

Risk Factors Comparison 2024-02-14 to 2023-02-08 Form: 10-K

Legend: **New Text** ~~Removed Text~~ Unchanged Text **Moved Text** Section

We operate in a competitive market for lending and investment opportunities, which may intensify, and competition may limit our ability to originate or acquire desirable loans and investments or dispose of **investments assets we target**, and could also affect the yields of these ~~assets~~ **investments** and have a material adverse effect on our business, financial condition and results of operations. We operate in a competitive market for lending and investment opportunities, which may intensify. Our profitability depends, in large part, on our ability to originate or acquire our **investments target assets** on attractive terms. In originating or acquiring our **investments target assets**, we compete for opportunities with a variety of institutional lenders and investors, including other REITs, specialty finance companies, public and private funds, **commercial and investment banks, commercial finance and insurance companies and other financial institutions** (including ~~funds~~ **investment vehicles** managed by affiliates of Blackstone), ~~commercial and investment banks, commercial finance and insurance companies and other financial institutions~~. Some of our competitors have raised, and may in the future raise, significant amounts of capital, and may have investment objectives that overlap with ours, which may create additional competition for lending and investment opportunities. Some competitors may have a lower cost of funds and access to funding sources that are not available to us, such as the U. S. government. Many of our competitors are not subject to the operating constraints associated with REIT tax compliance or maintenance of an exclusion from regulation under the Investment Company Act. In addition, some of our competitors may have higher risk tolerances or different risk assessments, which could allow them to consider a wider variety of loans and investments, offer more attractive pricing or other terms and establish more relationships than us. Furthermore, competition for originations of ~~and investments in our target assets~~ may lead to decreasing yields, which may further limit our ability to generate desired returns. Also, as a result of this competition, desirable loans and investments ~~in our target assets~~ may be limited in the future and we may not be able to take advantage of attractive lending and investment opportunities from time to time, thereby limiting our ability to identify and originate or acquire loans or make investments that are consistent with our investment objectives. We cannot assure you that the competitive pressures we face will not have a material adverse effect on our business, financial condition and results of operations. If we are unable to successfully integrate new assets or businesses and manage our growth, our results of operations and financial condition may suffer. We have in the past and may in the future significantly increase the size and / or change the mix of our portfolio of assets or acquire or otherwise enter into new lines of business, including through joint ventures. We may be unable to successfully and efficiently integrate newly- acquired assets or businesses into our existing operations or otherwise effectively manage our assets or our growth effectively. In addition, increases in our portfolio of assets and / or changes in the mix of our assets or lines of business may place significant demands on our Manager's administrative, operational, asset management, financial and other resources. Any failure to manage increases in **our** size effectively could adversely affect our results of operations and financial condition. The ~~lack of liquidity~~ **illiquidity in** ~~of~~ certain of our assets may adversely affect our business. The illiquidity of certain of our assets may make it difficult for us to sell such investments, ~~if needed~~. Certain assets such as mortgages, B- Notes, mezzanine and other loans (including participations) and preferred equity, in particular, are relatively illiquid investments due to their short life, are potentially unsuitable for securitization and have a greater difficulty of recovery in the event of a borrower's default. We are also required to hold certain risk retention interests in certain of our securitization transactions. In addition, certain of our investments may become less liquid after our investment as a result of periods of delinquencies or defaults or turbulent market conditions, including due to current market conditions and exacerbated market volatility, which may make it more difficult for us to dispose of such assets at advantageous times or in a timely manner. Moreover, many of the loans and securities we invest in are not registered under the relevant securities laws, resulting in limitations or prohibitions against their transfer, sale, pledge or their disposition. As a result, many of our investments are illiquid, and if we are required to liquidate all or a portion of our portfolio quickly, for example as a result of margin calls, we may realize significantly less than the value at which we have previously recorded our investments. Further, we may face other restrictions on our ability to liquidate an investment to the extent that we or our Manager (and / or its affiliates) has or could be attributed as having material, ~~non-public~~ **nonpublic** information regarding the borrower entity. As a result, our ability to vary our portfolio in response to changes in economic and other conditions may be limited, which could adversely affect our results of operations and financial condition. Any distressed loans or investments we make, or loans and investments that later become distressed, may subject us to losses and other risks, ~~which could include bankruptcy proceedings~~. While our loans and investments focus primarily on "performing" real estate- related interests, our loans and investments may also include making distressed investments from time to time (e. g., investments in defaulted, out- of- favor or distressed loans and debt securities) or may involve investments that become "sub- performing" or "non- performing" following our origination or acquisition thereof. Certain of our investments may include properties that are highly leveraged, with significant burdens on cash flow and, therefore, involve a high degree of ~~financial~~ risk. During an economic downturn or recession, loans or securities of financially or operationally troubled borrowers or issuers are more likely to go into default than loans or securities of other borrowers or issuers. Loans or securities of financially or operationally troubled issuers are less liquid and more volatile than loans or securities of borrowers or issuers not experiencing such difficulties. The market prices of such securities are subject to erratic and abrupt market movements and the spread between bid and ask prices may be greater than normally expected. Investment in the loans or securities of financially or operationally troubled borrowers or issuers involves a high degree of credit and market risk. **The success of our investment strategy depends, in part, on our ability to successfully effectuate loan modifications and / or restructurings.** In certain limited

cases (e. g., in connection with a workout, restructuring and / or foreclosing proceedings involving one or more of our investments), the success of our investment strategy will depend, in part, on our ability to effectuate loan modifications and / or ~~restructure~~ **restructurings with and improve the operations of our borrower borrowers entities**. The activity of identifying and implementing successful ~~modifications and restructuring~~ **modifications and restructuring programs and operating improvements** entails a high degree of uncertainty, **including macroeconomic and borrower- specific factors beyond our control that impact our borrowers and their operations**. There can be no assurance that **any of the loan modifications and restructurings we have effected during the year ended December 31, 2022** will be successful or that (i) we will be able to identify and implement successful ~~modifications and / or restructuring~~ **modifications and / or restructuring programs and improvements** with respect to any other distressed loans or investments we may have from time to time, or (ii) we have sufficient resources to implement such ~~programs~~ **modifications and improvements / or restructurings** in times of widespread market challenges. **These Further, such loan modifications and / or restructuring may entail, among other things, a substantial reduction in the interest rate and / or a substantial write- off of the principal of such loan, debt securities or other interests. Moreover, even if a restructuring were successfully accomplished, a risk exists that, upon maturity of such real estate loan, debt securities or other interests, replacement “ takeout ” financing will not be available. Additionally, such loan modifications may result in our becoming the owner of underlying the real estate. See “ – We may foreclose on certain of the loans we originate or acquire, which could result in losses that harm our results of operations and financial condition,” and “ – If we become the owner of real estate, we are subject to the risks inherent in the ownership and operation of real estate and the construction and development of real estate.” Financial or operating difficulties of our borrowers may result in our being subject to bankruptcy proceedings. Financial or operating difficulties our borrowers may face, such as those described in other risk factors,** may never be overcome and may cause ~~borrower borrowers entities~~ to become subject to bankruptcy or other similar administrative proceedings. **A borrower may be involved in restructurings, insolvency proceedings or reorganizations under the U. S. Bankruptcy Code and the laws and regulations of one or more jurisdictions that may or may not be similar to the U. S. Bankruptcy Code, which may adversely affect the rights or priority of our loans.** There is a possibility that we may incur substantial or total losses on our investments and, in certain circumstances, become subject to certain additional potential liabilities that may exceed the value of our original investment therein. For example, under certain circumstances, a lender that has inappropriately exercised control over the management and policies of a debtor may have its claims subordinated or disallowed or may be found liable for damages suffered by parties as a result of such actions. In any reorganization or liquidation proceeding relating to our investments, we may lose our entire investment, may be required to accept cash or securities with a value less than our original investment and / or may be required to accept different terms, including payment over an extended period of time. In addition, under certain circumstances, payments to us may be reclaimed if any such payment or distribution is later determined to have been a fraudulent conveyance, preferential payment, or similar transaction under applicable bankruptcy and insolvency laws. Furthermore, bankruptcy laws and similar laws applicable to administrative proceedings may delay our ability to realize value from collateral for our loan positions, may adversely affect the economic terms and priority of such loans through doctrines such as equitable subordination or may result in a restructuring of the debt through principles such as the “ cramdown ” provisions of the bankruptcy laws. We may ~~need to~~ foreclose on certain of the loans we originate or acquire, which could result in losses that harm our results of operations and financial condition. We may find it necessary or desirable to foreclose on certain of the loans we originate or acquire, and the foreclosure process may be lengthy and expensive. If we foreclose on an asset, we may take title to the property securing that asset, and if we do not or cannot sell the property, we would then come to own and operate it as “ real estate owned. ” Owning and operating real property involves risks that are different (and in many ways more significant) than the risks faced in owning an asset secured by that property. The costs associated with operating and redeveloping a property, including any operating shortfalls and significant capital expenditures, could materially and adversely affect our results of operations, financial conditions and liquidity. In addition, we may end up owning a property that we would not otherwise have decided to acquire directly at the price of our original investment or at all, and the liquidation proceeds upon sale of the underlying real estate may not be sufficient to recover our cost basis in the loan, resulting in a loss to us. Whether or not we have participated in the negotiation of the terms of any such loans, we cannot assure you as to the adequacy of the protection of the terms of the applicable loan, including the validity or enforceability of the loan and the maintenance of the anticipated priority and perfection of the applicable security interests. Furthermore, claims may be asserted by lenders or borrowers that might interfere with enforcement of our rights. Borrowers may resist foreclosure actions by asserting numerous claims, counterclaims and defenses against us, including, without limitation, lender liability claims and defenses, even when the assertions may have no basis in fact, in an effort to prolong the foreclosure action and seek to force the lender into a modification of the loan or a favorable buy- out of the borrower’ s position in the loan. Foreclosure actions in some U. S. states can take several years or more to litigate and may also be time consuming and expensive to complete in other U. S. states and foreign jurisdictions in which we do business. At any time prior to or during the foreclosure proceedings, the borrower may file for bankruptcy, which would have the effect of staying the foreclosure actions and further delaying the foreclosure process, and could potentially result in a reduction or discharge of a borrower’ s debt. Foreclosure may create a negative public perception of the related property, resulting in a diminution of its value. Even if we are successful in foreclosing on a loan, the liquidation proceeds upon sale of the underlying real estate may not be sufficient to recover our cost basis in the loan, resulting in a loss to us. Furthermore, any costs or delays involved in the foreclosure of the loan or a liquidation of the underlying property will further reduce the net sale proceeds and, therefore, increase any such losses to us. **Accounting standards We may become the owner of real estate through a foreclosure, a deed- in- lieu or otherwise and therefore become subject to the risks inherent in the ownership and operation of real estate and real estate- related businesses and assets. Such investments are subject to the potential for deterioration of real estate fundamentals and the risk of adverse changes in local market and economic conditions, which may include changes in supply of and demand**

for competing properties in an area, changes in interest rates and related increases in borrowing costs, fluctuations in the average occupancy and room rates for hotel properties, changes in demand for commercial office properties (including as a result of an increased prevalence of remote work), changes in the financial resources of tenants, defaults by borrowers or tenants and the lack of availability of mortgage funds, which may render the sale or refinancing of properties difficult or impracticable. In addition, investments in real estate and real estate-related businesses and assets may be subject to the risk of environmental liabilities, contingent liabilities upon disposition of assets, casualty or condemnations losses, energy supply shortages, natural disasters, climate-related risks (including transition risks and acute and chronic physical risks), acts of God, terrorist attacks, war and other events that are beyond our control, and various uninsured or uninsurable risks. Further, investments in real estate and real estate-related businesses and assets are subject to changes in law and regulation, including in respect of building, environmental and zoning laws, rent control and other regulations impacting residential real estate investments and changes to tax laws and regulations, including real property and income tax rates and the taxation of business entities and the deductibility of corporate interest expense. In addition, if we acquire direct or indirect interests in undeveloped land or underdeveloped real property, which may often be non-income producing, we will be subject to the risks normally associated with such assets and development activities, including risks relating to the availability and timely receipt of zoning and other regulatory or environmental approvals, the cost and timely completion of construction (including risks beyond our control, such as weather or labor conditions or material shortages) and the availability of both construction and permanent financing on favorable terms. Further, ownership of real estate may increase our risk of direct and / or indirect liability under environmental laws that impose, regardless of fault, joint and several liability for the cost of remediating contamination and compensation for damages. In addition, changes in environmental laws or regulations or the environmental condition of real estate may create liabilities that did not exist at the time we became the owner of such real estate. Even in cases where we are indemnified against certain liabilities arising out of violations of laws and regulations, including environmental laws and regulations, there can be no assurance as to the financial viability of a third party to satisfy such indemnities or our ability to achieve enforcement of such indemnities. Increases in our CECL reserves have required us to increase our allowance for loan losses which has had and could continue to have an adverse effect on our business and results of operations and may in the future have a material adverse effect on our business, financial condition and results of operations. In June 2016, Our CECL reserves required under the Financial Accounting Standards Board issued, or FASB, Accounting Standards Update 2016 Codification, or ASC, Topic 326 “Financial Instruments – Credit Losses,” or ASC 326, reflect or our current estimate of potential ASU 2016–13. ASU 2016–13 significantly changed how entities measured credit losses for most financial assets and certain other instruments that are not measured at fair value through net income. ASU 2016–13 replaced the incurred loss model under previous guidance with a current expected credit loss, or CECL, model for instruments measured at amortized cost, and required entities to record allowances for available-for-sale debt securities rather than reduce the carrying amount, as they previously did under the other-than-temporary impairment model. The CECL reserve required under ASU 2016–13 is a valuation account that is deducted from the related to our loans’ included in and debt securities’ amortized cost basis on our consolidated balance sheets, and which will reduce our total stockholders’ equity. Our initial Changes to our CECL reserve reserves of \$ 17.7 million recorded on January 1, 2020 was reflected as a direct charge to retained earnings on our consolidated statements of changes in equity; however subsequent changes to the CECL reserve have been, and will continue to be, recognized through net income on our consolidated statements of operations. See Notes 2 and 3 to our consolidated financial statements for further discussion of our CECL reserve reserves. While ASC 326 ASU 2016–13 does not require any particular method for determining the CECL allowance reserves, it does specify the allowance reserves should be based on relevant information about past events, including historical loss experience, current portfolio and market conditions, and reasonable and supportable forecasts for the duration of each respective loan. Because our methodology for determining the CECL allowances reserves may differ from the methodologies employed by other companies, our CECL allowances reserves may not be comparable with the CECL allowances reserves reported by other companies. In addition, other than a few narrow exceptions, ASC 326 ASU 2016–13 requires that all financial instruments subject to the CECL model have some amount of loss reserve to reflect the GAAP principal underlying the CECL model that all loans, debt securities, and similar assets have some inherent risk of loss, regardless of credit quality, subordinate capital, or other mitigating factors. For example, during the year ended December 31, 2022–2023, we recorded an aggregate \$ 211–249.5–8 million increase in the our CECL reserve reserves related to loans receivable, debt securities, and unfunded loan commitments, bringing our total CECL reserve reserves to \$ 342.5–3 million as of December 31, 2022–2023. This These CECL reserve reserves reflects reflect certain impaired loans assessed for impairment in our portfolio, as well as an additional increase in our CECL reserves due to macroeconomic conditions, including inflationary pressures and market volatility. We may be required to make further increases to our CECL reserve reserves in the future, depending on the performance of our portfolio and broader market conditions. Accordingly, and the there adoption of may be volatility in the level of our CECL reserves model materially affected how we determine our allowance for loan losses and requires us to increase our allowance and recognize provisions for loan losses earlier in the credit cycle. Moreover the CECL model has created more volatility in the level of our allowance for loan losses. If we are required to materially increase our CECL reserves level of allowance for loan losses for any reason, such increase could adversely affect our business, financial condition and results of operations. Control may be limited over certain of our loans and investments. Our ability to manage our portfolio of loans and investments may be limited by the form in which they are made. In certain situations, we: • acquire investments subject to rights of senior classes, special servicers or collateral managers under intercreditor, servicing agreements or securitization documents; • pledge our investments as collateral for financing arrangements; • acquire only a minority and / or a non-controlling participation in an underlying investment; • co-invest with others through partnerships, joint ventures or other entities, thereby acquiring non-controlling interests; or • rely on independent

