



## TWO Announces 2024 Dividend Tax Information

**New York, January 29, 2025** – [TWO](#) (Two Harbors Investment Corp, NYSE: TWO), an MSR-focused REIT, announced today the tax treatment of the company’s common stock and preferred stock dividends declared in 2024. This information is provided to assist stockholders with tax reporting requirements related to dividend distribution of taxable income by TWO. Stockholders should review the 2024 tax statements received from their brokerage firms or other institutions to ensure that the statements agree with the information provided below. Additionally, as each stockholder’s tax situation may be different, stockholders are encouraged to consult with their own professional tax advisor with respect to their individual tax consequences.

### Tax Treatment of the Common and Preferred Distributions

TWO is required to report the portion of its 2024 dividends that are treated as excess inclusion income for federal income tax purposes. No portion of the company’s 2024 dividend distributions are expected to consist of excess inclusion income, which may be treated as unrelated business taxable income (UBTI) and subject to special tax reporting for certain tax-exempt investors.

The company declared dividends with respect to its common stock and Series A, Series B and Series C preferred shares on December 18, 2023. The record date for the company’s common stock and Series A, Series B and Series C preferred distributions was January 12, 2024. Accordingly, these common and preferred distributions were treated as 2024 distributions for tax purposes and reported on the 2024 Form 1099-DIV. In addition, the company declared dividends with respect to its common stock and Series A, Series B and Series C preferred shares on December 18, 2024. The record date for the company’s common stock distribution was January 3, 2025, and the record date for the company’s Series A, Series B and Series C preferred distributions was January 10, 2025. Accordingly, these common and preferred distributions will be treated as 2025 distributions for tax purposes and reported on the 2025 Form 1099-DIV.

### Distributions for TWO

The federal income tax classification of TWO’s 2024 common and preferred stock distributions as it is expected to be reported on Form 1099-DIV is set forth in the following tables.

| 2024 FORM 1099-DIV – Common Stock |                     |                |                 |   |             | Box 1a<br>Total               | Box 1b<br>Total                               | Box 2a Total                          | Box 3 Total                          | Box 5 Total                                 |
|-----------------------------------|---------------------|----------------|-----------------|---|-------------|-------------------------------|---|---------------------------------------|--------------------------------------|---|
| Distribution<br>Type              | Declaration<br>Date | Record<br>Date | Payable<br>Date | 2024 Total<br>Distribution<br>Per Share | Adjustments | 2024<br>Ordinary<br>Dividends | 2024<br>Qualified<br>Dividends <sup>(1)</sup> | 2024 Capital<br>Gain<br>Distributions | 2024<br>Nondividend<br>Distributions | Section<br>199A<br>Dividends <sup>(2)</sup> |
| Cash                              | 12/18/2023          | 1/12/2024      | 1/29/2024       | \$0.450000                              | \$0.000000  | \$0.300225                    | \$0.169520                                    | \$0.000000                            | \$0.149775                           | \$0.130705                                  |
| Cash                              | 3/20/2024           | 4/4/2024       | 4/29/2024       | \$0.450000                              | \$0.000000  | \$0.300225                    | \$0.169520                                    | \$0.000000                            | \$0.149775                           | \$0.130705                                  |
| Cash                              | 6/18/2024           | 7/5/2024       | 7/29/2024       | \$0.450000                              | \$0.000000  | \$0.300225                    | \$0.169520                                    | \$0.000000                            | \$0.149775                           | \$0.130705                                  |
| Cash                              | 9/19/2024           | 10/1/2024      | 10/29/2024      | \$0.450000                              | \$0.000000  | \$0.300225                    | \$0.169520                                    | \$0.000000                            | \$0.149775                           | \$0.130705                                  |
| <b>Totals</b>                     |                     |                |                 | \$1.800000                              | \$0.000000  | \$1.200900                    | \$0.678080                                    | \$0.000000                            | \$0.599100                           | \$0.522820                                  |

(1) - Qualified Dividends shows the portion of the amount in Box 1a that may be eligible for capital gains tax rates

