

READY CAPITAL CORPORATION REPORTS FIRST QUARTER 2025 RESULTS

- GAAP EARNINGS PER COMMON SHARE FROM CONTINUING OPERATIONS OF \$0.47 -
- DISTRIBUTABLE LOSS PER COMMON SHARE OF \$(0.09) -
- DISTRIBUTABLE EARNINGS PER COMMON SHARE BEFORE REALIZED LOSSES OF \$0.00 -

New York, New York, May 8, 2025 / 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 lower-to-middle-market (“LMM”) investor and owner-occupied commercial real estate loans, today reported financial results for the quarter ended March 31, 2025.

“Market volatility, tariff implementations, declining consumer confidence and increased recession expectations provide headwinds for our business”, said Thomas Capasse, Ready Capital’s Chairman and Chief Executive Officer. “Despite this challenging macroeconomic environment, the Company continues to take decisive actions to reset the balance sheet and restore profitability.”

First Quarter Highlights

- LMM commercial real estate originations of \$79 million
- Small Business Lending (“SBL”) loan originations of \$387 million, including \$343 million of Small Business Administration 7(a) loans
- Declared and paid dividend of \$0.125 per share in cash
- Book value of \$10.61 per share of common stock as of March 31, 2025
- Completed the acquisition of United Development Funding IV, a real estate investment trust providing capital solutions to residential real estate developers and regional homebuilders
- Acquired approximately 3.4 million shares of the Company’s common stock at an average price of \$5.02 per share as part of stock repurchase program
- Closed a private placement of \$220 million in aggregate principal amount of its 9.375% Senior Secured Notes due 2028

Subsequent Events

On April 16, 2025, ReadyCap Holdings issued an additional \$50.0 million in aggregate principal amount of its 9.375% Senior Secured Notes due 2028. The Company used the net proceeds from the issuance of such notes to repay its indebtedness.

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”) from discontinued operations, unrealized changes in our current expected credit loss reserve, unrealized gains or losses on de-designated cash flow hedges, unrealized gains or losses on foreign exchange hedges, unrealized gains or losses on certain unconsolidated joint ventures, non-cash compensation expense related to our stock-based incentive plan, and one-time non-recurring gains or losses, such as gains or losses on discontinued operations, bargain purchase gains, or merger related expenses.

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 from discontinued operations. Servicing rights relating to the Company's small business commercial business are accounted for under ASC 860, *Transfer and Servicing*. In calculating distributable earnings, the Company does not exclude realized gains or losses on commercial MSRs, 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, 2025	
Net Income		\$	81,965
Reconciling items:			
Unrealized loss on MSR - discontinued operations			8,952
Unrealized loss on joint ventures			5,639
Decrease in CECL reserve			(112,127)
Increase in valuation allowance			99,718
Non-recurring REO impairment			2,346
Non-cash compensation			1,785
Merger transaction costs and other non-recurring expenses			2,993
Bargain purchase gain			(102,471)
Realized losses on sale of investments			20,084
Total reconciling items		\$	(73,081)
Income tax adjustments			(4,744)
Distributable earnings before realized losses		\$	4,140
Realized losses on sale of investments, net of tax			(15,524)
Distributable loss		\$	(11,384)
Less: Distributable earnings attributable to non-controlling interests			1,985
Less: Income attributable to participating shares			2,228
Distributable loss attributable to common stockholders		\$	(15,597)
Distributable earnings before realized losses on investments, net of tax per common share - basic and diluted		\$	0.00
Distributable loss per common share - basic and diluted		\$	(0.09)

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 Friday, May 9, 2025 at 8:30am ET to provide a general business update and discuss the financial results for the quarter ended March 31, 2025. During the conference call, the Company may discuss and answer questions concerning business and financial developments and trends that have occurred after quarter-end. The Company's responses to questions, as well as other matters discussed during the conference call, may contain or constitute information that has not been disclosed previously.

