

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

☒

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended June 30, 2025

OR

☐

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

Commission File Number: 001-38377

BRIGHTSPIRE CAPITAL, INC.

(Exact Name of Registrant as Specified in Its Charter)

Maryland

(State or Other Jurisdiction of
Incorporation or Organization)

38-4046290

(I.R.S. Employer
Identification No.)

590 Madison Avenue, 33rd Floor

New York, NY 10022

(Address of Principal Executive Offices, Including Zip Code)

(212) 547-2631

(Registrant’s Telephone Number, Including Area Code)

(Former name, former address and former fiscal year, if changed since last report)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Class A common stock, par value \$0.01 per share	BRSP	New York Stock Exchange

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, smaller reporting company, or an emerging growth company. See the definitions of “large accelerated filer,” “accelerated filer,” “smaller reporting company,” and “emerging growth company” in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer ☒

Accelerated filer ☐

Non-accelerated filer ☐

Smaller reporting company ☐

Emerging growth company ☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

Indicate the number of shares outstanding of each of the registrant’s classes of common stock, as of the latest practicable date:
As of July 29, 2025, BrightSpire Capital, Inc. had 129,993,935 shares of Class A common stock, par value \$0.01 per share, outstanding.

BRIGHTSPIRE CAPITAL, INC.**FORM 10-Q****TABLE OF CONTENTS**

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Special Note Regarding Forward-Looking Statements

This Quarterly Report on Form 10-Q may contain forward-looking statements within the meaning of the federal securities laws. Forward-looking statements relate to expectations, beliefs, projections, future plans and strategies, anticipated events or trends and similar expressions concerning matters that are not historical facts. In some cases, you can identify forward-looking statements by the use of forward-looking terminology such as “may,” “will,” “should,” “expects,” “intends,” “plans,” “anticipates,” “believes,” “estimates,” “predicts,” or “potential” or the negative of these words and phrases or similar words or phrases which are predictions of or indicate future events or trends and which do not relate solely to historical matters. Forward-looking statements involve known and unknown risks, uncertainties, assumptions and contingencies, many of which are beyond our control, and may cause actual results to differ significantly from those expressed in any forward-looking statement.

Among others, the following uncertainties and other factors could cause actual results to differ from those set forth in the forward-looking statements:

- operating costs and business disruption may be greater than expected;
- we depend on borrowers and tenants for a substantial portion of our revenue and, accordingly, our revenue and our ability to make distributions to stockholders will be dependent upon the success and economic viability of such borrowers and tenants;
- higher interest rates may adversely impact the value of our variable-rate investments, resulting in higher interest expense, materially impacting our borrowers’ ability to refinance existing loans, and creating disruptions to our borrowers’ and tenants’ ability to finance their activities, on whom we depend for a substantial portion of our revenue;
- lower interest rates may materially impact earnings as a result of generating less income on our loans and our ability to redeploy funds in a timely manner or to supplement earnings loss;
- abilities to manage and stabilize properties; deterioration in the performance of the properties securing our investments (including the impact of higher interest expense, depletion of interest and other reserves or payment-in-kind concessions in lieu of current interest payment obligations, population shifts and migration, or reduced demand for office, multifamily, hospitality or retail space) may cause deterioration in the performance of our investments and, potentially, principal losses to us;
- the fair value of our investments may be subject to uncertainties including impacts associated with inflationary trends, the volatility of interest rates and credit spreads increased market volatility affecting commercial real estate businesses and public securities;
- our use of leverage and interest rate mismatches between our assets and borrowings could hinder our ability to make distributions and may significantly impact our liquidity position;
- the ability to realize expected returns on equity and/or yields on investments;
- adverse impacts on our corporate revolver, including covenant compliance and borrowing base capacity;
- adverse impacts on our liquidity, including available capacity under and margin calls on master repurchase facilities, debt service or lease payment defaults or deferrals, demands for protective advances and capital expenditures;
- our real estate investments are relatively illiquid and we may not be able to vary our portfolio in response to changes in economic and other conditions, which may result in losses to us;
- our inability to refinance existing mortgage debt on our real estate portfolio;
- the timing of and ability to deploy available capital;
- our lack of an established minimum distribution payment level, and whether we can continue to pay distributions in the future;
- the timing of and ability to complete repurchases of our common stock;
- the risks associated with obtaining mortgage financing on our real estate, which could materially adversely affect our business, financial condition and results of operations and our ability to make distributions to stockholders; and
- execute CRE CLO’s on a go forward basis, including at a reduced cost of capital; the impact of legislative, regulatory, tax and competitive changes, regime changes and the actions of governmental authorities, and in particular those affecting the commercial real estate finance and mortgage industry or our business.

The foregoing list of factors is not exhaustive. We urge you to carefully review the disclosures we make concerning risks in the sections entitled “Risk Factors” in our Annual Report on Form 10-K for the year ended December 31, 2024, “Risk Factors” in this Form 10-Q for the quarter ended June 30, 2025 and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” herein.

We caution investors not to unduly rely on any forward-looking statements. The forward-looking statements speak only as of the date of this Quarterly Report on Form 10-Q. The Company is under no duty to update any of these forward-looking statements after the date of this Quarterly Report on Form 10-Q, nor to conform prior statements to actual results or revised expectations, and the Company does not intend to do so.

PART I—FINANCIAL INFORMATION

Item 1. Financial Statements

BRIGHTSPIRE CAPITAL, INC. CONSOLIDATED BALANCE SHEETS (in Thousands, Except Share and Per Share Data)

	June 30, 2025 (Unaudited)	December 31, 2024
Assets		
Cash and cash equivalents	\$ 154,283	\$ 302,173
Restricted cash	97,399	148,523
Loans and preferred equity held for investment	2,392,415	2,518,925
Current expected credit loss reserve	(136,567)	(165,932)
Loans and preferred equity held for investment, net	2,255,848	2,352,993
Real estate, net	732,776	777,421
Receivables, net	46,071	38,732
Deferred leasing costs and intangible assets, net	35,454	47,172
Assets held for sale	34,284	5,170
Other assets	53,366	51,294
Total assets	\$ 3,409,481	\$ 3,723,478
Liabilities		
Securitization bonds payable, net	\$ 982,198	\$ 1,087,074
Mortgage and other notes payable, net	483,109	619,055
Credit facilities	789,729	785,183
Accrued and other liabilities	68,453	82,625
Intangible liabilities, net	2,187	2,805
Escrow deposits payable	74,748	80,132
Dividends payable	20,797	20,793
Total liabilities	2,421,221	2,677,667
Commitments and contingencies (Note 13)		
Equity		
Stockholders' equity		
Preferred stock, \$0.01 par value, 50,000,000 shares authorized, no shares issued and outstanding as of June 30, 2025 and December 31, 2024, respectively	—	—
Common stock, \$0.01 par value per share		
Class A, 950,000,000 shares authorized, 129,993,935 and 129,685,185 shares issued and outstanding as of June 30, 2025 and December 31, 2024, respectively	1,300	1,297
Additional paid-in capital	2,864,578	2,865,341
Accumulated deficit	(1,871,523)	(1,812,083)
Accumulated other comprehensive loss	—	(6,337)
Total stockholders' equity	994,355	1,048,218
Noncontrolling interests in investment entities	(6,095)	(2,407)
Total equity	988,260	1,045,811
Total liabilities and equity	\$ 3,409,481	\$ 3,723,478

The accompanying notes are an integral part of these consolidated financial statements.

BRIGHTSPIRE CAPITAL, INC.
CONSOLIDATED BALANCE SHEETS

(in Thousands)

The following table presents assets and liabilities of securitization vehicles and certain real estate properties that have noncontrolling interests as variable interest entities for which the Company is determined to be the primary beneficiary.

	June 30, 2025 (Unaudited)	December 31, 2024
Assets		
Cash and cash equivalents	\$ 4,477	\$ 4,237
Restricted cash	15,626	61,194
Loans and preferred equity held for investment, net	1,158,885	1,218,140
Real estate, net	216,214	191,102
Receivables, net	13,572	11,455
Deferred leasing costs and intangible assets, net	7,055	7,209
Other assets	24,851	22,662
Total assets	<u>\$ 1,440,680</u>	<u>\$ 1,515,999</u>
Liabilities		
Securitization bonds payable, net	\$ 982,198	\$ 1,087,074
Mortgage and other notes payable, net	164,098	165,810
Credit facilities	45,145	25,866
Accrued and other liabilities	14,365	9,229
Intangible liabilities, net	1,630	2,208
Escrow deposits payable	3,234	2,801
Total liabilities	<u>\$ 1,210,670</u>	<u>\$ 1,292,988</u>

The accompanying notes are an integral part of these consolidated financial statements.

BRIGHTSPIRE CAPITAL, INC.
CONSOLIDATED STATEMENTS OF OPERATIONS
(in Thousands, Except Per Share Data)
(Unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
Net interest income				
Interest income	\$ 48,663	\$ 63,318	\$ 96,749	\$ 130,881
Interest expense	(31,935)	(38,066)	(64,146)	(78,200)
Net interest income	16,728	25,252	32,603	52,681
Property and other income				
Property operating income	35,668	25,178	62,526	50,283
Other income	1,593	2,921	4,211	6,020
Total property and other income	37,261	28,099	66,737	56,303
Expenses				
Property operating expense	16,650	7,903	26,616	16,548
Transaction, investment and servicing expense	562	391	1,192	1,013
Interest expense on real estate	6,765	6,748	13,330	13,531
Depreciation and amortization	10,607	8,953	21,159	19,343
Increase of current expected credit loss reserve	582	39,901	346	114,312
Impairment of operating real estate	51,127	45,216	51,127	45,216
Compensation and benefits (including \$2,913, \$3,150, \$7,126 and \$5,320 of equity-based compensation expense, respectively)	8,194	9,578	18,623	18,349
Operating expense	2,976	3,008	6,191	6,207
Total expenses	97,463	121,698	138,584	234,519
Other income				
Other (loss) gain, net	(3,362)	(142)	(3,603)	189
Loss before income taxes	(46,836)	(68,489)	(42,847)	(125,346)
Income tax benefit (expense)	21,664	(194)	21,382	(446)
Net loss	(25,172)	(68,683)	(21,465)	(125,792)
Net loss attributable to noncontrolling interests:				
Investment entities	2,054	823	3,688	827
Net loss attributable to BrightSpire Capital, Inc. common stockholders	<u>\$ (23,118)</u>	<u>\$ (67,860)</u>	<u>\$ (17,777)</u>	<u>\$ (124,965)</u>
Net loss per common share - basic (Note 15)	<u>\$ (0.19)</u>	<u>\$ (0.53)</u>	<u>\$ (0.15)</u>	<u>\$ (0.99)</u>
Net loss per common share - diluted (Note 15)	<u>\$ (0.19)</u>	<u>\$ (0.53)</u>	<u>\$ (0.15)</u>	<u>\$ (0.99)</u>
Weighted average shares of common stock outstanding - basic (Note 15)	<u>127,247</u>	<u>127,986</u>	<u>127,165</u>	<u>127,656</u>
Weighted average shares of common stock outstanding - diluted (Note 15)	<u>127,247</u>	<u>127,986</u>	<u>127,165</u>	<u>127,656</u>

The accompanying notes are an integral part of these consolidated financial statements.

BRIGHTSPIRE CAPITAL, INC.
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)
(in Thousands)
(Unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
Net loss	\$ (25,172)	\$ (68,683)	\$ (21,465)	\$ (125,792)
Other comprehensive income (loss)				
Reclassification of net investment hedges to other (loss) gain	(18,603)	—	(18,603)	—
Foreign currency translation gain (loss)	23,109	1,097	24,940	(2,497)
Total other comprehensive income (loss)	<u>4,506</u>	<u>1,097</u>	<u>6,337</u>	<u>(2,497)</u>
Comprehensive loss	(20,666)	(67,586)	(15,128)	(128,289)
Comprehensive loss attributable to noncontrolling interests:				
Investment entities	2,054	823	3,688	827
Comprehensive loss attributable to common stockholders	<u>\$ (18,612)</u>	<u>\$ (66,763)</u>	<u>\$ (11,440)</u>	<u>\$ (127,462)</u>

The accompanying notes are an integral part of these consolidated financial statements.

BRIGHTSPIRE CAPITAL, INC.
CONSOLIDATED STATEMENTS OF EQUITY
(in Thousands)
(Unaudited)

	Common Stock		Additional Paid-in Capital	Retained Earnings (Accumulated Deficit)	Accumulated Other Comprehensive Income (Loss)	Total Stockholders' Equity	Noncontrolling Interests in Investment Entities	Total Equity
	Class A							
	Shares	Amount						
Balance as of December 31, 2023	<u>129,985</u>	<u>\$ 1,300</u>	<u>\$ 2,864,883</u>	<u>\$ (1,586,292)</u>	<u>\$ (2,556)</u>	<u>\$ 1,277,335</u>	<u>\$ 1,131</u>	<u>\$ 1,278,466</u>
Issuance and amortization of equity-based compensation	1,243	\$ 12	\$ 2,158	\$ —	\$ —	\$ 2,170	\$ —	\$ 2,170
Other comprehensive loss	—	—	—	—	(3,594)	(3,594)	—	(3,594)
Dividends and distributions declared (\$0.20 per share)	—	—	—	(26,036)	—	(26,036)	—	(26,036)
Shares canceled for tax withholding on vested stock awards	(592)	(6)	(3,969)	—	—	(3,975)	—	(3,975)
Net loss	—	—	—	(57,103)	—	(57,103)	(4)	(57,107)
Balance as of March 31, 2024	<u>130,636</u>	<u>\$ 1,306</u>	<u>\$ 2,863,072</u>	<u>\$ (1,669,431)</u>	<u>\$ (6,150)</u>	<u>\$ 1,188,797</u>	<u>\$ 1,127</u>	<u>\$ 1,189,924</u>
Issuance and amortization of equity-based compensation	80	\$ 1	\$ 3,149	\$ —	\$ —	\$ 3,150	\$ —	\$ 3,150
Share forfeitures	(52)	—	—	—	—	—	—	—
Other comprehensive income	—	—	—	—	1,097	1,097	—	1,097
Dividends and distributions declared (\$0.20 per share)	—	—	—	(26,233)	—	(26,233)	—	(26,233)
Shares canceled for tax withholding on vested stock awards	(35)	(1)	(191)	—	—	(192)	—	(192)
Net loss	—	—	—	(67,860)	—	(67,860)	(823)	(68,683)
Balance as of June 30, 2024	<u>130,629</u>	<u>\$ 1,306</u>	<u>\$ 2,866,030</u>	<u>\$ (1,763,524)</u>	<u>\$ (5,053)</u>	<u>\$ 1,098,759</u>	<u>\$ 304</u>	<u>\$ 1,099,063</u>

The accompanying notes are an integral part of these consolidated financial statements.

BRIGHTSPIRE CAPITAL, INC.
CONSOLIDATED STATEMENTS OF EQUITY (Continued)
(in Thousands)
(Unaudited)

	(Unaudited)					Total Stockholders' Equity	Noncontrolling Interests in Investment Entities	Total Equity
	Common Stock		Additional Paid-in Capital	Retained Earnings (Accumulated Deficit)	Accumulated Other Comprehensive Income (Loss)			
	Class A							
	Shares	Amount						
Balance as of December 31, 2024	129,685	\$ 1,297	\$ 2,865,341	\$ (1,812,083)	\$ (6,337)	\$ 1,048,218	\$ (2,407)	\$ 1,045,811
Issuance and amortization of equity-based compensation	1,619	16	4,197	—	—	4,213	—	4,213
Other comprehensive income	—	—	—	—	1,831	1,831	—	1,831
Dividends and distributions declared (\$0.16 per share)	—	—	—	(20,802)	—	(20,802)	—	(20,802)
Shares canceled for tax withholding on vested stock awards	(646)	(6)	(3,872)	—	—	(3,878)	—	(3,878)
Net income (loss)	—	—	—	5,342	—	5,342	(1,634)	3,708
Balance as of March 31, 2025	130,658	\$ 1,307	\$ 2,865,666	\$ (1,827,543)	\$ (4,506)	\$ 1,034,924	\$ (4,041)	\$ 1,030,883
Issuance and amortization of equity-based compensation	93	\$ 1	\$ 2,912	\$ —	\$ —	\$ 2,913	\$ —	\$ 2,913
Repurchase of common stock	(757)	(8)	(4,000)	—	—	(4,008)	—	(4,008)
Other comprehensive income	—	—	—	—	4,506	4,506	—	4,506
Dividends and distributions declared (\$0.16 per share)	—	—	—	(20,862)	—	(20,862)	—	(20,862)
Net loss	—	—	—	(23,118)	—	(23,118)	(2,054)	(25,172)
Balance as of June 30, 2025	129,994	\$ 1,300	\$ 2,864,578	\$ (1,871,523)	\$ —	\$ 994,355	\$ (6,095)	\$ 988,260

The accompanying notes are an integral part of these consolidated financial statements.

BRIGHTSPIRE CAPITAL, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(in Thousands)
(Unaudited)

	Six Months Ended June 30,	
	2025	2024
Cash flows from operating activities:		
Net loss	\$ (21,465)	\$ (125,792)
Adjustments to reconcile net loss to net cash provided by operating activities:		
Depreciation and amortization	21,159	19,343
Straight-line rental income	(530)	(1,618)
Amortization of above (below) market lease values, net	60	256
Amortization of premium/accretion of discount and fees on investments and borrowings, net	(816)	(3,774)
Amortization of deferred financing costs	4,275	4,455
Amortization of right-of-use lease assets and operating lease liabilities	(2)	108
Paid-in-kind interest added to loan principal, net of interest received	(1,048)	(943)
Designated hedges and foreign currency translation reclassified to earnings	3,362	—
Realized loss on sale of real estate	245	—
Increase of current expected credit loss reserve	346	114,312
Impairment of operating real estate	51,127	44,800
Amortization of equity-based compensation	7,126	5,320
Mortgage notes (above) below market value amortization	(108)	4
Deferred income tax benefit	(21,781)	(288)
Changes in assets and liabilities:		
Receivables, net	(3,812)	2,572
Deferred costs and other assets	(3,298)	(1,533)
Other liabilities	(6,913)	(9,795)
Net cash provided by operating activities	27,927	47,427
Cash flows from investing activities:		
Acquisition, origination and funding of loans and preferred equity held for investment, net	(210,652)	(33,413)
Repayment on loans held for investment	146,419	200,974
Proceeds from sale of real estate	5,184	—
Cash and restricted cash received related to consolidation of loans held for investment and real estate owned	4,653	—
Acquisition of and additions to real estate and related intangibles	(8,389)	(2,237)
Change in escrow deposits payable	(5,384)	(19,061)
Net cash (used in) provided by investing activities	(68,169)	146,263
Cash flows from financing activities:		
Distributions paid on common stock	(41,550)	(52,031)
Shares canceled for tax withholding on vested stock awards	(3,878)	(4,167)
Repurchase of common stock	(4,008)	—
Repayment of mortgage notes	(2,957)	(2,847)
Borrowings from credit facilities	116,224	11,840
Repayment of credit facilities	(111,678)	(166,054)
Repayment of securitization bonds	(105,965)	(50,163)
Payment of deferred financing costs	(4,780)	(3,787)
Issuance of common stock	—	13
Net cash used in financing activities	(158,592)	(267,196)
Effect of exchange rates on cash, cash equivalents and restricted cash	(180)	147
Net decrease in cash, cash equivalents and restricted cash	(199,014)	(73,359)
Cash, cash equivalents and restricted cash - beginning of period	450,696	362,089
Cash, cash equivalents and restricted cash - end of period	\$ 251,682	\$ 288,730

The accompanying notes are an integral part of these consolidated financial statements.

BRIGHTSPIRE CAPITAL, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS (Continued)
(in Thousands)
(Unaudited)

	Six Months Ended June 30,	
	2025	2024
Reconciliation of cash, cash equivalents, and restricted cash to consolidated balance sheets		
Beginning of the period		
Cash and cash equivalents	\$ 302,173	\$ 257,506
Restricted cash	148,523	104,583
Total cash, cash equivalents and restricted cash, beginning of period	<u>\$ 450,696</u>	<u>\$ 362,089</u>
End of the period		
Cash and cash equivalents	\$ 154,283	\$ 203,306
Restricted cash	97,399	85,424
Total cash, cash equivalents and restricted cash, end of period	<u>\$ 251,682</u>	<u>\$ 288,730</u>
	Six Months Ended June 30,	
	2025	2024
Supplemental disclosure of non-cash investing and financing activities:		
Deconsolidation of assets following foreclosure (refer to Note 4)	\$ (194,665)	\$ —
Deconsolidation of liabilities following foreclosure (refer to Note 4)	168,699	—
Accrual of distribution payable	20,862	26,126
Assets transferred to held for sale	34,284	—
Assumption of accounts payable, accrued expenses and other liabilities related to consolidation of VIE and assumption of real estate	(9,597)	—
Assumption of receivables and other assets related to consolidation of VIE and assumption of real estate	10,742	—
Assumption of real estate and consolidation of VIE (refer to Note 4)	166,918	—

The accompanying notes are an integral part of these consolidated financial statements.

BRIGHTSPIRE CAPITAL, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

1. Business and Organization

BrightSpire Capital, Inc. (the “Company”) is a commercial real estate (“CRE”) credit real estate investment trust (“REIT”) focused on originating, acquiring, financing and managing a diversified portfolio consisting primarily of CRE debt investments and net leased properties predominantly in the United States. CRE debt investments primarily consist of first mortgage loans, which the Company expects to be its primary investment strategy. Additionally, the Company may selectively originate mezzanine loans and make preferred equity investments, which may include profit participations. The mezzanine loans and preferred equity investments may be in conjunction with the Company’s origination of corresponding first mortgages on the same properties. Net leased properties consist of CRE properties with long-term leases to tenants on a net-lease basis, where such tenants generally will be responsible for property operating expenses such as insurance, utilities, maintenance capital expenditures and real estate taxes.

The Company was organized in the state of Maryland on August 23, 2017 and maintains key offices in New York, New York and Los Angeles, California. The Company elected to be taxed as a REIT under the Internal Revenue Code of 1986, as amended, beginning with the taxable year ended December 31, 2018. The Company conducts all activities and holds substantially all assets and liabilities through the Company’s operating subsidiary, BrightSpire Capital Operating Company, LLC (the “OP”).

2. Summary of Significant Accounting Policies

The significant accounting policies of the Company are described below. The accounting policies of the Company’s unconsolidated ventures are substantially similar to those of the Company.

Basis of Presentation

The accompanying unaudited interim financial statements have been prepared in accordance with the instructions to Form 10-Q and Article 10 of Regulation S-X. Accordingly, they do not include all information and footnotes required by generally accepted accounting principles in the United States of America (“GAAP”) for complete financial statements. These statements reflect all normal and recurring adjustments which, in the opinion of management, are necessary to present fairly the financial position, results of operations and cash flows of the Company for the interim periods presented. However, the results of operations for the interim period presented are not necessarily indicative of the results that may be expected for the year ending December 31, 2025, or any other future period. These interim financial statements should be read in conjunction with the audited consolidated financial statements and notes thereto included in, or presented as exhibits to, the Company’s Annual Report on Form 10-K for the year ended December 31, 2024, as certain disclosures that would substantially duplicate those contained in the audited consolidated financial statements have not been included in this interim report.

Use of Estimates

The preparation of consolidated financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the amounts reported in the consolidated financial statements and accompanying notes. Actual results could differ from those estimates and assumptions.

Principles of Consolidation

The accompanying consolidated financial statements include the accounts of the Company and its controlled subsidiaries. All intercompany accounts and transactions have been eliminated. The portions of equity, net income and other comprehensive income of consolidated subsidiaries that are not attributable to the parent are presented separately as amounts attributable to noncontrolling interests in the consolidated financial statements.

The Company consolidates entities in which it has a controlling financial interest by first considering if an entity meets the definition of a variable interest entity (“VIE”) for which the Company is deemed to be the primary beneficiary, or if the Company has the power to control an entity through a majority of voting interest or through other arrangements.

Variable Interest Entities

Variable Interest Entities—A VIE is an entity that either (i) lacks sufficient equity to finance its activities without additional subordinated financial support from other parties; (ii) whose equity holders lack the characteristics of a controlling financial interest; or (iii) is established with non-substantive voting rights. A VIE is consolidated by its primary beneficiary, which is defined as the party who has a controlling financial interest in the VIE through (a) power to direct the activities of the VIE that

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most significantly affect the VIEs economic performance, and (b) obligation to absorb losses or right to receive benefits of the VIE that could be significant to the VIE.

Voting Interest Entities—Unlike VIEs, voting interest entities have sufficient equity to finance their activities and equity investors exhibit the characteristics of a controlling financial interest through their voting rights. The Company consolidates such entities when it has the power to control these entities through ownership of a majority of the entities' voting interests or through other arrangements.

At each reporting period, the Company reassesses whether changes in facts and circumstances cause a change in the status of an entity as a VIE or voting interest entity, and/or a change in the Company's consolidation assessment.

As of June 30, 2025 and December 31, 2024, the Company has identified certain consolidated and unconsolidated VIEs. Assets of each of the VIEs, other than the OP, may only be used to settle obligations of the respective VIE. Creditors of each of the VIEs have no recourse to the general credit of the Company.

Consolidated VIEs

In March 2024 and February 2025, the Company modified senior loan agreements on an Arlington, Texas multifamily property and a Mesa, Arizona multifamily property, respectively, which resulted in reconsideration events under ASC 810, Consolidation. The Company became a preferred equity investor in the parent company of the borrowers in the Arlington, Texas and Mesa, Arizona properties following the modifications, through which it can make contributions to the borrower. The Company made the determination that its investments in the Arlington, Texas and Mesa, Arizona multifamily properties were VIEs. Once the Company made its initial preferred equity contributions in July 2024 for the Arlington, Texas multifamily property and February 2025 for the Mesa, Arizona multifamily property it triggered control rights over the properties and the Company became the primary beneficiary of the VIEs. The Company has the ability to control the most significant activities of the two multifamily properties' economic performance and the obligation to absorb losses or the right to receive benefits of the VIEs that could be significant to the VIEs. The Company consolidated the assets and liabilities of the VIEs as well as the operations of the two properties and are included in real estate, net on its consolidated balance sheets. The consolidation did not result in a gain or loss. The loans and preferred equity investments for the Arlington, Texas and Mesa, Arizona are eliminated in consolidation. See Note 3, "Loans and Preferred Equity Held for Investment, net" and Note 4, "Real Estate, net and Real Estate Held for Sale" for further information.

Consolidated VIEs include securitization bonds payable, net, the Arlington, Texas multifamily loan, the Mesa, Arizona multifamily loan and certain operating real estate properties that have noncontrolling interests. At June 30, 2025 and December 31, 2024, the noncontrolling interests in the operating real estate properties, excluding the Arlington, Texas and Mesa, Arizona multifamily loans, represent third party joint venture partners with ownership ranging from 5.0% to 11.0%. These noncontrolling interests do not have substantive kick-out nor participating rights. The Arlington, Texas and Mesa, Arizona are multifamily loans in which we also hold preferred equity interests.

Unconsolidated VIEs

As of June 30, 2025, the Company held an interest in six unconsolidated VIEs relating to six preferred equity investments. The preferred equity investments were funded in relation to six senior loans that were originated prior to the second quarter of 2025, all with the same sponsor. The preferred equity investments are cross-collateralized and earn a 14% fixed preferred return. The Company does not hold any upside above the 14% return. If there is a shortfall upon resolution of any of the six preferred equity investments, the Company will receive proceeds from the resolution of the other six remaining preferred equity investments. The Company has determined that it is not the primary beneficiary of the VIEs as it does not have power over decisions that most significantly affect the VIEs and therefore has not consolidated these VIEs. The Company accounts for these investments as debt investments due to the fixed rate of 14% and the mandatory redemption feature within the preferred equity investment agreements. The mandatory redemption date for each preferred equity investment is the same as the maturity date for each of the six corresponding senior loans. The maximum exposure to loss is the unpaid principal balance of the senior loans and preferred equity investments, which was \$167.3 million at June 30, 2025. These investments are included in loans and preferred equity held for investment, net on the Company's consolidated balance sheets.

As of December 31, 2024, the Company did not hold, and had no remaining obligations to, any unconsolidated VIEs.

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Noncontrolling Interests

Noncontrolling Interests in Investment Entities—This represents interests in consolidated investment entities held by third party joint venture partners, including the operations of the Arlington, Texas and Mesa, Arizona multifamily properties collateralizing the senior loans.

Allocation of net income or loss is generally based upon relative ownership interests held by equity owners in each investment entity, or based upon contractual arrangements that may provide for disproportionate allocation of economic returns among equity interests, including using a hypothetical liquidation at book value (“HLBV”) basis, where applicable and substantive. HLBV uses a balance sheet approach, which measures each party’s capital account at the end of a period assuming that the subsidiary was liquidated or sold at book value. Each party’s share of the subsidiary’s earnings or loss is calculated by measuring the change in the party’s capital account from the beginning of the period in question to the end of period, adjusting for effects of distributions and new investments.

Comprehensive Income (Loss)

The Company reports consolidated comprehensive income (loss) in separate statements following the consolidated statements of operations. Comprehensive income (loss) is defined as the change in equity resulting from net income (loss) and other comprehensive income (“OCI”). The components of OCI include gain (loss) on derivative instruments used in the Company’s risk management activities used for economic hedging purposes (“designated hedges”) and gain (loss) on foreign currency translation.

Fair Value Measurement

Fair value is based on an exit price, defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants. Where appropriate, the Company makes adjustments to estimated fair values to appropriately reflect counterparty credit risk as well as the Company’s own creditworthiness.

The estimated fair value of financial assets and financial liabilities are categorized into a three-tier hierarchy, prioritized based on the level of transparency in inputs used in the valuation techniques, as follows:

Level 1—Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2—Observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities, quoted prices in non-active markets, or valuation techniques utilizing inputs that are derived principally from or corroborated by observable data directly or indirectly for substantially the full term of the financial instrument.

Level 3—At least one assumption or input is unobservable and it is significant to the fair value measurement, requiring significant management judgment or estimate.

Where the inputs used to measure the fair value of a financial instrument fall into different levels of the fair value hierarchy, the financial instrument is categorized within the hierarchy based on the lowest level of input that is significant to its fair value measurement.

Fair Value Option

The fair value option provides an option to elect fair value as an alternative measurement for selected financial instruments. Gains and losses on items for which the fair value option has been elected are reported in earnings. The fair value option may be elected only upon the occurrence of certain specified events, including when the Company enters into an eligible firm commitment, at initial recognition of the financial instrument, as well as upon a business combination or consolidation of a subsidiary. The election is applied on an instrument by instrument basis and is irrevocable unless a new election event occurs.

Business Combinations

Definition of a Business—The Company evaluates each purchase transaction to determine whether the acquired assets meet the definition of a business. If substantially all of the fair value of gross assets acquired is concentrated in a single identifiable asset or a group of similar identifiable assets, then the set of transferred assets and activities is not a business. If not, for an acquisition to be considered a business, it would have to include an input and a substantive process that together significantly contribute to the ability to create outputs (i.e., there is a continuation of revenue before and after the transaction). A substantive process is not ancillary or minor, cannot be replaced without significant costs, effort or delay or is otherwise considered unique

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or scarce. To qualify as a business without outputs, the acquired assets would require an organized workforce with the necessary skills, knowledge and experience that performs a substantive process.

Asset Acquisitions—For acquisitions that are not deemed to be businesses, the assets acquired are recognized based on their cost to the Company as the acquirer and no gain or loss is recognized. The cost of assets acquired in a group is allocated to individual assets within the group based on their relative fair values and does not give rise to goodwill. Transaction costs related to the acquisition of assets are included in the cost basis of the assets acquired. Such valuations require management to make significant estimates and assumptions.

Business Combinations—The Company accounts for acquisitions that qualify as business combinations by applying the acquisition method. Transaction costs related to the acquisition of a business are expensed as incurred and excluded from the fair value of consideration transferred. The identifiable assets acquired, liabilities assumed and noncontrolling interests in an acquired entity are recognized and measured at their estimated fair values. The excess of the fair value of consideration transferred over the fair values of identifiable assets acquired, liabilities assumed and noncontrolling interests in an acquired entity, net of fair value of any previously held interest in the acquired entity, is recorded as goodwill. Such valuations require management to make significant estimates and assumptions.

Cash and Cash Equivalents

Short-term, highly liquid investments with original maturities of three months or less at the time of acquisition are considered to be cash equivalents. The Company's cash is held with major financial institutions. Certain cash account balances exceed Federal Deposit Insurance Corporation insurance limits of \$250,000 per account and as a result, there is a concentration of credit risk related to amounts in excess of the insurance limits. The Company monitors the financial stability of these financial institutions and believes it is not exposed to any significant credit risk in cash and cash equivalents.

Restricted Cash

Restricted cash consists primarily of securitization trust unused proceeds, borrower escrow deposits, tenant escrow deposits and real estate capital expenditure reserves.

Loans and Preferred Equity Held for Investment

The Company originates and purchases loans and preferred equity held for investment. The accounting framework for loans and preferred equity held for investment depends on the Company's strategy whether to hold or sell the loan and preferred equity or whether the loan was credit-impaired at the time of acquisition.

Loans and Preferred Equity Held for Investment

Loans and preferred equity that the Company has the intent and ability to hold for the foreseeable future are classified as held for investment. Originated loans and preferred equity are recorded at amortized cost, or outstanding unpaid principal balance plus exit fees less net deferred loan fees. Net deferred loan fees include unamortized origination and other fees charged to the borrower less direct incremental loan origination costs incurred by the Company. Purchased loans and preferred equity are recorded at amortized cost, or unpaid principal balance plus purchase premium or less unamortized discount. Costs to purchase loans and preferred equity are expensed as incurred. Preferred equity investments included in loans and preferred equity held for investment, net have fixed interest rates and mandatory redemption dates.

Interest Income—Interest income is recognized based upon contractual interest rate and unpaid principal balance of the loans and preferred equity. Net deferred loan fees on originated loans are deferred and amortized as adjustments to interest income over the expected life of the loans and preferred equity using the effective yield method. Premium or discount on purchased loans and preferred equity are amortized as adjustments to interest income over the expected life of the loans and preferred equity using the effective yield method. When a loan or preferred equity is prepaid, prepayment fees and any excess of proceeds over the carrying amount of the loan and preferred equity is recognized as additional interest income.

The Company has debt investments in its portfolio that contain a payment-in-kind ("PIK") provision. Contractual PIK interest, which represents contractually deferred interest added to the loan or preferred equity balance that is due at the end of the loan term, is generally recorded on an accrual basis to the extent such amounts are expected to be collected. The Company will generally cease accruing PIK interest if there is insufficient value to support the accrual or management does not expect the borrower to be able to pay all principal and interest due.

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Nonaccrual—Accrual of interest income is suspended on nonaccrual loans and preferred equity. Loans and preferred equity that are past due 90 days or more as to principal or interest, or where reasonable doubt exists as to timely collection, are generally considered nonperforming and placed on nonaccrual status. Interest receivable is reversed against interest income when loans and preferred equity are placed on nonaccrual status. Interest collected is recognized on a cash basis by crediting income when received; or if ultimate collectability of loan or and preferred equity principal is uncertain, interest collected is recognized using a cost recovery method by applying interest collected as a reduction to loan and preferred equity carrying value. Loans and preferred equity may be restored to accrual status when all principal and interest are current and full repayment of the remaining contractual principal and interest are reasonably assured.

