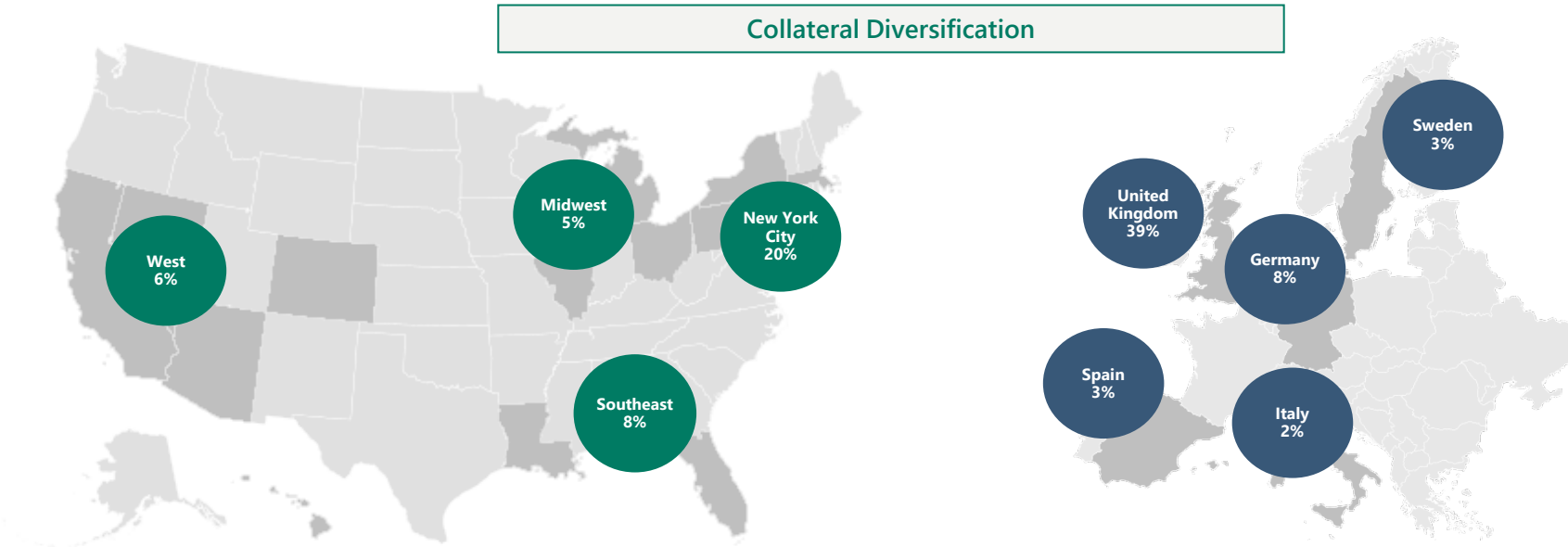
Loan Performance^(e)



a) Excludes benefit of forward points on currency hedges related to loans denominated in currencies other than USD
 b) Weighted average loan-to-value ("LTV") reflects the LTV at the time the loan was originated; based on amortized cost and excludes risk-rated 5 loans
 c) Other property types include Pubs (3%), Caravan Parks (3%) and Urban Predevelopment (1%)
 d) Retail property types include: Outlet Center (6%), Retail Distribution Warehouse (6%), Urban Retail (3%), and Lifestyle Center (3%)
 e) Based on amortized cost, gross of Specific CECL Allowance. Non-performing loans represent loans placed on non-accrual status
 See footnotes on page 21

Loan Portfolio Overview (cont'd)

(\$ in mm)	United Kingdom	New York City	Other Europe	Southeast	West	Midwest	Northeast	Other ^(b)	Total ⁷
Office	\$643 / 8%	\$472 / 6%	\$501 / 6%	-	-	\$176 / 2%	-	-	\$1,792 / 23%
Hotel	7 / 0%	245 / 3%	508 / 6%	450 / 6%	208 / 3%	57 / 1%	9 / 0%	137 / 2%	1,621 / 21%
Retail	945 / 12%	250 / 3%	36 / 0%	14 / 0%	77 / 1%	98 / 1%	-	34 / 0%	1,454 / 18%
Residential	241 / 3%	490 / 6%	-	15 / 0%	225 / 3%	78 / 1%	-	171 / 2%	1,220 / 16%
Mixed Use	283 / 4%	151 / 2%	-	-	-	-	-	-	433 / 5%
Industrial	128 / 2%	-	290 / 4%	-	-	-	-	-	418 / 5%
Healthcare	355 / 5%	-	-	-	-	-	-	-	355 / 5%
Other ^(a)	437 / 6%	-	-	133 / 2%	-	-	-	-	571 / 7%
Total^{7,11}	\$3,040 / 39%	\$1,608 / 20%	\$1,335 / 17%	\$612 / 8%	\$510 / 6%	\$409 / 5%	\$9 / 0%	\$342 / 4%	\$7,865 / 100%
General CECL Reserve									(\$34)
Carrying value, net⁷									\$7,831



