UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

(Mark One)

☒ **Quarterly Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934**

For the quarterly period ended March 31, 2026

OR

☐ **Transition Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934**

For the transition period from to

Commission File Number: 001-34452

Apollo Commercial Real Estate Finance, Inc.
(Exact name of registrant as specified in its charter)

Maryland	**27-0467113**
(State or other jurisdiction of incorporation or organization)	**(I.R.S. Employer Identification No.)**

Apollo Commercial Real Estate Finance, Inc.
c/o Apollo Global Management, Inc.
9 West 57th Street, 42nd Floor,
New York, New York 10019
(Address of principal executive offices) (Zip Code)

(212) 515–3200
(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

Title of Each Class	Trading Symbol(s)	Name of Each Exchange on Which Registered
Common Stock, $0.01 par value	ARI	New York Stock Exchange

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	☒	Accelerated filer	☐
Non-accelerated filer	☐	Smaller reporting company	☐
		Emerging growth company	☐

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

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

As of April 27, 2026, there were 132,849,702 shares, $0.01 par value per share, of the registrant's common stock issued and outstanding.

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PART I - FINANCIAL INFORMATION

Item 1. Financial Statements

Apollo Commercial Real Estate Finance, Inc. and Subsidiaries

Condensed Consolidated Balance Sheets (Unaudited)
(in thousands—except share data)

	March 31, 2026	December 31, 2025
Assets:		
Cash and cash equivalents	$ 126,847	$ 139,825
Commercial mortgage loans, net[1][2]	8,830,428	8,712,018
Subordinate loans, net[2]	51,190	62,198
Real estate owned, held for investment, net (net of $38,419 and $34,438 accumulated depreciation in 2026 and 2025, respectively)	852,115	842,947
Other assets	208,631	143,979
Derivative assets, net	17,772	—
Total Assets	$ 10,086,983	$ 9,900,967
Liabilities and Stockholders' Equity		
Liabilities:		
Secured debt arrangements, net	$ 6,494,368	$ 6,268,550
Senior secured term loans, net	726,711	727,533
Senior secured notes, net	497,421	497,226
Debt related to real estate owned, held for investment, net	439,168	424,703
Accounts payable, accrued expenses and other liabilities[3]	109,496	91,462
Derivative liabilities, net	—	26,791
Payable to related party	8,126	8,612
Total Liabilities	$ 8,275,290	$ 8,044,877
Commitments and Contingencies (see Note 16)		
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 2026 and 2025 (see Note 15)	68	68
Common stock, $0.01 par value, 450,000,000 shares authorized, 136,724,839 and 138,943,831 shares issued and outstanding in 2026 and 2025, respectively	1,367	1,389
Additional paid-in-capital	2,671,533	2,704,316
Accumulated deficit	(861,275)	(849,683)
Total Stockholders' Equity	1,811,693	1,856,090
Total Liabilities and Stockholders' Equity	$ 10,086,983	$ 9,900,967

(1) Includes carrying value of $8,677,452 and $8,424,605 pledged as collateral under secured debt arrangements in 2026 and 2025, respectively.
(2) Net of $375,498 and $376,754 CECL Allowances comprised $37,498 and $38,754 General CECL Allowance in 2026 and 2025, respectively, and $338,000 Specific CECL Allowance in 2026 and 2025.
(3) Includes $3,726 and $5,759 of General CECL Allowance related to unfunded commitments on commercial mortgage loans and subordinate loans, net in 2026 and 2025, respectively.

See notes to unaudited condensed consolidated financial statements.

Apollo Commercial Real Estate Finance, Inc. and Subsidiaries

Condensed Consolidated Statement of Operations (Unaudited)
(in thousands—except share and per share data)

	Three Months Ended March 31,	
	2026	2025
Net interest income:		
Interest income from commercial mortgage loans	$ 149,989	$ 143,985
Interest income from subordinate loans and other lending assets	—	557
Interest expense	(113,922)	(105,057)
Net interest income	$ 36,067	$ 39,485
Revenue from real estate owned operations	22,567	26,331
Total net revenue	$ 58,634	$ 65,816
Operating expenses:		
General and administrative expenses (includes equity-based compensation of $3,047 and $3,430 in 2026 and 2025, respectively)	$ (5,952)	$ (6,652)
Management fees to related party	(8,118)	(8,564)
Operating expenses related to real estate owned	(18,218)	(20,767)
Depreciation and amortization on real estate owned	(3,981)	(2,456)
Total operating expenses	$ (36,269)	$ (38,439)
Other income, net	$ 1,413	$ 1,883
Loss from equity method investment	(274)	(689)
Decrease (Increase) in current expected credit loss allowance, net	3,289	(4,008)
Foreign currency translation gain (loss)	(17,148)	40,558
Gain (loss) on foreign currency forward contracts (includes unrealized gains (losses) of $44,494 and ($41,829) in 2026 and 2025, respectively)	16,812	(38,972)
Loss on interest rate hedging instruments (includes unrealized loss of ($174) in 2025)	—	(42)
Net income before taxes	$ 26,457	$ 26,107
Income tax provision	(230)	(116)
Net income	$ 26,227	$ 25,991
Preferred dividends	(3,068)	(3,068)
Net income available to common stockholders	$ 23,159	$ 22,923
Net income per share of common stock:		
Basic	$ 0.16	$ 0.16
Diluted	$ 0.16	$ 0.16
Basic weighted-average shares of common stock outstanding	139,110,347	138,639,004
Diluted weighted-average shares of common stock outstanding	139,709,831	138,991,818
Dividend declared per share of common stock	$ 0.25	$ 0.25

See notes to unaudited condensed consolidated financial statements.

Apollo Commercial Real Estate Finance, Inc. and Subsidiaries

Condensed Consolidated Statement of Changes in Stockholders' Equity (Unaudited)
(in thousands—except share and per share data)

	Preferred Stock		Common Stock		Additional Paid-In-Capital	Accumulated Deficit	Total
	Shares	Par	Shares	Par			
Balance at January 1, 2026	6,770,393	$ 68	138,943,831	$ 1,389	$ 2,704,316	$ (849,683)	$ 1,856,090
Capital increase (decrease) related to Equity Incentive Plan	—	—	655,152	7	(2,528)	—	(2,521)
Repurchase of common stock	—	—	(2,874,144)	(29)	(30,255)	—	(30,284)
Net Income	—	—	—	—	—	26,227	26,227
Dividends declared on preferred stock - $0.45 per share	—	—	—	—	—	(3,068)	(3,068)
Dividends declared on common stock and RSUs - $0.25 per share	—	—	—	—	—	(34,751)	(34,751)
Balance at March 31, 2026	6,770,393	$ 68	136,724,839	$ 1,367	$ 2,671,533	$ (861,275)	$ 1,811,693

	Preferred Stock		Common Stock		Additional Paid-In-Capital	Accumulated Deficit	Total
	Shares	Par	Shares	Par			
Balance at January 1, 2025	6,770,393	$ 68	138,174,636	$ 1,382	2,695,701	$ (822,670)	$ 1,874,481
Capital increase (decrease) related to Equity Incentive Plan	—	—	696,552	7	(1,524)	—	(1,517)
Net Income	—	—	—	—	—	25,991	25,991
Dividends declared on preferred stock - $0.45 per share	—	—	—	—	—	(3,068)	(3,068)
Dividends declared on common stock and RSUs - $0.25 per share	—	—	—	—	—	(35,279)	(35,279)
Balance at March 31, 2025	6,770,393	$ 68	138,871,188	$ 1,389	$ 2,694,177	$ (835,026)	$ 1,860,608

See notes to unaudited condensed consolidated financial statements.

Apollo Commercial Real Estate Finance, Inc. and Subsidiaries

Condensed Consolidated Statement of Cash Flows (Unaudited)

(in thousands)

	Three Months Ended March 31,	
	2026	2025
Cash flows from operating activities:		
Net Income	$ 26,227	$ 25,991
Adjustments to reconcile net income to net cash provided by operating activities:		
Amortization of discount/premium, deferred fees and payment-in-kind interest	(9,542)	(5,642)
Amortization of deferred financing costs	4,929	3,779
Straight-line rent amortization	(898)	—
Equity-based compensation	3,047	3,430
Increase (decrease) in current expected credit loss allowance, net	(3,289)	4,008
Foreign currency loss (gain)	24,250	(35,994)
Unrealized loss (gain) on foreign currency contracts	(44,494)	41,829
Unrealized loss on interest rate hedging instruments	—	174
Depreciation and amortization on real estate owned	3,981	2,456
Loss from equity method investment	274	689
Changes in operating assets and liabilities:		
Other assets	37,064	(4,256)
Accounts payable, accrued expenses and other liabilities	(28,502)	3,014
Payable to related party	(486)	(162)
Net cash provided by operating activities	$ 12,561	$ 39,316
Cash flows from investing activities:		
New funding of commercial mortgage loans	(299,900)	(460,452)
Add-on funding of commercial mortgage loans	(333,363)	(59,225)
Add-on funding of subordinate loans	(5,533)	(13,642)
Proceeds received from the repayment and sale of commercial mortgage loans	355,589	138,024
Proceeds received from the repayment of subordinate loans and other lending assets	16,561	—
Contributions to equity method investment	(869)	(3,256)
Origination fees, other fees, and cost recovery proceeds received on commercial mortgage loans, and subordinate loans, net	4,193	6,854
Increase (decrease) in collateral related to derivative contracts, net	49,420	(41,140)
Capital expenditures on real estate owned assets	(12,832)	(24,867)
Net cash used in investing activities	$ (226,734)	$ (457,704)

See notes to unaudited condensed consolidated financial statements.

Apollo Commercial Real Estate Finance, Inc. and Subsidiaries
Condensed Consolidated Statement of Cash Flows (Unaudited) (Continued)
(in thousands)

	Three Months Ended March 31,	
	2026	2025
Cash flows from financing activities:		
Proceeds from secured debt arrangements	594,095	406,830
Proceeds related to financing on real estate owned	13,970	20,514
Repayments of secured debt arrangements	(324,760)	(111,498)
Repayments of senior secured term loan principal	(1,875)	(2,000)
Payment of deferred financing costs	(6,094)	(4,073)
Payment of withholding tax on RSU delivery	(5,576)	(4,947)
Repurchase of common stock	(30,284)	—
Dividends on common stock	(35,600)	(35,416)
Dividends on preferred stock	(3,068)	(3,068)
Net cash provided by financing activities	$ 200,808	$ 266,342
Net decrease in cash and cash equivalents	$ (13,365)	$ (152,046)
Cash and cash equivalents beginning of period	139,825	317,396
Effects of foreign currency translation on cash and cash equivalents	387	1,074
Cash and cash equivalents end of period	$ 126,847	$ 166,424
Supplemental disclosure of cash flow information:		
Interest paid	$ 111,671	$ 102,020
Change in loan proceeds held by servicer	97,562	(47,002)
Supplemental disclosure of non-cash investing and financing activities:		
Dividend declared, not yet paid	$ 37,819	$ 38,347

See notes to unaudited condensed consolidated financial statements.

Apollo Commercial Real Estate Finance, Inc. and Subsidiaries
Notes to Condensed Consolidated Financial Statements (Unaudited)

Note 1 – Organization

Apollo Commercial Real Estate Finance, Inc. (together with its consolidated subsidiaries, is referred to throughout this report as the "Company," "ARI," "we," "us" and "our") is a corporation that has elected to be taxed as a real estate investment trust ("REIT") for U.S. federal income tax purposes and primarily originates, acquires, invests in and manages performing commercial first mortgage loans, subordinate financings, and other commercial real estate related debt investments. These asset classes are referred to as our target assets.

We were formed in Maryland on June 29, 2009, commenced operations on September 29, 2009 and are externally managed and advised by ACREFI Management, LLC (the "Manager"), an indirect subsidiary of Apollo Global Management, Inc. (together with its subsidiaries, "Apollo").

We elected to be taxed as a REIT under the Internal Revenue Code of 1986, as amended, commencing with the taxable year ended December 31, 2009. To maintain our tax qualification as a REIT, we are required to distribute at least 90% of our taxable income, excluding net capital gains, to stockholders and meet certain other asset, income, and ownership tests.

Note 2 – Summary of Significant Accounting Policies

Basis of Presentation

The accompanying condensed consolidated financial statements include our accounts and those of our consolidated subsidiaries. All intercompany amounts have been eliminated. The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America ("GAAP") requires us to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting periods. Our most significant estimates include current expected credit loss ("CECL") allowances. Actual results may differ from estimates. Certain reclassifications have been made to previously reported amounts to conform to the current period's presentation.

These unaudited condensed consolidated financial statements have been prepared in accordance with the instructions to Form 10-Q and should be read in conjunction with the consolidated financial statements and notes thereto included in our Annual Report on Form 10-K for the year ended December 31, 2025, as filed with the Securities and Exchange Commission (the "SEC"). In the opinion of management, all adjustments (consisting only of normal recurring adjustments) necessary to present fairly our financial position, results of operations and cash flows have been included. Our results of operations for the three months ended March 31, 2026 are not necessarily indicative of the results to be expected for the full year or any other future period.

We currently operate in one reporting segment. Refer to "Note 19 - Segment Reporting" for additional information.

Real Estate Owned, Held for Investment

Real estate assets that are acquired for investment are assumed at their estimated fair value at acquisition and presented net of accumulated depreciation and impairments, if applicable. Upon acquisition, we allocate the value of acquired real estate assets based on the fair value of the acquired land, building, furniture, fixtures and equipment, and intangible assets, if applicable. Real estate assets are depreciated using the straight-line method over the assets' estimated useful lives of up to 40 years for buildings and up to 8 years for furniture, fixtures and equipment. Renovations and/or replacements that improve or extend the life of the real estate asset are capitalized and depreciated over their estimated useful lives. The cost of ordinary repairs and maintenance are expensed as incurred. For real estate projects under development, we capitalize costs incurred to prepare the property for its intended use in accordance with ASC Topic 970, "Real Estate — General." Such costs can include costs related to acquisition, construction, financing, development, and real estate taxes. The capitalization of such expenses ceases when the real estate project is ready for its intended use and occupied by tenants, or held for available occupancy, but no later than one-year from substantial completion of major construction activities. If portions of a real estate project are substantially completed and occupied by tenants, or held available for occupancy, and other portions have not yet reached that

stage, the substantially completed portions are accounted for as a separate project. We cease capitalization on the portions substantially completed and occupied or held available for occupancy, and capitalize only those costs associated with the portions under construction.

Revenue Recognition

Interest income on our lending assets is accrued based on the actual coupon rate adjusted for accretion of any purchase discounts, the amortization of any purchase premiums and the accretion of any deferred fees, in accordance with GAAP. Loans that are significantly past due may be placed on nonaccrual if we determine it is probable that we will not collect all payments which are contractually due. When a loan is placed on nonaccrual, interest is only recorded as interest income when it's received. Under certain circumstances, we may apply cost recovery under which interest collected on a loan reduces its amortized cost. The cost recovery method will no longer apply if collection of all principal and interest is reasonably assured. A loan may be placed back on accrual status if we determine it is probable that we will collect all payments which are contractually due.

Revenue from real estate owned operations in our condensed consolidated statement of operations represent revenue associated with the operations of hotel properties ("hotel revenue") and rental income from a multifamily property ("rental revenue"). Hotel revenue is recognized when guestrooms are occupied or services have been rendered and are recorded net of any discounts and sales and other taxes collected from customers. Hotel revenues consist of room sales, food and beverage sales and other hotel revenues. Rental revenue consists of base rent net of concessions, if applicable, recognized on a straight-line basis over the term of the lease. We commence rental revenue recognition when the tenant takes possession of the leased space or controls the physical use of the leased space and when the leased space is substantially ready for its intended use. The difference between rental revenue earned on a straight-line basis and cash rent received is recorded as a receivable and presented within "other assets" on our condensed consolidated balance sheets.

Gains or losses on the sale of real estate assets, including residential property, are recognized in accordance with ASC 610- 20, "Gains and Losses from the Derecognition of Nonfinancial Assets." We use the specific identification method to allocate costs.

Recent Accounting Pronouncements

In July 2025, the Financial Accounting Standards Board ("FASB") issued ASU 2025-05 "Measurement of Credit Losses for Accounts Receivable and Contract Assets" ("ASU 2025-05"). ASU 2025-05 allows entities to prospectively apply a practical expedient that assumes current conditions as of the balance sheet date do not change for the remaining life of current accounts receivable when estimating expected credit losses. ASU 2025-05 is applicable for reporting periods beginning after December 31, 2025. We do not expect ASU 2025-05 to materially affect our consolidated financial statements.

In November 2024, the FASB issued ASU 2024-03 "Expense Disaggregation Disclosures (Subtopic 220-40): Disaggregation of Income Statement Expenses" ("ASU 2024-03"). ASU 2024-03 requires disaggregation of certain expense captions in financial statement disclosures for each interim and annual reporting period. The guidance is effective for annual periods starting after December 15, 2026, and interim periods after December 15, 2027, with early adoption permitted. It is to be adopted on a prospective basis with the option to apply retrospectively. We have not early adopted ASU 2024-03 and are currently evaluating its impact. We do not expect it to materially affect our consolidated financial statements.

In December 2023, the FASB issued ASU 2023-09 "Improvements to Income Tax Disclosures" ("ASU 2023-09") which intends to improve the transparency of income tax disclosures. ASU 2023-09 is effective for fiscal years beginning after December 15, 2024 and is to be adopted on a prospective basis with the option to apply retrospectively. We have adopted ASU 2023-09, which did not have a material impact on our financial condition, results of operations or financial statement disclosure. Refer to "Note 12 – Income Taxes" for income tax disclosures.

Note 3 – Fair Value Disclosure

GAAP establishes a hierarchy of valuation techniques based on the observability of the inputs utilized in measuring financial instruments at fair value. Market-based or observable inputs are the preferred source of values, followed by valuation

models using management's assumptions in the absence of market-based or observable inputs. The three levels of the hierarchy as noted in Accounting Standards Codification ("ASC") Topic 820, "Fair Value Measurements and Disclosures" ("ASC 820") are described below:

Level I — Quoted prices in active markets for identical assets or liabilities.

Level II — Prices are determined using other significant observable inputs. Observable inputs are inputs that other market participants would use in pricing a security. These may include quoted prices for similar securities, interest rates, prepayment speeds, credit risk and others.

Level III — Prices are determined using significant unobservable inputs. In situations where quoted prices or observable inputs are unavailable (for example, when there is little or no market activity for an investment at the end of the period), unobservable inputs may be used.

While we anticipate that our valuation methods are appropriate and consistent with valuation methods used by other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different estimate of fair value at the reporting date. We use inputs that are current as of the measurement date, which may include periods of market dislocation, during which price transparency may be reduced.

Forward Currency Contracts

The fair values of foreign exchange ("Fx") forwards are determined by comparing the contracted forward exchange rate to the current market exchange rate. The current market exchange rates are determined by using market spot rates, forward rates, and interest rate curves for the underlying countries. Our Fx forwards are classified as Level II in the fair value hierarchy.

Interest Rate Hedging Instruments

The fair values of our interest rate caps are determined by using the market standard methodology of discounting the future expected cash receipts that occur when variable interest rates rise above the strike rates of the interest rate caps. The variable interest rates used in the calculation of projected receipts on the interest rate caps are based on a third-party expert's expectation of future interest rates derived from observable market interest rate curves and volatility. Our interest rate caps are classified as Level II in the fair value hierarchy and manage our exposure to variable cash flows on certain of our borrowings. As of March 31, 2026 and December 31, 2025, we held one interest rate cap related to financing on a full service luxury hotel in Washington D.C. ("D.C. Hotel"). Refer to "Note 5 – Real Estate Owned" and "Note 10 – Derivatives" for further detail.

Loans and Other Lending Assets Held for Sale

Loans and other lending assets are classified as held for sale if there is an intent to sell them in the short-term following the reporting date. These loans are recorded at the lower of amortized cost or fair value, less selling costs, unless the fair value option was elected at the time of origination. If the loan's fair value, less selling costs, is determined to be less than its amortized cost, a fair value adjustment may be recorded through a valuation allowance. Changes in the valuation allowance are recorded within our consolidated statement of operations in the period in which the change occurs.

The fair value of loans held for sale may be estimated using sales of comparable loans as supported by independent market data, or a contractually negotiated sales price. We consider the inputs used to calculate the fair value of loans held for sale as unobservable inputs. Accordingly, we classify the fair value of loans held for sale within Level III of the fair value hierarchy. As of March 31, 2026 and December 31, 2025, there were no loans or other lending assets held for sale.