Loans Held for Sale

Loans that the Company intends to sell or liquidate in the foreseeable future are classified as held for sale. Loans held for sale are carried at the lower of amortized cost or fair value less disposal cost, with valuation changes recognized as impairment loss. Loans held for sale are not subject to Current Expected Credit Losses (“CECL”) reserves. Net deferred loan origination fees and loan purchase premiums or discounts are deferred and capitalized as part of the carrying value of the held for sale loan until the loan is sold, therefore included in the periodic valuation adjustments based on lower of cost or fair value less disposal cost.

Operating Real Estate

Real Estate Acquisitions—Real estate acquired in acquisitions that are deemed to be business combinations is recorded at the fair values of the acquired components at the time of acquisition, allocated among land, buildings, improvements, equipment and lease-related tangible and identifiable intangible assets and liabilities, including forgone leasing costs, in-place lease values and above- or below-market lease values and assumed debt, if any. Real estate acquired in acquisitions that are deemed to be asset acquisitions is recorded at the total value of consideration transferred, including transaction costs, and allocated to the acquired components based upon relative fair value. The estimated fair value of acquired land is derived from recent comparable sales of land and listings within the same local region based on available market data. The estimated fair value of acquired buildings and building improvements is derived from comparable sales, discounted cash flow analysis using market-based assumptions, or replacement cost, as appropriate. The fair value of site and tenant improvements is estimated based upon current market replacement costs and other relevant market rate information.

Real Estate Held for Investment

Real estate held for investment is carried at cost less accumulated depreciation.

Costs Capitalized or Expensed—Expenditures for ordinary repairs and maintenance are expensed as incurred, while expenditures for significant renovations that improve or extend the useful life of the asset are capitalized and depreciated over their estimated useful lives.

Depreciation—Real estate held for investment, other than land, is depreciated on a straight-line basis over the estimated useful lives of the assets, as follows:

Real Estate Assets	Term
Building (fee interest)	28 to 47 years
Building leasehold interests	Lesser of remaining term of the lease or remaining life of the building
Building improvements	Lesser of the useful life or remaining life of the building
Land improvements	1 to 15 years
Tenant improvements	Lesser of the useful life or remaining term of the lease
Furniture, fixtures and equipment	2 to 9 years

Impairment—The Company evaluates its real estate held for investment for impairment periodically or whenever events or changes in circumstances indicate that the carrying amounts may not be recoverable. The Company evaluates real estate for impairment on an individual property basis. If an impairment indicator exists, the Company evaluates the undiscounted future net cash flows that are expected to be generated by the property, including any estimated proceeds from the eventual disposition of the property. If multiple outcomes are under consideration, the Company may apply a probability-weighted approach to the impairment analysis. Another key consideration in this assessment is the Company’s assumptions about the highest and best use of its real estate investments and its intent and ability to hold them for a reasonable period that would allow for the recovery of their carrying values. If such assumptions change and the Company shortens its expected hold period, this may result in the recognition of impairment losses. Based upon the analysis, if the carrying value of a property exceeds its undiscounted future

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net cash flows, an impairment loss is recognized for the excess of the carrying value of the property over the estimated fair value of the property. In evaluating and/or measuring impairment, the Company considers, among other things, current and estimated future cash flows associated with each property, market information for each sub-market, including, where applicable, capitalization rates, discount rates, competition levels, foreclosure levels, leasing trends, occupancy trends, lease or room rates, and the market prices of similar properties recently sold or currently being offered for sale, and other quantitative and qualitative factors. See Note 4, “Real Estate, net and Real Estate Held for Sale” and Note 12, “Fair Value” for further detail.

Real Estate Held for Sale

Real estate is classified as held for sale in the period when (i) management approves a plan to sell the asset, (ii) the asset is available for immediate sale in its present condition, subject only to usual and customary terms, (iii) a program is initiated to locate a buyer and actively market the asset for sale at a reasonable price, and (iv) completion of the sale is probable within one year. Real estate held for sale is stated at the lower of its carrying amount or estimated fair value less disposal cost, with any write-down to fair value less disposal cost recorded as an impairment loss. For any increase in fair value less disposal cost subsequent to classification as held for sale, the impairment loss may be reversed, but only up to the amount of cumulative loss previously recognized. Depreciation is not recorded on assets classified as held for sale. At the time a sale is consummated, the excess, if any, of sale price less selling costs over carrying value of the real estate is recognized as a gain.

If circumstances arise that were previously considered unlikely and, as a result, the Company decides not to sell the real estate asset previously classified as held for sale, the real estate asset is reclassified as held for investment. Upon reclassification, the real estate asset is measured at the lower of (i) its carrying amount prior to classification as held for sale, adjusted for depreciation expense that would have been recognized had the real estate been continuously classified as held for investment, and (ii) its estimated fair value at the time the Company decides not to sell.

At June 30, 2025, the Company classified one property as held for sale. At December 31, 2024, the Company classified one property as held for sale. Refer to Note 4, “Real Estate, net and Real Estate Held for Sale” and Note 12, “Fair Value” for further detail.

Foreclosed Properties

The Company receives foreclosed properties in full or partial settlement of loans held for investment by taking legal title or physical possession of the properties. Foreclosed properties are generally recognized at the time the real estate is received at foreclosure sale or upon execution of a deed-in-lieu of foreclosure. Foreclosed properties are initially measured at fair value. If the fair value of the property is lower than the carrying value of the loan, the difference is recognized as CECL reserves and the cumulative reserve on the loan is charged off. Fair value of foreclosed properties is generally based on a discounted cash flow, third party appraisals, broker price opinions, comparable sales, direct capitalization method or a combination thereof.

Investments in Unconsolidated Ventures

A noncontrolling, unconsolidated ownership interest in an entity may be accounted for using one of (i) equity method where applicable; (ii) fair value option if elected; (iii) fair value through earnings if fair value is readily determinable, including election of net asset value (“NAV”) practical expedient where applicable; or (iv) for equity investments without readily determinable fair values, the measurement alternative to measure at cost adjusted for any impairment and observable price changes, as applicable.

Fair value changes of equity method investments under the fair value option are recorded in earnings from investments in unconsolidated ventures. Fair value changes of other equity investments, including adjustments for observable price changes under the measurement alternative, are recorded in other gain (loss), net on the Company’s consolidated statements of operations.

Equity Method Investments

The Company accounts for investments under the equity method of accounting if it has the ability to exercise significant influence over the operating and financial policies of an entity, but does not have a controlling financial interest. The equity method investment is initially recorded at cost and adjusted each period for capital contributions, distributions and the Company’s share of the entity’s net income or loss as well as other comprehensive income or loss. The Company’s share of net income or loss may differ from the stated ownership percentage interest in an entity if the governing documents prescribe a substantive non-proportionate earnings allocation formula or a preferred return to certain investors. For certain equity method investments, the Company records its proportionate share of income on a one to three month lag. Distributions of operating

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profits from equity method investments are reported as operating activities, while distributions in excess of operating profits are reported as investing activities in the statement of cash flows under the cumulative earnings approach.

Impairment

Evaluation of impairment applies to equity method investments and equity investments under the measurement alternative. If indicators of impairment exist, the Company will first estimate the fair value of its investment. In assessing fair value, the Company generally considers, among others, the estimated fair value of the investee, which is based on significant assumptions including the estimated timing and probabilities of the future cash flows of the unconsolidated joint venture, utilizing discount rates and capitalization rates.

For investments under the measurement alternative, if carrying value of the investment exceeds its fair value, an impairment is deemed to have occurred.

For equity method investments, further consideration is made if a decrease in value of the investment is other-than-temporary to determine if impairment loss should be recognized. Assessment of other-than-temporary impairment involves management judgment, including, but not limited to, consideration of the investee's financial condition, operating results, business prospects and creditworthiness, the Company's ability and intent to hold the investment until recovery of its carrying value. If management is unable to reasonably assert that an impairment is temporary or believes that the Company may not fully recover the carrying value of its investment, then the impairment is considered to be other-than-temporary.

Investments that are other-than-temporarily impaired are written down to their estimated fair value. Impairment loss is recorded in earnings from investments in unconsolidated ventures for equity method investments and in other gain (loss), net for investments under the measurement alternative.

Identifiable Intangibles

In a business combination or asset acquisition, the Company may recognize identifiable intangibles that meet either or both the contractual-legal criterion or the separability criterion. Finite-lived intangibles are amortized over their useful life in a manner that reflects the pattern in which the intangible is being consumed if readily determinable, such as based upon expected cash flows; otherwise, they are amortized on a straight-line basis. The useful life of all identified intangibles will be periodically reassessed and if useful life changes, the carrying amount of the intangible will be amortized prospectively over the revised useful life.

Lease Intangibles—Identifiable intangibles recognized in acquisitions of operating real estate properties generally include in-place leases, above- or below-market leases and deferred leasing costs, all of which have finite lives. In-place leases generate value over and above the tangible real estate because a property that is occupied with leased space is typically worth more than a vacant building without an operating lease contract in place. The estimated fair value of acquired in-place leases is derived based on management's assessment of costs avoided from having tenants in place, including lost rental income, rent concessions and tenant allowances or reimbursements, that hypothetically would be incurred to lease a vacant building to its actual existing occupancy level on the valuation date. The net amount recorded for acquired in-place leases is included in intangible assets and amortized on a straight-line basis as an increase to depreciation and amortization expense over the remaining term of the applicable leases. If an in-place lease is terminated, the unamortized portion is charged to depreciation and amortization expense.

The estimated fair value of the above- or below-market component of acquired leases represents the present value of the difference between contractual rents of acquired leases and market rents at the time of the acquisition for the remaining lease term, discounted for tenant credit risks. Above- or below-market operating lease values are amortized on a straight-line basis as a decrease or increase to rental income, respectively, over the applicable lease terms. This includes fixed rate renewal options in acquired leases that are below-market, which are amortized to decrease rental income over the renewal period. Above- or below-market ground lease obligations are amortized on a straight-line basis as a decrease or increase to rent expense, respectively, over the applicable lease terms. If the above- or below-market operating lease values or above- or below-market ground lease obligations are terminated, the unamortized portion of the lease intangibles are recorded in rental income or rent expense, respectively.

Deferred leasing costs represent management's estimate of the avoided leasing commissions and legal fees associated with an existing in-place lease. The net amount is included in intangible assets and amortized on a straight-line basis as an increase to depreciation and amortization expense over the remaining term of the applicable lease.

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Transfers of Financial Assets

Sale accounting for transfers of financial assets requires the transfer of an entire financial asset, a group of financial assets in its entirety or if a component of the financial asset is transferred, that the component meets the definition of a participating interest with characteristics that mirror the original financial asset.

Transfers of financial assets are accounted for as sales when control over the assets has been surrendered. If the Company has any continuing involvement, rights or obligations with the transferred financial asset (outside of standard representations and warranties), sale accounting requires that the transfer meets the following sale conditions: (1) the transferred asset has been legally isolated; (2) the transferee has the right (free of conditions that constrain it from taking advantage of that right) to pledge or exchange the transferred asset; and (3) the Company does not maintain effective control over the transferred asset through an agreement that provides for (a) both an entitlement and an obligation by the Company to repurchase or redeem the asset before its maturity, (b) the unilateral ability by the Company to reclaim the asset and a more than trivial benefit attributable to that ability, or (c) the transferee requiring the Company to repurchase the asset at a price so favorable to the transferee that it is probable the repurchase will occur.

If sale accounting is met, the transferred financial asset is removed from the balance sheet and a net gain or loss is recognized upon sale, taking into account any retained interests. Transfers of financial assets that do not meet the criteria for sale are accounted for as financing transactions, or secured borrowing, including the Company's Master Repurchase Facilities (as defined herein).

Financing Costs

Financing costs primarily include debt discounts and premiums as well as deferred financing costs. Deferred financing costs represent commitment fees, legal and other third-party costs associated with obtaining financing. Costs related to revolving credit facilities are recorded in other assets and are amortized to interest expense using the straight-line basis over the term of the facility. Costs related to other borrowings are recorded net against the carrying value of such borrowings and are amortized to interest expense using the effective interest method. Unamortized deferred financing costs are expensed to other gain (loss), net when the associated facility is repaid before maturity. Costs incurred in seeking financing transactions, which do not close, are expensed in the period in which it is determined that the financing will not occur.

Revenue Recognition

Property Operating Income

Property operating income includes the following:

Rental Income—Rental income is recognized on a straight-line basis over the non-cancellable term of the related lease, together with renewal options that are reasonably certain of being exercised, which includes the effects of minimum rent increases and rent abatements under the lease. Rents received in advance are deferred.

When it is determined that the Company is the owner of tenant improvements, the cost to construct the tenant improvements, including costs paid for or reimbursed by the tenants, is capitalized. For tenant improvements owned by the Company, the amount funded by or reimbursed by the tenants are recorded as deferred revenue, which is amortized on a straight-line basis as additional rental income over the term of the related lease. Rental income recognition commences when the leased space is substantially ready for its intended use and the tenant takes possession of the leased space.

When it is determined that the tenant is the owner of tenant improvements, the Company's contribution towards those improvements is recorded as a lease incentive, included in deferred leasing costs and intangible assets on the balance sheet, and amortized as a reduction to rental income on a straight-line basis over the term of the lease. Rental income recognition commences when the tenant takes possession of the leased space.

Tenant Reimbursements—In net lease arrangements, the tenant is generally responsible for operating expenses related to the property, including real estate taxes, property insurance, maintenance, repairs and improvements. Costs reimbursable from tenants and other recoverable costs are recognized as revenue in the period the recoverable costs are incurred. When the Company is the primary obligor with respect to purchasing goods and services for property operations and has discretion in selecting the supplier and retains credit risk, tenant reimbursement revenue and property operating expenses are presented on a gross basis in the statements of operations. For certain triple net leases where the lessee self-manages the property, hires its own service providers and retains credit risk for routine maintenance contracts, no reimbursement revenue and expense are recognized.

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Hotel Operating Income—Hotel operating income includes room revenue, food and beverage sales and other ancillary services. Revenue is recognized upon occupancy of rooms, consummation of sales and provision of services.

Foreign Currency

Assets and liabilities denominated in a foreign currency for which the functional currency is a foreign currency are translated using the exchange rate in effect at the balance sheet date and the corresponding results of operations for such entities are translated using the average exchange rate in effect during the period. The resulting foreign currency translation adjustments are recorded as a component of accumulated other comprehensive income or loss in stockholders' equity. Upon sale, complete or substantially complete liquidation of a foreign subsidiary, or upon partial sale of a foreign equity method investment, the translation adjustment associated with the investment, or a proportionate share related to the portion of equity method investment sold, is reclassified from accumulated other comprehensive income or loss into earnings. Refer to Note 10, "Stockholders' Equity" for further discussion.

Assets and liabilities denominated in a foreign currency for which the functional currency is the U.S. dollar are remeasured using the exchange rate in effect at the balance sheet date and the corresponding results of operations for such entities are remeasured using the average exchange rate in effect during the period. The resulting foreign currency remeasurement adjustments are recorded in other gain (loss), net on the consolidated statements of operations.

Disclosures of non-U.S. dollar amounts to be recorded in the future are translated using exchange rates in effect at the date of the most recent balance sheet presented. As of June 30, 2025, the Company no longer had any assets or liabilities denominated in a foreign currency. See Note 4, "Real Estate, net and Real Estate Held for Sale" for further detail.

Equity-Based Compensation

Equity-classified stock awards granted to executive officers and non-employee directors are based on the closing price of the Class A common stock on the grant date and recognized on a straight-line basis over the requisite service period of the awards for restricted stock awards. For performance stock units ("PSUs") the fair value is based on a Monte Carlo simulation as of the grant date and the expense is generally recognized on a straight-line basis over the measurement period, except when certain performance metrics are achieved. See Note 9, "Equity-Based Compensation" for further discussion.

The compensation expense is adjusted for actual forfeitures upon occurrence. Equity-based compensation is classified within compensation and benefits in the consolidated statements of operations.

Earnings Per Share

The Company presents both basic and diluted earnings per share ("EPS") using the two-class method. Basic EPS is calculated by dividing earnings allocated to common shareholders, as adjusted for unallocated earnings attributable to certain participating securities, if any, by the weighted-average number of common shares outstanding during the period. Diluted EPS is based on the weighted-average number of common shares and the effect of potentially dilutive common share equivalents outstanding during the period. The two-class method is an allocation formula that determines earnings per share for each share of common stock and participating securities according to dividends declared and participation rights in undistributed earnings. Under this method, all earnings (distributed and undistributed) are allocated to common shares and participating securities based on their respective rights to receive dividends. The Company has certain share-based payment awards that contain nonforfeitable rights to dividends, which are considered participating securities for the purposes of computing EPS pursuant to the two-class method.

Income Taxes

For U.S. federal income tax purposes, the Company elected to be taxed as a REIT beginning with its taxable year ended December 31, 2018. To qualify as a REIT, the Company must continually satisfy tests concerning, among other things, the real estate qualification of sources of its income, the real estate composition and values of its assets, the amounts it distributes to stockholders and the diversity of ownership of its stock.

To the extent that the Company qualifies as a REIT, it generally will not be subject to U.S. federal income tax to the extent of its distributions to stockholders. The Company believes that all of the criteria to maintain the Company's REIT qualification have been met for the applicable periods, but there can be no assurance that these criteria will continue to be met in subsequent periods. If the Company were to fail to meet these requirements, it would be subject to U.S. federal income tax and potential interest and penalties, which could have a material adverse impact on its results of operations and amounts available for distributions to its stockholders. The Company's accounting policy with respect to interest and penalties is to classify these amounts as a component of income tax expense, where applicable.

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The Company may also be subject to certain state, local and franchise taxes. Under certain circumstances, U.S. federal income and excise taxes may be due on its undistributed taxable income. The Company previously held an investment in Europe which was subject to tax in its local jurisdiction.

The Company made joint elections to treat certain subsidiaries as taxable REIT subsidiaries (“TRSs”) which may be subject to taxation by U.S. federal, state and local authorities. In general, a TRS of the Company may perform non-customary services for tenants, hold assets that the Company cannot hold directly and engage in most real estate or non-real estate-related business.

Certain subsidiaries of the Company are subject to taxation by U.S. federal, state and local authorities for the periods presented. Income taxes are accounted for by the asset/liability approach in accordance with GAAP. Deferred taxes, if any, represent the expected future tax consequences when the reported amounts of assets and liabilities are recovered or paid. Such amounts arise from differences between the financial reporting and tax bases of assets and liabilities and are adjusted for changes in tax laws and tax rates in the period during which such changes are enacted. A provision for income tax represents the total of income taxes paid or payable for the current period, plus the change in deferred taxes. Current and deferred taxes are recorded on the portion of earnings (losses) recognized by the Company with respect to its interest in TRSs. Deferred income tax assets and liabilities are calculated based on temporary differences between the Company’s GAAP consolidated financial statements and the U.S. federal, state and local tax basis of assets and liabilities as of the consolidated balance sheet date. The Company evaluates the realizability of its deferred tax assets (e.g., net operating loss and capital loss carryforwards) and recognizes a valuation allowance if, based on the available evidence, it is more likely than not that some portion or all of its deferred tax assets will not be realized. When evaluating the realizability of its deferred tax assets, the Company considers estimates of expected future taxable income, existing and projected book/tax differences, tax planning strategies available and the general and industry-specific economic outlook. This realizability analysis is inherently subjective, as it requires the Company to forecast its business and general economic environment in future periods. Changes in estimate of deferred tax asset realizability, if any, are included in income tax expense in the consolidated statements of operations.

For the three months ended June 30, 2025 and 2024, the Company recorded an income tax benefit of \$21.7 million and expense of \$0.2 million, respectively. For the six months ended June 30, 2025 and 2024, the Company recorded income tax benefit of \$21.4 million and expense of \$0.4 million, respectively. The income tax benefit for the three and six months ended June 30, 2025 includes a benefit of \$22.1 million, which is the result of the reversal of a deferred tax liability associated with a European investment subsidiary that the lenders acquired control of following a maturity default on its bond financing. Refer to Note 4, “Real Estate, net and Real Estate Held for Sale” for further information. For the six months ended June 30, 2025, the Company paid \$1.9 million in cash for income taxes.

Current Expected Credit Loss (“CECL”) reserve

The CECL reserve for the Company’s financial instruments carried at amortized cost and off-balance sheet credit exposures, such as loans, loan commitments and trade receivables, represents a lifetime estimate of expected credit losses. Factors considered by the Company when determining the CECL reserve include loan-specific characteristics such as loan-to-value (“LTV”) ratio, vintage year, loan term, property type, occupancy and geographic location, financial performance of the borrower, expected payments of principal and interest, as well as internal or external information relating to past events, current conditions and reasonable and supportable forecasts.

The general CECL reserve is measured on a collective (pool) basis when similar risk characteristics exist for multiple financial instruments. If similar risk characteristics do not exist, the Company measures the CECL reserve on an individual instrument basis. The determination of whether a particular financial instrument should be included in a pool can change over time. If a financial asset’s risk characteristics change, the Company evaluates whether it is appropriate to continue to keep the financial instrument in its existing pool or evaluate it individually.

In measuring the general CECL reserve for financial instruments that share similar risk characteristics, the Company primarily applies a probability of default (“PD”)/loss given default (“LGD”) model for instruments that are collectively assessed, whereby the CECL reserve is calculated as the product of PD, LGD and exposure at default. The Company’s model principally utilizes historical loss rates derived from a commercial mortgage-backed securities database with historical losses from 1998 through June 2025 provided by a third party, Trepp LLC, forecasting the loss parameters using a scenario-based statistical approach over a reasonable and supportable forecast period of twelve months, followed by a straight-line reversion period of twelve-months back to average historical losses. Where management has determined that the credit loss model does not fully capture certain external factors, including portfolio trends or loan specific factors, a qualitative adjustment to the reserve may be recorded. This may include when management has determined a loan to be collateral dependent and elects to utilize the practical expedient when measuring the general CECL reserve.

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For determining a specific CECL reserve, financial instruments are assessed outside of the PD/LGD model on an individual basis. This occurs when it is probable that the Company will be unable to collect the full payment of principal and interest on the instrument. The Company records a reserve to reduce the carrying value of the instrument to the present value of the expected future cash flows discounted at the instrument's effective rate or to the fair value of the collateral. The Company applies broadly accepted and standard real estate valuation techniques, such as a discounted cash flow ("DCF") or direct capitalization methodology, to determine the fair value of the collateral where it is probable that the Company will foreclose or the borrower is experiencing financial difficulty based on the Company's assessment at the reporting date, and the repayment is expected to be provided substantially through the operation or sale of the collateral. Determining fair value of the collateral, including utilization of a practical expedient, may take into account a number of assumptions including, but not limited to, market rents and cash flow projections, market capitalization rates, discount rates and sales comps. Such assumptions are generally based on current market conditions and are subject to economic and market uncertainties.

In connection with developing the CECL reserve for its loans and preferred equity held for investment, the Company determines the risk ranking of each loan and preferred equity investment as a key credit quality indicator. The risk rankings are based on a variety of factors, including, without limitation, underlying real estate performance and asset value, values of comparable properties, durability and quality of property cash flows, sponsor experience and financial wherewithal, and the existence of a risk-mitigating loan structure. Additional key considerations include loan-to-value ratios, debt service coverage ratios, loan structure, real estate and credit market dynamics, and risk of default or principal loss. Based on a five-point scale, the Company's loans and preferred equity held for investment are rated "1" through "5," from less risk to greater risk, and the ratings are updated quarterly. At the time of origination or purchase, loans and preferred equity held for investment are ranked as a "3" and will move accordingly going forward based on the ratings which are defined as follows:

1. *Very Low Risk*
2. *Low Risk*
3. *Medium Risk*
4. *High Risk/Potential for Loss*—A loan that has a high risk of realizing a principal loss.
5. *Impaired/Loss Likely*—A loan that has a very high risk of realizing a principal loss or has otherwise incurred a principal loss.

The Company also considers qualitative factors, including, but not limited to, economic and business conditions, nature and volume of the loan portfolio, lending terms, volume and severity of past due loans, concentration of credit and changes in the level of such concentrations in its determination of the CECL reserve.

The Company has elected to not measure a CECL reserve for accrued interest receivable as it is reversed against interest income when a loan or preferred equity investment is placed on nonaccrual status. Loans and preferred equity investments are charged off when all or a portion of the principal amount is determined to be uncollectible.

Changes in the CECL reserve for the Company's financial instruments are recorded in increase/decrease in current expected credit loss reserve on the consolidated statement of operations with a corresponding offset to the loans and preferred equity held for investment or as a component of other liabilities for future loan fundings recorded on the Company's consolidated balance sheets. See Note 3, "Loans and Preferred Equity Held for Investment, net" for further detail.

Future Application of Accounting Standards

Income Tax Accounting—In December 2023, the FASB issued ASU No. 2023-09, *Income Taxes (Topic 740): Improvements to Income Tax Disclosures*. The ASU requires public business entities to disclose specific categories in the rate reconciliation and provide additional information for reconciling items that meet a quantitative threshold. The ASU is effective for periods beginning after December 15, 2024, with early adoption permitted. The Company is evaluating the impact of this standard.

Business Combinations and Consolidation—In May 2025, the FASB issued ASU No. 2025-03, *Business Combinations and Consolidation: Determining The Accounting Acquirer In The Acquisition of a Variable Interest Entity*. The ASU requires reporting entities involved in a business combination effected primarily by the exchange of equity interests to consider the new guidance to determine which entity is the accounting acquirer regardless of whether the legal acquiree is a VIE. As a result, a reporting entity can determine that a transaction in which the legal acquiree is a VIE represents a reverse acquisition and the acquirer is identified as the acquiree for accounting purposes. The Company is evaluating the impact of this standard.

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Any new accounting standards that have not been disclosed that have been issued or proposed by FASB and that do not require adoption until a future date are being evaluated and not expected to have a material impact on the financial statements.

3. Loans and Preferred Equity Held for Investment, net

The following table provides a summary of the Company's loans and preferred equity held for investment, net (dollars in thousands):

	June 30, 2025					December 31, 2024				
	Unpaid Principal Balance	Carrying Value	Weighted Average Coupon ⁽¹⁾	Weighted Average of Contractual Maturity ⁽²⁾	Weighted Average Maturity in Years ⁽³⁾	Unpaid Principal Balance	Carrying Value	Weighted Average Coupon ⁽¹⁾	Weighted Average of Contractual Maturity ⁽²⁾	Weighted Average Maturity in Years ⁽³⁾
Variable rate										
Senior loans	\$ 1,103,754	\$ 1,107,978	7.5 %	0.6	1.6	\$ 1,205,685	\$ 1,209,645	7.2 %	0.3	1.5
Securitized loans ⁽⁴⁾	1,209,532	1,209,478	7.5 %	0.7	1.5	1,264,456	1,264,148	7.7 %	0.5	1.7
	<u>2,313,286</u>	<u>2,317,456</u>				<u>2,470,141</u>	<u>2,473,793</u>			
Fixed rate										
Senior loans	20,617	20,617	15.0 %	0.6	1.6	—	—	— %	—	0
Mezzanine loans	47,379	47,379	8.3 %	0.6	1.6	45,137	45,132	8.2 %	0.1	1.5
Preferred equity interests	7,081	6,963	14.0 %	0.6	1.6	—	—	— %	—	0
	<u>75,077</u>	<u>74,959</u>				<u>45,137</u>	<u>45,132</u>			
Loans and preferred equity held for investment	2,388,363	2,392,415				2,515,278	2,518,925			
CECL reserve	—	(136,567)				—	(165,932)			
Loans and preferred equity held for investment, net	<u>\$ 2,388,363</u>	<u>\$ 2,255,848</u>	7.6 %	0.7	1.5	<u>\$ 2,515,278</u>	<u>\$ 2,352,993</u>	7.4 %	0.4	1.6

(1) Calculated based on contractual interest rate. As of June 30, 2025, all variable rate loans utilize Term Secured Overnight Financing Rate ("Term SOFR").

(2) Calculated using current maturity date.

(3) Calculated using extended maturity date.

(4) Represents loans transferred into securitization trusts that are consolidated by the Company.

The Company had \$10.7 million and \$11.9 million of interest receivable related to its loans and preferred equity held for investment, net as of June 30, 2025 and December 31, 2024, respectively. This is included in receivables, net on the Company's consolidated balance sheets.

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Activity relating to the Company's loans and preferred equity held for investment, net was as follows (dollars in thousands):

	Carrying Value	
	Six Months Ended June 30,	
	2025	2024
Balance at January 1	\$ 2,352,993	\$ 2,860,478
Acquisitions/originations/additional funding ⁽¹⁾	210,652	33,413
Loan maturities/principal repayments ⁽¹⁾	(146,419)	(201,374)
(Increase) decrease of CECL reserve ⁽²⁾	86	(114,223)
Discount accretion, net	1,032	3,774
Capitalized interest, net of repayments	1,048	943
Transfer to Real Estate, net ⁽³⁾	(165,876)	—
Charge-off of CECL reserve-transfer to Real Estate, net and Real Estate Held for Sale ⁽³⁾	2,332	—
Charge-off of loan held for investment ⁽⁴⁾	(27,366)	(18,919)
Charge-off of CECL reserve-other ⁽⁴⁾	27,366	18,919
Balance at June 30	\$ 2,255,848	\$ 2,583,011

- (1) During the first quarter of 2025, the Company amended a senior mixed-use loan as part of the resolution of a senior mixed-use loan with the same sponsor. In relation to this amendment, there was a transfer of principal of \$8.8 million. This transfer is not included within these captions as it was neither additional funding nor a repayment. See "Loan Modifications" below for more detail. During the six months ended June 30, 2025, the Company originated 12 loans with a total of \$209.6 million in committed principal balance.
- (2) Provision for loan losses excludes \$0.4 million for the six months ended June 30, 2025 and \$0.1 million for the six months ended June 30, 2024 as determined by the Company's PD/LGD model for unfunded commitments reported on the consolidated statements of operations, with a corresponding offset to accrued and other liabilities recorded on the Company's consolidated balance sheets.
- (3) During the first quarter of 2025, the Company eliminated a multifamily loan in Mesa, Arizona as part of the consolidation of the Mesa, Arizona property as the primary beneficiary. During the second quarter of 2025, the Company foreclosed on a hotel loan in San Jose, California. As a result, the properties were consolidated as real estate and removed from loans held from investment, net. The CECL reserve related to these loans were charged off and the net amount is reflected as an addition to real estate, net. There was no gain or loss recorded as part of the consolidation. Refer to Note 4, "Real Estate, net and Real Estate Held for Sale" for further discussion.
- (4) During the six months ended June 30, 2025, the Company charged off uncollectible amounts of \$27.3 million relating to two multifamily loans based on resolution of the loans. During the second quarter of 2024, the Company charged off uncollectible amounts relating to one office senior loan for \$12.8 million and \$6.1 million relating to one multifamily senior loan.

Loan Modifications

The Company may amend or modify a loan depending on the loan's specific facts and circumstances. These loan modifications typically include additional time for the borrower to refinance or sell the collateral property, adjustment or waiver of performance tests that are prerequisite to the extension of a loan's maturity, and/or deferral of scheduled principal payments. In exchange for a modification, the Company may receive a partial repayment of principal, a short-term accrual of capitalized interest for a portion of interest due, a cash infusion to replenish interest or capital improvement reserves, termination of all or a portion of the remaining unfunded loan commitment, additional call protection, and/or increase the loan coupon.

During the first quarter of 2025, the Company amended a senior mixed-use loan ("Loan A") as part of the resolution of a senior mixed-use loan ("Loan B") with the same sponsor. The sponsor obtained new financing on the Loan B collateral that was \$8.8 million short of a full principal payoff. The \$8.8 million of principal was transferred to Loan A as part of the full resolution of Loan B. A joint venture agreement was entered into with the sponsor with respect to the Loan B collateral providing that (i) any available cash after Loan B debt service is paid is distributed to the Company to pay down Loan A and (ii) if, at any time after two years, Loan A is not paid off, the Company may unilaterally force a sale of the collateral for Loan B.

During the second quarter of 2025, the Company originated six preferred equity investments with one sponsor. The preferred equity investments were funded in relation to six senior loans that the Company originated prior to the second quarter of 2025, all with the same sponsor. The preferred equity investments are cross-collateralized and earn a 14% fixed preferred return. The Company does not hold any upside above the 14% return. If there is a shortfall upon resolution of any of the six preferred equity investments, the Company will receive proceeds from the resolution of the remaining preferred equity investments. The total carrying value of the six preferred equity investments at June 30, 2025 was \$7.0 million and the total commitment was \$12.9 million.

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During the fourth quarter of 2023, the Company amended a senior office loan with an outstanding principal balance of \$39.4 million. The modification reduced the loan spread from 3.96% to 1.5%, and included an exit fee upon repayment of the loan of 2.5% of the principal balance. The modification allows the sponsor to utilize tenant improvements and leasing commission funds for capital improvements such as rezoning the collateral for additional commercial uses, and exploring rezoning certain parcels for multifamily use. Additionally, the sponsor funded \$0.3 million into a reserve to fund operating shortfalls. During the fourth quarter of 2024, this senior loan was extended to March 9, 2025 and the exit fee was increased to 5.0%. Upon purchasing an updated rate cap in the first quarter of 2025, the loan was extended to September 9, 2025. During the six months ended June 30, 2025 and year ended December 31, 2024, this loan remained current on interest payments. Subsequent to June 30, 2025, the sponsor paid down the senior office loan by \$6.2 million. The principal balance following the paydown was \$36.6 million.

Nonaccrual and Past Due Loans

Loans that are 90 days or more past due as to principal or interest, or where reasonable doubt exists as to timely collection, are generally considered nonperforming and placed on nonaccrual status.

The following table provides an aging summary of loans held for investment at carrying values before CECL reserve (dollars in thousands):

	Current or Less Than 30 Days Past Due ⁽¹⁾	30-59 Days Past Due	60-89 Days Past Due	90 Days or More Past Due ⁽²⁾	Total Loans
June 30, 2025	\$ 2,338,473	\$ —	\$ —	\$ 53,942	\$ 2,392,415
December 31, 2024	2,368,591	—	—	150,334	2,518,925

(1) At December 31, 2024, includes one multifamily senior loan in maturity default as of December 9, 2024. There was an extension to the loan in the first quarter of 2025 and the borrower is no longer in maturity default as of June 30, 2025.

(2) At June 30, 2025, includes one multifamily construction/development project senior loan which was placed on nonaccrual status on February 1, 2025 and has a carrying value of \$39.3 million, which the Company acquired through a deed-in-lieu of foreclosure in July 2025, and an office mezzanine loan which was placed on nonaccrual status on April 1, 2024 with a carrying value of \$14.7 million. At December 31, 2024, includes one hotel senior loan which was placed on nonaccrual status on June 9, 2024 with a carrying value of \$136.0 million and an office mezzanine loan which was placed on nonaccrual status on April 1, 2024 with a carrying value of \$14.4 million.

As of June 30, 2025, all loans were performing in accordance with the contractual terms of their governing documents and were categorized as performing loans, except for one nonaccrual multifamily construction/development project senior loan and one nonaccrual office mezzanine loan. As of December 31, 2024, all loans were performing in accordance with the contractual terms of their governing documents and were categorized as performing loans, except for one nonperforming hotel senior loan, one nonaccrual office mezzanine loan and one multifamily senior loan in maturity default. For the six months ended June 30, 2025 and June 30, 2024, no debt investment contributed more than 10.0% of interest income.

