

## ACQUISITION OF UNITED DEVELOPMENT FUNDING IV FREQUENTLY ASKED QUESTIONS

### INTRODUCTION

On March 13, 2025 (the “Closing Date”), pursuant to the terms of the Agreement and Plan of Merger, dated as of November 29, 2024 (the “Merger Agreement”), by and among Ready Capital Corporation (NYSE: RC) (“Ready Capital”), United Development Funding IV (“UDF IV”), and RC Merger Sub IV, LLC, a wholly owned subsidiary of Ready Capital (“Merger Sub”), UDF IV merged with and into Merger Sub (the “Merger”), with Merger Sub continuing as the surviving company of the Merger and a wholly owned subsidiary of Ready Capital.

As a result of the Merger, each of the former shareholders of UDF IV were entitled to receive certain consideration pursuant to the terms of the Merger Agreement, as further discussed below.

Ready Capital filed a registration statement on Form S-4, as amended (Registration No. 333-284038) with the Securities and Exchange Commission (the “SEC”) in connection with the Merger and related transactions (the “Ready Capital Registration Statement”), which was declared effective by the SEC on January 8, 2025. The proxy statement/prospectus included in the Ready Capital Registration Statement contains detailed information regarding the Merger and related transactions. The Ready Capital Registration Statement (which includes a copy of the Merger Agreement) and other filings made by Ready Capital regarding the Merger are publicly available on the SEC’s website at [www.sec.gov](http://www.sec.gov).

The following is intended to address certain commonly asked questions regarding the Merger and the rights of former shareholders of UDF IV following the Merger. These questions and answers do not address all questions that may be important to you. Please direct any questions you have to Investor Relations. To contact Investor Relations, please click [here](#).

#### **1. What is Ready Capital?**

Ready Capital 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. Ready Capital 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, Ready Capital employs approximately 500 professionals nationwide.

Following the Merger, the former assets and operations of UDF IV and its subsidiaries are now owned and operated by subsidiaries of Ready Capital. Ready Capital operates under the “Ready Capital Corporation” name and its shares of common stock, par value \$0.0001 per share (“Common Stock”), trade on the New York Stock Exchange under the symbol “RC.”

For more information about Ready Capital, please visit <https://ir.readycapital.com/investor-relations/Investor-Relations-Overview/default.aspx>.

#### **2. What exchange does the Common Stock trade on and what is the ticker symbol?**

The Common Stock trades on the New York Stock Exchange under the symbol “RC.”

**3. Does Ready Capital pay a dividend?**

Yes, Ready Capital pays a quarterly dividend. During the quarter ended March 31, 2025, Ready Capital paid a \$0.125 dividend per share of Common Stock, which equated to a nearly 10% dividend yield on the March 31, 2025 closing price of the Common Stock of \$5.09.

**4. Who is the transfer agent for Ready Capital and how do I contact them?**

Ready Capital's transfer agent is Computershare Inc. and its affiliate Computershare Trust Company, N.A. (collectively, "Computershare"). As described below, Computershare also serves as the exchange agent in connection with the Merger and as the rights agent with respect to the CVRs (as defined below). Set forth below is Computershare's contact information:

Computershare Inc.  
Computershare Trust Company, N.A.  
150 Royall Street, Suite 101  
Canton, MA, 02021  
Attention: Computershare Investor Services  
Phone: 1-866-637-9460

You may also visit the Computershare Investor Center at <https://www-us.computershare.com/Investor/#Home>.

For information on how to access your new Ready Capital investments, please refer FAQ #9.

**5. I am a former UDF IV shareholder. What consideration did I receive in connection with the Merger?**

Pursuant to the Merger Agreement, as a former UDF IV shareholder, you received, in exchange for the cancellation and retirement of each issued and outstanding common share of beneficial interest in UDF IV, par value \$0.01 per share ("UDF IV Share"), you held immediately prior to the Closing Date, consideration (the "Merger Consideration") in the form of:

- (1) 0.416 shares of Common Stock, plus cash consideration in lieu of any fractional shares of Common Stock, if applicable; and
- (2) 0.416 contingent value rights ("CVRs") representing the potential right to receive additional shares of Common Stock following the end of each of the four periods following the Closing Date (commencing with the period beginning October 1, 2024 and ending December 31, 2025 and each of the three subsequent calendar years) (the "CVR Accrual Periods") based upon the cash proceeds received by Ready Capital with respect to a portfolio of five UDF IV loans (the "Portfolio Loans") during each of the CVR Accrual Periods.

Ready Capital has appointed Computershare to act as the exchange agent for the exchange of UDF IV Shares for the Merger Consideration in accordance with the Merger Agreement. Computershare, in its capacity as exchange agent, has caused to be issued and distributed to all former record holders of UDF IV Shares on file: (i) the whole number of shares of Common Stock issuable pursuant to the Merger

Agreement, registered in your name; (ii) such number of CVRs issuable pursuant to the Merger Agreement, registered in your name; and (iii) via mail, checks in lieu of any fractional shares of Common Stock to which you are entitled. Computershare has also caused to be distributed via mail to all former record holders of UDF IV Shares on file account statements summarizing the above.