The following table summarizes the levels in the fair value hierarchy into which our assets and liabilities with recurring fair value measurements were categorized as of March 31, 2026 and December 31, 2025 ($ in thousands):

	Fair Value as of March 31, 2026				Fair Value as of December 31, 2025			
	Level I	Level II	Level III	Total	Level I	Level II	Level III	Total
Recurring fair value measurements:								
Foreign currency forwards, net	$ —	$ 17,772	$ —	$ 17,772	$ —	$ (26,791)	$ —	$ (26,791)
Interest rate cap assets	—	—	—	—	—	—	—	—
Total financial instruments	$ —	$ 17,772	$ —	$ 17,772	$ —	$ (26,791)	$ —	$ (26,791)

Non-recurring Fair Value Measurements

Real Estate Owned

Property acquired through foreclosure or deed-in-lieu of foreclosure is classified as real estate owned and recognized at fair value on our condensed consolidated balance sheet upon acquisition in accordance with ASC Topic 805, "Business Combinations" ("ASC 805"). We are required to record real estate owned, a nonfinancial asset, at fair value on a non-recurring basis in accordance with ASC 820. Under ASC 820, we may utilize the income, market, or cost approach (or combination thereof) to determine the fair value of real estate owned. We deem the inputs used in these approaches to be significant unobservable inputs. Therefore, we classify the fair value of real estate owned within Level III of the fair value hierarchy.

In March 2023, we acquired legal title of a hotel property in Atlanta, GA ("Atlanta Hotel") through a deed-in-lieu of foreclosure. At the time of acquisition, we determined the fair value of the net real estate assets to be $75.0 million, using a combination of market and income approaches. We utilized a discount rate and capitalization rate of 10.5% and 9.5%, respectively. During the second quarter of 2023, the Atlanta Hotel's assets and liabilities were reclassified to held for sale and the fair value of the net real estate assets, less costs to sell, was in excess of our cost basis. During the first quarter of 2024, we determined that the sale to a third party from whom we received an unsolicited offer was no longer probable, and we were not actively marketing the property for sale. Therefore, the Atlanta Hotel no longer met the criteria for held for sale and was reclassified to real estate owned, held for investment. No impairments had been recorded as of March 31, 2026 or December 31, 2025.

In August 2022, we acquired legal title of the Brooklyn Multifamily Development through a deed-in-lieu of foreclosure. We determined the fair value of the real estate assumed to be $270.1 million, based on the market value of the land at the time of acquisition. No impairments had been recorded as of March 31, 2026 or December 31, 2025.

In May 2021, we acquired legal title to the D.C. Hotel through a deed-in-lieu of foreclosure. We assumed the D.C. Hotel's assets and liabilities, including a $110.0 million mortgage loan which we repaid at par. At the time of acquisition, we determined the fair value of the real estate assets to be $154.3 million. No impairments had been recorded as of March 31, 2026 or December 31, 2025.

Refer to "Note 5 – Real Estate Owned" for additional discussion.

Note 4 – Commercial Mortgage Loans, Subordinate Loans and Other Lending Assets, Net

Our loan portfolio was comprised of the following at March 31, 2026 and December 31, 2025 ($ in thousands):

Loan Type	March 31, 2026	December 31, 2025
Commercial mortgage loans, net[(1)]	$ 8,830,428	$ 8,712,018
Subordinate loans, net	51,190	62,198
Carrying value, net	$ 8,881,618	$ 8,774,216

(1) Includes $193.7 million and $158.7 million in 2026 and 2025, respectively, of contiguous financing structured as subordinate loans.

Our loan portfolio consisted of 93% and 96% floating rate loans, based on amortized cost, net of Specific CECL Allowance, as of March 31, 2026 and December 31, 2025, respectively.

Activity relating to our loan portfolio for the three months ended March 31, 2026 was as follows ($ in thousands):

	Principal Balance	Deferred Fees/Other Items	Specific CECL Allowance	Carrying Value, Net
December 31, 2025	$ 9,204,060	$ (53,090)	$ (338,000)	$ 8,812,970
New loan fundings	$ 299,900	$ —	$ —	$ 299,900
Add-on loan fundings[1]	$ 338,896	$ —	$ —	$ 338,896
Loan repayments and sale	$ (468,588)	$ —	$ —	$ (468,588)
Gain (loss) on foreign currency translation	$ (69,832)	$ 64	$ —	$ (69,768)
Deferred fees and other items[2]	$ —	$ (4,193)	$ —	$ (4,193)
Amortization of fees	$ 3,111	$ 6,788	$ —	$ 9,899
March 31, 2026	$ 9,307,547	$ (50,431)	$ (338,000)	$ 8,919,116
General CECL Allowance[3]				$ (37,498)
Carrying value, net				$ 8,881,618

(1) Represents fundings subsequent to loan closing.

(2) Other items primarily consist of purchase discounts or premiums, cost recovery interest, exit fees, and deferred origination expenses.

(3) $3.7 million of the General CECL Allowance is excluded from this table because it relates to unfunded commitments and has been recorded as a liability under accounts payable, accrued expenses and other liabilities in our condensed consolidated balance sheet.

The following table details overall statistics for our loan portfolio at the dates indicated ($ in thousands):

	March 31, 2026	December 31, 2025
Number of loans	54	56
Principal balance	$ 9,307,547	$ 9,204,060
Carrying value, net	$ 8,881,618	$ 8,774,216
Unfunded loan commitments[1]	$ 655,387	$ 1,037,765
Weighted-average cash coupon[2]	6.4%	6.5%
Weighted-average remaining fully-extended term[3]	3.0 years	3.2 years
Weighted-average expected term[4]	2.1 years	2.2 years

(1) Unfunded loan commitments are primarily funded to finance construction costs, tenant improvements, leasing commissions, or carrying costs. These future commitments are funded over the term of each loan, subject in certain cases to an expiration date.

(2) For floating rate loans, based on applicable benchmark rates as of the specified dates. For loans placed on nonaccrual, the interest rate used in calculating weighted-average cash coupon is 0%.

(3) Assumes all extension options are exercised.

(4) Expected term represents our estimated timing of repayments as of the specified dates. Excludes risk-rated five loans.

Property Type

The table below details the property type of the properties securing the loans in our portfolio at the dates indicated ($ in thousands):

	March 31, 2026		December 31, 2025	
Property Type	Carrying Value	% of Portfolio[1]	Carrying Value	% of Portfolio[1]
Residential[2]	$ 2,591,192	29.1%	$ 2,315,975	26.3%
Office	2,059,072	23.1	2,064,821	23.4
Hotel	1,678,802	18.8	1,770,331	20.1
Industrial	964,905	10.8	1,026,213	11.6
Data Centers	492,951	5.5	560,699	6.4
Retail	456,756	5.1	323,327	3.7
Mixed Use	233,364	2.6	302,544	3.4
Other[3]	442,074	5.0	449,060	5.1
Total	$ 8,919,116	100.0%	$ 8,812,970	100.0%
General CECL Allowance[4]	(37,498)		(38,754)	
Total Carrying Value, net	$ 8,881,618		$ 8,774,216	

(1) Percentage of portfolio calculations are made prior to consideration of General CECL Allowance.

(2) Includes multifamily (11.6%), senior housing (10.9%), student housing (4.8%), and residential-for-sale (1.8%) in 2026 and multifamily (11.4%), senior housing (7.7%), student housing (5.0%), and residential-for-sale (2.2%) in 2025.

(3) Other property types include urban predevelopment (2.6%) and pubs (2.4%) in 2026, and urban predevelopment (2.6%) and pubs (2.5%) in 2025.

(4) $3.7 million and $5.8 million of the General CECL Allowance for 2026 and 2025, respectively, is excluded from this table because it relates to unfunded commitments and has been recorded as a liability under accounts payable, accrued expenses and other liabilities in our condensed consolidated balance sheets.

Geography

The table below details the geographic distribution of the properties securing the loans in our portfolio at the dates indicated ($ in thousands):

	March 31, 2026		December 31, 2025	
Geographic Location	Carrying Value	% of Portfolio[1]	Carrying Value	% of Portfolio[1]
United Kingdom	$ 2,437,079	27.3%	$ 2,603,388	29.5%
New York City	1,625,735	18.2	1,616,025	18.3
Other Europe[2]	1,151,084	12.9	1,178,074	13.4
Southeast	1,143,705	12.8	973,051	11.0
West	861,058	9.7	824,486	9.4
Midwest	746,225	8.4	754,115	8.6
Other[3]	954,230	10.7	863,831	9.8
Total	$ 8,919,116	100.0%	$ 8,812,970	100.0%
General CECL Allowance[4]	(37,498)		(38,754)	
Total Carrying Value, net	$ 8,881,618		$ 8,774,216	

(1) Percentage of portfolio calculations are made prior to consideration of General CECL Allowance.

(2) Other Europe includes Germany (7.5%), Sweden (2.9%), Italy (2.2%), and the Netherlands (0.3%) in 2026 and Germany (7.9%), Sweden (3.0%), Italy (2.2%), and the Netherlands (0.3%) in 2025.

(3) Other includes Southwest (5.1%), Northeast (3.4%), Mid-Atlantic (1.8%), and Other (0.4%) in 2026 and Southwest (4.2%), Northeast (3.5%), Mid-Atlantic (1.7%) and Other (0.4%) in 2025.

(4) $3.7 million and $5.8 million of the General CECL Allowance for 2026 and 2025, respectively, is excluded from this table because it relates to unfunded commitments and has been recorded as a liability under accounts payable, accrued expenses and other liabilities in our condensed consolidated balance sheets.

Risk Rating

We assess the risk factors of each loan and assign a risk rating based on a variety of factors, including, without limitation, loan to value ("LTV") ratio, debt yield, property type, geographic and local market dynamics, physical condition, cash flow volatility, leasing and tenant profile, loan structure and exit plan, and project sponsorship. We apply these various factors on a case-by-case basis depending on the facts and circumstances for each loan, and the different factors may be given different weightings in different situations. This review is performed quarterly. Based on a 5-point scale, our loans are rated "1" through "5," from less risk to greater risk, which ratings are defined as follows:

1. Very low risk
2. Low risk
3. Moderate/average risk
4. High risk/potential for loss: a loan that has a risk of realizing a principal loss
5. Impaired/loss likely: a loan that has a high risk of realizing principal loss, has incurred principal loss, or an impairment has been recorded

The following tables present the carrying value of our loan portfolio by year of origination and internal risk rating and gross write-offs by year of origination as of March 31, 2026 and December 31, 2025, respectively ($ in thousands):

March 31, 2026

				Amortized Cost[1] by Year Originated					
Risk Rating	Number of Loans	Total	% of Portfolio	2026	2025	2024	2023	2022	Prior
1	—	$ —	— %	$ —	$ —	$ —	$ —	$ —	$ —
2	1	643,823	7.2%	$ —	$ —	$ —	$ —	$ 643,823	$ —
3	49	8,036,204	90.1%	$ 297,061	$ 3,376,379	$ 1,349,969	$ 546,700	$ 673,594	$ 1,792,501
4	1	73,112	0.8%	$ —	$ —	$ —	$ —	$ —	$ 73,112
5	3	165,977	1.9%	$ —	$ —	$ —	$ —	$ —	$ 165,977
Total	54	$ 8,919,116	100.0%	297,061	3,376,379	1,349,969	546,700	1,317,417	2,031,590
General CECL Allowance[2]		(37,498)							
Total loans, net		$ 8,881,618							
Weighted-Average Risk Rating		3.0							
Gross write-offs		$ —		$ —	$ —	$ —	$ —	$ —	$ —

December 31, 2025

				Amortized Cost[1] by Year Originated					
Risk Rating	Number of Loans	Total	% of Portfolio	2025	2024	2023	2022	2021	Prior
1	—	$ —	—%	$ —	$ —	$ —	$ —	$ —	$ —
2	1	654,594	7.4%	—	—	—	654,594	—	—
3	51	7,918,714	89.9%	3,459,542	1,319,897	559,238	675,090	1,051,358	853,589
4	1	73,112	0.8%	—	—	—	—	—	73,112
5	3	166,550	1.9%	—	—	—	—	—	166,550
Total	56	$ 8,812,970	100.0%	$ 3,459,542	$ 1,319,897	$ 559,238	$ 1,329,684	$ 1,051,358	$ 1,093,251
General CECL Allowance[2]		(38,754)							
Total loans, net		$ 8,774,216							
Weighted-Average Risk Rating		3.0							
Gross write-offs		$ 6,200		$ —	$ —	$ —	$ —	$ —	$ 6,200

(1) Net of Specific CECL Allowance.

(2) $3.7 million and $5.8 million of the General CECL Allowance for 2026 and 2025, respectively, is excluded from this table because it relates to unfunded commitments and has been recorded as a liability under accounts payable, accrued expenses and other liabilities in our condensed consolidated balance sheets.

CECL

In accordance with ASC Topic 326 "Financial Instruments – Credit Losses" ("ASC 326"), which we refer to as the "CECL Standard," we record allowances for loans and held-to-maturity debt securities that are deducted from the carrying amount of the assets to present the net carrying value of the amounts expected to be collected on the assets. We record loan specific allowances as a practical expedient under the CECL Standard ("Specific CECL Allowance"), which we apply to assets that are collateral dependent and where the borrower or sponsor is experiencing financial difficulty. For the remainder of the portfolio, we record a general allowance ("General CECL Allowance," and together with the Specific CECL Allowance, "CECL Allowances") on a collective basis by assets with similar risk characteristics. We have elected to use the weighted-average remaining maturity ("WARM") method in determining a General CECL Allowance for a majority of our portfolio. In the future, we may use other acceptable methods, such as a probability-of-default/loss-given-default method.

The following table summarizes changes in CECL Allowances for the three months ended March 31, 2026 ($ in thousands):

	Specific CECL Allowance[1]	General CECL Allowance			Total CECL	CECL Allowance as % of Amortized Cost	
		Funded	Unfunded	Total	Allowance	General[1]	Total
December 31, 2025	$ 338,000	$ 38,754	$ 5,759	$ 44,513	$ 382,513	0.51%	4.18%
Changes:							
Allowances (Reversals), net[2]	—	(1,256)	(2,033)	(3,289)	(3,289)		
March 31, 2026	$ 338,000	$ 37,498	$ 3,726	$ 41,224	$ 379,224	0.47%	4.10%

(1) Loans evaluated for Specific CECL Allowance are excluded from General CECL Allowance pool.

(2) During the three months ended March 31, 2026, our General CECL Allowance decreased by $3.3 million. The decrease was primarily due to the favorable impacts of portfolio seasoning. The decrease was partially offset by the effect of loan originations.

The following table summarizes changes in CECL Allowances for the three months ended March 31, 2025 ($ in thousands):

	Specific CECL Allowance[1]	General CECL Allowance			Total CECL	CECL Allowance as % of Amortized Cost	
		Funded	Unfunded	Total	Allowance	General[1]	Total
December 31, 2024	$ 342,500	$ 30,836	$ 5,948	$ 36,784	$ 379,284	0.52%	5.07%
Changes:							
Allowances (Reversals), net[2]	—	3,876	132	4,008	4,008		
March 31, 2025	$ 342,500	$ 34,712	$ 6,080	$ 40,792	$ 383,292	0.54%	4.75%

(1) Loans evaluated for Specific CECL Allowance are excluded from General CECL Allowance pool.

(2) During the three months ended March 31, 2025, our General CECL Allowance increased by $4.0 million. The increase was primarily due to a more adverse macroeconomic outlook as well as the effect of loan originations. The increase was partially offset by the favorable impacts of portfolio seasoning.

General CECL Allowance

In determining the General CECL Allowance using the WARM method, an annual historical loss rate, adjusted for macroeconomic estimates, is applied to the amortized cost of an asset, or pool of assets, over each subsequent period for the assets' remaining expected life. We considered various factors including (i) historical loss experience in the commercial real estate lending market, (ii) timing of expected repayments and satisfactions, (iii) expected future funding, (iv) capital subordinate to us when we are the senior lender, (v) capital senior to us when we are the subordinate lender, and (vi) our current and future view of the macroeconomic environment for a reasonable and supportable forecast period. The CECL Standard requires the use of significant judgment to arrive at an estimated credit loss. There is significant uncertainty related to future macroeconomic conditions, including inflation, labor shortages and interest rates.

We derive an annual historical loss rate based on a commercial mortgage-backed securities ("CMBS") database with historical losses from 1998 through the first quarter of 2026 provided by a third party, Trepp LLC ("Trepp"). We apply various filters to arrive at a CMBS dataset most analogous to our current portfolio from which to determine an appropriate historical loss rate. The annual historical loss rate is further adjusted to reflect our expectations of the macroeconomic environment for a reasonable and supportable forecast period of eight quarters. In assessing the macroeconomic environment, we consider macroeconomic factors, including unemployment rate, commercial real estate prices, and market liquidity. We compare the historical data for each metric to historical commercial real estate losses in order to determine the correlation of the data. We use projections, obtained from third-party service providers, of each factor to approximate the impact the macroeconomic outlook may have on our loss rate.

The General CECL Allowance on subordinate loans is calculated by incorporating both the loan balance of the position(s) of the structurally senior third-party lender(s) and the balance of our subordinate loan(s). The subordinate loans, by virtue of being the first loss position, are required to absorb losses prior to the senior position(s) being impacted, resulting in a higher percentage allowance attributable to the subordinate loan. The General CECL Allowance on unfunded loan commitments is time-weighted based on our expected commitment to fund such obligations. The General CECL Allowance on unfunded commitments is recorded as a liability on our condensed consolidated balance sheets within accounts payable, accrued expenses and other liabilities. The considerations in estimating our General CECL allowance for unfunded loan commitments are similar to those used for the related outstanding loans receivable.

Additionally, we have made an accounting policy election to exclude accrued interest receivable from the amortized cost basis of the related commercial mortgage loans and subordinate loans and other lending assets in determining the General CECL Allowance, as any uncollectible accrued interest receivable is written off in a timely manner. As of March 31, 2026 and December 31, 2025, accrued interest receivable was $58.4 million and $70.8 million, respectively, and included within other assets on our condensed consolidated balance sheets.

The following table sets forth our General CECL Allowance as of March 31, 2026 and December 31, 2025 ($ in thousands):

	March 31, 2026	December 31, 2025
Funded commitments	$ 37,498	$ 38,754
Unfunded commitments[1]	3,726	5,759
Total General CECL Allowance	$ 41,224	$ 44,513

(1) The General CECL Allowance on unfunded commitments is recorded as a liability on our condensed consolidated balance sheets within accounts payable, accrued expenses and other liabilities.

Specific CECL Allowance

For collateral-dependent loans where we have deemed the borrower/sponsor to be experiencing financial difficulty and a more than moderate/average risk of realizing a principal loss, we have elected to apply a practical expedient in accordance with the CECL Standard in which the fair value of the underlying collateral is compared to the amortized cost of the loan in determining a Specific CECL Allowance. The Specific CECL Allowance is determined as the difference between the fair value of the underlying collateral and the carrying value of the loan (prior to the Specific CECL Allowance). When the repayment or

satisfaction of a loan is dependent on a sale, rather than operations, of the collateral, the fair value is adjusted for the estimated cost to sell the collateral. Collateral-dependent loans evaluated for a Specific CECL Allowance are removed from the General CECL Allowance pool. The fair value of the underlying collateral is determined by using method(s) such as discounted cash flow, the market approach, or direct capitalization approach. The key unobservable inputs used to determine the fair value of the underlying collateral may vary depending on the information available to us and market conditions as of the valuation date.

We regularly evaluate the extent and impact of any credit migration associated with the performance and/or value of the underlying collateral property as well as the financial and operating capability of the borrower/sponsor on a loan-by-loan basis. The Specific CECL Allowance is evaluated on a quarterly basis. Specifically, a property's operating results and any cash reserves are analyzed and used to assess (i) whether cash from operations is sufficient to cover the debt service requirements currently and into the future, (ii) the ability of the borrower to refinance the loan and/or (iii) the liquidation value of the underlying collateral. We also evaluate the financial wherewithal of any loan guarantors as well as the borrower's competency in managing and operating the properties. In addition, we consider the overall economic environment, real estate sector and geographic sub-market in which the borrower operates. Such impairment analysis is completed and reviewed by asset management and finance personnel who utilize various data sources, including (i) periodic financial data such as debt service coverage ratio, property occupancy, tenant profile, rental rates, operating expenses, the borrower's exit plan, and capitalization and discount rates, (ii) site inspections and (iii) current credit spreads and discussions with market participants.

The following table summarizes our risk rated 5 loans as of March 31, 2026, which were analyzed for Specific CECL Allowances ($ in thousands):

Type	Property type	Location	Amortized cost prior to Specific CECL Allowance	Specific CECL Allowance	Amortized cost	Interest recognition status/ as of date	Risk Rating
Mortgage	Retail[(1)(2)]	Cincinnati, OH	$ 163,169	$ 67,000	$ 96,169	Nonaccrual/ 10/1/2019	5
Mezzanine	Residential[(3)]	Manhattan, NY	295,881	268,000	27,881	Nonaccrual/ 7/1/2021	5
Mortgage	Hotel[(4)]	Chicago, IL	44,927	3,000	41,927	Nonaccrual/ 12/31/2025	5
Total			$ 503,977	$ 338,000	$ 165,977		

(1) The fair value of retail collateral was determined by applying a capitalization rate of 9.0%.

(2) In September 2018, we entered a joint venture with Turner Consulting II, LLC ("Turner Consulting"), through an entity which owns the underlying property that secures our loan. Turner Consulting contributed 10% of the venture's equity and we contributed 90%. The entity was deemed to be a variable interest entity ("VIE"), and we determined that we are not the primary beneficiary of that VIE as we do not have the power to direct the entity's activities. During the third quarter of 2025, the loan's maturity was extended from September 2025 to September 2026.