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Current Expected Credit Loss Reserve

The following table provides details on the changes in CECL reserves (dollars in thousands):

CECL reserve at December 31, 2024	\$	165,932
Decrease in general CECL reserve ⁽¹⁾		(9,524)
Increase in specific CECL reserve ⁽²⁾		9,174
Charge-off of CECL reserve-other ⁽²⁾		(9,174)
Charge-offs of CECL reserve-transfer to Real Estate, net and Real Estate Held for Sale ⁽³⁾		(1,043)
CECL reserve at March 31, 2025	\$	155,365
Decrease in general CECL reserve	\$	(18,798)
Increase in specific CECL reserve ⁽²⁾		19,482
Charge-off of CECL reserve-other ⁽²⁾		(18,192)
Charge-offs of CECL reserve-transfer to Real Estate, net and Real Estate Held for Sale ⁽⁴⁾		(1,290)
CECL reserve at June 30, 2025	\$	136,567
CECL reserve at December 31, 2023	\$	76,028
Increase in general CECL reserve ⁽¹⁾		67,058
Increase in specific CECL reserve ⁽²⁾		7,128
CECL reserve at March 31, 2024	\$	150,214
Increase in general CECL reserve ⁽¹⁾	\$	28,244
Increase in specific CECL reserve ⁽²⁾		11,791
Charge-offs of CECL reserve ⁽²⁾		(18,919)
CECL reserve at June 30, 2024	\$	171,330

- (1) Excludes CECL reserves related to unfunded commitments reported on the consolidated statement of operations for the three months ended: March 31, 2025: \$0.5 million, June 30, 2025: \$(0.1) million, March 31, 2024: \$0.2 million, June 30, 2024: \$(0.1) million.
- (2) During the first six months of 2025, the Company recorded specific CECL reserves totaling \$28.7 million for two multifamily loans and one hotel loan, all of which were charged off during the six months ended June 30, 2025. As of June 30, 2025, the hotel is classified as real estate, net. Subsequent to June 30, 2025, one multifamily loan was acquired and classified as real estate, net. During the first quarter of 2024, the Company recorded specific CECL reserves of \$7.1 million related to one multifamily senior loan. The specific CECL reserve was based on the proceeds the Company received from the borrower's sale of the property, which is supported by an executed purchase and sale agreement. Following the repayment of the loan in the second quarter of 2024, the Company recognized a specific CECL reversal of \$1.0 million after receiving higher than expected proceeds. During the second quarter of 2024, the Company recorded specific CECL reserves of \$12.8 million related to one office senior loan. The reserve was based on the proceeds expected to be received upon repayment, which occurred in the same quarter. The specific CECL reserve was then charged-off.
- (3) During the first quarter of 2025, the Company consolidated a multifamily loan as the primary beneficiary. As a result, the property was consolidated as real estate. The CECL reserve related to this loan was charged off.
- (4) During the second quarter of 2025, the Company consolidated one hotel loan upon foreclosure. As a result, the property was consolidated as real estate. The CECL reserve related to this loan was charged off.

Loans are typically secured by direct senior priority liens on real estate properties or by interests in entities that directly own real estate properties, which serve as the primary source of cash for the payment of principal and interest. The Company evaluates its loans at least quarterly and differentiates the relative credit quality principally based on: (i) whether the borrower is currently paying contractual debt service in accordance with its contractual terms; and (ii) whether the Company believes the borrower will be able to perform under its contractual terms in the future, as well as the Company's expectations as to the ultimate recovery of principal at maturity.

The following tables provide a summary by carrying values before any CECL reserves of the Company's loans and preferred equity held for investment by year of origination and credit quality risk ranking as of June 30, 2025 and December 31, 2024 (dollars in thousands). Refer to Note 2, "Summary of Significant Accounting Policies" for loan risk ranking definitions.

At June 30, 2025, the weighted average risk ranking for loans held for investment was 3.1.

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		June 30, 2025					
		Year of Origination					
Risk Rankings		2025	2024	2023	2022	2021 and earlier	Total
Senior loans							
3	\$	190,517	\$ 74,032	\$ —	\$ 676,722	\$ 1,155,988	\$ 2,097,259
4		—	—	—	74,714	126,850	201,564
5		—	—	—	—	39,250	39,250
Total Senior loans		190,517	74,032	—	751,436	1,322,088	2,338,073
Mezzanine loans							
3		—	—	14,692	32,687	—	47,379
Total Mezzanine loans		—	—	14,692	32,687	—	47,379
Preferred Equity							
3		6,963	—	—	—	—	6,963
Total Preferred Equity		6,963	—	—	—	—	6,963
Total Loans and preferred equity held for investment	\$	197,480	\$ 74,032	\$ 14,692	\$ 784,123	\$ 1,322,088	\$ 2,392,415
Current period gross write-offs	\$	—	\$ —	\$ —	\$ —	\$ 29,699	\$ 29,699

On July 11, 2025, the multifamily construction/development project collateralizing the Company’s one risk ranked “5” loan was acquired via a deed-in-lieu of foreclosure. Following the deed-in-lieu of foreclosure, the loan was removed from the watchlist and the Company holds no risk ranked “5” loans on its consolidated balance sheet.

As of December 31, 2024, the weighted average risk ranking for loans held for investment was 3.2.

		December 31, 2024					
		Year of Origination					
Risk Rankings		2024	2023	2022	2021	2020 and earlier	Total
Senior loans							
3	\$	62,997	\$ —	\$ 703,245	\$ 856,161	\$ 440,354	\$ 2,062,757
4		—	—	55,350	162,265	—	217,615
5		—	—	—	—	193,421	193,421
Total Senior loans		62,997	—	758,595	1,018,426	633,775	2,473,793
Mezzanine loans							
3		—	14,355	30,777	—	—	45,132
Total Mezzanine loans		—	14,355	30,777	—	—	45,132
Total Loans held for investment	\$	62,997	\$ 14,355	\$ 789,372	\$ 1,018,426	\$ 633,775	\$ 2,518,925
Current period gross write-offs⁽¹⁾	\$	—	\$ —	\$ 6,155	\$ 2,413	\$ 20,407	\$ 28,975

(1) Current period gross write-offs exclude all transfers to real estate, net.

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Lending Commitments

The Company has lending commitments to borrowers pursuant to certain loan and preferred equity agreements in which the borrower may submit a request for funding contingent on achieving certain criteria, which must be approved by the Company as lender, such as leasing, performance of capital expenditures and construction in progress with an approved budget. Assuming the terms to qualify for future advances, if any, had been met, total gross unfunded lending commitments were \$111.5 million and \$106.3 million at June 30, 2025 and December 31, 2024, respectively. Refer to Note 13, “Commitments and Contingencies” for further details. The Company recorded \$0.6 million and \$0.2 million for allowance for lending commitments in accrued and other liabilities on its consolidated balance sheets in accordance with CECL at June 30, 2025 and December 31, 2024, respectively. See Note 2, “Summary of Significant Accounting Policies” for further details.

4. Real Estate, net and Real Estate Held for Sale

The following table presents the Company’s net lease portfolio, net, as of June 30, 2025 and December 31, 2024 (dollars in thousands):

	June 30, 2025	December 31, 2024
Land and improvements	\$ 78,805	\$ 121,881
Buildings, building leaseholds, and improvements	287,767	476,712
Tenant improvements	13,781	19,354
Subtotal	\$ 380,353	\$ 617,947
Less: Accumulated depreciation	(81,414)	(116,089)
Less: Impairment ⁽¹⁾	—	(30,693)
Net lease portfolio, net	<u>\$ 298,939</u>	<u>\$ 471,165</u>

The following table presents the Company’s portfolio of other real estate, net as of June 30, 2025 and December 31, 2024 (dollars in thousands):

	June 30, 2025	December 31, 2024
Land and improvements	\$ 109,136	\$ 77,219
Buildings, building leaseholds, and improvements	338,103	269,062
Tenant improvements	27,160	30,369
Furniture, fixtures and equipment	12,520	3,108
Construction-in-progress	5,424	2,394
Subtotal	\$ 492,343	\$ 382,152
Less: Accumulated depreciation	(58,506)	(53,608)
Less: Impairment ⁽¹⁾	—	(22,288)
Other portfolio, net	<u>\$ 433,837</u>	<u>\$ 306,256</u>

(1) See Note 12, “Fair Value,” for discussion of impairment of real estate.

At June 30, 2025, the Company held four foreclosed properties in other real estate, net with a combined carrying value of \$217.6 million and one foreclosed property as held for sale with a carrying value of \$34.3 million. At December 31, 2024, the Company held four foreclosed properties in other real estate, net with a combined carrying value of \$115.2 million and one foreclosed property as held for sale with a carrying value of \$1.9 million.

Depreciation Expense

Depreciation expense on real estate was \$7.4 million and \$6.6 million for the three months ended June 30, 2025 and 2024, respectively. Depreciation expense on real estate was \$14.5 million and \$13.5 million for the six months ended June 30, 2025 and 2024, respectively.

BRIGHTSPIRE CAPITAL, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)
(Unaudited)

Property Operating Income

For the three and six months ended June 30, 2025 and 2024 the components of property operating income were as follows (dollars in thousands):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
Lease revenues				
Minimum lease revenue	\$ 24,251	\$ 22,494	\$ 48,121	\$ 44,686
Variable lease revenue	2,921	2,828	5,968	5,853
	\$ 27,172	\$ 25,322	\$ 54,089	\$ 50,539
Hotel operating income	8,498	—	8,498	—
Total property operating income ⁽¹⁾	\$ 35,670	\$ 25,322	\$ 62,587	\$ 50,539

(1) Excludes net amortization expense related to above and below-market leases of a de minimis amount and \$0.1 million for the three and six months ended June 30, 2025, respectively. Excludes net amortization expense related to above and below-market leases of \$0.1 million and \$0.3 million for the three and six months ended June 30, 2024, respectively.

For the six months ended June 30, 2025 and 2024 the Company had no single property with property operating income equal to or greater than 10.0% of total revenue of the Company.

Minimum Future Rents

Minimum rental amounts due under leases are generally either subject to scheduled fixed increases or adjustments. The following table presents approximate future minimum rental income under noncancellable operating leases, excluding variable lease revenue of tenant reimbursements, to be received over the next five years and thereafter as of June 30, 2025 (dollars in thousands):

Remainder of 2025	\$ 33,710
2026	60,884
2027	55,114
2028	45,503
2029	42,550
2030 and thereafter	235,681
Total	\$ 473,442

The rental properties owned at June 30, 2025, are leased under noncancellable operating leases with current expirations ranging from 2025 to 2038, with certain tenant renewal rights. For certain properties, the tenants pay the Company, in addition to the contractual base rent, their share of real estate taxes and operating expenses. Certain lease agreements provide for periodic rental increases and others provide for increases based on the consumer price index.

Commitments and Contractual Obligations

Ground Lease Obligation

In connection with real estate acquisitions, the Company assumed certain noncancellable operating ground leases as lessee or sublessee with expiration dates through 2050. Rents on certain ground leases are paid directly by the tenants. Ground rent expense for the three and six months ended June 30, 2025 was \$0.8 million and \$1.6 million, respectively. Ground rent expense for the three and six months ended June 30, 2024 was \$0.8 million and \$1.6 million, respectively.

Refer to Note 13, “Commitments and Contingencies” for the details of future minimum rental payments on noncancellable ground lease on real estate as of June 30, 2025.

Real Estate Acquisitions

In May 2025, the Company acquired legal title to one hotel property via foreclosure, which is included in real estate, net on the Company’s consolidated balance sheets. Subsequent to June 30, 2025, the Company acquired legal title to one multifamily construction/development project through a deed-in-lieu of foreclosure. As of June 30, 2025, the multifamily construction/development project is included in loans and preferred equity held for investment, net on the Company’s consolidated balance sheets. Refer to Note 16, “Subsequent Events”, for further detail.

BRIGHTSPIRE CAPITAL, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)
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The Company previously held investments in senior loans collateralized by multifamily properties in Mesa, Arizona and Arlington, Texas that were determined to be VIEs. The Company was determined to be the primary beneficiary of the VIEs and consolidated the assets and liabilities as well as the operations of the multifamily properties in February 2025 (Mesa, Arizona) and July 2024 (Arlington, Texas). The multifamily properties are included in real estate, net on the Company's consolidated balance sheets. The consolidation did not result in a gain or loss.

In November 2024, the Company acquired legal title to one multifamily property which is included in real estate, net on the Company's consolidated balance sheets.

In accordance with ASC 805-50, the Company allocated the fair value of the assumed assets and liabilities on the respective acquisition dates for each property acquired.

The following table summarizes the Company's real estate acquisitions for the six months ended June 30, 2025 and the year ended December 31, 2024 (dollars in thousands):

Acquisition Date	Property Type and Location	Number of Buildings/Units ⁽¹⁾	Purchase Price	Purchase Price Allocation						
				Land and Improvements ⁽²⁾	Building and Improvements ⁽²⁾	Furniture and Fixtures ⁽²⁾	Lease Intangible Assets ⁽²⁾	Other Assets	Other Liabilities	
Six Months Ended June 30, 2025										
May 2025	Hotel - California	541	\$ 136,098	\$ 35,372	\$ 89,708	\$ 9,974	\$ 80	\$ 10,034	\$ (9,070)	
February 2025	Multifamily - Arizona ⁽³⁾	285	\$ 31,965	\$ 9,007	\$ 21,051	\$ 270	\$ 1,456	\$ 708	\$ (527)	
Year Ended December 31, 2024										
November 2024	Multifamily - Texas ⁽⁴⁾	354	\$ 33,540	\$ 4,023	\$ 25,629	\$ 795	\$ 2,380	\$ 1,703	\$ (990)	
July 2024	Multifamily - Texas ⁽³⁾	436	40,019	8,895	27,443	1,109	1,935	2,836	(2,199)	
			\$ 241,622	\$ 57,297	\$ 163,831	\$ 12,148	\$ 5,851	\$ 15,281	\$ (12,786)	

(1) For multifamily properties, represents number of units. For hotels, represents number of rooms.

(2) Useful life of real estate acquired is 28 to 40 years for buildings, four to 15 years for tenant improvements, four to nine years for furniture and fixtures, and one to 12 years for lease intangibles.

(3) Represents a multifamily property held in a VIE for which the Company was deemed the primary beneficiary. The Company consolidated the assets, liabilities and the property's operations on the acquisition date in accordance with ASC 810.

(4) Represents assets acquired by the Company through foreclosure.

Impairment and Foreclosure

The Company recorded \$51.1 million in impairment of operating real estate during the six months ended June 30, 2025. During the three months ended June 30, 2025, an investment subsidiary reached a maturity default on its bond financing collateralized by the Company's Norwegian net lease office campus. Following the maturity default, the lenders exercised remedies and took control by equity pledge of the underlying investment subsidiary, requiring deconsolidation of the assets and liabilities from the Company's consolidated balance sheet. The deconsolidation resulted in impairment loss of \$49.3 million, consisting primarily of \$185.7 million of real estate, net, \$8.3 million of deferred leasing costs and intangible assets, net partially offset by the \$146.9 million mortgage note payable. The remaining \$2.2 million of impairment represents the deconsolidation of remaining net assets. The Company has no further involvement in the Norwegian net lease office campus and the lenders are not a related party.

In January 2025, an investment subsidiary defaulted on its mortgage note payable collateralized by one Pennsylvania office property included in the Company's other real estate, net portfolio. Subsequent to June 30, 2025, a receiver was appointed and took possession and full control of the property, requiring deconsolidation of the assets and liabilities from the Company's consolidated balance sheet in the third quarter of 2025. During the three months ended June 30, 2025, the Company recorded \$1.8 million of impairment related to the property.

During the year ended December 31, 2024, in connection with the Company's preparation of its quarterly financial reporting, the Company recorded \$47.5 million of impairment related to three office properties held for investment. The impairment was due to a reduction in the current expected holding period of the properties. The estimated fair value of the collateral was determined by using a discounted cash flow model.

BRIGHTSPIRE CAPITAL, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)
(Unaudited)

Real Estate Held for Sale

The following table summarizes the Company's assets held for sale related to real estate (dollars in thousands):

	June 30, 2025
Assets	
Land and improvements	\$ 7,590
Buildings, building leaseholds, and improvements	24,019
Tenant improvements	3,160
Furniture, fixtures and equipment	832
Construction-in-progress	243
Subtotal	35,844
Less: Accumulated depreciation	(1,560)
Total assets held for sale	\$ 34,284

During the six months ended June 30, 2025, the Company classified a multifamily property it previously acquired through a deed-in-lieu of foreclosure as held for sale.

The Company acquired one office property in Oakland, California through a deed-in-lieu of foreclosure in July 2023. As of December 31, 2024, the Company classified the office property as held for sale with real estate, net of \$1.9 million and deferred leasing costs and intangible assets, net of \$3.3 million. The Company recorded \$6.7 million of impairment related to this office property, which was based on a reduction in the expected holding period as well as the expected proceeds from the sale. During the six months ended June 30, 2025, the office property was sold for a gross sales price of \$5.5 million, resulting in a loss on sale of \$0.2 million.

There were no real estate sales during the six months ended June 30, 2024.

5. Deferred Leasing Costs and Other Intangibles

The Company's deferred leasing costs, other intangible assets and intangible liabilities, excluding those related to assets held for sale, at June 30, 2025 and December 31, 2024 are as follows (dollars in thousands):

	June 30, 2025		
	Carrying Amount	Accumulated Amortization	Net Carrying Amount
Deferred Leasing Costs and Intangible Assets			
In-place lease values	\$ 66,782	\$ (44,131)	\$ 22,651
Deferred leasing costs	28,166	(17,051)	11,115
Above-market lease values	11,587	(9,899)	1,688
	<u>\$ 106,535</u>	<u>\$ (71,081)</u>	<u>\$ 35,454</u>
Intangible Liabilities			
Below-market lease values	<u>\$ 16,797</u>	<u>\$ (14,610)</u>	<u>\$ 2,187</u>

	December 31, 2024		
	Carrying Amount	Accumulated Amortization	Net Carrying Amount
Deferred Leasing Costs and Intangible Assets			
In-place lease values	\$ 82,530	\$ (49,495)	\$ 33,035
Deferred leasing costs	32,864	(21,021)	11,843
Above-market lease values	11,587	(9,293)	2,294
	<u>\$ 126,981</u>	<u>\$ (79,809)</u>	<u>\$ 47,172</u>
Intangible Liabilities			
Below-market lease values	<u>\$ 16,798</u>	<u>\$ (13,993)</u>	<u>\$ 2,805</u>

BRIGHTSPIRE CAPITAL, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)
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The following table summarizes the amortization of deferred leasing costs, intangible assets and intangible liabilities for the six months ended June 30, 2025 and 2024 (dollars in thousands):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
Above-market lease values	\$ (297)	\$ (466)	\$ (679)	\$ (940)
Below-market lease values	296	323	619	684
Net decrease to property operating income	<u>\$ (1)</u>	<u>\$ (143)</u>	<u>\$ (60)</u>	<u>\$ (256)</u>
In-place lease values	\$ 2,558	\$ 1,682	\$ 5,398	\$ 4,410
Deferred leasing costs	610	685	1,236	1,379
Amortization expense	<u>\$ 3,168</u>	<u>\$ 2,367</u>	<u>\$ 6,634</u>	<u>\$ 5,789</u>

The following table presents the amortization of deferred leasing costs, intangible assets and intangible liabilities, for each of the next five years and thereafter as of June 30, 2025 (dollars in thousands):

	Remainder of 2025	2026	2027	2028	2029	2030 and thereafter	Total
Above-market lease values	\$ (582)	\$ (584)	\$ (127)	\$ (88)	\$ (86)	\$ (221)	\$ (1,688)
Below-market lease values	903	848	81	81	81	193	2,187
Net increase (decrease) to property operating income	<u>\$ 321</u>	<u>\$ 264</u>	<u>\$ (46)</u>	<u>\$ (7)</u>	<u>\$ (5)</u>	<u>\$ (28)</u>	<u>\$ 499</u>
In-place lease values	\$ 2,200	\$ 2,302	\$ 1,755	\$ 1,646	\$ 1,634	\$ 13,114	\$ 22,651
Deferred leasing costs	1,306	1,940	1,733	1,518	1,203	3,415	11,115
Amortization expense	<u>\$ 3,506</u>	<u>\$ 4,242</u>	<u>\$ 3,488</u>	<u>\$ 3,164</u>	<u>\$ 2,837</u>	<u>\$ 16,529</u>	<u>\$ 33,766</u>

6. Restricted Cash, Other Assets and Accrued and Other Liabilities

The following table presents a summary of restricted cash as of June 30, 2025 and December 31, 2024 (dollars in thousands):

	June 30, 2025	December 31, 2024
Restricted cash:		
Borrower escrow deposits	\$ 74,748	\$ 80,132
Capital expenditure reserves	9,008	11,027
Working capital and other reserves	5,504	2,096
Real estate escrow reserves	5,268	3,167
Tenant lockboxes	2,871	2,014
Securitization trust unused proceeds ⁽¹⁾	—	50,087
Total	<u>\$ 97,399</u>	<u>\$ 148,523</u>

(1) Refer to Note 7, “Debt” for further discussion.

The following table presents a summary of other assets as of June 30, 2025 and December 31, 2024 (dollars in thousands):

	June 30, 2025	December 31, 2024
Other assets:		
Right-of-use lease asset	\$ 21,554	\$ 23,238
Tax receivable and deferred tax assets	15,877	16,299
Prepaid expenses and other	8,931	6,379
Deferred financing costs, net - credit facilities	4,769	3,143
Investments in unconsolidated ventures at fair value	2,235	2,235
Total	<u>\$ 53,366</u>	<u>\$ 51,294</u>

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(Unaudited)

The following table presents a summary of accrued and other liabilities as of June 30, 2025 and December 31, 2024 (dollars in thousands):

	June 30, 2025	December 31, 2024
Accrued and other liabilities:		
Accounts payable, accrued expenses and other liabilities	\$ 25,663	\$ 17,830
Operating lease liability	22,433	24,119
Prepaid rent and unearned revenue	12,149	7,852
Interest payable	6,231	10,046
Tenant security deposits	1,384	1,443
Unfunded CECL loan allowance	593	188
Current and deferred tax liability	—	21,147
Total	<u>\$ 68,453</u>	<u>\$ 82,625</u>

Investments in Unconsolidated Ventures at Fair Value

Private Funds

The Company elected the fair value option to account for its indirect interests in real estate through real estate private equity funds (“PE Investments”), which interests ranged from 1.0% to 10.0% as of June 30, 2025 and December 31, 2024. The Company records equity in earnings for these investments based on a change in fair value of its share of projected future cash flows.

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7. Debt

The following table presents debt as of June 30, 2025 and December 31, 2024 (dollars in thousands):

	Capacity (\$)	Recourse vs. Non-Recourse ⁽¹⁾	Final Maturity	Contractual Interest Rate	June 30, 2025		December 31, 2024	
					Principal Amount ⁽²⁾	Carrying Value ⁽²⁾	Principal Amount ⁽²⁾	Carrying Value ⁽²⁾
<i>Securitization bonds payable, net</i>								
BRSP 2024-FL2 ⁽³⁾		Non-recourse	Aug-37	SOFR + 2.47%	\$ 583,875	\$ 577,666	\$ 583,875	\$ 576,577
BRSP 2021-FL1 ⁽³⁾		Non-recourse	Aug-38	SOFR + 1.71%	404,532	404,532	510,497	510,497
Subtotal securitization bonds payable, net					988,407	982,198	1,094,372	1,087,074
<i>Mortgage and other notes payable, net</i>								
Net lease 1		Non-recourse	Sep-33	4.77%	200,000	199,019	200,000	198,963
Net lease 2 ⁽⁴⁾		Non-recourse	⁽⁴⁾	⁽⁴⁾	—	—	132,879	133,152
Net lease 3		Non-recourse	Aug-26	4.08%	28,306	28,255	28,671	28,599
Net lease 4		Non-recourse	Oct-27	4.45%	21,051	21,051	21,368	21,368
Net lease 5 ⁽⁵⁾		Non-recourse	Nov-26	4.45%	16,444	16,338	16,663	16,521
Net lease 5 ⁽⁶⁾		Non-recourse	Mar-28	7.25%	10,893	10,456	11,007	10,570
Net lease 6		Non-recourse	Nov-26	4.45%	6,533	6,492	6,620	6,564
Net lease 8		Non-recourse	Nov-26	4.45%	3,028	3,009	3,069	3,043
Other real estate 1		Non-recourse	Dec-28 ⁽⁷⁾	4.47%	98,159	97,242	99,224	98,124
Other real estate 2		Non-recourse	Jan-25 ⁽⁸⁾	4.30%	66,856	66,856	67,699	67,685
Loan 1 ⁽⁹⁾		Non-recourse	Jul-25 ⁽⁹⁾	5.50%	34,391	34,391	34,466	34,466
Subtotal mortgage and other notes payable, net					485,661	483,109	621,666	619,055
<i>Bank credit facility</i>								
Bank credit facility	\$ 165,000	Recourse	Jan-27 ⁽¹⁰⁾	SOFR + 2.25%	—	—	—	—
Subtotal bank credit facility					—	—	—	—
<i>Master repurchase facilities</i>								
Bank 1	600,000	Limited Recourse ⁽¹¹⁾	Apr-27	SOFR + 2.43% ⁽¹²⁾	346,923	346,923	422,438	422,438
Bank 2	600,000	Limited Recourse ⁽¹¹⁾	Apr-30 ⁽¹³⁾	SOFR + 2.01% ⁽¹²⁾	159,128	159,128	160,847	160,847
Bank 3	400,000	Limited Recourse ⁽¹⁴⁾	June-30 ⁽¹⁵⁾	SOFR + 1.71% ⁽¹²⁾	235,466	235,466	177,466	177,466
Bank 4	400,000	Limited Recourse ⁽¹¹⁾	Nov-29 ⁽¹⁶⁾	SOFR + 1.79% ⁽¹²⁾	48,212	48,212	24,432	24,432
Subtotal master repurchase facilities					789,729	789,729	785,183	785,183
Subtotal credit facilities					789,729	789,729	785,183	785,183
Total					\$ 2,263,797	\$ 2,255,036	\$ 2,501,221	\$ 2,491,312

(1) Subject to customary non-recourse carveouts.

(2) Difference between principal amount and carrying value of securitization bonds payable, net and mortgage and other notes payable, net is attributable to deferred financing costs, net and premium/discount on mortgage notes payable.

(3) The Company, through indirect Cayman subsidiaries, securitized commercial mortgage loans originated by the Company. Senior notes issued by the securitization trusts were generally sold to third parties and subordinated notes retained by the Company. These securitizations are accounted for as secured financing with the underlying mortgage loans pledged as collateral. Principal payments from underlying collateral loans must be applied to repay the notes until fully paid off, irrespective of the contractual maturities on the notes. Underlying collateral loans have initial terms of two to three years.

(4) During the second quarter of 2025, the mortgage note payable balance collateralized by Net lease 2 was deconsolidated from the Company's consolidated balance sheet. Refer to Note 4, "Real Estate, net and Real Estate Held for Sale" for further discussion.

(5) Payment terms are periodic payment of principal and interest for debt on two properties and periodic payment of interest only with principal at maturity (except for principal repayments to release collateral properties disposed) for debt on one property.

(6) Represents a mortgage note collateralized by three properties. In April 2025, the contractual interest rate on Net lease 5 was modified to 7.25%.

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- (7) The current maturity date is December 2027, with a one-year extension available, subject to satisfaction of certain customary conditions set forth in the governing documents.
- (8) The mortgage payable collateralized by Other real estate 2 is in maturity default as of January 2025. Subsequent to June 30, 2025, the mortgage note payable was deconsolidated from the Company's consolidated balance sheet in the third quarter of 2025. Refer to Note 4, "Real Estate, net and Real Estate Held for Sale" for further discussion.
- (9) The current maturity date of the note payable is July 2025, with no extension options remaining. Subsequent to June 30, 2025, the Company acquired legal title to the multifamily construction/development project collateralizing the note payable through a deed-in-lieu of foreclosure. Additionally, the Company refinanced the note payable, with a two-year initial term plus one one-year extension option. The principal balance and spread of the note payable did not change. Refer to Note 4, "Real Estate, net and Real Estate Held for Sale" for further discussion.
- (10) On January 28, 2022, the Company, through its subsidiaries, including the OP, entered into an Amended and Restated Credit Agreement. Refer to "Bank Credit Facility" within this note for more details.
- (11) Recourse solely with respect to 25.0% of the financed amount.
- (12) Represents the weighted average spread as of June 30, 2025. The contractual interest rate depends upon asset type and characteristics and ranges from SOFR plus 1.50% to 2.75%.
- (13) The current maturity date is April 2028, with two one-year extensions available at the option of the Company, which may be exercised upon the satisfaction of certain customary conditions set forth in the governing documents.
- (14) Recourse is either 25.0% or 50.0% depending on loan metrics.
- (15) The current maturity date is June 2028, with two one-year extensions available at the option of the Company, which may be exercised upon the satisfaction of certain customary conditions set forth in the governing documents.
- (16) The current maturity date is November 2026, with three one-year extensions available at the option of the Company, which may be exercised upon the satisfaction of certain customary conditions set forth in the governing documents.

During the six months ended June 30, 2025, the Company paid \$76.9 million in cash for interest.

Future Minimum Principal Payments

The following table summarizes future scheduled minimum principal payments at June 30, 2025 based on initial maturity dates or extended maturity dates to the extent criteria are met and the extension option is at the borrower's discretion (dollars in thousands):

	Total	Securitization Bonds Payable, Net	Mortgage and Other Notes Payable, Net	Credit Facilities
Remainder of 2025 ⁽¹⁾	\$ 102,413	\$ —	\$ 102,413	\$ —
2026	54,564	—	54,564	—
2027	367,287	—	20,364	346,923
2028	108,320	—	108,320	—
2029	48,212	—	—	48,212
2030 and thereafter	1,583,001	988,407	200,000	394,594
Total	\$ 2,263,797	\$ 988,407	\$ 485,661	\$ 789,729

- (1) Mortgage and other notes payable, net includes Other real estate 2, which is in maturity default as of January 2025. Subsequent to June 30, 2025, the mortgage note payable was deconsolidated from the Company's consolidated balance sheet in the third quarter of 2025.

Bank Credit Facility

The Company uses bank credit facilities (including term loans and revolving facilities) to finance the business. These financings may be collateralized or non-collateralized and may involve one or more lenders. Credit facilities typically have maturities ranging from one to five years and may accrue interest at either fixed or floating rates.

On January 28, 2022, the OP (together with certain subsidiaries of the OP from time to time party thereto as borrowers, collectively, the "Borrowers") entered into an Amended and Restated Credit Agreement (the "Credit Agreement") with JPMorgan Chase Bank, N.A., as administrative agent (the "Administrative Agent"), and the several lenders from time to time party thereto (the "Lenders"), pursuant to which the Lenders agreed to provide a revolving credit facility in the aggregate principal amount of up to \$165.0 million, of which up to \$25.0 million is available as letters of credit. Loans under the Credit Agreement may be advanced in U.S. dollars and certain foreign currencies, including euros, pounds sterling and Swiss francs. The Credit Agreement amended and restated the OP's prior \$300.0 million revolving credit facility that would have matured on February 1, 2022.

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The Credit Agreement also includes an option for the Borrowers to increase the maximum available principal amount of up to \$300.0 million, subject to one or more new or existing Lenders agreeing to provide such additional loan commitments and satisfaction of other customary conditions.

Advances under the Credit Agreement accrue interest at a per annum rate equal to, at the applicable Borrower's election, either (x) an adjusted SOFR rate plus a margin of 2.25%, or (y) a base rate equal to the highest of (i) the Wall Street Journal's prime rate, (ii) the federal funds rate plus 0.50% and (iii) the adjusted SOFR rate plus 1.00%, plus a margin of 1.25%. An unused commitment fee at a rate of 0.25% or 0.35%, per annum, depending on the amount of facility utilization, applies to un-utilized borrowing capacity under the Credit Agreement. Amounts owed under the Credit Agreement may be prepaid at any time without premium or penalty, subject to customary breakage costs in the case of borrowings with respect to which a SOFR rate election is in effect.

The maximum amount available for borrowing at any time under the Credit Agreement is limited to a borrowing base valuation of certain investment assets, with the valuation of such investment assets generally determined according to a percentage of adjusted net book value. As of June 30, 2025, the borrowing base valuation is sufficient to permit borrowings of up to the entire \$165.0 million. If any borrowing is outstanding for more than 180 days after its initial draw, the borrowing base valuation will be reduced by 50% until all outstanding borrowings are repaid in full. The ability to borrow new amounts under the Credit Agreement terminates on January 31, 2026, at which time the OP may, at its election and by written notice to the Administrative Agent, extend the termination date for two additional terms of six months each, subject to the terms and conditions in the Credit Agreement, resulting in a latest termination date of January 31, 2027.

The obligations of the Borrowers under the Credit Agreement are guaranteed pursuant to a Guarantee and Collateral Agreement by substantially all material wholly owned subsidiaries of the OP (the "Guarantors") in favor of the Administrative Agent (the "Guarantee and Collateral Agreement") and, subject to certain exceptions, secured by a pledge of substantially all equity interests owned by the Borrowers and the Guarantors, as well as by a security interest in deposit accounts of the Borrowers and the Guarantors in which the proceeds of investment asset distributions are maintained.

The Credit Agreement contains various affirmative and negative covenants, including, among other things, the obligation of the Company to maintain REIT status and be listed on the New York Stock Exchange, and limitations on debt, liens and restricted payments. In addition, the Credit Agreement includes the following financial covenants applicable to the OP and its consolidated subsidiaries: (a) minimum consolidated tangible net worth of the OP to be greater than or equal to the sum of (i) \$1,112,000,000 and (ii) 70% of the net cash proceeds received by the OP from any offering of its common equity after September 30, 2021 and of the net cash proceeds from any offering by the Company of its common equity to the extent such proceeds are contributed to the OP, excluding any such proceeds that are contributed to the OP within ninety (90) days of receipt and applied to acquire capital stock of the OP; (b) the OP's ratio of EBITDA plus lease expenses to fixed charges for any period of four consecutive fiscal quarters to be not less than 1.50 to 1.00; (c) the OP's minimum interest coverage ratio to be not less than 3.00 to 1.00; and (d) the OP's ratio of consolidated total debt to consolidated total assets to be not more than 0.80 to 1.00. The Credit Agreement also includes customary events of default, including, among other things, failure to make payments when due, breach of covenants or representations, cross default to material indebtedness, material judgment defaults, bankruptcy matters involving any Borrower or any Guarantor and certain change of control events. The occurrence of an event of default will limit the ability of the OP and its subsidiaries to make distributions and may result in the termination of the credit facility, acceleration of repayment obligations and the exercise of remedies by the Lenders with respect to the collateral.

As of June 30, 2025, the Company was in compliance with all of its financial covenants under the Credit Agreement.

Securitization Financing Transactions

Securitization bonds payable, net represent debt issued by securitization vehicles consolidated by the Company. Senior notes issued by these securitization trusts were generally sold to third parties and subordinated notes retained by the Company. Following expiration of the reinvestment period, payments from underlying collateral loans must be applied to repay the notes until fully paid off, irrespective of the contractual maturities of the loans.

The Company evaluated the key terms in the collateralized loan obligation ("CLO") governing documents of the issuers of the CRE CLOs ("CRE CLO Issuers"), which are wholly-owned subsidiaries of the Company, to determine if they were VIEs and, if so, whether the Company was the primary beneficiary and therefore consolidate the CRE CLOs. The Company concluded that the CRE CLO Issuers are VIEs and the Company is the primary beneficiary because it has the ability to control the most significant activities of the CRE CLO Issuers, the obligation to absorb losses to the extent of its equity investments, and the right to receive benefits that could potentially be significant to these entities.