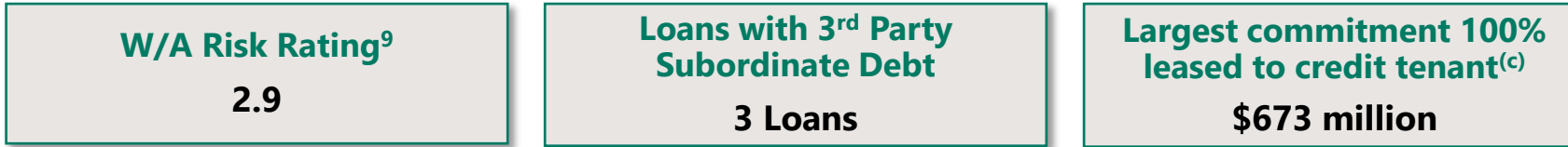
a) Other property types include Pubs (3%), Caravan Parks (3%) and Urban Predevelopment (1%)

b) Other geographies include Southwest (2%), Mid-Atlantic (2%), and Other (1%)

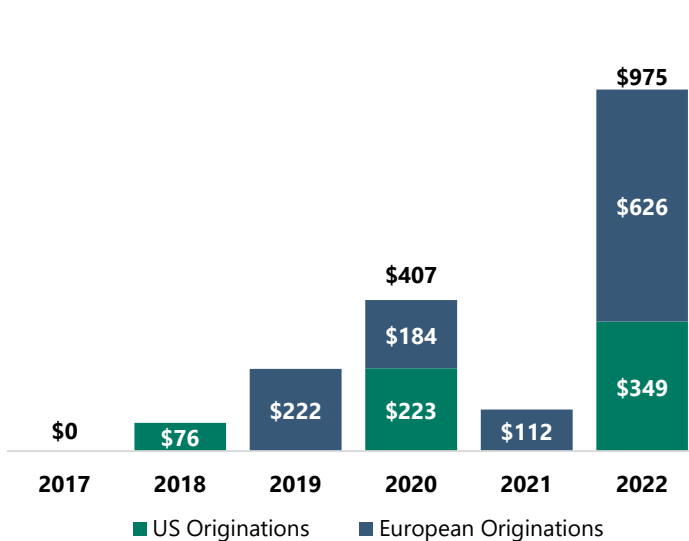
Note: Map does not show locations where percentages are 2% or lower

See footnotes on page 21

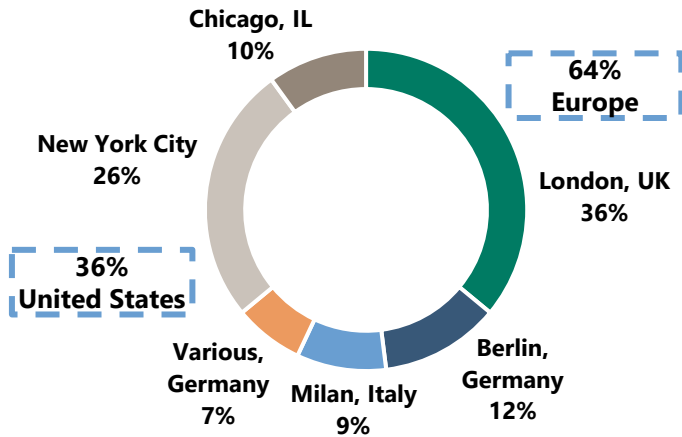
Office Loan Portfolio Overview



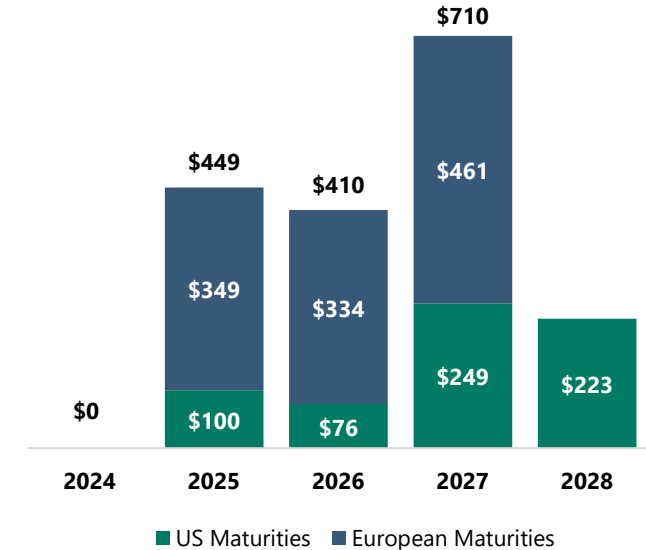
Origination Vintage⁹



Location⁹



Fully Extended Maturities^{9,10}



a) Includes one loan secured by a portfolio which includes office, industrial, and retail property types located in various cities across Germany
 b) Weighted average loan-to-value ("LTV") reflects the LTV at the time the loan was originated; based on amortized cost and excludes risk-rated 5 loans
 c) Portfolio includes a £308 million (\$461 million in USD), based on amortized cost, first mortgage secured by an office redevelopment property in London which is 100% leased by a credit tenant for a 20-year term
 Note: Location chart does not show locations where percentages are 2% or lower
 See footnotes on page 21

Senior Loan Portfolio (1 of 3)