third-party management or servicing with respect to the management of an asset. In addition, in circumstances where we originate or acquire loans relating to borrowers that are owned in whole or part by Blackstone- advised investment vehicles, we often generally forgo all non- economic rights under the loan, including voting rights, so long as Blackstone- advised investment vehicles own such borrowers above a certain threshold. Therefore, we may not be able to exercise control over all aspects of our loans or investments. Such financial assets may involve risks not present in investments where senior creditors, junior creditors, servicers, third- party controlling investors or Blackstone- advised investment vehicles are not involved. Our rights to control the process following a borrower default may be subject to the rights of senior or junior creditors or servicers whose interests may not be aligned with ours. A partner or co- venturer may have financial difficulties resulting in a negative impact on such asset, may have economic or business interests or goals that are inconsistent with ours, or may be in a position to take action contrary to our investment objectives. In addition, we will generally pay all or a portion of the expenses relating to our joint ventures and we may, in certain circumstances, be liable for the actions of our partners or co- venturers. B- Notes, mezzanine loans, and other investments that are subordinated or otherwise junior in an issuer' s capital structure and that involve privately negotiated structures will expose us to greater risk of loss. We may originate or acquire B- Notes, mezzanine loans and other investments (such as preferred equity) that are subordinated or otherwise junior in an issuer' s capital structure and that involve privately negotiated structures. To the extent we invest in subordinated debt or mezzanine tranches of an entity' s capital structure, such investments and our remedies with respect thereto, including the ability to foreclose on any collateral securing such investments, will be subject to the rights of holders of more senior tranches in the issuer' s capital structure and, to the extent applicable, contractual intercreditor, co- lender and / or participation agreement provisions. Significant losses related to such loans or investments could adversely affect our results of operations and financial condition. As the terms of such loans and investments are subject to contractual relationships among lenders, co- lending agents and others, they can vary significantly in their structural characteristics and other risks. For example, the rights of holders of B- Notes to control the process following a borrower default may vary from transaction to transaction. Like B- Notes, mezzanine loans are by their nature structurally subordinated to more senior property- level financings. If a borrower defaults on our mezzanine loan or on debt senior to our loan, or if the borrower is in bankruptcy, our mezzanine loan will be satisfied only after the property- level debt and other senior debt is paid in full. As a result, a partial loss in the value of the underlying collateral can result in a total loss of the value of the mezzanine loan. In addition, even if we are able to foreclose on the underlying collateral following a default on a mezzanine loan, we would be substituted for the defaulting borrower and, to the extent income generated on the underlying property is insufficient to meet outstanding debt obligations on the property, we may need to commit substantial additional capital and / or deliver a replacement guarantee by a creditworthy entity, which may include us, to stabilize the property and prevent additional defaults to lenders with existing liens on the property. In addition, mezzanine loans may have higher loan- to- value ratios than conventional mortgage loans, resulting in less equity in the property and increasing the risk of loss of principal. Significant losses related to our B- Notes and mezzanine loans would result in operating losses for us and may limit our ability to make distributions pay dividends to our stockholders. Loans on properties in transition will may involve a greater risk of loss than conventional mortgage loans. **The majority of our lending involves** ~~We have in the past and may in the future invest in~~ transitional loans to borrowers who are typically seeking relatively short- term capital to be used in an acquisition or rehabilitation of a property. The typical borrower in a transitional loan has usually identified an ~~undervalued~~ asset that **it views has as undervalued, having** been under- managed and / or ~~is~~ located in a recovering market. If **the borrower' s assessment of the asset as undervalued is inaccurate, or if** the market in which the asset is located fails to improve according to the borrower' s projections, or if the borrower fails to improve the quality of the asset' s management and / or the value of the asset, the borrower may not receive a sufficient return on the asset to satisfy the transitional loan, and we bear the risk that we may not recover all or a portion of our investment. **During periods in which there are decreases in demand for certain properties as a result of macroeconomic factors, reductions in the financial resources of tenants and defaults by borrowers or tenants, borrowers face additional challenges in transitioning properties. Market downturns or other adverse macroeconomic factors may affect transitional loans in our portfolio more adversely than loans secured by more stabilized assets. A substantial portion of our loans are secured by office space and similar commercial real estate. This sector has recently been affected by certain macroeconomic factors, such as an increased prevalence of remote work.** In addition, borrowers usually use the proceeds of a ~~conventional mortgage sale or a refinancing~~ to repay a ~~transitional loan~~ . ~~Transitional loans therefore, and both sales and refinancings~~ are subject to the **broader risk of a borrower' s inability to obtain permanent that the underlying collateral may not be liquid and that financing may not be** to repay the transitional loan and to the broader ~~availability- available of conventional mortgages on acceptable terms or at all amenable rates~~ . In the event of any default under ~~transitional one of our loans that may be held by us~~ , we bear the risk of loss of principal and non- payment of interest and fees to the extent of any deficiency between the value of the ~~mortgage underlying~~ collateral and the principal amount and unpaid interest of the ~~transitional~~ loan. To the extent we suffer such losses with respect to **our these transitional** loans, it could adversely affect our results of operations and financial condition. Risks of cost overruns and noncompletion of renovations of properties in transition may result in significant losses. The renovation, refurbishment or expansion of a property **in transition** by a borrower involves risks of cost overruns and noncompletion. Estimates of the costs of improvements to bring an acquired property **in transition** up to standards established for the market position intended for that property may prove inaccurate. **Inflation in the cost of labor and materials, as well as global supply chain shortages or slowdowns can also create challenges for borrowers in transitioning properties.** Other risks may include rehabilitation costs exceeding original estimates, possibly making a project uneconomical, environmental risks, delays in legal and other approvals (e. g., for condominiums) and rehabilitation and subsequent leasing of the property not being completed on schedule. If such renovation is not completed in a timely manner, or if it costs more than expected, the borrower may experience a prolonged reduction of net operating income and may not be able to make payments on our investment on a timely basis or at all, which could result in

significant losses. There are increased risks involved with our construction lending activities. Our construction lending activities, which include our investment in loans that fund the construction or development of real estate- related assets, may expose us to increased lending risks. Construction lending **may generally be considered to** involve a higher degree of risk of non- payment and loss than other types of lending due to a variety of factors, including the difficulties in estimating construction costs and anticipating construction delays (or governmental shut- downs of construction activity) and, generally, the dependency on timely, successful completion and the lease- up and commencement of operations post- completion. In addition, since such loans generally entail greater risk than mortgage loans collateralized by income- producing property, we may **need be required** to increase our **CECL reserves allowance for loan losses** in the future to account for the likely increase in probable incurred credit losses associated with such loans. Further, as the lender under a construction loan, we may be obligated to fund all or a significant portion of the loan at one or more future dates. We may not have the funds available at such future date (s) to meet our funding obligations under the loan. In that event, we would likely be in breach of the loan unless we are able to raise the funds from alternative sources, which we may not be able to achieve on favorable terms or at all. If a borrower fails to complete the construction of a project or experiences cost overruns, there could be adverse consequences associated with the loan, including a decline in the value of the property securing the loan, a borrower claim against us for failure to perform under the loan documents if we choose to stop funding, increased costs to the borrower that the borrower is unable to pay, a bankruptcy filing by the borrower, and abandonment by the borrower of the collateral for the loan. Loans or investments involving international real estate- related assets are subject to special risks that we may not manage effectively, which could have a material adverse effect on our results of operations and financial condition and our ability to **make distributions pay dividends** to our stockholders. We invest a material portion of our capital in assets outside the United States and may increase the percentage of our investments outside the United States over time. Our investments in non- domestic real estate- related assets subject us to certain risks associated with international investments generally, including, among others: • currency exchange matters, including fluctuations in currency exchange rates and costs associated with conversion of investment principal and income from one currency into another, which, **if not adequately hedged,** may have an adverse impact on the valuation of our assets or income, including for purposes of our REIT requirements, **regardless of any hedging activities we undertake, which may not be adequate**; • less developed or efficient financial markets than in the United States, which may lead to potential price volatility and relative illiquidity; • the burdens of complying with international regulatory requirements, including the requirements imposed by exchanges on which our international affiliates list debt securities issued in connection with the financing of our loans or investments involving international real- estate related assets, and prohibitions that differ between jurisdictions; • changes in laws or clarifications to existing laws that could impact our tax treaty positions, which could adversely impact the returns on our investments; • a less developed legal or regulatory environment, differences in the legal and regulatory environment or enhanced legal and regulatory compliance; • political hostility to investments by foreign investors; • higher rates of inflation; • higher transaction costs; • greater difficulty enforcing contractual obligations; • fewer investor protections; • war or other hostilities; • certain economic and political risks, including potential exchange control regulations and restrictions on our non- U. S. investments and repatriation of profits from investments or of capital invested, the risks of political, economic or social instability, the possibility of expropriation or confiscatory taxation and adverse economic and political developments; and • potentially adverse tax consequences. If any of the foregoing risks were to materialize, they could adversely affect our results of operations and financial condition and our ability to **make distributions pay dividends** to our stockholders. A prolonged economic slowdown, a lengthy or severe recession or declining real estate values could impair our investments and harm our operations. We believe the risks associated with our business will be more severe during periods of economic slowdown or recession if these periods are accompanied by declining real estate values. Declining real estate values will likely reduce the level of new mortgage and other real estate- related loan originations since borrowers often use appreciation in the value of their existing properties to support the purchase of or investment in additional properties. Borrowers may also be less able to pay principal and interest on our loans if the value of real estate weakens. Further, declining real estate values significantly increase the likelihood that we will incur losses on our loans in the event of default because the value of our collateral may be insufficient to cover its cost on the loan. Any sustained period of increased payment delinquencies, foreclosures or losses could adversely affect our Manager' s ability to invest in, sell and securitize loans, which would materially and adversely affect our results of operations, financial condition, liquidity and business and our ability to pay dividends to stockholders. Market disruptions in a single country could cause a worsening of conditions on a regional and even global level, and economic problems in a single country are increasingly affecting other markets and economies. A continuation of this trend could result in problems in one country adversely affecting regional and even global economic conditions and markets. For example, concerns about the fiscal stability and growth prospects of certain European countries in the last economic downturn had a negative impact on most economies of the Eurozone and global markets. **More recently In addition,** Russia' s invasion of Ukraine **has and, more recently, conflict and rising tensions in the Middle East have** disrupted energy prices and the movement of goods in Europe **and the Middle East, which has resulted, and may continue to result,** in rising energy costs and inflation more generally, **particularly in Europe**. The occurrence of similar crises in the future could cause increased volatility in the economies and financial markets of countries throughout a region, or even globally. Additionally, global trade disruption, significant introductions of trade barriers and bilateral trade frictions, including due to war or other hostilities, together with any future downturns in the global economy resulting therefrom, could adversely affect our performance. **Concerns regarding the stability of the sovereign debt of certain European countries and other geopolitical issues and market perceptions concerning the instability of the Euro, the potential re- introduction of individual currencies within the Eurozone, or the potential dissolution of the Euro entirely, could adversely affect our business, results of operations and financial condition.** A portion of our investments consists of assets secured by European collateral. The sovereign debt crisis experienced by several European Union (E. U.) countries in 2008- 2012, together with the risk of contagion to other more

financially stable countries, raised a number of uncertainties regarding the stability and overall standing of the European Monetary Union. Concern over such uncertainties has been exacerbated by other geopolitical issues that may affect the Eurozone. Any deterioration in the global or Eurozone economy could have a significant adverse effect on our activities and the value of any European collateral. In addition, we currently hold assets and may acquire additional assets that are denominated in British Pounds Sterling, Euros, Swedish Kronor, Swiss Francs, and Danish Kroner. Any deterioration in the Eurozone economy could have a material adverse effect on the value of our investment in such assets and amplify the currency risks faced by us. If any country were to leave the Eurozone, or if the Eurozone were to break up entirely, the treatment of debt obligations previously denominated in Euros is uncertain. A number of issues would be raised, such as whether obligations that are expressed to be payable in Euros would be re-denominated into a new currency. The answer to this and other questions is uncertain and would depend on the way in which the break-up occurred and also on the nature of the transaction; the law governing it; which courts have jurisdiction in relation to it; the place of payment; and the place of incorporation of the payor. If we were to hold any investments in Euros at the time of any Eurozone exits or break-up, this uncertainty and potential redenomination could have a material adverse effect on the value of our investments and the income from them. The transition away from reference rates and the use of alternative replacement reference rates may adversely affect net interest income related to our loans and investments or otherwise adversely affect our results of operations, cash flows and the market value of our investments. LIBOR and certain other floating rate benchmark indices to which our floating rate loans and other loan agreements are tied, including, without limitation, the Euro Interbank Offered Rate, or EURIBOR, the Stockholm Interbank Offered Rate, or STIBOR, the Australian Bank Bill Swap Reference Rate, or BBSY, the Canadian Dollar Offered Rate, or CDOR, the Swiss Average Rate Overnight, or SARON, and the Copenhagen Interbank Offering Rate, or CIBOR, or collectively, IBORs, have been the subject of national, international and regulatory guidance and proposals for reform. As of December 31, 2021, the ICE Benchmark Association, or IBA, ceased publication of most non-USD LIBOR settings. IBA also previously announced its intention to cease publication of remaining U. S. dollar LIBOR settings immediately after June 30, 2023; however, in November 2022 the U. K. Financial Conduct Authority, which regulates IBA, announced a public consultation regarding whether it should compel IBA to continue publishing “synthetic” USD LIBOR settings from June 2023 to the end of September 2024. Further, on March 15, 2022, the Consolidated Appropriations Act of 2022, which includes the Adjustable Interest Rate (LIBOR) Act, or LIBOR Act, was signed into law in the U. S. This legislation establishes a uniform benchmark replacement process for financial contracts maturing after June 30, 2023 that do not contain clearly defined or practicable fallback provisions. Under the LIBOR Act, such contracts will automatically transition as a matter of law to a Secured Overnight Financing Rate, or SOFR, based replacement rate identified by the Board of Governors of the Federal Reserve System, or Federal Reserve. The legislation also creates a safe harbor that shields lenders from litigation if they choose to utilize a replacement rate recommended by the Federal Reserve. In July 2022, the Federal Reserve issued a notice of proposed rulemaking implementing the LIBOR Act. As of December 31, 2022, no regulations have been promulgated. The Federal Reserve, in conjunction with the Alternative Reference Rates Committee, or ARRC, a steering committee composed of large U. S. financial institutions, identified SOFR, **an a new** index calculated using short-term repurchase agreements backed by **U. S.** Treasury securities, as its preferred alternative rate for USD LIBOR. According to the ARRC, data from the cash and derivatives markets show continued momentum in the transition from LIBOR to SOFR, and SOFR is currently predominant across cash and derivatives markets. As of December 31, 2022 **2023**, one-month term SOFR is utilized as the floating benchmark rate on 76 of our loans, the financing provided by the 2020 FL3 and the 2020 FL2 CLOs, one of our asset-specific financings, certain borrowings under twelve of our credit facilities, and our B-4 Term Loan. As of December 31, 2022, one-month term SOFR was 4.36% and the one-month USD LIBOR was 4.39%. Additionally, market participants have continued to transition from GBP LIBOR to the Sterling Overnight Index Average, or SONIA, in line with guidance from the U. K. regulators. As of December 31, 2022, daily compounded SONIA is utilized as the floating benchmark rate for all of our floating rate **British Pound Sterling** loans and related financings **have**. As of December 31, 2022, 63.5% of our aggregate loan principal balance has either transitioned to the applicable replacement benchmark rate, or its existing **reference a** benchmark rate **that** is not expected to be replaced, and we expect to transition the remaining 36.5% in 2023. At this time, it is not possible to predict how markets will respond in the future to SOFR, SONIA, or other alternative reference rates as the transition away from USD LIBOR and GBP LIBOR proceeds. Despite the LIBOR transition in other markets, benchmark rate methodologies in Europe, Australia, Canada, Switzerland and Denmark have been reformed and rates such as EURIBOR, STIBOR, BBSY, CDOR, SARON and CIBOR may persist as International Organization of Securities Commissions, or IOSCO, compliant reference rates moving forward. However, multi-rate environments may persist in these markets as regulators and working groups have suggested market participants adopt alternative reference rates. As of December 31, 2022, our loan portfolio included \$ 9.6 billion of floating rate investments with maximum maturities extending past 2023 for which the interest rate was tied to USD LIBOR. Additionally, we had \$ 8.3 billion of floating rate debt with maximum maturities extending past 2023 tied to USD LIBOR. Our loan agreements generally allow us to choose a new index based upon comparable information if the current index is no longer available. While recently there has been a significant clarification of guidance across products on the recommended timing and form of certain transition milestones from industry working groups, overall there is still a substantial amount of uncertainty in the marketplace regarding the transition away from IBOR benchmarks. **This While we have completed the transition of our loan portfolio to the extent it was tied to USD LIBOR and other IBOR benchmarks, continuing market developments and** uncertainty and timing can materially impact our approach to IBOR transition efforts, which we have monitored and evaluated throughout 2022 and expect to have to continuously monitor and evaluate through the expected transition by end of year 2023. In addition, any IBOR benchmark may perform differently during any phase-out period than in the past. As such, the potential effect of any such event on our cost of capital and net investment income cannot yet be determined and any changes to benchmark interest rates could increase our financing costs, which could impact our