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As of June 30, 2025, the Company had \$1.2 billion carrying value of CRE debt investments financed with \$988.4 million of securitization bonds payable, net. As of December 31, 2024, the Company had \$1.3 billion carrying value of CRE debt investments financed with \$1.1 billion of securitization bonds payable, net.

BRSP 2021-FL1

In July 2021, the Company executed a securitization transaction through wholly-owned subsidiaries, BRSP 2021-FL1, Ltd. and BRSP 2021-FL1, LLC (collectively, “BRSP 2021-FL1”), which resulted in the sale of \$670.0 million of investment grade notes.

BRSP 2021-FL1 included a two-year reinvestment feature that allowed the Company to contribute existing or newly originated loan investments in exchange for proceeds from repayments or repurchases of loans held in BRSP 2021-FL1, subject to the satisfaction of certain conditions set forth in the indenture. The reinvestment period for BRSP 2021-FL1 expired on July 20, 2023. During the six months ended June 30, 2025, four loans held in BRSP 2021-FL1 were fully repaid, totaling \$103.1 million, and two loans were partially repaid totaling \$2.9 million. The proceeds from the repayments were used to amortize the securitization bonds in accordance with the securitization priority of repayments. At June 30, 2025, the Company had \$534.5 million of unpaid principal balance of CRE debt investments financed with BRSP 2021-FL1. As of June 30, 2025, the securitization reflects an advance rate of 75.7% at a weighted average cost of funds of Term SOFR plus 1.71% (before transaction costs), and is collateralized by a pool of 20 senior loan investments.

Additionally, BRSP 2021-FL1 contains note protection tests that can be triggered as a result of contributed loan defaults, losses, and certain other events outlined in the indenture, beyond established thresholds. A note protection test failure that is not remedied can result in the redirection of interest proceeds from the below investment grade tranches to amortize the most senior outstanding tranche. The Company did not fail any note protection tests during the six months ended June 30, 2025 and June 30, 2024. While the Company continues to closely monitor all loan investments contributed to BRSP 2021-FL1, a deterioration in the performance of an underlying loan could negatively impact its liquidity position.

BRSP 2024-FL2

In August 2024, the Company executed a \$675.0 million securitization transaction through wholly-owned subsidiaries, BRSP 2024-FL2, Ltd. and BRSP 2024-FL2, LLC (collectively, “BRSP 2024-FL2”), which resulted in the sale of \$583.9 million of investment grade notes (the “2024-FL2 Notes”).

BRSP 2024-FL2 included a six-month ramp-up acquisition period that allowed the Company to contribute existing or newly originated loan investments in exchange for \$84.8 million in unused proceeds held in BRSP 2024-FL2, subject to the satisfaction of certain conditions set forth in the indenture. BRSP 2024-FL2 also includes a two-year reinvestment feature that allows the Company to contribute existing or newly originated loan investments in exchange for proceeds from repayments of loans held in BRSP 2024-FL2, subject to the satisfaction of certain conditions set forth in the indenture. As of June 30, 2025, the securitization reflects an advance rate of 86.5% at a weighted average cost of funds of Term SOFR plus 2.47% (before transaction costs), and is collateralized by a pool of 26 senior loan investments. During the six months ended June 30, 2025, the Company contributed existing or newly originated loan investments totaling \$52.4 million, in exchange for a combination of reinvestment and unused proceeds. At June 30, 2025, the unused proceeds have been fully utilized and the Company had \$675.0 million of unpaid principal balance of CRE debt investments financed with BRSP 2024-FL2.

Additionally, BRSP 2024-FL2 contains note protection tests that can be triggered as a result of contributed loan defaults, losses, and certain other events outlined in the indenture, beyond established thresholds. A note protection test failure that is not remedied can result in the redirection of interest proceeds from the below investment grade tranches to amortize the most senior outstanding tranche. The Company did not fail any note protection tests during the six months ended June 30, 2025. While the Company continues to closely monitor all loan investments contributed to BRSP 2024-FL2, a deterioration in the performance of an underlying loan could negatively impact its liquidity position.

Master Repurchase Facilities

As of June 30, 2025, the Company, through subsidiaries, had entered into repurchase agreements with multiple global financial institutions to provide an aggregate principal amount of up to \$2.0 billion to finance the origination of first mortgage loans and senior loan participations secured by senior loan investments (each, a “Master Repurchase Facility” and collectively, the “Master Repurchase Facilities”). The Company agreed to guarantee certain obligations under the Master Repurchase Facilities, which contain representations, warranties, covenants, conditions precedent to funding, events of default and indemnities that are customary for agreements of this type. The Master Repurchase Facilities act as revolving loan facilities that can be paid down

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as assets are repaid or sold and re-drawn upon for new investments. As of June 30, 2025, the Company was in compliance with all of its financial covenants under the Master Repurchase Facilities.

As of June 30, 2025, the Company had \$1.2 billion carrying value of CRE debt investments financed with \$789.7 million under the Master Repurchase Facilities. As of December 31, 2024, the Company had \$1.0 billion carrying value of CRE debt investments financed with \$785.2 million under the Master Repurchase Facilities.

As of June 30, 2025 and December 31, 2024, the Company had one counterparty, Bank 1, with net exposure (collateral that exceeded amounts borrowed) totaling more than 10% of the Company's total equity. As of June 30, 2025 and December 31, 2024, the Company's net exposure to Bank 1 was \$260.2 million and \$198.8 million, respectively.

8. Related Party Arrangements

The Company had no related party transactions as of and for the six months ended June 30, 2025 and 2024.

9. Equity-Based Compensation

On February 15, 2022, the Company's board of directors adopted, and at the annual meeting of stockholders held on May 5, 2022, the stockholders approved, the 2022 Equity Incentive Plan (the "2022 Plan"), which was effective as of May 5, 2022 and amends and restates the Company's 2018 Equity Incentive Plan (the "2018 Plan") to increase the total number of shares of the Class A common stock issuable by 10.0 million shares (subject to adjustment pursuant to the terms of the 2022 Plan) and extending the termination date to May 4, 2032. Awards may be granted under the 2022 Plan to (x) any employee, officer, director, consultant or advisor (who is a natural person) providing services to the Company, or its affiliates and (y) any other individual whose participation in the 2022 Plan is determined to be in the best interests of the Company. The following types of awards may be made under the 2022 Plan, subject to the limitations set forth in the plan: (i) stock options (which may be either incentive stock options or non-qualified stock options); (ii) stock appreciation rights; (iii) restricted stock awards; (iv) stock units; (v) unrestricted stock awards; (vi) dividend equivalent rights; (vii) performance awards; (viii) annual cash incentive awards; (ix) long-term incentive units; and (x) other equity-based awards.

Shares subject to an award granted under the 2022 Plan will be counted against the maximum number of shares of Class A common stock available for issuance thereunder as one share of Class A common stock for every one share of Class A common stock subject to such an award. Shares subject to an award granted under the 2022 Plan will again become available for issuance under the 2022 Plan if the award terminates by expiration, forfeiture, cancellation, or otherwise without the issuance of such shares (except as set forth in the following sentence). The number of shares of Class A common stock available for issuance under the 2022 Plan will not be increased by (i) any shares tendered or withheld in connection with the purchase of shares upon exercise of a stock option, (ii) any shares deducted or delivered in connection with the Company's tax withholding obligations, or (iii) any shares purchased by the Company with proceeds from stock option exercises. Shares granted to non-independent directors, officers and employees, if applicable, generally vest ratably in three annual installments following the grant date.

On May 5, 2022, the Company granted 1,456,366 shares of Class A common stock to certain of its employees, including executive officers. The remaining one-third increment of such share grant vested on March 15, 2025. On March 6, 2023, the Company granted 1,391,217 shares of Class A common stock to certain of its employees, including executive officers. The remaining one-third increment of such share grant will vest on March 15, 2026. On March 15, 2024, the Company granted 1,243,696 shares of Class A common stock to certain of its employees, including executive officers. Remaining one-third increments of such share grant will vest on March 15, 2026 and March 15, 2027.

On May 17, 2023, the Company granted 93,285 shares of Class A common stock to the non-employee directors of the Company which vested on May 17, 2024. On May 17, 2024, the Company granted 79,495 shares of Class A common stock to the non-employee directors of the Company which vested on May 17, 2025.

On March 17, 2025, the Company granted 1,392,965 shares of Class A common stock to certain of its employees, including executive officers. The shares vest in one-third increments on March 15, 2026, March 15, 2027 and March 15, 2028. Additionally, on March 17, 2025 the Company granted 225,544 shares of Class A common stock to its executive officers. Such share grant vested immediately.

On May 19, 2025, the Company granted 92,940 shares of Class A common stock to the non-employee directors of the Company which vest on May 19, 2026.

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Equity-Based Compensation Expense

In connection with the share grants, the Company recognized share-based compensation expense of \$2.9 million and \$7.1 million within compensation and benefits in the consolidated statements of operations for the three and six months ended June 30, 2025, respectively. In connection with the share grants, the Company recognized share-based compensation expense of \$3.2 million and \$5.3 million within compensation and benefits in the consolidated statement of operations for the three and six months ended June 30, 2024, respectively.

Restricted Stock—Restricted stock awards relating to the Company’s Class A common stock are granted to non-employee directors of the Company and generally vest within one year. Restricted stock awards are granted to certain employees of the Company, with a service condition only and are generally subject to annual time-based vesting in equal tranches over a three-year period. Restricted stock is entitled to dividends declared and paid on the Company’s Class A common stock and such dividends are not forfeitable prior to vesting of the award. Restricted stock awards are valued based on the Company’s Class A common stock price on grant date and equity-based compensation expense is recognized on a straight-line basis over the requisite three-year service period.

Performance Stock Units (“PSU”)—PSUs are granted to certain employees of the Company and are subject to both a service condition and a performance condition. Following the end of the measurement period for the PSUs, the recipients of PSUs may be eligible to vest in all or a portion of PSUs granted, and be issued a number of shares of the Company’s Class A common stock, ranging from 0% to 200% of the number of PSUs granted and eligible to vest, to be determined based upon the Company’s total shareholder return relative to certain peer group companies at the end of a three-year measurement period for the 2023 PSU grant (the “2023 Grant”), the 2024 PSU grant (the “2024 Grant”) and the 2025 PSU grant (the “2025 Grant”). PSUs also contain dividend equivalent rights which entitle the recipients to a payment equal to the amount of dividends that would have been paid on the shares that are ultimately issued at the end of the measurement period.

Fair value of PSUs, including dividend equivalent rights, was determined using a Monte Carlo simulation, with the following assumptions.

	2025 Grant	2024 Grant	2023 Grant
Expected volatility ⁽¹⁾	35.7 %	35.6 %	74.4 %
Risk free rate ⁽²⁾	4.0 %	4.3 %	4.6 %
Expected dividend yield ⁽³⁾	—	—	—

(1) Based upon the Company’s historical stock volatility.

(2) Based upon the continuously compounded zero-coupon U.S. Treasury yield for the term coinciding with the measurement period of the award as of valuation date.

(3) Based upon award holders being entitled to dividends paid during the measurement period on any shares earned.

Fair value of PSU awards, excluding dividend equivalent rights, is generally recognized on a straight-line basis over their measurement period as compensation expense, except when certain performance metrics are achieved.

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The table below summarizes the Company's awards granted, forfeited or vested under the 2022 Plan during the six months ended June 30, 2025 and 2024:

	Number of Shares			Weighted Average Grant Date Fair Value	
	Restricted Stock	PSUs	Total	Restricted Stock	PSUs
Unvested shares at December 31, 2023	2,787,807	384,378	3,172,185	\$ 7.61	\$ 9.69
Granted	1,243,696	534,056	1,777,752	6.71	7.82
Vested	(1,326,222)	—	(1,326,222)	7.92	—
Unvested shares at March 31, 2024	2,705,281	918,434	3,623,715	7.05	8.60
Granted	79,495	—	79,495	6.29	—
Vested	(186,012)	—	(186,012)	6.21	—
Forfeited	(51,755)	—	(51,755)	7.03	—
Unvested shares at June 30, 2024	2,547,009	918,434	3,465,443	7.08	8.60
Unvested shares at December 31, 2024	2,742,917	918,434	3,661,351	\$ 6.92	\$ 8.60
Granted	1,618,509	542,789	2,161,298	5.97	6.78
Vested	(1,428,999)	—	(1,428,999)	7.21	—
Unvested shares at March 31, 2025	2,932,427	1,461,223	4,393,650	6.25	7.93
Granted	92,940	—	92,940	5.27	—
Vested	(79,495)	—	(79,495)	5.27	—
Unvested shares at June 30, 2025	2,945,872	1,461,223	4,407,095	6.25	7.93

Fair value of equity awards that vested during the six months ended June 30, 2025 and June 30, 2024, determined based on their respective fair values at vesting date, was \$9.0 million and \$10.2 million, respectively. Fair value of granted awards is determined based on the closing price of the Class A common stock on the date of vesting of the awards. Equity-based compensation is classified within compensation and benefits in the consolidated statement of operations.

At June 30, 2025, aggregate unrecognized compensation cost for all unvested equity awards was \$21.3 million, which is expected to be recognized over a weighted-average period of 2.2 years.

10. Stockholders' Equity

Authorized Capital

As of June 30, 2025, the Company had the authority to issue up to 1.0 billion shares of stock, at \$0.01 par value per share, consisting of 950.0 million shares of Class A common stock and 50.0 million shares of preferred stock.

The Company had no shares of preferred stock issued and outstanding as of June 30, 2025 and December 31, 2024.

Dividends

During the six months ended June 30, 2025 and 2024, the Company declared the following dividends on its common stock:

Declaration Date	Record Date	Payment Date	Per Share
March 17, 2025	March 31, 2025	April 15, 2025	\$0.16
June 16, 2025	June 30, 2025	July 14, 2025	\$0.16
March 15, 2024	March 29, 2024	April 15, 2024	\$0.20
June 17, 2024	June 28, 2024	July 15, 2024	\$0.20

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Share Repurchases

In April 2025, the Company's board of directors authorized a stock repurchase program ("Stock Repurchase Program") under which the Company may repurchase up to \$50.0 million of its outstanding Class A common stock until April 30, 2026. The Stock Repurchase Program replaces the prior repurchase program authorization which expired on April 30, 2025. Under the Stock Repurchase Program, the Company may repurchase shares in open market purchases, in privately negotiated transactions or otherwise. The Company has a written trading plan as part of the Share Repurchase Program that provides for share repurchases in open market transactions that is intended to comply with Rule 10b-18 under the Exchange Act. The Stock Repurchase Program will be utilized at management's discretion and in accordance with the requirements of the SEC. The timing and actual number of shares repurchased will depend on a variety of factors including price, corporate requirements and other conditions.

During the three months ended June 30, 2025, the Company repurchased 0.8 million shares of Class A common stock at a weighted average price of \$5.29 per share for an aggregate cost of \$4.0 million. This includes the March 31, 2025 repurchase of 0.2 million shares of Class A common stock under the prior stock repurchase program at a weighted average price of \$5.59 per share for an aggregate cost of \$1.1 million. This transaction was reflected in the consolidated financial statements in April 2025 on the settlement date. This stock repurchase occurred under the previous stock repurchase plan which expired in April 2025.

As of June 30, 2025, there was \$47.1 million remaining available to make repurchases under the Stock Repurchase Program.

Accumulated Other Comprehensive Income (Loss)

The following tables present the changes in each component of Accumulated Other Comprehensive Income (Loss) ("AOCI") attributable to stockholders, net of immaterial tax effect.

Changes in Components of AOCI - Stockholders

<i>(dollars in thousands)</i>	Unrealized gain on net investment hedges	Foreign currency translation gain (loss)	Total
AOCI at December 31, 2024	\$ 18,603	\$ (24,940)	\$ (6,337)
Other comprehensive gain	—	1,831	1,831
AOCI at March 31, 2025	\$ 18,603	\$ (23,109)	\$ (4,506)
Other comprehensive income before reclassification	—	1,144	1,144
Amounts reclassified from AOCI	(18,603)	21,965	3,362
Net current period OCI	(18,603)	23,109	4,506
AOCI at June 30, 2025	\$ —	\$ —	\$ —

<i>(dollars in thousands)</i>	Unrealized gain on net investment hedges	Foreign currency translation loss	Total
AOCI at December 31, 2023	\$ 18,603	\$ (21,159)	\$ (2,556)
Other comprehensive loss	—	(3,594)	(3,594)
AOCI at March 31, 2024	\$ 18,603	\$ (24,753)	\$ (6,150)
Other comprehensive income	—	1,097	1,097
AOCI at June 30, 2024	\$ 18,603	\$ (23,656)	\$ (5,053)

11. Noncontrolling Interests

Investment Entities

Noncontrolling interests in investment entities represent third-party equity interests in ventures that are consolidated with the Company's financial statements, as well as the operations of the Company's Arlington, Texas and Mesa, Arizona multifamily loans. Net loss attributable to noncontrolling interests in the investment entities was \$2.1 million and \$3.7 million for the three and six months ended June 30, 2025, respectively. Net loss attributable to noncontrolling interests in the investment entities was \$0.8 million and \$0.8 million for the three and six months ended June 30, 2024, respectively.

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12. Fair Value

Fair Value Hierarchy

Financial assets recorded at fair value on a recurring basis are classified in their entirety based on the lowest level of input that is significant to the fair value measurement. The following table presents financial assets that were accounted for at fair value on a recurring basis as of June 30, 2025 and December 31, 2024 by level within the fair value hierarchy (dollars in thousands):

	June 30, 2025				December 31, 2024			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Assets:								
Other assets - PE Investments	\$ —	\$ —	\$ 2,235	\$ 2,235	\$ —	\$ —	\$ 2,235	\$ 2,235

The following table presents the changes in fair value of financial assets which are measured at fair value on a recurring basis using Level 3 inputs to determine fair value for the six months ended June 30, 2025 and 2024 (dollars in thousands):

	Six Months Ended June 30,	
	2025	2024
	Other assets - PE Investments	
Beginning balance	\$ 2,235	\$ 2,251
Distributions/paydowns	—	(16)
Ending balance	\$ 2,235	\$ 2,235

As of June 30, 2025 and December 31, 2024, the Company elected to apply the fair value option for its PE Investments and the key unobservable inputs used in the analysis included discount rates with a range of 11.0% to 12.0%.

Fair Value of Financial Instruments

In addition to the above disclosures regarding financial assets or liabilities which are recorded at fair value, GAAP requires disclosure of fair value about all financial instruments. The following disclosure of estimated fair value of financial instruments was determined by the Company using available market information and appropriate valuation methodologies. Considerable judgment is necessary to interpret market data and develop estimated fair value. Accordingly, the estimates presented herein are not necessarily indicative of the amounts the Company could realize on disposition of the financial instruments. The use of different market assumptions and/or estimation methodologies may have a material effect on estimated fair value.

The following table presents the principal amount, carrying value and fair value of certain financial assets and liabilities as of June 30, 2025 and December 31, 2024 (dollars in thousands):

	June 30, 2025			December 31, 2024		
	Principal Amount	Carrying Value	Fair Value	Principal Amount	Carrying Value	Fair Value
Financial assets:⁽¹⁾						
Loans and preferred equity held for investment, net ⁽²⁾⁽³⁾	\$ 2,388,363	\$ 2,392,415	\$ 2,251,796	\$ 2,515,278	\$ 2,518,925	\$ 2,349,346
Financial liabilities:⁽¹⁾						
Securitization bonds payable, net	\$ 988,407	\$ 982,198	\$ 988,407	\$ 1,094,372	\$ 1,087,074	\$ 1,094,372
Mortgage and other notes payable, net	485,661	483,109	460,808	621,666	619,055	587,349
Master repurchase facilities	789,729	789,729	789,729	785,183	785,183	785,183

(1) The fair value of other financial instruments not included in this table is estimated to approximate their carrying value.

(2) Excludes future funding commitments of \$111.5 million and \$106.3 million as of June 30, 2025 and December 31, 2024, respectively.

(3) Carry value excludes CECL reserves of \$136.6 million and \$165.9 million as of June 30, 2025 and December 31, 2024, respectively.

Disclosure about fair value of financial instruments is based on pertinent information available to management as of June 30, 2025. Although management is not aware of any factors that would significantly affect fair value, such amounts have not been comprehensively revalued for purposes of these consolidated financial statements since that date and current estimates of fair value may differ significantly from the amounts presented herein.

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Loans and Preferred Equity Held for Investment, Net

For loans and preferred equity held for investment, net, fair values were determined: (i) by comparing the current yield to the estimated yield for newly originated loans with similar credit risk or the market yield at which a third party might expect to purchase such investment; or (ii) based on discounted cash flow projections of principal and interest expected to be collected, which includes consideration of the financial standing of the borrower or sponsor as well as operating results of the underlying collateral. These fair value measurements of CRE debt are generally based on unobservable inputs and, as such, are classified as Level 3 of the fair value hierarchy.

Securitization Bonds Payable, Net

The Company's securitization bonds payable, net bear floating rates of interest. As of June 30, 2025, the Company believes the unpaid principal balance approximates fair value given the floating rate nature of the bonds and significant level of subordination within the securitization. These fair value measurements are based on observable inputs, and as such, are classified as Level 2 of the fair value hierarchy.

Mortgage and Other Notes Payable, Net

For mortgage and other notes payable, net, the Company primarily uses rates currently available with similar terms and remaining maturities to estimate fair value. These measurements are determined using comparable U.S. Treasury rates as of the end of the reporting period. These fair value measurements are based on observable inputs, and as such, are classified as Level 2 of the fair value hierarchy.

Master Repurchase Facilities

The Company has amounts outstanding under Master Repurchase Facilities. The Master Repurchase Facilities bear floating rates of interest. As of June 30, 2025, the Company believes the carrying value approximates fair value due to the short-term nature of the debt, and as a result, contractual rates should equate to market rates. These fair value measurements are based on observable inputs, and as such, are classified as Level 2 of the fair value hierarchy.

Other

The carrying values of cash and cash equivalents, restricted cash, receivables, and accrued and other liabilities approximate fair value due to their short term nature and credit risks, if any, are negligible.

Nonrecurring Fair Values

The Company measures fair value of certain assets on a nonrecurring basis when events or changes in circumstances indicate that the carrying value of the assets may not be recoverable. Adjustments to fair value generally result from the application of lower of amortized cost or fair value accounting for assets held for sale or write-down of asset values due to impairment.

CECL

During the second quarter of 2025, the Company recorded specific CECL reserves of \$1.3 million related to one hotel loan that was acquired through foreclosure in the second quarter of 2025. The specific CECL reserves on the hotel loan were based on the estimated fair value of the collateral using a discounted cash flow model and Level 3 inputs, which included a capitalization rate of 8.0% and a discount rate of 10.5%. The Company also recorded specific CECL reserves of \$18.2 million related to one multifamily development loan that was acquired through a deed-in-lieu of foreclosure subsequent to June 30, 2025. The specific CECL reserves on the multifamily construction/development loan were based on the estimated fair value of the collateral using recent sales comparisons and Level 3 inputs, which included assuming a sales price per unit ranging from \$42,823 to \$86,824. Both specific CECL reserves were charged off during the second quarter of 2025. The Company elected to apply the practical expedient, afforded to the Company under ASC 326, to use the fair value of the collateral to determine the specific CECL reserves.

During the first quarter of 2025, the Company recorded a \$9.2 million specific CECL reserve related to one multifamily loan that was subsequently charged off during the quarter following repayment of the loan. The specific CECL reserve was based on the proceeds the Company received from the repayment of the loan during the first quarter of 2025.

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Additionally, the Company recorded general CECL reserves on two office loans, one multifamily loan and one industrial loan that are determined to be collateral dependent as of June 30, 2025. The Company estimated expected losses based on the loans' collateral value, which were determined either by applying a capitalization rate between 5.5% and 19.1%, discount rate between 10.0% and 20.2%, sales comparisons using a price per square foot of \$97, or by the expected proceeds from the sale of the underlying collateral.

Impairment of Operating Real Estate

During the second quarter of 2025, the Company recorded \$51.1 million of impairment related to two office properties. Refer to Note 4, "Real Estate, net and Real Estate Held for Sale" for further discussion.

Prior Year Nonrecurring Fair Values

During the year ended December 31, 2024, the Company recorded specific CECL reserves of \$30.0 million related to two multifamily loans, two office loans and one development mezzanine loan based on the proceeds received from the repayment of the loans. Following repayment of one of the office loans, the Company recognized a specific CECL reversal of \$1.0 million after receiving higher than expected proceeds. The Company also recorded specific CECL reserves of \$9.0 million related to one multifamily loan that was acquired through a foreclosure in the fourth quarter of 2024. The Company elected to apply the practical expedient, afforded to the Company under ASC 326, to use the fair value of the collateral to determine the specific CECL reserve. The specific CECL reserves on the one multifamily loan was based on the estimated fair value of the collateral using a discounted cash flow model and Level 3 inputs, which included a capitalization rate of 5.3% and discount rate of 6.0%. All specific CECL reserves recorded during the year ended December 31, 2024 were charged off.

Additionally, the Company recorded general CECL reserves on two office loans, one hotel loan and one multifamily loan that it determined to be collateral dependent as of December 31, 2024. The Company estimated expected losses based on the loan's collateral value, which was determined either by applying a capitalization rate between 8.0% and 8.8% and a discount rate between 9.5% and 20.2%, or by the expected proceeds from the sale of the underlying collateral.

During the year ended December 31, 2024, the Company recorded \$47.5 million of impairment related to three office properties. The impairment was due to a reduction in the current expected holding period of the properties. The estimated fair value of the collateral was determined by using a discounted cash flow model and Level 3 inputs, which included capitalization rates ranging from 5.5% to 9.5%, discount rates ranging from 8.1% to 9.8% and a weighted average capitalization rate of 7.6% based on carrying value. The Company also recorded \$6.7 million of impairment related to one office property held for sale. The impairment was due to a reduction in the expected holding period as well as the proceeds expected from the sale of the property. The Company sold the office property during the first quarter of 2025. Refer to Note 4, "Real Estate, net and Real Estate Held for Sale" for further discussion.

13. Commitments and Contingencies

Lending Commitments

The Company has lending commitments to borrowers pursuant to certain loan agreements in which the borrower may submit a request for funding contingent on achieving certain criteria, which must be approved by the Company as lender, such as leasing, performance of capital expenditures and construction in progress with an approved budget. At June 30, 2025, assuming the terms to qualify for future fundings, if any, had been met, total unfunded lending commitments for loans held for investment were \$103.4 million for senior loans, \$2.1 million for mezzanine loans and \$6.0 million for preferred equity. At December 31, 2024, total unfunded lending commitments for loans held for investment were \$105.2 million for senior loans and \$1.1 million for mezzanine loans.

Ground Lease Obligation

The Company's operating leases include ground leases acquired with real estate.

At June 30, 2025 and December 31, 2024, the weighted average remaining lease term was 11.9 years and 12.0 years for ground leases, respectively.

BRIGHTSPIRE CAPITAL, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)
(Unaudited)

The following table presents ground lease expense, included in property operating expense, for the six months ended June 30, 2025 and 2024 (dollars in thousands):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
Operating lease expense:				
Minimum lease expense	\$ 804	\$ 790	\$ 1,598	\$ 1,576
Variable lease expense	—	—	—	—
	<u>\$ 804</u>	<u>\$ 790</u>	<u>\$ 1,598</u>	<u>\$ 1,576</u>

The operating lease liability for ground leases was determined using a weighted average discount rate of 5.4%. The following table presents future minimum rental payments, excluding contingent rents, on noncancellable ground leases on real estate as of June 30, 2025 (dollars in thousands):

Remainder of 2025	\$ 1,593
2026	3,186
2027	2,868
2028	2,839
2029	1,896
2030 and thereafter	12,263
Total lease payments	<u>24,645</u>
Less: Present value discount	7,029
Operating lease liability (Note 6)	<u>\$ 17,616</u>

For these ground leases, the Company has elected the practical expedient to combine lease and related nonlease components as a single lease component.

Office Lease

At June 30, 2025 and December 31, 2024, the weighted average remaining lease term was 3.9 years and 4.3 years for office leases, respectively. The office leases are located in New York, New York and Los Angeles, California.

For the six months ended June 30, 2025 and 2024, the following table summarizes lease expense, included in operating expense (dollars in thousands):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
Corporate Offices				
Operating lease expense:				
Fixed lease expense	\$ 327	\$ 315	\$ 651	\$ 629
Variable lease expense	—	—	—	—
	<u>\$ 327</u>	<u>\$ 315</u>	<u>\$ 651</u>	<u>\$ 629</u>

BRIGHTSPIRE CAPITAL, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)
(Unaudited)

Total cash paid for office leases was \$0.4 million for the three months ended June 30, 2025 and June 30, 2024, respectively, and \$0.7 million for the six months ended June 30, 2025 and June 30, 2024, respectively.

The operating lease liability for the office leases was determined using a weighted average discount rate of 2.4%. As of June 30, 2025, the Company's future operating lease commitments for the corporate office leases were as follows (dollars in thousands):

	Corporate Offices
Remainder of 2025	\$ 656
2026	1,323
2027	1,339
2028	1,155
2029	574
2030 and thereafter	—
Total lease payments	5,047
Less: Present value discount	230
Operating lease liability (Note 6)	<u>\$ 4,817</u>

For these office leases, the Company has elected the practical expedient to combine lease and related nonlease components as a single lease component.

Litigation and Claims

The Company may be involved in litigation and claims in the ordinary course of the business. As of June 30, 2025, the Company was not involved in any legal proceedings that are expected to have a material adverse effect on the Company's results of operations, financial position, or liquidity.

14. Segment Reporting

The Company presents its business through three operating and reportable segments described below and is how management views the business activities of the Company.

- Senior and Mezzanine Loans and Preferred Equity—CRE debt investments including senior and mezzanine loans, and preferred equity interests as well as participations in such loans.
- Net Leased and Other Real Estate—direct investments in CRE with long-term leases to tenants on a net lease basis, where such tenants generally will be responsible for property operating expenses such as insurance, utilities, maintenance, capital expenditures and real estate taxes. It also includes other real estate, currently consisting of two investments with direct ownership in commercial real estate, with an emphasis on properties with stable cash flow, and five additional properties that the Company acquired through foreclosure or deed-in-lieu of foreclosure and two properties that the Company consolidates as the primary beneficiary.
- Corporate and Other—includes corporate-level asset management and other fees including expenses related to the Company's secured revolving credit facility (the "Bank Credit Facility") and compensation and benefits. It also includes a sub-portfolio of private equity funds.

U.S. GAAP defines the Chief Operating Decision Maker ("CODM") as the person or persons who perform the function of allocating resources to and assessing the performance of segments of a public entity. The Company has identified the CODM as its Chief Executive Officer, who is responsible for making key operating decisions of the Company. The CODM reviews net income (loss) on the Company's consolidated statements of operations to make decisions, allocate resources, and assess segment performance.

The Company primarily generates revenue from net interest income on the loan portfolio and rental and other income from its net leased and multi-tenant office assets. The Company's income is primarily derived through the difference between revenue and the cost at which the Company is able to finance its investments. The Company may also acquire investments which generate attractive returns without any leverage.

BRIGHTSPIRE CAPITAL, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)
(Unaudited)

The following tables present the relevant financial information for the reportable segments for the three and six months ended June 30, 2025 and 2024 (dollars in thousands):

	Senior and Mezzanine Loans and Preferred Equity	Net Leased and Other Real Estate	Corporate and Other	Total
Three Months Ended June 30, 2025				
Interest income	\$ 48,581	\$ 14	\$ 68	\$ 48,663
Interest expense	(31,563)	(68)	(304)	(31,935)
Property and other income	—	35,754	1,507	37,261
Property operating expense	—	(16,650)	—	(16,650)
Transaction, investment and servicing expense	(330)	(14)	(218)	(562)
Interest expense on real estate	—	(6,765)	—	(6,765)
Depreciation and amortization	—	(10,575)	(32)	(10,607)
Increase of current expected credit loss reserve	(582)	—	—	(582)
Impairment of operating real estate	—	(51,127)	—	(51,127)
Compensation and benefits	—	—	(8,194)	(8,194)
Operating expense	(2)	(1)	(2,973)	(2,976)
Other gain (loss), net	55	(3,429)	12	(3,362)
Income (loss) before income taxes	16,159	(52,861)	(10,134)	(46,836)
Income tax benefit (expense)	(106)	21,770	—	21,664
Net income (loss)	\$ 16,053	\$ (31,091)	\$ (10,134)	\$ (25,172)

	Senior and Mezzanine Loans and Preferred Equity	Net Leased and Other Real Estate	Corporate and Other	Total
Three Months Ended June 30, 2024				
Interest income	\$ 63,239	\$ 13	\$ 66	\$ 63,318
Interest expense	(37,695)	(68)	(303)	(38,066)
Property and other income	—	25,503	2,596	28,099
Property operating expense	—	(7,903)	—	(7,903)
Transaction, investment and servicing expense	(323)	(16)	(52)	(391)
Interest expense on real estate	—	(6,748)	—	(6,748)
Depreciation and amortization	—	(8,917)	(36)	(8,953)
Increase of current expected credit loss reserve	(39,901)	—	—	(39,901)
Impairment of operating real estate	—	(45,216)	—	(45,216)
Compensation and benefits	—	—	(9,578)	(9,578)
Operating expense	(5)	—	(3,003)	(3,008)
Other loss, net	—	(142)	—	(142)
Loss before income taxes	(14,685)	(43,494)	(10,310)	(68,489)
Income tax expense	(31)	(163)	—	(194)
Net loss	\$ (14,716)	\$ (43,657)	\$ (10,310)	\$ (68,683)

BRIGHTSPIRE CAPITAL, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)
(Unaudited)

	Senior and Mezzanine Loans and Preferred Equity	Net Leased and Other Real Estate	Corporate and Other	Total
Six Months Ended June 30, 2025				
Interest income	\$ 96,572	\$ 42	\$ 135	\$ 96,749
Interest expense	(63,407)	(135)	(604)	(64,146)
Property and other income	—	62,674	4,063	66,737
Property operating expense	—	(26,616)	—	(26,616)
Transaction, investment and servicing expense	(839)	(50)	(303)	(1,192)
Interest expense on real estate	—	(13,330)	—	(13,330)
Depreciation and amortization	—	(21,094)	(65)	(21,159)
Increase of current expected credit loss reserve	(346)	—	—	(346)
Impairment of operating real estate	—	(51,127)	—	(51,127)
Compensation and benefits	—	—	(18,623)	(18,623)
Operating expense	—	(2)	(6,189)	(6,191)
Other gain (loss), net	55	(3,670)	12	(3,603)
Income (loss) before income taxes	32,035	(53,308)	(21,574)	(42,847)
Income tax benefit (expense)	(134)	21,516	—	21,382
Net income (loss)	\$ 31,901	\$ (31,792)	\$ (21,574)	\$ (21,465)

	Senior and Mezzanine Loans and Preferred Equity	Net Leased and Other Real Estate	Corporate and Other	Total
Six Months Ended June 30, 2024				
Interest income	\$ 130,716	\$ 30	\$ 135	\$ 130,881
Interest expense	(77,457)	(135)	(608)	(78,200)
Property and other income	156	50,563	5,584	56,303
Property operating expense	—	(16,548)	—	(16,548)
Transaction, investment and servicing expense	(704)	(70)	(239)	(1,013)
Interest expense on real estate	—	(13,531)	—	(13,531)
Depreciation and amortization	—	(19,270)	(73)	(19,343)
Increase of current expected credit loss reserve	(114,312)	—	—	(114,312)
Impairment of operating real estate	—	(45,216)	—	(45,216)
Compensation and benefits	—	—	(18,349)	(18,349)
Operating expense	(9)	(25)	(6,173)	(6,207)
Other gain, net	—	189	—	189
Loss before income taxes	(61,610)	(44,013)	(19,723)	(125,346)
Income tax expense	(42)	(404)	—	(446)
Net loss	\$ (61,652)	\$ (44,417)	\$ (19,723)	\$ (125,792)

BRIGHTSPIRE CAPITAL, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)
(Unaudited)

The following table presents total assets by segment as of June 30, 2025 and December 31, 2024 (dollars in thousands):

Total Assets	Senior and Mezzanine Loans and Preferred Equity	Net Leased and Other Real Estate	Corporate and Other⁽¹⁾	Total
June 30, 2025	\$ 2,375,584	\$ 877,402	\$ 156,495	\$ 3,409,481
December 31, 2024	2,533,770	888,029	301,679	3,723,478

(1) Includes PE Investments totaling \$2.2 million as of June 30, 2025 and December 31, 2024, and cash, unallocated receivables and deferred costs and other assets, net.

