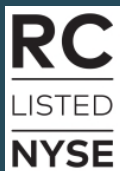




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## INVESTOR PRESENTATION

MARCH 31, 2025



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This presentation includes certain non-GAAP financial measures, including Distributable Earnings. These non-GAAP financial measures should be considered only as supplemental to, and not as superior to, financial measures in accordance with GAAP. Please refer to the Appendix for the most recent GAAP information.

# Executive Summary



Ready Capital (“RC” or the “Company”) is a non-bank lender to both investors in and owners of lower-to-middle-market (LMM) commercial real estate (CRE) properties with book value of approximately \$2.0 billion

- All-weather investment strategy as a direct lender and acquirer of loan portfolios, including distressed portfolios
- \$8.4 billion portfolio of more than 8,500 loans diversified across 50 states & Europe with 96% first lien<sup>1</sup>
- Operating companies supported by over 500 employees across the Company’s 8 offices
- Externally managed by Waterfall Asset Management, LLC, a leading \$12.9 billion<sup>2,3</sup> global structured products investment manager with a 20-year track record
- Structured as a REIT for tax purposes, but with a sizable taxable REIT subsidiary (“TRS”) where employees and operations sit
  - This structure provides incremental optionality around dividend policy and retention of earnings over time, providing a path to build capital base
  - We believe our embedded operating companies have franchise value in excess of GAAP book value

1.) Calculated on carrying value (CV); 2.) Includes unfunded committed capital 3.) As of February 28, 2025

# Business Overview

**Multi-strategy real estate finance company that originates, acquires and services LMM investor and owner occupied commercial real estate loans**

## LMM Commercial Real Estate

- Acquires and originates LMM loans secured by stabilized or transitional investor properties using multiple loan origination channels; generally held-for-investment or placed into securitizations
- **Products:** Full project life cycle financing including Construction, Bridge, Fixed Rate/CMBS and Freddie Mac
- **Earnings driver:** Net interest and servicing income

**79% | \$7.9B**  
Of total assets

**50% | \$16.0M**  
Of Q1 distributable earnings<sup>1</sup>

**84%**  
Of loan portfolio<sup>2</sup>

**87%**  
Allocated equity

## Government-Backed Small Business Lending

- Acquires, originates and services owner-occupied loans guaranteed by the SBA under its Section 7(a) loan program and government guaranteed loans focusing on the USDA
- **Products:** Government-backed Small Business loans and USDA loans
- **Earnings driver:** Net interest and servicing income and gain on sale

**15% | \$1.5B**  
Of total assets

**50% | \$15.9M**  
Of Q1 distributable earnings<sup>1</sup>

**16%**  
Of loan portfolio<sup>2</sup>

**13%**  
Allocated equity

Note: Ready Capital has announced its intention to strategically exit the residential mortgage business, which comprises of 2% or \$186M of total assets (the remaining 4% or \$383M of total assets relates to our Corporate segment). 1.) Calculated based on distributable earnings before realized losses on investments, net of valuation allowance and tax. Distributable earnings and distributable return on equity are non-GAAP measures; 2.) Calculated based on Carrying Value

# A Successful and Proven Asset Manager



**20 year**

*Investment record*

**\$12.9B<sup>2</sup>**

*AUM*

**150+**

*Employees*

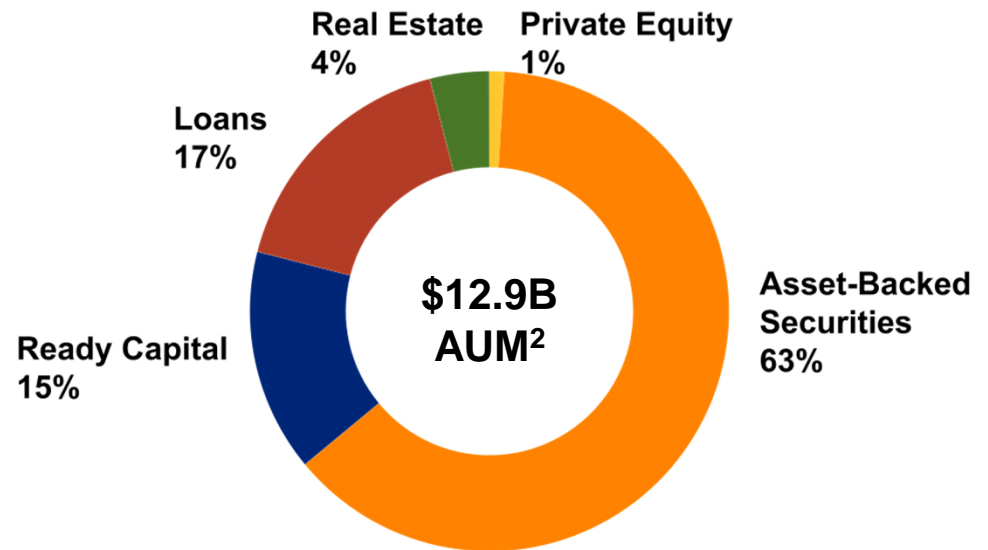
**50+**

*Investment professionals*

**60+ years**

*Leadership team combined experience*

## WATERFALL ASSETS UNDER MANAGEMENT BY STRATEGY<sup>1</sup>



## WATERFALL OVERVIEW

- SEC-registered credit investment advisor founded in 2005
- Top global manager with focus on real estate loans & ABS
- Principals were early pioneers of the ABS industry
- Co-founders (Tom Capasse and Jack Ross) started Merrill Lynch ABS business in 1980s
- Ready Capital has the right of first refusal on all LMM CRE loans sourced by Waterfall<sup>3</sup>

1.) Represents internal company breakdown; 2.) Includes unfunded committed capital and as of February 28, 2025; 3.) Waterfall has agreed in the side letter agreement that, for so long as the management agreement is in effect, neither it nor any of its affiliates will (i) sponsor or manage any additional investment vehicle where the Company does not participate as an investor whose primary investment strategy will involve LMM mortgage loans, unless Waterfall obtains the prior approval of a majority of the Company's board of directors (including a majority of its independent directors), or (ii) acquire a portfolio of assets, a majority of which (by value or UPB) are LMM mortgage loans on behalf of another investment vehicle (other than acquisitions of LMM ABS), unless the Company is first offered the investment opportunity and a majority of its board of directors (including a majority of its independent directors) decide not to acquire such assets

# Proven Acquisition and Integration Track Record



Ready Capital is an active acquiror in the multi-strategy real estate finance sector, having completed ten transactions since 2014, including four public company mergers



