

READY CAPITAL CORPORATION REPORTS FIRST QUARTER 2023 RESULTS

- GAAP EARNINGS PER COMMON SHARE OF \$0.30 -
- DISTRIBUTABLE EARNINGS PER COMMON SHARE OF \$0.31 -
- DISTRIBUTABLE RETURN ON AVERAGE STOCKHOLDERS' EQUITY OF 8.5% -

New York, New York, May 8, 2023 / Globe Newswire / – Ready Capital Corporation (“Ready Capital” or the “Company”) (NYSE: RC), a multi-strategy real estate finance company that originates, acquires, finances, and services small-to-medium balance commercial loans, today reported financial results for the quarter ended March 31, 2023.

“Our lower-to-middle market multi-family focus provides safety from many of the secular and cyclical changes currently affecting the broader commercial real estate market,” said Thomas Capasse, Ready Capital’s Chairman and Chief Executive Officer. “The anticipated merger with Broadmark Realty Capital in May will provide significant growth capital for investment in what are very attractive lending markets.”

First Quarter Highlights

- Announced a definitive merger agreement with Broadmark Realty Capital which, upon closing, is expected to create the 4th largest commercial mortgage REIT with capitalization of \$2.8 billion
- Total investments of \$829 million, including \$411 million of SBC originations and acquisitions, \$326 million of residential mortgage loans, and \$92 million of U.S. Small Business Administration 7(a) loans
- Completed a securitization of \$586 million of floating rate SBC loans and sold \$484 million of senior bonds at a weighted average cost of SOFR + 2.9%
- Declared and paid dividend of \$0.40 per share in cash
- Net book value of \$15.07 per share of common stock as of March 31, 2023

Use of Non-GAAP Financial Information

In addition to the results presented in accordance with U.S. GAAP, this press release includes distributable earnings, formerly referred to as core earnings, which is a non-U.S. GAAP financial measure. The Company defines distributable earnings as net income adjusted for unrealized gains and losses related to certain mortgage backed securities (“MBS”) not retained by us as part of our loan origination business, realized gains and losses on sales of certain MBS, unrealized gains and losses related to residential mortgage servicing rights (“MSR”), unrealized current non-cash provision for credit losses on accrual loans and one-time non-recurring gains or losses, such as gains or losses on discontinued operations, bargain purchase gains, merger related expenses, or other one-time items.

The Company believes that this non-U.S. GAAP financial information, in addition to the related U.S. GAAP measures, provides investors greater transparency into the information used by management in its financial and operational decision-making, including the determination of dividends. However, because Distributable Earnings is an incomplete measure of the Company's financial performance and involves differences from net income computed in accordance with U.S. GAAP, it should be considered along with, but not as an alternative to, the Company's net income computed in accordance with U.S. GAAP as a measure of the Company's financial performance. In addition, because not all companies use identical calculations, the Company's presentation of Distributable Earnings may not be comparable to other similarly-titled measures of other companies.

In calculating Distributable Earnings, Net Income (in accordance with U.S. GAAP) is adjusted to exclude unrealized gains and losses on MBS acquired by the Company in the secondary market but is not adjusted to exclude unrealized gains and losses on MBS retained by Ready Capital as part of its loan origination businesses, where the Company transfers originated loans into an MBS securitization and the Company retains an interest in the securitization. In calculating Distributable Earnings, the Company does not adjust Net Income (in accordance with U.S. GAAP) to take into account unrealized gains and losses on MBS retained by us as part of the loan origination businesses because the unrealized gains and losses that are generated in the loan origination and securitization process are considered to be a fundamental part of this business and an indicator of the ongoing performance and credit quality of the Company’s historical loan originations. In calculating Distributable Earnings, Net Income (in accordance with U.S. GAAP) is adjusted to exclude realized gains and losses on certain MBS securities considered to be non-distributable. Certain MBS positions are considered to be non-distributable due to a variety of reasons which may include collateral type, duration, and size.