Geography

Geography is generally defined as the location in which the income producing assets reside or the location in which income generating services are performed. Geography information on total income includes equity in earnings of unconsolidated ventures. Geography information on total income and long-lived assets are presented as follows (dollars in thousands):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
Total income by geography:				
United States	\$ 81,155	\$ 86,954	\$ 153,989	\$ 177,919
Norway	4,769	4,463	9,497	9,265
Total ⁽¹⁾	<u>\$ 85,924</u>	<u>\$ 91,417</u>	<u>\$ 163,486</u>	<u>\$ 187,184</u>

	June 30, 2025	December 31, 2024
Long-lived assets by geography:		
United States	\$ 768,230	\$ 649,728
Norway	—	174,865
Total ⁽²⁾	<u>\$ 768,230</u>	<u>\$ 824,593</u>

(1) Includes interest income and property and other income.

(2) Long-lived assets are comprised of real estate and real estate-related intangible assets, and exclude financial instruments and assets held for sale.

BRIGHTSPIRE CAPITAL, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)
(Unaudited)

15. Earnings Per Share

The Company's net loss and weighted average shares outstanding for the three and six months ended June 30, 2025 and 2024, consist of the following (dollars in thousands, except per share data):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
Net loss	\$ (25,172)	\$ (68,683)	\$ (21,465)	\$ (125,792)
Net income (loss) attributable to noncontrolling interests:				
Investment Entities	2,054	823	3,688	827
Net loss attributable to BrightSpire Capital, Inc. common stockholders	\$ (23,118)	\$ (67,860)	\$ (17,777)	\$ (124,965)
Numerator:				
Dividends allocated to participating securities (non-vested shares)	\$ (471)	\$ (509)	\$ (940)	\$ (1,050)
Net loss attributable to common stockholders	\$ (23,589)	\$ (68,369)	\$ (18,717)	\$ (126,015)
Denominator:				
Weighted average shares outstanding - basic ⁽¹⁾	127,247	127,986	127,165	127,656
Weighted average shares outstanding - diluted ⁽²⁾	127,247	127,986	127,165	127,656
Net loss per common share - basic	\$ (0.19)	\$ (0.53)	\$ (0.15)	\$ (0.99)
Net loss per common share - diluted	\$ (0.19)	\$ (0.53)	\$ (0.15)	\$ (0.99)

- (1) The outstanding shares used to calculate the weighted average basic shares outstanding exclude 2,945,872 and 2,547,009 of restricted stock awards as of June 30, 2025 and June 30, 2024, net of forfeitures, respectively, as those shares were issued but were not vested and therefore, not considered outstanding for purposes of computing basic net income (loss) per common share.
- (2) The calculation of diluted earnings per share for the three and six months ended June 30, 2025, excludes the effect of weighted average unvested non-participating restricted shares of 2,938,780 and 2,859,189, respectively, as the effect would be antidilutive. The calculation of diluted earnings per share for the three and six months ended June 30, 2024 excludes the effect of weighted average unvested non-participating restricted shares of 2,679,084 and 2,733,024, respectively, as the effect would be antidilutive.

16. Subsequent Events

Dividends

In July 2025, the Company paid a quarterly cash dividend of \$0.16 per share of its Class A common stock for the quarter ended June 30, 2025, to stockholders of record as of June 30, 2025.

Loan Originations

Subsequent to June 30, 2025, the Company originated one senior mortgage loan with a total commitment of \$13.3 million.

Deed-in-Lieu of Foreclosure

On July 11, 2025, the Company acquired a multifamily construction/development project through a deed-in-lieu of foreclosure. Prior to acquisition, the senior loan investment was on nonaccrual status and classified within "Loans and preferred equity held for investment, net" on the Company's consolidated balance sheets. As of June 30, 2025, this was the only risk ranked "5" loan held on the Company's consolidated balance sheet.

Deconsolidation

In July 2025, a receiver was appointed and took possession and full control of a Pennsylvania office property owned by an investment subsidiary of the Company, requiring deconsolidation of the assets and liabilities from the Company's consolidated balance sheet in the third quarter of 2025. The receiver was appointed following the maturity default of an investment subsidiary's mortgage note payable collateralized by the property. Refer to Note 4, "Real Estate, net and Real Estate Held for Sale" for further discussion.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

The following discussion should be read in conjunction with our unaudited consolidated financial statements and the accompanying notes thereto, which are included in Item 1 of this Quarterly Report, as well as the information contained in our Form 10-K for the year ended December 31, 2024, which is accessible on the SEC's website at www.sec.gov.

Introduction

We are a commercial real estate ("CRE") credit real estate investment trust ("REIT") focused on originating, acquiring, financing and managing a diversified portfolio consisting primarily of CRE debt investments and net leased properties predominantly in the United States. CRE debt investments primarily consist of first mortgage loans, which is our primary investment strategy. Additionally, we may also selectively originate mezzanine loans and preferred equity investments, which may include profit participations. The mezzanine loans and preferred equity investments may be in conjunction with our origination of corresponding first mortgages on the same properties. Net leased properties consist of CRE properties with long-term leases to tenants on a net-lease basis, where such tenants generally will be responsible for property operating expenses such as insurance, utilities, maintenance capital expenditures and real estate taxes.

We were organized in the state of Maryland on August 23, 2017 and maintain key offices in New York, New York and Los Angeles, California. We elected to be taxed as a REIT under the Internal Revenue Code of 1986, as amended, beginning with our taxable year ended December 31, 2018. We conduct all our activities and hold substantially all our assets and liabilities through our operating subsidiary, BrightSpire Capital Operating Company, LLC (the "OP").

Our Target Assets

Our investment strategy is to originate and selectively acquire our target assets, which consist of the following:

- **Senior Loans.** Our primary focus is originating and selectively acquiring senior loans that are backed by CRE assets. These loans are secured by a first mortgage lien on a commercial property and provide mortgage financing to a commercial property developer or owner. The loans may vary in duration, bear interest at a fixed or floating rate and amortize, if at all, over varying periods, often with a balloon payment of principal at maturity. Senior loans may include junior participations in our originated senior loans for which we have syndicated the senior participations to other investors and retained the junior participations for our portfolio. We believe these junior participations are more like the senior loans we originate than other loan types given their credit quality and risk profile.
- **Mezzanine Loans.** We may originate or acquire mezzanine loans, which are structurally subordinate to senior loans, but senior to the borrower's equity position. Generally, we will originate or acquire these loans if we believe we have the ability to protect our position and fund the first mortgage, if necessary. Mezzanine loans may be structured such that our return accrues and is added to the principal amount rather than paid on a current basis. We may also pursue equity participation opportunities in instances when the risk-reward characteristics of the investment warrant additional upside participation in the possible appreciation in value of the underlying assets securing the investment.
- **Preferred Equity.** We may make investments that are subordinate to senior and mezzanine loans, but senior to the common equity in the mortgage borrower. Preferred equity investments may be structured such that our return accrues and is added to the principal amount rather than paid on a current basis. We also may pursue equity participation opportunities in preferred equity investments, like such participations in mezzanine loans.
- **Net Leased and Other Real Estate.** We may occasionally invest directly in well-located commercial real estate with long-term leases to tenants on a net lease basis, where such tenants generally will be responsible for property operating expenses such as insurance, utilities, maintenance capital expenditures and real estate taxes. In addition, tenants of our properties typically pay rent increases based on: (1) increases in the consumer price index (typically subject to ceilings), (2) fixed increases, or (3) additional rent calculated as a percentage of the tenants' gross sales above a specified level. We believe that a portfolio of properties under long-term, net lease agreements generally produces a more predictable income stream than many other types of real estate portfolios, while continuing to offer the potential for growth in rental income.

Our operating and reportable segments are Senior and Mezzanine Loans and Preferred Equity and Net Leased and Other Real Estate, both of which are included in our target assets, and Corporate and Other.

The allocation of our capital among our target assets will depend on prevailing market conditions at the time we invest and may change over time in response to different prevailing market conditions. In addition, in the future, we may invest in assets other than our target assets or change our target assets. With respect to all our investments, we invest so as to maintain our qualification as a REIT for U.S. federal income tax purposes and our exclusion or exemption from regulation under the Investment Company Act of 1940, as amended (the "Investment Company Act").

We believe that events in the financial markets from time to time, including the lingering impacts of the COVID-19 pandemic, have created and will continue to create dislocation between price and intrinsic value in certain asset classes as well as a supply and demand imbalance of available credit to finance these assets. We believe that our in-depth understanding of CRE and real estate-related investments, in-house underwriting, asset management and resolution capabilities, provides an extensive platform to regularly evaluate our investments and determine primary, secondary or alternative disposition strategies. This includes intermediate servicing and negotiating, restructuring of non-performing investments, foreclosure considerations, management or development of owned real estate, in each case to reposition and achieve optimal value realization for us and our stockholders. Depending on the nature of the underlying investment, we may pursue repositioning strategies through judicious capital investment in order to extract maximum value from the investment or recognize unanticipated losses to reinvest resulting liquidity in higher-yielding performing investments.

Our Business Segments

We present our business through three operating and reportable segments:

- Senior and Mezzanine Loans and Preferred Equity—CRE debt investments including senior and mezzanine loans, and preferred equity interests as well as participations in such loans.
- Net Leased and Other Real Estate—direct investments in commercial real estate with long-term leases to tenants on a net lease basis, where such tenants generally will be responsible for property operating expenses such as insurance, utilities, maintenance, capital expenditures and real estate taxes. It also includes other real estate, currently consisting of two investments with direct ownership in commercial real estate, with an emphasis on properties with stable cash flow, five additional properties that we acquired through foreclosure or deed-in-lieu of foreclosure and two properties that we consolidate as the primary beneficiary.
- Corporate and Other—includes corporate-level asset management and other fees including expenses related to our secured revolving credit facility (the “Bank Credit Facility”) and compensation and benefits. It also includes a sub-portfolio of private equity funds.

Significant Developments

During the three months ended June 30, 2025, and through July 29, 2025, significant developments affecting our business and results of operations of our portfolio included the following:

Capital Resources

- Declared and paid a second quarter dividend of \$0.16 per share on July 14, 2025;
- As of the date of this report, we have approximately \$325.0 million of liquidity, consisting of \$106.0 million cash and cash equivalents on hand and \$165.0 million available on our Bank Credit Facility. This includes \$54.0 million of approved but undrawn borrowings available on our master repurchase facilities; and
- Under our Stock Repurchase Program, we have repurchased 0.8 million shares of our Class A common stock for an aggregate cost of \$4.0 million.

Our Portfolio

- For the three months ended June 30, 2025, we:
 - Originated two senior mortgage loans with a total commitment of \$85.0 million. We also originated a cross-collateralized preferred equity investment with an existing borrower for a total commitment of \$13.1 million;
 - Received loan repayment proceeds of \$11.6 million from five loans;
 - Recorded \$19.5 million in specific current expected credit loss (“CECL”) reserves related to two senior loans. At June 30, 2025, there were no specific CECL reserves on our consolidated balance sheet;
 - Recorded a net decrease in our general CECL reserves of \$18.9 million. At June 30, 2025, our general CECL reserve for our outstanding loans and future loan funding commitments is \$137.2 million, which is 5.49% of the aggregate commitment amount of our loan portfolio;
 - Reduced the number of watchlist loans (loans with a risk ranking of 4 or 5) from seven to five (refer to “Our Portfolio” for further discussion):
 - Removed four loans with an aggregate unpaid principal balance of \$250.5 million (inclusive of the July resolution of one multifamily/construction development project);
 - Added one multifamily loan and one industrial loan with an aggregate unpaid principal balance of \$74.6 million;

- Extended 26 loans eligible for certain maturity events, which represent \$747.8 million of unpaid principal balance at June 30, 2025;
- Recorded our share of GAAP impairment of \$49.3 million on our Norwegian net lease office campus. We also recorded our share of GAAP impairment of \$1.6 million on one Pennsylvania office property. The GAAP impairment charges had no impact on our Undepreciated Book Value, both of which had been previously written down to zero through non-GAAP impairment. Undepreciated Book Value is a non-GAAP financial measure. A reconciliation of these measures to GAAP book value is in the section “Non-GAAP Supplemental Financial Measures” below.
- Acquired a hotel through foreclosure with a fair value of \$136.1 million. Prior to acquisition, the senior loan investment was on nonaccrual status; and
- Subsequent to June 30, 2025, we:
 - Originated one senior mortgage loan with a total commitment of \$13.3 million;
 - Received loan repayment proceeds of \$6.9 million from two loans;
 - Acquired a multifamily construction/development project through a deed-in-lieu of foreclosure with an estimated fair value of approximately \$39.3 million. Prior to acquisition, the senior loan investment was on nonaccrual status; and
 - Deconsolidated the assets and liabilities of one Pennsylvania office property for which an investment subsidiary’s mortgage note payable collateralized by the property was in default. As noted above, we recorded our share of GAAP impairment of \$1.6 million on this property in the second quarter of 2025.

Financial Results

- Generated GAAP net loss of \$23.1 million, or \$(0.19) per basic share and \$(0.19) per diluted share, Distributable Earnings of \$3.4 million or \$0.03 per share and Adjusted Distributable Earnings of \$22.9 million or \$0.18 per share for the three months ended June 30, 2025. Distributable Earnings and Adjusted Distributable Earnings are non-GAAP financial measures. A reconciliation of these measures to net income/(loss) attributable to the Company’s common stockholders is in the section “Non-GAAP Supplemental Financial Measures” below.

Trends Affecting Our Business

Global Markets

Global markets pressure and uncertainties coming from the Administration’s tariff initiative, inflationary worries and geopolitical unrest continue to contribute to market volatility and impact CRE valuations. Additionally, high interest rates continue to negatively impact transaction activity in the real estate market and correspondingly the loan financing and refinancing opportunities. While the Federal Reserve lowered interest rates in the second half of 2024, it is uncertain as to if, when, how many and by how much subsequent interest rate cuts will be made during 2025. To the extent certain of our borrowers are experiencing significant financial dislocation as a result of economic conditions, we have and may continue to use interest and other reserves and/or replenishment obligations of the borrower and/or guarantors to meet current interest payment obligations for a limited period. The market for office properties was particularly negatively impacted by the COVID-19 pandemic and continues to experience headwinds driven by the normalization of work from home and hybrid work arrangements and elevated costs to operate or reconfigure office properties. Although “return to office” mandates are on the rise, the demand for office space generally remains lower than pre-COVID-19 pandemic levels and has driven rising vacancy rates. Given the continuing uncertainty in the office market, there is risk of future valuation impairment or investment loss on our loans secured by office properties. Similarly, these trends may impact our ability to manage debt covenant tests, maturity dates and/or seek suitable refinancing opportunities on certain of our office property equity investments, which may adversely impact valuation assessments and cash flow generated by such investments.

While macroeconomic conditions continue to be challenged, we cannot predict whether they will in fact improve or even intensify. Due to the inherent uncertainty of these conditions, their impact on our business is difficult to predict and quantify.

Factors Impacting Our Operating Results

Our results of operations are affected by a number of factors and depend primarily on, among other things, the ability of the borrowers of our assets to service our debt as it is due and payable, the ability of our tenants to pay rent and other amounts due under their leases, our ability to actively and effectively service any sub-performing and non-performing loans and other assets we may have from time to time in our portfolio, the market value of our assets and the supply of, and demand for, CRE senior loans, mezzanine loans, preferred equity, debt securities, net leased properties and our other assets, and the level of our net operating income (“NOI”). Our net interest income, which includes the amortization of purchase premiums and the accretion of purchase discounts, varies primarily as a result of changes in market interest rates, prepayment rates and frequency on our CRE loans and the ability of our borrowers to make scheduled interest payments. Interest rates and prepayment rates vary according

to the type of investment, conditions in the financial markets, creditworthiness of our borrowers, competition and other factors, none of which can be predicted with any certainty. Our net property operating income depends on our ability to maintain the historical occupancy rates of our real estate equity investments, lease currently available space and continue to attract new tenants.

Changes in fair value of our assets

We consider and treat our assets as long-term investments. As a result, we do not expect that changes in market value will impact our operating results. However, at least on a quarterly basis, we assess both our ability and intent to hold such assets for the long-term. As part of this process, we monitor our assets for impairment. A change in our ability and/or intent to continue to hold any of our assets, which includes the inability to modify, extend or refinance existing mortgage debt on our real estate portfolio, may result in our recognizing an impairment charge or realizing losses upon the sale of such investments.

Changes in market interest rates

With respect to our business operations, increases in interest rates, in general, may over time cause:

- the value of our fixed-rate investments to decrease;
- prepayments on certain assets in our portfolio to slow, thereby slowing the amortization of our purchase premiums and the accretion of our purchase discounts;
- coupons on our floating and adjustable-rate mortgage loans to reset, although on a delayed basis, to higher interest rates;
- interest rate caps required by our borrowers to increase in cost;
- borrowers' unwillingness to purchase new interest rate caps at loan maturity to qualify for an extension;
- financial hardship to our borrowers, whose ability to service their debt as it is due and payable and to pass maturity extension tests may be materially adversely impacted, resulting in foreclosures;
- to the extent we use leverage to finance our assets, the interest expense associated with our borrowings to increase; and
- to the extent we enter into interest rate swap agreements as part of our hedging strategy, the value of these agreements to increase.

Conversely, decreases in interest rates, in general, may over time cause:

- the value of the fixed-rate assets in our portfolio to increase;
- prepayments on certain assets in our portfolio to increase, thereby accelerating the amortization of our purchase premiums and the accretion of our purchase discounts;
- to the extent we enter into interest rate swap agreements as part of our hedging strategy, the value of these agreements to decrease;
- coupons on our floating and adjustable-rate mortgage loans to reset, although on a delayed basis, to lower interest rates; and
- to the extent we use leverage to finance our assets, the interest expense associated with our borrowings to decrease.

Credit risk

We are subject to varying degrees of credit risk in connection with our target assets. We seek to mitigate this risk by seeking to acquire high quality assets, at appropriate prices given anticipated and unanticipated losses and by employing a comprehensive review and asset selection process and by careful ongoing monitoring of acquired assets. Nevertheless, unanticipated credit losses could occur, which could adversely impact our operating results.

Size of investment portfolio

The size of our portfolio, as measured by the aggregate principal balance of our commercial mortgage loans, other commercial real estate-related debt investments and the other assets we own, is also a key revenue driver. Generally, as the size of our portfolio grows, the amount of interest income we earn increases. However, a larger portfolio may result in increased expenses to the extent that we incur additional interest expense to finance our assets.

Our Portfolio

As of June 30, 2025, our portfolio consisted of 98 investments representing approximately \$3.2 billion in carrying value (based on our share of ownership and excluding cash, cash equivalents and certain other assets). Our senior and mezzanine loans and preferred equity consisted of 81 senior mortgage loans, mezzanine loans and preferred equity investments with a weighted average cash coupon of 3.4% and a weighted average all-in unlevered yield of 7.8%. Our net leased and other real estate consisted of approximately 5.5 million total square feet of space and total second quarter 2025 NOI of that portfolio was approximately \$18.7 million. Refer to “Non-GAAP Supplemental Financial Measures” below for further information on NOI.

As of June 30, 2025, our portfolio consisted of the following investments (dollars in thousands):

	Count ⁽¹⁾	Carrying value (Consolidated)	Carrying value (at BRSP share) ⁽²⁾	Net carrying value (Consolidated) ⁽³⁾	Net carrying value (at BRSP share) ⁽⁴⁾
Our Portfolio					
Senior loans	73	\$ 2,338,073	\$ 2,338,073	\$ 561,935	\$ 561,935
Mezzanine loans	2	47,379	47,379	47,379	47,379
Preferred equity	6	6,963	6,963	6,963	6,963
Subtotal	81	2,392,415	2,392,415	616,277	616,277
Net leased real estate	7	323,016	323,016	36,753	36,753
Other real estate	9	477,311	465,499	292,497	276,361
Private equity interests	1	2,235	2,235	2,235	2,235
Total/Weighted average Our Portfolio	98	\$ 3,194,977	\$ 3,183,165	\$ 947,762	\$ 931,626

(1) Count for net leased real estate and other real estate represents number of investments.

(2) Carrying value at our share represents the proportionate carrying value based on ownership by asset as of June 30, 2025.

(3) Net carrying value represents carrying value less any associated financing as of June 30, 2025.

(4) Net carrying value at our share represents the proportionate carrying value based on asset ownership less any associated financing based on ownership as of June 30, 2025.

Underwriting Process

We use an investment and underwriting process that has been developed by our senior management team leveraging their extensive commercial real estate expertise over many years and real estate cycles. The underwriting process focuses on some or all of the following factors designed to ensure each investment is evaluated appropriately: (i) macroeconomic conditions that may influence operating performance; (ii) fundamental analysis of underlying real estate, including tenant rosters, lease terms, zoning, necessary licensing, operating costs and the asset’s overall competitive position in its market; (iii) real estate market factors that may influence the economic performance of the investment, including leasing conditions and overall competition; (iv) the operating expertise and financial strength and reputation of a tenant, operator, partner or borrower; (v) the cash flow in place and projected to be in place over the term of the investment and potential return; (vi) the appropriateness of the business plan and estimated costs associated with tenant buildout, repositioning or capital improvements; (vii) an internal and third-party valuation of a property, investment basis relative to the competitive set and the ability to liquidate an investment through a sale or refinancing; (viii) review of third-party reports including appraisals, engineering and environmental reports; (ix) physical inspections of properties and markets; (x) the overall legal structure of the investment, contractual implications and the lenders’ rights; and (xi) the tax and accounting impact.

Loan Risk Rankings

In addition to reviewing loans held for investment for impairment quarterly, we evaluate loans held for investment to determine if a current expected credit losses reserve should be established. In conjunction with this review, we assess the risk factors of each senior and mezzanine loan and assign a risk ranking based on a variety of factors, including, without limitation, underlying real estate performance and asset value, values of comparable properties, durability and quality of property cash flows, sponsor experience and financial wherewithal, and the existence of a risk-mitigating loan structure. Additional key considerations include loan-to-value ratios, debt service coverage ratios, loan structure, real estate and credit market dynamics, and risk of default or principal loss. Based on a five-point scale, our loans held for investment are rated “1” through “5,” from less risk to greater risk. At the time of origination or purchase, loans held for investment are ranked as a “3” and will move accordingly going forward based on the ratings which are defined as follows:

1. *Very Low Risk*
2. *Low Risk*
3. *Medium Risk*

4. *High Risk/Potential for Loss*—A loan that has a high risk of realizing a principal loss.
5. *Impaired/Loss Likely*—A loan that has a very high risk of realizing a principal loss or has otherwise incurred a principal loss.

At June 30, 2025, our weighted average risk ranking improved to 3.1 compared to 3.2 at March 31, 2025. During the second quarter of 2025, we had the following risk ranking activity for risk ranked 4 and 5 assets:

- Upgrades: the following loans were upgraded to a risk ranking of 3 from a risk ranking of 4;
 - Multifamily: Las Vegas, NV; \$54.9 million unpaid principal balance
 - Multifamily: Austin, TX; \$23.4 million unpaid principal balance
- Downgrades: the following loans were downgraded to a risk ranking of 4 from a risk ranking of 3;
 - Multifamily: Austin, TX; \$50.3 million unpaid principal balance
 - Industrial: Ontario, CA; \$24.3 million unpaid principal balance
- One hotel loan with a risk ranking of 5 was resolved when the property was acquired through a foreclosure and reclassified to real estate (San Jose, CA; \$132.9 million unpaid principal balance)
- One senior loan with a risk ranking of 5 in which the underlying collateral is related to a construction/development project was reclassified to real estate on July 11, 2025 (Santa Clara, CA; \$39.3 million unpaid principal balance).

Senior and Mezzanine Loans

The following tables provide a summary of our senior and mezzanine loans based on our internal risk rankings, collateral property type and geographic distribution as of June 30, 2025 (dollars in thousands):

Risk Ranking	Count	Carrying Value (at BRSP share) ⁽¹⁾				% of Total
		Senior loans	Mezzanine loans	Preferred Equity	Total	
3	75	\$ 2,097,259	\$ 47,379	\$ 6,963	\$ 2,151,601	90.0 %
4	5	201,564	—	—	201,564	8.4 %
5 ⁽²⁾	1	39,250	—	—	39,250	1.6 %
	81	\$ 2,338,073	\$ 47,379	\$ 6,963	\$ 2,392,415	100.0 %
Weighted average risk ranking						3.1

(1) Carrying value at our share represents the proportionate carrying value based on ownership by asset as of June 30, 2025.

(2) Includes one senior loan in which the underlying collateral is related to a construction/development project. The property was acquired through a deed-in-lieu of foreclosure in July 2025. Following the deed-in-lieu of foreclosure, the Company held no risk ranked “5” loans.

Collateral property type	Count	Carrying value (at BRSP share) ⁽¹⁾				% of Total
		Senior loans	Mezzanine loans	Preferred Equity	Total	
Multifamily ⁽²⁾	52	\$ 1,338,623	\$ 32,687	\$ 6,963	\$ 1,378,273	57.6 %
Office	21	700,557	14,692	—	715,249	29.9 %
Other (Mixed-use) ⁽³⁾	5	190,826	—	—	190,826	8.0 %
Hotel	1	72,183	—	—	72,183	3.0 %
Industrial	2	35,884	—	—	35,884	1.5 %
Total	81	\$ 2,338,073	\$ 47,379	\$ 6,963	\$ 2,392,415	100.0 %

(1) Carrying value at our share represents the proportionate carrying value based on ownership by asset as of June 30, 2025.

(2) Multifamily includes one senior loan in which the underlying collateral is related to a construction/development project.

(3) Other includes commercial and residential development assets.

Region	Count	Carrying value (at BRSP share) ⁽¹⁾				% of Total
		Senior loans	Mezzanine loans	Preferred Equity	Total	
US West	32	\$ 992,555	\$ 32,687	\$ —	\$ 1,025,242	42.9 %
US Southwest	34	838,030	—	6,963	844,993	35.3 %
US Northeast	8	313,330	14,692	—	328,022	13.7 %
US Southeast	7	194,158	—	—	194,158	8.1 %
Total	81	\$ 2,338,073	\$ 47,379	\$ 6,963	\$ 2,392,415	100.0 %

(1) Carrying value at our share represents the proportionate carrying value based on ownership by asset as of June 30, 2025.

The following table provides asset level detail for our senior and mezzanine loans as of June 30, 2025 (dollars in thousands):

Loan Type		Origination Date	City, State	Carrying value ⁽¹⁾	Principal balance	Coupon type	Cash Coupon ⁽²⁾	Unlevered all-in yield ⁽³⁾	Extended maturity date	Loan-to-value ⁽⁴⁾	Q2 Risk ranking ⁽⁵⁾
Multifamily											
Loan 1	Senior	4/8/2025	Oxnard, CA	\$ 69,424	\$ 70,000	Floating	2.3%	7.6%	4/9/2029	68%	3
Loan 2	Senior	5/17/2022	Las Vegas, NV	55,780	54,866	Floating	2.0%	6.3%	6/9/2027	74%	3
Loan 3	Senior	3/8/2022	Austin, TX	50,424	50,324	Floating	3.3%	7.6%	3/9/2027	75%	4
Loan 4	Senior	7/19/2021	Dallas, TX	50,333	50,200	Floating	3.4%	7.7%	8/9/2026	74%	3
Loan 5	Senior	5/26/2021	Las Vegas, NV	48,037	47,618	Floating	2.5%	8.5%	6/9/2026	70%	3
Loan 6	Senior	7/15/2021	Jersey City, NJ	41,886	41,779	Floating	3.1%	7.4%	8/9/2026	66%	3
Loan 7	Senior	3/31/2022	Louisville, KY	41,179	41,095	Floating	2.8%	7.1%	4/9/2027	70%	3
Loan 8	Senior	7/15/2021	Dallas, TX	40,338	40,338	Floating	3.2%	7.5%	8/9/2026	77%	3
Loan 9	Senior	3/31/2022	Long Beach, CA	39,976	39,976	Floating	3.4%	7.7%	4/9/2027	80%	3
Loan 10 ⁽⁶⁾⁽⁷⁾	Senior	6/18/2019	Santa Clara, CA	39,250	39,250	n/a ⁽⁷⁾	n/a ⁽⁷⁾	n/a ⁽⁷⁾	7/9/2025	69%	5
Subtotal top 10 multifamily				\$ 476,627	\$ 475,446	20% of total loans					
Loan 11	Senior	7/12/2022	Irving, TX	\$ 38,379	\$ 38,379	Floating	3.6%	7.9%	8/9/2027	75%	3
Loan 12	Senior	12/21/2020	Austin, TX	37,000	37,000	Floating	3.2%	7.5%	1/9/2026	54%	3
Loan 13	Senior	1/18/2022	Dallas, TX	36,657	36,564	Floating	3.5%	7.8%	2/9/2027	75%	3
Loan 14	Senior	1/12/2022	Los Angeles, CA	36,361	36,361	Floating	3.4%	7.7%	2/9/2027	76%	3
Loan 15	Senior	7/29/2021	Phoenix, AZ	33,325	33,325	Floating	3.4%	7.7%	8/9/2026	73%	3
Loan 16	Senior	2/20/2025	Las Vegas, NV	32,719	33,000	Floating	3.4%	8.3%	3/9/2030	59%	3
Loan 17	Mezzanine	2/8/2022	Las Vegas, NV	32,687	32,687	Fixed	7.0%	12.0%	2/8/2027	57%-82%	3
Loan 18	Senior	4/29/2021	Las Vegas, NV	30,898	30,896	Floating	3.2%	7.5%	5/9/2026	76%	3
Loan 19	Senior	2/17/2022	Long Beach, CA	30,383	30,383	Floating	3.4%	7.7%	3/9/2027	71%	3
Loan 20	Senior	4/15/2022	Mesa, AZ	30,160	30,160	Floating	3.4%	7.7%	5/9/2027	75%	3
Subtotal top 20 multifamily				\$ 815,196	\$ 814,201	34% of total loans					

	Loan Type	Origination Date	City, State	Carrying value ⁽¹⁾	Principal balance	Coupon type	Cash Coupon ⁽²⁾	Unlevered all-in yield ⁽³⁾	Extended maturity date	Loan-to-value ⁽⁴⁾	Q2 Risk ranking ⁽⁵⁾
Loan 21	Senior	2/13/2025	Las Vegas, NV	\$ 29,315	\$ 29,570	Floating	2.7%	7.5%	3/9/2030	70%	3
Loan 22	Senior	8/31/2021	Glendale, AZ	28,872	28,802	Floating	3.3%	7.6%	3/9/2027	85%	3
Loan 23	Senior	5/27/2021	Houston, TX	27,600	27,600	Floating	3.1%	7.4%	6/9/2026	66%	3
Loan 24	Senior	12/16/2021	Fort Mill, SC	27,366	27,366	Floating	3.3%	7.6%	1/9/2027	71%	3
Loan 25	Senior	12/21/2021	Phoenix, AZ	25,596	25,596	Floating	3.6%	7.9%	1/9/2027	75%	3
Loan 26	Senior	7/12/2022	Irving, TX	25,433	25,433	Floating	3.6%	7.9%	8/9/2027	72%	3
Loan 27	Senior	3/8/2022	Glendale, AZ	25,046	25,046	Floating	3.5%	7.8%	3/9/2027	73%	3
Loan 28	Senior	3/31/2022	Phoenix, AZ	23,867	23,847	Floating	3.7%	8.0%	4/9/2027	74%	3
Loan 29	Senior	11/4/2021	Austin, TX	23,463	23,429	Floating	3.4%	7.7%	11/9/2026	78%	3
Loan 30	Senior	2/25/2025	Denver, CO	23,087	23,087	Floating	3.3%	8.1%	3/9/2028	68%	3
Loan 31	Senior	1/10/2025	Lebanon, TN	22,364	22,500	Floating	3.4%	8.7%	2/9/2030	71%	3
Loan 32	Senior	6/22/2021	Phoenix, AZ	22,292	22,292	Floating	3.3%	7.6%	7/9/2026	71%	3
Loan 33	Senior	12/10/2024	Seattle, WA	21,453	21,637	Floating	2.8%	7.6%	1/9/2030	65%	3
Loan 34	Senior	7/1/2021	Aurora, CO	21,336	21,305	Floating	3.2%	7.6%	7/9/2026	73%	3
Loan 35	Senior	1/12/2022	Austin, TX	20,276	20,276	Floating	3.4%	7.7%	2/9/2027	76%	3
Loan 36	Senior	8/6/2021	La Mesa, CA	19,787	19,787	Floating	2.8%	7.1%	8/9/2028	72%	3
Loan 37	Senior	10/18/2024	Garland, TX	19,695	19,920	Floating	3.7%	8.3%	11/9/2029	70%	3
Loan 38	Senior	12/21/2021	Gresham, OR	19,469	19,469	Floating	2.8%	7.1%	7/9/2028	76%	3
Loan 39	Senior	9/1/2021	Bellevue, WA	19,308	19,308	Floating	3.0%	7.3%	9/9/2025	71%	3
Loan 40	Senior	5/5/2022	Charlotte, NC	18,500	18,500	Floating	3.5%	7.8%	5/9/2027	70%	3
Loan 41	Senior	4/29/2022	Tacoma, WA	18,441	18,441	Floating	3.0%	7.3%	5/9/2027	64%	3
Loan 42	Senior	7/14/2021	Salt Lake City, UT	18,362	18,315	Floating	2.8%	7.1%	8/9/2028	67%	3
Loan 43	Senior	6/25/2021	Phoenix, AZ	17,650	17,650	Floating	3.2%	7.6%	7/9/2026	75%	3
Loan 44	Senior	5/5/2025	Dallas, TX	13,607	13,750	Floating	2.9%	7.7%	5/9/2030	65%	3
Loan 45	Senior	11/22/2024	Garland, TX	12,266	12,399	Floating	3.5%	8.1%	12/9/2029	63%	3
Loan 46	Senior	3/8/2022	Glendale, AZ	11,664	11,664	Floating	3.5%	7.8%	3/9/2027	73%	3