(3) The fair value of the residential collateral was determined by making certain projections and assumptions with respect to future performance and a discount rate of 10%. Any future change to the Specific CECL Allowance will be based upon a number of factors, including but not limited to the continued assessment of both the potential nominal value of remaining inventory as well as the expected sales velocity.

(4) The fair value of the hotel collateral was determined based on the purchase price of the property, less costs to sell, as set out in the executed purchase and sale agreement.

For the three months ended March 31, 2026, there was no change in our Specific CECL Allowance.

Loan Modifications Pursuant to ASC 326

During the twelve months ended March 31, 2026, we provided the following loan modifications that require disclosure pursuant to ASC 326.

During the three months ended December 31, 2025, in conjunction with the mezzanine lender taking title and committing additional equity to the underlying property, we agreed to modify our commercial mortgage loan secured by an office property in Manhattan, NY. The loan's final maturity date was extended from April 2027 to December 2030 and the interest rate was modified to a fixed rate of 3.0%. The interest rate will step up to 5.0% and 6.0% during the first and second extension terms, respectively. The modification was deemed to be more than minor and therefore will be treated as a new loan. The new loan is performing pursuant to its modified contractual terms, and the loan's risk rating is 3 as of March 31, 2026.

During the three months ended September 30, 2025, we modified our commercial mortgage loan secured by an office property in London, UK. The loan's final maturity date was extended from August 2025 to March 2028. In conjunction with the borrower injecting additional equity in the underlying property, we upsized the total commitment of the loan by $77.4 million to finance future leasing costs, as necessary. Additionally, the loan's terms were modified to include a PIK interest component on the upsize accruing at a fixed rate of 10.0% for interest not received in cash. The loan is performing pursuant to its modified contractual terms, and the loan's risk rating remains a 3 as of March 31, 2026.

During the three months ended June 30, 2025, we modified our commercial mortgage loan secured by an office property in Berlin, Germany. The loan's final maturity date was extended from August 2026 to June 2030 allowing for a component of interest to be paid in-kind. The loan is performing pursuant to its modified contractual terms, and the loan's risk rating was upgraded from a 4 to a 3.

As of March 31, 2026 and December 31, 2025, the aggregate amortized cost basis of these modified receivables was $730.7 million and $717.7 million, respectively, or 8.2% and 8.1% of our aggregate commercial mortgage loans and subordinate loans by amortized cost, respectively. Unfunded commitments related to these loans as of March 31, 2026 and December 31, 2025 were $155.7 million and $175.2 million, respectively.

Nonaccrual and Past Due Loans

We cease accruing interest on loans if we deem the interest to be uncollectible with any previously accrued uncollected interest on the loan charged to interest income in the same period. The amortized cost basis, net of Specific CECL Allowance, for loans on nonaccrual was $301.1 million and $312.7 million as of March 31, 2026 and December 31, 2025, respectively.

Under certain circumstances, we may apply the cost recovery method under which interest collected on a loan reduces the loan's amortized cost. We received $0.6 million in interest that reduced amortized cost under the cost recovery method during both the three months ended March 31, 2026 and 2025.

As of March 31, 2026 and December 31, 2025, the amortized cost basis, net of Specific CECL Allowance, for loans that are past due 90 days or more as to principal or interest, was $259.1 million and $270.2 million, respectively. As of March 31, 2026 and December 31, 2025, there were no loans with accrued interest between 30 and 89 days past due.

Manhattan Residential — 111 West 57th Street

During the three months ended June 30, 2025, the third-party mortgage, which was senior to our mezzanine positions secured by an ultra-luxury residential property in Manhattan, NY, was repaid in full. Accordingly, our Senior Mezzanine A Loan and a portion of our Senior Mezzanine Loan were restructured into a mortgage loan (the "Senior Loan") as we are now the sole lender in the capital structure. The Senior Loan remains on nonaccrual status subsequent to the restructuring.

Pre-payment penalties, accelerated fees, and Paid-In-Kind ("PIK") interest

We recognized $1.1 million in pre-payment penalties and accelerated fees for the three months ended March 31, 2026. We did not recognize any pre-payment penalties and accelerated fees for the three months ended March 31, 2025.

We recognized PIK interest of $3.3 million for the three months ended March 31, 2026. There was no PIK interest recognized during the three months ended March 31, 2025.

Loan Sales

From time to time, we may enter into sale transactions with other parties. All sale transactions are evaluated in accordance with ASC Topic 860, "Transfers and Servicing" ("ASC 860").

In February 2025, we originated a $114.0 million commercial mortgage loan secured by a multifamily property located in Miami, FL, which included a $24.0 million contiguous subordinate loan. In March 2025, we sold our interest in the $24.0 million subordinate loan. We evaluated the transaction under ASC 860 and determined the sale met the criteria for sale accounting. We recorded no gain or loss related to this transaction.

The Asset Sale

Please refer to "Note 20 - Subsequent Events" for further details.

Note 5 – Real Estate Owned

Real Estate Owned, Held for Investment

As of March 31, 2026, assets and liabilities related to real estate owned, held for investment consisted of three properties: the D.C. Hotel, a full-service luxury hotel in Washington, D.C., the Brooklyn Multifamily Development, a multifamily development property located in downtown Brooklyn, NY, and the Atlanta Hotel, a hotel in Atlanta, GA.

Property acquired through foreclosure or deed-in-lieu of foreclosure is classified as real estate owned and recognized at fair value on our condensed consolidated balance sheet upon acquisition in accordance with ASC 805. As real estate owned is a nonfinancial asset, it is recorded at fair value on a non-recurring basis in accordance with ASC 820.

Refer to "Note 3 – Fair Value Disclosure" for full discussion of non-recurring fair value measurements.

D.C. Hotel

In 2021, we acquired legal title to the D.C. Hotel, which previously secured two subordinate loans, through a deed-in-lieu of foreclosure. In accordance with ASC 805, we consolidated the hotel's assets and liabilities at their respective fair values.

In June 2024, we obtained a $73.7 million mortgage secured by the D.C. Hotel. The mortgage includes an interest rate of term one-month SOFR + 3.00% and current maturity of July 2026, with an option to extend for one year, contingent upon meeting certain conditions. The mortgage agreement contains covenants requiring our unencumbered liquidity be greater than $10.0 million and our net worth be greater than $200.0 million. Under these covenants, our General CECL Allowance is added back to our net worth calculation. As of both March 31, 2026 and December 31, 2025, we were in compliance with these covenants.

To manage our exposure to variable cash flows on our borrowings under this mortgage, we entered into an interest rate cap in June 2024. As of both March 31, 2026 and December 31, 2025, the fair value of the interest rate cap was de minimis. Refer to "Note 10 – Derivatives" for full detail.

For the three months ended March 31, 2026 and 2025, we recorded revenue from the hotel's operations of $14.2 million and $18.6 million, respectively, and expenses of $13.7 million and $16.2 million, respectively.

Brooklyn Multifamily Development

In 2022, we acquired legal title of a multifamily development property in downtown Brooklyn, NY, through a deed-in-lieu of foreclosure. The transaction was accounted for as an asset acquisition in accordance with ASC 805, and we recorded the real estate assumed at a fair value based on the market value of the property as of the date of acquisition.

Upon taking title, we concurrently contributed the property to a joint venture with a third-party real estate developer. The entity was deemed to be a VIE, of which we were determined to be the primary beneficiary. Through our wholly owned subsidiaries, we hold a 100% equity ownership interest in the joint venture and our partner is only entitled to profit upon achievement of certain returns under our joint venture agreement.

Additionally, upon taking title, we obtained $164.8 million in construction financing on the property. As of March 31, 2026 and December 31, 2025, the carrying value of the construction financing included within debt related to real estate owned, held for investment, net on our condensed consolidated balance sheets was $365.6 million, net of $0.4 million in deferred financing costs and $351.4 million, net of $0.7 million in deferred financing costs, respectively.

The construction financing includes a maximum commitment of $388.4 million, an interest rate of SOFR +2.55%, and current maturity of August 2026, with an option to extend for one year, contingent upon meeting certain conditions. The construction financing agreement contains covenants requiring our unencumbered liquidity be greater than $100.0 million and

our net worth be greater than $600.0 million. Under these covenants, our General CECL Allowance is added back to our net worth calculation. As of both March 31, 2026 and December 31, 2025, we were in compliance with these covenants.

To manage our exposure to variable cash flows on our borrowings under this construction financing, we entered into an interest rate cap in September 2023. The interest rate cap was extended by one year in September 2024 and matured on October 1, 2025.

During the three months ended March 31, 2026 and 2025, we capitalized construction and financing costs of $11.2 million and $22.1 million, respectively.

From the third quarter of 2025, a component of the property reached substantial completion stage and residential units in this component were held available for occupancy. As such, we accounted for this component as a separate project, ceased capitalizing expenses associated with this project and started recording depreciation for such project. Direct and indirect costs attributable to the remainder of the property, which is still undergoing construction, continue to be capitalized.

In accordance with ASC 842, leases at the Brooklyn Multifamily Development are classified as operating leases, accordingly rental revenue is recognized using the straight-line method over the lease terms. During the three months ended March 31, 2026, we recorded rental income from the property's operations of $3.7 million and expenses of $3.2 million.

Atlanta Hotel

In March 2023, we acquired legal title of the Atlanta Hotel through a deed-in-lieu of foreclosure, and we consolidated the hotel's assets and liabilities at their respective fair values in accordance with ASC 805. The hotel was subsequently classified as held for sale during the second quarter of 2023.

As of March 31, 2024, the Atlanta Hotel no longer met the criteria to be classified as held for sale under ASC 360. In accordance with ASC 360, the REO Fixed Assets were reclassified to their carrying value before classifying as held for sale in June 2023. On the date of reclassification, March 31, 2024, we recorded $3.6 million in depreciation, representing the amount that would have been recorded had the asset remained as held for investment. All other assets and liabilities were reclassified to the corresponding line items on our condensed consolidated balance sheet. No realized gain or loss was recorded in connection with this reclassification.

For the three months ended March 31, 2026 and 2025, we recorded revenue from the hotel's operations of $4.6 million and $7.7 million, respectively, and expenses of $5.4 million and $7.2 million, respectively.

The following table presents the REO assets and liabilities included on our consolidated balance sheets ($ in thousands):

	March 31, 2026	December 31, 2025
Assets		
Land	$ 296,595	$ 296,595
Building [(1)]	562,368	550,996
Furniture, fixtures, and equipment	31,571	29,795
Accumulated Depreciation	(38,419)	(34,438)
Total real estate owned, held for investment	$ 852,115	$ 842,947
Liabilities		
Loan Payable	439,769	425,799
Less: Deferred financing costs	(601)	(1,096)
Total debt related to real estate owned	$ 439,168	$ 424,703

(1) Includes construction-in-progress of $207.2 million and $267.5 million as of March 31, 2026 and December 31, 2025, respectively.

The following table presents the real estate owned operations and net income included in our consolidated statements of income ($ in thousands):

	Three months ended March 31, 2026	Three months ended March 31, 2025
Hotel Revenue	$ 18,827	$ 26,331
Rental Income	3,740	—
Revenue from real estate owned operations	22,567	26,331
Operating expense	(18,218)	(20,767)
Depreciation expense	(3,981)	(2,456)
Net income from real estate owned	368	3,108

Note 6 – Other Assets

The following table details the components of our other assets at the dates indicated ($ in thousands):

	March 31, 2026	December 31, 2025
Interest receivable	$ 58,401	$ 70,833
Collateral deposited under derivative agreements	—	27,440
Loan proceeds held by servicer[1]	101,713	4,151
Equity method investment[2]	24,360	23,764
Other[3]	24,157	17,791
Total	$ 208,631	$ 143,979

(1) Includes loan principal, interest, and other fees held by our third-party servicers as of the balance sheet date and remitted during subsequent remittance cycle.

(2) Relates to the Massachusetts Healthcare JV (as defined below) with other Apollo-managed entities that owns two hospitals in Massachusetts. Refer to "Massachusetts Healthcare" below for additional information.

(3) Includes $18.6 million and $16.1 million of other assets from Real Estate Owned, Held for Investment as of March 31, 2026 and December 31, 2025, respectively. Refer to "Note 5 – Real Estate Owned" for additional information.

Massachusetts Healthcare

In 2022, we and other Apollo-managed entities ("Apollo Co-Lenders") co-originated a first mortgage loan ("Massachusetts Healthcare Loan") secured by eight hospitals in Massachusetts. During the third quarter of 2024, we and the Apollo Co-Lenders, through a joint venture ("Massachusetts Healthcare JV"), acquired title to one of the eight hospitals (St. Elizabeth's Medical Center) that previously secured the Massachusetts Healthcare Loan. During the same period, the hospital was taken by eminent domain by the Commonwealth of Massachusetts (the "Commonwealth"). Refer to "Note 16 - Commitments and Contingencies" for additional information regarding the Commonwealth's taking of the hospital and the associated lawsuit against the Commonwealth.

Additionally in the third quarter of 2024, guarantors made a guaranty payment on the Massachusetts Healthcare Loan, and the Borrowers transferred the deeds of the remaining seven hospitals into escrow, thereby releasing the borrowers from their obligation under the loan agreement. As a result, during the third quarter of 2024, we recorded a $127.5 million realized loss on investments in relation to the Massachusetts Healthcare Loan. During the fourth quarter of 2024, five of the seven hospitals were sold to third parties and the proceeds were allocated among us and other Apollo Co-Lenders based on our pro-rata interests in the Massachusetts Healthcare Loan. During the first quarter of 2025, the Massachusetts Healthcare JV took title of the two unsold hospitals.

For the three months ended March 31, 2026, we contributed $0.9 million, to the Massachusetts Healthcare JV. Additionally, our allocation of losses from the Massachusetts Healthcare JV for the three months ended March 31, 2026 was $0.3 million, recorded within income (loss) from equity method investment, net on our condensed consolidated statement of operations. During the first quarter of 2025, the Massachusetts Healthcare JV took title of the two unsold hospitals and we contributed an additional $3.3 million to the Massachusetts Healthcare JV. Additionally, during the three months ended March 31, 2025, our allocation of losses from the Massachusetts Healthcare JV was $0.7 million, recorded within Other

income, net on our condensed consolidated statement of operations. Refer to "Note 16 - Commitments and Contingencies" for additional information.

As of March 31, 2026 and December 31, 2025, our equity method investment in the Massachusetts Healthcare JV was $24.4 million and $23.8 million, recorded in other assets on our condensed consolidated balance sheet.

Note 7 – Secured Debt Arrangements, Net

We utilize secured debt arrangements to finance the origination activity in our loan portfolio. Our secured debt arrangements are comprised of secured credit facilities, a private securitization, and a revolving credit facility.

During the three months ended March 31, 2026, we increased the capacity under the Barclays Private Securitization by $14.2 million. Furthermore, we have fully repaid all borrowings outstanding under the Barclays - GBP and Deutsche Bank facilities. Subsequent to quarter end, all borrowings were fully repaid using proceeds from the Asset Sale (as defined below). Please refer to "Note 20 - Subsequent Events" for further details.

Our borrowings under secured debt arrangements as of March 31, 2026 and December 31, 2025 are detailed in the following table ($ in thousands):

	March 31, 2026			December 31, 2025		
	Maximum Amount of Borrowings[1]	Borrowings Outstanding[1]	Maturity [2]	Maximum Amount of Borrowings[1]	Borrowings Outstanding[1]	Maturity [2]
JPMorgan Facility - USD[3]	$ 2,000,000	$ 1,947,889	March 2030[4]	$ 2,000,000	$ 1,905,928	March 2030[4]
Morgan Stanley Facility - GBP, EUR	577,650	437,788	April 2033	587,300	300,097	April 2033
Morgan Stanley Facility - USD	450,000	378,435	April 2031	450,000	378,435	April 2031
Atlas Facility - USD[5]	800,000	647,018	March 2027[6]	800,000	485,340	March 2027[6]
Atlas Facility - GBP, EUR	448,094	448,095	August 2028	455,928	455,929	August 2028
Barclays Facility - USD	600,000	479,391	March 2030[7][8]	600,000	461,850	March 2030[7][8]
Barclays Facility - GBP	—	—	N/A	167,830	124,550	February 2029
Goldman Sachs Facility - GBP	456,504	442,031	June 2029	465,063	449,139	June 2029
Goldman Sachs Facility - USD	300,000	146,233	November 2028[9]	300,000	146,233	November 2028[9]
Deutsche Bank Facility - USD[3][10]	—	—	N/A	200,000	25,800	March 2028[10]
Total Secured Credit Facilities	5,632,248	4,926,880		6,026,121	4,733,301	
Barclays Private Securitization - GBP, EUR, SEK	1,471,913	1,471,913	March 2028[11]	1,543,925	1,543,925	January 2028[11]
Revolving Credit Facility[12]	275,000	106,500	August 2028[13]	275,000	—	August 2028[13]
Total Secured Debt Arrangements	7,379,161	6,505,293		7,845,046	6,277,226	
Less: deferred financing costs	N/A	(10,925)		N/A	(8,676)	
Total Secured Debt Arrangements, net[14][15][16]	$ 7,379,161	$ 6,494,368		$ 7,845,046	$ 6,268,550	

(1) As of March 31, 2026, British Pound Sterling ("GBP"), Euro ("EUR"), and Swedish Krona ("SEK") borrowings were converted to USD at a rate of 1.32, 1.16, and 0.11, respectively. As of December 31, 2025, GBP, EUR and SEK borrowings were converted to USD at a rate of 1.35, 1.17 and 0.11, respectively.

(2) Maturity date assumes extensions at our option are exercised with consent of financing providers, where applicable.

(3) The JPMorgan Facility and Deutsche Bank Facility enable us to elect to receive advances in USD, GBP, or EUR.

(4) The JPMorgan Facility final maturity was extended to March 31, 2030 during the first quarter of 2025.

(5) The Atlas Facility - USD was formerly the Credit Suisse Facility. See "Atlas Facilities" below for additional discussion.

(6) The Atlas Facility - USD was amended during March 2024 to convert the facility's maturity from a six month "evergreen" feature to a two-year initial term, with an additional one-year extension option.

(7) Assumes financings are extended in line with the underlying loans.

(8) The Barclays Facility final maturity was extended to March 26, 2030 during the third quarter of 2025.

(9) Assumes facility enters the two-year amortization period subsequent to the November 2026 maturity, which allows for the refinancing or pay down of assets under the facility.

(10) Effective March 31, 2025, the capacity on the Deutsche Bank Facility was reduced to $200.0 million from $700.0 million and final maturity was extended to March 31, 2028 during the first quarter 2025.

(11) Represents weighted-average maturity across various financings with the counterparty. See below for additional details.

(12) Borrowings under the Revolving Credit Facility bear interest at a per annum rate equal to the sum of (i) a floating rate index and (ii) a fixed margin. Borrowings under the Revolving Credit Facility are full recourse to certain guarantor wholly-owned subsidiaries of the Company. See "Revolving Credit Facility" below for additional discussion.

(13) The Revolving Credit Facility was extended to August 7, 2028 during the third quarter of 2025. See "Revolving Credit Facility" below for additional discussion.

(14) Weighted-average borrowing costs as of March 31, 2026 and December 31, 2025 were applicable benchmark rates and credit spread adjustments, plus spreads of USD: +2.02% / GBP: +1.92% / EUR: +1.92% / SEK: +1.50% and USD: +2.05% / GBP: +1.95% / EUR: +2.26% / SEK: +1.50%, respectively.

(15) Weighted-average advance rates based on cost as of March 31, 2026 and December 31, 2025 were 73.42% (70.6% (USD) / 79.2% (GBP) / 71.7% (EUR) / 80.1% (SEK)) and 72.91% (71.0% (USD) / 76.6% (GBP) / 70.8% (EUR) / 80.1% (SEK)), respectively.

(16) As of March 31, 2026 and December 31, 2025, approximately 34% and 34%, respectively, of the outstanding balance under these secured borrowings were recourse to us.

Terms of our secured credit facilities are designed to keep each lender's credit exposure generally constant as a percentage of the underlying value of the assets pledged as security to the facility. If the credit of the underlying collateral value decreases, the amount of leverage to us may be reduced. As of March 31, 2026 and December 31, 2025, the weighted-average haircut under our secured debt arrangements was approximately 26.6% and 27.1%. Our secured credit facilities do not contain capital markets-based mark-to-market provisions.

Revolving Credit Facility

We are party to a revolving credit facility (the "Revolving Credit Facility") administered by Bank of America, N.A. The Revolving Credit Facility permits borrowings secured by qualifying commercial mortgage loans and real property owned assets. During the third quarter of 2025, we amended and restated the facility to extend the maturity date from March 2026 to August 2028 and increased the borrowing capacity from $160.0 million to $275.0 million with a syndicate of five lenders. In connection with the amendment and restatement, the Company incurred $2.7 million of deferred financing costs, including issuance and legal related costs. The Revolving Credit Facility is also subject to certain financial covenants, which are discussed below (see "Debt Covenants").

As of March 31, 2026, the outstanding balance on the Revolving Credit Facility was $106.5 million. As of December 31, 2025, we had no outstanding balance on the Revolving Credit Facility.

During the three months ended March 31, 2026, we recorded $135.0 thousand of unused fees. During the three months ended March 31, 2025, we recorded $80.0 thousand of unused fees.

