

# Granite Point Mortgage Trust Inc. Reports Third Quarter 2022 Financial Results and Post Quarter-End Update

NEW YORK--(BUSINESS WIRE)-- **Granite Point Mortgage Trust Inc.** (NYSE: GPMT) ("GPMT," "Granite Point" or the "Company") today announced its financial results for the quarter ended September 30, 2022, and provided an update on its activities subsequent to quarter-end. A presentation containing third quarter 2022 financial highlights can be viewed at [www.gpmtreit.com](http://www.gpmtreit.com).

## ***Third Quarter 2022 Activity***

- GAAP net (loss)<sup>(1)</sup> of \$(29.1) million, or \$(0.56) per basic share, inclusive of a \$(35.4) million, or \$(0.68) per basic share, provision for credit losses.
- Distributable Earnings<sup>(2)</sup> of \$8.7 million, or \$0.17 per basic share.
- Book value of \$15.24 per common share, inclusive of \$(1.63) per common share CECL reserve.
- Declared and paid a cash dividend of \$0.25 per common share; Series A preferred cash dividend of \$0.4375 per share.
- Closed one new multifamily loan with total commitment of \$45.0 million and funded \$72.4 million<sup>(3)</sup> in total UPB, including prior commitments.
- Realized \$346.7 million of total UPB in loan repayments, principal paydowns and amortization, which consisted of approximately 41% office, 31% hotel and 28% multifamily loans.
- Portfolio of \$3.9 billion in total commitments comprised of over 99% senior loans with a weighted average stabilized LTV of 63.2%<sup>(4)</sup> and a weighted average yield at origination of LIBOR/SOFR + 4.07%<sup>(5)</sup>; over 98% floating rate.
- Weighted average risk rating of 2.6 at September 30, 2022.
- CECL reserve of approx. \$85.6 million, or 2.18% of total portfolio commitments.
- Entered into a new \$100 million financing facility providing loan-level funding on a non-mark-to-market basis for performing and non-performing loans.
- Ended Q3 with over \$165 million in cash on hand, \$45 million of restricted cash in CLOs available for reinvestment or repayment of CLO liabilities and a total debt-to-equity leverage of 2.6x.

## ***Post Quarter-End Update***

- In October 2022, successfully resolved a \$114.1 million senior loan that was on non-accrual status. The resolution involved a coordinated sale of the collateral retail property and GPMT providing the new ownership group with a new \$77.3 million senior loan supported by fresh equity capital invested in the property by the new sponsor. As a result of these transactions, GPMT expects to realize a loss of approx. \$(16.5) million, which had been reserved for through the allowance for credit losses.

- As of November 7th, carried approx. \$220 million in unrestricted cash.

- (1) Represents Net Income Attributable to Common Stockholders.
- (2) Please see page 6 for Distributable Earnings definition and a reconciliation of GAAP to non-GAAP financial information.
- (3) Includes fundings of prior loan commitments of \$28.4 million and capitalized deferred interest of \$0.6 million.
- (4) Stabilized loan-to-value ratio (LTV) is calculated as the fully funded loan amount (plus any financing that is *pari passu* with or senior to such loan), including all contractually provided for future fundings, divided by the as stabilized value (as determined in conformance with USPAP) set forth in the original appraisal. As stabilized value may be based on certain assumptions, such as future construction completion, projected re-tenanting, payment of tenant improvement or leasing commissions allowances or free or abated rent periods, or increased tenant occupancy.
- (5) Yield includes net origination fees and exit fees, but does not include future fundings, and is expressed as a monthly equivalent yield.

## Conference Call

Granite Point Mortgage Trust Inc. will host a conference call on November 9, 2022, at 11:00 a.m. ET to discuss first quarter 2022 financial results and related information. To participate in the teleconference, please call toll-free (833) 255-2835, (or (412) 902-6769 for international callers), approximately 10 minutes prior to the above start time, and ask to be joined into the Granite Point Mortgage Trust Inc. call. You may also listen to the teleconference live via the Internet at [www.gpmtreit.com](http://www.gpmtreit.com), in the Investor Relations section under the Events & Presentations link. For those unable to attend, a telephone playback will be available beginning November 9, 2022, at 12:00 p.m. ET through November 16, 2022, at 12:00 a.m. ET. The playback can be accessed by calling (877) 344-7529 (or (412) 317-0088 for international callers) and providing the Access Code 2676368. The call will also be archived on the Company's website in the Investor Relations section under the Events & Presentations link.