	Loan Type	Origination Date	City, State	Carrying value ⁽¹⁾	Principal balance	Coupon type	Cash Coupon ⁽²⁾	Unlevered all-in yield ⁽³⁾	Extended maturity date	Loan-to-value ⁽⁴⁾	Q2 Risk ranking ⁽⁵⁾
Loan 47	Preferred	5/9/2025	Mesa, AZ	1,747	1,772	Fixed	n/a ⁽⁸⁾	15.0%	5/9/2027	n/a	3
Loan 48	Preferred	5/9/2025	Phoenix, AZ	1,592	1,612	Fixed	n/a ⁽⁸⁾	15.0%	4/9/2027	n/a	3
Loan 49	Preferred	5/9/2025	Glendale, AZ	1,405	1,427	Fixed	n/a ⁽⁸⁾	15.0%	3/9/2027	n/a	3
Loan 50	Preferred	5/9/2025	Phoenix, AZ	870	888	Fixed	n/a ⁽⁸⁾	15.0%	8/9/2026	n/a	3
Loan 51	Preferred	5/9/2025	Phoenix, AZ	816	831	Fixed	n/a ⁽⁸⁾	15.0%	8/9/2026	n/a	3
Loan 52	Preferred	5/9/2025	Phoenix, AZ	532	551	Fixed	n/a ⁽⁸⁾	15.0%	1/9/2027	n/a	3
Total/Weighted average multifamily loans				\$ 1,378,273	\$ 1,378,271	58% of total loans	3.1%	7.6%	2.0 years		3.1
Office											
Loan 53	Senior	1/19/2021	Phoenix, AZ	\$ 75,748	\$ 75,624	Floating	3.7%	8.5%	2/9/2026	72%	3
Loan 54	Senior	8/28/2018	San Jose, CA	74,071	74,071	Floating	2.6%	6.9%	8/28/2025	81%	3
Loan 55	Senior	2/13/2019	Baltimore, MD	58,606	58,606	Floating	3.6%	7.9%	2/9/2027	74%	3
Loan 56	Senior	11/23/2021	Tualatin, OR	45,078	42,875	Floating	1.5%	10.8%	12/9/2026	66%	4
Loan 57	Senior	9/28/2021	Reston, VA	41,513	40,542	Floating	2.1%	6.4%	10/9/2026	71%	4
Loan 58	Senior	11/17/2021	Dallas, TX	40,259	40,259	Floating	4.0%	8.3%	12/9/2025	61%	4
Loan 59	Senior	4/27/2022	Plano, TX	38,516	38,438	Floating	4.1%	8.4%	5/9/2027	68%	3
Loan 60	Senior	5/23/2022	Plano, TX	37,907	37,826	Floating	4.3%	8.6%	6/9/2027	60%	3
Loan 61	Senior	4/7/2022	San Jose, CA	32,406	32,406	Floating	4.2%	8.5%	4/9/2027	67%	3
Loan 62	Senior	4/30/2021	San Diego, CA	32,252	32,252	Floating	3.6%	7.9%	5/9/2026	57%	3
Subtotal top 10 office loans				\$ 476,356	\$ 472,899	20% of total loans					
Loan 63	Senior	10/21/2021	Blue Bell, PA	29,330	29,330	Floating	3.8%	8.1%	4/9/2026	78%	3
Loan 64	Senior	3/31/2022	Blue Bell, PA	29,186	29,186	Floating	4.2%	8.5%	4/9/2026	80%	3
Loan 65	Senior	2/26/2019	Charlotte, NC	27,698	27,698	Floating	3.3%	7.6%	7/9/2025	72%	3
Loan 66	Senior	12/7/2018	Carlsbad, CA	26,819	26,440	Floating	3.9%	8.2%	12/9/2025	73%	3
Loan 67	Senior	7/30/2021	Denver, CO	23,300	23,300	Floating	4.4%	8.7%	8/9/2026	71%	3

	Loan Type	Origination Date	City, State	Carrying value ⁽¹⁾	Principal balance	Coupon type	Cash Coupon ⁽²⁾	Unlevered all-in yield ⁽³⁾	Extended maturity date	Loan-to-value ⁽⁴⁾	Q2 Risk ranking ⁽⁵⁾
Loan 68	Senior	8/27/2019	San Francisco, CA	22,716	22,716	Floating	2.9%	7.3%	9/9/2025	84%	3
Loan 69	Senior	10/13/2021	Burbank, CA	18,216	18,216	Floating	4.0%	8.3%	11/9/2026	51%	3
Loan 70	Senior	10/29/2020	Denver, CO	18,103	18,103	Floating	3.7%	8.0%	11/9/2025	64%	3
Loan 71	Senior	11/16/2021	Charlotte, NC	15,538	15,538	Floating	4.5%	8.8%	12/9/2026	67%	3
Loan 72 ⁽⁹⁾	Mezzanine	2/13/2023	Baltimore, MD	14,692	14,692	Fixed	n/a ⁽⁹⁾	n/a ⁽⁹⁾	2/9/2027	74%-75%	3
Subtotal top 20 office loans				\$ 701,954	\$ 698,118	29% of total loans					
Loan 73	Senior	11/10/2021	Richardson, TX	\$ 13,295	\$ 13,264	Floating	4.1%	8.4%	12/9/2026	68%	3
Total/Weighted average office loans				\$ 715,249	\$ 711,382	30% of total loans	3.4%	8.0%	1.0 years		3.2
Other (Mixed-use)											
Loan 74	Senior	10/24/2019	Brooklyn, NY	\$ 79,308	\$ 79,308	Floating	4.2%	8.5%	11/9/2025	79%	3
Loan 75	Senior	1/13/2022	New York, NY	46,090	46,090	Floating	3.5%	7.8%	2/9/2027	76%	3
Loan 76	Senior	5/3/2022	Brooklyn, NY	28,923	28,923	Floating	4.4%	8.7%	5/9/2027	68%	3
Loan 77	Senior	4/3/2024	South Pasadena, CA	20,617	20,617	Fixed	15.0%	15.0%	2/9/2027	28%	3
Loan 78	Senior	8/31/2021	Los Angeles, CA	15,888	15,888	Floating	4.6%	8.9%	9/9/2026	58%	3
Total/Weighted average other (mixed-use) loans				<u>\$ 190,826</u>	<u>\$ 190,826</u>		5.2%	9.1%	1.1 years		3.0
Hotel											
Loan 79	Senior	6/25/2018	Englewood, CO	\$ 72,183	\$ 72,000	Floating	3.5%	7.8%	9/9/2025	68%	3
Total/Weighted average hotel loans				<u>\$ 72,183</u>	<u>\$ 72,000</u>		3.5%	7.8%	0.2 years		3.0
Industrial											
Loan 80	Senior	7/13/2022	Ontario, CA	\$ 24,290	\$ 24,290	Floating	3.3%	8.0%	8/9/2027	66%	4
Loan 81	Senior	3/21/2022	Commerce, CA	11,594	11,594	Floating	3.3%	7.6%	4/9/2027	60%	3
Total/Weighted average industrial loans				<u>\$ 35,884</u>	<u>\$ 35,884</u>		3.3%	7.8%	2.0 years		3.7
Total/Weighted average senior and mezzanine loans - Our Portfolio				<u>\$ 2,392,415</u>	<u>\$ 2,388,363</u>		3.4%	7.8%	1.5 years		3.1

- (1) Represents carrying values at our share as of June 30, 2025 and excludes general CECL reserves.
- (2) Represents the stated coupon rate for loans; for floating rate loans, does not include Secured Overnight Financing Rate (“SOFR”), which was 4.32% as of June 30, 2025.
- (3) In addition to the stated cash coupon rate, unlevered all-in yield includes non-cash payment-in-kind interest income and the accrual of origination and exit fees. Unlevered all-in yield for the loan portfolio assumes the applicable floating benchmark rate as of June 30, 2025 for weighted average calculations.
- (4) Except for construction loans, senior loans reflect the initial loan amount divided by the as-is value as of the date the loan was originated, or the principal amount divided by the appraised value for the in place collateral as of the date of the most recent as-is appraisal. Mezzanine loans include attachment loan-to-value and detachment loan-to-value, respectively. Attachment loan-to-value reflects initial funding of loans senior to our position divided by the as-is value as of the date the loan was originated, or the principal amount divided by the appraised value for the in place collateral as of the date of the most recent appraisal. Detachment loan-to-value reflects the cumulative initial funding of our loan and the loans senior to our position divided by the as-is value as of the date the loan was originated, or the cumulative principal amount divided by the appraised value for the in place collateral as of the date of the most recent appraisal.
- (5) On a quarterly basis, our senior and mezzanine loans are rated “1” through “5,” from less risk to greater risk. Represents risk ranking as of June 30, 2025.
- (6) The underlying collateral for Loan 10 relates to a construction/development project. Construction senior loans’ loan-to-value reflect the total commitment amount of the loan divided by as-completed appraised value, or the total commitment amount of the loan divided by the projected total cost basis. Construction mezzanine loans include attachment loan-to-value and detachment loan-to-value. Attachment loan-to-value reflects the total commitment amount of loans senior to our position divided by as-completed appraised value, or the total commitment amount of loans senior to our position divided by projected total cost basis. Detachment loan-to-value reflect the cumulative commitment amount of our loan and the loans senior to our position divided by as-completed appraised value, or the cumulative commitment amount of our loan and loans senior to our position divided by projected total cost basis.
- (7) Loan 10 was placed on nonaccrual status in February 2025; as such, no income is being recognized. In July 2025, the multifamily construction/development project collateralizing Loan 10 was acquired through a deed-in-lieu of foreclosure.
- (8) Loans 47-52 have payment-in-kind provisions and accrue interest at 14%.
- (9) Loan 72 was placed on nonaccrual status in April 2024; as such, no income is being recognized.

At June 30, 2025, our general CECL reserve for our outstanding loans and future loan funding commitments is \$137.2 million, which is 5.49% of the aggregate commitment amount of our loan portfolio. This represents a decrease of \$18.9 million from \$156.1 million or 6.08% of the aggregate commitment amount of our loan portfolio at March 31, 2025. The decrease in our general CECL reserves was driven by the charge-off of reserves related to two loans that were acquired through foreclosure or deed-in-lieu of foreclosure. As a result, we have no specific CECL reserves at June 30, 2025.

Net Leased and Other Real Estate

Our net leased real estate investment strategy focuses on direct ownership in commercial real estate with an emphasis on properties with stable cash flow, which may be structurally senior to a third-party partner’s equity. As part of our net leased real estate strategy, we explore a variety of real estate investments including multi-tenant office, multifamily, student housing and industrial. Additionally, we have two investments in direct ownership of commercial real estate and own these operating real estate investments through joint ventures with one or more partners. We also own five properties included in other real estate that were acquired through deeds-in-lieu of foreclosure and foreclosure and consolidate two properties after being deemed the primary beneficiary of the variable interest entity holding it.

As of June 30, 2025, \$788.5 million or 24.8% of our assets were invested in net leased and other real estate properties and these properties were 82.2% occupied. The following table presents our net leased and other real estate investments as of June 30, 2025 (dollars in thousands):

	Count ⁽¹⁾	Carrying Value ⁽²⁾	NOI for the three months ended June 30, 2025 ⁽³⁾⁽⁴⁾
Net leased real estate	7	\$ 323,016	\$ 12,460
Other real estate	9	465,499	6,282
Total/Weighted average net leased and other real estate	16	\$ 788,515	\$ 18,742

- (1) Count represents the number of investments.
- (2) Represents carrying values at our share as of June 30, 2025; includes real estate tangible assets, deferred leasing costs and other intangible assets less intangible liabilities.
- (3) Refer to “Non-GAAP Supplemental Financial Measures” for further information on NOI.
- (4) Net leased real estate includes \$4.6 million of NOI related to one property that was deconsolidated from our consolidated balance sheet during the second quarter of 2025.

The following table provides asset-level detail of our net leased and other real estate as of June 30, 2025:

	Collateral type	City, State	Number of properties	Rentable square feet (“RSF”) / units/keys ⁽¹⁾	Weighted average % leased ⁽²⁾	Weighted average lease term (yrs) ⁽³⁾	Principal amount of debt ⁽⁴⁾	Final debt maturity date
Net leased real estate								
Net lease 1	Industrial	Various - U.S.	2	2,787,343 RSF	100%	13.1	\$ 200,000	Sep-33
Net lease 2	Office	Aurora, CO	1	183,529 RSF	100%	2.4	28,306	Aug-26
Net lease 3	Office	Indianapolis, IN	1	338,000 RSF	100%	5.5	21,051	Oct-27
Net lease 4 ⁽⁵⁾⁽⁶⁾	Retail	Various - U.S.	7	319,600 RSF	100%	2.6	27,337	Nov-26 & Mar-28
Net lease 5 ⁽⁵⁾	Retail	Keene, NH	1	45,471 RSF	100%	3.6	6,533	Nov-26
Net lease 6	Retail	South Portland, ME	1	52,900 RSF	100%	6.6	—	—
Net lease 7 ⁽⁵⁾	Retail	Fort Wayne, IN	1	50,000 RSF	100%	5.2	3,028	Nov-26
Total/Weighted average net leased real estate			14	3,776,843 RSF	100%	10.4	\$ 286,255	
Other real estate								
Other real estate 1 ⁽⁷⁾	Hotel	San Jose, CA	1	541 Units	77%	n/a	\$ —	—
Other real estate 2 ⁽⁵⁾⁽⁸⁾	Office	Creve Coeur, MO	7	847,604 RSF	77%	3.8	93,251	Dec-28
Other real estate 3 ⁽⁵⁾	Office	Warrendale, PA	5	496,440 RSF	81%	4.7	59,501	Jan-25 ⁽⁹⁾
Other real estate 4	Multifamily	Arlington, TX	1	436 Units	58%	n/a	—	—
Other real estate 5 ⁽⁷⁾	Multifamily	Phoenix, AZ	1	236 Units	91%	n/a	—	—
Other real estate 6 ⁽⁷⁾	Multifamily	Fort Worth, TX	1	354 Units	70%	n/a	—	—
Other real estate 7	Multifamily	Mesa, AZ	1	285 Units	83%	n/a	—	—
Other real estate 8 ⁽⁵⁾⁽⁷⁾	Office	Long Island City, NY	1	220,872 RSF	31%	3.6	—	—
Other real estate 9 ⁽⁵⁾⁽⁷⁾	Office	Long Island City, NY	1	128,195 RSF	2%	4.7	—	—
Total/Weighted average other real estate			19	n/a	70%	4.2	\$ 152,752	
Total net leased and other real estate			33					

(1) Rentable square feet based on carrying value at our share as of June 30, 2025.

(2) Represents the percent leased as of June 30, 2025. Weighted average calculation based on carrying value at our share as of June 30, 2025.

(3) Based on in-place leases (defined as occupied and paying leases) as of June 30, 2025, and assumes that no renewal options are exercised. Weighted average calculation based on carrying value at our share as of June 30, 2025.

(4) Represents principal amount of debt at our share as of June 30, 2025.

(5) Represents a property where we recorded impairment during the six months ended June 30, 2025 or year ended December 31, 2024. For Net lease 5, three individual properties were impaired.

(6) Net lease 4 consists of two separate mortgage notes.

(7) Property was acquired through foreclosure or deed-in-lieu of foreclosure.

(8) The current maturity date is December 2027, with a one-year extension available, subject to satisfaction of certain customary conditions set forth in the governing documents.

(9) The mortgage payable collateralized by Other real estate 3 is in maturity default as of January 2025. In July 2025, a receiver was appointed for the property, which required deconsolidation of the assets and liabilities from our consolidated balance sheet.

Stavanger, Norway Office Net Lease

In July 2018, we acquired a class A office campus in Stavanger, Norway (the “Norway Net Lease”) for \$320 million (NOK 2.6 billion). This property is 100% occupied by a creditworthy single tenant.

Bond financing on the Norway Net Lease consisted of a mortgage payable of \$146.9 million (NOK 1.5 billion) with a fixed rate of 3.9%, which matured in June 2025, at which time there were five years remaining on the initial lease term.

In the quarter ended June 30, 2024, a full cash sweep was triggered under the bond financing and we recognized a GAAP impairment charge of \$32.8 million which decreased both our Undepreciated Book Value (defined in the “Undepreciated Book Value Per Share” section of “Non-GAAP Supplemental Financial Measures” below) and GAAP book value. Concurrently, we recognized a non-GAAP impairment charge of \$67.7 million, which further decreased our Undepreciated Book Value and resulted in an Undepreciated Book Value of zero. Subsequent to the second quarter of 2024, we recognized additional non-GAAP impairments of \$11.9 million to maintain an Undepreciated Book Value of zero.

In June 2025, we reached a maturity default on the bond financing collateralized by the Norway Net Lease, and the lenders exercised remedies and took control by equity pledge of the underlying investment subsidiary. As a result, we deconsolidated the assets and liabilities from our consolidated balance sheet and recorded a \$49.3 million GAAP impairment of operating real

estate and reduction in our GAAP book value. However, the \$49.3 million GAAP impairment charge had no impact on our Undepreciated Book Value, which as noted above, had been written down to zero in the second quarter of 2024.

As such, there is no impact to our Undepreciated Book Value.

Results of Operations

The following table summarizes our portfolio results of operations for the three months ended June 30, 2025 and March 31, 2025 (dollars in thousands):

	Three Months Ended June 30, 2025	Three Months Ended March 31, 2025	Q2'25 vs Q1'25 Amount	Increase (Decrease) %
Net interest income				
Interest income	\$ 48,663	\$ 48,086	\$ 577	1.2 %
Interest expense	(31,935)	(32,211)	276	(0.9)%
Net interest income	16,728	15,875	853	5.4 %
Property and other income				
Property operating income	35,668	26,858	8,810	32.8 %
Other income	1,593	2,618	(1,025)	(39.2)%
Total property and other income	37,261	29,476	7,785	26.4 %
Expenses				
Property operating expense	16,650	9,966	6,684	67.1 %
Transaction, investment and servicing expense	562	629	(67)	(10.7)%
Interest expense on real estate	6,765	6,565	200	3.0 %
Depreciation and amortization	10,607	10,552	55	0.5 %
Increase (decrease) of current expected credit loss reserve	582	(235)	817	(347.7)%
Impairment of operating real estate	51,127	—	51,127	100.0 %
Compensation and benefits	8,194	10,429	(2,235)	(21.4)%
Operating expense	2,976	3,214	(238)	(7.4)%
Total expenses	97,463	41,120	56,343	137.0 %
Other income				
Other loss, net	(3,362)	(241)	(3,121)	1295.0 %
Income (loss) before income taxes	(46,836)	3,990	(50,826)	(1273.8)%
Income tax benefit (expense)	21,664	(282)	21,946	(7782.3)%
Net income (loss)	<u>\$ (25,172)</u>	<u>\$ 3,708</u>	<u>\$ (28,880)</u>	<u>(778.9)%</u>

Comparison of Three Months Ended June 30, 2025 and March 31, 2025

Net Interest Income

Interest income

Interest income increased by \$0.6 million to \$48.7 million for the three months ended June 30, 2025, as compared to the three months ended March 31, 2025. The increase was primarily due to \$2.5 million from loan originations. This was partially offset by \$1.1 million due to loan repayments and \$0.5 million related to one senior loan placed on nonaccrual status.

Interest expense

Interest expense decreased by \$0.3 million to \$31.9 million for the three months ended June 30, 2025, as compared to the three months ended March 31, 2025. The decrease was primarily due to \$1.7 million from repayments on our master repurchase facilities, which was offset by \$1.3 million due to the financing of newly originated loans.

Property and other income

Property operating income

Property operating income increased by \$8.8 million to \$35.7 million for the three months ended June 30, 2025, as compared to the three months ended March 31, 2025. The increase was primarily driven by \$8.7 million from the acquisition of a hotel property through foreclosure during the three months ended June 30, 2025.

Other income

Other income decreased by \$1.0 million to \$1.6 million during the three months ended June 30, 2025, as compared to the three months ended March 31, 2025. The decrease was primarily driven by lower income on money market investments.

Expenses

Property operating expense

Property operating expense increased by \$6.7 million to \$16.7 million for the three months ended June 30, 2025, as compared to the three months ended March 31, 2025. The increase was primarily driven by \$6.6 million from the acquisition of a hotel property through foreclosure during the three months ended June 30, 2025.

Transaction, investment and servicing expense

Transaction, investment and servicing expense decreased by \$0.1 million to \$0.6 million for the three months ended June 30, 2025, as compared to the three months ended March 31, 2025. The decrease was primarily due to lower legal fees incurred during three months ended June 30, 2025.

Interest expense on real estate

Interest expense on real estate increased by \$0.2 million to \$6.8 million for the three months ended June 30, 2025, as compared to the three months ended March 31, 2025. The increase was primarily due to the modification of a mortgage note payable collateralized by three retail properties.

Depreciation and amortization

Depreciation and amortization expense increased by \$0.1 million to \$10.6 million for the three months ended June 30, 2025, as compared to the three months ended March 31, 2025. The increase was primarily driven by the acquisition of one hotel and one multifamily property during 2025, offset by fully depreciated assets at two properties.

Increase (decrease) of current expected credit loss reserve

During the three months ended June 30, 2025, we recorded a net increase in CECL reserves of \$0.6 million. The increase in our CECL reserves was primarily driven by specific reserves of \$19.5 million from one multifamily loan and one hotel loan, both of which were subsequently charged off. This was offset by a net decrease in general reserves of \$18.8 million.

During the three months ended March 31, 2025, we recorded a net decrease in CECL reserves of \$0.2 million. The decrease in our CECL reserves was primarily driven by a net decrease in general reserves of \$9.0 million offset by a net increase in specific CECL reserves of \$8.8 million. The increase in specific CECL reserves was attributable to \$9.2 million from one multifamily loan following its resolution during the quarter offset by a \$0.4 million reversal of specific CECL from the receipt of additional proceeds received from a previously resolved loan.

Impairment of operating real estate

We recorded \$51.1 million of impairment during the three months ended June 30, 2025 related to our Norwegian net lease office campus and our Pennsylvania office property. We deconsolidated the assets and liabilities of the Norwegian net lease office campus during the three months ended June 30, 2025 and will deconsolidate the assets and liabilities of our Pennsylvania office during the third quarter of 2025. During the three months ended March 31, 2025, we recorded no impairment.

Compensation and benefits

Compensation and benefits decreased by \$2.2 million to \$8.2 million for the three months ended June 30, 2025, as compared to the three months ended March 31, 2025. The decrease was primarily driven by \$1.3 million in stock compensation expense following a one-time vesting event in March 2025 and lower benefit costs due to the annual reset of 401(k) and Social Security contributions in the first quarter of 2025.

Operating expense

Operating expense decreased by \$0.2 million to \$3.0 million for the three months ended June 30, 2025, as compared to the three months ended March 31, 2025 primarily due to lower third-party costs incurred during the second quarter of 2025.

Other income

Other loss, net

Other loss, net increased by \$3.1 million to \$3.4 million for the three months ended June 30, 2025, as compared to the three months ended March 31, 2025. The increase is related to reclassification of \$22.0 million of foreign currency translation loss offset by \$18.6 million of designated hedge gains from accumulated other comprehensive income following the resolution of our Norwegian net lease office campus in the second quarter of 2025.

Income tax benefit (expense)

Income tax benefit increased by \$21.9 million to \$21.7 million for the three months ended June 30, 2025, as compared to the three months ended March 31, 2025. This increase is related to a deferred tax liability write-off when an investment subsidiary reached a maturity default on its bond financing collateralized by our Norwegian net lease office campus. Following the maturity default, the lenders exercised remedies and took control by equity pledge of the underlying investment subsidiary.

The following table summarizes our portfolio results of operations for the six months ended June 30, 2025 and June 30, 2024 (dollars in thousands):

	Six Months Ended June 30, 2025	Six Months Ended June 30, 2024	YTD 2025 vs YTD 2024 Amount	Increase (Decrease) %
Net interest income				
Interest income	\$ 96,749	\$ 130,881	\$ (34,132)	(26.1)%
Interest expense	(64,146)	(78,200)	14,054	(18.0)%
Net interest income	32,603	52,681	(20,078)	(38.1)%
Property and other income				
Property operating income	62,526	50,283	12,243	24.3 %
Other income	4,211	6,020	(1,809)	(30.0)%
Total property and other income	66,737	56,303	10,434	18.5 %
Expenses				
Property operating expense	26,616	16,548	10,068	60.8 %
Transaction, investment and servicing expense	1,192	1,013	179	17.7 %
Interest expense on real estate	13,330	13,531	(201)	(1.5)%
Depreciation and amortization	21,159	19,343	1,816	9.4 %
Increase of CECL reserve	346	114,312	(113,966)	(99.7)%
Impairment of operating real estate	51,127	45,216	5,911	13.1 %
Compensation and benefits	18,623	18,349	274	1.5 %
Operating expense	6,191	6,207	(16)	(0.3)%
Total expenses	138,584	234,519	(95,935)	(40.9)%
Other income				
Other gain (loss), net	(3,603)	189	(3,792)	(2006.3)%
Loss before income taxes	(42,847)	(125,346)	82,499	(65.8)%
Income tax benefit (expense)	21,382	(446)	21,828	(4894.2)%
Net loss	<u>\$ (21,465)</u>	<u>\$ (125,792)</u>	<u>\$ 104,327</u>	<u>(82.9)%</u>

Comparison of Six Months Ended June 30, 2025 and Six Months Ended June 30, 2024

Net Interest Income

Interest income

Interest income decreased by \$34.1 million to \$96.7 million for the six months ended June 30, 2025, as compared to the six months ended June 30, 2024. The decrease was primarily due to \$18.5 million related to loan repayments, \$9.1 million due to

loans placed on nonaccrual status, \$9.1 million due to a decrease in interest rates and \$5.7 million related to loans that were consolidated as real estate. This was partially offset by \$8.0 million due to loan originations.

Interest expense

Interest expense decreased by \$14.1 million to \$64.1 million for the six months ended June 30, 2025, as compared to the six months ended June 30, 2024. The decrease was primarily due to \$8.8 million from proceeds from loan repayments that were used to amortize the securitization bonds in accordance with the securitization priority of repayments on BRSP 2021-FL1, \$5.4 million due to paydowns on financings and \$3.8 million from the net impact of the BRSP 2024-FL2 issuance and the unwinding of the CLNC 2019-FL1 securitization trust following the redemption of all outstanding securities thereunder. This was partially offset by \$8.3 million relating to draws on our master repurchase facilities.

Property and other income

Property operating income

Property operating income increased by \$12.2 million to \$62.5 million for the six months ended June 30, 2025, as compared to the six months ended June 30, 2024. The increase was primarily driven by \$14.1 million from 2024 and 2025 property acquisitions.

Other income

Other income decreased by \$1.8 million to \$4.2 million during the six months ended June 30, 2025, as compared to the six months ended June 30, 2024. The decrease was primarily driven by lower income on money market investments.

Expenses

Property operating expense

Property operating expense increased by \$10.1 million to \$26.6 million for the six months ended June 30, 2025, as compared to the six months ended June 30, 2024. The increase was primarily driven by \$12.0 million from 2024 and 2025 property acquisitions partially offset by \$1.9 million from two office properties sold during the period.

Transaction, investment and servicing expense

Transaction, investment and servicing expense increased by \$0.2 million to \$1.2 million for the six months ended June 30, 2025, as compared to the six months ended June 30, 2024. The increase was primarily due to higher deal-level expenses incurred during the six months ended June 30, 2025.

Interest expense on real estate

Interest expense on real estate decreased by \$0.2 million to \$13.3 million for the six months ended June 30, 2025, as compared to the six months ended June 30, 2024. This decrease was primarily due to amortization of our previous bond financing on the Norway net lease office campus.

Depreciation and amortization

Depreciation and amortization expense increased by \$1.8 million to \$21.2 million for the six months ended June 30, 2025, as compared to the six months ended June 30, 2024. The increase was primarily due to \$5.4 million from property acquisitions in 2024 and 2025 partially offset by \$1.8 million from fully amortized intangibles in 2024 and \$0.6 million from an office property sold during the six months ended June 30, 2025.

Increase (decrease) of current expected credit loss reserve

During the six months ended June 30, 2025, we recorded a net increase in CECL reserves of \$0.3 million. The increase in our CECL reserves was primarily driven by a net increase in specific CECL reserves of \$28.7 million offset by a net decrease in general reserves of \$28.4 million. The increase in specific CECL reserves was attributable to two multifamily loans and one hotel loan, all of which were charged off during the six months ended June 30, 2025.

We recorded total CECL reserves of \$114.3 million during the six months ended June 30, 2024, which is comprised of \$95.4 million of general reserves and \$18.9 million of specific reserves. The increase in our general CECL reserve was primarily driven by the macroeconomic conditions, as well as specific inputs on certain office and multifamily properties utilized in our general CECL model. The specific CECL reserves related to one senior multifamily loan and one senior office loan that were both repaid in the second quarter of 2024.

Impairment of operating real estate

We recorded \$51.1 million of impairment during the six months ended June 30, 2025 related to our Norwegian net lease office campus and our Pennsylvania office property. We deconsolidated the assets and liabilities of the Norwegian net lease office campus during the six months ended June 30, 2025 and will deconsolidate the assets and liabilities of our Pennsylvania office during the third quarter of 2025.

We recorded \$45.2 million of impairment on three office properties following a reduction in the current expected holding period during the six months ended June 30, 2024 in connection with the review and preparation of our quarterly financials.

Compensation and benefits

Compensation and benefits increased by \$0.3 million to \$18.6 million for the six months ended June 30, 2025, as compared to the six months ended June 30, 2024. The increase was driven by \$1.3 million in stock compensation expense following a one-time vesting event in March 2025, offset by lower compensation costs.

Operating expense

Operating expense decreased by a de minimis amount for the six months ended June 30, 2025, as compared to the six months ended June 30, 2024.

Other income (loss)

Other gain (loss), net

Other gain (loss), net increased by \$3.8 million to \$3.6 million for the six months ended June 30, 2025, as compared to the six months ended June 30, 2024. The increase is related to reclassification of \$22.0 million of foreign currency translation loss offset by \$18.6 million of designated hedge gains from accumulated other comprehensive income following the resolution of our Norwegian net lease office campus in the second quarter of 2025.

Income tax benefit (expense)

Income tax benefit increased by \$21.8 million to \$21.4 million for the six months ended June 30, 2025, as compared to the six months ended June 30, 2024. This increase is related to a deferred tax liability write-off when an investment subsidiary reached a maturity default on its bond financing collateralized by our Norwegian net lease office campus. Following the maturity default, the lenders exercised remedies and took control by equity pledge of the underlying investment subsidiary.

Non-GAAP Supplemental Financial Measures

Distributable Earnings

We present Distributable Earnings, which is a non-GAAP supplemental financial measure of our performance. We believe that Distributable Earnings provides meaningful information to consider in addition to our net income and cash flow from operating activities determined in accordance with GAAP, and this metric is a useful indicator for investors in evaluating and comparing our operating performance to our peers and our ability to pay dividends. We elected to be taxed as a REIT under the Internal Revenue Code of 1986, as amended, beginning with our taxable year ended December 31, 2018. As a REIT, we are required to distribute substantially all of our taxable income and we believe that dividends are one of the principal reasons investors invest in credit or commercial mortgage REITs such as our company. Over time, Distributable Earnings has been a useful indicator of our dividends per share and we consider that measure in determining the dividend, if any, to be paid. This supplemental financial measure also helps us to evaluate our performance excluding the effects of certain transactions and GAAP adjustments that we believe are not necessarily indicative of our current portfolio and operations.

We define Distributable Earnings as GAAP net income (loss) attributable to our common stockholders (or, without duplication, the owners of the common equity of our direct subsidiaries, such as our OP) and excluding (i) non-cash equity compensation expense, (ii) the expenses incurred in connection with our formation or other strategic transactions, (iii) acquisition costs from successful acquisitions, (iv) gains or losses from sales of real estate property and impairment write-downs of depreciable real estate, including unconsolidated joint ventures and preferred equity investments, (v) general CECL reserves, (vi) depreciation and amortization, (vii) any unrealized gains or losses or other similar non-cash items that are included in net income for the current quarter, regardless of whether such items are included in other comprehensive income or loss, or in net income, (viii) one-time events pursuant to changes in GAAP and (ix) certain material non-cash income or expense items that in the judgment of management should not be included in Distributable Earnings. For clauses (viii) and (ix), such exclusions shall only be applied after approval by a majority of our independent directors. Distributable Earnings include specific CECL reserves.

Additionally, we define Adjusted Distributable Earnings as Distributable Earnings excluding (i) realized gains and losses on asset sales, (ii) fair value adjustments, which represent mark-to-market adjustments to investments in unconsolidated ventures based on an exit price, defined as the estimated price that would be received upon the sale of an asset or paid to transfer a liability in an orderly transaction between market participants, (iii) unrealized gains or losses, (iv) specific CECL reserves and (v) one-time gains or losses that in the judgement of management should not be included in Adjusted Distributable Earnings. We believe Adjusted Distributable Earnings is a useful indicator for investors to further evaluate and compare our operating performance to our peers and our ability to pay dividends, net of the impact of any gains or losses on assets sales or fair value adjustments, as described above.

Distributable Earnings and Adjusted Distributable Earnings do not represent net income or cash generated from operating activities and should not be considered as an alternative to GAAP net income or an indication of our cash flows from operating activities determined in accordance with GAAP, a measure of our liquidity, or an indication of funds available to fund our cash needs. In addition, our methodology for calculating Distributable Earnings and Adjusted Distributable Earnings may differ from methodologies employed by other companies to calculate the same or similar non-GAAP supplemental financial measures, and accordingly, our reported Distributable Earnings and Adjusted Distributable Earnings may not be comparable to the Distributable Earnings and Adjusted Distributable Earnings reported by other companies.

The following tables present a reconciliation of net income (loss) attributable to our common stockholders to Distributable Earnings and Adjusted Distributable Earnings attributable to our common stockholders (dollars and share amounts in thousands, except per share data) for the three months ended June 30, 2025 and March 31, 2025 and the three months ended June 30, 2024 and March 31, 2024:

	Three Months Ended June 30, 2025	Three Months Ended March 31, 2025
Net income (loss) attributable to BrightSpire Capital, Inc. common stockholders	\$ (23,118)	\$ 5,342
Adjustments:		
Non-cash equity compensation expense	2,913	4,213
Depreciation and amortization	10,676	10,748
Net unrealized loss (gain):		
Impairment of operating real estate, net of associated income tax benefit	28,820	—
Other unrealized loss on investments	3,361	2
General CECL reserves	(18,900)	(9,018)
(Gain) loss on sales of real estate, preferred equity and investments in unconsolidated joint ventures	—	239
Adjustments related to noncontrolling interests	(358)	(172)
Distributable Earnings attributable to BrightSpire Capital, Inc. common stockholders	\$ 3,394	\$ 11,354
Distributable Earnings per share ⁽¹⁾	\$ 0.03	\$ 0.09
Adjustments:		
Specific CECL reserves	\$ 19,482	\$ 8,782
Adjusted Distributable Earnings attributable to BrightSpire Capital, Inc. common stockholders	\$ 22,876	\$ 20,136
Adjusted Distributable Earnings per share ⁽¹⁾	\$ 0.18	\$ 0.16
Weighted average number of shares of Class A common stock ⁽¹⁾	130,186	129,860

(1) We calculate Distributable Earnings (Loss) per share, and Adjusted Distributable Earnings per share, non-GAAP financial measures, based on a weighted-average number of common shares.

	Three Months Ended June 30, 2024	Three Months Ended March 31, 2024
Net loss attributable to BrightSpire Capital, Inc. common stockholders	\$ (67,860)	\$ (57,103)
Adjustments:		
Non-cash equity compensation expense	3,150	2,170
Depreciation and amortization	9,120	10,531
Net unrealized loss (gain):		
Impairment of operating real estate	45,216	—
Other unrealized loss (gain) on investments	278	(151)
General CECL reserves	28,096	67,284
Adjustments related to noncontrolling interests	(1,029)	(189)
Distributable Earnings attributable to BrightSpire Capital, Inc. common stockholders	\$ 16,971	\$ 22,542
Distributable Earnings per share ⁽¹⁾	\$ 0.13	\$ 0.17
Adjustments:		
Specific CECL reserves	\$ 11,804	\$ 7,128
Adjusted Distributable Earnings attributable to BrightSpire Capital, Inc. common stockholders	\$ 28,775	\$ 29,670
Adjusted Distributable Earnings per share ⁽¹⁾	\$ 0.22	\$ 0.23
Weighted average number of shares of Class A common stock ⁽¹⁾	130,665	130,100

(1) We calculate Distributable Earnings (Loss) per share, and Adjusted Distributable Earnings per share, non-GAAP financial measures, based on a weighted-average number of common shares.