In addition, in calculating Distributable Earnings, Net Income (in accordance with U.S. GAAP) is adjusted to exclude unrealized gains or losses on residential MSRs, held at fair value. The Company treats its commercial MSRs and residential MSRs as two separate classes

based on the nature of the underlying mortgages and the treatment of these assets as two separate pools for risk management purposes. Servicing rights relating to the Company's small business commercial business are accounted for under ASC 860, *Transfer and Servicing*, while the Company's residential MSRs are accounted for under the fair value option under ASC 825, *Financial Instruments*. In calculating Distributable Earnings, the Company does not exclude realized gains or losses on either commercial MSRs or residential MSRs, held at fair value, as servicing income is a fundamental part of Ready Capital's business and is an indicator of the ongoing performance.

To qualify as a REIT, the Company must distribute to its stockholders each calendar year at least 90% of its REIT taxable income (including certain items of non-cash income), determined without regard to the deduction for dividends paid and excluding net capital gain. There are certain items, including net income generated from the creation of MSRs, that are included in distributable earnings but are not included in the calculation of the current year's taxable income. These differences may result in certain items that are recognized in the current period's calculation of distributable earnings not being included in taxable income, and thus not subject to the REIT dividend distribution requirement until future years.

The table below reconciles Net Income computed in accordance with U.S. GAAP to Distributable Earnings.

<i>(in thousands)</i>	Three Months Ended March 31, 2023	
Net Income	\$	36,978
Reconciling items:		
Unrealized loss on MSR		6,093
Impact of CECL on accrual loans		(7,321)
Non-cash compensation		1,853
Merger transaction costs and other non-recurring expenses		1,733
Total reconciling items	\$	2,358
Income tax adjustments		(1,187)
Distributable earnings	\$	38,149
Less: Distributable earnings attributable to non-controlling interests		1,869
Less: Income attributable to participating shares		2,371
Distributable earnings attributable to common stockholders	\$	33,909
Distributable earnings per common share - basic	\$	0.31
Distributable earnings per common share - diluted	\$	0.30

U.S. GAAP return on equity is based on U.S. GAAP net income, while distributable return on equity is based on distributable earnings, which adjusts U.S. GAAP net income for the items in the distributable earnings reconciliation above.

Webcast and Earnings Conference Call

Management will host a webcast and conference call on Tuesday, May 9, 2023 at 8:30am ET to provide a general business update and discuss the financial results for the quarter ended March 31, 2023.

The Company encourages use of the webcast due to potential extended wait times to access the conference call via dial-in. The webcast of the conference call will be available in the Investor Relations section of the Company's website at www.readycapital.com. To listen to a live broadcast, go to the site at least 15 minutes prior to the scheduled start time in order to register, download and install any necessary audio software.

To Participate in the Telephone Conference Call:

Dial in at least five minutes prior to start time.

Domestic: 1-877-407-0792

International: 1-201-689-8263

Conference Call Playback:

Domestic: 1-844-512-2921

International: 1-412-317-6671

Replay Pin #: 13737165

The playback can be accessed through May 23, 2023.

Safe Harbor Statement

This press release contains statements that constitute "forward-looking statements," as such term is defined in Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, and such statements are intended to be covered by the safe harbor provided by the same. These statements are based on management's current expectations and beliefs and are subject to a number of trends and uncertainties that could cause actual results to differ materially from those described in the forward-looking statements; the Company can give no assurance that its expectations will be attained. Factors that could cause actual results to differ materially from the Company's expectations include, but are not limited to, applicable regulatory changes; general volatility of the capital markets; changes in the Company's investment objectives and business strategy; the availability of financing on acceptable terms or at all; the availability, terms and deployment of capital; the availability of suitable investment opportunities; changes in the interest rates or the general economy; increased rates of default and/or decreased recovery rates on investments; changes in interest rates, interest rate spreads, the yield curve or prepayment rates; changes in prepayments of Company's assets; the degree and nature of competition, including competition for the Company's target assets; and other factors, including those set forth in the Risk Factors section of the Company's most recent Annual Report on Form 10-K filed with the SEC, and other reports filed by the Company with the SEC, copies of which are available on the SEC's website, www.sec.gov. The Company undertakes no obligation to update these statements for revisions or changes after the date of this release, except as required by law.

About Ready Capital Corporation

Ready Capital Corporation (NYSE: RC) is a multi-strategy real estate finance company that originates, acquires, finances and services small- to medium-sized balance commercial loans. The Company specializes in loans backed by commercial real estate, including agency multifamily, investor and bridge as well as U.S. Small Business Administration loans under its Section 7(a) program. Headquartered in New York, New York, the Company employs over 600 professionals nationwide.