## About Granite Point Mortgage Trust Inc.

Granite Point Mortgage Trust Inc. is a Maryland corporation focused on directly originating, investing in and managing senior floating rate commercial mortgage loans and other debt and debt-like commercial real estate investments. Granite Point is headquartered in New York, NY. Additional information is available at [www.gpmtreit.com](http://www.gpmtreit.com).

## Forward-Looking Statements

This press release contains, or incorporates by reference, not only historical information, but also forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Forward-looking statements involve numerous risks and uncertainties. Our actual results may differ from our beliefs, expectations, estimates and projections and, consequently, you should not rely on these forward-looking statements as predictions of future events. Forward-looking statements are not historical in nature and can be identified by words such as "anticipate," "estimate," "will," "should," "expect," "target," "believe," "outlook," "potential," "continue," "intend," "seek," "plan," "goals," "future," "likely," "may" and

similar expressions or their negative forms, or by references to strategy, plans or intentions. By their nature, forward-looking statements speak only as of the date they are made, are not statements of historical facts or guarantees of future performance and are subject to risks, uncertainties, assumptions or changes in circumstances that are difficult to predict or quantify, in particular those related to the COVID-19 pandemic. Our expectations, beliefs and estimates are expressed in good faith and we believe there is a reasonable basis for them. However, there can be no assurance that management's expectations, beliefs and estimates will prove to be correct or be achieved, and actual results may vary materially from what is expressed in or indicated by the forward-looking statements.

These forward-looking statements are subject to risks and uncertainties, including, among other things, those described in our Annual Report on Form 10-K for the year ended December 31, 2021, and any subsequent Form 10-Q and Form 8-K filings made with the SEC, under the caption "Risk Factors." Forward-looking statements speak only as of the date they are made, and we undertake no obligation to update or revise any such forward-looking statements, whether as a result of new information, future events or otherwise.

This press release is for informational purposes only and shall not constitute, or form a part of, an offer to sell or buy or the solicitation of an offer to sell or the solicitation of an offer to buy any securities.

### **Non-GAAP Financial Measures**

In addition to disclosing financial results calculated in accordance with United States generally accepted accounting principles (GAAP), this press release and the accompanying earnings presentation present non-GAAP financial measures, such as Distributable Earnings and Distributable Earnings per basic common share, that exclude certain items. Granite Point management believes that these non-GAAP measures enable it to perform meaningful comparisons of past, present and future results of the Company's core business operations, and uses these measures to gain a comparative understanding of the Company's operating performance and business trends. The non-GAAP financial measures presented by the Company represent supplemental information to assist investors in analyzing the results of its operations. However, because these measures are not calculated in accordance with GAAP, they should not be considered a substitute for, or superior to, the financial measures calculated in accordance with GAAP. The Company's GAAP financial results and the reconciliations from these results should be carefully evaluated. See the GAAP to non-GAAP reconciliation table on page 6 of this release.

### **Additional Information**

Stockholders of Granite Point and other interested persons may find additional information regarding the Company at the Securities and Exchange Commission's Internet site at [www.sec.gov](http://www.sec.gov) or by directing requests to: Granite Point Mortgage Trust Inc., 3 Bryant Park, 24<sup>th</sup> Floor, New York, NY 10036, telephone (212) 364-5500.

**GRANITE POINT MORTGAGE TRUST INC.**  
**CONDENSED CONSOLIDATED BALANCE SHEETS**  
**(in thousands, except share data)**