results of operations, cash flows and the market value of our investments. **The We may need to renegotiate certain of our loan agreements with lenders and borrowers that extend past 2023, which could require us to incur significant expense and may subject us to disputes or litigation over the appropriateness or comparability to the relevant IBOR benchmark of the replacement reference rates. Moreover, the** elimination of the IBOR benchmarks and / or changes to another index could result in mismatches with the interest rate of investments that we are financing. See “**— Risks Related to Our Financing and Hedging- Our use of leverage may create a mismatch with the duration and interest rate of investments that we are financing .”**—In addition, the overall financial markets may be disrupted as a result of the phase- out or replacement of IBOR. Transactions denominated in foreign currencies subject us to **heightened risks, including** foreign currency **risks and regulatory** risks. We hold assets denominated in various foreign currencies, including, without limitation, British Pounds Sterling, Euros, Swedish Kronor, Swiss Francs, Danish Kroner, Canadian Dollars and Australian Dollars, which exposes us to foreign currency risk. As a result, a change in foreign currency exchange rates may have an adverse impact on the valuation of our assets, as well as our income and cash flows. While we have not experienced any adverse impacts during the year ended December 31, **2022-2023** due to our use of derivative instruments, we cannot assure that we will continue to utilize such measures or that such measures will be successful. Any such changes in foreign currency exchange rates may impact the measurement of such assets or income for the purposes of our REIT tests and may affect the amounts available for payment of dividends on our class A common stock. Our success depends on the availability of attractive investments and our Manager’ s ability to identify, structure, consummate, leverage, manage and realize returns on our investments. Our operating results are dependent upon the availability of, as well as our Manager’ s ability to identify, structure, consummate, leverage, manage and realize returns on our investments. In general, the availability of favorable investment opportunities and, consequently, our returns, will be affected by the level and volatility of interest rates and credit spreads, conditions in the financial markets, general economic conditions, the demand for investment opportunities **in our target assets** and the supply of capital for such investment opportunities. We cannot assure you that our Manager will be successful in identifying and consummating investments that satisfy our rate of return objectives or that such investments, once made, will perform as anticipated. Real estate valuation is inherently subjective and uncertain, **and is subject to change, especially during periods of volatility**. The valuation of real estate and therefore the valuation of any collateral underlying our loans is inherently subjective due to, among other factors, the individual nature of each property, its location, the expected future rental revenues from that particular property and the valuation methodology adopted. **Appraisals we obtain from third- party appraisers may be overstated or market values may decline, which could result in inadequate collateral for loans we make.** In addition, where we invest in **transitional or** construction loans, initial valuations will assume completion of the **business plan or** project. As a result, the valuations of the real estate assets against which we will make or acquire loans are subject to a large degree of uncertainty and are made on the basis of assumptions and methodologies that may not prove to be accurate, particularly in periods of volatility, low transaction flow or restricted debt availability in the commercial or residential real estate markets. **Regardless of whether an appraisal is accurate at the time it is completed, all valuations are subject to change, especially during periods of market volatility or reduced demand for real estate, which may make it difficult to ensure loans are collateralized as expected across the life of the loan. See “ – Loans on properties in transition will involve a greater risk of loss than conventional mortgage loans ” and “ – There are increased risks involved with our construction lending activities. ”** The valuation of assets or loans we hold may not reflect the price at which the asset or loan is ultimately sold in the market, and the difference between that valuation and the ultimate sales price could be material. **Valuation methodologies are subject to change from time to time.** Our loans and investments may be concentrated in terms of geography, asset types, and sponsors, which could subject us to increased risk of loss. We are not required to observe specific diversification criteria, except as may be set forth in the investment guidelines adopted by our board of directors, **which guidelines do not currently include diversification criteria**. Therefore, our investments may at times be concentrated in certain property types that may be subject to higher risk of default or foreclosure, or secured by properties concentrated in a limited number of geographic locations. To the extent that our assets are concentrated in any one region, sponsor or type of asset, economic and business downturns generally relating to such type of asset, sponsor or region may result in defaults on a number of our investments within a short time period, which could adversely affect our results of operations and financial condition. In addition, because of asset concentrations, even modest changes in the value of the underlying real estate assets could have a significant impact on the value of our investment. As a result of any high levels of concentration, any adverse economic, political or other conditions that disproportionately affects those geographic areas or asset classes could have a magnified adverse effect on our results of operations and financial condition, and the value of our stockholders’ investments could vary more widely than if we invested in a more diverse portfolio of loans. The due diligence process that our Manager undertakes in regard to investment opportunities may not reveal all facts that may be relevant in connection with an investment, and if our Manager incorrectly evaluates the risks of our investments we may experience losses. Before making investments for us, our Manager conducts due diligence that it deems reasonable and appropriate based on the facts and circumstances relevant to each potential investment. When conducting due diligence, our Manager may be required to evaluate important and complex issues, including but not limited to those related to business, financial, tax, accounting, environmental, ESG, legal, and regulatory and macroeconomic trends. With respect to ESG, the nature and scope of our Manager’ s diligence will vary based on the investment, but may include a review of, among other things: energy management, air and water pollution, land contamination, **diversity- human capital management**, human rights, employee health and safety, accounting standards and bribery and corruption. Outside consultants, legal advisors, accountants and investment banks may be involved in the due diligence process in varying degrees depending on the type of potential investment. **The due diligence investigation with respect to any investment opportunity may not reveal or highlight all relevant facts (including fraud) or risks that may be necessary or helpful in evaluating such investment opportunity, and our Manager may not identify or foresee future developments that could have a material adverse effect on an investment. In addition, Selecting selecting** and evaluating

material ESG factors is subjective by nature, and there is no guarantee that the criteria utilized or judgment exercised by our Manager or a third-party ESG specialist (if any) will reflect the beliefs, values, internal policies or preferred practices of any particular investor or align with the beliefs or values or preferred practices of other asset managers or with market trends. The materiality of sustainability risks and impacts on an individual potential investment or portfolio as a whole are dependent on many factors, including the relevant industry, country, asset class and investment style. Our Manager's loss estimates may not prove accurate, as actual results may vary from estimates. If our Manager underestimates the asset-level losses relative to the price we pay for a particular investment, we may ~~experience~~ **be required to recognize an impairment and / or realize** losses with respect to such investment. Moreover, investment analyses and decisions by our Manager may frequently be required to be undertaken on an expedited basis to take advantage of investment opportunities. In such cases, the information available to our Manager at the time of making an investment decision may be limited, and they may not have access to detailed information regarding such investment. Further, some matters covered by our Manager's diligence, such as ESG, are continuously evolving and our Manager may not accurately or fully anticipate such evolution. For instance, our Manager's ESG framework does not represent a universally recognized standard for assessing ESG considerations as there are different frameworks and methodologies being implemented by other asset managers, in addition to numerous international initiatives on the subject. ~~There has also been recent regulatory focus on the marketing of socially conscious investment strategies and the methodology used to evaluate ESG, which has resulted in fines and penalties related to insufficient assessment processes around the marketing of investments marketed as ESG. Therefore, we cannot assure you that our Manager will have knowledge of all circumstances that may adversely affect such investment.~~ Insurance on loans and real estate securities collateral may not cover all losses. There are certain types of losses, generally of a catastrophic nature, such as earthquakes, floods, hurricanes, terrorism or acts of war, which may be uninsurable or not economically insurable. Inflation, changes in building codes and ordinances, environmental considerations and other factors also might result in insurance proceeds insufficient to repair or replace a property if it is damaged or destroyed. Under these circumstances, the insurance proceeds received with respect to a property relating to one of our investments might not be adequate to restore our economic position with respect to our investment. Any uninsured loss could result in the corresponding ~~non-performance~~ **performance** of or loss on our investment related to such property. The impact of any future terrorist attacks and the availability of affordable terrorism insurance expose us to certain risks. Terrorist attacks including cyber sabotage or similar attacks, the anticipation of any such attacks, and the consequences of any military or other response by the United States and its allies may have an adverse impact on the global financial markets and the economy in general. We cannot predict the severity of the effect that any such future events would have on the global financial markets, the economy or our business. Any future terrorist attacks could adversely affect the credit quality of some of our loans and investments. Some of our loans and investments will be more susceptible to such adverse effects than others, particularly those secured by properties in major cities or properties that are prominent landmarks or public attractions. We may suffer losses as a result of the adverse impact of any future terrorist attacks and these losses may adversely impact our results of operations. In addition, the enactment of the Terrorism Risk Insurance Act of 2002, or TRIA, requires insurers to make terrorism insurance available under their property and casualty insurance policies and provides federal compensation to insurers for insured losses. TRIA was reauthorized, with some adjustments to its provisions, in December 2019 for seven years through December 31, 2027. However, this legislation does not regulate the pricing of such insurance and there is no assurance that this legislation will be extended beyond 2027. The absence of affordable insurance coverage may adversely affect the general real estate lending market, lending volume and the market's overall liquidity and may reduce the number of suitable investment opportunities available to us and the pace at which we are able to make investments. If the properties that we invest in are unable to obtain affordable insurance coverage, the value of those investments could decline and in the event of an uninsured loss, we could lose all or a portion of our investment. The properties underlying our investments may be subject to unknown liabilities, including environmental liabilities, that could affect the value of these properties and as a result, our investments. Collateral properties underlying our investments may be subject to unknown or unquantifiable liabilities that may adversely affect the value of our investments. Such defects or deficiencies may include title defects, title disputes, liens, servitudes or other encumbrances on the mortgaged properties. The discovery of such unknown defects, deficiencies and liabilities could affect the ability of our borrowers to make payments to us or could affect our ability to foreclose and **/ or** sell the underlying properties, which could adversely affect our results of operations and financial condition. Furthermore, to the extent we foreclose on properties with respect to which we have extended loans, we may be subject to environmental liabilities arising from such foreclosed properties. Under various U. S. federal, state and local laws, an owner or operator of real property may become liable for the costs of removal of certain hazardous substances released on its property. These laws often impose liability without regard to whether the owner or operator knew of, or was responsible for, the release of such hazardous substances. In addition, we could be subject to similar liabilities in applicable foreign jurisdictions. If we foreclose on any properties underlying our investments, the presence of hazardous substances on a property may adversely affect our ability to sell the property and we may incur substantial remediation costs, therefore the discovery of material environmental liabilities attached to such properties could adversely affect our results of operations and financial condition. ~~Climate change and~~ **Risks associated with** climate change - ~~related regulation~~ may adversely affect our business and financial results and damage our reputation. There has been increasing awareness of severe weather and other climate events outside of the historical norm as well as increasing concern from government agencies about the effects of climate change on the environment. Transition risks, such as government restrictions, standards or regulations intended to reduce greenhouse gas emissions and potential climate change impacts, are emerging and may increase in the future in the form of restrictions or additional requirements on the development of commercial real estate. Such restrictions and requirements **, along with rising insurance premiums resulting from climate change,** could increase our costs or require additional technology and capital investment by our borrowers, which could adversely affect our results of operations. This is a particular concern in the western and northeastern United States, where some of the most extensive and

stringent environmental laws and building construction standards in the U. S. have been enacted, and where we have properties securing our investment portfolio. **In addition, new climate change-related regulations may result in enhanced disclosure obligations, which could materially increase our regulatory burden and compliance costs. See “ — We are subject to evolving ESG disclosure standards and expectations that expose us to numerous risks.”** Further, significant-physical effects of climate change including **changes in global weather patterns, rising sea levels, changing temperature averages or extremes and** extreme weather events such as hurricanes, **droughts** or floods, can also have an adverse impact on certain of our borrowers’ properties. As the effects of climate change increase, we expect the frequency and impact of weather and climate related events and conditions to increase as well. For example, unseasonal or violent **extreme** weather events can have a material impact to **hospitality** businesses or properties that focus on hospitality. While the geographic distribution of our portfolio somewhat limits our physical climate risk, some **Some** physical risk is inherent in the **all** properties of our borrowers, particularly **properties** in certain borrowers’ locations and in **light of** the unknown potential for extreme weather or other events that could occur related to climate change. Our business is subject to evolving corporate governance and public disclosure regulations and expectations, including with respect to environmental, social and governance matters, that could expose us to numerous risks. Recently, there has been growing concern from advocacy groups, government agencies and the general public on ESG matters and increasingly regulators, customers, investors, employees and other stakeholders are focusing on ESG matters and related disclosures. Such governmental, investor and societal attention to ESG matters, including expanding mandatory and voluntary reporting, diligence, and disclosure on topics such as climate change, human capital **management**, labor and risk oversight, could expand the nature, scope, and complexity of matters that we are required to manage, assess and report. We **ESG, the ESG Proposed Rules and other sustainability matters and our response to these matters could harm our business, including in areas such as diversity, equity and inclusion, human rights, climate change and environmental stewardship, support for local communities, corporate governance and transparency and considering ESG factors in our investment processes. Further, we** may choose to communicate certain initiatives, **commitments** and goals, regarding environmental matters, **diversity** human capital management, responsible sourcing and social investments and other ESG - related matters, in our SEC filings or in other **public** disclosures. **These** Any such current or future initiatives, **commitments** and /or goals are aspirational and there is no guarantee that all or any such initiative **initiatives and** **commitment** or goal **goals** **within** will be achieved; they **the scope of ESG** could be difficult and expensive to implement and we could be criticized for the accuracy, adequacy or completeness of the disclosure. Statements about our ESG -related initiatives, **commitments** and goals, and progress against those goals, may be based on standards for measuring progress that are still developing, internal controls and processes that continue to evolve, and assumptions that are subject to change in the future. In addition, we could be criticized for the scope or nature of such initiatives, **commitments** or goals, any failure or perceived failure to demonstrate progress towards such **commitments** and goals, or for any revisions to these **commitments** and goals. Further, as part of our ESG practices, we may rely from are subject to changing rules and regulations promulgated by a number of governmental and self-regulatory organizations, including the SEC, the New York Stock Exchange and the Financial Accounting Standards Board. These rules and regulations continue to evolve in scope and complexity and many new requirements have been created in response to laws enacted by Congress, making compliance more difficult and uncertain. Further, new and emerging regulatory initiatives in the U. S., EU and U. K. related to climate change and ESG could adversely affect our business, including initiatives such as **and regulations deriving from** the European Commission’ s May 2018 “ action plan on financing sustainable growth ”, and **the U. K.’ s regulations requiring certain entities to make climate- related disclosures, currently in accordance with the** Taskforce on Climate- related Financial Disclosures (TCFD) **framework. On March 21, 2022, the SEC issued a proposed rule regarding the enhancement and standardization of mandatory climate- related disclosures for investors. The proposed rule would mandate extensive disclosure of climate- related data, risks, and opportunities, including financial impacts, physical and transition risks, related governance and strategy and greenhouse gas emissions, for certain public companies. Although the ultimate date of effectiveness and the final form and substance of the proposed rule are not yet known and the ultimate scope and impact on our business is uncertain, compliance with the proposed rule, if finalized, may result in increased legal, accounting and financial compliance costs, make some activities more difficult, time-consuming and costly, and place strain on our personnel, systems and resources. In addition, in 2021 the SEC established an enforcement task force to look into ESG practices and disclosures by public companies and investment managers and has started to bring enforcement actions based on ESG disclosures not matching actual investment processes. At the state level, in 2023 California enacted legislation that will ultimately require certain companies that (i) do business in California to publicly disclose their Scopes 1, 2 and 3 greenhouse gas emissions, with third- party assurance of such data, and issue public reports on their climate- related financial risk and related mitigation measures and (ii) operate in California and make certain climate- related claims to provide enhanced disclosures around the achievement of such claims. Outside of the U. S., various government authorities have proposed or implemented carbon taxes, requirements for asset managers to integrate climate risk considerations in investment and risk management processes, and mandatory TCFD - aligned disclosure- reporting for public issuers and certain asset managers and private companies, among other requirements. Growing interest on the part of investors and regulators in ESG factors and increased demand for, and scrutiny of, ESG- related disclosures, have also increased the risk that companies could be perceived as, or accused of, making inaccurate or misleading statements regarding their ESG efforts or initiatives, or greenwashing. Such perception or accusation could damage our reputation, result in litigation or regulatory actions and adversely impact our ability to raise capital. Relatedly, certain investors have also begun to use ESG data, third- party benchmarks and ESG ratings to allow the them U. K. to monitor the ESG impact of their investments. These changing rules, regulations and stakeholder expectations have resulted in, and are likely to continue to result in, increased general and administrative expenses and increased management time and attention spent complying with or meeting such regulations and**