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 #: 13750797

The playback can be accessed through May 23, 2025.

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 lower-to-middle-market investor and owner occupied commercial real estate loans. The Company specializes in loans backed by commercial real estate, including agency multifamily, investor, construction, and bridge as well as U.S. Small Business Administration loans under its Section 7(a) program and government guaranteed loans focused on the United States Department of Agriculture. Headquartered in New York, New York, the Company employs approximately 500 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

(in thousands)

	March 31, 2025	December 31, 2024
Assets		
Cash and cash equivalents	\$ 205,917	\$ 143,803
Restricted cash	39,603	30,560
Loans, net (including \$2,018 and \$3,533 held at fair value)	4,354,017	3,378,149
Loans, held for sale (including \$81,789 and \$128,531 held at fair value and net of valuation allowance of \$158,068 and \$97,620)	528,726	241,626
Mortgage-backed securities	31,415	31,006
Investment in unconsolidated joint ventures (including \$6,371 and \$6,577 held at fair value)	170,920	161,561
Derivative instruments	6,907	7,963
Servicing rights	129,814	128,440
Real estate owned, held for sale	199,910	193,437
Other assets	399,702	362,486
Assets of consolidated VIEs	3,723,738	5,175,295
Assets held for sale	185,782	287,595
Total Assets	\$ 9,976,451	\$ 10,141,921
Liabilities		
Secured borrowings	2,713,415	2,035,176
Securitized debt obligations of consolidated VIEs, net	2,574,139	3,580,513
Senior secured notes, net	671,510	437,847
Corporate debt, net	817,156	895,265
Guaranteed loan financing	668,847	691,118
Contingent consideration	15,982	573
Derivative instruments	575	352
Dividends payable	23,929	43,168
Loan participations sold	98,128	95,578
Due to third parties	1,071	1,442
Accounts payable and other accrued liabilities	185,533	188,051
Liabilities held for sale	156,614	228,735
Total Liabilities	\$ 7,926,899	\$ 8,197,818
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, 172,507,227 and 162,792,372 shares issued and outstanding, respectively	17	17
Additional paid-in capital	2,302,101	2,250,291
Retained earnings (deficit)	(450,276)	(505,089)
Accumulated other comprehensive loss	(21,673)	(18,552)
Total Ready Capital Corporation equity	1,941,547	1,838,045
Non-controlling interests	99,644	97,697
Total Stockholders' Equity	\$ 2,041,191	\$ 1,935,742
Total Liabilities, Redeemable Preferred Stock, and Stockholders' Equity	\$ 9,976,451	\$ 10,141,921