	September 30, 2022	December 31, 2021
<b>ASSETS</b>		
Loans held-for-investment	\$ 3,603,016	\$ 3,782,205
Allowance for credit losses	(82,611)	(40,897)
Loans held-for-investment, net	3,520,405	3,741,308
Cash and cash equivalents	168,414	191,931
Restricted cash	45,242	12,362
Accrued interest receivable	11,056	10,716
Other assets	37,541	32,201
<b>Total Assets</b>	<b>\$ 3,782,658</b>	<b>\$ 3,988,518</b>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
<b>Liabilities</b>		
Repurchase facilities	\$ 1,195,965	\$ 677,285
Securitized debt obligations	1,224,035	1,677,619
Asset-specific financings	44,913	43,622
Term financing facility	—	127,145
Convertible senior notes	274,289	272,942
Senior secured term loan facilities	—	139,880
Dividends payable	17,023	14,406
Other liabilities	21,792	21,436
<b>Total Liabilities</b>	<b>2,778,017</b>	<b>2,974,335</b>
<b>Commitments and Contingencies</b>		
10.00% cumulative redeemable preferred stock, par value \$0.01 per share; 50,000,000 shares authorized, and 1,000 shares issued and outstanding (\$1,000,000 liquidation preference)	1,000	1,000
<b>Stockholders' Equity</b>		
7.00% Series A cumulative redeemable preferred stock, par value \$0.01 per share; 8,280,000 shares authorized, and 8,229,500 and 4,596,500 shares issued and outstanding, respectively; liquidation preference \$25.00 per share	82	46
Common stock, par value \$0.01 per share; 450,000,000 shares authorized, and 52,350,989 and 53,789,465 shares issued and outstanding, respectively	524	538
Additional paid-in capital	1,201,716	1,125,241
Cumulative earnings	136,919	171,518
Cumulative distributions to stockholders	(335,725)	(284,285)
<b>Total Granite Point Mortgage Trust Inc. Stockholders' Equity</b>	<b>1,003,516</b>	<b>1,013,058</b>
Non-controlling interests	125	125
<b>Total Equity</b>	<b>\$ 1,003,641</b>	<b>\$ 1,013,183</b>
<b>Total Liabilities and Stockholders' Equity</b>	<b>\$ 3,782,658</b>	<b>\$ 3,988,518</b>

**GRANITE POINT MORTGAGE TRUST INC.**  
**CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE (LOSS) INCOME**  
(in thousands, except share data)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2022	2021	2022	2021
<b>Interest income:</b>				
Loans held-for-investment	\$ 52,121	\$ 48,312	\$ 148,475	\$ 151,701
Cash and cash equivalents	714	95	960	298
Total interest income	52,835	48,407	149,435	151,999
<b>Interest expense:</b>				
Repurchase facilities	15,098	5,451	30,486	20,449
Securitized debt obligations	14,416	8,777	34,992	20,523
Convertible senior notes	4,585	4,556	13,703	13,618
Term financing facility	—	1,453	1,713	6,208
Asset-specific financings	442	414	1,046	1,959
Senior secured term loan facilities	—	5,654	3,754	16,587
Total interest expense	34,541	26,305	85,694	79,344
Net interest income	18,294	22,102	63,741	72,655
<b>Other (loss) income:</b>				
(Provision for) benefit from credit losses	(35,442)	5,760	(52,757)	15,072
Loss on extinguishment of debt	—	—	(18,823)	—
Fee income	—	—	954	—
Total other (loss) income	(35,442)	5,760	(70,626)	15,072
<b>Expenses:</b>				
Compensation and benefits	4,953	5,634	16,539	16,111
Servicing expenses	1,336	1,323	4,297	3,763
Other operating expenses	2,068	2,276	6,867	6,967
Total expenses	8,357	9,233	27,703	26,841
<b>(Loss) income before income taxes</b>	(25,505)	18,629	(34,588)	60,886
(Benefit from) provision for income taxes	(1)	(1)	11	(4)
<b>Net (loss) income</b>	(25,504)	18,630	(34,599)	60,890
Dividends on preferred stock	3,626	25	10,876	75
<b>Net (loss) income attributable to common stockholders</b>	\$ (29,130)	\$ 18,605	\$ (45,475)	\$ 60,815

Basic (loss) earnings per weighted average common share	\$ (0.56)	\$ 0.34	\$ (0.85)	\$ 1.11
Diluted (loss) earnings per weighted average common share	\$ (0.56)	\$ 0.33	\$ (0.85)	\$ 1.05
<b>Weighted average number of shares of common stock outstanding:</b>				
Basic	52,350,989	54,453,546	53,234,498	54,864,456
Diluted	52,350,989	56,735,278	53,234,498	70,902,745
<b>Comprehensive (loss) income</b>	\$ (29,130)	\$ 18,605	\$ (45,475)	\$ 60,815