(\$ in mm)		Origination	Amortized	Unfunded	Construction	3rd Party	Fully-extended	
Office	Property Type	Date	Cost	Commitments	Loan	Subordinate Debt	Maturity ¹⁰	Location
Loan 1 ^(a)	Office	02/2022	\$461	\$209	Y		02/2027	London, UK
Loan 2	Office	03/2022	249	17		Y	04/2027	Manhattan, NY
Loan 3	Office	01/2020	223	28		Y	03/2028	Long Island City, NY
Loan 4	Office	06/2019	222	-			08/2026	Berlin, Germany
Loan 5	Office	02/2020	184	5			02/2025	London, UK
Loan 6	Office	02/2022	165	-			06/2025	Milan, Italy
Loan 7	Office	11/2022	100	-			01/2025	Chicago, IL
Loan 8	Office	03/2018	76	-		Y	01/2026	Chicago, IL
Subtotal - Office			\$1,680	\$259				
Hotel								
Loan 9	Hotel	12/2023	\$275	-			12/2028	Various, Europe
Loan 10	Hotel	10/2019	265	18			08/2027	Various, Spain
Loan 11	Hotel	05/2022	195	9		Y	06/2027	Napa Valley, CA
Loan 12	Hotel	07/2021	180	-			08/2026	Various, US
Loan 13	Hotel	11/2021	165	-			12/2026	St. Thomas, USVI
Loan 14	Hotel	09/2015	140	-			12/2026	Manhattan, NY
Loan 15	Hotel	06/2024	131	-			06/2029	St. Petersburg, FL
Loan 16	Hotel	06/2024	105	9			07/2029	Brooklyn, NY
Loan 17	Hotel	10/2021	92	-			11/2026	New Orleans, LA
Loan 18	Hotel	05/2019	46	-			12/2025	Chicago, IL
Loan 19	Hotel	02/2018	27	-			11/2024	Pittsburgh, PA
Subtotal - Hotel			\$1,621	\$36				

a) Loan is secured by an office redevelopment property which is 100% leased by a credit tenant for a 20-year term
See footnotes on page 21

Senior Loan Portfolio (2 of 3)

Retail	Property Type	Origination Date	Amortized Cost	Unfunded Commitments	Construction Loan	3rd Party Subordinate Debt	Fully-extended Maturity ¹⁰	Location
Loan 20	Retail	04/2022	\$510	\$24			04/2027	Various, UK
Loan 21	Retail	10/2021	435	-			10/2026	Various, UK
Loan 22	Retail	08/2019	250	-		Y	09/2025	Manhattan, NY
Loan 23	Retail	05/2022	124	-			06/2027	Various, US
Loan 24 ⁽¹²⁾	Retail	11/2014	98	-			09/2025	Cincinnati, OH
Subtotal - Retail			\$1,417	\$24				
Residential								
Loan 25	Residential	12/2021	\$241	\$12			12/2026	Various, UK
Loan 26	Residential	03/2023	163	-			04/2026	Various, US
Loan 27	Residential	04/2024	156	-			05/2029	Emeryville, CA
Loan 28	Residential	06/2024	99	-			07/2029	Washington, DC
Loan 29	Residential	05/2022	94	-			06/2027	Manhattan, NY
Loan 30	Residential	05/2021	76	-			05/2027	Cleveland, OH
Loan 31	Residential	12/2021	15	-			01/2027	Manhattan, NY
Subtotal - Residential			\$844	\$12				
Mixed Use								
Loan 32	Mixed Use	12/2019	\$283	\$1		Y	08/2025	London, UK
Loan 33	Mixed Use	03/2022	151	27		Y	03/2027	Brooklyn, NY
Subtotal - Mixed Use			\$434	\$28				

Senior Loan Portfolio (3 of 3)

Industrial	Property Type	Origination Date	Amortized Cost	Unfunded Commitments	Construction Loan	3rd Party Subordinate Debt	Fully-extended Maturity ¹⁰	Location
Loan 34	Industrial	03/2021	\$243	-			05/2026	Various, Sweden
Loan 35	Industrial	08/2024	128	127	Y		08/2029	Various, UK
Subtotal - Industrial			\$371	\$127				
Healthcare								
Loan 36	Healthcare	07/2024	\$200	-			07/2029	Various, UK
Loan 37	Healthcare	08/2024	156	-			08/2029	Various, UK
Subtotal - Healthcare			\$356	-				
Other								
Loan 38	Pubs	12/2023	\$222	-		Y	01/2029	Various, UK
Loan 39 ^(a)	Caravan Parks	02/2021	215	-			02/2028	Various, UK
Loan 40	Portfolio	06/2021	197	18			06/2026	Various, Germany
Loan 41	Urban Predevelopment	12/2022	133	-			01/2026	Miami, FL
Subtotal - Other			\$767	\$18				
Subtotal/W.A. - First Mortgage			\$7,490	\$504			2.5 Years	

a) Includes portfolio of office, industrial, and retail property types
See footnotes on page 21