(2) - Section 199A Dividends shows the portion of the amount in Box 1a that may be eligible for the 20% qualified business income deduction under Section 199A

| 2024 FORM 1099-DIV – Preferred Series A |                     |                |                 |   |             | Box 1a<br>Total               | Box 1b<br>Total                               | Box 2a Total                          | Box 3 Total                          | Box 5 Total                                 |
|---|---------------------|----------------|-----------------|---|-------------|-------------------------------|---|---------------------------------------|--------------------------------------|---|
| Distribution<br>Type                    | Declaration<br>Date | Record<br>Date | Payable<br>Date | 2024 Total<br>Distribution<br>Per Share | Adjustments | 2024<br>Ordinary<br>Dividends | 2024<br>Qualified<br>Dividends <sup>(1)</sup> | 2024 Capital<br>Gain<br>Distributions | 2024<br>Nondividend<br>Distributions | Section<br>199A<br>Dividends <sup>(2)</sup> |
| Cash                                    | 12/18/2023          | 1/12/2024      | 1/26/2024       | \$0.507810                              | \$0.000000  | \$0.507810                    | \$0.286731                                    | \$0.000000                            | \$0.000000                           | \$0.221079                                  |
| Cash                                    | 3/20/2024           | 4/12/2024      | 4/29/2024       | \$0.507810                              | \$0.000000  | \$0.507810                    | \$0.286731                                    | \$0.000000                            | \$0.000000                           | \$0.221079                                  |
| Cash                                    | 6/18/2024           | 7/12/2024      | 7/29/2024       | \$0.507810                              | \$0.000000  | \$0.507810                    | \$0.286731                                    | \$0.000000                            | \$0.000000                           | \$0.221079                                  |
| Cash                                    | 9/19/2024           | 10/11/2024     | 10/28/2024      | \$0.507810                              | \$0.000000  | \$0.507810                    | \$0.286731                                    | \$0.000000                            | \$0.000000                           | \$0.221079                                  |
| <b>Totals</b>                           |                     |                |                 | \$2.031240                              | \$0.000000  | \$2.031240                    | \$1.146924                                    | \$0.000000                            | \$0.000000                           | \$0.884316                                  |

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| 2024 FORM 1099-DIV – Preferred Series B |                     |                |                 |   |             | Box 1a<br>Total               | Box 1b<br>Total                               | Box 2a Total                          | Box 3 Total                          | Box 5 Total                                 |
|---|---------------------|----------------|-----------------|---|-------------|-------------------------------|---|---------------------------------------|--------------------------------------|---|
| Distribution<br>Type                    | Declaration<br>Date | Record<br>Date | Payable<br>Date | 2024 Total<br>Distribution<br>Per Share | Adjustments | 2024<br>Ordinary<br>Dividends | 2024<br>Qualified<br>Dividends <sup>(1)</sup> | 2024 Capital<br>Gain<br>Distributions | 2024<br>Nondividend<br>Distributions | Section<br>199A<br>Dividends <sup>(2)</sup> |
| Cash                                    | 12/18/2023          | 1/12/2024      | 1/26/2024       | \$0.476560                              | \$0.000000  | \$0.476560                    | \$0.269086                                    | \$0.000000                            | \$0.000000                           | \$0.207474                                  |
| Cash                                    | 3/20/2024           | 4/12/2024      | 4/29/2024       | \$0.476560                              | \$0.000000  | \$0.476560                    | \$0.269086                                    | \$0.000000                            | \$0.000000                           | \$0.207474                                  |
| Cash                                    | 6/18/2024           | 7/12/2024      | 7/29/2024       | \$0.476560                              | \$0.000000  | \$0.476560                    | \$0.269086                                    | \$0.000000                            | \$0.000000                           | \$0.207474                                  |
| Cash                                    | 9/19/2024           | 10/11/2024     | 10/28/2024      | \$0.476560                              | \$0.000000  | \$0.476560                    | \$0.269086                                    | \$0.000000                            | \$0.000000                           | \$0.207474                                  |
| <b>Totals</b>                           |                     |                |                 | \$1.906240                              | \$0.000000  | \$1.906240                    | \$1.076344                                    | \$0.000000                            | \$0.000000                           | \$0.829896                                  |