**GRANITE POINT MORTGAGE TRUST INC.  
RECONCILIATION OF GAAP TO NON-GAAP FINANCIAL INFORMATION  
(dollars in thousands, except share data)**

**Three Months  
Ended  
September 30,  
2022  
(unaudited)**

**Reconciliation of GAAP net (loss) to Distributable Earnings<sup>(1)</sup>:**

<b>GAAP net (loss)</b>	\$ (29,130)
Adjustments for non-distributable earnings:	
Provision for credit losses	35,442
Non-cash equity compensation	2,349
<b>Distributable Earnings<sup>(1)</sup></b>	\$ 8,661
<b>Distributable Earnings<sup>(1)</sup> per basic common share</b>	\$ 0.17
Basic weighted average shares outstanding	52,350,989

(1) Beginning with our Annual Report on Form 10-K for the year ended December 31, 2021, and for all subsequent reporting periods ending on or after December 31, 2021, we have elected to present Distributable Earnings, a measure that is not prepared in accordance with GAAP, as a supplemental method of evaluating our operating performance. Distributable Earnings replaces our prior presentation of Core Earnings with no changes to the definition. In order to maintain our status as a REIT, we are required to distribute at least 90% of our taxable income as dividends. Distributable Earnings is intended to serve as a general proxy for our taxable income, though it is not a perfect substitute for it, and, as such, is considered a key indicator of our ability to generate sufficient income to pay our common dividends and in determining the amount of such dividends, which is the primary focus of income-oriented investors who comprise a meaningful segment of our stockholder base. We believe providing Distributable Earnings on a supplemental basis to our net income (loss) and cash flow from operating activities, as determined in accordance with GAAP, is helpful to stockholders in assessing the overall performance of our business.

We use Distributable Earnings to evaluate our performance, excluding the effects of certain transactions and GAAP adjustments we believe are not necessarily indicative of our current loan portfolio and operations. For reporting purposes, we define Distributable Earnings as net income (loss) attributable to our stockholders, computed in accordance with GAAP, excluding: (i) non-cash equity compensation expenses; (ii) depreciation and amortization; (iii) any unrealized gains (losses) or other similar non-cash items that are included in net income for the applicable reporting period (regardless of whether such items are included in other comprehensive income (loss) or in net income for such period); and (iv) certain non-cash items and one-time expenses. Distributable Earnings may also be adjusted from time to time for reporting purposes to exclude one-time events pursuant to changes in GAAP and certain other material non-cash income or expense items approved by a majority of our independent directors. The exclusion of depreciation and amortization from the calculation of Distributable Earnings only applies to debt investments related to real estate to the extent we foreclose upon the property or properties underlying such debt investments.

While Distributable Earnings excludes the impact of the unrealized non-cash current provision for credit losses, we expect to only recognize such potential credit losses in Distributable Earnings if and when such amounts are deemed non-recoverable. This is generally at the time a loan is repaid, or in the case of foreclosure, when the underlying asset is sold, but non-recoverability may also be concluded if, in our determination, it is nearly certain that all amounts due will not be collected. The realized loss amount reflected in Distributable Earnings will equal the difference between the cash received, or expected to be received, and the carrying value of the asset, and is reflective of our economic experience as it relates to the ultimate realization of the loan. During the three months ended September 30, 2022, we recorded provision for credit losses of \$(35.4) million, which has been excluded from Distributable Earnings consistent with other unrealized gains (losses) and other non-cash items pursuant to our existing policy for reporting Distributable Earnings referenced above.

Distributable Earnings does not represent net income (loss) or cash flow from operating activities and should not be considered as an alternative to GAAP net income (loss), or an indication of our GAAP cash flows from operations, a measure of our liquidity, or an indication of funds available for our cash needs. In addition, our methodology for calculating Distributable Earnings may differ from the methodologies employed by other companies to calculate the same or similar supplemental performance measures, and, accordingly, our reported Distributable Earnings may not be comparable to the Distributable Earnings reported by other companies.

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Investors: Marcin Urbaszek, Chief Financial Officer, Granite Point Mortgage Trust Inc., (212) 364-5500, [investors@gpmtreit.com](mailto:investors@gpmtreit.com)

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