expectations. **ESG, the ESG Proposed Rules and..... for any revisions to these goals.** If we are unable to adequately address such ESG matters or if we fail to achieve progress with respect to our goals within the scope of ESG on a timely basis, or at all, or if we or our borrowers fail or are perceived to fail to comply with **all laws applicable rules**, regulations, policies and related interpretations **stakeholder expectations**, it could negatively impact our reputation and our business results. **Further, our business could become subject to additional regulations, penalties and / or risks of regulatory scrutiny and enforcement in the future. We cannot guarantee that our current ESG practices will meet future regulatory requirements, reporting frameworks or best practices, increasing the risk of related enforcement. Compliance with new requirements may lead to increased management burdens and costs. There is also a risk of mismatch between U. S., EU and U. K. initiatives. Generally, we expect investor demands and the prevailing legal environment to require us to devote additional resources to ESG matters in our review of prospective investments and management of existing investments, which could increase our expenses.** We may be subject to lender liability claims, and if we are held liable under such claims, we could be subject to losses. In recent years, a number of judicial decisions have upheld the right of borrowers to sue lending institutions on the basis of various evolving legal theories, collectively termed “ lender liability. ” Generally, lender liability is founded on the premise that a lender has either violated a duty, whether implied or contractual, of good faith and fair dealing owed to the borrower or has assumed a degree of control over the borrower resulting in the creation of a fiduciary duty owed to the borrower or its other creditors or stockholders. We cannot assure prospective investors that such claims will not arise or that we will not be subject to significant liability if a claim of this type did arise. Our investments in CMBS, CLOs, CDOs and other similar structured finance investments, as well as those we structure, sponsor or arrange, pose additional risks, including the risks of the securitization process and the risk that the special servicer, CT Investment Management Co., LLC, or CTIMCO, a subsidiary of Blackstone, may take actions that could adversely affect our interests. We have invested in, and may from time to time in the future invest in, CMBS, CLOs, CDOs and other similar securities, and our investments may consist of subordinated classes of securities in a **structure structured of securities finance investment** secured by a pool of mortgages or loans. Accordingly, such securities may be the first or among the first to bear the loss upon a restructuring or liquidation of the underlying collateral and the last to receive payment of interest and principal, with only a nominal amount of equity or other debt securities junior to such positions. The estimated fair values of such subordinated interests tend to be much more sensitive to adverse economic downturns and underlying borrower developments than more senior securities. A projection of an economic downturn, for example, could cause a decline in the price of lower credit quality CMBS, CLOs or CDOs because the ability of borrowers to make principal and interest payments on the mortgages or loans underlying such securities may be impaired. Subordinate interests such as the subordinated classes of securities in CMBS, CLOs, CDOs and similar structured finance investments generally are not actively traded and are relatively illiquid investments. Volatility in CMBS, CLO and CDO trading markets may cause the value of these investments to decline. In addition, if the underlying mortgage portfolio has been overvalued by the originator, or if the values subsequently decline and, as a result, less collateral value is available to satisfy interest and principal payments and any other fees in connection with the trust or other conduit arrangement for such securities, we may incur significant losses. With respect to the CMBS, CLOs and CDOs in which we have invested and may invest in the future, control over the related underlying loans will be exercised through CTIMCO, or another special servicer or collateral manager designated by a “ directing certificateholder ” or a “ controlling class representative, ” or otherwise pursuant to the related securitization documents. We have in the past and may in the future acquire classes of CMBS, CLOs or CDOs, for which we may not have the right to appoint the directing certificateholder or otherwise direct the special servicing or collateral management. With respect to the management and servicing of those loans, the related special servicer or collateral manager may take actions that could adversely affect our interests. See “- Risks Related to Our Financing and Hedging- We have utilized and may utilize in the future non- recourse securitizations to finance our loans and investments, which may expose us to risks that could result in losses ” for a discussion of additional risks related to our securitization transactions. ~~Any credit ratings assigned to our investments or to us will be subject to ongoing evaluations and revisions and we cannot assure you that those ratings will not be downgraded. Some of our investments, including the notes issued in our securitization transactions for which we are required to retain a portion of the credit risk, have been, and in the future may be, rated by rating agencies. Any credit ratings on our investments are subject to ongoing evaluation by credit rating agencies, and we cannot assure you that any such ratings will not be changed or withdrawn by a rating agency in the future if, in its judgment, circumstances warrant. If rating agencies assign a lower than expected rating or reduce or withdraw, or indicate that they may reduce or withdraw, their ratings of our investments in the future, the value and liquidity of our investments could significantly decline, which would adversely affect the value of our investment portfolio and could result in losses upon disposition or the failure of borrowers to satisfy their debt service obligations to us. Further, any downgrade of the Company’s credit ratings by any of the principal credit agencies may make it more difficult and costly for us to access capital. There can be no assurances that our credit ratings will not be downgraded in the future, whether as a result of deteriorating general economic conditions, failure to successfully implement our operating strategy or the adverse impact on our results of operations or liquidity position of any of the above, or otherwise.~~ Investments in non- conforming and non- investment grade rated loans or securities involve increased risk of loss. Many of our investments may not conform to conventional loan standards applied by traditional lenders and either will not be rated (as is typically the case for private loans) or will be rated as non- investment grade by the rating agencies. Private loans often are not rated by credit rating agencies. Non- investment grade ratings typically result from the overall leverage of the loans, the lack of a strong operating history for the properties underlying the loans, the borrowers’ credit history, the underlying properties’ cash flow or other factors. As a result, these investments should be expected to have a higher risk of default and loss than investment- grade rated assets. Any loss we incur may be significant and may adversely affect our results of operations and financial condition. There are no limits on the percentage of unrated or non- investment grade rated assets we may hold in our investment portfolio. **CECL reserves** Provisions for loan losses are difficult to estimate. Our **CECL reserves are** provision for loan losses is evaluated on a quarterly

basis. The determination of our **CECL reserves provision for loan losses** requires us to make certain estimates and judgments, which may be difficult to determine. Our estimates and judgments are based on a number of factors, including projected cash flow from the collateral securing our loans, debt structure, including the availability of reserves and recourse guarantees, likelihood of repayment in full at the maturity of a loan, potential for refinancing, **the creditworthiness of borrowers and the value of the real estate and other assets serving as collateral for the repayment of loans** and expected market discount rates for varying property types, all of which remain uncertain and are subjective. **In determining the adequacy of our CECL reserves, we rely on our experience and our evaluation of economic conditions and market factors. If our assumptions prove to be incorrect, our CECL reserves may not be sufficient to cover losses inherent in our loan portfolio and adjustment may be necessary to allow for different economic conditions or adverse developments in our loan portfolio. Consequently, a problem with one or more loans could require us to significantly increase the level of our CECL reserves.** Our estimates and judgments may not be correct and, therefore, our results of operations and financial condition could be severely impacted. Some of our portfolio investments may be recorded at fair value and, as a result, there will be uncertainty as to the value of these investments. Some of our portfolio investments may be in the form of positions or securities that are not publicly traded, but are recorded at estimated fair value. The fair value of securities and other investments that are not publicly traded may not be readily determinable. We will value these investments quarterly at fair value, which may include unobservable inputs. Because such valuations are subjective, the fair value of certain of our assets may fluctuate over short periods of time and our determinations of fair value may differ materially from the values that would have been used if a ready market for these securities existed. Our results of operations and financial condition could be adversely affected if our determinations regarding the fair value of these investments were materially higher than the values that we ultimately realize upon their disposal. Joint venture investments could be adversely affected by our lack of sole decision-making authority, our reliance on joint venture partners' financial condition and liquidity and disputes between us and our joint venture partners. We have made, and may in the future make, investments through joint ventures. Such joint venture investments may involve risks not otherwise present when we originate or acquire investments without partners, including the following: • we may not have exclusive control over the investment or the joint venture, which may prevent us from taking actions that are in our best interest and could create the potential risk of creating impasses on decisions, such as with respect to acquisitions or dispositions; • joint venture agreements often restrict the transfer of a partner's interest or may otherwise restrict our ability to sell the interest when we desire and / or on advantageous terms; • joint venture agreements may contain buy-sell provisions pursuant to which one partner may initiate procedures requiring the other partner to choose between buying the other partner's interest or selling its interest to that partner; • a partner may, at any time, have economic or business interests or goals that are, or that may become, inconsistent with our business interests or goals; • a partner may fail to fund its share of required capital contributions or may become bankrupt, which may mean that we and any other remaining partners generally would remain liable for the joint venture's liabilities; • disputes between us and a partner may result in litigation or arbitration that could increase our expenses and prevent our Manager and our officers and directors from focusing their time and efforts on our business and could result in subjecting the investments owned by the joint venture to additional risk; or • we may, in certain circumstances, be liable for the actions of a partner, and the activities of a partner could adversely affect our ability to qualify as a REIT or maintain our exclusion from registration under the Investment Company Act, even though we do not control the joint venture. Any of the above may subject us to liabilities in excess of those contemplated and adversely affect the value of our joint venture investments. Our significant amount of debt may subject us to increased risk of loss and could adversely affect our results of operations and financial condition. We currently have outstanding indebtedness and, subject to market conditions and availability, we may incur a significant amount of additional debt through repurchase agreements, bank credit facilities (including term loans and revolving facilities), warehouse facilities and structured financing arrangements, public and private debt issuances (including through securitizations) and derivative instruments, in addition to transaction or asset specific funding arrangements. We may also issue additional debt or equity securities to fund our growth. The type and percentage of leverage we employ will vary depending on our available capital, our ability to obtain and access financing arrangements with lenders, the type of assets we are funding, whether the financing is recourse or non-recourse, debt restrictions contained in those financing arrangements and the lenders' and rating agencies' estimate of the stability of our investment portfolio's cash flow. We may significantly increase the amount of leverage we utilize at any time without approval of our board of directors. In addition, we may leverage individual assets at substantially higher levels. Incurring substantial debt could subject us to many risks that, if realized, would materially and adversely affect us, including the risk that: • our cash flow from operations may be insufficient to make required payments of principal of and interest on our debt or we may fail to comply with covenants contained in our debt agreements, which, **if we are unable to obtain amendments or waivers to such covenants from financing counterparties**, is likely to result in (i) acceleration of such debt (and any other debt containing a cross-default or cross-acceleration provision), which we then may be unable to repay from internal funds or to refinance on favorable terms, or at all, (ii) our inability to borrow undrawn amounts under our financing arrangements, even if we are current in payments on borrowings under those arrangements, which would result in a decrease in our liquidity, and / or (iii) the loss of some or all of our collateral assets to foreclosure or sale; • our debt may increase our vulnerability to adverse economic and industry conditions with no assurance that investment yields will increase in an amount sufficient to offset the higher financing costs; • we may be required to dedicate a substantial portion of our cash flow from operations to payments on our debt, thereby reducing funds available for operations, future business opportunities, stockholder **distributions-dividends** or other purposes; and • we may not be able to refinance any debt that matures prior to the maturity (or realization) of an underlying investment it was used to finance on favorable terms or at all. There can be no assurance that a leveraging strategy will be successful, and such strategy may subject us to increased risk of loss, harm our liquidity and could adversely affect our results of operations and financial condition. Interest rate fluctuations could increase our financing costs, which could lead to a significant decrease in our results of

operations, cash flows and the market value of our investments. To the extent that our financing costs are determined by reference to floating rates, such as ~~IBORs, SOFR, SONIA, or any other replacement rate, or a Treasury~~ **similar** index, the amount of such costs will depend on the level and movement of interest rates. In a period of rising interest rates, our interest expense on floating rate debt would increase, while any additional interest income we earn on our floating rate investments may be subject to caps and may not compensate for such increase in interest expense. At the same time, the interest income we earn on our fixed rate investments would not change, the duration and weighted average life of our fixed rate investments would increase and the market value of our fixed rate investments would decrease. Similarly, in a period of declining interest rates, our interest income on floating rate investments would decrease, while any decrease in the interest we are charged on our floating rate debt may be subject to floors and may not compensate for such decrease in interest income and interest we are charged on our fixed rate debt would not change. Any such scenario could adversely affect our results of operations and financial condition. Our secured debt agreements impose, and additional lending facilities may impose, restrictive covenants, which may restrict our flexibility to determine our operating policies and investment strategy. We borrow funds under secured debt agreements, **including through master repurchase agreements, term loan facilities and notes**, with various counterparties. The documents that govern these secured debt agreements and the related guarantees contain, and additional lending facilities may contain, customary affirmative and negative covenants, including financial covenants ~~applicable to us~~ that may restrict **certain payments or distributions, how we otherwise deploy capital, or** our flexibility to determine our operating policies and investment strategy. ~~In particular~~ **Among other things**, these agreements ~~may~~ require us to maintain specified minimum levels of **liquidity capacity under our credit facilities and cash**. As a result, we may not be able to leverage our assets as fully as we would otherwise choose, which could reduce our return on assets. If we are unable to meet these collateral obligations, our financial condition and prospects could deteriorate significantly. If we fail to meet or satisfy any of these covenants, we would be in default under these agreements, and our lenders could elect to declare outstanding amounts due and payable, terminate their commitments, require the posting of additional collateral and enforce their interests against existing collateral. We may also be subject to cross- default and acceleration rights in our other debt arrangements. Further, this could also make it difficult for us to satisfy the distribution requirements necessary to maintain our qualification as a REIT for U. S. federal income tax purposes. Our master repurchase agreements, credit facilities, or other financing that we may use in the future to finance our assets currently require, or in the future may require, us to provide additional collateral or pay down debt. Our master repurchase agreements with various counterparties, any bank credit facilities (including term loans and revolving facilities), and additional repurchase agreements or other financing we may enter into in the future, involve the risk that the market value of the assets pledged or sold by us to the provider of the financing may decline in value, in which case the lender or counterparty may require us to provide additional collateral or lead to margin calls that may require us to repay all or a portion of the funds advanced. We may not have the funds available to repay our debt at that time, which would likely result in defaults unless we are able to raise the funds from alternative sources, including by selling assets at a time when we might not otherwise choose to do so, ~~which~~ **and when** we may not be able to ~~achieve do so~~ on favorable terms or at all. Posting additional collateral would reduce our cash available to make other, higher yielding investments, thereby decreasing our return on equity. If we cannot meet these requirements, the lender or counterparty could accelerate our indebtedness, increase the interest rate on advanced funds and terminate our ability to borrow funds from it, which could materially and adversely affect our financial condition and ability to implement our investment strategy. In the case of repurchase transactions, if the value of the underlying security has declined as of the end of that term, or if we default on our obligations under the repurchase agreement, we will likely incur a loss on our repurchase transactions. Our use of leverage may create a mismatch with the duration and interest rate of the investments that we are financing. We generally structure our leverage in order to minimize the difference between the term of our investments and the leverage we use to finance such investments. In the event that our leverage is for a shorter term than the financed investment, we may not be able to extend or find appropriate replacement leverage and that would have an adverse impact on our liquidity and our returns. In the event that our leverage is for a longer term than the financed investment, we may not be able to repay such leverage or replace the financed investment with an optimal substitute or at all, which will negatively impact our desired leveraged returns. We also seek to structure our leverage such that we minimize the variability between the interest rate of our investments and the interest rate of our leverage- financing floating rate investments with floating rate leverage and fixed rate investments with fixed rate leverage. If such ~~leverage a product~~ **leverage a product** is not available to us from our lenders on reasonable terms, we may use hedging instruments **in an effort** to effectively create such a match. For example, in the case of fixed rate investments, we may finance such investments with floating rate leverage, but effectively convert all or a portion of the attendant leverage to fixed rate using hedging strategies. ~~Our~~ **The success of our** attempts to mitigate such risk ~~are is~~ subject to factors outside of our control, such as the availability to us of ~~favorable~~ financing and hedging options **on favorable terms**, ~~which is subject~~ **including with respect** to a variety of factors, of which ~~duration and term matching are only two~~. A duration mismatch may also occur when borrowers prepay their loans faster or slower than expected. The risks of a duration mismatch are also magnified by the potential for the extension of loans in order to maximize the likelihood and magnitude of their recovery value in the event the loans experience credit or performance challenges. Employment of this asset management practice would effectively extend the duration of our investments, while our hedges or liabilities may have set maturity dates. Our loans and investments may be subject to fluctuations in interest rates that may not be adequately protected, or protected at all, by our hedging strategies. Our assets **may** include loans with either floating interest rates or fixed interest rates. Floating rate loans earn interest at rates that adjust from time to time (typically monthly) based upon an index (typically one- month ~~LIBOR or SOFR~~). These floating rate loans are insulated from changes in value specifically due to changes in interest rates; however, the coupons they earn fluctuate based upon interest rates (again, typically one- month ~~LIBOR or SOFR~~) and, in a declining and / or low interest rate environment, these loans will earn lower rates of interest and this will impact our operating performance. For more information about our risks related to the recent ~~and expected~~ discontinuation of **certain** ~~currently used~~ financial reference rates,