To the extent your UDF IV Shares were held in “street name” through a broker, Computershare, on Ready Capital’s behalf, has issued the shares of Common Stock and CVRs to which you are entitled to Cede & Co., the Depository Trust Company (“DTC”) nominee, which in turn has allocated such shares of Common Stock and CVRs to their participants for further allocation to all brokers for final allocation to you. Computershare has also caused to be delivered to DTC via wire transfer the cash consideration in lieu of any fractional shares of Common Stock. Information about your holdings may be obtained from your broker.

## **6. What are the CVRs and who is administering the CVRs?**

CVRs represent the potential right to receive additional shares of Common Stock following the end of each CVR Accrual Period following the Closing Date (commencing with the period beginning October 1, 2024 and ending December 31, 2025 and each of the three subsequent calendar years) based upon the cash proceeds received by Ready Capital with respect to the Portfolio Loans during each of the CVR Accrual Periods.

The payout of your CVRs is based upon the cash proceeds received by Ready Capital and its subsidiaries during the CVR Accrual Periods in respect of the Portfolio Loans, less certain costs and expenses. Once Ready Capital has recovered an amount equal to the principal of the Portfolio Loans, Ready Capital will retain 40% of the remaining net cash proceeds received in respect of the Portfolio Loans during the relevant CVR Accrual Period, and you will be entitled to receive additional shares of Common Stock with a value (based on the most recent publicly reported tangible book value per share of Common Stock immediately preceding such issuance date (the “Ready Capital Share Value”)) equal to 60% of the remaining net cash proceeds, if any, received by Ready Capital in respect of the Portfolio Loans during such CVR Accrual Period.

The CVRs are contractual rights and do not represent any equity or ownership interest in Ready Capital or any of its affiliates. Therefore, you will not have any rights to receive dividends or distributions from Ready Capital with respect to the CVRs that you receive. However, if any shares of Common Stock are issued to you in settlement of your CVRs, you will also be entitled to receive (at Ready Capital’s election) either (i) a cash payment equal to the amount of any dividends or other distributions paid with respect to the number of whole shares of Common Stock you received in respect of your CVRs that have a record date on or after the Closing Date and a payment date prior to the issuance date of such shares of Common Stock (the “Catch-up Dividend Amount”) or (ii) (x) a number of shares of Common Stock equal to (A) the Catch-up Dividend Amount divided by (B) the Ready Capital Share Value and (y) the amount of any dividends or other distributions payable with respect to such shares of Common Stock and having a record date prior to the issuance date of such Common Stock and a payment date on or after the relevant issuance date of such Common Stock.

Ready Capital will only issue whole shares of Common Stock pursuant to the CVRs. Cash will be paid in lieu of any fractional share of Common Stock otherwise payable to you as the holder of CVRs.

The CVRs are not listed on any securities exchange and will not be transferrable by holders except for certain limited circumstances, including as required by law or in connection with the death or liquidation of a holder.

As rights agent with respect to the CVRs, Computershare will be responsible for maintaining the official register of CVR holders, transmitting to such holders any notices or other communications with respect to the CVRs, and taking direction from the holders of 30% or more of the outstanding CVRs with respect to the handling of disputes and other matters arising with respect to the CVRs.

**7. Is there a lockup period on the shares of Common Stock I've received, or are they freely tradeable if I choose to sell?**

The shares of Common Stock issued to you in connection with the Merger (including shares issued in respect of the CVRs) are not subject to a lockup and are transferable if you elect to sell. However, as noted above, the CVRs themselves are not transferrable by holders except for certain limited circumstances, including as required by law or in connection with the death or liquidation of a holder.

**8. Where are my shares of Common Stock and CVRs held?**

To the extent your UDF IV Shares were held in "street name" through a broker, Computershare, on Ready Capital's behalf, has issued the shares of Common Stock and CVRs to which you are entitled to Cede & Co., DTC's nominee, which in turn has allocated such shares of Common Stock and CVRs to their participants for further allocation to all brokers for final allocation to you. Computershare has also caused to be delivered to DTC via wire transfer the cash consideration in lieu of any fractional shares of Common Stock. Information about your holdings may be obtained from your broker.

If you are entitled to receive additional shares of Common Stock and/or cash consideration in respect of your CVRs as described in FAQ #6, Computershare will issue the shares of Common Stock to which you are entitled to Cede & Co., DTC's nominee, which will in turn allocate such shares of Common Stock to their participants for further allocation to all brokers for final allocation to you. Computershare will also cause to be delivered to DTC via wire transfer the cash consideration you are entitled to.

If your UDF IV Shares were held directly on the books and records of UDF IV's transfer agent, and not in "street name," then your shares of Common Stock and CVRs are held in uncertificated "book entry" form in your name on Ready Capital's records, which are maintained by Ready Capital's transfer agent and CVR rights agent, Computershare. If you wish to move your shares of Common Stock to a brokerage account, please advise your broker to pull the shares of Common Stock via DRS profile. Computershare, as rights agent, keeps records of the holders of CVRs.