During the three months ended March 31, 2026, we recorded $31.0 thousand of contractual interest expense. During the three months ended March 31, 2025, we did not record any contractual interest expense.

Barclays Private Securitization

We are party to a private securitization with Barclays Bank plc ("Barclays") (such securitization, the "Barclays Private Securitization"). Commercial mortgage loans currently financed under the Barclays Securitization are denominated in GBP, EUR, and SEK.

The Barclays Private Securitization does not include daily margining provisions and grants us significant discretion to modify certain terms of the underlying collateral including waiving certain loan-level covenant breaches and deferring or waiving of debt service payments for up to 18 months. The securitization includes loan-to-value based covenants with deleveraging requirements that are based on significant declines in the value of the collateral as determined by an annual third-party (engaged by us) appraisal process tied to the provisions of the underlying loan agreements. We believe this provides us with both cushion and predictability to avoid sudden unexpected outcomes and material repayment requirements.

The table below provides principal balances and the carrying value for commercial mortgage loans pledged to the Barclays Private Securitization as of March 31, 2026 and December 31, 2025 ($ in thousands):

	March 31, 2026		
Local Currency	Count	Outstanding Principal	Carrying Value
GBP	4	$ 1,190,041	$ 1,182,450
EUR	2	527,880	522,544
SEK	1	254,464	253,749
Total	7	$ 1,972,385	$ 1,958,743

	December 31, 2025		
Local Currency	Count	Outstanding Principal	Carrying Value
GBP	4	$ 1,263,872	$ 1,254,294
EUR	2	543,263	537,005
SEK	1	261,595	260,682
Total	7	$ 2,068,730	$ 2,051,981

The table below provides the borrowings outstanding (on an as converted basis) and weighted-average fully-extended maturities by currency for the assets financed under the Barclays Private Securitization as of March 31, 2026 ($ in thousands):

	Borrowings Outstanding[(1)]	Fully-Extended Maturity[(2)]
Total/Weighted-Average GBP	$ 876,481	May 2028
Total/Weighted-Average EUR	391,861	June 2028[(3)]
Total/Weighted-Average SEK	203,571	May 2027
Total/Weighted-Average Securitization	$ 1,471,913	March 2028

(1) As of March 31, 2026, we had £662.6 million, €339.2 million, and kr1.9 billion of borrowings outstanding under the Barclays Private Securitization secured by certain of our commercial mortgage loans.

(2) Assumes underlying loans extend to fully extended maturity and extensions at our option are exercised.

(3) The EUR portion of the Barclays Private Securitization has an "evergreen" feature such that the facility continues for one year and can be terminated by either party on certain dates with, depending on the date of notice, a minimum of nine to twelve months' notice.

The table below provides the borrowings outstanding (on an as converted basis) and weighted-average fully-extended maturities by currency for the assets financed under the Barclays Private Securitization as of December 31, 2025 ($ in thousands):

	Borrowings Outstanding[(1)]	Fully-Extended Maturity[(2)]
Total/Weighted-Average GBP	$ 941,015	April 2028
Total/Weighted-Average EUR	393,634	May 2028[(3)]
Total/Weighted-Average SEK	209,276	May 2026
Total/Weighted-Average Securitization	$ 1,543,925	January 2028

(1) As of December 31, 2025, we had £698.3 million, €335.1 million, and kr1.9 billion of borrowings outstanding under the Barclays Private Securitization secured by certain of our commercial mortgage loans.

(2) Assumes underlying loans extend to fully extended maturity and extensions at our option are exercised.

(3) The EUR portion of the Barclays Private Securitization has an "evergreen" feature such that the facility continues for one year and can be terminated by either party on certain dates with, depending on the date of notice, a minimum of nine to twelve months' notice.

The table below provides the assets and liabilities of the Barclays Private Securitization VIE included in our condensed consolidated balance sheets ($ in thousands):

	March 31, 2026	December 31, 2025
Assets:		
Cash	$ 1,388	$ 1,325
Commercial mortgage loans, net[(1)]	1,958,742	2,051,981
Other Assets[(2)]	22,044	23,623
Total Assets	$ 1,982,174	$ 2,076,929
Liabilities:		
Secured debt arrangements, net (net of deferred financing costs of $0.8 million and $1.1 million in 2026 and 2025, respectively)	$ 1,471,094	$ 1,542,817
Accounts payable, accrued expenses and other liabilities[(3)]	7,138	8,348
Total Liabilities	$ 1,478,232	$ 1,551,165

(1) Net of the General CECL Allowance of $6.4 million and $8.4 million as of March 31, 2026 and December 31, 2025, respectively.

(2) Includes loan principal, interest, and other fees held by our third-party servicers as of the balance sheet date and remitted during subsequent remittance

cycle.

(3) Includes General CECL Allowance related to unfunded commitments on commercial mortgage loans, net of $0.6 million and $1.0 million as of March 31, 2026 and December 31, 2025, respectively.

The table below provides the net income of the Barclays Private Securitization VIE included in our condensed consolidated statement of operations ($ in thousands):

	Three months ended March 31,	
	2026	2025
Net interest income:		
Interest income from commercial mortgage loans	$ 33,256	$ 46,390
Interest expense	(18,669)	(25,196)
Net interest income	$ 14,587	$ 21,194
General and administrative expense	$ 94	
Decrease (increase) in current expected credit loss allowance, net	2,280	1,346
Foreign currency translation gain (loss)	(9,218)	25,633
Net income	$ 7,743	$ 48,173

At March 31, 2026, our borrowings had the following remaining maturities ($ in thousands):

	Less than 1 year	1 to 3 years	3 to 5 years	Total
JPMorgan Facility	$ 312,229	$ 85,857	$ 1,549,803	$ 1,947,889
Morgan Stanley Facility - GBP	—	—	437,788	437,788
Morgan Stanley Facility - USD	—	—	378,435	378,435
Atlas Facility	647,018	—	—	647,018
Atlas UK Facility	—	448,095	—	448,095
Barclays Facility - USD	—	—	479,391	479,391
Barclays Facility - GBP	—	—	—	—
Goldman Sachs Facility - GBP	—	160,428	281,603	442,031
Goldman Sachs Facility - USD	—	146,233	—	146,233
Barclays Private Securitization	186,758	1,285,155	—	1,471,913
Revolving Credit Facility	106,500	—	—	106,500
Total	$ 1,252,505	$ 2,125,768	$ 3,127,020	$ 6,505,293

The table above reflects the fully extended maturity date of the facility and assumes facilities with an "evergreen" feature continue to extend through the fully-extended maturity of the underlying asset and assumes underlying loans are extended with consent of financing providers.

The table below summarizes the outstanding balances at March 31, 2026, as well as the maximum and average month-end balances for the three months ended March 31, 2026 for our borrowings under secured debt arrangements ($ in thousands).

	As of March 31, 2026		For the three months ended March 31, 2026	
	Balance	Collateral[(1)]	Maximum Month-End Balance	Average Month-End Balance
JPMorgan Facility	$ 1,947,889	$ 2,665,894	$ 1,949,853	$ 1,939,087
Morgan Stanley Facility - GBP	437,788	542,727	437,787	347,610
Morgan Stanley Facility - USD	378,435	493,244	378,435	378,435
Atlas Facility	647,018	933,498	647,018	570,746
Atlas UK Facility	448,095	636,481	461,173	455,623
Barclays Facility - USD	479,391	641,319	479,391	479,391
Barclays Facility - GBP	—	—	126,500	83,705
Goldman Sachs Facility - GBP	442,031	475,550	457,302	450,015
Goldman Sachs Facility - USD	146,233	184,218	146,233	146,233
Deutsche Bank Facility	—	—	25,800	8,600
Barclays Private Securitization	1,471,913	1,965,184	1,579,772	1,535,498
Revolving Credit Facility	106,500	—	106,500	35,500
Total	$ 6,505,293	$ 8,538,115		

(1) Represents the amortized cost balance of commercial loan collateral assets and the value of net real estate assets of real property owned collateral assets.

The table below summarizes the outstanding balances at December 31, 2025, as well as the maximum and average month-end balances for the year ended December 31, 2025 for our borrowings under secured debt arrangements ($ in thousands).

	As of December 31, 2025		For the year ended December 31, 2025	
	Balance	Collateral[(1)]	Maximum Month-End Balance	Average Month-End Balance
JPMorgan Facility	$ 1,905,928	$ 2,565,786	$ 1,925,843	$ 1,601,369
Morgan Stanley Facility - GBP	300,097	369,962	300,096	237,199
Morgan Stanley Facility - USD	378,435	489,666	378,435	329,942
Atlas Facility	485,340	740,608	496,333	510,415
Atlas UK Facility	455,929	643,877	455,928	160,604
HSBC Facility	—	—	—	386,161
Barclays Facility - USD	461,850	630,014	468,595	365,432
Barclays Facility - GBP	124,550	157,891	124,549	123,794
Goldman Sachs Facility - GBP	449,139	581,378	449,091	422,641
Goldman Sachs Facility - USD	146,233	180,806	146,233	97,488
Deutsche Bank Facility	25,800	42,500	27,300	58,425
Barclays Private Securitization	1,543,925	2,060,388	1,543,925	1,673,351
Revolving Credit Facility	—	—	—	14,273
Total	$ 6,277,226	$ 8,462,876		

(1) Represents the amortized cost balance of commercial loan collateral assets and the value of net real estate assets of real property owned collateral assets.

Debt Covenants

The guarantees related to our secured debt arrangements contain the following financial covenants: (i) tangible net worth must be greater than $1.25 billion plus 75% of the net cash proceeds of any equity issuance after March 31, 2017 (or $1.42 billion plus 75% of the net cash proceeds of any equity issuance after June 30, 2025 with respect to the Revolving Credit Facility); (ii) our ratio of total indebtedness to total assets shall not exceed 83.33% (81.82% for the Revolving Credit Facility) and (iii) our liquidity cannot be less than an amount equal to the greater of 5.0% of total recourse indebtedness or $30.0 million. Under these covenants, our General CECL Allowance is added back to our tangible net worth calculation and total assets and total indebtedness are subject to certain adjustments. The Revolving Credit Facility contains an additional financial covenant to maintain a minimum interest coverage ratio of not less than 1.3:1.

Effective as of June 30, 2025, we amended our financial covenants from a maximum ratio of total indebtedness to tangible net worth of 4.0:1.0 to a ratio of total indebtedness to total assets not to exceed 83.33% (81.82% for our Revolving Credit Facility). We were in compliance with our covenants for the periods ended March 31, 2026 and December 31, 2025.

The impact of macroeconomic conditions on the commercial real estate markets and global capital markets, including increased interest rates, foreign currency fluctuations, changes to fiscal and monetary policy, slower economic growth or recession, labor shortages, and recent distress in the banking sector, may make it more difficult to meet or satisfy our debt covenants in the future.

Note 8 – Senior Secured Term Loans, Net

In June 2025, we entered into a $750.0 million senior secured term loan facility (the "2030 Term Loan") to refinance and replace our previously outstanding 2026 Term Loan and 2028 Term Loans (each as defined and described below). The 2030 Term Loan matures in June 2030 and bears interest at a rate of SOFR plus 3.25%. The 2030 Term Loan was issued at a price of 99.3% and is amortizing with repayments of 0.25% of the total committed principal per quarter. Inclusive of the discount and deferred financing costs, the total cost of the 2030 Term Loan was SOFR+3.91% as of March 31, 2026. During the three months ended March 31, 2026, we repaid $1.9 million of principal related to the 2030 Term Loan. The 2030 Term Loan contains restrictions relating to liens, asset sales, indebtedness, and investments in non-wholly owned entities. The refinancing was accounted for as a continuation of the existing loans in accordance with ASC Topic 470 "Debt". Subsequent to quarter end, all corporate debt was fully repaid using proceeds from the Asset Sale. Please refer to "Note 20 - Subsequent Events" for further details.

Prior to refinancing in June 2025, we held a $471.3 million senior secured term loan (the "2026 Term Loan") that bore interest at SOFR plus 2.86% and a $288.0 million senior secured term loan (the "2028 Term Loan", collectively with the 2026 Term Loan, the "2026 and 2028 Term Loans") that bore interest at SOFR (with a floor of 0.50%) plus 3.61%. The 2026 and 2028 Term Loans contained restrictions relating to liens, asset sales, indebtedness, and investments in non-wholly owned entities and were issued at a price of 99.5% and 99.0%, respectively.

The following table summarizes the terms of the 2030 Term Loan as of March 31, 2026 ($ in thousands):

	Principal Amount	Unamortized Issuance Discount[1]	Deferred Financing Costs[1]	Carrying Value	Rate[2]	Maturity Date
2030 Term Loan	$ 744,375	$ (5,968)	$ (11,696)	$ 726,711	+ 3.25%	6/13/2030
Total	$ 744,375	$ (5,968)	$ (11,696)	$ 726,711		

(1) Unamortized issuance discount and deferred financing costs will be amortized to interest expense over remaining life of respective term loans.

(2) Indexed to one-month SOFR.

The following table summarizes the terms of the 2030 Term Loan as of December 31, 2025 ($ in thousands):

	Principal Amount	Unamortized Issuance Discount[1]	Deferred Financing Costs[1]	Carrying Value	Rate[2]	Maturity Date
2030 Term Loan	$ 746,250	$ (6,324)	$ (12,393)	$ 727,533	+ 3.25%	6/13/2030
Total	$ 746,250	$ (6,324)	$ (12,393)	$ 727,533		

(1) Unamortized issuance discount and deferred financing costs will be amortized to interest expense over remaining life of respective term loans.

(2) Indexed to one-month SOFR

Covenants

The 2030 Term Loan contains a financial covenant that our recourse indebtedness shall not exceed 83.3% of our total assets (subject to certain adjustments). As of March 31, 2026 and December 31, 2025, we were in compliance with this covenant.

Note 9 – Senior Secured Notes, Net

In June 2021, we issued $500.0 million of 4.625% Senior Secured Notes due 2029 (the "2029 Notes"), for which we received net proceeds of $495.0 million, after deducting initial purchasers' discounts and commissions. The 2029 Notes will mature on June 15, 2029, unless earlier repurchased or redeemed. The 2029 Notes are secured by a first-priority lien, and rank pari-passu in right of payment with all of our existing and future first lien obligations, including indebtedness under the 2030 Term Loan. The 2029 Notes were issued at par and contain covenants relating to liens, indebtedness, and investments in non-wholly owned entities. The 2029 Notes had a carrying value of $497.4 million and $497.2 million, net of deferred financing costs of $2.6 million and $2.8 million, as of March 31, 2026 and December 31, 2025, respectively. Subsequent to quarter end, all corporate debt was fully repaid using proceeds from the Asset Sale. Please refer to "Note 20 - Subsequent Events" for further details.

Covenants

The 2029 Notes include certain covenants including a requirement that we maintain a ratio of total unencumbered assets to total pari-passu indebtedness of at least 1.20:1. As of March 31, 2026 and December 31, 2025, we were in compliance with all covenants.

Note 10 – Derivatives

We use forward currency contracts to economically hedge interest and principal payments due under our loans denominated in currencies other than USD.

We have entered into a series of forward contracts to sell an amount of foreign currency (GBP, EUR and SEK) for an agreed upon amount of USD at various dates through June 2026. These forward contracts were executed to economically fix the USD amounts of foreign denominated cash flows expected to be received by us related to foreign denominated loan investments.

The agreements with our derivative counterparties require that we post collateral to secure net liability positions. As of March 31, 2026, we were in a net asset position with our derivative counterparties and did not have any collateral posted under these derivative contracts. As of December 31, 2025, we were in a net liability position with our derivative counterparties and posted collateral of $27.4 million, included within other assets on our condensed consolidated balance sheet.

The following table summarizes our non-designated Fx forwards and interest rate caps as of March 31, 2026:

	March 31, 2026				
Type of Derivatives	Number of Contracts	Aggregate Notional Amount (in thousands)	Notional Currency	Maturity	Weighted-Average Years to Maturity
Fx contracts - GBP	20	483,170	GBP	April 2026 - June 2026	0.09
Fx contracts - EUR	6	237,716	EUR	April 2026 - June 2026	0.10
Fx contracts - SEK	2	496,449	SEK	May 2026	0.10
Interest rate cap	1	73,700	USD	September 2026	0.42

The following table summarizes our non-designated Fx forwards and interest rate caps as of December 31, 2025:

	December 31, 2025				
Type of Derivatives	Number of Contracts	Aggregate Notional Amount (in thousands)	Notional Currency	Maturity	Weighted-Average Years to Maturity
Fx contracts - GBP	153	577,672	GBP	January 2026 - August 2029	1.46
Fx contracts - EUR	21	254,588	EUR	February 2026 - December 2028	1.55
Fx contracts - SEK	10	558,278	SEK	February 2026 - May 2026	0.40
Interest rate cap	1	73,700	USD	September 2026	0.67

We have not designated any of our derivative instruments as hedges as defined in ASC Topic 815, "Derivatives and Hedging" and, therefore, changes in the fair value of our derivative instruments are recorded directly in earnings. The following table summarizes the amounts recognized on our condensed consolidated statements of operations related to our forward currency contracts for the three months ended March 31, 2026 and 2025 ($ in thousands):

		Amount of gain (loss) recognized in income	
		Three Months Ended March 31,	
	Location of Gain (Loss) Recognized in Income	2026	2025
Forward currency contracts	Unrealized gain (loss) on derivative instruments	$ 44,494	$ (41,829)
Forward currency contracts	Realized gain (loss) on derivative instruments	(27,682)	2,857
Total		$ 16,812	$ (38,972)

The following table summarizes the amounts recognized on our condensed consolidated statements of operations related to our interest rate caps for the three months ended March 31, 2026 and 2025 ($ in thousands):

		Amount of gain (loss) recognized in income	
		Three Months Ended March 31,	
	Location of Gain (Loss) recognized in Income	2026	2025
Interest rate caps	Unrealized loss on interest rate hedging instruments	$ —	$ (174)
Interest rate caps	Realized gain on interest rate hedging instruments	—	132
Total		$ —	$ (42)

During the three months ended March 31, 2025, our interest rate cap with a notional amount of $164.8 million that effectively limited SOFR from exceeding 4.00% and the maximum all-in coupon on our construction financing to 6.55%. During the three months ended March 31, 2025, SOFR exceeded the cap rate of 4.00%. As such, we realized a gain from the interest rate cap in the amount of $0.1 million during this period, which is included in loss on interest rate hedging instruments in our condensed consolidated statement of operations.

In June 2024, we entered into an interest rate cap with an original maturity of July 1, 2025 and a notional amount of $73.7 million. During August 2025, we extended our interest rate cap to September 1, 2026. We use our interest rate cap to hedge our exposure to variable cash flows on our floating rate mortgage related to the D.C. Hotel. The interest rate cap effectively limits SOFR from exceeding 6.00% which results in the maximum all-in coupon on mortgage of 9.00%. During the three months ended March 31, 2026 and 2025, SOFR did not exceed the cap rate of 6.00%, and accordingly, no realized gain was recorded.

The following tables summarize the gross asset and liability amounts related to our derivatives at March 31, 2026 and December 31, 2025 ($ in thousands):

	March 31, 2026			December 31, 2025		
	Gross Amount of Recognized Assets	Gross Amounts Offset in our Consolidated Balance Sheet	Net Amounts of Assets Presented in our Consolidated Balance Sheet	Gross Amount of Recognized Assets	Gross Amounts Offset in our Consolidated Balance Sheet	Net Amounts of Assets Presented in our Consolidated Balance Sheet
Forward currency contracts	$ 18,014	$ (242)	$ 17,772	$ 7,464	$ (34,255)	$ (26,791)
Interest rate caps	—	—	—	—	—	—
Total derivative assets (liabilities)	$ 18,014	$ (242)	$ 17,772	$ 7,464	$ (34,255)	$ (26,791)

Note 11 – Accounts Payable, Accrued Expenses and Other Liabilities

The following table details the components of our accounts payable, accrued expense and other liabilities ($ in thousands):

	March 31, 2026	December 31, 2025
Collateral held under derivative agreements	$ 21,980	$ —
Accrued dividends payable	37,819	38,668
Accrued interest payable	33,580	33,876
Accounts payable and other liabilities[(1)]	12,391	13,159
General CECL Allowance on unfunded commitments[(2)]	3,726	5,759
Total	$ 109,496	$ 91,462

(1) Includes $12.2 million and $13.1 million of accounts payable and other liabilities on the balance sheet of the Real Estate Owned, Held for Investment at March 31, 2026 and December 31, 2025, respectively.

(2) Refer to "Note 4 ─ Commercial Mortgage Loans, Subordinate Loans and Other Lending Assets, Net" for additional disclosure related to the General CECL Allowance on unfunded commitments as of March 31, 2026 and December 31, 2025, respectively.

Note 12 – Income Taxes

We have elected to be taxed as a REIT under the Internal Revenue Code of 1986, as amended, commencing with the taxable year ended December 31, 2009. As a REIT, U.S. federal income tax law generally requires us to distribute annually at least 90% of our REIT taxable income, without regard to the deduction for dividends paid and excluding net capital gains, and that we pay tax at regular corporate rates to the extent that we annually distribute less than 100% of our net taxable income. We are also subject to U.S. federal, state, and local income taxes on our domestic taxable REIT subsidiaries ("TRS") based on the tax jurisdictions in which they operate.