see “ **Risks** The transition away from financial reference rates and the use of alternative replacement reference rates may adversely affect interest expense related **Related** to our loans **Our Lending** and investments **Investment Activities**, or otherwise adversely affect our results of operations, cash flows and the market value of our investments” above. Fixed interest rate loans, however, do not have adjusting interest rates and the relative value of the fixed cash flows from these loans will decrease as prevailing interest rates rise or increase as prevailing interest rates fall, causing potentially significant changes in value. We may employ various hedging strategies to limit the effects of changes in interest rates (and in some cases credit spreads), including engaging in interest rate swaps, caps, **collars**, floors and other interest rate derivative products. We believe that no strategy can completely insulate us from the risks associated with interest rate changes and there is a risk that such strategies may provide no protection at all and potentially compound the impact of changes in interest rates. **In addition, the use of derivative financial instruments and other risk management strategies may not be properly designed to hedge, manage or otherwise reduce our interest rate risks as intended, may not be properly implemented as designed, or otherwise not effectively offset the risks we have identified. Further, we may not have identified, or may not even be able to identify, all the material interest rate risks we are exposed to, and we also may choose not to hedge, in whole or in part, any of the interest rate risks that have been identified.** Hedging transactions **also** involve certain additional risks such as counterparty risk, leverage risk, the legal enforceability of hedging contracts, the early repayment of hedged transactions and the risk that unanticipated and significant changes in interest rates may cause a significant loss of basis in the contract and a change in current period expense. We cannot make assurances that we will be able to enter into hedging transactions or that such hedging transactions will adequately protect us against the foregoing risks. Accounting for derivatives under GAAP may be complicated. Any failure by us to meet the requirements for applying hedge accounting in accordance with GAAP could adversely affect our earnings. In particular, derivatives are required to be highly effective in offsetting changes in the value or cash flows of the hedged items (and appropriately designated and / or documented as such). If it is determined that a derivative is not highly effective at hedging the designated exposure, hedge accounting would be discontinued and the changes in fair value of the instrument would be included in our reported net income. Inability to access funding could have a material adverse effect on our results of operations, financial condition and business. Our ability to fund our loans and investments may be impacted by our ability to secure bank credit facilities (including term loans and revolving facilities), warehouse facilities and structured financing arrangements, public and private debt issuances (including through securitizations) and derivative instruments, in addition to transaction or asset specific funding arrangements and additional repurchase agreements on acceptable terms **or at all. High interest rates have increased and could continue to increase the cost of debt financing for the transactions we pursue**. We may also rely on short- term financing that would be especially exposed to changes in availability. **Our The market price for our corporate debt, and our ability to** access to sources of financing **debt capital markets at favorable rates** will **also** depend upon on a number of other factors **; over which we have little or no control**, including: **• the overall general economic or market conditions – condition of the financial markets and global and domestic economies**; **• the market’s view of the quality of our assets**; **• the market’s perception of our growth potential**; **• our current and potential future earnings and cash distributions dividends**; **• our financial condition, operating results and future prospects**; **• any credit ratings we or our corporate debt may receive from major credit rating agencies**; **• the prevailing interest rates being paid by other companies that investors consider to be comparable to us**; **• the market price of our corporate debt**; and **• the shares market price** of our class A common stock. We may need to periodically access the capital markets to, among other things, raise cash to fund new loans and investments. Unfavorable economic **conditions** or capital market **markets** conditions may increase our funding costs, limit our access to the capital markets or could result in a decision by our potential lenders not to extend credit. An inability to successfully access the capital markets could limit our ability to grow our business and fully execute our business strategy and could decrease our earnings and liquidity. In addition, any dislocation or weakness in the capital and credit markets could adversely affect our lenders and could cause one or more of our lenders to be unwilling or unable to provide us with financing or to increase the costs of that financing. In addition, as regulatory capital requirements imposed on our lenders are increased, they may be required to limit, or increase the cost of, financing they provide to us. In general, this could potentially increase our financing costs and reduce our liquidity or require us to sell assets at an inopportune time or **an unfavorable** price. Further, as the lender to our borrowers, we may be obligated to fund all or a significant portion of a loan we have agreed to at one or more future dates. **During 2023, bank failures and other events affecting financial institutions contributed to volatility in global markets and diminished liquidity and credit availability in the market broadly. Any downgrade of our or our corporate debt’s credit ratings by any of the principal credit agencies may make it more difficult and costly for us to access capital. Additionally, the notes issued in our securitization transactions for which we are required to retain a portion of the credit risk, have been, and in the future may be, rated by rating agencies. There can be no assurances that the credit ratings of our corporate debt or the notes issued in our securitization transactions will not be downgraded in the future, whether as a result of deteriorating general economic conditions, failure to successfully implement our operating strategy or the adverse impact on our results of operations or liquidity position of any of the above, or otherwise. The condition of the financial markets and prevailing interest rates have fluctuated in the past and are likely to fluctuate in the future. Such fluctuations could have an adverse effect on the price of our corporate debt. In addition, credit rating agencies continually review their ratings for the companies that they follow. If, in the future, one or more rating agencies were to provide a rating for us or our corporate debt, or the notes issued in our securitization transactions, and then reduce or withdraw their rating, the market price of such debt or notes, or of our class A common stock may be adversely affected. Actual events involving limited liquidity, defaults, non- performance or other adverse developments that affect financial institutions, transactional counterparties or other companies in the financial services industry or the financial services industry generally, or concerns or rumors about any events of these kinds or other similar risks, have in the past and may in the future lead to market- wide liquidity**

problems. Recent or ongoing developments in banking, such as bank closures, may also have other implications for broader economic and monetary policy, including interest rate policy, and may impact the financial condition of banks and other financial institutions outside of the United States. In addition, the capital and credit markets have recently experienced extreme volatility and economic disruption, inflation and rapid increases in interest rates have led to a decline in the trading value of previously issued government securities with interest rates below current market interest rates, which may result in additional liquidity concerns for us and / or in the broader financial services industry. If we are unable to access funding, we may not have the funds available at such future date (s) to meet our funding obligations under a loan. In that event, we would likely be in breach of our agreement under such loan. We cannot make assurances that we will be able to obtain any additional financing on favorable terms or at all. We have utilized and may continue to utilize in the future non- recourse securitizations to finance our loans and investments, which may expose us to risks that could result in losses. We have utilized and may utilize in the future, non- recourse securitizations of certain of our portfolio investments to generate cash for funding new loans and investments and other purposes. These transactions generally involve creating a special- purpose entity, contributing a pool of our assets to the entity, and selling interests in the entity on a non- recourse basis to purchasers (whom we would expect to be willing to accept a lower interest rate to invest in investment- grade loan pools). We would expect to retain all or a portion of the equity and potentially other tranches in the securitized pool of loans or investments. In addition, we have retained in the past and may in the future retain a pari passu participation in the securitized pool of loans. Because of the interests we retain, in particular with respect to equity or similar subordinated tranches, actions taken by CTIMCO or any other entity that acts as special servicer may in the future conflict with our interests. See “**—Risks Related to Our Lending and Investment Activities-** Our investments in CMBS, CLOs, CDOs and other similar structured finance investments, as well as those we structure, sponsor or arrange, pose additional risks, including the risks of the securitization process and the risk that the special servicer, CT Investment Management Co., LLC, or CTIMCO, a subsidiary of Blackstone, may take actions that could adversely affect our interests.” The inability to consummate securitizations of our portfolio to finance our loans and investments on a long- term basis could require us to seek other forms of potentially less attractive financing or to liquidate assets at an inopportune time or **an unfavorable** price, which could adversely affect our performance and our ability to grow our business. Moreover, conditions in the capital markets, including volatility and disruption in the capital and credit markets which we are currently experiencing, may not permit a non- recourse securitization at any particular time or may make the issuance of any such securitization less attractive to us even when we do have sufficient eligible assets. We may also suffer losses if the value of the mortgage loans we acquire declines prior to securitization. Declines in the value of a mortgage loan can be due to, among other things, changes in interest rates and changes in the credit quality of the loan. In addition, we may suffer a loss due to the incurrence of transaction costs related to executing these transactions. To the extent that we incur a loss executing or participating in future securitizations for the reasons described above or for other reasons, it could materially and adversely impact our business and financial condition. In addition, the inability to securitize our portfolio may hurt our performance and our ability to grow our business. In addition, the securitization of our portfolio might magnify our exposure to losses because any equity interest or other subordinate 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. Moreover, the Dodd- Frank Wall Street Reform and Consumer Protection Act of 2010, or Dodd- Frank Act, contains a risk retention requirement for all asset- backed securities, which requires both public and private securitizers to retain not less than 5 % of the credit risk of the assets collateralizing any asset- backed security issuance. Significant restrictions exist, and additional restrictions may be added in the future, regarding who may hold risk retention interests, the structure of the entities that hold risk retention interests and when and how such risk retention interests may be transferred. Therefore such risk retention interests will generally be illiquid. As a result of the risk retention requirements, we have and may in the future be required to purchase and retain certain interests in a securitization into which we sell mortgage loans and / or when we act as issuer, may be required to sell certain interests in a securitization at prices below levels that such interests have historically yielded and / or may be required to enter into certain arrangements related to risk retention that we have not historically been required to enter into. Accordingly, the risk retention rules may increase our potential liabilities and / or reduce our potential profits in connection with securitization of mortgage loans. It is likely, therefore, that these risk retention rules will increase the administrative and operational costs of asset securitizations. **In addition, a recently- adopted SEC rule concerning conflicts of interest in certain securitizations restricts initial purchasers, sponsors, and other securitization participants from entering into certain asset- backed securities transactions for a one- year period where the securitization participants are deemed to have certain conflicts of interest as defined in the rule. This rule could limit participation by us as a sponsor or initial investor, and / or our counterparties, in certain asset- backed securities transactions where a conflict as defined by the rule is deemed to exist.** We may be subject to losses arising from current and future guarantees of debt and contingent obligations of our subsidiaries or joint venture or co- investment partners. We currently guarantee certain obligations of our subsidiaries under various arrangements that provide for significant aggregate borrowings and we may in the future guarantee the performance of additional subsidiaries’ obligations, including, but not limited to, additional repurchase agreements, derivative agreements and unsecured indebtedness. We also currently guarantee certain indebtedness incurred by our joint venture with Walker & Dunlop Inc. and in the future may agree to guarantee other indebtedness or other obligations incurred by other joint venture or co- investment partners. Such guarantees may be on a joint and several basis with such joint venture or co- investment partner, in which case we may be liable in the event such partner defaults on its guarantee obligation. The non- performance of such obligations may cause losses to us in excess of the capital we initially may have invested or committed under such obligations and there is no assurance that we will have sufficient capital to cover any such losses. Hedging against interest rate or currency exposure may adversely affect our earnings, which could reduce our cash available for distribution to our stockholders. Subject to maintaining our qualification as a REIT, we may pursue

various hedging strategies to seek to reduce our exposure to adverse changes in interest rates and fluctuations in currencies. Our hedging activity may vary in scope based on the level and volatility of interest rates, exchange rates, the type of assets held and other changing market conditions. Interest rate and currency hedging may fail to protect or could adversely affect us because, among other things: • interest rate, currency and / or credit hedging can be expensive and may result in us generating less net income; • available interest rate or currency hedges may not correspond directly with the interest rate or currency risk for which protection is sought; • due to a credit loss, prepayment or asset sale, the duration of the hedge may not match the duration of the related asset or liability; • the amount of income that a REIT may earn from hedging transactions (other than hedging transactions that satisfy certain requirements of the Internal Revenue Code or that are done through a TRS (as defined below)) to offset interest rate losses is limited by U. S. federal income tax provisions governing REITs; • the credit quality of the hedging counterparty owing money on the hedge may be downgraded to such an extent that it impairs our ability to sell or assign our side of the hedging transaction; • the hedging counterparty owing money in the hedging transaction may default on its obligation to pay; • we may fail to recalculate, readjust and execute hedges in an efficient manner; and • legal, tax and regulatory changes could occur and may adversely affect our ability to pursue our hedging strategies and / or increase the costs of implementing such strategies. Any hedging activity in which we engage may materially and adversely affect our results of operations and cash flows. Therefore, while we may enter into such transactions seeking to reduce risks, unanticipated changes in interest rates, credit spreads or currencies may result in poorer overall investment performance than if we had not engaged in any such hedging transactions. In addition, the degree of correlation between price movements of the instruments used in a hedging strategy and price movements in the portfolio positions or liabilities being hedged may vary materially. Moreover, for a variety of reasons, we may not seek to establish a perfect correlation between such hedging instruments and the portfolio positions or liabilities being hedged. Any such imperfect correlation may prevent us from achieving the intended hedge and expose us to risk of loss. In addition, some hedging instruments involve additional risk because they are not traded on regulated exchanges, guaranteed by an exchange or its clearing house, or regulated by any U. S. or foreign governmental authorities. Consequently, we cannot make assurances that a liquid secondary market will exist for hedging instruments purchased or sold, and we may be required to maintain a position until exercise or expiration, which could result in significant losses. In addition, regulatory requirements with respect to derivatives, including eligibility of counterparties, reporting, recordkeeping, exchange of margin, financial responsibility or segregation of customer funds and positions are still under development and could impact our hedging transactions and how we and our counterparty must manage such transactions. **If we reduce our use of derivatives as a result of such regulatory requirements, our results of operations may become more volatile and our cash flows may become less predictable.** We are subject to counterparty risk associated with our hedging activities. As of December 31, 2022-2023, we were party to outstanding derivative agreements with an aggregate notional value of \$ 2. 4-3 billion. We are subject to credit risk with respect to the counterparties to derivative contracts (whether a clearing corporation in the case of exchange-traded instruments or another third party in the case of OTC instruments). If a counterparty becomes bankrupt or otherwise fails to perform its obligations under a derivative contract due to financial difficulties, we may experience significant delays in obtaining any recovery under the derivative contract in a dissolution, assignment for the benefit of creditors, liquidation, winding- up, bankruptcy, or other analogous proceeding. **In addition, if a counterparty fails or refuses to meet their obligations under a derivative contract, then our efforts to mitigate risks may be ineffective, which may adversely affect our financial condition.** In the event of the insolvency of a counterparty to a derivative transaction, the derivative transaction would typically be terminated at its fair market value. If we are owed this fair market value in the termination of the derivative transaction and its claim is unsecured, we will be treated as a general creditor of such counterparty, and will not have any claim with respect to the underlying security. We may obtain only a limited recovery or may obtain no recovery in such circumstances. In addition, the business failure of a counterparty with whom we enter into a hedging transaction will most likely result in its default, which may result in the loss of potential future value and the loss of our hedge and force us to cover our commitments, if any, at the then current market price. If we enter into certain hedging transactions or otherwise invest in certain derivative instruments, failure to obtain and maintain an exemption from being regulated as a commodity pool operator could subject us to additional regulation and compliance requirements which could materially adversely affect our business and financial condition. Rules under the Dodd- Frank Act establish a comprehensive regulatory framework for derivative contracts commonly referred to as “ swaps. ” Under this regulatory framework, mortgage real estate investment trusts, or mREITs, that trade in commodity interest positions (including swaps) are considered “ commodity pools ” and the operators of such mREITs would be considered “ commodity pool operators, ” or CPOs. Absent relief, a CPO must register with the U. S. Commodity Futures Trading Commission, or CFTC, and become a member of the National Futures Association, or NFA, which requires compliance with NFA’ s rules and renders such CPO subject to regulation by the CFTC, including with respect to disclosure, reporting, recordkeeping and business conduct. We may from time to time, directly or indirectly, invest in instruments that meet the definition of “ swap ” under the Dodd- Frank Act rules, which may subject us to oversight by the CFTC. Our board of directors has appointed our Manager to act as our CPO in the event we are deemed a commodity pool. In the event that we invest in commodity interests, absent relief, our Manager would be required to register as a CPO. Our Manager is exempt from registration as a CPO with the CFTC pursuant to certain no- action relief for the CPO of a qualifying mortgage REIT (and in that regard, we intend to identify as a “ mortgage REIT ” for U. S. federal income tax purposes). In addition, our Manager may in the future claim a different exemption from registration as a CPO with the CFTC. Therefore, unlike a registered CPO, our Manager will not be required to provide prospective investors with a CFTC compliant disclosure document, nor will our Manager be required to provide investors with periodic account statements or certified annual reports that satisfy the requirements of CFTC rules applicable to registered CPOs, in connection with any offerings of shares. As an alternative to an exemption from registration, our Manager may register as a CPO with the CFTC and avail itself of certain disclosure, reporting and record-keeping relief under CFTC Rule 4. 7. The CFTC has substantial enforcement power with respect to violations of the laws over