READY CAPITAL CORPORATION
UNAUDITED CONSOLIDATED STATEMENTS OF OPERATIONS

	Three Months Ended March 31,			
(in thousands, except share data)	2025		2024	
Interest income	\$	154,967	\$	232,354
Interest expense		(140,466)		(183,805)
Net interest income before recovery of loan losses	\$	14,501	\$	48,549
Recovery of loan losses		109,568		26,544
Net interest income after recovery of loan losses	\$	124,069	\$	75,093
Non-interest income				
Net realized gain (loss) on financial instruments and real estate owned		10,669		18,868
Net unrealized gain (loss) on financial instruments		(1,750)		4,632
Valuation allowance, loans held for sale		(99,718)		(146,180)
Servicing income, net of amortization and impairment of \$5,294 and \$3,697		6,456		3,758
Gain on bargain purchase		102,471		—
Income (loss) on unconsolidated joint ventures		(3,982)		468
Other income		11,590		15,826
Total non-interest income (expense)	\$	25,736	\$	(102,628)
Non-interest expense				
Employee compensation and benefits		(21,254)		(18,414)
Allocated employee compensation and benefits from related party		(3,276)		(2,500)
Professional fees		(5,488)		(7,065)
Management fees – related party		(5,577)		(6,648)
Loan servicing expense		(15,844)		(12,794)
Transaction related expenses		(2,694)		(650)
Impairment on real estate		(2,346)		(16,972)
Other operating expenses		(16,123)		(13,215)
Total non-interest expense	\$	(72,602)	\$	(78,258)
Income (loss) from continuing operations before benefit (provision) for income taxes		77,203		(105,793)
Income tax benefit		5,207		30,211
Net income (loss) from continuing operations	\$	82,410	\$	(75,582)
Discontinued operations				
Income (loss) from discontinued operations before benefit for income taxes		(594)		1,887
Income tax benefit (provision)		149		(472)
Net income (loss) from discontinued operations	\$	(445)	\$	1,415
Net income (loss)	\$	81,965	\$	(74,167)
Less: Dividends on preferred stock		1,999		1,999
Less: Net income attributable to non-controlling interest		2,460		117
Net income (loss) attributable to Ready Capital Corporation	\$	77,506	\$	(76,283)
Earnings per common share from continuing operations - basic	\$	0.47	\$	(0.45)
Earnings per common share from discontinued operations - basic	\$	0.00	\$	0.01
Total earnings per common share - basic	\$	0.47	\$	(0.44)
Earnings per common share from continuing operations - diluted	\$	0.46	\$	(0.45)
Earnings per common share from discontinued operations - diluted	\$	0.00	\$	0.01
Total earnings per common share - diluted	\$	0.46	\$	(0.44)
Weighted-average shares outstanding				
Basic		165,166,276		172,032,866
Diluted		167,723,519		173,104,415
Dividends declared per share of common stock	\$	0.125	\$	0.30

READY CAPITAL CORPORATION
UNAUDITED SEGMENT REPORTING

	Three Months Ended March 31, 2025				
	LMM Commercial Real Estate	Small Business Lending	Corporate-Other	Consolidated	
<i>(in thousands)</i>					
Interest income	\$ 124,973	\$ 29,994	\$ —	\$ 154,967	
Interest expense	(120,354)	(20,112)	—	(140,466)	
Net interest income before recovery of (provision for) loan losses	\$ 4,619	\$ 9,882	\$ —	\$ 14,501	
Recovery of (provision for) loan losses	117,941	(8,373)	—	109,568	
Net interest income after recovery of (provision for) loan losses	\$ 122,560	\$ 1,509	\$ —	\$ 124,069	
Non-interest income					
Net realized gain (loss) on financial instruments and real estate owned	(14,600)	25,269	—	10,669	
Net unrealized gain (loss) on financial instruments	(604)	(1,146)	—	(1,750)	
Valuation allowance, loans held for sale	(99,718)	—	—	(99,718)	
Servicing income, net	1,415	5,041	—	6,456	
Gain on bargain purchase	—	—	102,471	102,471	
Income (loss) on unconsolidated joint ventures	(4,005)	23	—	(3,982)	
Other income	3,037	7,262	1,291	11,590	
Total non-interest income (loss)	\$ (114,475)	\$ 36,449	\$ 103,762	\$ 25,736	
Non-interest expense					
Employee compensation and benefits	(5,871)	(15,304)	(79)	(21,254)	
Allocated employee compensation and benefits from related party	(328)	—	(2,948)	(3,276)	
Professional fees	(818)	(2,905)	(1,765)	(5,488)	
Management fees – related party	—	—	(5,577)	(5,577)	
Loan servicing expense	(15,064)	(780)	—	(15,844)	
Transaction related expenses	—	—	(2,694)	(2,694)	
Impairment on real estate	(2,346)	—	—	(2,346)	
Other operating expenses	(3,336)	(11,071)	(1,716)	(16,123)	
Total non-interest expense	\$ (27,763)	\$ (30,060)	\$ (14,779)	\$ (72,602)	
Income (loss) before provision for income taxes	\$ (19,678)	\$ 7,898	\$ 88,983	\$ 77,203	
Total assets	\$ 7,897,270	\$ 1,510,635	\$ 382,764	\$ 9,790,669	