Undepreciated Book Value Per Share

We believe that presenting Undepreciated Book Value per share is a more useful and consistent measure of the value of our current portfolio and operations for our investors. It additionally enhances the comparability to our peers who do not hold real estate investments. Undepreciated Book Value per share excludes our share of accumulated depreciation and amortization on real estate investments (including related intangible assets and liabilities). Non-GAAP impairment of real estate and foreign currency translation excludes our share of the carrying value (including any related foreign currency translation) on certain net leased and other real estate office properties whose non-recourse mortgages have matured or who have been placed in a cash flow sweep by their lender. Our ability to refinance at their maturity dates is burdened by the current interest rate environment, lenders' aversion to finance or refinance office properties and/or associated improvements or paydowns potentially demanded at such properties. Loan maturity defaults can and have led to foreclosures. Given this potential likelihood, we believe it is prudent to recognize impairments and exclude our share of the carrying value related to these properties.

The following table calculates our GAAP book value per share and Undepreciated Book Value per share (\$ in thousands, except per share data):

	June 30, 2025	December 31, 2024
Stockholders' equity excluding noncontrolling interests in investment entities	\$ 994,355	\$ 1,048,218
Accumulated depreciation and amortization	194,282	232,177
Non-GAAP impairment of real estate	(51,472)	(134,578)
Foreign currency translation	—	6,624
Undepreciated Book Value	\$ 1,137,165	\$ 1,152,441
GAAP book value per share	\$ 7.65	\$ 8.08
Accumulated depreciation and amortization per share	1.49	1.79
Non-GAAP impairment of real estate	(0.40)	(1.04)
Foreign currency translation	—	0.05
Undepreciated Book Value per share ⁽¹⁾	\$ 8.75	\$ 8.89
Total outstanding shares - Class A common stock	129,994	129,685

(1) Per share data may differ due to rounding.

NOI

We believe NOI to be a useful measure of operating performance of our net leased and other real estate portfolios as they are more closely linked to the direct results of operations at the property level. NOI excludes historical cost depreciation and amortization, which are based on different useful life estimates depending on the age of the properties, as well as adjustments for the effects of real estate impairment and gains or losses on sales of depreciated properties, which eliminate differences arising from investment and disposition decisions. Additionally, by excluding corporate level expenses or benefits such as interest expense, any gain or loss on early extinguishment of debt and income taxes, which are incurred by the parent entity and are not directly linked to the operating performance of the Company's properties, NOI provides a measure of operating performance independent of the Company's capital structure and indebtedness. However, the exclusion of these items as well as others, such as capital expenditures and leasing costs, which are necessary to maintain the operating performance of the Company's properties, and transaction costs and administrative costs, may limit the usefulness of NOI. NOI may fail to capture significant trends in these components of GAAP net income (loss) which further limits its usefulness.

NOI should not be considered as an alternative to net income (loss), determined in accordance with GAAP, as an indicator of operating performance. In addition, our methodology for calculating NOI involves subjective judgment and discretion and may differ from the methodologies used by other companies, when calculating the same or similar supplemental financial measures and may not be comparable with other companies.

The following tables present a reconciliation of net income (loss) on our net leased and other real estate portfolios attributable to our common stockholders to NOI attributable to our common stockholders (dollars in thousands) for the three months ended June 30, 2025 and March 31, 2025 and three months ended June 30, 2024 and March 31, 2024:

	Three Months Ended June 30, 2025	Three Months Ended March 31, 2025
Net income (loss) attributable to BrightSpire Capital, Inc. common stockholders	\$ (23,118)	\$ 5,342
Adjustments:		
Net (income) loss attributable to non-net leased and other real estate portfolios ⁽¹⁾	(5,917)	(6,287)
Net loss attributable to noncontrolling interests in investment entities	(2,054)	(1,634)
Amortization of above- and below-market lease intangibles	1	59
Net interest (income) expense	53	39
Interest expense on real estate	6,765	7,940
Other income	(86)	(34)
Transaction, investment and servicing expense	14	38
Depreciation and amortization	10,575	10,519
Impairment of operating real estate	51,127	—
Operating expense	1	1
Other loss on investments, net	3,428	742
Income tax (benefit) expense	(21,770)	254
NOI attributable to noncontrolling interest in investment entities	(277)	(267)
Total NOI, at share	<u>\$ 18,742</u>	<u>\$ 16,712</u>

(1) Net (income) loss attributable to non-net leased and other real estate portfolios includes net (income) loss on our senior and mezzanine loans and preferred equity and corporate and other business segments.

	Three Months Ended June 30, 2024	Three Months Ended March 31, 2024
Net loss attributable to BrightSpire Capital, Inc. common stockholders	\$ (67,860)	\$ (57,103)
Adjustments:		
Net loss attributable to non-net leased and other real estate portfolios ⁽¹⁾	24,942	56,456
Net loss attributable to noncontrolling interests in investment entities	(823)	(4)
Amortization of above- and below-market lease intangibles	143	112
Net interest income	(13)	(17)
Interest expense on real estate	6,748	6,782
Other income	(325)	(189)
Transaction, investment and servicing expense	84	122
Depreciation and amortization	8,917	10,353
Impairment of operating real estate	45,216	—
Operating expense	1	24
Other (gain) loss on investments, net	224	(150)
Income tax expense	164	240
NOI attributable to noncontrolling interest in investment entities	(330)	(307)
Total NOI, at share	<u>\$ 17,088</u>	<u>\$ 16,319</u>

(1) Net (income) loss attributable to non-net leased and other real estate portfolios includes net (income) loss on our senior and mezzanine loans and preferred equity and corporate and other business segments.

Liquidity and Capital Resources

Overview

Our material cash commitments include commitments to repay borrowings, finance our assets and operations, meet future funding obligations, make distributions to our stockholders and fund other general business needs. We use significant cash to make investments, meet commitments to existing investments, repay the principal of and interest on our borrowings and pay other financing costs, make distributions to our stockholders and fund our operations.

Our primary sources of liquidity include cash on hand, cash generated from our operating activities and cash generated from asset sales and investment maturities. However, subject to maintaining our qualification as a REIT and our Investment Company Act exclusion, we may use several sources to finance our business, including bank credit facilities (including term loans and revolving facilities), Master Repurchase Facilities and securitizations, as described below. In addition to our current sources of liquidity, there may be opportunities from time to time to access liquidity through public offerings of debt and equity securities. We have sufficient sources of liquidity to meet our material cash commitments for the next 12 months and the foreseeable future.

Financing Strategy

We have a multi-pronged financing strategy that includes an up to \$165.0 million secured revolving credit facility as of June 30, 2025, up to approximately \$2.0 billion in secured revolving repurchase facilities, \$1.0 billion in non-recourse securitization financing, \$451.3 million in commercial mortgages and \$34.5 million in other asset-level financing structures.

In addition, we may use other forms of financing, including additional warehouse facilities, public and private secured and unsecured debt issuances and equity or equity-related securities issuances by us or our subsidiaries. We may also finance a portion of our investments through the syndication of one or more interests in a whole loan. We will seek to match the nature and duration of the financing with the underlying asset's cash flow, including using hedges, as appropriate.

Debt-to-Equity Ratio

The following table presents our debt-to-equity ratio:

	June 30, 2025	December 31, 2024
Debt-to-equity ratio ⁽¹⁾	2.1x	2.1x

(1) Represents (i) total consolidated outstanding secured debt less cash and cash equivalents of \$154.3 million and \$302.2 million at June 30, 2025 and December 31, 2024, respectively to (ii) total equity, in each case, at period end.

Potential Sources of Liquidity

As discussed in greater detail above under “Trends Affecting our Business,” and “Factors Impacting Our Operating Results” overall market uncertainty coupled with rising inflation and high interest rates have tempered the loan financing markets recently. A high interest rate environment will result in increased interest expense on our variable rate debt that is not hedged and may result in disruptions to our borrowers’ and tenants’ ability to finance their activities, which would similarly adversely impact their ability to make their monthly mortgage payments and meet their loan obligations. Additionally, due to the current market conditions, warehouse lenders may take a more conservative stance by increasing funding costs, which may lead to margin calls.

Our primary sources of liquidity include borrowings available under our credit facilities, Master Repurchase Facilities and monthly mortgage payments from our borrowers.

Bank Credit Facilities

We use bank credit facilities (including term loans and revolving facilities) to finance our business. These financings may be collateralized or non-collateralized and may involve one or more lenders. Credit facilities typically have maturities ranging from two to five years and may accrue interest at either fixed or floating rates.

On January 28, 2022, the OP (together with certain subsidiaries of the OP from time to time party thereto as borrowers, collectively, the “Borrowers”) entered into an Amended and Restated Credit Agreement (the “Credit Agreement”) with JPMorgan Chase Bank, N.A., as administrative agent (the “Administrative Agent”), and the several lenders from time to time party thereto (the “Lenders”), pursuant to which the Lenders agreed to provide a revolving credit facility in the aggregate principal amount of up to \$165.0 million, of which up to \$25.0 million is available as letters of credit. Loans under the Credit Agreement may be advanced in U.S. dollars and certain foreign currencies, including euros, pounds sterling and Swiss francs.

The Credit Agreement amended and restated the OP's prior \$300.0 million revolving credit facility that would have matured on February 1, 2022.

The Credit Agreement also includes an option for the Borrowers to increase the maximum available principal amount of up to \$300.0 million, subject to one or more new or existing Lenders agreeing to provide such additional loan commitments and satisfaction of other customary conditions.

Advances under the Credit Agreement accrue interest at a per annum rate equal to, at the applicable Borrower's election, either (x) an adjusted SOFR rate plus a margin of 2.25%, or (y) a base rate equal to the highest of (i) the Wall Street Journal's prime rate, (ii) the federal funds rate plus 0.50% and (iii) the adjusted SOFR rate plus 1.00%, plus a margin of 1.25%. An unused commitment fee at a rate of 0.25% or 0.35%, per annum, depending on the amount of facility utilization, applies to un-utilized borrowing capacity under the Credit Agreement. Amounts owed under the Credit Agreement may be prepaid at any time without premium or penalty, subject to customary breakage costs in the case of borrowings with respect to which a SOFR rate election is in effect.

The maximum amount available for borrowing at any time under the Credit Agreement is limited to a borrowing base valuation of certain investment assets, with the valuation of such investment assets generally determined according to a percentage of adjusted net book value. As of June 30, 2025, the borrowing base valuation is sufficient to permit borrowings of up to the entire \$165.0 million. If any borrowing is outstanding for more than 180 days after its initial draw, the borrowing base valuation will be reduced by 50% until all outstanding borrowings are repaid in full. The ability to borrow new amounts under the Credit Agreement terminates on January 31, 2026, at which time the OP may, at its election and by written notice to the Administrative Agent, extend the termination date for two additional terms of six months each, subject to the terms and conditions in the Credit Agreement, resulting in a latest termination date of January 31, 2027.

The obligations of the Borrowers under the Credit Agreement are guaranteed pursuant to a Guarantee and Collateral Agreement by substantially all material wholly owned subsidiaries of the OP (the "Guarantors") in favor of the Administrative Agent (the "Guarantee and Collateral Agreement") and, subject to certain exceptions, secured by a pledge of substantially all equity interests owned by the Borrowers and the Guarantors, as well as by a security interest in deposit accounts of the Borrowers and the Guarantors in which the proceeds of investment asset distributions are maintained.

The Credit Agreement contains various affirmative and negative covenants, including, among other things, the obligation of the Company to maintain REIT status and be listed on the New York Stock Exchange, and limitations on debt, liens and restricted payments. In addition, the Credit Agreement includes the following financial covenants applicable to the OP and its consolidated subsidiaries: (a) minimum consolidated tangible net worth of the OP to be greater than or equal to the sum of (i) \$1,112,000,000 and (ii) 70% of the net cash proceeds received by the OP from any offering of its common equity after September 30, 2021 and of the net cash proceeds from any offering by the Company of its common equity to the extent such proceeds are contributed to the OP, excluding any such proceeds that are contributed to the OP within ninety (90) days of receipt and applied to acquire capital stock of the OP; (b) the OP's ratio of EBITDA plus lease expenses to fixed charges for any period of four consecutive fiscal quarters to be not less than 1.50 to 1.00; (c) the OP's minimum interest coverage ratio to be not less than 3.00 to 1.00; and (d) the OP's ratio of consolidated total debt to consolidated total assets to be not more than 0.80 to 1.00. The Credit Agreement also includes customary events of default, including, among other things, failure to make payments when due, breach of covenants or representations, cross default to material indebtedness, material judgment defaults, bankruptcy matters involving any Borrower or any Guarantor and certain change of control events. The occurrence of an event of default will limit the ability of the OP and its subsidiaries to make distributions and may result in the termination of the credit facility, acceleration of repayment obligations and the exercise of remedies by the Lenders with respect to the collateral.

As of June 30, 2025, we were in compliance with all of our financial covenants under the Credit Agreement.

Master Repurchase Facilities

Currently, our primary sources of financing the origination of first mortgage loans and senior loan participations secured by senior loan investments are our repurchase agreements with multiple global financial institutions (each, a "Master Repurchase Facility" and collectively, the "Master Repurchase Facilities"). The Master Repurchase Facilities, effectively allow us to borrow against loans that we own in an amount generally equal to (i) the market value of such loans multiplied by (ii) the applicable advance rate. Under these agreements, we sell our loans to a counterparty and agree to repurchase the same loans from the counterparty at a price equal to the original sales price plus an interest factor. During the term of a repurchase agreement, we receive the principal and interest on the related loans and pay interest to the lender under the master repurchase agreement. We intend to maintain formal relationships with multiple counterparties to obtain master repurchase financing.

The following table presents a summary of our Master Repurchase Facilities and Bank Credit Facility as of June 30, 2025 (dollars in thousands):

	Maximum Facility Size	Current Borrowings	Weighted Average Final Maturity (Years)	Weighted Average Interest Rate ⁽¹⁾
Master Repurchase Facilities				
Bank 1	\$ 600,000	\$ 346,923	1.8	SOFR + 2.43%
Bank 2	600,000	159,128	4.8	SOFR + 2.01%
Bank 3	400,000	235,466	4.9	SOFR + 1.71%
Bank 4	400,000	48,212	4.3	SOFR + 1.79%
Total Master Repurchase Facilities	2,000,000	789,729		
Bank Credit Facility	165,000	—	1.5	SOFR + 2.25%
Total Facilities	\$ 2,165,000	\$ 789,729		

(1) All facilities utilize Term SOFR at June 30, 2025.

The following table presents the quarterly average unpaid principal balance (“UPB”), end of period UPB and the maximum UPB at any month-end related to our Master Repurchase Facilities and Bank Credit Facility (dollars in thousands):

Quarter Ended	Quarterly Average UPB	End of Period UPB	Maximum UPB at Any Month-End
June 30, 2025	\$ 761,613	\$ 789,729	\$ 791,532
March 31, 2025	759,339	733,494	818,603
December 31, 2024	816,782	785,183	848,381
September 30, 2024	923,540	848,381	987,017
June 30, 2024	1,015,107	998,699	1,031,514
March 31, 2024	1,092,119	1,031,516	1,121,264

The increase in our end of period UPB from March 31, 2025 to June 30, 2025 was driven by financing draws during the period.

Securitizations

We may seek to utilize non-recourse long-term securitizations of our investments in mortgage loans, especially loan originations, to the extent consistent with the maintenance of our REIT qualification and exclusion from the Investment Company Act in order to generate cash for funding new investments. This would involve conveying a pool of assets to a special purpose vehicle (or the issuing entity), which would issue one or more classes of non-recourse notes pursuant to the terms of an indenture. The notes would be secured by the pool of assets. In exchange for the transfer of assets to the issuing entity, we would receive the cash proceeds on the sale of non-recourse notes and a 100% interest in the equity of the issuing entity. The securitization of our portfolio investments might magnify our exposure to losses on those portfolio investments because any equity interest we retain in the issuing entity would be subordinate to the notes issued to investors and we would, therefore, absorb all of the losses sustained with respect to a securitized pool of assets before the owners of the notes experience any losses.

BRSP 2021-FL1

In July 2021, we executed a securitization transaction through our subsidiaries, BRSP 2021-FL1, Ltd. and BRSP 2021-FL1, LLC, which resulted in the sale of \$670.0 million of investment grade notes.

BRSP 2021-FL1 included a two-year reinvestment feature that allowed us to contribute existing or newly originated loan investments in exchange for proceeds from repayments or repurchases of loans held in BRSP 2021-FL1, subject to the satisfaction of certain conditions set forth in the indenture. The reinvestment period for BRSP 2021-FL1 expired on July 20, 2023. During the six months ended June 30, 2025, four loans held in BRSP 2021-FL1 were fully repaid, totaling \$103.1 million, and two loans were partially repaid totaling \$2.9 million. The proceeds from the repayments were used to amortize the securitization bonds in accordance with the securitization priority of repayments. At June 30, 2025, we had \$534.5 million of unpaid principal balance of CRE debt investments financed with BRSP 2021-FL1. As of June 30, 2025, the securitization reflects an advance rate of 75.7% at a weighted average cost of funds of Term SOFR plus 1.71% (before transaction costs), and is collateralized by a pool of 20 senior loan investments.

Additionally, BRSP 2021-FL1 contains note protection tests that can be triggered as a result of contributed loan defaults, losses, and certain other events outlined in the indenture, beyond established thresholds. A note protection test failure that is not remedied can result in the redirection of interest proceeds from the below investment grade tranches to amortize the most senior outstanding tranche. We did not fail any note protection tests during the six months ended June 30, 2025 and June 30, 2024. While we continue to closely monitor all loan investments contributed to BRSP 2021-FL1, a deterioration in the performance of an underlying loan could negatively impact our liquidity position.

BRSP 2024-FL2

In August 2024, we executed a \$675.0 million securitization transaction through wholly-owned subsidiaries, BRSP 2024-FL2, Ltd. and BRSP 2024-FL2, LLC (collectively, “BRSP 2024-FL2”), which resulted in the sale of \$583.9 million of the 2024-FL2 Notes.

BRSP 2024-FL2 included a six-month ramp-up acquisition period that allowed us to contribute existing or newly originated loan investments in exchange for \$84.8 million in unused proceeds held in BRSP 2024-FL2, subject to the satisfaction of certain conditions set forth in the indenture. BRSP 2024-FL2 also includes a two-year reinvestment feature that allows us to contribute existing or newly originated loan investments in exchange for proceeds from repayments of loans held in BRSP 2024-FL2, subject to the satisfaction of certain conditions set forth in the indenture. As of June 30, 2025, the securitization reflects an advance rate of 86.5% at a weighted average cost of funds of Term SOFR plus 2.47% (before transaction costs), and is collateralized by a pool of 26 senior loan investments. During the six months ended June 30, 2025, we contributed existing or newly originated loan investments totaling \$52.4 million, in exchange for a combination of reinvestment and unused proceeds. At June 30, 2025, the unused proceeds have been fully utilized and we had \$675.0 million of unpaid principal balance of CRE debt investments financed with BRSP 2024-FL2.

Additionally, BRSP 2024-FL2 contains note protection tests that can be triggered as a result of contributed loan defaults, losses, and certain other events outlined in the indenture, beyond established thresholds. A note protection test failure that is not remedied can result in the redirection of interest proceeds from the below investment grade tranches to amortize the most senior outstanding tranche. We did not fail any note protection tests during the six months ended June 30, 2025. While we continue to closely monitor all loan investments contributed to BRSP 2024-FL2, a deterioration in the performance of an underlying loan could negatively impact our liquidity position.

Other potential sources of financing

In the future, we may also use other sources of financing to fund the acquisition of our target assets, including secured and unsecured forms of borrowing and selective wind-down and dispositions of assets. We may also seek to raise equity capital or issue debt securities in order to fund our future investments.

Liquidity Needs

In addition to our loan origination activity and general operating expenses, our primary liquidity needs include interest and principal payments under our Bank Credit Facility, securitization bonds, and secured debt. Information concerning our contractual obligations and commitments to make future payments, including our commitments to repay borrowings, is included in the following table as of June 30, 2025. This table excludes our obligations that are not fixed and determinable (dollars in thousands):

	Payments Due by Period				
	Total	Less than a Year	1-3 Years	3-5 Years	More than 5 Years
Bank credit facility ⁽¹⁾	\$ 1,238	\$ 413	\$ 825	\$ —	\$ —
Secured debt ⁽²⁾	1,344,344	849,350	146,908	117,239	230,847
Securitization bonds payable ⁽³⁾	1,035,435	849,469	151,894	34,072	—
Ground lease obligations ⁽⁴⁾	24,645	3,185	5,881	4,231	11,348
Office leases	5,047	1,316	2,677	1,054	—
	\$ 2,410,709	\$ 1,703,733	\$ 308,185	\$ 156,596	\$ 242,195
Lending commitments ⁽⁵⁾	111,502				
Total	<u>\$ 2,522,211</u>				

(1) Future interest payments were estimated based on the applicable index at June 30, 2025 and unused commitment fee of 0.25% per annum, assuming principal is repaid on the current maturity date of January 2027.

(2) Amounts include minimum principal and interest obligations through the initial maturity date of the collateral assets. Interest on floating rate debt was determined based on Term SOFR at June 30, 2025.

(3) The timing of future principal payments was estimated based on expected future cash flows of underlying collateral loans. Repayments are estimated to be earlier than contractual maturity only if proceeds from underlying loans are repaid by the borrowers.

- (4) The amounts represent minimum future base rent commitments through initial expiration dates of the respective noncancellable operating ground leases, excluding any contingent rent payments. Rents paid under ground leases are recoverable from tenants.
- (5) Future lending commitments may be subject to certain conditions that borrowers must meet to qualify for such fundings. Commitment amount assumes future fundings meet the terms to qualify for such fundings.

Share Repurchases

In April 2025, our board of directors authorized a stock repurchase program (“Stock Repurchase Program”) under which we may repurchase up to \$50.0 million of our outstanding Class A common stock until April 30, 2026. The Stock Repurchase Program replaces the prior stock repurchase program authorization which expired on April 30, 2025. Under the Stock Repurchase Program, we may repurchase shares in open market purchases, in privately negotiated transactions or otherwise. We have a written trading plan as part of the Share Repurchase Program that provides for share repurchases in open market transactions that is intended to comply with Rule 10b-18 under the Exchange Act. The Stock Repurchase Program will be utilized at our discretion and in accordance with the requirements of the SEC. The timing and actual number of shares repurchased will depend on a variety of factors including price, corporate requirements and other conditions.

During the three months ended June 30, 2025, we repurchased 0.8 million shares of Class A common stock at a weighted average price of \$5.29 per share for an aggregate cost of \$4.0 million.

As of June 30, 2025, there was \$47.1 million remaining available to make repurchases under the Stock Repurchase Program.

On March 31, 2025, we repurchased 0.2 million shares of Class A common stock under the prior stock repurchase program at a weighted average price of \$5.59 per share for an aggregate cost of \$1.1 million. This transaction was reflected in the consolidated financial statements in April 2025 on the settlement date. This stock repurchase occurred under the previous stock repurchase plan which expired in April 2025.

Cash Flows

The following presents a summary of our consolidated statements of cash flows for the six months ended June 30, 2025 and 2024 (dollars in thousands):

Cash flow provided by (used in):	Six Months Ended June 30,		
	2025	2024	Change
Operating activities	\$ 27,927	\$ 47,427	\$ (19,500)
Investing activities	(68,169)	146,263	(214,432)
Financing activities	(158,592)	(267,196)	108,604

Operating Activities

Cash inflows from operating activities are generated primarily through interest received from loans and preferred equity held for investment, and property operating income from our real estate portfolio. This is partially offset by payment of interest expenses for credit facilities and mortgages payable, and operating expenses supporting our various lines of business, including property management and operations, loan servicing and workout of loans in default, investment transaction costs, as well as general administrative costs.

Our operating activities provided net cash inflows of \$27.9 million and \$47.4 million for the six months ended June 30, 2025 and 2024, respectively. Net cash provided by operating activities decreased for the six months ended June 30, 2025 compared to the six months ended June 30, 2024 primarily due to lower net interest income recorded during the six months ended June 30, 2025.

We believe cash flows from operations, available cash balances and our ability to generate cash through short and long-term borrowings are sufficient to fund our operating liquidity needs.

Investing Activities

Investing activities include cash outlays for disbursements on new and/or existing loans, which are partially offset by repayments of loans held for investment.

Investing activities used net cash of \$68.2 million for the six months ended June 30, 2025. Net cash used in investing activities during the six months ended June 30, 2025 resulted primarily from origination and fundings on our loans and preferred equity held for investment, net of \$210.7 million partially offset by repayments on loans and preferred equity held for investment, net of \$146.4 million.

Investing activities generated net cash inflows of \$146.3 million for the six months ended June 30, 2024. Net cash provided by investing activities in 2024 resulted primarily from repayments on loans and preferred equity held for investment, net of \$201.0 million partially offset by the origination and fundings on our loans and preferred equity held for investment, net \$33.4 million.

Financing Activities

We finance our investing activities largely through borrowings secured by our investments along with capital from third party investors. We also have the ability to raise capital in the public markets through issuances of common stock, as well as draws upon our corporate credit facility, to finance our investing and operating activities. Accordingly, we incur cash outlays for payments on third party debt and dividends to our common stockholders.

Financing activities used net cash of \$158.6 million for the six months ended June 30, 2025, which resulted primarily from repayment of credit facilities of \$111.7 million, repayment of securitization bonds of \$106.0 million and distributions paid on common stock of \$41.6 million partially offset by borrowings from credit facilities of \$116.2 million.

Financing activities used net cash of \$267.2 million for the six months ended June 30, 2024, which resulted primarily from repayment of credit facilities of \$166.1 million, distributions paid on common stock of \$52.0 million and repayment of securitization bonds of \$50.2 million.

Our Investment Strategy

Our objective is to generate consistent and attractive risk-adjusted returns to our stockholders. We seek to achieve this objective primarily through cash distributions and the preservation of invested capital. We believe our investment strategy provides flexibility through economic cycles to achieve attractive risk-adjusted returns. This approach is driven by a disciplined investment strategy, focused on:

- leveraging long standing relationships, our organization structure and the experience of the team;
- the underlying real estate and market dynamics to identify investments with attractive risk-return profiles;
- primarily originating and structuring CRE senior loans and selective investments in mezzanine loans and preferred equity with attractive return profiles relative to the underlying value and financial operating performance of the real estate collateral, given the strength and quality of the sponsorship;
- structuring transactions with a prudent amount of leverage, if any, given the risk of the underlying asset's cash flows, attempting to match the structure and duration of the financing with the underlying asset's cash flows, including through the use of hedges, as appropriate; and
- operating our net leased real estate investments and selectively pursuing new investments based on property location and purpose, tenant credit quality, market lease rates and potential appreciation of, and alternative uses for, the real estate.

The period for which we intend to hold our investments will vary depending on the type of asset, interest rates, investment performance, micro and macro real estate environment, capital markets and credit availability, among other factors. We generally expect to hold debt investments until the stated maturity and equity investments in accordance with each investment's proposed business plan. We may sell all or a partial ownership interest in an investment before the end of the expected holding period if we believe that market conditions have maximized its value to us, or the sale of the asset would otherwise be in the best interests of our stockholders.

Our investment strategy is flexible, enabling us to adapt to shifts in economic, real estate and capital market conditions and to exploit market inefficiencies. We may expand or change our investment strategy or target assets over time in response to opportunities available in different economic and capital market conditions. This flexibility in our investment strategy allows us to employ a customized, solutions-oriented approach, which we believe is attractive to borrowers and tenants. We believe that our diverse portfolio, our ability to originate, acquire and manage our target assets and the flexibility of our investment strategy positions us to capitalize on market inefficiencies and generate attractive long-term risk-adjusted returns for our stockholders through a variety of market conditions and economic cycles.

Underwriting, Asset and Risk Management

We closely monitor our portfolio and actively manage risks associated with, among other things, our assets and interest rates. Prior to investing in any particular asset, the underwriting team, in conjunction with third party providers, undertakes a rigorous asset-level due diligence process, involving intensive data collection and analysis, to ensure that we understand fully the state of the market and the risk-reward profile of the asset. Beginning in 2021, our investment and portfolio management and risk assessment practices diligence the environmental, social and governance ("ESG") standards of our business counterparties, including borrowers, sponsors and that of our investment assets and underlying collateral, which may include sustainability initiatives, recycling, energy efficiency and water management, volunteer and charitable efforts, anti-money laundering and

know-your-client policies, and engagement and belonging practices in workforce leadership, composition and hiring practices. Prior to making a final investment decision, we focus on portfolio diversification to determine whether a target asset will cause our portfolio to be too heavily concentrated with, or cause too much risk exposure to, any one borrower, real estate sector, geographic region, source of cash flow for payment or other geopolitical issues. If we determine that a proposed acquisition presents excessive concentration risk, we may determine not to acquire an otherwise attractive asset.

For each asset that we acquire, our asset management team engages in active management of the asset, the intensity of which depends on the attendant risks. The asset manager works collaboratively with the underwriting team to formulate a strategic plan for the particular asset, which includes evaluating the underlying collateral and updating valuation assumptions to reflect changes in the real estate market and the general economy. This plan also generally outlines several strategies for the asset to extract the maximum amount of value from each asset under a variety of market conditions. Such strategies may vary depending on the type of asset, the availability of refinancing options, recourse and maturity, but may include, among others, the restructuring of non-performing or sub-performing loans, the negotiation of discounted payoffs or other modification of the terms governing a loan, and the foreclosure and management of assets underlying non-performing loans in order to reposition them for profitable disposition. We continuously track the progress of an asset against the original business plan to ensure that the attendant risks of continuing to own the asset do not outweigh the associated rewards. Under these circumstances, certain assets will require intensified asset management in order to achieve optimal value realization.

Our asset management team engages in a proactive and comprehensive on-going review of the credit quality of each asset it manages. In particular, for debt investments on at least an annual basis, the asset management team will evaluate the financial wherewithal of individual borrowers to meet contractual obligations as well as review the financial stability of the assets securing such debt investments. Further, there is ongoing review of borrower covenant compliance including the ability of borrowers to meet certain negotiated debt service coverage ratios and debt yield tests. For equity investments, the asset management team, with the assistance of third-party property managers, monitors and reviews key metrics such as occupancy, same-store sales, tenant payment rates, property budgets and capital expenditures. If through this analysis of credit quality, the asset management team encounters declines in credit quality not in accordance with the original business plan, the team evaluates the risks and determines what changes, if any, are required to the business plan to ensure that the attendant risks of continuing to hold the investment do not outweigh the associated rewards.

In addition, the audit committee of our board of directors, in consultation with management, periodically reviews our policies with respect to risk assessment and risk management, including key risks to which we are subject, including credit risk, liquidity risk and market risk, and the steps that management has taken to monitor and control such risks.

Inflation

Virtually all of our assets and liabilities are interest rate sensitive in nature. As a result, interest rates and other factors influence our performance significantly more than inflation does. A change in interest rates may correlate with the inflation rate. Substantially all of the leases at our multifamily properties allow for monthly or annual rent increases which provide us with the opportunity to achieve increases, where justified by the market, as each lease matures. Such types of leases generally minimize the risks of inflation on our multifamily properties.

Refer to Item 3, “Quantitative and Qualitative Disclosures About Market Risk” for additional details.

Critical Accounting Estimates

Our consolidated financial statements are prepared in accordance with accounting principles generally accepted in the United States, or U.S. GAAP, which requires the use of estimates and assumptions that involve the exercise of judgment and that affect the reported amounts of assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. There have been no material changes to our critical accounting estimates described in our Annual Report on Form 10-K for the fiscal year ended December 31, 2024.

Recent Accounting Updates

For recent accounting updates, refer to Note 2, “Summary of Significant Accounting Policies” in our accompanying consolidated financial statements included in Part I, Item 1, “Financial Statements.”

Item 3. Quantitative and Qualitative Disclosures About Market Risk

Our primary market risks are interest rate risk, prepayment risk, extension risk, credit risk, real estate market risk, capital market risk and foreign currency risk, either directly through the assets held or indirectly through investments in unconsolidated ventures.

Interest Rate Risk

Interest rate risk relates to the risk that the future cash flow of a financial instrument will fluctuate because of changes in market interest rates. Interest rate risk is highly sensitive to many factors, including governmental, monetary and tax policies, domestic and international economic and political considerations, international conflicts, inflation and other factors beyond our control. Credit curve spread risk is highly sensitive to the dynamics of the markets for loans and securities we hold. Excessive supply of these assets combined with reduced demand will cause the market to require a higher yield. This demand for higher yield will cause the market to use a higher spread over the U.S. Treasury securities yield curve, or other benchmark interest rates, to value these assets.

As U.S. Treasury securities are priced to a higher yield and/or the spread to U.S. Treasuries used to price the assets increases, the price at which we could sell some of our fixed rate financial assets may decline. Conversely, as U.S. Treasury securities are priced to a lower yield and/or the spread to U.S. Treasuries used to price the assets decreases, the value of our fixed rate financial assets may increase. Fluctuations in SOFR may affect the amount of interest income we earn on our floating rate borrowings and interest expense we incur on borrowings indexed to SOFR, including under credit facilities and investment-level financing.

We may utilize a variety of financial instruments on some of our investments, including interest rate swaps, caps, floors and other interest rate exchange contracts, in order to limit the effects of fluctuations in interest rates on our operations. The use of these types of derivatives to hedge interest-earning assets and/or interest-bearing liabilities carries certain risks, including the risk that losses on a hedge position will reduce the funds available for distribution and that such losses may exceed the amount invested in such instruments. A hedge may not perform its intended purpose of offsetting losses of rising interest rates. Moreover, with respect to certain of the instruments used as hedges, there is exposure to the risk that the counterparties may cease making markets and quoting prices in such instruments, which may inhibit the ability to enter into an offsetting transaction with respect to an open position. Our profitability may be adversely affected during any period as a result of changing interest rates. At June 30, 2025, we held no derivative instruments.

As of June 30, 2025, a hypothetical 100 basis point increase or decrease in the applicable interest rate benchmark on our loan portfolio would increase or decrease interest income by \$5.4 million annually, net of interest expense.

See the “Factors Impacting Our Operating Results” section in “Item 2. Management’s Discussion and Analysis of Financial Condition and Results of Operations” for further discussion on interest rates.

Prepayment risk

Prepayment risk is the risk that principal will be repaid at a different rate than anticipated, resulting in a less than expected return on an investment. As prepayments of principal are received, any premiums paid on such assets are amortized against interest income, while any discounts on such assets are accreted into interest income. Therefore, an increase in prepayment rates has the following impact: (i) accelerates amortization of purchase premiums, which reduces interest income earned on the assets; and conversely, (ii) accelerates accretion of purchase discounts, which increases interest income earned on the assets.

Extension risk

The weighted average life of assets is projected based on assumptions regarding the rate at which borrowers will prepay or extend their mortgages. If prepayment rates decrease or extension options are exercised by borrowers at a rate that deviates significantly from projections, the life of fixed rate assets could extend beyond the term of the secured debt agreements. This in turn could negatively impact liquidity to the extent that assets may have to be sold and losses may be incurred as a result.