Subordinate Loan Portfolio

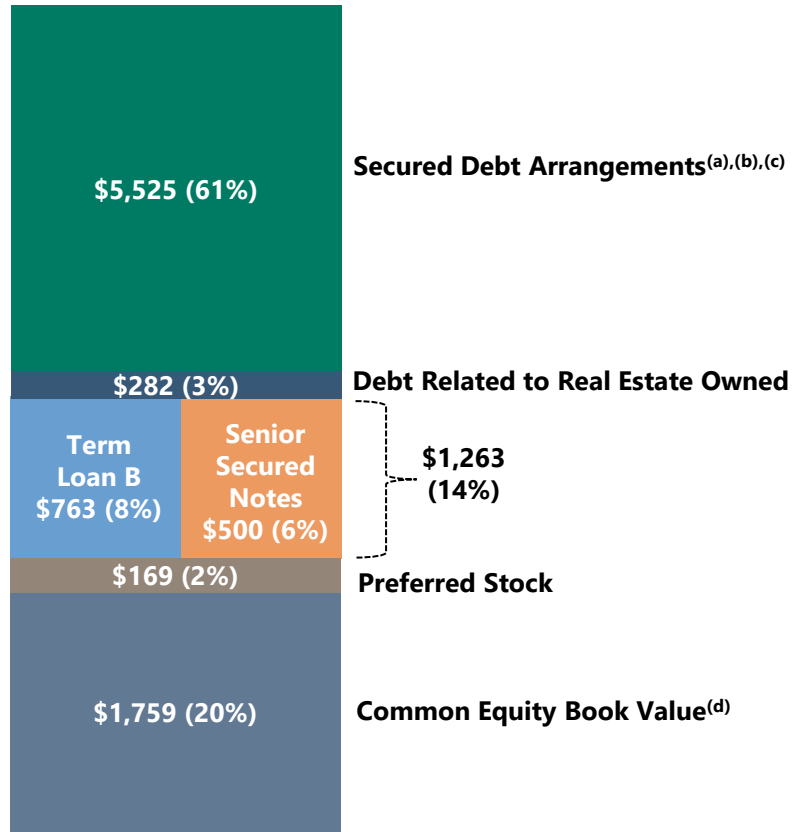
(\$ in mm)	Property Type	Origination Date	Amortized Cost	Unfunded Commitments	Construction Loan	3rd Party Subordinate Debt	Fully-extended Maturity ¹⁰	Location
Loan 42 ¹³	Residential	06/2015	\$273	-			11/2025	Manhattan, NY
Loan 43 ¹³	Residential	08/2022	74	-			11/2025	Manhattan, NY
Loan 44 ^{12,13}	Residential	05/2020	28	-			11/2025	Manhattan, NY
Loan 45 ^{(a),12}	Office	08/2017	-	-			09/2024	Troy, MI
Total			\$375	-				
Total/W.A. - Subordinate^{7,9}			\$375	-			1.1 Years	
Total/W.A. - Portfolio^{7,9}			\$7,865	\$504			2.5 Years	
General CECL Reserve			(\$34)					
Total Carrying Value, Net⁷			\$7,831					

a) Loan matured in September 2024. Negotiations with sponsor currently in process.

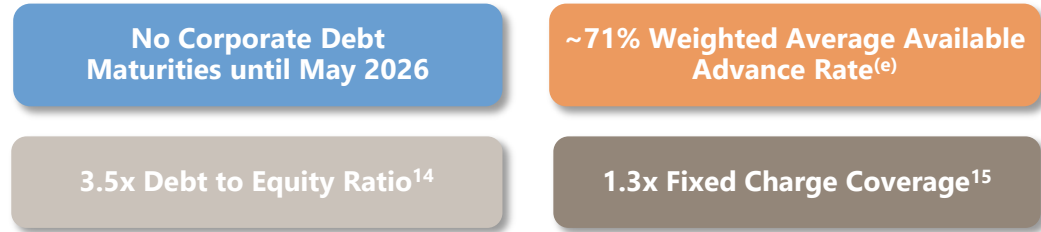
Capital Structure Overview

Capital Structure Composition

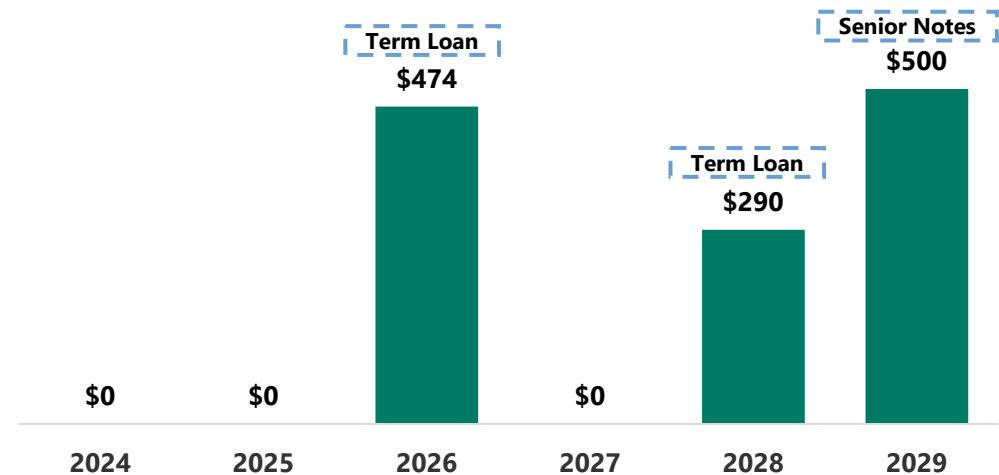
(\$ in mm)