If you are entitled to receive additional shares of Common Stock and/or cash consideration in respect of your CVRs as described in FAQ #6, Computershare will issue the shares of Common Stock to which you are entitled in your name in Ready Capital's records, which is maintained by Computershare, and cause to be distributed to you via wire transfer or via check the cash consideration you are entitled to in respect of the CVRs.

For further questions on where your Ready Capital investments are held, please contact Computershare at 1-866-637-9460.

**9. How do I access information regarding my new Ready Capital investments?**

If your shares of Common Stock and CVRs are held in your name on the records of Computershare, you may create an account, view your holdings and select your preferences by visiting <https://www-us.computershare.com/Investor/#Home>. Select “register now” if you need to create an account.

If your previous investment in UDF IV was held with an advisor, your advisor may access the advisor portal to view your Ready Capital investment at <https://www-us.computershare.com/AdvisorPortal/Login>. If your advisor does not see your account on the portal, your advisor should email advisor support at [advisorportalsupport@computershare.com](mailto:advisorportalsupport@computershare.com) for assistance.

To the extent your UDF IV Shares were held in “street name” through a broker, Computershare, on Ready Capital’s behalf, has issued the shares of Common Stock and CVRs to which you are entitled to Cede & Co., DTC’s nominee, which in turn has allocated such shares of Common Stock and CVRs to their participants for further allocation to all brokers for final allocation to you. Computershare has also caused to be delivered to DTC via wire transfer the cash consideration in lieu of any fractional shares of Common Stock. Information about your holdings may be obtained from your broker.

For further questions on accessing information regarding your Ready Capital investments, please contact Computershare at 1-866-637-9460.

**10. How are dividend payments made?**

Dividend payments are made via ACH or check. Checks are mailed to the address on record. Stockholders who wish to receive ACH payments via Computershare must sign-up in accordance with Computershare’s instructions, which include filling out a direct deposit form and returning the completed form to Computershare at PO Box 43006, Providence, RI 02940-3006. Stockholders may also update their payment requests via Computershare’s Investor Center.

Please note, if your shares of Common Stock are held in “street name” through a DTC participant or broker, dividends payments will be wired by Computershare directly to Cede & Co., DTC’s nominee, on behalf of all DTC participants and brokers. Dividend payments are then deposited by your DTC participant or broker into your account on your behalf.

For further questions on dividend payments, please contact Computershare at 1-866-637-9460.

**11. Will I receive any periodic financial information regarding my CVRs?**

Within 20 business days after the end of each CVR Accrual Period, Ready Capital will prepare and deliver to Computershare, as rights agent, and Computershare will send to you a copy of, a written notice (the “CVR Notice”) setting forth a computation of the net proceeds, if any, received by Ready Capital in respect of the Portfolio Loans during such CVR Accrual Period, less certain costs, expenses and the portion of such net proceeds entitled to be retained by Ready Capital. If such computation is greater than \$0, the CVR Notice will also set forth computations of the consideration you are entitled to receive in respect of each outstanding CVR you hold (see FAQ #6 for more information on such consideration).

**12. What was the disclosed estimated value of the CVRs?**

Prior to the Merger, in a supplement to the definitive proxy statement dated August 8, 2024 of UDF IV mailed by UDF IV to former UDF IV shareholders on December 2, 2024, UDF IV management estimated that the CVRs would generate payments of up to \$12 million or \$0.38 per UDF IV Share over time. Based on the purchase price allocation associated with the closing of the Merger, Ready Capital estimated the CVRs to be valued at approximately \$15.4 million or \$1.21 per CVR, as disclosed in Ready Capital's Quarterly Report on Form 10-Q for the quarter ended March 31, 2025, as filed with the SEC on May 9, 2025. Future estimates of the value of the CVRs may be provided by Ready Capital in its annual reports on Form 10-K and quarterly reports on Form 10-Q filed with the SEC. In each case, such estimates are not guarantees of actual value. Future value, if any, of the CVRs is contingent upon the performance of the Portfolio Loans and subject to the terms and conditions of the CVRs, including the reduction for any costs and expenses incurred in the CVR Accrual Periods.

**13. What are my tax consequences of this transaction?**

The Merger was intended to qualify as a reorganization within the meaning of Section 368(a) of the Internal Revenue Code of 1986, as amended. The specific tax consequences to you of the Merger will depend on your own situation. You should consult your tax advisor for a full understanding of the tax consequences to you (including the application and effect of any state, local or non-U.S. income and other tax laws) of the Merger. Further, you should refer to "Material U.S. Federal Income Tax Consequences" in the Ready Capital Registration Statement for more information about the material U.S. federal income tax consequences of the Merger.

**14. Where can I obtain a copy of Internal Revenue Service Form 8937 completed in connection with the Merger?**

A copy of the Form 8937 completed with respect to the Merger may be obtained at <https://ir.readycapital.com/investor-relations/Tax-Information/default.aspx>.

**15. Do you have another question that has not been answered that we can address?**

Please submit your question directly to Investor Relations. To contact Investor Relations, please click [here](#).

For more information on Ready Capital, please visit <https://ir.readycapital.com/investor-relations/Investor-Relations-Overview/default.aspx>.