Announcement Date	July 17, 2014	October 31, 2016	November 08, 2018	October 31, 2019	December 07, 2020	August 03, 2021	November 04, 2021	February 27, 2023	June 05, 2024	July 01, 2024	March 13, 2025
Structure	Acquisition	Reverse Merger	Merger	Acquisition	Merger	Acquisition	Merger	Merger	Acquisition	Acquisition	Merger
Industry Subsector	Small Business Lending	Residential Mortgage Banking & Investing	LMM Commercial Real Estate / Investing	Small Business Lending Technology	Residential Mortgage	Multifamily Affordable Housing	Commercial Mortgage	Commercial Mortgage	Small Business Lending / USDA	Small Business Lending	LMM Commercial Real Estate
Highlights	<ul style="list-style-type: none"> <li>- Provided SBA ownership license</li> <li>- Enabled CRE-secured lending to investors and small businesses</li> </ul>	<ul style="list-style-type: none"> <li>- Provided access to public markets</li> <li>- Created a LMM commercial real estate-focused public specialty finance company</li> </ul>	<ul style="list-style-type: none"> <li>- Accelerated growth in LMM commercial real estate</li> <li>- Expanded capital base to over \$750mm<sup>1</sup></li> </ul>	<ul style="list-style-type: none"> <li>- Increased efficiency and product offerings</li> <li>- Expanded platform to small businesses and improved lending platform efficiency</li> </ul>	<ul style="list-style-type: none"> <li>- Increased scale and liquidity</li> <li>- Enabled efficiencies to support growth into a diversified, industry-leading real estate finance company</li> </ul>	<ul style="list-style-type: none"> <li>- Increased diversification and growth</li> <li>- Expanded capabilities and demonstrated commitment to affordable housing</li> </ul>	<ul style="list-style-type: none"> <li>- Increased scale and diversification</li> <li>- Expanded capital base to over \$1.8bn<sup>1,2</sup> and expanding platform into construction finance</li> </ul>	<ul style="list-style-type: none"> <li>- Synergistic transaction that enhances scale, liquidity, and capabilities</li> <li>- Expanded capital base to \$2.7bn<sup>1</sup></li> </ul>	<ul style="list-style-type: none"> <li>- Established presence in USDA lending</li> <li>- Expected to generate over \$300mm of volume annually</li> </ul>	<ul style="list-style-type: none"> <li>- Increased efficiency and funding solutions</li> <li>- Expanded the automated and tech enabled customer experience</li> </ul>	<ul style="list-style-type: none"> <li>- Increased portfolio scale</li> <li>- Expanded core business</li> </ul>

1.) Pro forma capital base as of the quarter-to-date prior to the acquisition; 2.) Includes an equity offering in Q1 2022

# Market Segment Overview

# Overview of Key Themes by Market Segment



## LMM Commercial Real Estate

- \$4.8tn<sup>1</sup> total CRE market value estimate as of 12/31/2024
- Retrenchment of banks from LMM CRE market provides increased opportunity
- Competition for LMM CRE loan asset acquisitions has been limited due to the portfolio management expertise required to manage these loan assets
- Fragmented LMM CRE loan market provides attractive origination and acquisition opportunities

## Government-Backed Small Business Lending

- Government-backed market with \$116bn<sup>2</sup> in outstanding SBA 7(a) balance
- Only banks and approved non-bank lenders are eligible to originate loans in the SBA 7(a) program
- Highly fragmented market with approximately 25% of banks participating and a small group of non-bank lenders<sup>3</sup>
- Only 20 non-bank lenders, including Ready Capital, are licensed under the SBA 7(a) program

1.) Per Mortgage Bankers Association; 2.) SBA.gov; 3.) Based on Ready Capital estimate

# Full Project Life Cycle Lender With Diverse Solutions



## FULL PROJECT LIFE CYCLE LMM COMMERCIAL REAL ESTATE

## SMALL BUSINESS LENDING

Product	Construction	Bridge	Fixed Rate/CMBS	Freddie Mac	Government-backed Small Business Administration loans and USDA loans
Overview	Construction and pre-construction development loans	Short-term financing for the acquisition of investment properties	Financing for the acquisition or refinancing of stabilized commercial properties	Freddie Mac SBL program and loans for affordable housing development	Owner-occupied loans guaranteed by the Small Business Administration and the US Department of Agriculture
Maturity	1-2 years	2-4 years	5-20 years	5-20 years	10-25 years
P&L impact	Net interest margin from retained loan portfolio supplemented by gain on sale and servicing income from Agency production				Revenue from gain on secondary market sale, net interest income and servicing fees
TTM originations (\$mm)	\$270	\$280	\$0	\$467	\$1,393

# Breakdown of Investment Strategy Economics



## FULL PROJECT LIFE CYCLE LMM COMMERCIAL REAL ESTATE

## SMALL BUSINESS LENDING

Product	Construction	Bridge	Fixed Rate/CMBS	Freddie Mac	Government-backed Small Business Administration loans and USDA loans
WA coupon	SOFR + 7.75%	SOFR + 4.00%	9.25%	6.50%	11.00%
Fees %	1.00%	1.00%	1.00%	(0.75)%	—
Gain on sale %	—	—	—	1.50%	10.00%
Financing type	Warehouse	Warehouse	Warehouse / securitization	Sale	Warehouse
Financing mechanism	Finance on warehouse	Finance on warehouse until securitized with CLO	Finance on warehouse until securitized with REMIC	Sell <30 days after origination; used to but the B piece of securitization	Guaranteed piece sold shortly after origination; remaining financed until securitization
Financing cost	SOFR + 3.25%	SOFR + 2.25%	7.25%	N/A	8.00%
Max leverage	75% Loan-to-cost	80% Loan-to-cost	75% Loan-to-value	80% Loan-to-value	— <sup>1</sup>
Leverage yield	22.0%	16.0%	16.0%	—	25.0%

1.) Government-backed Small Business loans do not have a regulatory max leverage but have a minimum debt service coverage of 1.15:1.00

# LMM Commercial Real Estate Overview



## OVERVIEW

- All weather origination platform with ability to allocate capital across 4 products
- \$19.2 billion in originations since the Company's formation in 2013<sup>1</sup>
- Supported by 119 staff, including 23 loan officers, with headquarters in New York & Texas and 4 satellite offices

## ORIGINATIONS VS ACQUISITIONS

### Originations:

- Originate full project life cycle LMM CRE loans
- Sourced through direct / indirect lending relationships with brokers as well as referral programs with servicers

### Acquisitions:

- Acquire LMM CRE loans
- Waterfall specializes in acquiring LMM CRE loans sold by banks but also acquires loans from other sources<sup>2</sup>
- Ready Capital has the right of first refusal on the loans Waterfall sources<sup>3</sup>

## HISTORICAL ORIGINATIONS AND ACQUISITIONS (\$MM)<sup>1</sup>



1.) Based on fully committed amounts; 2.) Other sources of LMM CRE loans include special servicers of large balance LMM ABS and CMBS trusts, the FDIC, servicers of non-performing SBA Section 7(a) loans, Community Development Companies originating loans under the SBA 504 program, GSEs and state economic development authorities; 3.) Waterfall has agreed in the side letter agreement that, for so long as the management agreement is in effect, neither it nor any of its affiliates will (i) sponsor or manage any additional investment vehicle where the Company does not participate as an investor whose primary investment strategy will involve LMM CRE loans, unless Waterfall obtains the prior approval of a majority of the Company's board of directors (including a majority of its independent directors), or (ii) acquire a portfolio of assets, a majority of which (by value or UPB) are LMM CRE loans on behalf of another investment vehicle (other than acquisitions of LMM commercial ABS), unless the Company is first offered the investment opportunity and a majority of its board of directors (including a majority of its independent directors) decide not to acquire such assets