Conservative Capital Management Strategy



Corporate Debt Maturities

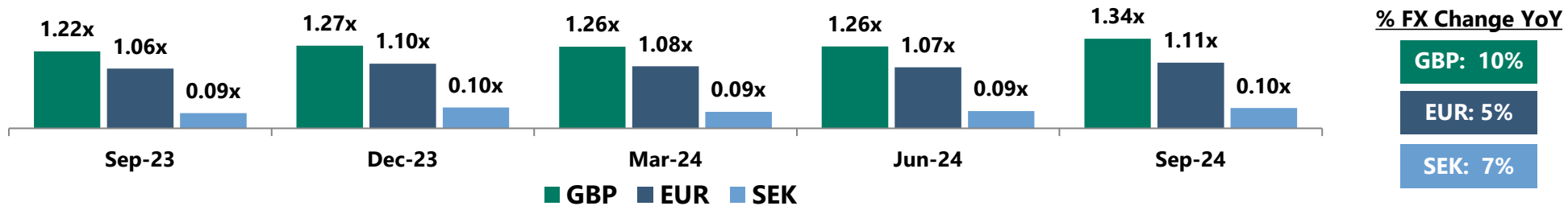


a) Weighted-average rates of applicable benchmark rates and credit spread adjustments plus spreads of USD: +2.55% / GBP: +2.28% / EUR: +2.11% / SEK: +1.50%
 b) Our secured credit facilities do not contain capital markets-based mark-to-market provisions
 c) Consists of nine secured credit facility counterparties, one revolving credit facility and one private securitization
 d) Reflects book value per share (excluding General CECL Allowance and depreciation) of \$12.73 multiplied by shares of common stock outstanding September 30, 2024
 e) Based on maximum available advance rates across secured debt counterparties
 See footnotes on page 21

Mitigating Foreign Exchange Risk

ARI is well-positioned for fluctuating foreign exchange rates due to several risk mitigating steps we have taken to structure and fund our non-US loan portfolio and associated secured financing facilities

Foreign Exchange Rate Change (Local/USD)

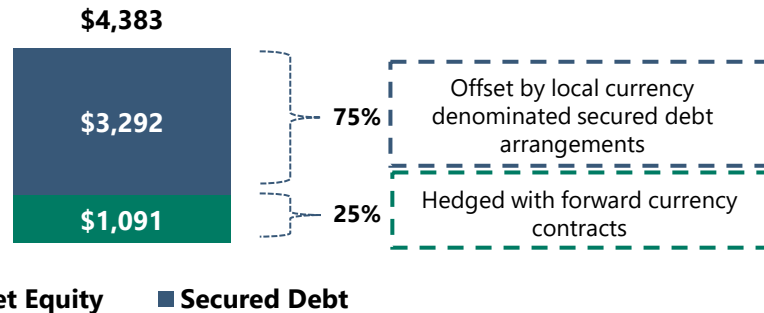


Mitigating Foreign Exchange Risk

- Secured debt arrangements are structured in local currency thereby reducing FX exposure to our net equity on foreign loans.
 - 75% weighted average advance on total foreign loan portfolio
- Net equity and net interest income of foreign loans are economically hedged through forward currency contracts
 - Forward point impact on forward currency contracts resulted in an \$5.6 million realized gain in Q3 2024

Foreign Loan Capital Stack

(\$ in mm)



Change in Unrealized Gain (Loss) on Net Equity

(\$ in mm)	As of September 30, 2024			Q3 2024 Net	YTD 2024 Net
	Carrying Value ^(a)	Secured Debt	Net Equity	Unrealized Gain ^(b)	Unrealized Gain (Loss) ^(b)
Currency					
GBP	\$3,022	(\$2,277)	\$745	\$44	\$35
EUR	\$1,119	(\$819)	\$299	\$13	\$5
SEK	\$243	(\$196)	\$47	\$2	(\$1)
Total⁷	\$4,383	(\$3,292)	\$1,091	\$59	\$40
Change in unrealized gain (loss) on forward contracts^{7,(c)}				(\$52)	(\$23)

a) Carrying value includes all commercial mortgage and subordinate loans denominated in foreign currencies with or without secured debt financing