Credit risk

Investment in loans held for investment is subject to a high degree of credit risk through exposure to loss from loan defaults. Default rates are subject to a wide variety of factors, including, but not limited to, borrower financial condition, property performance, property management, supply/demand factors, construction trends, consumer behavior, regional economics, interest rates, the strength of the U.S. economy and other factors beyond our control. All loans are subject to a certain probability of default. We manage credit risk through the underwriting process, acquiring investments at the appropriate discount to face value, if any, and establishing loss assumptions. We carefully monitor performance of all loans, including those held through joint venture investments, as well as the external factors that may affect their value.

We are also subject to the credit risk of the tenants in our properties, including business closures, occupancy levels, meeting rent or other expense obligations, lease concessions, and ESG standards and practices among other factors. We seek to undertake a rigorous credit evaluation of the tenants prior to acquiring properties. This analysis includes an extensive due diligence investigation of the tenants’ businesses, as well as an assessment of the strategic importance of the underlying real estate to the respective tenants’ core business operations. Where appropriate, we may seek to augment the tenants’ commitment

to the properties by structuring various credit enhancement mechanisms into the underlying leases. These mechanisms could include security deposit requirements or guarantees from entities that are deemed credit worthy.

Our in-depth understanding of CRE and real estate-related investments, and in-house underwriting, asset management and resolution capabilities, provides us and management with a sophisticated full-service platform to regularly evaluate our investments and determine primary, secondary or alternative strategies to manage the credit risks described above. This includes intermediate servicing and complex and creative negotiating, restructuring of non-performing investments, foreclosure considerations, intense management or development of owned real estate, in each case to manage the risks faced to achieve value realization events in our interests and our stockholders. Solutions considered may include defensive loan or lease modifications, temporary interest or rent deferrals or forbearances, converting current interest payment obligations to payment-in-kind, repurposing reserves and/or covenant waivers. Depending on the nature of the underlying investment and credit risk, we may pursue repositioning strategies through judicious capital investment in order to extract value from the investment or limit losses.

There can be no assurance that the measures we take will be sufficient to address or mitigate the impact of credit risk on our future operating results, liquidity and financial condition.

Real estate market risk

We are exposed to the risks generally associated with the commercial real estate market. The market values of commercial real estate are subject to volatility and may be affected adversely by a number of factors, including, but not limited to, national, regional, and local economic conditions, as well as changes or weakness in specific industry segments, and other macroeconomic factors beyond our control which have and may continue to affect occupancy rates, capitalization rates and absorption rates. This in turn could impact the performance of tenants and borrowers. We seek to manage these risks through our underwriting due diligence and asset management processes and the solutions-oriented process described above.

Capital markets risk

We are exposed to risks related to the debt capital markets, specifically the ability to finance our business through borrowings under secured revolving repurchase facilities, secured and unsecured warehouse facilities or other debt instruments. We seek to mitigate these risks by monitoring the debt capital markets to inform our decisions on the amount, timing and terms of our borrowings.

Our Master Repurchase Facilities are partial recourse, and margin call provisions do not permit valuation adjustments based on capital markets events; rather they are limited to collateral-specific credit marks generally determined on a commercially reasonable basis. For the six months ended June 30, 2025, and through July 29, 2025, we have not received any margin calls under our Master Repurchase Facilities.

We have amended our Bank Credit Facility and Master Repurchase Facilities to adjust certain covenants (such as the tangible net worth covenant), reduce advance rates on certain financed assets, obtain margin call holidays and permitted modification flexibilities, in an effort to mitigate the risk of future compliance issues, including margin calls, under our financing arrangements.

Foreign Currency Risk

We previously had foreign currency rate exposures related to our prior foreign currency-denominated investments held by our foreign subsidiaries. Changes in foreign currency rates could have adversely affected the fair values and earning of our non-U.S. holdings. We generally mitigated this foreign currency risk by utilizing currency instruments to hedge our prior net investments in our foreign subsidiaries. The type of hedging instruments that we employed on our foreign subsidiary investments were put options.

We had no foreign exchange contracts in place at June 30, 2025. The maturity dates of the prior instruments approximated the projected dates of related cash flows for specific investments. Termination or maturity of currency hedging instruments may have resulted in an obligation for payment to or from the counterparty to the hedging agreement. We were exposed to credit loss in the event of non-performance by counterparties for these contracts. To manage this risk, we selected major international banks and financial institutions as counterparties and performed a quarterly review of the financial health and stability of our trading counterparties. No counterparty defaulted on its obligations when we held foreign exchange contracts.

Item 4. Controls and Procedures

Evaluation of Disclosure Controls and Procedures

We maintain disclosure controls and procedures, as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act, that are designed to ensure that information required to be disclosed in our Exchange Act reports is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms, and that such information is accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosure.

As required by Rule 13a-15(b) under the Exchange Act, our management carried out an evaluation, under the supervision and with the participation of our Chief Executive Officer and Chief Financial Officer, of the effectiveness of our disclosure controls and procedures. Based on this evaluation, our Chief Executive Officer and Chief Financial Officer concluded that as of June 30, 2025, our disclosure controls and procedures were effective at providing reasonable assurance regarding the reliability of the information required to be disclosed by us in reports that we file under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in SEC rules and forms.

Changes in Internal Control over Financial Reporting

There have been no changes in our internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) during the most recent fiscal quarter that materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II—Other Information

Item 1. Legal Proceedings

The Company is not currently subject to any material legal proceedings. We anticipate that we may from time to time be involved in legal actions arising in the ordinary course of business, the outcome of which we would not expect to have a material adverse effect on our financial position, results of operations or cash flow.

Item 1A. Risk Factors

In addition to the other information in this Quarterly Report on Form 10-Q, you should carefully consider the risks described in our Annual Report on Form 10-K for the year ended December 31, 2024, in Part I, Item 1A, Risk Factors, and in our other filings with the SEC. These factors may materially affect our business, financial condition and operating results. There have been no material changes to the risk factors relating to the Company disclosed in our Form 10-K for the year ended December 31, 2024.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

There were no sales of unregistered securities of our Company during the six months ended June 30, 2025.

Purchases of Equity Securities by Issuer

The following table summarizes the repurchase of common stock for the three months ended June 30, 2025 (in thousands, except per share data):

Period	Total number of shares purchased	Average price paid per share	Total number of shares purchased as part of publicly announced plans or programs	Maximum number (or approximate dollar value) of shares that may yet be purchased under the plans or programs ⁽¹⁾⁽²⁾
April 1 - 30, 2025	—	\$ —	—	\$ —
May 1 - 31, 2025	561	5.19	561	47,089
June 1 - 30, 2025	—	—	—	—
Total	561	\$ 5.19	561	\$ 47,089

(1) In April 2024, the Company's board of directors authorized a Stock Repurchase Program under which the Company may repurchase up to \$50.0 million of its outstanding Class A common stock until April 30, 2025. A new stock repurchase program was entered into in April 2025 under which the Company may repurchase up to \$50.0 million of its outstanding Class A common stock until April 30, 2026.

(2) Excludes 196,000 shares which were repurchased in March 2025 under the prior stock repurchase program and settled in April 2025, in accordance with the Company's policy.

Item 3. Defaults Upon Senior Securities

None.

Item 4. Mine Safety Disclosures

Not applicable.

Item 5. Other Information

During the six months ended June 30, 2025, no director or officer of the Company adopted or terminated a "Rule 10b5-1 trading arrangement" or "non-Rule 10b5-1 trading arrangement," as each term is defined in Item 408(a) of Regulation S-K.

New Tax Legislation

Effective July 4, 2025, certain changes to U.S. tax law were approved that impact us and our stockholders. Among other changes, this legislation (i) permanently extended the 20% deduction for "qualified REIT dividends" for individuals and other non-corporate taxpayers under Section 199A of the Internal Revenue Code of 1986, as amended (the "Code"); (ii) increased the percentage limit under the REIT asset test applicable to taxable REIT subsidiaries ("TRSs") from 20% to 25% for taxable years beginning after December 31, 2025, and (iii) increases the base on which the 30% interest deduction limit under Section 163(j) of the Code applies by excluding depreciation, amortization and depletion from the definition of "adjusted taxable income" (i.e. based on EBITDA rather than EBIT) for taxable years beginning after December 31, 2024.

Impairment

In June 2025, an investment subsidiary reached a maturity default on its bond financing collateralized by the Company's Norwegian net lease office campus. Following the maturity default, on June 19, the lenders exercised remedies and took control by equity pledge of the underlying investment subsidiary, requiring deconsolidation of the assets and liabilities from the Company's consolidated balance sheet. The deconsolidation resulted in impairment loss of \$49.3 million. The Company has no further involvement in the Norwegian net lease office campus.

Item 6. Exhibits
EXHIBIT INDEX

Exhibit Number	Description of Exhibit
3.1	Articles of Amendment and Restatement of BrightSpire Capital, Inc., as amended (incorporated by reference to Exhibit 3.1 to the Company's Quarterly Report on Form 10-Q (No. 001-38377) for the quarter ended June 30, 2021 filed on August 5, 2021)
3.2	Fifth Amended and Restated Bylaws of BrightSpire Capital, Inc., as amended (incorporated by reference to Exhibit 3.2 to the Company's Quarterly Report on Form 10-Q (No. 001-38377) for the quarter ended March 31, 2023 filed on May 3, 2023)
10.1*	Amendment No. 5 to Master Repurchase and Securities Contract, dated as of April 8, 2025 by and between BrightSpire Credit 8, LLC (f/k/a CLNC Credit 8, LLC) and Wells Fargo Bank, National Association
10.2*	Amendment No. 6 to Master Repurchase and Securities Contract, dated as of June 20, 2025 by and between BrightSpire Credit 8, LLC (f/k/a CLNC Credit 8, LLC) and Wells Fargo Bank, National Association
31.1*	Certification by the Chief Executive Officer pursuant to 17 CFR 240.13a-14(a)/15d-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
31.2*	Certification by the Chief Financial Officer pursuant to 17 CFR 240.13a-14(a)/15d-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
32.1*	Certification by the Chief Executive Officer pursuant to Rule 13a-14(b) under the Securities Exchange Act of 1934 and 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
32.2*	Certification by the Chief Financial Officer pursuant to Rule 13a-14(b) under the Securities Exchange Act of 1934 and 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
101.INS*	XBRL Instance Document - the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document
101.SCH*	Inline XBRL Taxonomy Extension Schema Document
101.CAL*	Inline XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF*	Inline XBRL Taxonomy Extension Definition Linkbase Document
101.LAB*	Inline XBRL Taxonomy Extension Label Linkbase Document
101.PRE*	Inline XBRL Taxonomy Extension Presentation Linkbase Document
104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101)

* Filed herewith

† Denotes a management contract or compensatory plan, contract or arrangement.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

Dated: July 30, 2025

BRIGHTSPIRE CAPITAL, INC.

By: /s/ Michael J. Mazzei
Michael J. Mazzei
Chief Executive Officer
(Principal Executive Officer)

By: /s/ Frank V. Saracino
Frank V. Saracino
Chief Financial Officer
(Principal Accounting Officer)

AMENDMENT NO. 5 TO MASTER REPURCHASE AND SECURITIES CONTRACT

AMENDMENT NO. 5 TO MASTER REPURCHASE AND SECURITIES CONTRACT, dated as of April 8, 2025 (this “Amendment”) by and between BrightSpire Credit 8, LLC (f/k/a CLNC Credit 8, LLC), a Delaware limited liability company (“Seller”) and WELLS FARGO BANK, NATIONAL ASSOCIATION, a national banking association (“Buyer”). Capitalized terms used but not otherwise defined herein shall have the meanings given to them in the Repurchase Agreement (as defined below).

RECITALS

WHEREAS, Seller and Buyer are parties to that certain Master Repurchase and Securities Contract, dated as of November 2, 2018 (as amended by Amendment No. 1 to Master Repurchase and Securities Contract, by and between Seller and Buyer, dated as of November 1, 2019, as further amended by that certain Amendment No. 2 to Master Repurchase and Securities Contract, by and between Seller and Buyer, dated as of May 4, 2021, as further amended by that certain Amendment No. 3 to Master Repurchase and Securities Contract, by and between Seller and Buyer, dated as of February 17, 2022, as further amended by that certain Amendment No. 4 to Master Repurchase and Securities Contract, by and between Seller and Buyer, dated as of June 22, 2022, as amended hereby, and as may be further amended, restated, supplemented or otherwise modified and in effect from time to time, the “Repurchase Agreement”); and

WHEREAS, Seller and Buyer have agreed, subject to the terms and conditions hereof, that the Repurchase Agreement shall be amended as set forth in this Amendment; and BRIGHTSPIRE CAPITAL OPERATING COMPANY, LLC (f/k/a Credit RE Operating Company, LLC) (“Guarantor”) has agreed, subject to the terms and conditions hereof, to make the acknowledgements set forth herein.

NOW THEREFORE, in consideration of the premises and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Seller and Buyer hereby agree as follows:

SECTION 1. Repurchase Agreement Amendments. Buyer and Seller hereby agree that the Repurchase Agreement shall be amended and modified as follows:

a. The defined term “Servicer Account”, as set forth in Article 2 of the Repurchase Agreement, is hereby amended and restated in its entirety to read as follows:

“Servicer Account”: The segregated, non-interest bearing account, created and maintained pursuant to the Servicing Agreement, which shall be in Servicer’s name on behalf of Buyer pursuant to the Servicing Agreement.

b. Section 5.01 of the Repurchase Agreement, is hereby amended and restated in its entirety to read as follows:

The Waterfall Account shall be established at Deposit Account Bank. Buyer shall have sole dominion and control over the Waterfall Account (including, without

limitation, “control” within the meaning of Section 9-104(a)(2) of the UCC). Neither Seller nor any Person claiming through or under Seller shall have any claim to or interest in either the Waterfall Account. All Income received by Seller, Buyer, any Servicer or Deposit Account Bank in respect of the Purchased Assets that consists of Significant Principal Payments shall be transferred, subject to the applicable provisions of the Servicing Agreement, by Servicer from the Servicer Account into the Waterfall Account promptly, and in no event later than two (2) Business Days of receipt thereof, and all such Income other than Significant Principal Payments shall be transferred, subject to the applicable provisions of the Servicing Agreement, by Servicer from the Servicer Account into the Waterfall Account promptly, and in no event later than two (2) Business Days prior to the next Remittance Date. All such Income, once deposited in the Waterfall Account, shall be applied to and remitted by Deposit Account Bank in accordance with this Article 5.

SECTION 2. Conditions Precedent. This Amendment and its provisions shall become effective on the first date (the “Amendment Effective Date”) on which this Amendment is duly executed and delivered by each of Seller, Buyer and Guarantor.

SECTION 3. Representations and Warranties. On and as of the date first above written, Seller hereby represents and warrants to Buyer that (a) it is in compliance with all the terms and provisions set forth in the Repurchase Agreement on its part to be observed or performed, (b) after giving effect to this Amendment, no Default or Event of Default under the Repurchase Agreement has occurred and is continuing, and (c) after giving effect to this Amendment, the representations and warranties contained in Article 9 of the Repurchase Agreement are true and correct in all respects as though made on such date (except for any such representation or warranty that by its terms refers to a specific date other than the date first above written, in which case it shall be true and correct in all respects as of such other date).

SECTION 4. Acknowledgments of Guarantor. Guarantor hereby acknowledges the execution and delivery of this Amendment by Seller and Buyer and agrees that it continues to be bound by that certain Guarantee Agreement, dated as of November 2, 2018 (as may be amended, restated, supplemented or otherwise modified and in effect from time to time, the “Guarantee Agreement”), made by Guarantor in favor of Buyer, notwithstanding the execution and delivery of this Amendment and the impact of the changes set forth herein.

SECTION 5. Limited Effect. Except as expressly amended and modified by this Amendment, the Repurchase Agreement and each of the other Repurchase Documents shall continue to be, and shall remain, in full force and effect in accordance with their respective terms; provided, however, that upon the date hereof (a) all references in the Repurchase Agreement to the “Repurchase Documents” shall be deemed to include, in any event, this Amendment, and (b) each reference to the “Repurchase Agreement” in any of the Repurchase Documents shall be deemed to be a reference to the Repurchase Agreement, as amended hereby.

SECTION 6. No Novation, Effect of Agreement. The parties hereto have entered into this Amendment solely to amend the terms of the Repurchase Agreement and do not

intend this Amendment or the transactions contemplated hereby to be, and this Amendment and the transactions contemplated hereby shall not be construed to be, a novation of any of the obligations owing by Seller, Guarantor or any of their respective affiliates (the “Repurchase Parties”) under or in connection with the Repurchase Agreement or any of the other Repurchase Documents. It is the intention of each of the parties hereto that (i) the perfection and priority of all security interests securing the payment of the obligations of the Repurchase Parties under the Repurchase Agreement are preserved and (ii) the liens and security interests granted under the Repurchase Agreement continue in full force and effect.

SECTION 7. Counterparts. This Amendment may be executed in counterparts, each of which so executed shall be deemed to be an original, but all of such counterparts shall together constitute but one and the same instrument. Delivery of an executed counterpart of a signature page to this Amendment in Portable Document Format (.PDF) or by facsimile transmission shall be effective as delivery of a manually executed original counterpart thereof.

SECTION 8. Costs and Expenses. Seller shall pay Buyer’s reasonable actual out of pocket costs and expenses incurred in connection with the preparation, negotiation, execution and consummation of this Amendment in accordance with the Repurchase Agreement.

SECTION 9. Waivers. (a) Each of Seller and Guarantor acknowledges and agrees that as of the date hereof it has no defenses, rights of setoff, claims, counterclaims or causes of action of any kind or description against Buyer arising under or in respect of the Repurchase Agreement, the Guarantee Agreement or any other Repurchase Document and any such defenses, rights of setoff, claims, counterclaims or causes of action which may exist as of the date hereof are hereby irrevocably waived, and (b) in consideration of Buyer entering into this Amendment, Seller and Guarantor hereby waive, release and discharge Buyer and Buyer’s officers, employees, representatives, agents, counsel and directors from any and all actions, causes of action, claims, demands, damages and liabilities of whatever kind or nature, in law or in equity, now known or unknown, suspected or unsuspected to the extent that any of the foregoing arise out of or from or in any way relating to or in connection with the Repurchase Agreement, the Guarantee Agreement or the other Repurchase Documents, in each case occurring or existing on or prior to the date hereof, including, but not limited to, any action or failure to act under the Repurchase Agreement, the Guarantee Agreement or the other Repurchase Documents on or prior to the date hereof, except, with respect to any such Person being released hereby, any actions, causes of action, claims, demands, damages and liabilities arising out of such Person’s gross negligence or willful misconduct in connection with the Repurchase Agreement or the other Repurchase Documents.

SECTION 10. Submission to Jurisdiction. Each party irrevocably and unconditionally (i) submits to the non-exclusive jurisdiction of any United States Federal or New York State court sitting in Manhattan, and any appellate court from any such court, solely for the purpose of any suit, action or proceeding brought to enforce its obligations under this Amendment or relating in any way to this Amendment and (ii) waives, to the fullest extent it may effectively do so, any defense of an inconvenient forum to the maintenance of such action or

proceeding in any such court and any right of jurisdiction on account of its place of residence or domicile.

To the extent that either party has or hereafter may acquire any immunity (sovereign or otherwise) from any legal action, suit or proceeding, from jurisdiction of any court or from set off or any legal process (whether service or notice, attachment prior to judgment, attachment in aid of execution of judgment, execution of judgment or otherwise) with respect to itself or any of its property, such party hereby irrevocably waives and agrees not to plead or claim such immunity in respect of any action brought to enforce its obligations under this Amendment or relating in any way to this Amendment.

The parties hereby irrevocably waive, to the fullest extent each may effectively do so, the defense of an inconvenient forum to the maintenance of such action or proceeding and irrevocably consent to the service of any summons and complaint and any other process by the mailing of copies of such process to them at their respective address specified in the Repurchase Agreement. The parties hereby agree that a final judgment in any such action or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law. Nothing in this Section 11 shall affect the right of Buyer to serve legal process in any other manner permitted by law or affect the right of Buyer to bring any action or proceeding against Seller or its property in the courts of other jurisdictions.

SECTION 11. WAIVER OF JURY TRIAL. EACH OF THE PARTIES HEREBY IRREVOCABLY WAIVES ALL RIGHT TO A TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM ARISING OUT OF OR RELATING TO THIS AMENDMENT.

SECTION 12. GOVERNING LAW. THIS AMENDMENT AND ANY CLAIM, CONTROVERSY OR DISPUTE ARISING UNDER OR RELATED TO THIS AMENDMENT, THE RELATIONSHIP OF THE PARTIES TO THIS AMENDMENT, AND/OR THE INTERPRETATION AND ENFORCEMENT OF THE RIGHTS AND DUTIES OF THE PARTIES TO THIS AMENDMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE INTERNAL LAWS AND DECISIONS OF THE STATE OF NEW YORK, WITHOUT REGARD TO THE CHOICE OF LAW RULES THEREOF. THE PARTIES HERETO INTEND THAT THE PROVISIONS OF SECTION 5-1401 OF THE NEW YORK GENERAL OBLIGATIONS LAW SHALL APPLY TO THIS AMENDMENT.

[Signature Pages to Follow]

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be duly executed and delivered as of the day and year first above written.

BUYER:

WELLS FARGO BANK, NATIONAL ASSOCIATION,
a national banking association

By: /s/ Allen Lewis
Name: Allen Lewis
Title: Managing Director

SELLER:

BRIGHTSPIRE CREDIT 8, LLC, a Delaware limited liability company

By: /s/ David A. Palamé
Name: David A. Palamé
Title: Vice President

Acknowledged:

BRIGHTSPIRE CAPITAL OPERATING COMPANY, LLC, a Delaware
limited liability company

By: /s/ David A. Palamé
Name: David A. Palamé
Title: Vice President

AMENDMENT NO. 6 TO MASTER REPURCHASE AND SECURITIES CONTRACT

AMENDMENT NO. 6 TO MASTER REPURCHASE AND SECURITIES CONTRACT, dated as of June 20, 2025 (this “Amendment”) by and between BRIGHTSPIRE CREDIT 8, LLC (f/k/a CLNC Credit 8, LLC), a Delaware limited liability company (“Seller”) and WELLS FARGO BANK, NATIONAL ASSOCIATION, a national banking association (“Buyer”). Capitalized terms used but not otherwise defined herein shall have the meanings given to them in the Repurchase Agreement (as defined below).

RECITALS

WHEREAS, Seller and Buyer are parties to that certain Master Repurchase and Securities Contract, dated as of November 2, 2018 (as amended by that certain Amendment No. 1 to Master Repurchase and Securities Contract, by and between Seller and Buyer, dated as of November 1, 2019, as further amended by that certain Amendment No. 2 to Master Repurchase and Securities Contract, by and between Seller and Buyer, dated as of May 4, 2021, as further amended by that certain Amendment No. 3 to Master Repurchase and Securities Contract, by and between Seller and Buyer, dated as of February 17, 2022, as further amended by that certain Amendment No. 4 to Master Repurchase and Securities Contract, by and between Seller and Buyer, dated as of June 22, 2022, as further amended by that certain Amendment No. 5 to Master Repurchase and Securities Contract, by and between Seller and Buyer, dated as of April 8, 2025, as amended hereby, and as may be further amended, restated, supplemented or otherwise modified and in effect from time to time, the “Repurchase Agreement”); and

WHEREAS, Seller and Buyer have agreed, subject to the terms and conditions hereof, that the Repurchase Agreement shall be amended as set forth in this Amendment; and BRIGHTSPIRE CAPITAL OPERATING COMPANY, LLC (f/k/a Credit RE Operating Company, LLC) (“Guarantor”) has agreed, subject to the terms and conditions hereof, to make the acknowledgements set forth herein.

NOW THEREFORE, in consideration of the premises and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Seller and Buyer hereby agree as follows:

SECTION 1. Repurchase Agreement Amendments. Buyer and Seller hereby agree that the Repurchase Agreement shall be amended and modified as follows:

a. Article 2 of the Repurchase Agreement is hereby amended by inserting the following new definitions in the appropriate alphabetical order:

“Sixth Amendment Effective Date”: June 20, 2025.

“Sixth Amendment Structuring Fee”: The meaning set forth in the Fee Letter, which definition is incorporated by reference herein.

b. The defined term “Facility Termination Date”, as set forth in Article 2 of the Repurchase Agreement is hereby amended and restated in its entirety to read as follows:

“Facility Termination Date”: The earliest to occur of (a) June 22, 2028, as such date may be extended pursuant to Section 3.06(a), (b) an Accelerated Repurchase Date, and (c) any date on which the Facility Termination Date shall otherwise occur in accordance with the provisions hereof or Requirements of Law.

c. Article 3 of the Repurchase Agreement is hereby amended by inserting the following new Section 3.07(b)(vii) at the end thereof in appropriate numerical order:

“(vii) the Sixth Amendment Structuring Fee, which shall be due and payable to Buyer by Seller in accordance with the terms and conditions set forth in Section 2 of the Fee Letter, which terms and provisions are incorporated herein.”

SECTION 2. Conditions Precedent. This Amendment and its provisions shall become effective on the first date (the “Amendment Effective Date”) on which (i) this Amendment is duly executed and delivered by each of Seller, Buyer and Guarantor, (ii) the Buyer shall have received payment from Seller of the initial installment of the Sixth Amendment Structuring Fee, and (iii) Seller shall have delivered to Buyer opinions of counsel to Seller and Guarantor, each in form and substance acceptable to Buyer and its counsel, along with delivery to Buyer of such other documents as Buyer or counsel to Buyer may reasonably request.

SECTION 3. Representations and Warranties. On and as of the date first above written, Seller hereby represents and warrants to Buyer that (a) it is in compliance with all the terms and provisions set forth in the Repurchase Agreement on its part to be observed or performed, (b) after giving effect to this Amendment, no Default or Event of Default under the Repurchase Agreement has occurred and is continuing, and (c) after giving effect to this Amendment, the representations and warranties contained in Article 9 of the Repurchase Agreement are true and correct in all respects as though made on such date (except for any such representation or warranty that by its terms refers to a specific date other than the date first above written, in which case it shall be true and correct in all respects as of such other date).

SECTION 4. Acknowledgments of Guarantor. Guarantor hereby acknowledges the execution and delivery of this Amendment by Seller and Buyer and agrees that it continues to be bound by that certain Guarantee Agreement, dated as of November 2, 2018 (as amended by that certain Amendment to Guarantee Agreement, dated as of May 7, 2020, as further amended by that certain Second Amendment to Guarantee Agreement, dated as of April 13, 2021, as further amended by that certain Third Amendment to Guarantee Agreement, dated as of January 28, 2022, as further amended by that certain Fourth Amendment to Guarantee Agreement, dated as of June 22, 2022, and as may be further amended, restated, supplemented or otherwise modified and in effect from time to time, the “Guarantee Agreement”), made by Guarantor in favor of Buyer, notwithstanding the execution and delivery of this Amendment and the impact of the changes set forth herein.

SECTION 5. Limited Effect. Except as expressly amended and modified by this Amendment, the Repurchase Agreement and each of the other Repurchase Documents shall continue to be, and shall remain, in full force and effect in accordance with their respective terms; provided, however, that upon the date hereof (a) all references in the Repurchase Agreement to the “Repurchase Documents” shall be deemed to include, in any event, this

Amendment, and (b) each reference to the “Repurchase Agreement” in any of the Repurchase Documents shall be deemed to be a reference to the Repurchase Agreement, as amended hereby.

SECTION 6. No Novation, Effect of Agreement. The parties hereto have entered into this Amendment solely to amend the terms of the Repurchase Agreement and do not intend this Amendment or the transactions contemplated hereby to be, and this Amendment and the transactions contemplated hereby shall not be construed to be, a novation of any of the obligations owing by Seller, Guarantor or any of their respective affiliates (the “Repurchase Parties”) under or in connection with the Repurchase Agreement or any of the other Repurchase Documents. It is the intention of each of the parties hereto that (i) the perfection and priority of all security interests securing the payment of the obligations of the Repurchase Parties under the Repurchase Agreement are preserved and (ii) the liens and security interests granted under the Repurchase Agreement continue in full force and effect.

SECTION 7. Counterparts. This Amendment may be executed in counterparts, each of which so executed shall be deemed to be an original, but all of such counterparts shall together constitute but one and the same instrument. Delivery of an executed counterpart of a signature page to this Amendment in Portable Document Format (.PDF) or by facsimile transmission shall be effective as delivery of a manually executed original counterpart thereof.

SECTION 8. Costs and Expenses. Seller shall pay Buyer’s reasonable actual out of pocket costs and expenses incurred in connection with the preparation, negotiation, execution and consummation of this Amendment in accordance with the Repurchase Agreement.

SECTION 9. Waivers. (a) Each of Seller and Guarantor acknowledges and agrees that as of the date hereof it has no defenses, rights of setoff, claims, counterclaims or causes of action of any kind or description against Buyer arising under or in respect of the Repurchase Agreement, the Guarantee Agreement or any other Repurchase Document and any such defenses, rights of setoff, claims, counterclaims or causes of action which may exist as of the date hereof are hereby irrevocably waived, and (b) in consideration of Buyer entering into this Amendment, Seller and Guarantor hereby waive, release and discharge Buyer and Buyer’s officers, employees, representatives, agents, counsel and directors from any and all actions, causes of action, claims, demands, damages and liabilities of whatever kind or nature, in law or in equity, now known or unknown, suspected or unsuspected to the extent that any of the foregoing arise out of or from or in any way relating to or in connection with the Repurchase Agreement, the Guarantee Agreement or the other Repurchase Documents, in each case occurring or existing on or prior to the date hereof, including, but not limited to, any action or failure to act under the Repurchase Agreement, the Guarantee Agreement or the other Repurchase Documents on or prior to the date hereof, except, with respect to any such Person being released hereby, any actions, causes of action, claims, demands, damages and liabilities arising out of such Person’s gross negligence or willful misconduct in connection with the Repurchase Agreement or the other Repurchase Documents.

SECTION 10. Submission to Jurisdiction. Each party irrevocably and unconditionally (i) submits to the non-exclusive jurisdiction of any United States Federal or New York State court sitting in Manhattan, and any appellate court from any such court, solely for the purpose of any suit, action or proceeding brought to enforce its obligations under this

Amendment or relating in any way to this Amendment and (ii) waives, to the fullest extent it may effectively do so, any defense of an inconvenient forum to the maintenance of such action or proceeding in any such court and any right of jurisdiction on account of its place of residence or domicile.

To the extent that either party has or hereafter may acquire any immunity (sovereign or otherwise) from any legal action, suit or proceeding, from jurisdiction of any court or from set off or any legal process (whether service or notice, attachment prior to judgment, attachment in aid of execution of judgment, execution of judgment or otherwise) with respect to itself or any of its property, such party hereby irrevocably waives and agrees not to plead or claim such immunity in respect of any action brought to enforce its obligations under this Amendment or relating in any way to this Amendment.

The parties hereby irrevocably waive, to the fullest extent each may effectively do so, the defense of an inconvenient forum to the maintenance of such action or proceeding and irrevocably consent to the service of any summons and complaint and any other process by the mailing of copies of such process to them at their respective address specified in the Repurchase Agreement. The parties hereby agree that a final judgment in any such action or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law. Nothing in this Section 11 shall affect the right of Buyer to serve legal process in any other manner permitted by law or affect the right of Buyer to bring any action or proceeding against Seller or its property in the courts of other jurisdictions.

SECTION 11. WAIVER OF JURY TRIAL. EACH OF THE PARTIES HEREBY IRREVOCABLY WAIVES ALL RIGHT TO A TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM ARISING OUT OF OR RELATING TO THIS AMENDMENT.

SECTION 12. GOVERNING LAW. THIS AMENDMENT AND ANY CLAIM, CONTROVERSY OR DISPUTE ARISING UNDER OR RELATED TO THIS AMENDMENT, THE RELATIONSHIP OF THE PARTIES TO THIS AMENDMENT, AND/OR THE INTERPRETATION AND ENFORCEMENT OF THE RIGHTS AND DUTIES OF THE PARTIES TO THIS AMENDMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE INTERNAL LAWS AND DECISIONS OF THE STATE OF NEW YORK, WITHOUT REGARD TO THE CHOICE OF LAW RULES THEREOF. THE PARTIES HERETO INTEND THAT THE PROVISIONS OF SECTION 5-1401 OF THE NEW YORK GENERAL OBLIGATIONS LAW SHALL APPLY TO THIS AMENDMENT.

[Signature Pages to Follow]

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be duly executed and delivered as of the day and year first above written.

BUYER:

WELLS FARGO BANK, NATIONAL ASSOCIATION,
a national banking association

By: /s/ Allen Lewis
Name: Allen Lewis
Title: Managing Director

SELLER:

BRIGHTSPIRE CREDIT 8, LLC, a Delaware limited liability company

By: /s/ David A. Palamé
Name: David A. Palamé
Title: Vice President

Acknowledged:

BRIGHTSPIRE CAPITAL OPERATING COMPANY, LLC, a Delaware
limited liability company

By: /s/ David A. Palamé
Name: David A. Palamé
Title: Vice President

**CERTIFICATION BY THE CHIEF EXECUTIVE OFFICER PURSUANT TO
17 CFR 240.13a-14(a)/15(d)-14(a),
AS ADOPTED PURSUANT TO
SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Michael J. Mazzei, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of BrightSpire Capital, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

By: /s/ Michael J. Mazzei

Michael J. Mazzei
Chief Executive Officer

Date: July 30, 2025

**CERTIFICATION BY THE CHIEF FINANCIAL OFFICER PURSUANT TO
17 CFR 240.13a-14(a)/15(d)-14(a),
AS ADOPTED PURSUANT TO
SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Frank V. Saracino, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of BrightSpire Capital, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

By: /s/ Frank V. Saracino

Frank V. Saracino
Chief Financial Officer

Date: July 30, 2025

**CERTIFICATION BY THE CHIEF EXECUTIVE OFFICER
PURSUANT TO 18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report on Form 10-Q of BrightSpire Capital, Inc. (the “Company”) for the three months ended June 30, 2025, as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I, Michael J. Mazzei, as Chief Executive Officer of the Company, hereby certify, pursuant to 18 U.S.C. Section §1350, as adopted pursuant to Section §906 of the Sarbanes-Oxley Act of 2002, that, to the best of my knowledge:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

By: /s/ Michael J. Mazzei

Michael J. Mazzei
Chief Executive Officer

Date: July 30, 2025

The foregoing certification is being furnished solely pursuant to 18 U.S.C §1350 and shall not be deemed filed by the Company for purposes of Section 18 of the Securities Exchange Act of 1934, as amended or incorporated by reference in any registration statement of the Company filed under the Securities Act of 1933, as amended.

A signed original of this written statement required by Section 906 has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.

**CERTIFICATION BY THE CHIEF FINANCIAL OFFICER
PURSUANT TO 18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report on Form 10-Q of BrightSpire Capital, Inc. (the “Company”) for the three months ended June 30, 2025, as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I, Frank V. Saracino, as Chief Financial Officer of the Company, hereby certify, pursuant to 18 U.S.C. Section §1350, as adopted pursuant to Section §906 of the Sarbanes-Oxley Act of 2002, that, to the best of my knowledge:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

By: /s/ Frank V. Saracino

Frank V. Saracino
Chief Financial Officer

Date: July 30, 2025

The foregoing certification is being furnished solely pursuant to 18 U.S.C §1350 and shall not be deemed filed by the Company for purposes of Section 18 of the Securities Exchange Act of 1934, as amended or incorporated by reference in any registration statement of the Company filed under the Securities Act of 1933, as amended.

A signed original of this written statement required by Section 906 has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.