# LMM Commercial Real Estate Case Studies



**Construction**

**Bridge**

**Non-Agency Fixed Rate**

**Freddie Mac SBL**

	<b>Construction</b>	<b>Bridge</b>	<b>Non-Agency Fixed Rate</b>	<b>Freddie Mac SBL</b>
<b>Name</b>	Pico Point	Mission Ridge	Myrtle Avenue Portfolio Refinance	Dixie Downs
<b>Location</b>	Los Angeles, CA 90019	Mission Viejo, CA 92691	Ridgeway, NY 11385	Louisville, KY 40216
<b>Loan Purpose</b>	Ground-Up Construction	Acquisition	Refinance	Cash Out Refinance
<b>Business</b>	Multifamily	Office	Mixed-Use (Multifamily/Retail)	Multifamily
<b>Key terms:</b>				
<b>Loan Amount</b>	\$18,375,000	\$28,900,000	\$8,750,000	\$3,800,000
<b>Pricing Basis</b>	Variable	Variable	Fixed	Fixed
<b>Rate</b>	SOFR + 6.25%	4.33%	8.50%	5.57%
<b>Fees</b>	1.00% orig / 1.00% exit / 0.50% extension	1.00% orig / 0.50% each extension	1.00% orig / 1.00% exit	1.25% orig
<b>Lien</b>	First	First	First	First
<b>Origination Date</b>	January 2025	March 2025	December 2023	March 2025
<b>Term (Months)</b>	30 (+24 mo extension)	36 (+2 x 12 mo extensions)	36 (+12 mo extension)	60
<b>Amortization (Months)</b>	N/A - Interest-Only	36 Month IO / 25yr thereafter	N/A - Interest-Only	36 Month IO / 30yr Thereafter
<b>Loan-to-Value (Stabilized)</b>	71%	55%	59%	67%
<b>Estimated Retained Yield / Gross Fees</b>	18.0%	17.6%	15.0%	N/A

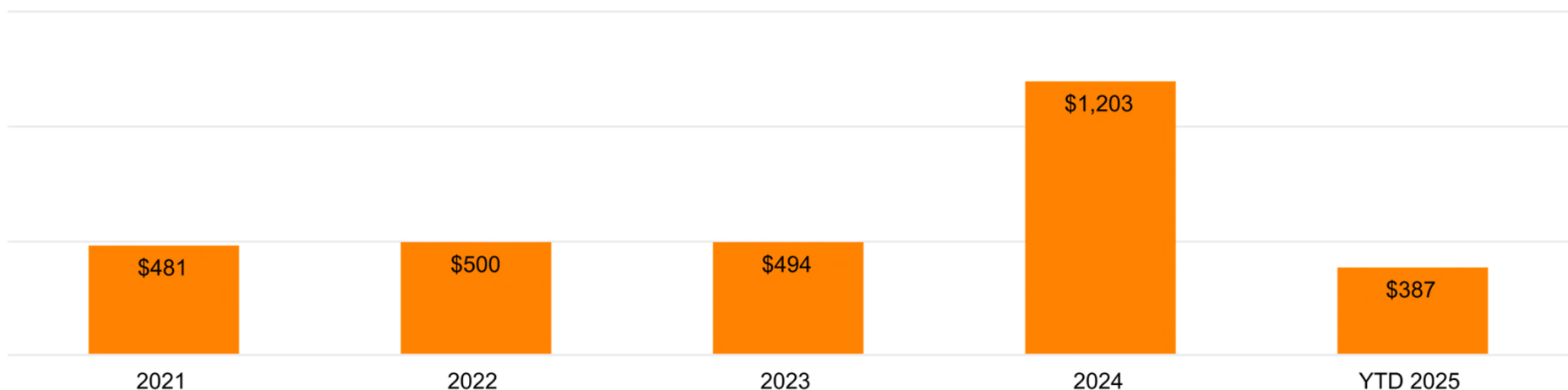
# Small Business Lending Overview



## OVERVIEW

- A leading provider of capital to small businesses through 7(a) loans and USDA loans
- #1 non-bank and #5 overall 7(a) lender<sup>1</sup>
- 1 of 20 non-bank Small Business Administration 7(a) license holders; acquired from CIT in 2014
- 2.8% market share with 3% 3-year target
- 69.0% CAGR<sup>2</sup> for originations of small business loans since 2015
- Fully integrated with iBusiness, a technology-driven funding platform, allowing Ready Capital to leverage proprietary technology to further increase the efficiency of the existing lending platform
- Supported by 392 staff, including 34 business development officers, with headquarters in New Jersey & Florida and 5 satellite offices

## HISTORICAL ORIGINATIONS (\$MM)<sup>2</sup>



1.) SBA.gov; 2.) Based on fully committed amounts

# Small Business Lending Case Study



**SBA 7(a)**



**USDA**



**Working Capital**

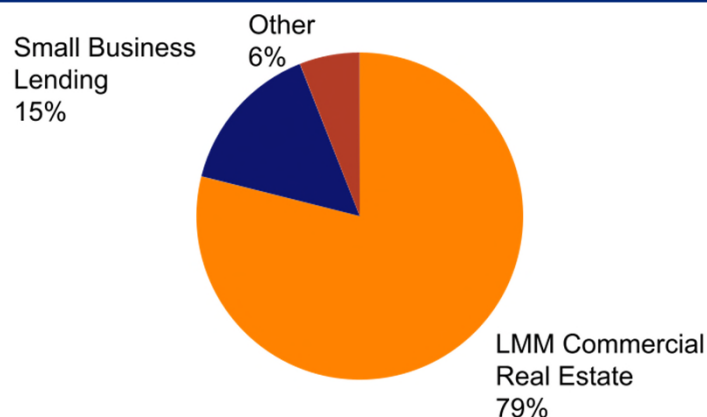
	<b>SBA 7(a)</b>	<b>USDA</b>	<b>Working Capital</b>
<b>Name</b>	The Club at Wellington	Chateau Lake Placid	WC Welding
<b>Location</b>	Wellington, FL 33414	Lake Placid, NY 12946	Cadiz, OH 43907
<b>Loan Purpose</b>	Debt Refinance	USDA Business & Industry	Refinance/Equipment Purchase
<b>Business</b>	Assisted Living Facility	Hospitality	Industrial Equipment
<b>Key terms:</b>			
<b>Loan Amount</b>	\$5,000,000	\$6,300,000	\$4,300,000
<b>Pricing Basis</b>	Variable	Variable	Fixed
<b>Rate</b>	10.50%	Prime + 2.25%	Prime + 2.25%
<b>Guarantee</b>	75%	80%	80%
<b>Lien</b>	First	First	First
<b>Origination Date</b>	November 2024	April 2025	May 2025
<b>Term (Months)</b>	300	360	120
<b>Amortization (Months)</b>	300	348	120
<b>Loan-to-Value (Stabilized)</b>	70%	73%	38%
<b>Estimated Retained Yield / Gross Fees</b>	34.0%	8.5%	12.0%

# Key Credit Highlights

# Loan Portfolio Composition



## PORTFOLIO BREAKDOWN (BY TOTAL ASSETS)<sup>1</sup>



## Q1 REVENUE BREAKDOWN (\$MM)<sup>1,2</sup>



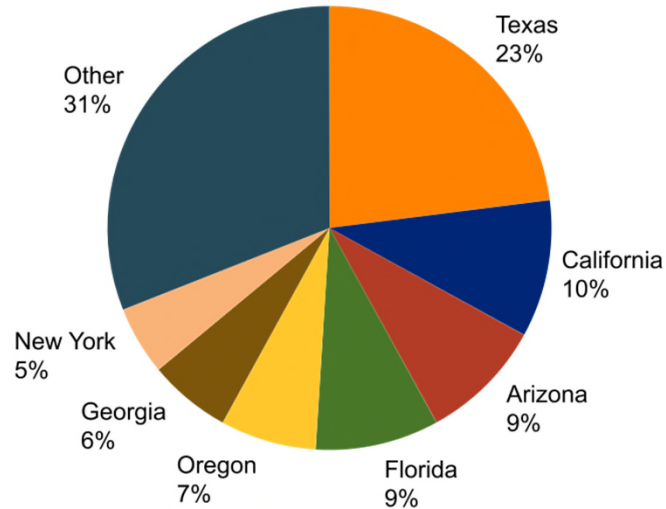
## PORTFOLIO KEY METRICS<sup>3</sup> (\$ in thousands)