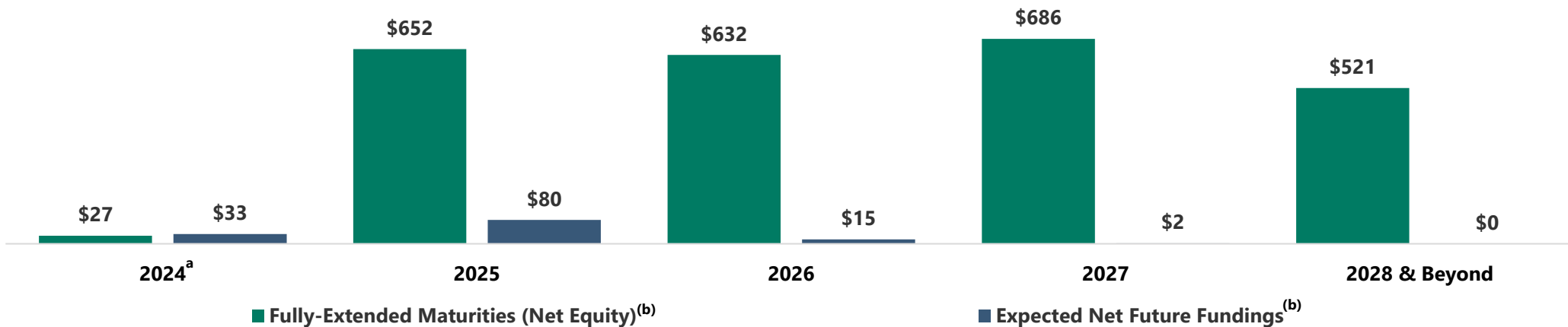
b) Represents the net change in unrealized gains (losses) on foreign loans of \$231 million and respective foreign secured debt arrangements of \$(172) million for the quarter ended September 30, 2024. The net change in unrealized gains (losses) on foreign loans of \$160 million and respective foreign secured debt arrangements of \$(120) million for the nine months ended September 30, 2024

c) Represents net change in unrealized gain (loss) on forward contracts for the quarter ended September 30, 2024, excluding gains (losses) on forward currency contracts economically hedging foreign currency interest

Loan Maturities and Future Funding Profile

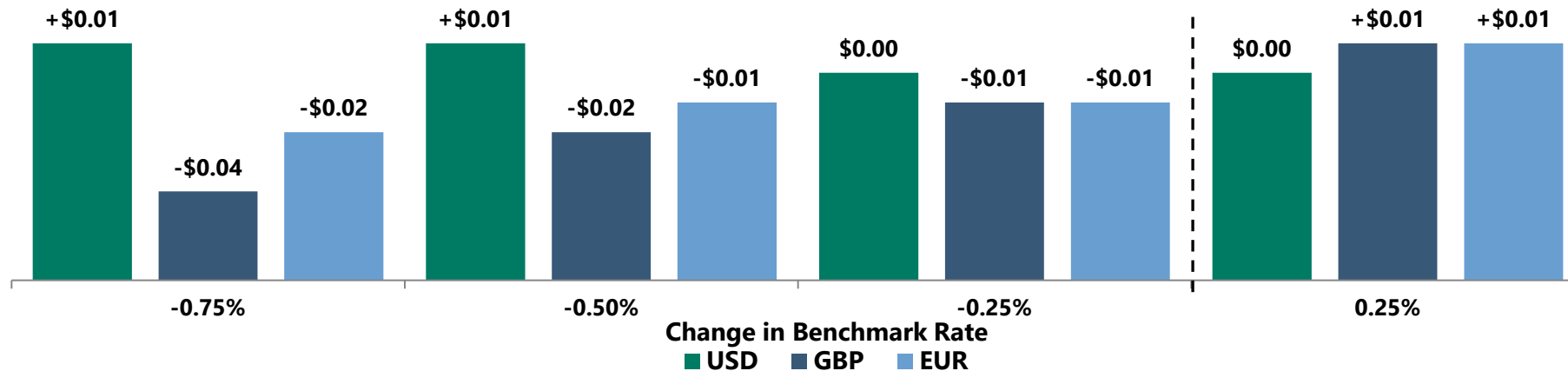
Fully-Extended Loan Maturities and Expected Future Fundings by Net Equity^{10,16,17}

(\$ in mm)



Net Interest Income Sensitivity to Benchmark Rates^{18,(c)}

Net Interest Income Per Share



Benchmark Rates	
Index	Sep-30
SOFR 1M	4.85%
EURIBOR	3.28%
SONIA ON	4.97%

Note: Assumes future financing, in certain cases, against mortgages that are not currently financed. There is no assurance such future financing against mortgages that are not currently financed will occur

a) Represents the period of October 1, 2024 through December 31, 2024

b) Net of expected secured credit facility advances

c) Reflects incremental increases in respective benchmark rates as of September 30, 2024 (SOFR 1 month: 4.85%, EURIBOR 3.28% and SONIA ON: 4.97% adjusted for compounding)

See footnotes on page 21

Appendix

- Consolidated Balance Sheets
- Consolidated Statement of Operations
- Reconciliation of GAAP Net Income to Distributable Earnings

Consolidated Balance Sheets

(\$ in thousands - except share data)

	September 30, 2024	December 31, 2023
Assets:		
Cash and cash equivalents	\$194,287	\$225,438
Commercial mortgage loans, net ^{(a)(c)}	7,456,389	7,925,359
Subordinate loans, net ^{(b)(c)}	374,222	432,734
Real estate owned, held for investment, net ^(d) (net of \$20,883 and \$10,404 accumulated depreciation in 2024 and 2023, respectively)	708,478	519,498
Other assets	364,136	85,623
Derivative assets, net	577	29,425
Assets related to real estate owned, held for sale	-	78,653
Total Assets	\$9,098,089	\$9,296,730
Liabilities and Stockholders' Equity		
Liabilities:		
Secured debt arrangements, net	\$5,513,945	\$5,538,476
Senior secured term loans, net	755,441	759,150
Senior secured notes, net	496,233	495,637
Debt related to real estate owned, held for investment, net	278,837	161,562
Accounts payable, accrued expenses and other liabilities ^(e)	165,850	120,334
Derivative liabilities, net	10,592	-
Payable to related party	8,803	9,553
Liabilities related to real estate owned, held for sale	-	3,285
Total Liabilities	\$7,229,701	\$7,087,997
Stockholders' Equity:		
Preferred stock, \$0.01 par value, 50,000,000 shares authorized, Series B-1, 6,770,393 shares issued and outstanding (\$169,260 liquidation preference) in 2024 and 2023	\$68	\$68
Common stock, \$0.01 par value, 450,000,000 shares authorized, 138,169,164 and 141,358,605 shares issued and outstanding in 2024 and 2023, respectively	1,382	1,414
Additional paid-in-capital	2,691,776	2,727,488
Accumulated deficit	(824,838)	(520,237)
Total Stockholders' Equity	\$1,868,388	\$2,208,733
Total Liabilities and Stockholders' Equity	\$9,098,089	\$9,296,730