During the three months ended March 31, 2026 and 2025, we recorded an income tax provision of $0.2 million and $116 thousand, respectively, related to activities of our taxable REIT subsidiaries.

There was a $0.2 million income tax liability related to the operating activities of our TRS entities as of March 31, 2026 and $0.2 million income tax liability related to the operating activities of our TRS entities as of December 31, 2025, respectively. As of March 31, 2026 and December 31, 2025, there were no material deferred tax assets or liabilities.

As of March 31, 2026, we had net operating losses of $8.5 million and capital losses of $25.2 million that may be carried forward for use in subsequent periods.

As of March 31, 2026, tax years 2021 through 2024 remain subject to examination by taxing authorities.

Note 13 – Related Party Transactions

Management Agreement

In connection with our initial public offering in September 2009, we entered into a management agreement (the "Management Agreement") with the Manager, which describes the services to be provided by the Manager and its compensation for those services. The Manager is responsible for managing our day-to-day operations, subject to the direction and oversight of our board of directors.

Pursuant to the terms of the Management Agreement, the Manager is paid a base management fee equal to 1.5% per annum of our Stockholders' Equity (as defined in the Management Agreement), calculated and payable (in cash) quarterly in arrears.

The term of the Management Agreement was automatically renewed for a successive one-year term in September 2025 and will automatically renew on each anniversary thereafter. The Management Agreement may be terminated upon expiration of the one-year extension term only upon the affirmative vote of at least two-thirds of our independent directors, based upon (1) unsatisfactory performance by the Manager that is materially detrimental to ARI or (2) a determination that the management fee payable to the Manager is not fair, subject to the Manager's right to prevent such a termination based on unfair fees by

accepting a mutually acceptable reduction of management fees agreed to by at least two-thirds of our independent directors. The Manager must be provided with written notice of any such termination at least 180 days prior to the expiration of the then existing term and will be paid a termination fee equal to three times the sum of the average annual base management fee during the 24-month period immediately preceding the date of termination, calculated as of the end of the most recently completed fiscal quarter prior to the date of termination. Following a meeting of our independent directors in February 2025, which included a discussion of the Manager's performance and the level of the management fees thereunder, we determined not to seek termination of the Management Agreement.

We incurred approximately $8.1 million in base management fees under the Management Agreement for the three months ended March 31, 2026, as compared to $8.6 million for the three months ended March 31, 2025.

In addition to the base management fee, we are also responsible for reimbursing the Manager for certain expenses paid by the Manager on our behalf or for certain services provided by the Manager to us. For the three months ended March 31, 2026, we paid expenses totaling $1.7 million related to reimbursements for certain expenses paid by the Manager on our behalf under the Management Agreement as compared to $5.7 million for three months ended March 31, 2025. Expenses incurred by the Manager and reimbursed by us are reflected in the respective condensed consolidated statement of operations expense category or our condensed consolidated balance sheets based on the nature of the item.

Included in payable to related party on our condensed consolidated balance sheets at March 31, 2026 and December 31, 2025 is approximately $8.1 million and $8.6 million, respectively, for base management fees incurred but not yet paid under the Management Agreement.

Term Loan

In June 2025, we refinanced our existing 2026 and 2028 Term Loans with the 2030 Term Loan (refer to "Note 8 – Senior Secured Term Loans, Net" for a full discussion). In connection with this refinance, Apollo Global Funding, LLC, an affiliate of the Manager, served as one of several arrangers in both the 2025 refinancing and the original 2028 Term Loan issuance, receiving $1.0 million and $0.2 million in arrangement fees, respectively. Additionally, funds managed by an affiliate of the Manager invested $30.0 million in the 2028 Term Loan, and $25.0 million in the 2030 Term Loan.

Senior Secured Notes

In June 2021, Apollo Global Securities, LLC, an affiliate of the Manager, served as one of the eight initial purchasers in the issuance of our 2029 Notes and received $0.4 million of initial purchasers' discounts and commissions.

Italian Direct Lending Structure

In the fourth quarter of 2021, we formed an Italian closed-end alternative investment fund, managed by Apollo Investment Management Europe (Luxembourg) S.A R.L, a regulated alternative investment fund manager (the "AIFM"), an affiliate of the Manager. The management fees incurred during the three months ended March 31, 2026 and 2025, respectively were de minimis. As of March 31, 2026 and December 31, 2025, the fees payable to the AIFM were de minimis.

Atlas Facilities

In February 2023, in connection with the acquisition by certain subsidiaries of Atlas, which is a wholly-owned investment of a fund managed by an affiliate of the Manager, the Credit Suisse Facility was acquired by Atlas. In order to effect the assignment of the Credit Suisse Facility and related agreements, the Company and one of its subsidiaries, similar to the other sellers and guarantors party to the subject agreements in the transaction, entered into an Omnibus Assignment, Assumption and Amendment Agreement as well as certain related agreements with Credit Suisse AG and Atlas. At the time of acquisition, we had $632.3 million of secured debt on the Credit Suisse Facility consisting of four commercial mortgage loans. During the third quarter of 2025, we entered into the Atlas Facility - EUR.

As of March 31, 2026 and December 31, 2025, respectively, we had $1.1 billion and $941.3 million of secured debt on the Atlas Facilities. Refer to "Note 7 – Secured Debt Arrangements, Net" for additional discussion.

Massachusetts Healthcare

In September 2024, we, along with the Apollo Co-Lenders, formed a joint venture of which we held a 41.2% equity interest. Through this joint venture, we and the Apollo Co-Lenders foreclosed on one of the eight Massachusetts hospitals that previously secured our loan. In accordance with ASC Topic 323, "Investments – Equity Method and Joint Ventures" our 41.2% interest in the joint venture was deemed an equity method investment. There was a balance of $24.4 million and $23.8 million in the joint venture as of March 31, 2026 and December 31, 2025, respectively, recorded within Other Assets on our condensed consolidated balance sheet. See "Massachusetts Healthcare" within "Note 6 – Other Assets" for further discussion.

The Asset Sale

On January 27, 2026, we entered into an Asset Purchase and Sale Agreement (the "Purchase Agreement") with Athene Holding Ltd. ("Athene"), and, in connection therewith, entered into a letter agreement with ACREFI Operating, LLC, a subsidiary of the Company ("Operating LLC"), and the Manager (the "Management Agreement Side Letter"), and a letter agreement with Apollo Management Holdings, L.P. ("Apollo Management Holdings") (the "Expense Reimbursement Letter Agreement"). Each of Athene and Apollo Management Holdings is a subsidiary of Apollo.

Under the terms of the Management Agreement Side Letter, each of the Company, Operating LLC and the Manager agreed to enter into the A&R Management Agreement (as defined below), effective upon the closing of the Asset Sale. Under the terms of the Expense Reimbursement Letter Agreement, Apollo Management Holdings agreed to reimburse the Company for up to $10 million of the expenses incurred by the Company in connection with the Asset Sale.

On April 24, 2026 (the "Closing Date"), pursuant to the terms and subject to the conditions set forth in the Purchase Agreement, the Company sold its commercial real estate loan portfolio (other than loans that were repaid prior to closing and one loan with a principal balance of $46 million which is expected to repay after the Closing Date) to Athene. Please refer to "Note 20 - Subsequent Events" for further details.

Note 14 – Share-Based Payments

In June 2024, we adopted the Apollo Commercial Real Estate Finance, Inc. 2024 Equity Incentive Plan ("2024 LTIP") following approval by our board of directors and approval by our stockholders at our 2024 annual meeting of stockholders on June 7, 2024 (the "2024 Annual Meeting"). Following the 2024 Annual Meeting, no additional awards have been or will be granted under the Apollo Commercial Real Estate Finance, Inc. 2019 Equity Incentive Plan ("2019 LTIP," and together with the 2024 LTIP, the "LTIPs" or "Equity Incentive Plans"), and all outstanding awards granted under the 2019 LTIP remain in effect in accordance with the terms in the 2019 LTIP.

The 2024 LTIP provides for grants of restricted common stock, restricted stock units ("RSUs") and other equity-based awards up to an aggregate of 7,500,000 shares of our common stock. The LTIPs are administered by the compensation committee of our board of directors (the "Compensation Committee") and all grants under the LTIPs must be approved by the Compensation Committee.

We recognized stock-based compensation expense related to restricted stock and RSU vesting of $3.0 million during the three months ended March 31, 2026, and $3.4 million during the three months ended March 31, 2025.

The following table summarizes the grants, vesting and forfeitures of restricted common stock and RSUs during the three months ended March 31, 2026:

Type	Restricted Stock	RSUs	Grant Date Fair Value ($ in millions)
Outstanding at December 31, 2025	71,134	2,280,723	
Granted	—	—	N/A
Vested	—	—	N/A
Forfeiture	—	—	N/A
Outstanding at March 31, 2026	71,134	2,280,723	

Below is a summary of restricted stock and RSU vesting dates as of March 31, 2026:

Vesting Year	Restricted Stock	RSUs	Total Awards
2026	71,134	1,107,507	1,178,641
2027	—	759,504	759,504
2028	—	413,712	413,712
Total	71,134	2,280,723	2,351,857

As of March 31, 2026, we had unrecognized compensation expense of approximately $0.2 million and $20.0 million related to the vesting of restricted stock awards and RSUs, respectively, presented in the table above.

The unrecognized compensation expense related to the vesting of restricted stock awards and RSUs are expected to be recognized over a weighted-average period of 1.5 years.

RSU Deliveries

During the three months ended March 31, 2026 and 2025, we delivered 655,152 and 696,552 shares of common stock for 1,177,215 and 1,244,343 vested RSUs, respectively. We allow RSU participants to settle their tax liabilities with a reduction of their share delivery from the originally granted and vested RSUs. The amount, when agreed to by the participant, results in a cash payment to the Manager related to this tax liability and a corresponding adjustment to additional paid in capital on our condensed consolidated statement of changes in stockholders' equity. The adjustment was $5.6 million and $4.9 million for the three months ended March 31, 2026 and 2025, respectively. The adjustment is a reduction of capital related to our equity incentive plan and is presented net of increases of capital related to our equity incentive plan in our condensed consolidated statement of changes in stockholders' equity.

Note 15 – Stockholders' Equity

Our authorized capital stock consists of 450,000,000 shares of common stock, $0.01 par value per share and 50,000,000 shares of preferred stock, $0.01 par value per share. As of March 31, 2026, 136,724,839 shares of common stock were issued and outstanding and 6,770,393 shares of our 7.25% Series B-1 Cumulative Redeemable Perpetual Preferred Stock ("Series B-1 Preferred Stock") were issued and outstanding. The Series B-1 Preferred Stock, with a par value $0.01 per share, have a liquidation preference of $25.00 per share.

Dividends. The following table details our dividend activity:

	Three Months Ended March 31,	
Dividends declared per share of:	2026	2025
Common Stock	$ 0.25	$ 0.25
Series B-1 Preferred Stock	$ 0.45	$ 0.45

Common Stock Repurchases. In March 2020, our board of directors approved a stock repurchase program for up to $150.0 million of our common stock and in February 2021, approved the repurchase of an additional $150.0 million of our common stock. During the three months ended March 31, 2026 we repurchased 2,874,144 shares of our common stock at a weighted-average price of $10.52 per share. During the three months ended March 31, 2025, there was no common stock repurchase. As of March 31, 2026, the approximate dollar value of shares that may yet be purchased under our stock repurchase program was $101.4 million.

Note 16 – Commitments and Contingencies

Legal Proceedings

From time to time, we may be involved in various claims and legal actions arising in the ordinary course of business.

AmBase Corporation: On June 28, 2018, AmBase Corporation, 111 West 57th Street Manager Funding LLC and 111 West 57th Investment LLC (together, "Plaintiffs") commenced a now-dismissed action captioned AmBase Corporation et al v. ACREFI Mortgage Lending, LLC et al (No 653251/2018) in New York Supreme Court (the "Apollo Action"). The complaint named as defendants (i) a wholly-owned subsidiary of the Company (the "Subsidiary"), (ii) the Company, and (iii) certain funds managed by Apollo, who were co-lenders on a mezzanine loan against the development of a residential condominium building in Manhattan, NY. Plaintiffs alleged that the defendants tortiously interfered with the Plaintiffs' joint venture agreement with the developers of the project, and that the defendants aided and abetted breaches of fiduciary duty by the developers of the project. The Plaintiffs alleged the loss of a $70.0 million investment plus punitive damages. The defendants' motion to dismiss was granted on October 23, 2019 and the Court entered judgment dismissing the complaint in its entirety on November 8, 2019. Plaintiffs appealed, the parties fully briefed the appeal, and then Plaintiffs dropped the appeal, and the case remains dismissed.

Plaintiffs amended the complaint in a separate action in 2021, 111 West 57th Investment LLC v. 111W57 Mezz Investor LLC (No. 655031/2017) also in New York Supreme Court (the "April 2021 Action") to name Apollo Global Management, Inc., the Subsidiary, the Company, and certain funds managed by Apollo as defendants. The April 2021 Action concerns overlapping claims and the same condominium development project that the Apollo Action concerned. The defendants filed a motion to dismiss, which was granted in part and denied in part on December 15, 2022. The Court dismissed the claim against Apollo Global Management, Inc. and the Company. Apollo appealed the decision with respect to the remaining claim. On October 5, 2023, the Appellate Division, First Department granted Apollo's appeal, thereby dismissing the remaining claim against the Apollo entities who were co-lenders on the mezzanine loan, including the Subsidiary. Plaintiffs filed a motion for leave with the Court of Appeals on November 3, 2023 which the Court denied on April 23, 2024. On July 12, 2024, Plaintiffs filed new motions for leave to appeal to the Court of Appeals. On February 18, 2025, the Court of Appeals granted Plaintiffs' motion for leave to appeal and briefing of the appeal is now complete. The Court of Appeals heard the appeal on April 14, 2026. No reasonable estimate of possible loss, if any, can be made at this time. The Company believes the appeal is without merit.

Massachusetts Healthcare: On September 4, 2024, Saint Elizabeth LLC, which is indirectly owned by a subsidiary of the Company and certain affiliates of Apollo, filed a lawsuit against the Commonwealth of Massachusetts, as well as Governor Maura Healey and the Massachusetts Secretary of Health and Human Services. The action was filed in the Land Court in Boston, Massachusetts. The lawsuit sought equitable relief, including declaring that the taking of the real property associated with St. Elizabeth's Medical Center was void and of no effect. Saint Elizabeth LLC and the Commonwealth executed a settlement agreement dated as of July 22, 2025. In addition to $21.9 million ($9.0 million attributable to ARI), that the Commonwealth already paid in November 2024, the Commonwealth paid St. Elizabeth LLC an additional $44.0 million ($18.1 million attributable to ARI). On August 19, 2025, the lawsuit was dismissed with prejudice. The parties' settlement agreement includes releases of any and all claims or potential disputes relating to the Commonwealth's taking of the property, as more fully set forth in the settlement agreement.

Loan Commitments

As described in "Note 4 – Commercial Mortgage Loans, Subordinate Loans and Other Lending Assets, Net" at March 31, 2026, we had $655.4 million of unfunded commitments related to our commercial mortgage and subordinate loans. The timings and amounts of fundings are uncertain as these commitments relate to loans for construction costs, capital expenditures, leasing costs, interest and carry costs, among others. As such, the timings and amounts of future fundings depend on the progress and performance of the underlying assets of our loans. Certain of our lenders are contractually obligated to fund their ratable portion of these loan commitments over time, while other lenders have some degree of discretion over future loan funding obligations. The total unfunded commitment is expected to be funded over the remaining 3.7 years weighted-average tenor of these loans.

Note 17 – Fair Value of Financial Instruments

The following table presents the carrying value and estimated fair value of our financial instruments not carried at fair value on our condensed consolidated balance sheets at March 31, 2026 and December 31, 2025 ($ in thousands):

	March 31, 2026		December 31, 2025	
	Carrying Value	Estimated Fair Value	Carrying Value	Estimated Fair Value
Cash and cash equivalents	$ 126,847	$ 126,847	$ 139,825	$ 139,825
Commercial mortgage loans, net	8,830,428	8,766,676	8,712,018	8,650,253
Subordinate loans, net	51,190	51,190	62,198	62,198
Secured debt arrangements, net	(6,494,368)	(6,494,368)	(6,268,550)	(6,268,550)
Senior secured term loans, net	(726,711)	(744,375)	(727,533)	(750,914)
Senior secured notes, net	(497,421)	(497,940)	(497,226)	(485,625)
Debt related to real estate owned, held for investment, net	(439,168)	(439,168)	(424,703)	(424,703)

To determine estimated fair values of the financial instruments listed above, market rates of interest, which include credit assumptions, are used to discount contractual cash flows. The estimated fair values are not necessarily indicative of the amount we could realize on disposition of the financial instruments. The use of different market assumptions or estimation methodologies could have a material effect on the estimated fair value amounts. Estimates of fair value for cash and cash equivalents, Senior Secured Notes, net, and Term Loans, net are measured using observable Level I inputs as defined in "Note 3 – Fair Value Disclosure." Estimates of fair value for all other financial instruments in the table above are measured using significant estimates, or unobservable Level III inputs as defined in "Note 3 – Fair Value Disclosure."

Note 18 – Net Income (Loss) per Share

ASC Topic 260, "Earnings Per Share" requires the use of the two-class method of computing both basic and diluted earnings (loss) per share for all periods presented for each class of common stock and participating securities. Under the two-class method, all earnings (distributed and undistributed) are allocated to common shares and participating securities according to their respective rights to receive dividends. The unvested RSUs granted under our Equity Incentive Plans to certain employees of the Manager qualify as participating securities as RSUs have non-forfeitable rights to participate in dividends. Therefore, unvested RSUs are included in the calculation of basic earnings per share.

For the three months ended March 31, 2026 and 2025, dilutive earnings per share was calculated under the more dilutive computation of the treasury stock method and the if converted method. Under the treasury stock method, the denominator includes the weighted-average outstanding common shares plus the incremental shares related to participating securities. The incremental shares are determined by subtracting the average unrecognized compensation cost for the period divided by the average stock price from the unvested RSUs.

The table below presents the computation of basic and diluted net income per share of common stock for the three months ended March 31, 2026 and 2025 ($ in thousands except per share data):

	Three Months Ended March 31,	
	2026	2025
Net income	$ 26,227	$ 25,991
Less: Preferred dividends	(3,068)	(3,068)
Less: Earnings attributable to participating securities	—	—
Less: Dividends on participating securities	(570)	(561)
Net income attributable to common stockholders, basic and diluted	$ 22,589	$ 22,362
Number of Shares:		
Basic weighted-average shares of common stock outstanding	139,110,347	138,639,004
Diluted weighted-average shares of common stock outstanding	139,709,831	138,991,818
Earnings Per Share Attributable to Common Stockholders		
Basic	$ 0.16	$ 0.16
Diluted	$ 0.16	$ 0.16

For the three months ended March 31, 2026 and 2025, 599,484 and 352,814 incremental shares, respectively, were included in the calculation of diluted net income per share because the effect was dilutive.

Note 19 – Segment Reporting

We currently operate as one segment, which is also our sole reportable segment. Our chief operating decision maker ("CODM") is our senior management team, comprised of our chief executive officer, our chief financial officer, and the chief investment officer of the Manager. The accounting policies of our single reportable segment are consistent with those outlined in our summary of significant accounting policies (refer to "Note 2 – Summary of Significant Accounting Policies" to our consolidated financial statements of our most recent Annual Report on Form 10-K). We generate our revenue primarily from originating, acquiring, investing in, and managing performing commercial mortgage loans, subordinate financings, and other commercial real estate-related debt investments. Additionally, we may find it necessary or desirable to foreclose on certain of the loans we originate or acquire, and if we cannot sell the related property, we would operate the property as real estate owned. The CODM evaluates the performance of any real estate owned assets with that of our commercial mortgage loans, subordinate financings, and other commercial real estate-related debt investments. Additionally, we seek to enhance our returns on equity by utilizing leverage, and generally finance our mortgage loans with leverage obtained through a variety of sources, including secured credit facilities, a revolving credit facility, private securitizations, and corporate-level debt. The CODM evaluates performance and allocates resources based on consolidated net income (loss), which is also reported as consolidated net income (loss) on our consolidated statement of operations. Our consolidated net income (loss) is primarily derived through the difference between the interest income earned on our loans and the cost at which we are able to finance them. Accordingly, interest expense, as reported on our consolidated statement of operations, is our most significant segment expense. Additionally, the measure of segment assets is reflected on the balance sheet as total consolidated assets. The CODM uses consolidated net income (loss) to make key operating decisions, such as identifying attractive investment opportunities, evaluating underwriting standards, determining the appropriate level of leverage to enhance returns on equity and deciding on the sources of financing.

Note 20 – Subsequent Events

Subsequent to the quarter ended March 31, 2026, the following events took place:

Investment Activity: We funded approximately $34.8 million for previously closed loans.