LOAN TYPE	SEGMENT	UPB	CARRY VALUE	WA RISK RATING	GROSS YIELD	CASH YIELD	60+ DAYS PAST DUE <sup>5</sup>
Bridge	LMM CRE	\$5,189,108	\$4,971,722	2.77	7.4 %	6.3 %	9.6 %
Fixed Rate	LMM CRE	\$829,191	\$818,489	1.52	4.8 %	4.8 %	2.6 %
Construction	LMMA CRE	\$1,189,916	\$902,808	3.68	8.7 %	2.9 %	51.7 % <sup>6</sup>
SBA - 7(a)	SBL	\$1,379,546	\$1,330,911	1.62	9.3 %	8.7 %	1.8 %
Other <sup>4</sup>	LMM CRE / SBL	\$380,545	\$359,364	1.54	7.0 %	6.5 %	2.4 %
<b>Total</b>		<b>\$8,968,306</b>	<b>\$8,383,294</b>	<b>2.51</b>	<b>7.6 %</b>	<b>6.2 %</b>	<b>11.9 %</b>

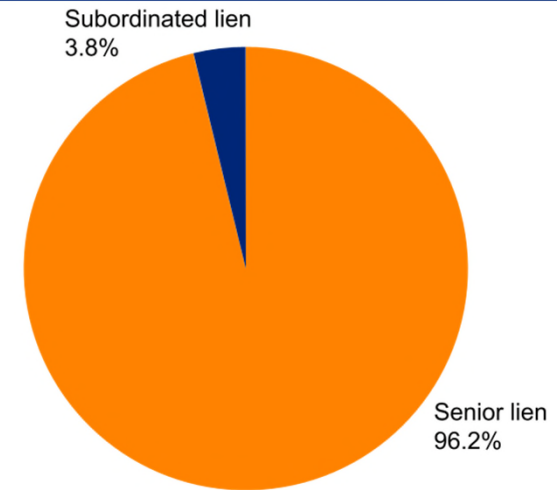
1.) Residential mortgage banking (classified as held for sale) is 2% of total assets and contributed \$15.4M of revenue in Q1 2025; 2.) Based on Distributable Earnings including interest income, accretion of discount, MSR creation, income from unconsolidated joint ventures, realized gains (losses) on loans held for sale, unrealized gains (losses) on loans held for sale and servicing income net of interest expense and amortization of deferred financing costs on an annualized basis; 3.) Includes loans in consolidated VIEs and loans held for sale, at fair value; 4.) Primarily includes Freddie Mac and LMM commercial acquired loans that have nonconforming characteristics for the Fixed rate, Bridge, and Construction classifications due to loan size, rate type, collateral, or borrower criteria; 5.) Calculated based on Carrying Value 6.) RC originated construction portfolio 60+ day delinquencies of 0.0%

# Loan Portfolio Composition

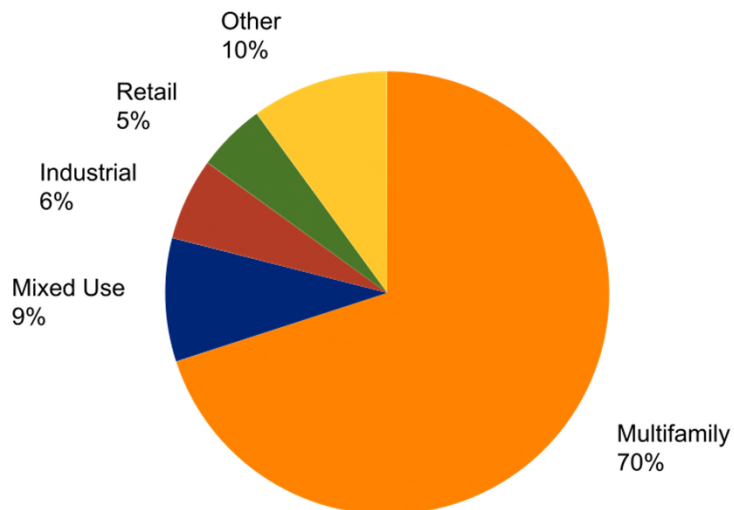
## LMM CRE GEOGRAPHIC LOCATION<sup>1</sup>



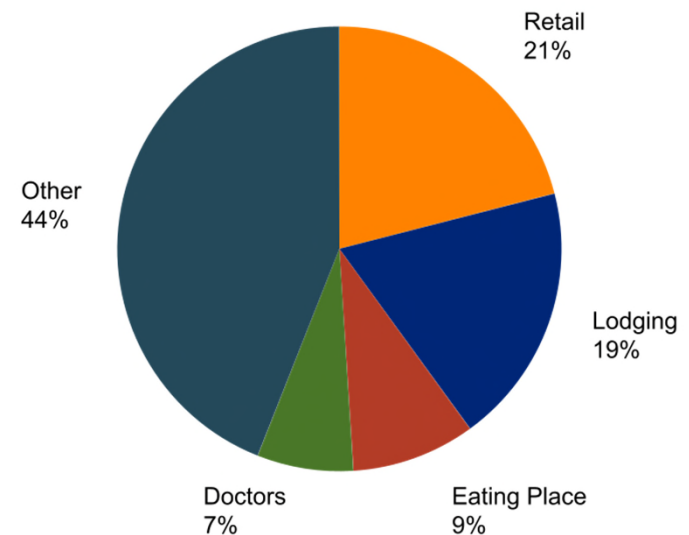
## LIEN POSITION OF TOTAL PORTFOLIO<sup>1</sup>



## LMM CRE COLLATERAL TYPE<sup>1</sup>



## SMALL BUSINESS LENDING COLLATERAL TYPE<sup>1</sup>



1.) Calculated based on Carrying Value

# LMM CRE Loan Portfolio - Migration



## CONTRACTUAL STATUS <sup>(5)</sup>

CORE	Q2'24	Q3'24	Q4'24	Q1'25
<i>CURRENT</i>	94.0%	94.8%	96.4%	93.8%
<i>30-59 DAYS PAST DUE</i>	0.9%	1.1%	1.6%	2.1%
<i>60+ DAYS PAST DUE</i>	5.1%	4.1%	2.0%	4.1%
NON-CORE	Q2'24	Q3'24	Q4'24	Q1'25
<i>CURRENT</i>	87.2%	75.5%	75.4%	37.3%
<i>30-59 DAYS PAST DUE</i>	0.7%	2.9%	0.7%	—%
<i>60+ DAYS PAST DUE</i>	12.1%	21.6%	23.9%	62.7%