a) Includes carrying value of \$7,456,389 and \$7,691,141 pledged as collateral under secured debt arrangements in 2024 and 2023, respectively.

b) Includes carrying value of \$232,817 pledged as collateral under secured debt arrangements in 2023.

c) Net of \$376,692 and \$219,482 CECL Allowances comprised of \$342,500 and \$193,000 Specific CECL Allowance and \$34,192 and \$26,482 General CECL Allowance in 2024 and 2023, respectively.

d) Includes \$76,179 and \$154,048 pledged as collateral under secured debt arrangements in 2024 and 2023, respectively.

e) Includes \$3,850 and \$4,017 of General CECL Allowance related to unfunded commitments on commercial mortgage loans and subordinate loans, net in 2024 and 2023, respectively.

See footnotes on page 21

Consolidated Statement of Operations

(\$ in thousands - except share and per share data)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2024	2023	2024	2023
Net interest income:				
Interest income from commercial mortgage loans	\$179,921	\$180,441	\$543,025	\$520,712
Interest income from subordinate loans and other lending assets	1,210	1,599	2,901	16,416
Interest expense	(134,088)	(121,817)	(390,447)	(342,963)
Net interest income	\$47,043	\$60,223	\$155,479	\$194,165
Revenue from real estate owned operations	24,530	20,934	77,737	66,273
Total net revenue	\$71,573	\$81,157	\$233,216	\$260,438
Operating expenses:				
General and administrative expenses (includes equity-based compensation of \$4,165 and \$12,510 in 2024 and \$4,356 and \$13,091 in 2023, respectively)	(7,547)	(7,664)	(22,408)	(22,150)
Management fees to related party	(8,801)	(9,518)	(27,395)	(28,425)
Operating expenses related to real estate owned	(19,879)	(18,950)	(61,539)	(52,917)
Depreciation and amortization on real estate owned	(2,342)	(1,020)	(9,285)	(7,208)
Total operating expenses	(\$38,569)	(\$37,152)	(\$120,627)	(\$110,700)
Other income, net	\$1,573	\$1,465	\$2,784	\$4,537
Decrease (increase) in current expected credit loss allowance, net	899	5,833	(157,043)	(60,205)
Foreign currency translation gain (loss)	60,102	(44,165)	39,177	(3,974)
Gain (loss) on foreign currency forward contracts (includes unrealized gains (losses) of (\$57,621) and (\$38,657) in 2024 and \$28,244 and (\$27,709) in 2023, respectively)	(59,535)	39,490	(29,760)	8,239
Gain (loss) on interest rate hedging instruments (includes unrealized gains (losses) of (\$562) and (\$1,213) in 2024 and (\$70) and (\$9,211) in 2023, respectively)	(14)	(70)	436	(122)
Net realized loss on investments	(127,512)	-	(128,191)	(86,604)
Gain on extinguishment of debt	-	30	-	495
Net income (loss) before taxes	(\$91,483)	\$46,588	(\$160,008)	\$12,104
Income tax provision	(66)	(517)	(280)	(517)
Net income (loss)	(\$91,549)	\$46,071	(\$160,288)	\$11,587
Preferred dividends	(3,068)	(3,068)	(9,204)	(9,204)
Net income (loss) available to common stockholders	(\$94,617)	\$43,003	(\$169,492)	\$2,383
Net income (loss) per basic share of common stock	(\$0.69)	\$0.30	(\$1.23)	-
Net income (loss) per diluted share of common stock	(\$0.69)	\$0.30	(\$1.23)	-
Basic weighted-average shares of common stock outstanding	138,246,827	141,350,428	140,177,962	141,255,730
Diluted weighted-average shares of common stock outstanding	138,246,827	141,350,428	140,177,962	141,255,730
Dividend declared per share of common stock	\$0.25	\$0.35	\$0.95	\$1.05