Loan Repayments: We received approximately $361.1 million from loan repayments, including a full repayment of a £183.8 million ($247.0 assuming conversion into USD) first mortgage secured by a portfolio of student housing properties located throughout the United Kingdom and a full repayment of a $100.0 million first mortgage secured by an office building located in Chicago, IL.

Share Repurchases: We repurchased 3,942,246 shares of our common stock at a weighted-average price of 10.72 per share. In April 2026, our board of directors approved a stock repurchase program for up to an aggregate of $150.0 million of our common stock. The shares of our common stock may be repurchased from time to time in open market transactions, in privately negotiated transactions, pursuant to a trading plan adopted in accordance with Rule 10b5-1 of the Exchange Act (as defined below) or otherwise, with the size, price and timing of these repurchases depending on legal requirements, prevailing stock prices, market and economic conditions and other factors. We are not obligated under the terms of the program to repurchase any shares of our common stock. This repurchase program has no expiration date and may be suspended or terminated by us at any time without prior notice. This $150.0 million program replaced the previous program authorized in March 2020, as amended in February 2021, which was terminated.

Closing of the Asset Sale

On the "Closing Date", pursuant to the terms and subject to the conditions set forth in the Purchase Agreement, the Company sold its commercial real estate loan portfolio (other than loans that were repaid prior to closing and one loan with a principal balance of $46 million which is expected to repay after the Closing Date) to Athene, a related party subsidiary of Apollo, for cash consideration of approximately $8.6 billion, which is based on 99.7% of the total commitment amount of such loans as of the Closing Date, subject to certain adjustments as provided in the Purchase Agreement. A portion of the proceeds from the Asset Sale were used to repay all secured credit facilities and the Barclays Private Securitization, as well as approximately $1.4 billion in principal balance of financing facilities (as described below) and other indebtedness and to pay transaction expenses. Immediately following the closing, the Company's balance sheet is comprised primarily of $1.3 billion of cash, $0.9 billion in real estate owned, held for investment, net, and $0.4 billion in debt related to real estate owned, held for investment, net, resulting in a book value per share of common stock of $12.15, after considering the liquidation preference of preferred stock.

Term Loan B and Revolving Credit Facility

On the Closing Date, in connection with the closing of the Asset Sale, the Company caused the repayment in full of (i) all outstanding term loans and other obligations under the Term Loan Credit Agreement, dated as of June 13, 2025 (as amended, restated, supplemented or otherwise modified from time to time, the "Term Loan Credit Agreement"), among the Company, as Borrower, the lenders party thereto from time to time, and Goldman Sachs Bank USA, as Administrative Agent and Collateral Agent, and (ii) all outstanding revolving credit loans and other obligations under the Amended and Restated Credit Agreement, dated as of August 7, 2025 (as amended, restated, supplemented or otherwise modified from time to time, the "Revolving Credit Facility"), among ACREFI RCF I, LLC, as Borrower, the Company, as Parent Guarantor, the lenders party thereto, and Bank of America, N.A., as Administrative Agent. As of the Closing Date, (i) the aggregate commitments under the Revolving Credit Facility were $275,000,000 and (ii) the Term Loan Credit Agreement was terminated in accordance with its terms, and all commitments under the Revolving Credit Facility were terminated in accordance with the terms of the Revolving Credit Facility.

4.625% Senior Secured Notes due 2029

On the Closing Date, in connection with the closing of the Asset Sale and in accordance with the Indenture, dated as of June 29, 2021 (as supplemented, amended or otherwise modified to the date hereof, the "Indenture"), among the Company, the Guarantors (as defined in the Indenture), and Computershare Trust Company, National Association (as successor to Wells Fargo Bank, National Association), as Trustee and Notes Collateral Agent (the "Trustee"), the Trustee delivered a notice of redemption to the holders of the Company's 4.625% Senior Secured Notes due 2029 (the "Notes"), stating that the Company will redeem in full all $500,000,000 in aggregate principal amount of the outstanding Notes on the redemption date of June 15, 2026 (the "Redemption Date"), plus accrued and unpaid interest to, but excluding, the Redemption Date, in accordance with the Indenture.

On the Closing Date, the Company caused sufficient funds to fund the redemption of the outstanding Notes on the Redemption Date to be irrevocably deposited with the Trustee. After the deposit of such funds, the Indenture was satisfied and discharged in accordance with its terms. As a result of the satisfaction and discharge of the Indenture, the Company has been

released from its obligations under the Indenture, except for those provisions of the Indenture that, by their terms, survive the satisfaction and discharge of the Indenture.

Amended and Restated Management Agreement

Each of the Company, Operating LLC, and the Manager have entered into an Amended and Restated Management Agreement (the "A&R Management Agreement") effective as of April 24, 2026. The A&R Management Agreement supersedes and replaces the existing Management Agreement, dated September 23, 2009, by and among the Company, Operating LLC and the Manager (the "Existing Management Agreement").

The A&R Management Agreement is substantially similar to the Existing Management Agreement except in the case of the following terms and provisions:

- Base Management Fee: The Existing Management Agreement provides for a base management fee equal to 1.5% per annum of stockholders' equity of the Company, payable entirely in cash quarterly in arrears. Under the A&R Management Agreement, the base management fee will initially be (1) 0.75% per annum of the Company's stockholders' equity if the annualized return on equity ("ROE") for a particular fiscal quarter is less than 7.5% or (2) 1.5% per annum of the Company's stockholders' equity if the ROE for a particular fiscal quarter equals or exceeds 7.5%, payable quarterly in arrears entirely in shares of common stock, par value $0.01 per share, of the Company ("Company Common Stock"), except for certain circumstances in which the base management fee is required to be paid partially or entirely in cash as provided in the A&R Management Agreement, including following achievement of an ROE of 7.5% or more for two consecutive quarters (the "ROE Milestone") or in the event of certain legal prohibitions or restrictions relating to the payment of such fee in shares of Company Common Stock. The number of shares of Company Common Stock issuable as payment of any installment of the base management fee will be equal to the greatest of (i) book value per share ("BVPS") of a share of Company Common Stock as of the end of the fiscal quarter to which such installment relates, (ii) the average of the closing prices for a share of Company Common Stock on the New York Stock Exchange for each of the five consecutive full trading days ending on and including the last full trading day of the fiscal quarter to which such installment relates and (iii) the par value per share of Company Common Stock. If the Company achieves the ROE Milestone, then the base management fee will permanently increase to 1.5% of the Company's stockholders' equity and will be payable entirely in cash.
- Incentive Fee: The Existing Management Agreement does not contemplate the payment by the Company of any incentive fee or other incentive compensation to the Manager. Under the A&R Management Agreement, following achievement of the ROE Milestone, the Manager will be eligible to receive an incentive fee equal to 20% of the Company's stockholders' equity above an 8% ROE hurdle, with such incentive fee payable entirely in shares of Company Common Stock (with the number of shares for any given installment of such incentive fee determined in the same manner as described above under "Base Management Fee" except in the event of certain legal prohibitions or restrictions relating to the payment of such fees in shares of Company Common Stock).
- Termination Fee: Under the Existing Management Agreement, the Termination Fee (as defined therein) is equal to three times the sum of the average annual base management fee paid over the 24-month period immediately preceding the date of the termination of the Existing Management Agreement. Under the A&R Management Agreement, the termination fee formula will include any incentive fees paid over the 24-month period prior to termination but will otherwise be the same as the formula in the Existing Management Agreement.
- Other Key Terms: The A&R Management Agreement reflects updates to certain definitions and mechanics for calculation and payment of fees, including changes to "Base Management Fee," "Core Earnings" and related terms to clarify the revised Manager compensation structure and performance criteria.

The foregoing description of the A&R Management Agreement does not purport to be complete and is qualified in its entirety by reference to the complete terms of the A&R Management Agreement.

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

FORWARD-LOOKING INFORMATION

We make forward-looking statements herein and will make forward-looking statements in future filings with the SEC, press releases or other written or oral communications within the meaning of Section 27A of the Securities Act of 1933, as amended (the "Securities Act"), and Section 21E of the Securities Exchange Act of 1934, as amended (the "Exchange Act"). For these statements, we claim the protections of the safe harbor for forward-looking statements contained in such Sections. Forward-looking statements are subject to substantial risks and uncertainties, many of which are difficult to predict and are generally beyond our control. These forward-looking statements include information about possible or assumed future results of our business, financial condition, liquidity, results of operations, plans and objectives. When we use the words "believe," "expect," "anticipate," "estimate," "plan," "continue," "intend," "should," "may" or similar expressions, it intends to identify forward-looking statements. Statements regarding the following subjects, among others, may be forward-looking: higher interest rates and inflation; market trends in our industry, real estate values, the debt securities markets or the general economy; the demand for commercial real estate loans; our business and investment strategy; our operating results; actions and initiatives of the U.S. government and governments outside of the United States, changes to government policies and the execution and impact of these actions, initiatives and policies; the state of the economy generally or in specific geographic regions; the impact of a shutdown of the U.S. federal government; economic trends and economic recoveries; our ability to obtain and maintain financing arrangements, including secured debt arrangements and securitizations; the timing and amount of expected future fundings of unfunded commitments; the availability of debt financing from traditional lenders; the volume of short-term loan extensions; the demand for new capital to replace maturing loans; expected leverage; general volatility of the securities markets in which we participate; changes in the value of our assets; the scope of our target assets; interest rate mismatches between our target assets and any borrowings used to fund such assets; changes in interest rates and the market value of our target assets; changes in prepayment rates on our target assets; effects of hedging instruments on our target assets; rates of default or decreased recovery rates on our target assets; the degree to which hedging strategies may or may not protect us from interest rate volatility; impact of and changes in governmental regulations, tax law and rates, accounting, legal or regulatory issues or guidance and similar matters; our continued maintenance of our qualification as a REIT for U.S. federal income tax purposes; our continued exclusion from registration under the Investment Company Act of 1940, as amended (the "1940 Act"); the availability of opportunities to acquire commercial mortgage-related, real estate-related and other securities; the availability of qualified personnel; estimates relating to our ability to make distributions to our stockholders in the future; our present and potential future competition; unexpected costs or unexpected liabilities, including those related to litigation; potential benefits and effects of the Asset Sale; and the amount and use of proceeds from the Asset Sale.

The forward-looking statements are based on our beliefs, assumptions and expectations of our future performance, taking into account all information currently available to us. Forward-looking statements are not predictions of future events. These beliefs, assumptions and expectations can change as a result of many possible events or factors, not all of which are known to us. See Item 1A. "Risk Factors" and Item 7. "Management's Discussion and Analysis of Financial Condition and Results of Operations" of our most recent Annual Report on Form 10-K. These and other risks, uncertainties and factors, including those described in the annual, quarterly and current reports that we file with the SEC, could cause our actual results to differ materially from those included in any forward-looking statements we make. All forward-looking statements speak only as of the date they are made. New risks and uncertainties arise over time, and it is not possible to predict those events or how they may affect us. Except as required by law, we are not obligated to, and do not intend to, update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

Overview

We are a Maryland corporation and have elected to be taxed as a REIT for U.S. federal income tax purposes. We primarily originate, acquire, invest in and manage performing commercial first mortgage loans, subordinate financings, and other commercial real estate-related debt investments. These asset classes are referred to as our target assets.

We are externally managed and advised by the Manager, an indirect subsidiary of Apollo, a global, high-growth alternative asset manager with assets under management of approximately $938.4 billion as of December 31, 2025.

The Manager is led by an experienced team of senior real estate professionals who have significant expertise in underwriting and structuring commercial real estate financing transactions. We benefit from Apollo's global infrastructure and operating platform, through which we are able to source, evaluate and manage potential investments in our target assets.

The Asset Sale

On the Closing Date, pursuant to the terms and subject to the conditions set forth in the Purchase Agreement, the Company sold its commercial real estate loan portfolio (other than loans that were repaid prior to closing and one loan with a principal balance of $46 million which is expected to repay after the Closing Date) to Athene for cash consideration of approximately $8.6 billion, which is based on 99.7% of the total commitment amount of such loans as of the Closing Date, subject to certain adjustments as provided in the Purchase Agreement. Please refer to "Note 20 - Subsequent Events" to the accompanying consolidated financial statements for further details.

Current Market Conditions

Certain external events such as public health issues, natural disasters, political and economic instability abroad, concerns regarding the stability of the sovereign debt of certain European countries, and other geopolitical issues, have adversely impacted the global economy and have contributed to significant volatility in financial markets. Due to various uncertainties caused by such external events and recent macroeconomic trends, including inflation and higher interest rates, further business risks could arise. Some of the factors that impacted us to date and may continue to affect us are outlined in Item 1A. "Risk Factors" in our most recent Annual Report on Form 10-K.

Results of Operations

Net Income Available to Common Stockholders

For the three months ended March 31, 2026 and 2025, our net income available to common stockholders was $23.2 million, or $0.16 per diluted share of common stock, and $22.9 million, or $0.16 per diluted share of common stock, respectively.

Operating Results

The following table sets forth information regarding our condensed consolidated results of operations and certain key operating metrics compared to the most recently reported period ($ in thousands):

	Three Months Ended		
	March 31, 2026	December 31, 2025	Change
Net interest income:			
Interest income from commercial mortgage loans	$ 149,989	$ 159,500	$ (9,511)
Interest income from subordinate loans and other lending assets	—	88	(88)
Interest expense	(113,922)	(115,486)	1,564
Net interest income	36,067	44,102	(8,035)
Operations related to real estate owned:			
Revenue from real estate owned operations	22,567	29,150	(6,583)
Operating expenses related to real estate owned	(18,218)	(23,882)	5,664
Depreciation and amortization on real estate owned	(3,981)	(3,403)	(578)
Net income related to real estate owned	368	1,865	(1,497)
Operating expenses:			
General and administrative expenses	(5,952)	(7,546)	1,594
Management fees to related party	(8,118)	(8,608)	490
Total operating expenses	(14,070)	(16,154)	2,084
Other income, net	1,413	1,658	(245)
Loss from equity method investment	(274)	(254)	(20)
Increase in Specific CECL Allowance, net	—	(3,000)	3,000
Decrease in General CECL Allowance, net	3,289	526	2,763
Gain (loss) on foreign currency forward contracts	16,812	(1,839)	18,651
Foreign currency translation gain (loss)	(17,148)	2,160	(19,308)
Net income before taxes	$ 26,457	$ 29,064	$ (2,607)
Income tax provision	(230)	135	(365)
Net income	$ 26,227	$ 29,199	$ (2,972)

Net Interest Income

Net interest income decreased by $8.0 million during the three months ended March 31, 2026 compared to the three months ended December 31, 2025. The net decrease was primarily attributable to lower average index rates during the three months ended March 31, 2026 compared to the three months ended December 31, 2025. Additionally, our commercial mortgage loan secured by a hotel in Chicago, IL was moved to nonaccrual status as of December 31, 2025, and no interest income was recorded on this loan during the three months ended March 31, 2026. Lastly, modifications to several of our loans resulted in interest rate decreases and further decreased interest income. Refer to "Note 4 – Commercial Mortgage Loans, Subordinate Loans and Other Lending Assets, Net" for additional detail.

Operations Related to Real Estate Owned

For the three months ended March 31, 2026, we recorded net income related to real estate owned of $0.4 million compared to net income of $1.9 million for the three months ended December 31, 2025. The decrease in net income was primarily due to the seasonality of hotel operations, which led to $2.1 million and $0.5 million lower net income from

operations, prior to depreciation, for the D.C. Hotel and the Atlanta Hotel, respectively, during the three months ended March 31, 2026 as compared to the three months ended December 31, 2025. The decrease was partially offset by an increase in operating income attributable to our Brooklyn Multifamily Development as the lease-up of the property continues to ramp up. Refer to "Note 5 – Real Estate Owned" for further discussion of operations related to real estate owned. at

Operating Expenses

General and administrative expenses decreased by $1.6 million for the three months ended March 31, 2026 compared to the three months ended December 31, 2025. The decrease was primarily attributable to lower amortization of RSUs in the current quarter compared to prior quarter. Additionally, there were higher costs associated with reimbursements to the Manager and legal expenses during the three months ended December 31, 2025.

Management fees expense decreased by $0.5 million for the three months ended March 31, 2026 compared to the three months ended December 31, 2025. The decrease was primarily due to lower Stockholders' Equity (as defined in the Management Agreement) during the three months ended March 31, 2026.

Increase in Specific CECL Allowance, net

During the three months ended March 31, 2026, there was no change to our Specific CECL Allowance. Comparatively, during the three months ended December 31, 2025, our Specific CECL Allowance increased by $3.0 million related to a commercial mortgage loan secured by a hotel in Chicago, IL.

Decrease in General CECL Allowance, net

Our General CECL Allowance decreased by $3.3 million during the three months ended March 31, 2026 compared to a decrease of $0.5 million during the three months ended December 31, 2025. During both periods, the decrease was primarily due to the favorable impacts of portfolio seasoning, and partially offset by the effect of loan originations. Refer to "Note 4 – Commercial Mortgage Loans, Subordinate Loans and Other Lending Assets, Net" for additional information related to our General CECL Allowance.

Foreign currency translation gain and loss on derivative instruments

Foreign currency gains and losses on derivative instruments are evaluated on a combined basis and the net impact for the three months ended March 31, 2026 and the three months ended December 31, 2025 were a net loss of $0.3 million and a net gain of $0.3 million, respectively. The net loss for the three months ended March 31, 2026 compared to the net gain for three months ended December 31, 2025 was predominantly due to higher forward point estimates for the three months ended March 31, 2026.

The following table sets forth information regarding our condensed consolidated results of operations and certain key operating metrics for the three months ended March 31, 2026 and 2025 ($ in thousands):

	Three months ended		
	March 31, 2026	March 31, 2025	Change
Net interest income:			
Interest income from commercial mortgage loans	$ 149,989	$ 143,985	$ 6,004
Interest income from subordinate loans and other lending assets	—	557	(557)
Interest expense	(113,922)	(105,057)	(8,865)
Net interest income	36,067	39,485	(3,418)
Operations related to real estate owned:			
Revenue from real estate owned operations	22,567	26,331	(3,764)
Operating expenses related to real estate owned	(18,218)	(20,767)	2,549
Depreciation and amortization on real estate owned	(3,981)	(2,456)	(1,525)
Net income related to real estate owned	368	3,108	(2,740)
Operating expenses:			
General and administrative expenses	(5,952)	(6,652)	700
Management fees to related party	(8,118)	(8,564)	446
Total operating expenses	(14,070)	(15,216)	1,146
Other income, net	1,413	1,883	(470)
Loss from equity method investment	(274)	(689)	415
Decrease (increase) in General CECL Allowance, net	3,289	(4,008)	7,297
Gain (loss) on foreign currency forward contracts	16,812	(38,972)	55,784
Foreign currency translation gain (loss)	(17,148)	40,558	(57,706)
Loss on interest rate hedging instruments	—	(42)	42
Net income before taxes	$ 26,457	$ 26,107	$ 350
Income tax provision	(230)	(116)	(114)
Net income	$ 26,227	$ 25,991	$ 236

Net Interest Income

Net interest income decreased by $3.4 million during the three months ended March 31, 2026 compared to the three months ended March 31, 2025. This decrease was primarily attributable to higher average debt balances as well as lower average index rates during the three months ended March 31, 2026, and modifications to several of our loans, resulting in spread decreases. The effects of lower interest rates were partially offset by a higher average loan balance during the three months ended March 31, 2026 compared to the three months ended March 31, 2025. Refer to "Note 4 – Commercial Mortgage Loans, Subordinate Loans and Other Lending Assets, Net" for additional detail.

Operations Related to Real Estate Owned

For the three months ended March 31, 2026, we recorded net income related to real estate owned of $0.4 million compared to net income of $3.1 million for the three months ended March 31, 2025. The decrease was primarily attributable to lower income from operations, prior to depreciation, due to demand impact from tariffs and lower international and business travel in 2026 compared to 2025. The decrease was partially offset by operating income attributable to our Brooklyn Multifamily Development as the lease-up of the property continues to ramp up. There was no such activity during the quarter ended March 31, 2025 as the property was still under construction with no revenue streams generated and all expenses being capitalized. Refer to "Note 5 – Real Estate Owned" for full discussion of operations related to real estate owned.

Operating Expenses

General and administrative expenses decreased by $0.7 million for the three months ended March 31, 2026 compared to the three months ended March 31, 2025 primarily due to a decrease in amortization of RSUs as well as a decrease in legal expenses.

Management fees expense decreased by $0.4 million for the three months ended March 31, 2026 compared to the three months ended March 31, 2025. The decrease was primarily due to lower Stockholders' Equity (as defined in the Management Agreement) during the three months ended March 31, 2026.

Refer to "Note 13 – Related Party Transactions" and "Note 16 – Commitments and Contingencies" for additional information.

Decrease (increase) in General CECL Allowance, net

During the three months ended March 31, 2026, we recorded a net decrease in our General CECL Allowance of $3.3 million. The decrease was primarily driven by the favorable impacts of portfolio seasoning, which was partially offset by the effect of loan originations. Comparatively, during the three months ended March 31, 2025, we recorded a net increase in our General CECL Allowance of $4.0 million, primarily driven by a more adverse macroeconomic outlook as well as the effects of loan originations. The increase was partially offset by the favorable impacts of portfolio seasoning.