## ACCRUAL STATUS <sup>(5)</sup>

CORE	Q2'24	Q3'24	Q4'24	Q1'25
<i>ACCRUAL</i>	96.5%	96.8%	97.0%	96.3%
<i>NON-ACCRUAL</i>	3.5%	3.2%	3.0%	3.7%
NON-CORE	Q2'24	Q3'24	Q4'24	Q1'25
<i>ACCRUAL</i>	91.9%	88.1%	69.3%	14.9%
<i>NON-ACCRUAL</i>	8.1%	11.9%	30.7%	85.1%

## RISK RATING <sup>(5)</sup>

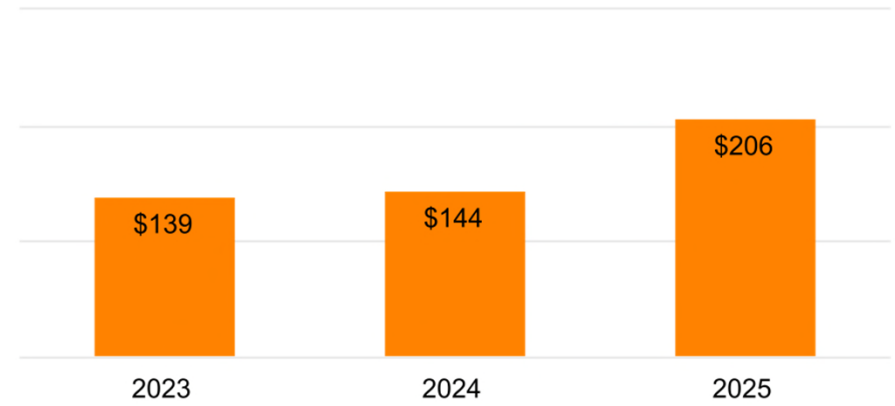
CORE	Q2'24	Q3'24	Q4'24	Q1'25
<i>1 &amp; 2</i>	74.6%	71.8%	67.7%	55.0%
<i>3</i>	19.9%	23.3%	28.1%	37.4%
<i>4</i>	3.3%	3.6%	3.3%	3.5%
<i>5</i>	2.2%	1.3%	0.9%	4.1%
NON-CORE	Q2'24	Q3'24	Q4'24	Q1'25
<i>1 &amp; 2</i>	44.4%	39.6%	14.3%	4.0%
<i>3</i>	43.5%	35.3%	27.1%	33.3%
<i>4</i>	4.3%	14.1%	42.7%	—%
<i>5</i>	7.8%	11.0%	15.9%	62.7%

# Loan Portfolio Composition

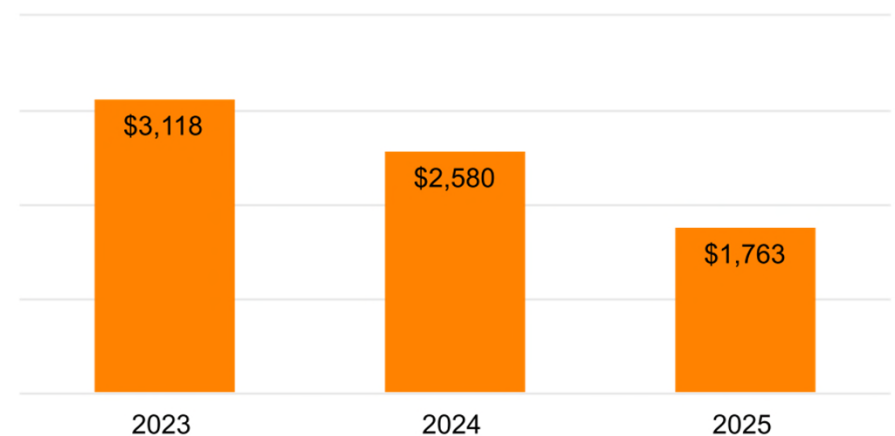
## HIGHLIGHTS

- Diversified unencumbered asset pool of \$1.0b, including \$206m of unrestricted cash
- 1.2x unencumbered assets to unsecured debt
- \$1.8b in available warehouse borrowing capacity across 15 counterparties
- Full mark-to-market liabilities and credit mark-to-market liabilities represent 32% of total debt
- Collapsed three securitizations (RCMF 2021-FL5, RCMF 2021-FL6, and RCMF 2022-FL8) generating \$78 million in liquidity
- Closed \$220 million senior secured offering

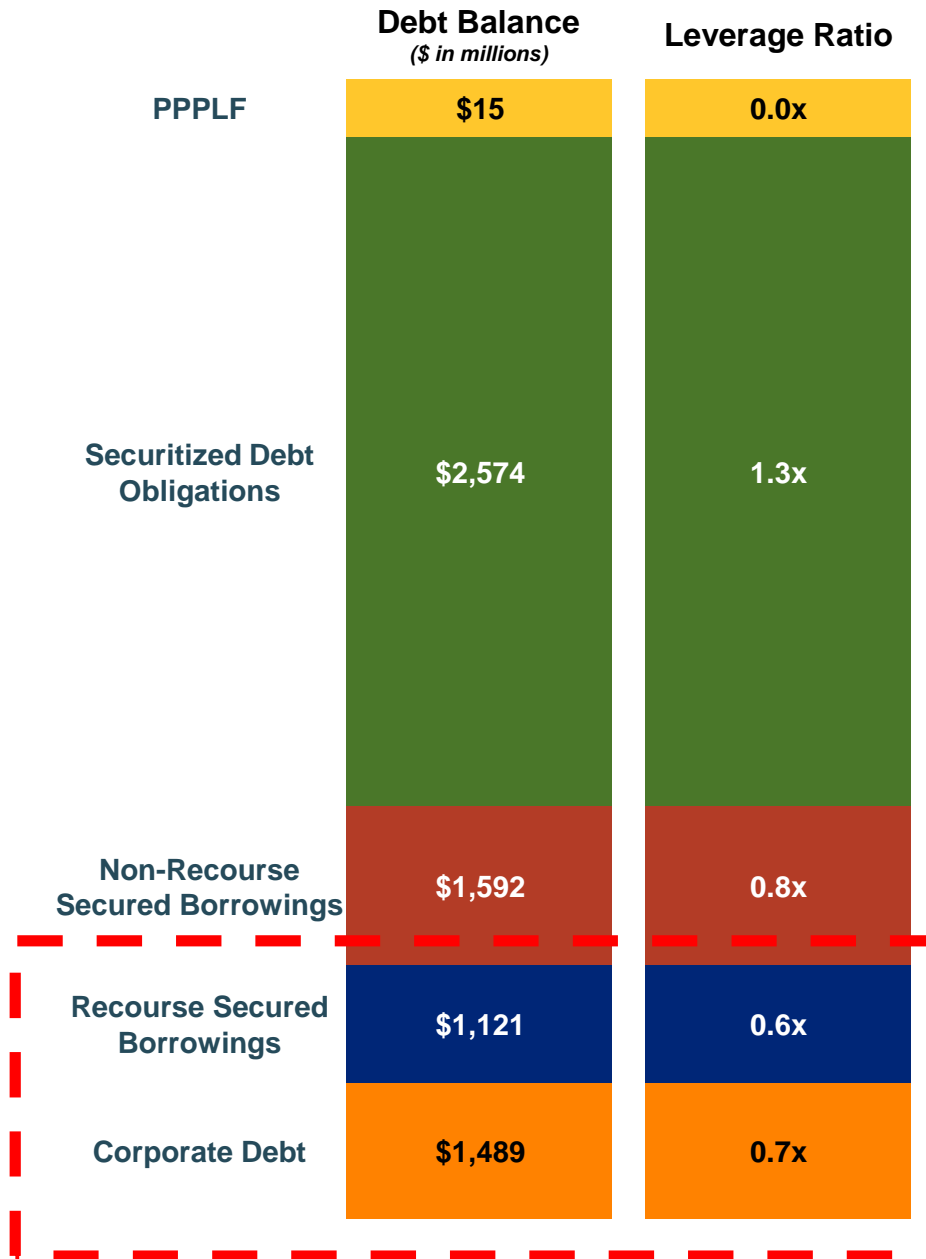
## CASH ON BALANCE SHEET (\$MM)