Contact

Investor Relations

Ready Capital Corporation

212-257-4666

InvestorRelations@readycapital.com

Additional information can be found on the Company's website at www.readycapital.com

READY CAPITAL CORPORATION
UNAUDITED CONSOLIDATED BALANCE SHEETS

<i>(in thousands)</i>	March 31, 2023	December 31, 2022
Assets		
Cash and cash equivalents	\$ 111,192	\$ 163,041
Restricted cash	49,632	55,927
Loans, net (including \$9,859 and \$9,786 held at fair value)	3,128,197	3,576,310
Loans, held for sale, at fair value	236,578	258,377
Paycheck Protection Program loans (including \$346 and \$576 held at fair value)	146,557	186,985
Mortgage-backed securities, at fair value	32,607	32,041
Loans eligible for repurchase from Ginnie Mae	64,293	66,193
Investment in unconsolidated joint ventures (including \$7,913 and \$8,094 held at fair value)	114,169	118,641
Investments held to maturity	3,306	3,306
Purchased future receivables, net	10,568	8,246
Derivative instruments	13,773	12,963
Servicing rights (including \$188,985 and \$192,203 held at fair value)	278,936	279,320
Real estate owned, held for sale	90,104	117,098
Other assets	202,690	189,769
Assets of consolidated VIEs	7,054,861	6,552,760
Total Assets	\$ 11,537,463	\$ 11,620,977
Liabilities		
Secured borrowings	2,484,902	2,846,293
Paycheck Protection Program Liquidity Facility (PPPLF) borrowings	169,596	201,011
Securitized debt obligations of consolidated VIEs, net	5,300,967	4,903,350
Convertible notes, net	114,689	114,397
Senior secured notes, net	343,798	343,355
Corporate debt, net	663,623	662,665
Guaranteed loan financing	238,948	264,889
Contingent consideration	16,636	28,500
Liabilities for loans eligible for repurchase from Ginnie Mae	64,293	66,193
Derivative instruments	2,639	1,586
Dividends payable	47,308	47,177
Loan participations sold	55,967	54,641
Due to third parties	12,881	11,805
Accounts payable and other accrued liabilities	132,523	176,520
Total Liabilities	\$ 9,648,770	\$ 9,722,382
Preferred stock Series C, liquidation preference \$25.00 per share	8,361	8,361
Commitments & contingencies		
Stockholders' Equity		
Preferred stock Series E, liquidation preference \$25.00 per share	111,378	111,378
Common stock, \$0.0001 par value, 500,000,000 shares authorized, 110,745,658 and 110,523,641 shares issued and outstanding, respectively	11	11
Additional paid-in capital	1,687,631	1,684,074
Retained earnings (deficit)	(6,532)	4,994
Accumulated other comprehensive loss	(12,353)	(9,369)
Total Ready Capital Corporation equity	1,780,135	1,791,088
Non-controlling interests	100,197	99,146
Total Stockholders' Equity	\$ 1,880,332	\$ 1,890,234
Total Liabilities, Redeemable Preferred Stock, and Stockholders' Equity	\$ 11,537,463	\$ 11,620,977