Refer to "Note 4 – Commercial Mortgage Loans, Subordinate Loans and Other Lending Assets, Net" for additional detail.

Foreign currency translation gain and loss on derivative instruments

Foreign currency gains and losses on derivative instruments are evaluated on a combined basis and the net impact for the three months ended March 31, 2026 and three months ended March 31, 2025 was a net loss of $0.3 million and a net gain of $1.6 million, respectively. The net loss for the three months ended March 31, 2026 compared to the net gain for the three months ended March 31, 2025 was predominantly due to higher forward point estimates for the three months ended March 31, 2026.

Subsequent Events

Refer to "Note 20 – Subsequent Events" to the accompanying condensed consolidated financial statements for disclosure regarding significant transactions that occurred subsequent to March 31, 2026.

Non-GAAP Financial Measures

Distributable Earnings

Distributable Earnings, a non-GAAP financial measure, is defined 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 related to 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, and (v) provision for current expected credit losses. Distributable Earnings may also be adjusted to exclude certain other non-cash items, as determined by the Manager and approved by a majority of our independent directors.

A significant limitation associated with Distributable Earnings as a measure of our financial performance over any period is that it excludes unrealized gains (losses) from investments. In addition, our presentation of Distributable Earnings may not be comparable to similarly-titled measures of other companies, that use different calculations. As a result, Distributable Earnings should not be considered as a substitute for our GAAP net income as a measure of our financial performance or any measure of our liquidity under GAAP. Distributable Earnings are reduced for realized losses and increased for realized gains.

For the three months ended March 31, 2026 and December 31, 2025, our Distributable Earnings were $30.7 million, or $0.22 per share, and $37.2 million, or $0.26 per share, respectively.

The table below summarizes the reconciliation from weighted-average diluted shares under GAAP to the weighted-average diluted shares used for Distributable Earnings:

	Three Months Ended	
Weighted-Averages	March 31, 2026 Shares	December 31, 2025 Shares
Diluted shares - GAAP	139,709,831	139,348,728
Unvested RSUs, net[1]	2,060,564	1,825,485
Diluted shares - Distributable Earnings	141,770,395	141,174,213

(1) Unvested RSUs are net of incremental shares assumed repurchased under the treasury stock method, if dilutive. For the three months ended March 31, 2026 and three months ended December 31, 2025, there were 599,484 and 405,421 incremental shares included, respectively.

As a REIT, U.S. federal income tax law generally requires us to distribute annually at least 90% of our REIT taxable income, without regard to the deduction for dividends paid and excluding net capital gains, and that we pay tax at regular corporate rates to the extent that we annually distribute less than 100% of our net taxable income. Given these requirements and our belief that dividends are generally one of the principal reasons stockholders invest in a REIT, we generally intend over time to pay dividends to our stockholders in an amount equal to our net taxable income, if and to the extent authorized by our board of directors. Distributable Earnings is a key factor considered by the board of directors in setting the dividend and as such we believe Distributable Earnings is useful to investors.

Distributable Earnings Prior to Realized Loss on Investments

We believe it is useful to our investors to present Distributable Earnings prior to realized loss on investments 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 realized loss on investments, or a comparable supplemental performance measure, to evaluate and compare the performance of our company and our peers.

There were no realized losses on investments for the three months ended March 31, 2026 or the three months ended December 31, 2025. Accordingly, the table below summarizes the reconciliation from net income available to common stockholders to Distributable Earnings ($ in thousands):

	Three Months Ended	
	March 31, 2026	December 31, 2025
Net income available to common stockholders	$ 23,159	$ 26,131
Adjustments:		
Equity-based compensation expense	3,047	3,385
Loss (gain) on foreign currency forwards	(16,812)	1,839
Foreign currency loss (gain), net	17,148	(2,160)
Realized gains (losses) relating to interest income on foreign currency hedges, net	(416)	59
Realized gains relating to forward points on foreign currency hedges, net	3,864	2,099
Depreciation and amortization on real estate owned	3,981	3,403
Increase (decrease) in current expected credit loss allowance, net	(3,289)	2,474
Total adjustments:	7,523	11,099
Distributable Earnings	$ 30,682	$ 37,230
Diluted Distributable Earnings per share of common stock	$ 0.22	$ 0.26
Weighted-average diluted shares - Distributable Earnings	141,770,395	141,174,213

Book Value Per Share

The following table calculates our book value per share ($ in thousands, except per share data):

	March 31, 2026	December 31, 2025
Stockholders' Equity	$ 1,811,693	$ 1,856,090
Series B-1 Preferred Stock (Liquidation Preference)	(169,260)	(169,260)
Common Stockholders' Equity	$ 1,642,433	$ 1,686,830
Common Stock	136,724,839	138,943,831
Book value per share	$ 12.01	$ 12.14

Investment Guidelines

Our current investment guidelines, approved by our board of directors, are comprised of the following:

1. no investment will be made that would cause us to fail to qualify as a REIT for U.S. federal income tax purposes;
2. no investment will be made that would cause us to register as an investment company under the 1940 Act;
3. investments will be predominantly in our target assets;
4. no more than 20% of our net equity (on a consolidated basis) will be invested in any single investment at the time of the investment; in determining compliance with the investment guidelines, the amount of the investment is the net equity in the investment (gross investment less amount of third-party financing) plus the amount of any recourse on the financing secured by the investment; and
5. until appropriate investments can be identified, the Manager may invest the proceeds of any offering in interest bearing, short-term investments, including money market accounts and/or funds, that are consistent with our intention to qualify as a REIT.

The board of directors must approve any change in or waiver to these investment guidelines.

Investment Activity

During the three months ended March 31, 2026, we committed $299.9 million of capital to a new loan (fully funded at closing), and provided $338.9 million of add-on fundings. During the three months ended March 31, 2026, we received $468.6 million in loan repayments.

Loan Portfolio Overview

Loan Portfolio Details

The following table sets forth certain information regarding our loan portfolio as of March 31, 2026 ($ in thousands):

Description	Carrying Value	Weighted-Average Coupon [1]	Weighted-Average All-in Yield [1][2]	Secured Debt Arrangements [3]	Cost of Funds[4]	Equity at cost[5]
Commercial mortgage loans, net	$ 8,830,428	6.4%	7.1%	$ 6,505,293	5.5%	$ 2,325,135
Subordinate loans, net	51,190	0.0%	0.0%	—	—	51,190
Total/Weighted-Average	$ 8,881,618	6.3%	7.0%	$ 6,505,293	5.5%	$ 2,376,325

(1) Weighted-Average Coupon and Weighted-Average All-in Yield are based on the applicable benchmark rates as of March 31, 2026 on the floating rate loans.
(2) Weighted-Average All-in Yield includes the amortization of deferred origination fees, loan origination costs and accrual of both extension and exit fees. Weighted-Average All-in Yield excludes the benefit of forward points on currency hedges relating to loans denominated in currencies other than USD.
(3) Gross of deferred financing costs of $10.9 million.
(4) Cost of funds includes weighted-average spread and applicable benchmark rates as of March 31, 2026 on secured debt arrangements.
(5) Represents loan portfolio at carrying value less secured debt outstanding.

The following table provides additional details of our commercial mortgage loan portfolio and subordinate loan portfolio as of March 31, 2026 ($ in millions):

Commercial Mortgage Loan Portfolio

#	Property Type	Risk Rating	Origination Date	Amortized Cost	Unfunded Commitment	Construction Loan	3rd Party Subordinate Debt	Fully-extended Maturity	Location
1	Residential	3	02/2026	$ 297	$ —			03/2031	Various, US
2	Residential	3	12/2021	243	8			02/2027	Various, UK
3	Residential	3	11/2025	240	8		Y	11/2030	Manhattan, NY
4	Residential	3	08/2025	238	15			09/2030	Various, US
5	Residential	3	04/2024	157	—			05/2029	Emeryville, CA
6	Residential	3	08/2024	154	—			08/2029	Various, UK
7	Residential	3	04/2025	153	—			04/2030	Various, US
8	Residential	3	09/2025	152	32			09/2030	Charlotte, NC
9	Residential	3	04/2025	149	—			05/2030	Jersey City, NJ
10	Residential	3	03/2025	133	—		Y	04/2029	Port St. Lucie, FL
11	Residential(2)	3	08/2022	112	—			11/2026	Manhattan, NY
12	Residential	3	06/2024	99	—			07/2029	Washington, DC
13	Residential	3	10/2024	97	—			11/2029	Various, US
14	Residential	3	08/2025	91	12			08/2030	Various, UK
15	Residential	3	02/2025	89	—		Y	02/2030	Miami, FL
16	Residential	3	05/2021	73	—			12/2027	Cleveland, OH
17	Residential	3	05/2025	64	—		Y	05/2030	Manhattan, NY
18	Office	2	02/2022	643	82		Y	12/2028	London, UK
19	Office	3	12/2025	271	75			12/2030	Manhattan, NY
20	Office	3	06/2019	238	32			06/2030	Berlin, Germany
21	Office	3	01/2020	230	23		Y	08/2027	Long Island City, NY
22	Office	3	02/2020	222	48		Y	03/2028	London, UK
23	Office	3	02/2022	171	—			06/2027	Milan, Italy
24	Office	3	11/2022	100	—			09/2026	Chicago, IL
25	Office	4	03/2018	73	—		Y	09/2027	Chicago, IL
26	Hotel	3	12/2023	333	10			12/2028	Various, Europe
27	Hotel	3	10/2025	228	12		Y	10/2028	London, UK
28	Hotel	3	07/2021	180	—			08/2026	Various, US
29	Hotel	3	09/2025	149	—			10/2030	Manhattan, NY
30	Hotel	3	09/2015	139	—			12/2026	Manhattan, NY
31	Hotel	3	06/2024	131	—			06/2029	St. Petersburg, FL
32	Hotel	3	08/2025	125	2		Y	09/2030	San Diego, CA
33	Hotel	3	06/2024	110	5			07/2029	Brooklyn, NY
34	Hotel	3	12/2024	84	2		Y	01/2030	Indianapolis, IN
35	Hotel	3	12/2025	82	—		Y	04/2027	Manhattan, NY
36	Hotel	3	12/2024	75	—		Y	12/2029	New Orleans, LA
37	Hotel(1)	5	05/2019	42	—			05/2026	Chicago, IL
38	Industrial	3	03/2021	254	—			05/2027	Various, Sweden
39	Industrial	3	04/2025	246	2			05/2030	Various, US
40	Industrial	3	11/2025	184	24			12/2030	Various, US
41	Industrial	3	08/2025	119	11			08/2030	Various, Europe
42	Industrial	3	08/2024	108	11			08/2029	Various, UK
43	Data Center	3	05/2025	253	110	Y		06/2030	Abilene, TX
44	Data Center	3	03/2025	240	59	Y	Y	02/2030	West Jordan, UT
45	Retail	3	12/2024	333	—			07/2030	London, UK
46	Retail(1)	5	11/2014	96	—			09/2026	Cincinnati, OH
47	Mixed Use	3	03/2022	156	13			03/2029	Brooklyn, NY
48	Mixed Use	3	05/2025	78	—			05/2027	London, UK
49	Urban Predevelopment	3	12/2022	135	—			04/2026	Miami, FL
50	Urban Predevelopment	3	10/2025	94	50			11/2030	Miami, FL
51	Pubs	3	12/2023	213	—		Y	01/2029	Various, UK
52	Portfolio(3)	3	06/2021	191	9			06/2027	Various, Germany
	General CECL Allowance			(37)					
	Subtotal / Weighted-Average Commercial Mortgage Loans	**3.0**		**$ 8,830**	**$ 655**			**3.0 Years**	

Subordinate Loan Portfolio

#	Property Type	Risk Rating	Origination Date	Amortized Cost	Unfunded Commitment	Construction Loan	3rd Party Subordinate Debt	Fully-extended Maturity	Location
1	Residential[1][2]	5	05/2020	$ 28	—			11/2026	Manhattan, NY
2	Residential[2]	3	06/2015	23	—			11/2026	Manhattan, NY
	General CECL Allowance			—					
	Subtotal / Weighted-Average Subordinate Loans	**4.1**		**$ 51**	**$ —**			**0.6 Years**	
	Total / Weighted-Average Loan Portfolio[4]	**3.0**		**$ 8,882**	**$ 655**			**3.0 Years**	

(1) Amortized cost for these loans is net of the recorded Specific CECL Allowance.

(2) Loans are secured by the same property.

(3) Includes portfolio of office, industrial, and retail property types.

(4) Total may not foot due to rounding.

Our average asset and debt balances for the three months ended March 31, 2026 were ($ in thousands):

	Average month-end balances[1]	
Description	Assets	Related debt
Commercial mortgage loans	$ 9,017,215	$ 6,430,442
Subordinate loans	323,276	—

(1) Average month-end balances reflect principal and borrowings outstanding for assets and related debt, respectively.

Portfolio Management

Our portfolio benefits from our core investment strategy whereby we target assets that are secured by institutional quality real estate throughout the United States and Europe. As discussed in Item 1. "Business—Investment Strategy" in our most recent Annual Report on Form 10-K, the Manager has implemented underwriting standards which place a particular emphasis on due diligence of prospective investments' sponsors and borrowers, as well as assessment of the risk/return profile and appropriate structure of each investment opportunity. As of March 31, 2026, our portfolio's weighted-average origination LTV ratio was 59%, excluding risk-rated "5" loans. This reflects significant equity value which we believe our loan sponsors would be committed to protect during periods of volatility and market disruption.

We maintain a strong relationship with our borrowers and actively manage the assets in our portfolio on an ongoing basis. A dedicated team of asset management professionals performs surveillance of all loans in our portfolio, on an individual basis, from closing through final repayment. This robust monitoring process includes continuous assessment of asset level performance against underwritten criteria, changes in borrowers' financial position, as well as the impact of macroeconomic trends and microeconomic developments on loan assets and respective underlying collateral performance.

In addition to ongoing asset management, as further described in "Note 4 – Commercial Mortgage Loans, Subordinate Loans and Other Lending Assets, Net" to our condensed consolidated financial statements, we perform a quarterly review of our portfolio whereby each loan is assigned a risk rating of "1" through "5," from less risk to greater risk, respectively. This analysis includes assessment of loans based on a variety of factors, including, without limitation, LTV ratio, debt yield, property type, geographic and local market dynamics, physical condition, cash flow volatility, leasing and tenant profile, loan structure and exit plan, and project sponsorship. In performing the analysis with respect to each loan, these various factors are assessed holistically, with a focus on their interplay, whereby no single factor on its own (whether quantitative or qualitative) is given more weight in the assessment or is prescriptive as to which specific risk rating is assigned to a specific loan. We apply these various factors on a case-by-case basis depending on the facts and circumstances for each loan, and the different factors may be given different weightings in different situations. As of March 31, 2026, the weighted-average risk rating of the loan portfolio was 3.0.

The following table presents the carrying value of our loans by internal risk rating as of March 31, 2026 ($ in thousands):

Risk Rating	Number of Loans	Total[1]	% of Portfolio
1	—	$ —	— %
2	1	643,823	7.2%
3	49	8,036,204	90.1%
4	1	73,112	0.8%
5	3	165,977	1.9%
Total	54	$ 8,919,116	100.0%
General CECL Allowance[2]		(37,498)	
Total carrying value, net		$ 8,881,618	

(1) Net of Specific CECL Allowance.

(2) $3.7 million of the General CECL Allowance for 2026 is excluded from this table because it relates to unfunded commitments and has been recorded as a liability under accounts payable, accrued expenses and other liabilities in our condensed consolidated balance sheets.

Leverage Policies

We use leverage for the sole purpose of financing our portfolio and not for the purpose of speculating on changes in interest rates. In addition to our secured debt arrangements, senior secured notes and senior secured term loan, we access additional sources of borrowings. Our charter and bylaws do not limit the amount of indebtedness we can incur; however, we are subject to and carefully monitor the limits placed on us by our credit providers and those that assign ratings on our company.

At March 31, 2026, our debt-to-equity ratio was 4.3 and our portfolio was comprised of $8.8 billion of commercial mortgage loans and $0.1 billion of subordinate loans. In order to achieve our return on equity, we generally finance our mortgage loans with 2.0 to 3.0 turns of leverage and generally do not finance our subordinate loan portfolio given built-in inherent structural leverage. Consequently, depending on our portfolio mix, our debt-to-equity ratio may exceed our previously disclosed thresholds.

Debt-to-Equity Ratio

The following table presents our debt-to-equity ratio:

	March 31, 2026	December 31, 2025
Debt to Equity Ratio [1]	4.3	4.1

(1) Represents total debt less cash and net loan proceeds held by servicer (recorded with Other Assets, see "Note 6 — Other Assets" for more information) to total stockholders' equity.

Contractual Obligations, Liquidity, and Capital Resources

Liquidity is a measure of our ability to meet potential cash requirements, including ongoing commitments to fund and maintain our assets and operations, repay borrowings, make distributions to our stockholders and other general business needs. We utilize various sources of cash in order to meet our liquidity needs in the next twelve months, which is considered the short-term, and the longer term.

Our current debt obligations consist of $1.2 billion, at face value, of corporate debt, $6.5 billion of secured debt arrangements, and $439.8 million of debt related to real estate owned, held for investment. Our corporate debt includes $744.4 million of term loan borrowings and $500.0 million of senior secured notes. Subsequent to quarter end, all corporate debt and secured debt arrangements were fully repaid using proceeds from the Asset Sale. Please refer to "Note 20 - Subsequent Events" for further details.

Our primary sources of liquidity as of March 31, 2026 were represented with $126.8 million of cash on hand, $101.7 million of loan proceeds held by servicer, $55.9 million of available borrowings under our financing arrangements based on existing collateral and cash flows from operations. Additionally, we held approximately $287.4 million of unencumbered assets

and have $26.0 million of additional capacity on our construction financing secured by our Brooklyn Multifamily Development property which is available to fund future construction costs.

We maintain policies relating to our use of leverage. See "Leverage Policies" above. In the future, we may seek to raise further equity or debt capital or engage in other forms of borrowings in order to fund future investments or to refinance expiring indebtedness.

We generally intend to hold our assets for investment, although we may sell certain of our investments in order to manage our interest rate risk and liquidity needs, meet other operating objectives and adapt to market conditions.

To maintain our qualification as a REIT under the Internal Revenue Code, we must distribute annually at least 90% of our REIT taxable income, determined without regard to the deduction for dividends paid and excluding net capital gain. These distribution requirements limit our ability to retain earnings and replenish or increase capital for operations.

Borrowings Under Various Financing Arrangements

The following table summarizes the outstanding balances and maturities for our various financing arrangements:

	March 31, 2026		December 31, 2025	
	Borrowings Outstanding[1]	Maturity [2]	Borrowings Outstanding[1]	Maturity [2]
Secured Credit Facilities[3]	$ 4,926,880	December 2029	$ 4,733,301	November 2029
Barclays Private Securitization[4]	1,471,913	March 2028	1,543,925	January 2028
Revolving Credit Facility	106,500	August 2028	—	August 2028
Total Secured Debt Arrangements	6,505,293		6,277,226	
Debt Related to Real Estate Owned	439,769	July 2027	425,799	July 2027
Senior Secured Term Loans[5]	744,375	June 2030	746,250	June 2030
Senior Secured Notes	500,000	June 2029	500,000	June 2029
Total Borrowings	$ 8,189,437		$ 7,949,275	

(1) Borrowings Outstanding represent principal balances as of the respective reporting periods.

(2) Maturity dates represent weighted-average maturities based on borrowings outstanding and assumes extensions at our option are exercised with consent of financing providers, where applicable.

(3) As of March 31, 2026, we had six secured credit counterparties through wholly-owned subsidiaries.

(4) As of March 31, 2026, we had £662.6 million, €339.2 million, and kr1.9 billion ($1.5 billion assuming conversion into USD as of March 31, 2026) of borrowings outstanding under the Barclays Private Securitization secured by certain of our commercial mortgage loans.

(5) As of March 31, 2026, we held one senior secured term loan, our 2030 Term Loan, which represents the refinancing of our 2026 and 2028 Term Loans that were outstanding as of December 31, 2024. Refer to "Note 8 – Senior Secured Term Loans, Net" for discussion of the refinance.

Refer to "Note 7 – Secured Debt Arrangements, Net" of our condensed consolidated financial statements for additional disclosure regarding our secured credit facilities, Barclays Private Securitization, and revolving credit facility.

Refer to "Note 8 – Senior Secured Term Loans, Net" and "Note 9 – Senior Secured Notes, Net" of our condensed consolidated financial statements for additional disclosure regarding our Senior Secured Term Loans and Senior Secured Notes, respectively.

Refer to "Note 5 – Real Estate Owned" of our condensed consolidated financial statements for additional disclosure regarding our debt related to real estate owned.

Dividends

We intend to continue to make regular quarterly distributions to holders of our common stock. U.S. federal income tax law generally requires that a REIT distribute annually at least 90% of our REIT taxable income, without regard to the deduction for dividends paid and excluding net capital gains, and that we pay tax at regular corporate rates to the extent that we annually distribute less than 100% of our net taxable income. We generally intend over time to pay dividends to our stockholders in an amount equal to our net taxable income, if and to the extent authorized by our board of directors. Any distributions we make are at the discretion of our board of directors and depend upon, among other things, our actual results of operations. These results and our ability to pay distributions are affected by various factors, including the net interest and other income from our

portfolio, our operating expenses and any other expenditures. If our cash available for distribution is less than our net taxable income, we could be required to sell assets or borrow funds to make cash distributions or we may make a portion of the required distribution in the form of a taxable stock distribution or distribution of debt securities.