Reconciliation of GAAP Net Income to Distributable Earnings¹

(\$ in thousands - except share and per share data)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2024	2023	2024	2023
Distributable Earnings¹:				
Net income (loss) available to common stockholders:	(\$94,617)	\$43,003	(\$169,492)	\$2,383
Adjustments:				
Equity-based compensation expense	4,165	4,356	12,510	13,091
Loss (gain) on foreign currency forwards	59,535	(39,490)	29,760	(8,239)
Foreign currency loss (gain), net	(60,102)	44,165	(39,177)	3,974
Unrealized loss on interest rate cap	562	70	1,213	9,211
Realized gains relating to interest income on foreign currency hedges, net	195	2,594	2,604	9,668
Realized gains relating to forward points on foreign currency hedges, net	5,587	2,784	12,823	8,461
Depreciation and amortization on real estate owned	2,342	1,020	9,285	7,208
Increase (decrease) in current expected credit loss allowance, net	(899)	(5,833)	157,043	60,205
Gain on extinguishment of debt	-	(30)	-	(495)
Net realized loss on investments	127,512	-	128,191	86,604
Total adjustments	138,897	9,636	314,252	189,688
Distributable Earnings prior to net realized loss on investments and gain on extinguishment of debt^{1,5}	\$44,280	\$52,639	\$144,760	\$192,071
Net realized loss on investments	(127,512)	-	(128,191)	(86,604)
Gain on extinguishment of debt	-	30	-	495
Distributable Earnings¹	(\$83,232)	\$52,669	\$16,569	\$105,962
Weighted-average diluted shares – Distributable Earnings¹				
Weighted-average diluted shares – GAAP	138,246,827	141,350,428	140,177,962	141,255,730
Weighted-average unvested RSUs	2,485,258	2,832,265	2,650,308	2,966,277
Weighted-average diluted shares – Distributable Earnings¹	140,732,086	144,182,693	142,828,270	144,222,007
Diluted Distributable Earnings per share prior to net realized loss on investments and gain on extinguishment of debt^{1,5}	\$0.31	\$0.37	\$1.01	\$1.33
Diluted Distributable Earnings¹ per share of common stock	(\$0.59)	\$0.37	\$0.12	\$0.73

Footnotes

1. Distributable Earnings is a non-GAAP financial measure that we define as net income available to common stockholders, computed in accordance with GAAP, adjusted for (i) equity-based compensation expense (a portion of which may become cash-based upon final vesting and settlement of awards should the holder elect net share settlement to satisfy income tax withholding), (ii) any unrealized gains or losses or other non-cash items (including depreciation and amortization on real estate owned) included in net income available to common stockholders, (iii) unrealized income from unconsolidated joint ventures, (iv) foreign currency gains (losses), other than (a) realized gains/(losses) related to interest income, and (b) forward point gains/(losses) realized on our foreign currency hedges, (v) the non-cash amortization expense related to the reclassification of a portion of our convertible senior notes to stockholders' equity in accordance with GAAP, and (vi) provision for loan losses and impairments. Please see page 20 for a reconciliation of GAAP net income to Distributable Earnings.
2. Reflects closing share price on October 29, 2024.
3. Weighted Average Unlevered All-in Yield on the loan portfolio is based on the applicable benchmark rates as of period end on the floating rate loans and includes accrual of origination, extension, and exit fees. For non-US deals, yield excludes incremental forward points impact from currency hedging.
4. Add-on fundings represent fundings subsequent to loan closing.
5. We believe it is useful to our investors to present Distributable Earnings prior to net realized losses on investments and gain on extinguishment of debt to reflect our operating results because (i) our operating results are primarily comprised of earning interest income on our investments net of borrowing and administrative costs, which comprise our ongoing operations and (ii) it has been a useful factor related to our dividend per share because it is one of the considerations when a dividend is determined. We believe that our investors use Distributable Earnings and Distributable Earnings prior to net realized loss on investments and gain on extinguishment of debt, or a comparable supplemental performance measure, to evaluate and compare the performance of our company and our peers.
6. Book value per share of common stock is common stockholders' equity divided by shares of common stock outstanding.
7. Amounts and percentages may not foot due to rounding.
8. Other includes changes in General CECL Allowance, cost recovery interests, valuation allowances/reversals of valuation allowances on held for sale loans, realized loss on sale of a commercial mortgage, transfer to other assets and the accretion of loan costs and fees.
9. Based on loan amortized cost, net of Specific CECL Allowance.
10. Assumes exercise of all extension options. There is no assurance that all or any extension options will be exercised.
11. Gross of \$34 million of General CECL Allowance.
12. Amortized cost for these loans is net of the recorded Specific CECL Allowances.
13. Loans are secured by the same property.
14. Represents total debt, less cash and net loan proceeds held by servicer, divided by total stockholders' equity, adjusted to add back the General CECL Allowance in line with our covenants.
15. Fixed charge coverage is EBITDA divided by interest expense and preferred stock dividends for the quarter ended September 30, 2024.
16. Future funding dates and amounts are based upon the Manager's estimates, which are derived from the best information available to the Manager at the time. There is no assurance that the payments will occur in accordance with these estimates or at all, which could affect our operating results.
17. Excludes risk-rated 5 loans.
18. Any such hypothetical impact on interest rates on our variable rate borrowings does not consider the effect of any change in overall economic activity that could occur in a rising interest rate environment. Further, in the event of a change in interest rates of that magnitude, we may take actions to further mitigate our exposure to such a change. However, due to the uncertainty of the specific actions that would be taken and their possible effects, this analysis assumes no changes in our financial structure. There is no assurance that there will be no changes in our financial structure. The analysis incorporates movements in USD, GBP and EUR benchmark rates only.