## AVAILABLE WAREHOUSE BORROWINGS (\$MM)



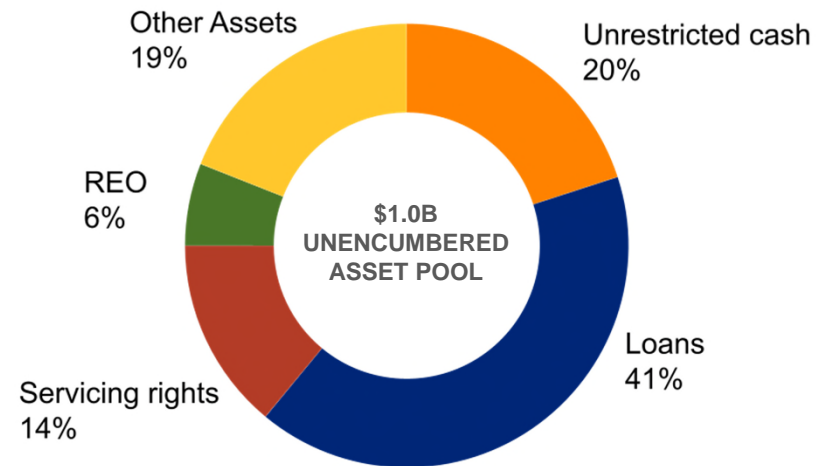
# Financial Flexibility (Cont'd)



## OVERVIEW

- Total leverage of 3.3x
- Recourse leverage ratio of 1.0x
- 60% of secured borrowings subject to non-recourse or limited recourse terms

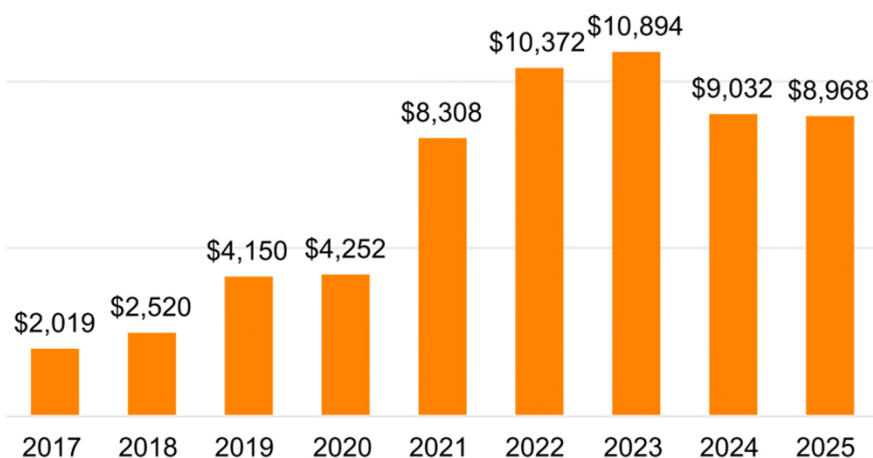
## UNENCUMBERED ASSET POOL



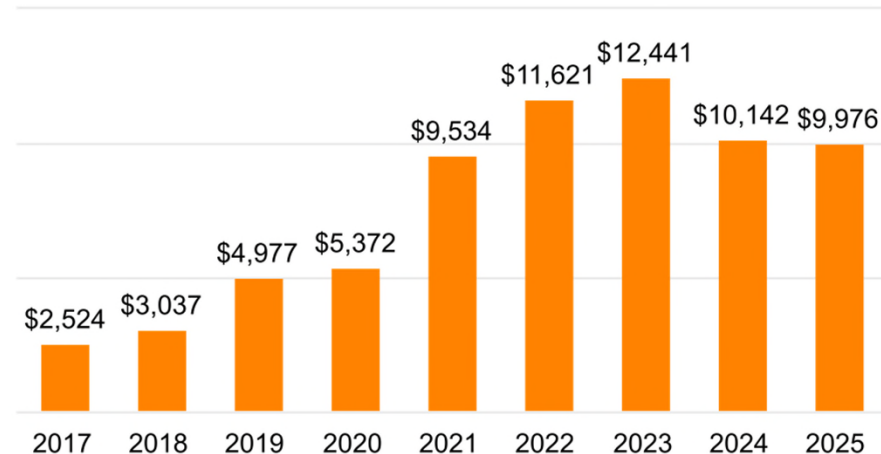
# Historical Balance Sheet

- Ready Capital has grown its balance sheet substantially over its history, with its total assets grown at a 19% CAGR from 2017 to March 31, 2025
- Debt is comprised of a well diversified mix of corporate borrowings and securitizations
- Ready Capital's equity has grown over 4x since 2017

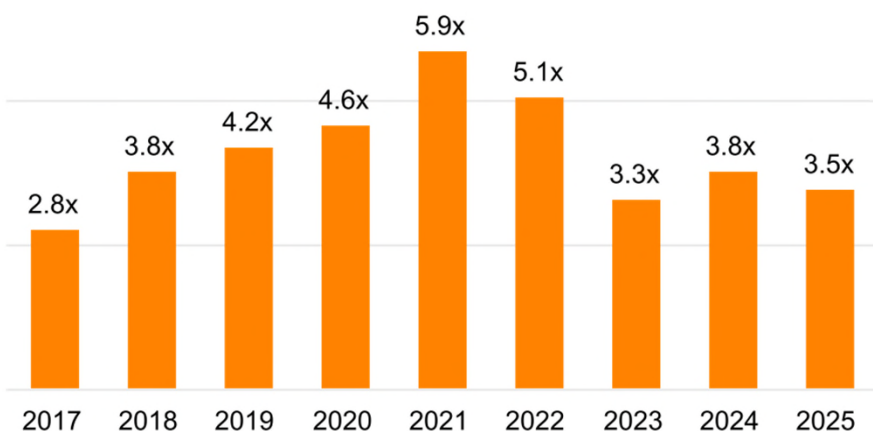
## LOANS (\$MM)<sup>1</sup>



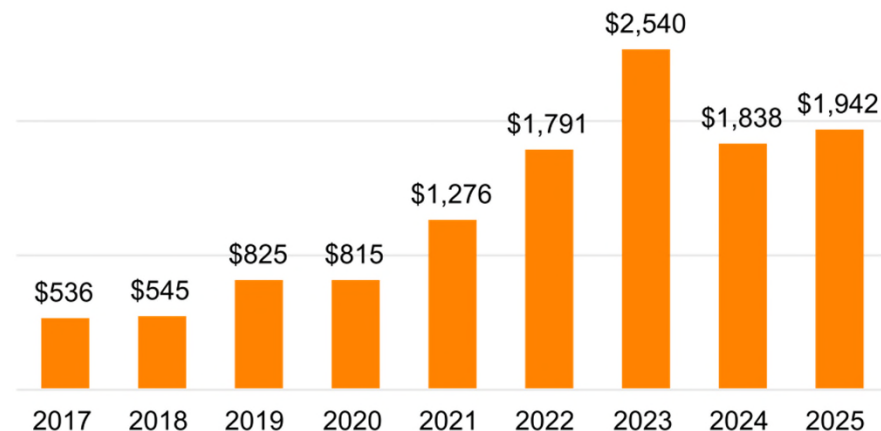
## TOTAL ASSETS (\$MM)