As of March 31, 2026 and December 31, 2025, we had 6,770,393 shares of our Series B-1 Preferred Stock outstanding. The Series B-1 Preferred Stock pay cumulative cash dividends, which are payable quarterly in equal amounts in arrears on the 15th day of each January, April, July and October: at a rate of 7.25% per annum of the $25.00 per share liquidation preference. Except under certain limited circumstances, the Series B-1 Preferred Stock is generally not convertible into or exchangeable for any other property or any other of our securities at the election of the holders. On and after July 15, 2026, we may, at our option, redeem the shares at a redemption price of $25.00, plus any accrued unpaid dividends to, but not including, the date of the redemption.

The following table details our dividend activity:

	Three Months Ended March 31,	
Dividends declared per share of:	2026	2025
Common Stock	$ 0.25	$ 0.25
Series B-1 Preferred Stock	$ 0.45	$ 0.45

Repurchases of Equity Securities

During the three months ended March 31, 2026 we repurchased 2,874,144 shares of our common stock at a weighted-average price of $10.52 per share. During the three months ended March 31, 2025, there was no common stock repurchase. Please refer to "Item 2. Unregistered Sales of Equity Securities and Use of Proceeds" for further detail.

Critical Accounting Policies and Use of Estimates

Our financial statements are prepared in accordance with GAAP, which requires the use of estimates and assumptions that involve the exercise of judgment and use of assumptions as to future uncertainties. The most critical accounting policies involve decisions and assessments that affect our reported assets and liabilities, as well as reported revenues and expenses. We believe that all of the decisions and assessments upon which these financial statements are based are reasonable based upon information currently available to us. The accounting policies and estimates that we consider to be most critical to an investor's understanding of our financial results and condition and require complex management judgment are discussed below.

There have been no material changes to our Critical Accounting Policies described in our most recent Annual Report on Form 10-K under "Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations – Critical Accounting Policies and Use of Estimates."

For a complete listing and description of our significant accounting policies, refer to "Note 2 – Summary of Significant Accounting Policies" to our consolidated financial statements of our most recent Annual Report on Form 10-K.

Real Estate Owned (and Related Debt)

In order to maximize recovery against a defaulted loan, we may assume legal title or physical possession of the underlying collateral through foreclosure or deed-in-lieu of foreclosure. Foreclosed properties are classified as real estate owned and recognized at fair value on our condensed consolidated balance sheets in accordance with the acquisition method under ASC 805. Real estate assets acquired may include land, building, FF&E, and intangible assets. In accordance ASC 820, we may utilize the income, market, or cost approach (or combination thereof) to determine fair value.

When determining the fair value of a real estate asset under the income approach, we make certain assumptions including, but not limited to, consideration of projected operating cash flows, comparable selling prices and projected cash flows from the eventual disposition of the real estate asset based upon our estimate of a capitalization rate and discount rate.

When determining the fair value of real estate assets under the market or sales comparison approach, we compare the property to similar properties in the marketplace. Although we exercise significant judgment to identify similar properties, and

may also consult independent third-party valuation experts to assist, our assessment of fair value is subject to uncertainty and sensitive to our selection of comparable properties.

When determining the fair value of real estate assets under the cost approach, we measure fair value as the replacement cost of these assets. This approach also requires significant judgment, and our estimate of replacement cost could vary from actual replacements costs.

At times we may classify real estate assets as held for sale in the period in which they meet the criteria under ASC 360 as discussed in "Note 2 – Summary of Significant Accounting Policies" to our consolidated financial statements of our most recent Annual Report on Form 10-K. Once a real estate asset is classified as held for sale, depreciation is no longer recorded, and the asset is reported at the lower of its carrying value or fair value less cost to sell. The fair value of real estate assets classified as held for sale is determined using the appropriate methodologies noted in the preceding paragraph and the real estate asset's fair value is subject to uncertainty, as the actual sales price of the real estate asset could differ from those assumed in our valuations.

Once real estate assets have been recorded at fair value, they are evaluated for impairment on a quarterly basis. A real estate asset is considered impaired when the sum of estimated future undiscounted cash flows to be generated by the real estate asset over the estimated remaining holding period is less than the carrying value of such real estate asset. An impairment charge is recorded equal to the excess of the carrying value of the real estate asset over the fair value. When determining the fair value of a real estate asset for the purpose of assessing impairment, we make certain assumptions including, but not limited to: consideration of projected operating cash flows, intended holding period of the real estate, comparable selling prices and projected cash flows from the eventual disposition of the real estate based upon our estimate of a capitalization rate and discount rate. While we exercise significant judgment in generating our assumptions, the asset's fair value is subject to uncertainty, as actual operating cash flows and disposition proceeds could differ from those assumed in our valuations. Additionally, the output is sensitive to the assumptions used in calculating any potential impairment.

Please refer to "Note 3 – Fair Value Disclosure" and "Note 5 – Real Estate Owned" for more information regarding real estate owned and our valuation methodology as well as "Note 2 – Summary of Significant Accounting Policies" to our consolidated financial statements of our most recent Annual Report on Form 10-K.

Current Expected Credit Losses

We measure and record potential expected credit losses related to our loan portfolio in accordance with the CECL Standard. The CECL Standard requires an entity to consider historical loss experience, current conditions, and a reasonable and supportable forecast of the macroeconomic environment. We have adopted the WARM method to determine a General CECL Allowance for the majority of loans in our portfolio, applied on a collective basis by assets with similar risk characteristics. If we determine that a borrower or sponsor is experiencing financial difficulty, we will record loan-specific allowances (our Specific CECL Allowance) in accordance with a practical expedient prescribed by the CECL Standard.

<u>*General CECL Allowance*</u>

There are a number of significant assumptions required to estimate our General CECL Allowance which include deriving and applying an annual historical loss rate, estimating the impacts of current and future macroeconomic conditions, and forecasting the timing of expected repayments, satisfactions and future fundings.

We derive an annual historical loss rate based on a CMBS database with historical losses from 1998 through the first quarter of 2026 provided by Trepp. We apply various filters to arrive at a CMBS dataset most analogous to our current portfolio from which we determine an appropriate historical loss rate. This historical loss rate, and ultimately the General CECL Allowance we derive, is sensitive to the CMBS dataset we select.

We adjust our determined annual historical loss rate based on our outlook of the macroeconomic environment, for a reasonable and supportable forecast period. Selection of a forecast period is a matter of judgment and our General CECL Allowance is sensitive to this input.

We develop our expectations for the future macroeconomic environment and its potential impact on the performance of loans in our portfolio by analyzing various market factors, such as unemployment rate, market liquidity and price indexes

relevant to commercial real estate sector. This assessment requires the use of significant judgment in selecting relevant market factors and analyzing their correlation with historical loss rates. The future macroeconomic environment is subject to uncertainty as the actual future macroeconomic environment could vary from our expectations.

Additionally, there are assumptions provided to us by the Manager that represent their best estimate as to loan expected term, future fundings, and timing of loan repayments. These assumptions, although made with the most available information at the time of the estimate, are subjective and actual activity may not follow the estimated schedule. These assumptions impact the future balances that the loss rate will be applied to and as such impact our General CECL Allowance. As we acquire new loans and the Manager monitors loan and sponsor performance, these estimates may change each period. Refer to "Note 2 – Summary of Significant Accounting Policies" and "Note 4 – Commercial Mortgage Loans, Subordinate Loans and Other Lending Assets, Net" for further discussion regarding our General CECL Allowance.

Specific CECL Allowance

When we determine that a borrower or sponsor is experiencing financial difficulty, we evaluate the related loan for loan-specific allowances, under the practical expedient prescribed by the CECL Standard. Determining that a borrower or sponsor is experiencing financial difficulty requires the use of significant judgment and can be based on several factors subject to uncertainty. These factors can include, but are not limited to, whether cash from the borrower's operations are sufficient to cover current and future debt service requirements, the borrower's ability to potentially refinance the loan, and other circumstances that can affect the borrower's ability to satisfy their obligations in accordance the terms of the loan. When utilizing the practical expedient for collateral dependent loans, the current expected credit losses is determined as the difference between the fair value of the underlying collateral, adjusted for estimated costs to sell when applicable, and the carrying value of the loan (prior to the current expected credit losses), as repayment or satisfaction of a loan is dependent on a sale of the underlying collateral. Collateral-dependent loans evaluated for a Specific CECL Allowance are removed from the General CECL Allowance pool.

The fair value of the underlying collateral is determined by using method(s) such as discounted cash flow, the market approach, or direct capitalization approach. These methods require the use of key unobservable inputs, which are inherently uncertain and subjective. Our estimate of fair value is sensitive to both the valuation methodology selected and inputs used. Determining a suitable valuation method and selecting the appropriate key unobservable inputs and assumptions requires significant judgment and consideration of factors specific to the underlying collateral being assessed. Additionally, the key unobservable inputs and assumptions used may vary depending on the information available to us and market conditions as of the valuation date. As such, the fair value that we derive and use in calculating our Specific CECL Allowance, is subject to uncertainty and any actual losses, if incurred, could differ materially from our current expected credit losses. Refer to "Note 2 – Summary of Significant Accounting Policies" and "Note 4 – Commercial Mortgage Loans, Subordinate Loans and Other Lending Assets, Net" for further discussion regarding our Specific CECL Allowance.

Refer to "Note 2 – Summary of Significant Accounting Policies" to our consolidated financial statements of our most recent Annual Report on Form 10-K for the complete listing and description of our significant accounting policies.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

We seek to manage our risks related to the credit quality of our assets, interest rates, liquidity, prepayment speeds, and market value, while, at the same time, seeking to provide an opportunity to stockholders to realize attractive risk-adjusted returns through ownership of our capital stock. While risks are inherent in any business enterprise, we seek to quantify and justify risks in light of available returns and to maintain capital levels consistent with the risks we undertake.

Credit Risk

One of our strategic focuses is acquiring assets that we believe to be of high credit quality. We believe this strategy will generally keep our credit losses and financing costs low. However, we are subject to varying degrees of credit risk in connection with our other target assets. We seek to mitigate this risk by seeking to acquire high quality assets, at appropriate prices given anticipated and unanticipated losses, and by deploying a value-driven approach to underwriting and diligence, consistent with the Manager's historical investment strategy, with a focus on current cash flows and potential risks to cash flow. The Manager seeks to enhance its due diligence and underwriting efforts by accessing the Manager's knowledge base and industry contacts. Nevertheless, unanticipated credit losses could occur, which could adversely impact our operating results.

Interest Rate Risk

Interest rates are highly sensitive to many factors, including fiscal and monetary policies, and domestic and international economic and political considerations, as well as other factors beyond our control. We are subject to interest rate risk in connection with our target assets and our related financing obligations.

To the extent consistent with maintaining our REIT qualification, we seek to manage risk exposure to protect our portfolio of financial assets against the effects of major interest rate changes. We generally seek to manage this risk by:

- attempting to structure our financing agreements to have a range of different maturities, terms, amortization, and interest rate adjustment periods;
- using hedging instruments and interest rate swaps, when we deem appropriate; and
- to the extent available and appropriate, using securitization financing to better match the maturity of our financing with the duration of our assets.

The following table estimates the hypothetical impact on our net interest income for the twelve-month period following March 31, 2026, assuming an immediate increase or decrease of 50 basis points in the applicable interest rate benchmark by currency ($ in thousands, except per share data):

		50 basis point increase		50 basis point decrease	
Currency	Net floating rate assets subject to interest rate sensitivity[1]	Increase to net interest income [2][3]	Increase to net interest income (per share) [2][3]	Decrease to net interest income [2][3]	Decrease to net interest income (per share) [2][3]
USD	$ 102,284	$ 876	$ 0.01	$ 580	$ —
GBP	484,022	2,138	0.02	(2,138)	(0.02)
EUR	267,726	1,339	0.01	(1,339)	(0.01)
SEK	50,893	254	—	(254)	—
Total:	$ 904,925	$ 4,607	$ 0.04	$ (3,151)	$ (0.03)

(1) Excludes floating rate loans on nonaccrual

(2) 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 or falling 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.

(3) Certain of our floating rate loans are subject to index floors.

Prepayment Risk

Prepayment risk is the risk that principal will be repaid at a different rate than anticipated, causing the return on an asset to be less than expected. In certain cases, we adapt to prepayment risk by stating prepayment penalties in loan agreements.

Market Risk

Commercial mortgage assets are subject to volatility and may be affected adversely by a number of factors, including, but not limited to, national, regional and local economic conditions (which may be adversely affected by industry slowdowns and other factors); local real estate conditions; changes or continued weakness in specific industry segments; construction quality, age and design; demographic factors; retroactive changes to building or similar codes; pandemics; natural disasters and other acts of god. In addition, decreases in property values reduce the value of the collateral and the potential proceeds available to a borrower to repay the underlying loans or loans, as the case may be, which could also cause us to suffer losses.

Inflation

Virtually all of our assets and liabilities are interest rate sensitive in nature. As a result, interest rates and other factors influence our performance far more so than does inflation. Changes in interest rates do not necessarily correlate with inflation rates or changes in inflation rates. Our financial statements are prepared in accordance with GAAP and distributions are determined by our board of directors consistent with our obligation to distribute to our stockholders at least 90% of our REIT taxable income, excluding net capital gains and determined without regard to the dividends paid deduction, on an annual basis in order to maintain our REIT qualification. In each case, our activities and balance sheets are measured with reference to historical cost and/or fair market value without considering inflation.

Currency Risk

Some of our loans and secured debt arrangements are denominated in a foreign currency and subject to risks related to fluctuations in currency rates. We seek to mitigate this exposure through foreign currency forward contracts, which match the net principal and interest of our foreign currency loans and secured debt arrangements.

Item 4. Controls and Procedures.

Evaluation of Disclosure Controls and Procedures

Our Chief Executive Officer and Chief Financial Officer, based on their evaluation of our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act) required by paragraph (b) of Rule 13a-15 or Rule 15d-15, have concluded that as of the end of the period covered by this report, our disclosure controls and procedures were effective to give reasonable assurances to the timely collection, evaluation and disclosure of information relating to our company that would potentially be subject to disclosure under the Exchange Act, and the rules and regulations promulgated thereunder.

During the period ended March 31, 2026, there was no change in our internal control over financial reporting that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

Notwithstanding the foregoing, a control system, no matter how well designed and operated, can provide only reasonable, not absolute, assurance that it will detect or uncover failures within our company to disclose material information otherwise required to be set forth in our periodic reports.

PART II - OTHER INFORMATION

Item 1. Legal Proceedings

From time to time, we may be involved in various claims and legal actions arising in the ordinary course of business. Refer to "Note 16 – Commitments and Contingencies" for further detail regarding legal proceedings.

Item 1A. Risk Factors

For information regarding factors that could affect our results of operations, financial condition and liquidity, see the risk factors discussed in "Item 1A. Risk Factors" in our most recent Annual Report on Form 10-K.

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

The following table sets forth the Company's repurchases of common stock during the three months ended March 31, 2026 ($ in thousands, except per share data):

Period	Total Number of Shares Purchased[(1)]	Average Price Paid per Share	Total Number of Shares of Common Stock Purchased as Part of Publicly Announced Plans or Programs	Approximate Dollar Value of Shares that May Yet Be Purchased Under the Plans or Programs
January 1, 2026 - January 31, 2026	-	$ —	-	$ —
February 1, 2026 - February 28, 2026	-	—	-	—
March 1, 2026 - March 31, 2026	2,874,144	10.52	2,874,144	101,353
Total	2,874,144	$ 10.52	2,874,144	$ 101,353

(1) On March 16, 2020, the Company announced that the board of directors approved a stock repurchase program to authorize the Company to repurchase up to an aggregate of $150.0 million of the Company's common stock. On February 9, 2021, the Company's board of directors authorized the Company to repurchase up to an additional $150.0 million of common stock under this repurchase program. On April 27, 2026, our board of directors approved a stock repurchase program for up to an aggregate of $150.0 million of our common stock. The shares of the Company's common stock may be repurchased from time to time in open market transactions, in privately negotiated transactions, pursuant to a trading plan adopted in accordance with Rule 10b5-1 of the Exchange Act, or otherwise, with the size, price and timing of these repurchases depending on legal requirements, prevailing stock prices, market and economic conditions and other factors. The Company is not obligated under the terms of the program to repurchase any shares of the Company's common stock. This repurchase program has no expiration date and may be suspended or terminated by us at any time without prior notice. This $150.0 million program replaced the previous program authorized in March 2020, as amended in February 2021, which was terminated.

Item 3. Defaults Upon Senior Securities

None.

Item 4. Mine Safety Disclosures

Not Applicable.

Item 5. Other Information

Not Applicable.

Item 6. Exhibits and Financial Statement Schedules.

3.1	Articles of Amendment and Restatement of Apollo Commercial Real Estate Finance, Inc., incorporated by reference to Exhibit 3.1 of the Registrant's Form S-11, as amended (Registration No. 333-160533).
3.2	Amended and Restated Bylaws of Apollo Commercial Real Estate Finance, Inc., incorporated by reference to Exhibit 3.2 of the Registrant's Form 10-Q filed on April 29, 2024 (File No.: 001-34452).
3.3	Articles Supplementary designating Apollo Commercial Real Estate Finance, Inc.'s 7.25% Series B-1 Cumulative Redeemable Perpetual Preferred Stock, liquidation preference $25.00 per share, par value $0.01 per share, incorporated by reference to Exhibit 3.1 of the Registrant's Form 8-K filed on July 20, 2021 (File No.: 001-34452).
4.1	Specimen Stock Certificate of Apollo Commercial Real Estate Finance, Inc., incorporated by reference to Exhibit 4.1 of the Registrant's Form S-11, as amended (Registration No. 333-160533).
4.2	Indenture, dated as of March 17, 2014, between the Registrant and Wells Fargo Bank, National Association, as Trustee, incorporated by reference to Exhibit 4.1 of the Registrant's Form 8-K filed on March 21, 2014 (File No.: 001-34452).
4.3	Third Supplemental Indenture, dated as of October 5, 2018 between the Registrant and Wells Fargo Bank, National Association, as Trustee (including the form of 5.375% Convertible Senior Note due 2023), incorporated by reference to Exhibit 4.2 of the Registrant's Form 8-K filed on October 5, 2018 (File No.: 001-34452).
4.4	Indenture dated as of June 29, 2021, by and among Apollo Commercial Real Estate Finance, Inc., as issuer, ACREFI Operating, LLC, ARM Operating, LLC and ACREFI Mortgage Lending, LLC, as guarantors, Wells Fargo Bank, National Association, as trustee and notes collateral agent (including the form of Apollo Commercial Real Estate Finance, Inc.'s 4.625% Senior Secured Notes due 2029), incorporated by reference to Exhibit 4.1 of the Registrant's Form 8-K filed on July 6, 2021 (File No.: 001-34452).
10.1	Asset Purchase and Sale Agreement, dated January 27, 2026, by and between Apollo Commercial Real Estate Finance, Inc. and Athene Holding Ltd., incorporated by reference to Exhibit 2.1 of the Registrant's Form 8-K filed on January 28, 2026 (File No.: 001-34452).
10.2	Letter Agreement, dated January 27, 2026, by and among Apollo Commercial Real Estate Finance, Inc., ACREFI Operating, LLC and ACREFI Management, LLC, incorporated by reference to Exhibit 10.1 of the Registrant's Form 8-K filed on January 28,2026 (File No. 001-34452)
10.3	Letter Agreement, dated January 27, 2026, by and between Apollo Commercial Real Estate Finance, Inc. and Apollo Management Holdings, L.P., incorporated by reference to Exhibit 10.2 of the Registrant's Form 8-K filed on January 28, 2026 (File No. 001-34452).
10.4	Amended and Restated Management Agreement, dated as of April 24, 2026, by and among Apollo Commercial Real Estate Finance, Inc., ACREFI Operating, LLC and ACREFI Management, LLC, incorporated by reference to Exhibit 10.1 of the Registrant's Form 8-K filed on April 24, 2026 (File No. 001-34452).
31.1*	Certification of Principal Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2*	Certification of Principal Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32.1*	Certification of Principal Executive Officer and Principal Financial Officer pursuant to Section 906 of 18 U.S.C. Section 1350 as adopted pursuant to the Sarbanes-Oxley Act of 2002.

101.INS*	Inline XBRL Instance Document - the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document
101.SCH*	Inline XBRL Taxonomy Extension Schema with Embedded Linkbase Documents
104*	Cover Page Interactive Data File (embedded with the Inline XBRL document)

*** Filed herewith.**

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Apollo Commercial Real Estate Finance, Inc.

April 28, 2026

By: /s/ Stuart A. Rothstein
Stuart A. Rothstein
President and Chief Executive Officer
(Principal Executive Officer)

April 28, 2026

By: /s/ Anastasia Mironova
Anastasia Mironova
Chief Financial Officer, Treasurer and Secretary (Principal Financial Officer and Principal Accounting Officer)