which it has jurisdiction, including anti- fraud and anti- manipulation provisions. Among other things, the CFTC may suspend or revoke the registration of a person who fails to comply, prohibit such a person from trading or doing business with registered entities, impose civil money penalties, require restitution and seek fines or imprisonment for criminal violations. Additionally, a private right of action exists against those who violate the laws over which the CFTC has jurisdiction or who willfully aid, abet, counsel, induce or procure a violation of those laws. In the event we fail to receive interpretive relief from the CFTC on this matter, are unable to claim an exemption from registration and fail to comply with the regulatory requirements of these new rules, we may be unable to use certain types of hedging instruments or we may be subject to significant fines, penalties and other civil or governmental actions or proceedings, any of which could adversely affect our results of operations and financial condition.

Risks Related to Our Relationship with Our Manager and its Affiliates We depend on our Manager and its personnel for our success. We may not find a suitable replacement for our Manager if the Management Agreement is terminated, or if key personnel cease to be employed by our Manager or Blackstone or otherwise become unavailable to us. We are externally managed and advised by our Manager, an affiliate of Blackstone. We currently have no employees and all of our officers are employees of Blackstone or its affiliates. We are completely reliant on our Manager, which has significant discretion as to the implementation of our investment and operating policies and strategies. Our success depends to a significant extent upon the efforts, experience, diligence, skill, and network of business contacts of the officers and key personnel of our Manager and its affiliates, as well as the persons and firms our Manager retains to provide services on our behalf. Our Manager is managed by senior professionals of Blackstone. These individuals oversee the evaluation, negotiation, execution and monitoring of our loans and other investments and financings, and the maintenance of our qualification as a REIT and exclusion from regulation under the Investment Company Act; therefore, our success depends on their skills and management expertise and continued service with our Manager and its affiliates. Furthermore, there is increasing competition among financial sponsors, investment banks and other real estate debt investors for hiring and retaining qualified investment professionals and there can be no assurance that such professionals will continue to be associated with us, our Manager or its affiliates or that any replacements will perform well.

There is no guarantee that any non- competition and non- solicitation agreements to which senior professionals of Blackstone are subject, together with Blackstone’ s other arrangements with them, will prevent them from leaving, joining our competitors or otherwise competing with us. In addition, there is no assurance that such agreements will be enforceable in all cases, particularly as states enact legislation aimed at effectively prohibiting non- competition agreements. In addition, in January 2023, the U. S. Federal Trade Commission published a proposed rule that, if finally issued, would generally prohibit post- employment non- competition provisions (or other provisions with similar effect) in agreements between employers and their employees. In addition, we can offer no assurance that our Manager will remain our investment manager or that we will continue to have access to our Manager’ s officers and key personnel. The current term of the Management Agreement extends to December 19, ~~2023~~ **2024** and may be renewed for additional one- year terms thereafter; provided, however, that our Manager may terminate the Management Agreement annually upon 180 days’ prior notice. If the Management Agreement is terminated and no suitable replacement is found to manage us, we may not be able to ~~execute~~ **achieve** our ~~business plan~~ **investment objectives**. Furthermore, we may incur certain costs in connection with a termination of the Management Agreement. The personnel of our Manager, as our external manager, are not required to dedicate a specific portion of their time to the management of our business. Neither our Manager nor any other Blackstone affiliate is obligated to dedicate any specific personnel exclusively to us, nor are they or their personnel obligated to dedicate any specific portion of their time to the management of our business. In addition, pursuant to the terms of our Management Agreement, our Manager retains, for and on our behalf and at our expense, the services of certain other persons and firms as our Manager deems necessary or advisable in connection with managing our operations. ~~We expect that certain~~ **Certain** of these providers ~~will include affiliates of Blackstone and its portfolio companies as we expand our business and leverage service providers to manage our growth~~. As a result, we cannot provide any assurances regarding the amount of time our Manager or its affiliates will dedicate to the management of our business and our Manager may have conflicts in allocating its time, resources and services among our business and any other investment vehicles and accounts our Manager (or its personnel) may manage and expenses allocable to us may increase where third parties are retained to provide services to us. Each of our officers is also an employee of our Manager or another Blackstone affiliate, who has now or may be expected to have significant responsibilities for other investment vehicles currently managed by Blackstone and its affiliates. Consequently, we may not receive the level of support and assistance that we otherwise might receive if we were internally managed. Our Manager and its affiliates are not restricted from entering into other investment advisory relationships or from engaging in other business activities. Our Manager manages our portfolio pursuant to very broad investment guidelines and is not required to seek the approval of our board of directors for each investment, financing, asset allocation or hedging decision made by it, which may result in our making riskier loans and investments and which could adversely affect our results of operations and financial condition. Our Manager is authorized to follow very broad investment guidelines that provide it with broad discretion over investment, financing, asset allocation and hedging decisions. Our board of directors will periodically review our investment guidelines and our loan and investment portfolio but will not, and will not be required to, review and approve in advance all of our proposed loans and investments or the Manager’ s financing, asset allocation or hedging decisions. In addition, in conducting periodic reviews, our directors rely primarily on information provided to them by our Manager or its affiliates. Subject to maintaining our REIT qualification and our exclusion from regulation under the Investment Company Act, our Manager has significant latitude within the broad investment guidelines in determining the types of loans and investments it makes for us, and how such loans and investments are financed or hedged, which could result in investment returns that are substantially below expectations or that result in losses, which could adversely affect our results of operations and financial condition. Our Manager’ s fee structure may not create proper incentives or may induce our Manager and its affiliates to make certain loans or investments, including speculative investments, which increase the risk of our loan and investment portfolio. We pay our Manager base management fees

regardless of the performance of our portfolio. Our Manager's entitlement to base management fees, which is not based upon performance metrics or goals, might reduce its incentive to devote its time and effort to seeking loans and investments that provide attractive risk-adjusted returns for our portfolio. Because the base management fees are also based in part on our outstanding equity, our Manager may also be incentivized to advance strategies that increase our equity, and there may be circumstances where increasing our equity will not optimize the returns for our stockholders. Consequently, we are required to pay our Manager base management fees in a particular period despite experiencing a net loss or a decline in the value of our portfolio during that period. Moreover, we have in the past and may in the future pay our Manager's fees in shares of our class A common stock, which could dilute our stockholders' ownership. Our Manager also has the ability to earn incentive fees each quarter based on our earnings, which may create an incentive for our Manager to invest in assets with higher yield potential, which are generally riskier or more speculative, or sell an asset prematurely for a gain, in an effort to increase our short-term net income and thereby increase the incentive fees to which it is entitled. In addition, we are required to reimburse our Manager or its affiliates for documented costs and expenses incurred by it and its affiliates on our behalf, except those specifically required to be borne by our Manager under our Management Agreement. Accordingly, to the extent that our Manager retains other parties to provide services to us, expenses allocable to us will increase. If our interests and those of our Manager are not aligned, the execution of our business plan and our results of operations could be adversely affected, which could adversely affect our results of operations and financial condition. We and the Blackstone Vehicles have and in the future will likely compete with or enter into transactions with existing and future private and public investment vehicles established and / or managed by Blackstone or its affiliates, which may present various conflicts of interest that restrict our ability to pursue certain investment opportunities or take other actions that are beneficial to our business and / or result in decisions that are not in the best interests of our stockholders. We are subject to conflicts of interest arising out of our relationship with Blackstone, including our Manager and its affiliates. Three Blackstone employees serve on our board of directors: **Jonathan Pollack, global head including Michael B. Nash, the executive chairman of our board of directors and chairman of Blackstone Real Estate Credit, which includes Blackstone Real Estate Debt Strategies, or BREDS, Timothy Johnson, the chairperson of our board of directors and global head of BREDS, and Katharine A. Keenan, our chief executive officer, and Jonathan Pollack, the global head chief operating officer of Blackstone Real Estate Credit Structured Finance, which includes BREDS.** In addition, **Michael B. Nash, who served as chair of BREDS until his retirement from Blackstone and also served as the executive chairman of our board of directors until recently, remains a member of our board of directors.** Our chief financial officer and each of our other officers are also employees of Blackstone and / or one or more of its affiliates. **We, and we** are managed by our Manager, a **subsidiary of Blackstone affiliate.** If any matter arises that Blackstone determines in its good faith judgment constitutes an actual and material conflict of interest, Blackstone and relevant affiliates will take the actions they determine appropriate to mitigate the conflict and to act in accordance with our Management Agreement. There is no guarantee that the policies and procedures adopted by us, the terms and conditions of the Management Agreement or the policies and procedures adopted by our Manager, Blackstone and their affiliates, will enable us to identify, adequately address or mitigate these conflicts of interest in a way that is favorable to us. Some examples of conflicts of interest that may arise by virtue of our relationship with our Manager and Blackstone include:

- Broad and Wide- Ranging Activities. Our Manager, Blackstone and their affiliates engage in a broad spectrum of activities, including a broad range of activities relating to investments in the real estate industry, and have invested or committed billions of dollars in capital through various investment funds, managed accounts and other vehicles affiliated with Blackstone. In the ordinary course of their business activities, our Manager, Blackstone and their affiliates may engage in activities where the interests of certain divisions of Blackstone and its affiliates, including our Manager, or the interests of their clients may conflict with the interests of our stockholders. Certain of these divisions and entities affiliated with our Manager have or may have an investment strategy similar to our investment strategy and therefore will likely compete with us. In particular, BREDS invests in a broad range of real estate-related debt investments via numerous different investment funds, managed accounts and other vehicles.
- Blackstone's Policies and Procedures. Specified policies and procedures implemented by Blackstone and its affiliates, including our Manager, to mitigate potential conflicts of interest and address certain regulatory requirements and contractual restrictions may reduce the advantages across Blackstone's and its affiliates' various businesses that Blackstone expects to draw on for purposes of pursuing attractive investment opportunities. Because Blackstone has many different businesses, including the Blackstone Capital Markets Group, which Blackstone investment teams and portfolio **entities-companies** may engage to advise on and to execute debt and equity financings, **it-Blackstone** is subject to a number of actual and potential conflicts of interest, greater regulatory oversight and more legal and contractual restrictions than **that to which** it would otherwise be subject **to** if it had just one line of business. In addressing these conflicts and regulatory, legal and contractual requirements across its various businesses, Blackstone has implemented certain policies and procedures (e.g., information walls) that may reduce the benefits that Blackstone could otherwise expect to utilize for our Manager for purposes of identifying and managing our investments. For example, Blackstone may come into possession of material **non-public nonpublic** information with respect to companies that are clients of Blackstone or its affiliates, in which our Manager may be considering making an investment. As a consequence, that information, which could be of benefit to our Manager, might become restricted to those other businesses and otherwise be unavailable to our Manager, and could also restrict our Manager's activities. Additionally, the terms of confidentiality or other agreements with or related to companies in which any investment vehicle of Blackstone has or has considered making an investment or which is otherwise a client of Blackstone and its affiliates may restrict or otherwise limit the ability of Blackstone or its affiliates, including our Manager, to engage in businesses or activities competitive with such companies.
- Allocation of Investment Opportunities. Certain inherent conflicts of interest arise from the fact that Blackstone and its affiliates, including our Manager, will provide investment management and other services both to us and to any other person or entity, whether or not the investment objectives or guidelines of any such other person or entity are similar to ours, including, without limitation, the sponsoring, closing and / or managing of any investment funds,