- (1) - Qualified Dividends shows the portion of the amount in Box 1a that may be eligible for capital gains tax rates
- (2) - Section 199A Dividends shows the portion of the amount in Box 1a that may be eligible for the 20% qualified business income deduction under Section 199A

| 2024 FORM 1099-DIV – Preferred Series C |                     |                |                 |   |             | Box 1a<br>Total               | Box 1b<br>Total                               | Box 2a Total                          | Box 3 Total                          | Box 5 Total                                 |
|---|---------------------|----------------|-----------------|---|-------------|-------------------------------|---|---------------------------------------|--------------------------------------|---|
| Distribution<br>Type                    | Declaration<br>Date | Record<br>Date | Payable<br>Date | 2024 Total<br>Distribution<br>Per Share | Adjustments | 2024<br>Ordinary<br>Dividends | 2024<br>Qualified<br>Dividends <sup>(1)</sup> | 2024 Capital<br>Gain<br>Distributions | 2024<br>Nondividend<br>Distributions | Section<br>199A<br>Dividends <sup>(2)</sup> |
| Cash                                    | 12/18/2023          | 1/12/2024      | 1/26/2024       | \$0.453130                              | \$0.000000  | \$0.453130                    | \$0.255856                                    | \$0.000000                            | \$0.000000                           | \$0.197274                                  |
| Cash                                    | 3/20/2024           | 4/12/2024      | 4/29/2024       | \$0.453130                              | \$0.000000  | \$0.453130                    | \$0.255856                                    | \$0.000000                            | \$0.000000                           | \$0.197274                                  |
| Cash                                    | 6/18/2024           | 7/12/2024      | 7/29/2024       | \$0.453130                              | \$0.000000  | \$0.453130                    | \$0.255856                                    | \$0.000000                            | \$0.000000                           | \$0.197274                                  |
| Cash                                    | 9/19/2024           | 10/11/2024     | 10/28/2024      | \$0.453130                              | \$0.000000  | \$0.453130                    | \$0.255856                                    | \$0.000000                            | \$0.000000                           | \$0.197274                                  |
| <b>Totals</b>                           |                     |                |                 | \$1.812520                              | \$0.000000  | \$1.812520                    | \$1.023424                                    | \$0.000000                            | \$0.000000                           | \$0.789096                                  |

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### Consult Your Tax Advisor

Stockholders may have additional reporting obligations to the Internal Revenue Service and/or other tax authorities.

*The U.S. federal income tax treatment of holding TWO common and preferred stock to any particular stockholder will depend on the stockholder’s particular tax circumstances. You are urged to consult your tax advisor regarding the U.S. federal, state, local and foreign income and other tax consequences to you, in light of your particular investment or tax circumstances, of acquiring, holding and disposing of TWO common and preferred stock.*

*TWO does not provide tax, accounting or legal advice. Any tax statements contained herein were not intended or written to be used, and cannot be used for the purpose of avoiding U.S., federal, state or local tax penalties. Please consult your advisor as to any tax, accounting or legal statements made herein.*

## **About TWO**

TWO (Two Harbors Investment Corp., NYSE: TWO), a Maryland corporation, is a real estate investment trust that invests in mortgage servicing rights, residential mortgage-backed securities and other financial assets. TWO is headquartered in St. Louis Park, MN.

## **Additional Information**

Stockholders of TWO and other interested persons may find additional information regarding the company at [www.twoinv.com](http://www.twoinv.com), at the Securities and Exchange Commission's internet site at [www.sec.gov](http://www.sec.gov) or by directing requests to: TWO, 1601 Utica Avenue South, Suite 900, St. Louis Park, MN 55416, (612) 453-4100.

## **Contact**

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