## LEVERAGE RATIO (DEBT-EQUITY)<sup>2</sup>



## TOTAL STOCKHOLDERS' EQUITY (\$MM)<sup>2</sup>



1.) Based on UPB; 2.) Shows total stockholders' equity attributable to Ready Capital shareholders, excluding non-controlling interest

APPENDIX

# Additional Financial Information

# Balance Sheet by Quarter



(in thousands)	3/31/2024	6/30/2024	9/30/2024	12/31/2024	3/31/2025
<b>Assets</b>					
Cash and cash equivalents	\$ 166,004	\$ 226,286	\$ 181,315	\$ 143,803	\$ 205,917
Restricted cash	24,915	29,971	31,331	30,560	39,603
Loans, net	3,400,481	3,444,879	3,555,928	3,378,149	4,354,017
Loans, held for sale	584,072	532,511	320,082	241,626	528,726
Mortgage-backed securities	29,546	30,174	30,780	31,006	31,415
Investment in unconsolidated joint ventures	132,730	134,602	146,397	161,561	170,920
Derivative instruments	15,448	14,382	11,032	7,963	6,907
Servicing rights	103,555	119,768	127,989	128,440	129,814
Real estate owned, held for sale	239,874	187,883	166,697	193,437	199,910
Other assets	315,772	379,413	412,238	362,486	399,702
Assets of consolidated VIEs	6,591,834	6,250,570	5,794,720	5,175,295	3,723,738
Assets held for sale	439,301	423,894	474,535	287,595	185,782
<b>Total Assets</b>	<b>\$ 12,043,532</b>	<b>\$ 11,774,333</b>	<b>\$ 11,253,044</b>	<b>\$ 10,141,921</b>	<b>\$ 9,976,451</b>
<b>Liabilities</b>					
Secured borrowings	2,198,272	2,311,969	2,184,280	2,035,176	2,713,415
Securitized debt obligations of consolidated VIEs, net	4,769,057	4,407,241	3,960,185	3,580,513	2,574,139
Senior secured notes and Corporate debt, net	1,111,654	1,184,311	1,206,159	1,333,112	1,488,666
Guaranteed loan financing	814,784	782,345	742,631	691,118	668,847
Contingent consideration	—	3,926	2,007	573	15,982
Derivative instruments	593	2,638	2,085	352	575
Dividends payable	53,908	53,119	44,602	43,168	23,929
Loan participations sold	73,749	89,532	99,737	95,578	98,128
Due to third parties	3,401	1,995	1,239	1,442	1,071
Accounts payable and other accrued liabilities	193,896	204,766	279,014	188,051	185,533
Liabilities held for sale	315,975	332,265	392,697	228,735	156,614
<b>Total Liabilities</b>	<b>\$ 9,535,289</b>	<b>\$ 9,374,107</b>	<b>\$ 8,914,636</b>	<b>\$ 8,197,818</b>	<b>\$ 7,926,899</b>
Preferred stock Series C	8,361	8,361	8,361	8,361	8,361
<b>Stockholders' Equity</b>					
Preferred stock	111,378	111,378	111,378	111,378	111,378
Common stock	17	17	17	17	17
Additional paid-in capital	2,307,303	2,287,684	2,292,229	2,250,291	2,302,101
Retained deficit	(3,546)	(92,319)	(146,003)	(505,089)	(450,276)
Accumulated other comprehensive loss	(12,335)	(13,880)	(24,232)	(18,552)	(21,673)
Total Ready Capital Corporation equity	2,402,817	2,292,880	2,233,389	1,838,045	1,941,547
Non-controlling interests	97,065	98,985	96,658	97,697	99,644
<b>Total Stockholders' Equity</b>	<b>\$ 2,499,882</b>	<b>\$ 2,391,865</b>	<b>\$ 2,330,047</b>	<b>\$ 1,935,742</b>	<b>\$ 2,041,191</b>
<b>Total Liabilities, Redeemable Preferred Stock, and Stockholders' Equity</b>	<b>\$ 12,043,532</b>	<b>\$ 11,774,333</b>	<b>\$ 11,253,044</b>	<b>\$ 10,141,921</b>	<b>\$ 9,976,451</b>
<b>Book Value per Share</b>	<b>\$ 13.44</b>	<b>\$ 12.97</b>	<b>\$ 12.59</b>	<b>\$ 10.61</b>	<b>\$ 10.61</b>