vehicles, REITs, accounts, products and / or other similar arrangements sponsored, advised, and / or managed by Blackstone or its affiliates, whether currently in existence or subsequently established (in each case, including any related successor funds, alternative vehicles, supplemental capital vehicles, surge funds, over- flow funds, co- investment vehicles, other entities formed in connection with Blackstone or its affiliates side- by- side or additional general partner investments with respect thereto, and portfolio companies / entities), which we refer to as the Blackstone Vehicles. The respective investment guidelines and programs of our business and certain of the Blackstone Vehicles overlap, in whole or in part, and where there is any such overlap, investment opportunities will be allocated between us and the Blackstone Vehicles in a manner that may result in fewer investment opportunities being allocated to us than would have otherwise been the case in the absence of such Blackstone Vehicles. In particular, while our primary investment strategies differ from those of Blackstone' s latest flagship real estate debt fund, Blackstone Real Estate Debt Strategies ~~IV-V~~ L. P. and potential successor funds and related separately managed accounts, or, collectively, BREDS Debt Funds, and Blackstone Real Estate Income Trust ~~, Inc.~~, or BREIT, in that we generally seek to invest primarily in senior mortgage loans and other similar interests, BREDS Debt Funds generally seeks to invest primarily in real estate- related debt with a high- yield risk profile such as junior mortgage debt, mezzanine debt, and other subordinate structured debt investments, BREIT generally seeks to invest primarily in real estate equity with a minority of its portfolio invested in liquid debt securities, a significant portion of the capital of BREDS Debt Funds and BREIT (and / or other Blackstone Vehicles) may nonetheless be invested in investments that would also be appropriate for us. The allocation methodology applied between us and one or more of the Blackstone Vehicles may result in us not participating (and / or not participating to the same extent) in certain investment opportunities in which we would have otherwise participated had the related allocations been determined without regard to such guidelines and / or based only on the circumstances of those particular investments. Our Manager, Blackstone or their affiliates may also give advice to Blackstone Vehicles that may differ from advice given to us even though their investment objectives may be the same or similar to ours. As a result, we will from time to time invest in real estate- related debt investments alongside certain Blackstone Vehicles that are part of the BREDS program and other vehicles that include a focus on real estate- related debt investments, including, but not limited to, BREDS Debt Funds and BREIT. To the extent any Blackstone Vehicles have investment objectives or guidelines that overlap with ours, in whole or in part, investment opportunities that fall within such common objectives or guidelines will generally be allocated among one or more of us and such other Blackstone Vehicles on a basis that our Manager and applicable Blackstone affiliates determines to be fair and reasonable in its sole discretion, subject to (i) any applicable investment objectives, parameters, limitations and other contractual provisions applicable to us and such other Blackstone Vehicles, (ii) us and such other Blackstone Vehicles having available capital with respect thereto, and (iii) legal, tax, accounting, regulatory and other considerations deemed relevant by our Manager and its affiliates (including, without limitation, the relative risk- return profile of such investment and instrument type, the specific nature and terms of the investment, size and type of the investment, readily available financing, relative investment strategies and primary investment mandates, portfolio diversification concerns, the investment focus, guidelines, limitations, and strategy of each investment fund or vehicle, co- investment arrangements, the different liquidity positions and requirements in each fund or vehicle, underwritten leverage levels of a loan, portfolio concentration considerations (including, but not limited to, (A) allocations necessary for us or the Blackstone Vehicles to maintain a particular concentration in a certain type of investment and (B) whether we or a particular Blackstone Vehicle already has its desired exposure to the investment, sector, industry, geographic region or markets in question), contractual obligations, other anticipated uses of capital, the source of the investment opportunity, credit ratings, the ability of a client, fund and / or vehicle to employ leverage, hedging, derivatives, syndication strategies or other similar strategies in connection with acquiring, holding or disposing of the particular investment opportunity, and any requirements or other terms of any existing leverage facilities, geographic focus, remaining investment period, the credit / default profile of an issuer, the extent of involvement of the respective teams of investment professionals dedicated to the Manager and other Blackstone Vehicles, the likelihood / immediacy of foreclosure or conversion to an equity or control opportunity, and other considerations deemed relevant in good faith in their sole discretion). There is no assurance that any conflicts will be resolved in our favor. ~~Our Manager is entitled to amend its investment objectives or guidelines at any time without prior notice or our consent.~~ Investments in Different Levels or Classes of an Issuer' s Securities. We and the Blackstone Vehicles have made and in the future will likely make investments at different levels of an issuer' s or borrower' s capital structure (e. g., an investment by a Blackstone Vehicle in an equity, debt or mezzanine interest with respect to the same portfolio ~~entity~~ **company** in which we own a debt interest or vice versa) or otherwise in different classes of the same issuer' s securities. We may make investments that are senior or junior to, or have rights and interests different from or adverse to, the investments made by the Blackstone Vehicles (and in certain circumstances our Manager will be unaware of another Blackstone Vehicle' s participation, as a result of information walls or otherwise). Such investments may conflict with the interests of such Blackstone Vehicles in related investments, and the potential for any such conflicts of interests may be heightened in the event of a default or restructuring of any such investments. Actions may be taken for the Blackstone Vehicles that are adverse to us, including with respect to the timing and manner of sale and actions taken in circumstances of financial distress. In addition, in connection with such investments, Blackstone will generally seek to implement certain procedures to mitigate conflicts of interest which typically involve us maintaining a non- controlling interest in any such investment and a forbearance of rights, including certain non- economic rights, relating to the Blackstone Vehicles, such as where Blackstone may cause us to decline to exercise certain control- and / or foreclosure- related rights with respect to a portfolio ~~entity~~ **company** (including following the vote of other third -party lenders generally or otherwise recusing ourselves with respect to decisions), including with respect to both normal course ongoing matters (such as consent rights with respect to loan modifications in intercreditor agreements) and also defaults, foreclosures, workouts, restructurings and / or exit opportunities, subject to certain limitations. If we recuse ourselves from decision- making as described above, we will generally rely upon a third -party lender to make the decisions, and the third -party lender could have conflicts or otherwise make

decisions that we would not have made. It is expected that our participation in connection with any such investments and transactions will be negotiated by third parties on market terms and prices. Our Management Agreement requires our Manager to keep our board of directors reasonably informed on a periodic basis in connection with the foregoing, including with respect to transactions that involve investments at different levels of an issuer's or borrower's capital structure, as to which our Manager has agreed to provide our board of directors with quarterly updates. We ~~currently hold mortgage and mezzanine loans and other~~ investments in which ~~Blackstone affiliates~~ **Vehicles** have interests in the collateral securing or backing **such investments or in other parts of the capital structure of** such investments. While Blackstone will seek to resolve any conflicts in a fair and equitable manner with respect to conflicts resolution among the Blackstone Vehicles generally, such transactions are not required to be presented to our board of directors for approval, and there can be no assurance that any conflicts will be resolved in our favor.

- **Assignment and Sharing or Limitation of Rights.** We have and in the future will likely invest alongside other Blackstone Vehicles and in connection therewith have and expect to, for legal, tax, regulatory or other reasons which may be unrelated to us, share with or assign to such other Blackstone Vehicles certain of our rights, in whole or in part, or to limit our rights, including certain control- and / or foreclosure- related rights with respect to such shared investments and / or otherwise agree to implement certain procedures to mitigate conflicts of interest which typically involve maintaining a non- controlling interest in any such investment and a forbearance of our rights, including certain non- economic rights (including following the vote of other third - party lenders generally or otherwise being recused with respect to certain decisions, including with respect to both normal course ongoing matters (such as consent rights with respect to loan modifications in intercreditor agreements) and also defaults, foreclosures, workouts, restructurings and / or exit opportunities), subject to certain limitations. While it is expected that our participation in connection with any such investments and transactions would be negotiated by third parties on market prices, such investments and transactions will give rise to potential or actual conflicts of interest. We cannot make assurances that any such conflict will be resolved in our favor. To the extent we hold an interest in a loan or security that is different (including with respect to their relative seniority) than those held by such other Blackstone Vehicles (and vice versa), our Manager and its affiliates may be presented and / or may have limited or no rights with respect to decisions when the interests of the funds / vehicles are in conflict. Such sharing or assignment of rights could make it more difficult for us to protect our interests and could give rise to a conflict (which may be exacerbated in the case of financial distress) and could result in another Blackstone Vehicle exercising such rights in a way adverse to us.
- **Providing Debt Financings in connection with Assets Owned by Other Blackstone Vehicles.** We have, and in the future are likely to provide financing (i) as part of the bid or acquisition by a third party to acquire interests in (or otherwise make an investment in the underlying assets of) a portfolio **entity company** owned by one or more Blackstone Vehicles or their affiliates of assets or interests (and / or portfolios thereof) owned by a third party, (ii) with respect to one or more portfolio **entities companies** or borrowers in connection with a proposed acquisition or investment by one or more Blackstone Vehicles or affiliates relating to such portfolio **entities companies** and / or their underlying assets and / or (iii) in other transactions or in the ordinary course, with respect to portfolio **entities companies** in which other Blackstone Vehicles and / or affiliates currently hold or propose to acquire an interest. This may include making commitments to provide financing at, prior to or around the time that any such purchaser commits to or makes such investments. While the terms and conditions of any such debt commitments and related arrangements will generally be consistent with market terms, the involvement of us and / or such other Blackstone Vehicles or affiliates in such transactions may impact the market terms. For example, in the case of a loan extended to a Blackstone portfolio **entity company** by a financing syndicate in which we have agreed to participate on terms negotiated by a third - party participant in the syndicate, it may have been necessary for the Blackstone portfolio **entity company** to offer better or worse terms to lenders to fully subscribe the syndicate than if we had not participated. In addition, any such transactions or arrangements may otherwise influence Blackstone's decisions with respect to the management of us and / or such other Blackstone Vehicles and / or the relevant Blackstone portfolio **entity company**, which will give rise to potential or actual conflicts of interests and which may adversely impact us.
- **Obtaining Financing from Other Blackstone Vehicles.** We may from time to time obtain financing from other Blackstone Vehicles (including the BREDS Debt Funds). We and / or Blackstone may face conflicts of interest in connection with any borrowings or disputes related to such financing agreement (s) which may adversely impact us.
- **Pursuit of Differing Strategies.** At times, the investment professionals employed by our Manager or its affiliates and other ~~investment vehicles affiliated with our Manager and / or~~ Blackstone **Vehicles** may determine that an investment opportunity may be appropriate for only some of the **Blackstone accounts, clients, entities, funds and / or investment vehicles Vehicles** for which he or she exercises investment responsibility, or may decide that certain of the **Blackstone accounts, clients, entities, funds and / or investment vehicles Vehicles** should take differing positions with respect to a particular security. In these cases, the investment professionals may place separate transactions for one or more **Blackstone accounts, clients, entities, funds and / or investment vehicles Vehicles** which may affect the market price of the security or the execution of the transaction, or both, to the detriment or benefit of one or more other **Blackstone accounts, clients, entities, funds and / or investment vehicles Vehicles**. For example, an investment professional may determine that it would be in the interest of another **account Blackstone Vehicles** to sell a security that we hold long, potentially resulting in a decrease in the market value of the security held by us.
- **Variation in Financial and Other Benefits.** A conflict of interest arises where the financial or other benefits available to our Manager or its affiliates differ among the **Blackstone accounts, clients, entities, funds and / or investment vehicles Vehicles** that ~~it they manages~~ **manage**. Where the amount or structure of the base management fee, incentive fee and / or our Manager's or its affiliates' compensation differs among **different Blackstone accounts, clients, entities, funds and / or investment vehicles Vehicles** (such as where certain funds or accounts pay higher base management fees, incentive fees, performance- based management fees or other fees), our Manager might be motivated to help certain **Blackstone accounts, clients, entities, funds and / or investment vehicles Vehicles** over us. Similarly, the desire to maintain assets under management or to enhance our Manager's performance record or to derive other rewards, financial or otherwise, could influence our Manager in affording preferential treatment to those **Blackstone accounts, clients, entities, funds**

and/or investment vehicles **Vehicles** that could most significantly benefit our Manager or its affiliates. Our Manager may, for example, have an incentive to allocate favorable or limited opportunity investments or structure the timing of investments to favor such other **Blackstone accounts, clients, entities, funds and/or investment vehicles Vehicles** over us. Additionally, our Manager might be motivated to favor other **Blackstone accounts, clients, entities, funds and/or investment vehicles Vehicles** in which it has an ownership interest or in which Blackstone and/or its affiliates have ownership interests. Conversely, if an investment professional at our Manager or its affiliates does not personally hold an investment in ~~us the fund~~ but holds investments in other Blackstone ~~affiliated vehicles~~ **Vehicles**, such investment professional's conflicts of interest with respect to us may be more acute.

• **Underwriting, Advisory and Other Relationships.** As part of its regular business, Blackstone provides a broad range of underwriting, investment banking, placement agent services and other services. In connection with selling investments by way of a public offering, a Blackstone broker-dealer **has acted and may in the future** act as the managing underwriter or a member of the underwriting syndicate on a firm commitment basis and **has purchased and may in the future** purchase securities **from us** on that basis. Blackstone may retain any commissions, remuneration, or other profits and receive compensation from such underwriting activities, which have the potential to create conflicts of interest. Blackstone may also participate in underwriting syndicates from time to time with respect to us or portfolio companies/entities of Blackstone Vehicles, or may otherwise be involved in the private placement of debt or equity securities issued by us or such portfolio companies/entities, or otherwise in arranging financings with respect thereto or advising on such transactions. Subject to applicable law, Blackstone may receive underwriting fees, placement commissions, or other compensation with respect to such activities, which will not be shared with us or our stockholders. Where Blackstone serves as underwriter with respect to the securities of a portfolio company/entity, we or the applicable Blackstone Vehicle holding such securities may be subject to a "lock-up" period following the offering under applicable regulations during which time our ability to sell any securities that we continue to hold is restricted. This may prejudice our ability to dispose of such securities at an opportune time. In the regular course of its investment banking business, Blackstone represents potential purchasers, sellers and other involved parties, including corporations, financial buyers, management, shareholders and institutions, with respect to assets that are suitable for investment by us. In such case, Blackstone's client would typically require Blackstone to act exclusively on its behalf, thereby precluding us from acquiring such assets. Blackstone is under no obligation to decline any such engagement to make the investment opportunity available to us. Blackstone has long-term relationships with a significant number of corporations and their senior management. In determining whether to invest in a particular transaction on our behalf, our Manager may consider those relationships (subject to its obligations under the Management Agreement), which may result in certain transactions that our Manager will not undertake on our behalf in view of such relationships.

• **Service Providers.** Certain of our service providers, or their affiliates (including accountants, administrators, lenders, brokers, attorneys, consultants, title agents, loan servicing and administration providers, property managers and investment banking or commercial banking firms) also provide goods or services to or have business, personal or other relationships with Blackstone. For example, Blackstone may hold equity or other investments in companies or businesses in the real estate related information technology and other industries that may provide products or services to or otherwise contract with us or other Blackstone Vehicles. In connection with any such investment, Blackstone or other Blackstone Vehicles (or their respective portfolio companies/entities) may make referrals or introductions to other portfolio companies/entities in an effort, in part, to increase the customer base of such companies or businesses, and therefore the value of the investment, or because such referrals or introductions may result in financial incentives (including additional equity ownership) and/or milestones benefitting the referring or introducing party that are tied or related to participation by portfolio companies/entities. Furthermore, such introductions or referrals may involve the transfer of certain personnel or employees among us, Blackstone and Blackstone Vehicles and other Blackstone clients which may result in a termination fee or similar payments being due and payable from one such entity to another. We will not share in any fees, economics or equity accruing to Blackstone or such other Blackstone Vehicles as a result of these relationships. In addition, we may enter into agreements regarding group procurement (such as a group purchasing organization), benefits management, purchase of title and/or other insurance policies (which will from time to time be pooled and discounted due to scale) from a third party or a Blackstone affiliate, and other similar operational, administrative, or management related initiatives that result in commissions, discounts or similar payments to Blackstone or its affiliates (including personnel), including related to a portion of the savings achieved. Such service providers may be sources of investment opportunities or co-investors or commercial counterparties. Such relationships may influence our Manager in deciding whether to select such service provider. In certain circumstances, service providers, or their affiliates, may charge different rates (including below-market rates or at no cost) or have different arrangements for services provided to Blackstone or its affiliates as compared to services provided to us, which in certain circumstances may result in more favorable rates or arrangements than those payable by us. For example, we have engaged **a Revantage Corporate Services, LLC and Revantage Global Services Europe S. à. r. l., portfolio company companies** owned by a Blackstone **Vehicles advised fund**, to provide corporate support services (including, without limitation, accounting/audit (including valuation support services), account management, cash management, data management, environmental due diligence support and engineering assessments, information technology/systems support, reporting, legal, tax, and treasury, as applicable) and transaction support services (including, without limitation, loan diligence, underwriting and processing, assembling relevant information, conducting financial and market analyses) to certain of our investments directly. In addition, in instances where multiple Blackstone businesses may be exploring a potential individual investment, certain of these service providers may choose to be engaged by other Blackstone affiliates rather than us. In addition, certain advisors and service providers (including law firms) may temporarily provide their personnel to Blackstone, us or other Blackstone Vehicles or their portfolio companies pursuant to various arrangements including at cost or at no cost. While often we and such other Blackstone **Vehicles** ~~advised funds~~ and their portfolio companies are the beneficiaries of these types of arrangements, Blackstone is from time to time a beneficiary of these arrangements as well, including in circumstances where the advisor or

service provider also provides services to us in the ordinary course. Such personnel may provide services in respect of multiple matters, including in respect of matters related to Blackstone, its affiliates and / or portfolio companies and any costs of such personnel may be allocated accordingly. CTIMCO, a subsidiary of Blackstone, acts as special servicer in connection with our CLO transactions and may act as special servicer in future securitization financing transactions. CTIMCO, in its capacity as special servicer, may be required to enforce obligations or undertake certain other actions that may conflict with our interests. Lexington National Land Services, or LNLS, is a Blackstone affiliate that (i) acts as a title agent in facilitating and issuing title insurance, (ii) provides title support services for title insurance underwriters and (iii) acts as escrow agent in connection with investments by us, other Blackstone Vehicles and their ~~portfolio entities~~, affiliates and related parties, and third parties, including, from time to time, our borrowers. In exchange for such services LNLS earns fees, which would have otherwise been paid to third parties. If LNLS is involved in a transaction in which we participate, ~~Blackstone LNLS~~ will benchmark **such fees** ~~the relevant costs~~ to the extent market data is available except when LNLS is providing such services in a state where the insurance premium or escrow fee, as applicable, is regulated by the state or when LNLS is part of a syndicate of title insurance companies where the insurance premium is negotiated by other title insurance underwriters or their agents.