READY CAPITAL CORPORATION
UNAUDITED CONSOLIDATED STATEMENTS OF INCOME

<i>(in thousands, except share data)</i>	Three Months Ended March 31,	
	2023	2022
Interest income	\$ 217,573	\$ 124,405
Interest expense	(160,394)	(61,017)
Net interest income before recovery of (provision for) loan losses	\$ 57,179	\$ 63,388
Recovery of (provision for) loan losses	6,734	(1,542)
Net interest income after recovery of (provision for) loan losses	\$ 63,913	\$ 61,846
Non-interest income		
Residential mortgage banking activities	9,169	8,424
Net realized gain (loss) on financial instruments and real estate owned	11,575	8,007
Net unrealized gain (loss) on financial instruments	(11,728)	45,315
Servicing income, net of amortization and impairment of \$1,759 and \$3,345	14,003	10,528
Income on purchased future receivables, net of allowance for (recovery of) doubtful accounts of \$1,594 and \$(125)	540	2,469
Income on unconsolidated joint ventures	656	6,563
Other income	19,883	6,501
Total non-interest income	\$ 44,098	\$ 87,807
Non-interest expense		
Employee compensation and benefits	(25,139)	(27,968)
Allocated employee compensation and benefits from related party	(2,326)	(3,000)
Variable expenses on residential mortgage banking activities	(5,485)	(979)
Professional fees	(5,717)	(5,126)
Management fees – related party	(5,081)	(3,196)
Incentive fees – related party	(1,720)	—
Loan servicing expense	(9,963)	(8,920)
Transaction related expenses	(893)	(5,699)
Other operating expenses	(14,318)	(12,653)
Total non-interest expense	\$ (70,642)	\$ (67,541)
Income before provision for income taxes	37,369	82,112
Income tax provision	(391)	(17,849)
Net income	\$ 36,978	\$ 64,263
Less: Dividends on preferred stock	1,999	1,999
Less: Net income attributable to non-controlling interest	1,835	775
Net income attributable to Ready Capital Corporation	\$ 33,144	\$ 61,489
Earnings per common share - basic	\$ 0.30	\$ 0.70
Earnings per common share - diluted	\$ 0.29	\$ 0.66
Weighted-average shares outstanding		
Basic	110,672,939	87,707,281
Diluted	121,025,909	95,402,494
Dividends declared per share of common stock	\$ 0.40	\$ 0.42

READY CAPITAL CORPORATION
UNAUDITED SEGMENT REPORTING
FOR THE THREE MONTHS ENDED MARCH 31, 2023

<i>(in thousands)</i>	SBC Lending and Acquisitions	Small Business Lending	Residential Mortgage Banking	Corporate- Other	Consolidated
Interest income	\$ 198,039	\$ 17,929	\$ 1,605	\$ —	\$ 217,573
Interest expense	(149,494)	(9,374)	(1,526)	—	(160,394)
Net interest income before recovery of (provision for) loan losses	\$ 48,545	\$ 8,555	\$ 79	\$ —	\$ 57,179
Recovery of (provision for) loan losses	8,129	(1,395)	—	—	6,734
Net interest income after recovery of (provision for) loan losses	\$ 56,674	\$ 7,160	\$ 79	\$ —	\$ 63,913
Non-interest income					
Residential mortgage banking activities	\$ —	\$ —	\$ 9,169	\$ —	\$ 9,169
Net realized gain (loss) on financial instruments and real estate owned	4,825	6,750	—	—	11,575
Net unrealized gain (loss) on financial instruments	(6,111)	476	(6,093)	—	(11,728)
Servicing income, net	1,093	3,549	9,361	—	14,003
Income on purchased future receivables, net	—	540	—	—	540
Income on unconsolidated joint ventures	656	—	—	—	656
Other income	9,093	10,428	31	331	19,883
Total non-interest income	\$ 9,556	\$ 21,743	\$ 12,468	\$ 331	\$ 44,098
Non-interest expense					
Employee compensation and benefits	\$ (6,206)	\$ (11,275)	\$ (5,412)	\$ (2,246)	\$ (25,139)
Allocated employee compensation and benefits from related party	(232)	—	—	(2,094)	(2,326)
Variable expenses on residential mortgage banking activities	—	—	(5,485)	—	(5,485)
Professional fees	(981)	(1,625)	(174)	(2,937)	(5,717)
Management fees – related party	—	—	—	(5,081)	(5,081)
Incentive fees – related party	—	—	—	(1,720)	(1,720)
Loan servicing expense	(8,058)	(97)	(1,808)	—	(9,963)
Transaction related expenses	—	—	—	(893)	(893)
Other operating expenses	(6,733)	(4,094)	(1,709)	(1,782)	(14,318)
Total non-interest expense	\$ (22,210)	\$ (17,091)	\$ (14,588)	\$ (16,753)	\$ (70,642)
Income (loss) before provision for income taxes	\$ 44,020	\$ 11,812	\$ (2,041)	\$ (16,422)	\$ 37,369
Total assets	\$ 10,184,788	\$ 791,394	\$ 402,562	\$ 158,719	\$ 11,537,463