# Statement of Operations by Quarter



(In thousands, except share data)	Q1 2024	Q2 2024	Q3 2024	Q4 2024	Q1 2025
Interest income	\$ 232,354	\$ 234,119	\$ 226,537	\$ 203,965	\$ 154,967
Interest expense	(183,805)	(183,167)	(175,572)	(153,911)	(140,466)
<b>Net interest income before (provision for) recovery of loan losses</b>	<b>\$ 48,549</b>	<b>\$ 50,952</b>	<b>\$ 50,965</b>	<b>\$ 50,054</b>	<b>\$ 14,501</b>
Recovery of (provision for) loan losses	26,544	18,871	(53,166)	(285,008)	109,568
<b>Net interest income after (provision for) recovery of loan losses</b>	<b>\$ 75,093</b>	<b>\$ 69,823</b>	<b>\$ (2,201)</b>	<b>\$ (234,954)</b>	<b>\$ 124,069</b>
<b>Non-interest income</b>					
Net realized gain (loss) on financial instruments and real estate owned	18,868	7,250	(69,184)	(10,934)	10,669
Net unrealized gain (loss) on financial instruments	4,632	(1,357)	(1,241)	(17,025)	(1,750)
Valuation allowance, loans held for sale	(146,180)	(80,987)	71,060	31,229	(99,718)
Servicing income, net of amortization and impairment	3,758	3,271	5,415	4,112	6,456
Income (loss) on unconsolidated joint ventures	468	1,139	3,214	6,065	(3,982)
Gain (loss) on bargain purchase	—	(18,306)	32,165	—	102,471
Other income	15,826	6,597	14,823	13,557	11,590
<b>Total non-interest income (expense)</b>	<b>\$ (102,628)</b>	<b>\$ (82,393)</b>	<b>\$ 56,252</b>	<b>\$ 27,004</b>	<b>\$ 25,736</b>
<b>Non-interest expense</b>					
Employee compensation and benefits	\$ (18,414)	\$ (17,799)	\$ (22,989)	\$ (23,320)	\$ (21,254)
Allocated employee compensation and benefits from related party	(2,500)	(3,000)	(2,537)	(3,350)	(3,276)
Professional fees	(7,065)	(6,033)	(6,232)	(7,557)	(5,488)
Management fees – related party	(6,648)	(6,198)	(6,498)	(5,518)	(5,577)
Loan servicing expense	(12,794)	(11,012)	(10,101)	(12,749)	(15,844)
Transaction related expenses	(650)	(1,592)	(2,998)	(4,878)	(2,694)
Impairment on real estate	(16,972)	(9,130)	(525)	(29,876)	(2,346)
Other operating expenses	(13,215)	(12,672)	(18,048)	(19,637)	(16,123)
<b>Total non-interest expense</b>	<b>\$ (78,258)</b>	<b>\$ (67,436)</b>	<b>\$ (69,928)</b>	<b>\$ (106,885)</b>	<b>\$ (72,602)</b>
Income (loss) from continuing operations before benefit (provision) for income taxes	\$ (105,793)	\$ (80,006)	\$ (15,877)	\$ (314,835)	\$ 77,203
Income tax benefit (provision)	30,211	48,579	8,404	17,318	5,207
<b>Net income (loss) from continuing operations</b>	<b>\$ (75,582)</b>	<b>\$ (31,427)</b>	<b>\$ (7,473)</b>	<b>\$ (297,517)</b>	<b>\$ 82,410</b>
<b>Discontinued operations</b>					
Income (loss) from discontinued operations before benefit (provision) for income taxes	\$ 1,887	\$ (3,699)	\$ 258	\$ (22,978)	\$ (594)
Income tax benefit (provision)	(472)	925	(64)	5,744	149
<b>Net income (loss) from discontinued operations</b>	<b>\$ 1,415</b>	<b>\$ (2,774)</b>	<b>\$ 194</b>	<b>\$ (17,234)</b>	<b>\$ (445)</b>
<b>Net income (loss)</b>	<b>\$ (74,167)</b>	<b>\$ (34,201)</b>	<b>\$ (7,279)</b>	<b>\$ (314,751)</b>	<b>\$ 81,965</b>
Less: Dividends on preferred stock	1,999	1,999	1,999	1,999	1,999
Less: Net income attributable to non-controlling interest	117	1,820	2,031	1,389	2,460
<b>Net income (loss) attributable to Ready Capital Corporation</b>	<b>\$ (76,283)</b>	<b>\$ (38,020)</b>	<b>\$ (11,309)</b>	<b>\$ (318,139)</b>	<b>\$ 77,506</b>
<b>Earnings per common share from continuing operations - basic</b>	<b>\$ (0.45)</b>	<b>\$ (0.21)</b>	<b>\$ (0.07)</b>	<b>\$ (1.80)</b>	<b>\$ 0.47</b>
<b>Earnings per common share from discontinued operations - basic</b>	<b>\$ 0.01</b>	<b>\$ (0.02)</b>	<b>\$ 0.00</b>	<b>\$ (0.10)</b>	<b>\$ 0.00</b>
<b>Earnings per common share from continuing operations - diluted</b>	<b>\$ (0.45)</b>	<b>\$ (0.21)</b>	<b>\$ (0.07)</b>	<b>\$ (1.80)</b>	<b>\$ 0.46</b>
<b>Earnings per common share from discontinued operations - diluted</b>	<b>\$ 0.01</b>	<b>\$ (0.02)</b>	<b>\$ 0.00</b>	<b>\$ (0.10)</b>	<b>\$ 0.00</b>
Weighted-average shares outstanding - Basic	172,032,866	168,653,741	168,335,483	167,434,683	165,166,276
Weighted-average shares outstanding - Diluted	173,104,415	169,863,975	169,509,208	168,845,426	167,723,519
<b>Dividends declared per share of common stock</b>	<b>\$ 0.30</b>	<b>\$ 0.30</b>	<b>\$ 0.25</b>	<b>\$ 0.25</b>	<b>\$ 0.125</b>

# Distributable Earnings Reconciliation by Quarter



(In thousands, except share data)	Q1 2024	Q2 2024	Q3 2024	Q4 2024	Q1 2025
<b>Net Income (loss)</b>	\$ (74,167)	\$ (34,201)	\$ (7,279)	\$ (314,751)	\$ 81,965
<b>Reconciling items:</b>					
Unrealized (gain) loss on MSR - discontinued operations	\$ —	\$ 7,219	\$ —	\$ 33,175	\$ 8,952
Unrealized (gain) loss on joint ventures	(35)	(626)	2,173	(5,015)	5,639
Increase (decrease) in CECL reserve	(32,181)	(24,574)	52,442	277,277	(112,127)
Increase (decrease) in valuation allowance	146,180	80,987	(71,060)	(31,229)	99,718
Non-recurring REO impairment	15,512	8,474	525	31,175	2,346
Non-cash compensation	1,877	1,891	1,916	2,826	1,785
Unrealized (gain) loss on preferred equity, at fair value	—	—	—	15,613	—
Merger transaction costs and other non-recurring expenses	1,931	4,852	4,070	6,579	2,993
Bargain purchase (gain) loss	—	18,306	(32,165)	—	(102,471)
Realized losses on sale of investments	—	22,355	109,675	51,688	20,084
<b>Total reconciling items</b>	\$ 133,284	\$ 118,884	\$ 67,576	\$ 382,089	\$ (73,081)
Income tax adjustments	(5,141)	(47,799)	(13,739)	(22,825)	(4,744)
<b>Distributable earnings before realized losses</b>	\$ 53,976	\$ 36,884	\$ 46,558	\$ 44,513	\$ 4,140
Realized losses on sale of investments, net of tax	—	(20,253)	(89,072)	(44,246)	(15,524)
<b>Distributable earnings</b>	\$ 53,976	\$ 16,631	\$ (42,514)	\$ 267	\$ (11,384)
Less: Distributable earnings attributable to non-controlling interests	\$ 1,108	\$ 2,206	\$ 1,766	\$ 3,113	\$ 1,985
Less: Income attributable to participating shares	336	302	242	249	229
Less: Dividends on preferred stock	1,999	1,999	1,999	1,999	1,999
<b>Distributable earnings attributable to Common Stockholders</b>	\$ 50,533	\$ 12,124	\$ (46,521)	\$ (5,094)	\$ (15,597)
<b>Distributable earnings before realized losses on investments, net of tax per common share - basic</b>	\$ 0.29	\$ 0.19	\$ 0.25	\$ 0.23	\$ 0.00
<b>Distributable earnings per common share - basic</b>	\$ 0.29	\$ 0.07	\$ (0.28)	\$ (0.03)	\$ (0.09)
<b>Weighted average common shares outstanding</b>	<b>172,032,866</b>	<b>168,653,741</b>	<b>168,335,483</b>	<b>167,434,683</b>	<b>165,166,276</b>

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.

We calculate Distributable earnings as GAAP net income (loss) excluding the following:

- i) any unrealized gains or losses on certain MBS not retained by us as part of our loan origination businesses
- ii) any realized gains or losses on sales of certain MBS
- iii) any unrealized gains or losses on Residential MSRs from discontinued operations
- iv) any unrealized change in current expected credit loss reserve and valuation allowances
- v) any unrealized gains or losses on de-designated cash flow hedges
- vi) any unrealized gains or losses on foreign exchange hedges
- vii) any unrealized gains or losses on certain unconsolidated joint ventures
- viii) any non-cash compensation expense related to stock-based incentive plan
- ix) any unrealized gains or losses on preferred equity, at fair value
- x) one-time non-recurring gains or losses, such as gains or losses on discontinued operations, bargain purchase gains, or merger related expenses

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. In calculating Distributable Earnings, the Company does not exclude realized gains or losses on either 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.



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