- **Material, Nonpublic Non-Public Information.** We, directly or through Blackstone, our Manager or certain of their respective affiliates may come into possession of material ~~non-public nonpublic~~ information with respect to an issuer or borrower in which we have invested or may invest. Should this occur, our Manager may be restricted from buying or selling securities, derivatives or loans of the issuer or borrower on our behalf until such time as the information becomes public or is no longer deemed material. Disclosure of such information to the personnel responsible for management of our business may be on a need- to- know basis only, and we may not be free to act upon any such information. Therefore, we and / or our Manager may not have access to material ~~non-public nonpublic~~ information in the possession of Blackstone which might be relevant to an investment decision to be made by our Manager on our behalf, and our Manager may initiate a transaction or purchase or sell an investment which, if such information had been known to it, may not have been undertaken. Due to these restrictions, our Manager may not be able to initiate a transaction on our behalf that it otherwise might have initiated and may not be able to purchase or sell an investment that it otherwise might have purchased or sold, which could negatively affect our operations.
- **Possible Future Activities.** Our Manager and its affiliates may expand the range of services that they provide over time. Except as and to the extent expressly provided in our Management Agreement, our Manager and its affiliates will not be restricted in the scope of its business or in the performance of any such services (whether now offered or undertaken in the future) even if such activities could give rise to conflicts of interest, and whether or not such conflicts are described herein. Our Manager, Blackstone and their affiliates continue to develop relationships with a significant number of companies, financial sponsors and their senior managers, including relationships with clients who may hold or may have held investments similar to those intended to be made by us. These clients may themselves represent appropriate investment opportunities for us or may compete with us for investment opportunities.
- **Transactions with Blackstone Vehicles.** From time to time, we may enter into purchase and sale transactions with Blackstone Vehicles. Such transactions will be conducted in accordance with, and subject to, the terms and conditions of the Management Agreement (including the requirement that sales to or acquisitions of investments from Blackstone, any Blackstone Vehicle or any of their affiliates be approved in advance by a majority of our independent directors) and our code of business conduct and ethics and applicable laws and regulations. While our Manager ~~shall will~~ seek to engage in a marketed process, or otherwise benchmark the price and terms of any such transaction, there can be no assurance that any assets sold by us to another Blackstone Vehicle will not be valued or allocated a price that is lower than might otherwise have been the case if such asset was acquired by a third -party rather than another Blackstone Vehicle.
- **Loan Refinancings.** We **have in the past and in the future** may from time to time ~~seek to~~ participate in investments relating to the refinancing of loans held by the Blackstone Vehicles (including the BREDS Debt Funds). **In addition, Blackstone Vehicles, may participate in investments relating to the refinancing of loans held by us.** While it is expected that ~~our any such~~ participation **by another Blackstone Vehicle or us** in connection with ~~such~~ refinancing transactions will be at arms' length and on market / contract terms, such transactions may give rise to potential or actual conflicts of interest and there can be no assurance that such financing will not be valued or allocated a price that is lower than might otherwise have been the case if such financing was provided by a third - party rather than ~~to another Blackstone Vehicle~~ **or us** (or that the pricing and terms of any financing provided by another Blackstone Vehicle **or us** will be as favorable as those provided by third parties).
- **Other Affiliate Transactions.** ~~Our Manager~~ **We have in the past and in the future,** may ~~on our behalf~~ acquire debt issued by a borrower in which a separate equity or another debt investment has been made by Blackstone or its other affiliates, including the BREDS Debt Funds. In connection with investments in which we participate alongside other Blackstone Vehicles (including the BREDS Debt Funds), we may from time to time share certain rights with such other Blackstone Vehicles relating to such investments for legal, tax, regulatory or other similar reasons, including, in certain instances, certain control- related rights with respect to jointly- held investments. When making any such investments, there may be conflicting interests. There can be no assurance that the return on our investment will be equivalent to or better than the returns obtained by Blackstone or its other affiliates.
- **Family Relationships.** Certain personnel and other professionals of Blackstone have family members or relatives that are actively involved in the industries and sectors in which we invest and / or have business, personal, financial or other relationships with companies in the real estate industry, which gives rise to potential or actual conflicts of interest. For example, such family members or relatives might be officers, directors, personnel or owners of companies or assets which are actual or potential investments of us or our other counterparties. Moreover, in certain instances, we may transact with companies that are owned by such family members or relatives or in respect of which such family members or relatives have other involvement. In most such circumstances, we will not be precluded from undertaking any of these investment activities or transactions. To the extent Blackstone determines appropriate, it may put in place conflict mitigation strategies with respect to a particular circumstance, such as internal information barriers or recusal, disclosure or other steps determined appropriate by the Manager. Blackstone may enter into one

or more strategic relationships in certain regions or with respect to certain types of investments that, although intended to provide greater opportunities for us, may require us to share such opportunities or otherwise limit the amount of an opportunity we can otherwise take. Further conflicts could arise once we and Blackstone or its affiliates have made their respective investments. For example, if a company goes into bankruptcy or reorganization, becomes insolvent or otherwise experiences financial distress or is unable to meet its payment obligations or comply with covenants relating to securities held by us or by Blackstone or its affiliates, Blackstone or its affiliates may have an interest that conflicts with our interests or Blackstone or its affiliates may have information regarding the company that we do not have access to. If additional financing is necessary as a result of financial or other difficulties, it may not be in our best interests to provide such additional financing. If Blackstone or its affiliates were to lose their respective investments as a result of such difficulties, the ability of our Manager to recommend actions in our best interests might be impaired. Termination of our Management Agreement would be costly. Termination of our Management Agreement without cause would be difficult and costly. Our independent directors review our Manager's performance annually and the Management Agreement may be terminated each year upon the affirmative vote of at least two-thirds of our independent directors, based upon a determination that (i) our Manager's performance is unsatisfactory and materially detrimental to us or (ii) the base management fee and incentive fee payable to our Manager are not fair (provided that in this instance, our Manager will be afforded the opportunity to renegotiate the management fee and incentive fees prior to termination). We are required to provide our Manager with 180 days prior notice of any such termination. Additionally, upon such a termination, or if we materially breach the Management Agreement and our Manager terminates our Management Agreement, the Management Agreement provides that we will pay our Manager a termination fee equal to three times the sum of the average annual base management fee and the average annual incentive fee earned during the 24-month period immediately preceding the date of termination, calculated as of the end of the most recently completed fiscal quarter prior to the date of termination. These provisions increase the cost to us of terminating the Management Agreement and adversely affect our ability to terminate our Manager without cause. Our Manager maintains a contractual as opposed to a fiduciary relationship with us. Our Manager's liability is limited under our Management Agreement, and we have agreed to indemnify our Manager against certain liabilities. Pursuant to our Management Agreement, our Manager does not assume any responsibility other than to render the services called for thereunder and is not responsible for any action of our board of directors in following or declining to follow its advice or recommendations. Our Manager maintains a contractual as opposed to a fiduciary relationship with us. Under the terms of the Management Agreement, our Manager and its affiliates and their respective directors, officers, employees and stockholders are not liable to us, our directors, our stockholders or any subsidiary of ours, or their directors, officers, employees or stockholders for any acts or omissions performed in accordance with and pursuant to the Management Agreement, except by reason of acts or omissions constituting bad faith, willful misconduct, gross negligence or reckless disregard of their duties under the Management Agreement. We have agreed to indemnify our Manager and its affiliates and their respective directors, officers, employees and stockholders with respect to all expenses, losses, damages, liabilities, demands, charges and claims arising from acts or omissions of our Manager not constituting bad faith, willful misconduct, gross negligence or reckless disregard of duties, performed or not performed in good faith in accordance with and pursuant to the Management Agreement. As a result, we could experience poor performance or losses for which our Manager would not be liable. We do not own the Blackstone or BXMT name, but we may use it as part of our corporate name pursuant to a trademark license agreement with an affiliate of Blackstone. Use of the name by other parties or the termination of our trademark license agreement may harm our business. We have entered into ~~a an amended and restated~~ trademark license agreement, ~~or Trademark License Agreement,~~ with an affiliate of Blackstone pursuant to which it has granted us a fully paid-up, royalty-free, non-exclusive, non-transferable license to use the names "Blackstone Mortgage Trust, Inc." and "BXMT." Under this agreement, we have a right to use these names for so long as our Manager (or another affiliate of Blackstone **that serves as the TM L. L. C., or Licensor licensor**) serves as our Manager (or another managing entity) and our Manager remains an affiliate of the **Licensor licensor** under the **Trademark trademark License license Agreement agreement**. The **Trademark trademark License license Agreement agreement** may also be earlier terminated by either party as a result of certain breaches or for convenience upon 90 days' prior written notice; provided that upon notification of such termination by us, the **Licensor licensor** may elect to effect termination of the **Trademark trademark License license Agreement agreement** immediately at any time after 30 days from the date of such notification. The **Licensor licensor** and its affiliates, such as Blackstone, will retain the right to continue using the "Blackstone" and "BXMT" names. We will further be unable to preclude the **Licensor licensor** from licensing or transferring the ownership of the "Blackstone" or "BXMT" names to third parties, some of whom may compete with us. Consequently, we will be unable to prevent any damage to goodwill that may occur as a result of the activities of the **Licensor licensor**, Blackstone or others. Furthermore, in the event that the **Trademark trademark License license Agreement agreement** is terminated, we would be required to, among other things, change our name and NYSE ticker symbol. Any of these events could disrupt our recognition in the **marketplace market place**, damage any goodwill we may have generated and otherwise harm our business. Risks Related to Our Company Our investment strategy or guidelines, asset allocation and financing strategy may be changed without stockholder consent. Our Manager is authorized to follow broad investment guidelines that have been approved by our board of directors. Those investment guidelines, as well as our financing strategy or hedging policies with respect to investments, originations, acquisitions, growth, operations, indebtedness, capitalization and **distributions dividends**, may be changed at any time without notice to, or the consent of, our stockholders. This could result in an investment portfolio with a different risk profile. A change in our investment strategy may increase our exposure to interest rate risk, default risk and real estate market fluctuations. Furthermore, a change in our asset allocation could result in our making investments in asset categories different from those described in this report. These changes could adversely affect our results of operations and financial condition. We must manage our portfolio so that we do not become an investment company that is subject to regulation under the Investment Company Act. We conduct our operations so that we are not required to register as an

investment company under the Investment Company Act. Under Section 3 (a) (1) (C) of the Investment Company Act, a company is deemed to be an investment company if it is engaged, or proposes to engage, in the business of investing, reinvesting, owning, holding or trading in securities and owns or proposes to acquire “ investment securities ” having a value exceeding 40 % of the value of its total assets (exclusive of U. S. government securities and cash items) on an unconsolidated basis. “ Investment securities ” exclude (A) U. S. government securities, (B) securities issued by employees’ securities companies and (C) securities issued by majority- owned subsidiaries which (i) are not investment companies and (ii) are not relying on the exception from the definition of investment company under Section 3 (c) (1) or 3 (c) (7) of the Investment Company Act. We conduct our operations so that we will not fall within the definition of investment company under Section 3 (a) (1) (C) of the Investment Company Act, since less than 40 % of our total assets (exclusive of U. S. government securities and cash items) on an unconsolidated basis will consist of “ investment securities. ” To avoid the need to register as an investment company, the securities issued to us by any wholly owned or majority- owned subsidiaries that are excluded from the definition of investment company under Section 3 (c) (1) or Section 3 (c) (7) of the Investment Company Act, together with any other investment securities we may own, may not have a value in excess of 40 % of the value of our total assets (exclusive of U. S. government securities and cash items) on an unconsolidated basis. While we monitor our holdings to ensure ongoing compliance with this test, there can be no assurance that we will be able to avoid the need to register as an investment company. This test limits the types of businesses in which we may engage through our subsidiaries. In addition, the assets we and our subsidiaries may originate or acquire are limited by the provisions of the Investment Company Act and the rules and regulations promulgated under the Investment Company Act, which may adversely affect our business. We hold our assets primarily through direct or indirect wholly owned or majority- owned subsidiaries, certain of which are excluded from the definition of investment company pursuant to Section 3 (c) (5) (C) of the Investment Company Act, which provides an exclusion for companies engaged primarily in acquiring mortgages and other liens on or interests in real estate. In order to qualify for this exclusion, such subsidiaries must maintain, on the basis of positions taken by the SEC’ s Division of Investment Management, or the Division, in interpretive and no- action letters, a minimum of 55 % of the value of their total assets in real property, mortgage loans and certain mezzanine loans and other assets that the Division in various no- action letters and other guidance has determined are the functional equivalent of liens on or interests in real estate, which we refer to as Qualifying Interests, and a minimum of 80 % in Qualifying Interests and real estate- related assets. In the absence of SEC or Division guidance that supports the treatment of other investments as Qualifying Interests, we will treat those other investments appropriately as real estate- related assets or miscellaneous assets depending on the circumstances. With respect to our subsidiaries that maintain this exclusion or another exclusion or exemption under the Investment Company Act (other than Section 3 (c) (1) or Section 3 (c) (7) thereof), our interests in these subsidiaries do not and will not constitute “ investment securities. ” To the extent that the SEC or its staff provides new specific guidance regarding any of the matters bearing upon the requirements of Section 3 (c) (5) (C) of the Investment Company Act, we may be required to adjust our strategy accordingly. Any additional guidance from the SEC or its staff could further inhibit our ability to pursue the strategies we have chosen. Because registration as an investment company would significantly affect our ability to engage in certain transactions or be structured in the manner we currently are, we intend to conduct our business so that we will continue to satisfy the requirements to avoid regulation as an investment company. As a consequence of our seeking to maintain our **exemption-exclusion** from registration under the Investment Company Act on an ongoing basis, we and / or our subsidiaries may be restricted from making certain investments or may structure investments in a manner that would be less advantageous to us than would be the case in the absence of such requirements. In particular, a change in the value of any of our assets could negatively affect our ability to maintain our **exemption-exclusion** from registration under the Investment Company Act and cause the need for a restructuring of our investment portfolio. For example, these restrictions may limit our and our subsidiaries’ ability to invest directly in mortgage- backed securities that represent less than the entire ownership in a pool of senior loans, debt and equity tranches of securitizations and certain asset- backed securities, non- controlling equity interests in real estate companies or in assets not related to real estate; however, we and our subsidiaries may invest in such securities to a certain extent. In addition, seeking to maintain our **exemption-exclusion** from registration under the Investment Company Act may cause us and / or our subsidiaries to acquire or hold additional assets that we might not otherwise have acquired or held or dispose of investments that we and / or our subsidiaries might not have otherwise disposed of, which could result in higher costs or lower proceeds to us than we would have paid or received if we were not seeking to comply with such requirements. Thus, maintaining our **exemption-exclusion** from registration under the Investment Company Act may hinder our ability to operate solely on the basis of maximizing profits. There can be no assurance that we and our subsidiaries will be able to successfully maintain our **exemption-exclusion** from registration under the Investment Company Act. If it were established that we were an unregistered investment company, there would be a risk that we would be subject to monetary penalties and injunctive relief in an action brought by the SEC, that we would be unable to enforce contracts with third parties, that third parties could seek to obtain rescission of transactions undertaken during the period it was established that we were an unregistered investment company, and that we would be subject to limitations on corporate leverage that would have an adverse impact on our investment returns. In order to comply with provisions that allow us to avoid the consequences of registration under the Investment Company Act, we may need to forego otherwise attractive opportunities and limit the manner in which we conduct our operations. Therefore, compliance with such provisions may hinder our ability to operate solely on the basis of maximizing profits. If we were required to register as an investment company under the Investment Company Act, we would become subject to substantial regulation with respect to our capital structure (including our ability to use borrowings), management, operations, transactions with affiliated persons (as defined in the Investment Company Act) and portfolio composition, including disclosure requirements and restrictions with respect to diversification and industry concentration and other matters. Compliance with the Investment Company Act would, accordingly, limit our ability to make certain investments and require us to significantly restructure our **business plan-operations and investment objectives**, which could materially

adversely affect our stock price, performance and ability to pay **distributions dividends** to our stockholders. Rapid changes in the values of our other real estate- related investments may make it more difficult for us to maintain our qualification as a REIT or exclusion from regulation under the Investment Company Act. If the market value or income potential of real estate- related investments declines, we may need to increase our real estate investments and income and / or liquidate our non- qualifying assets in order to maintain our REIT qualification or exclusion from Investment Company Act regulation. If the decline in real estate asset values and / or income occurs quickly, this may be especially difficult to accomplish. This difficulty may be exacerbated by the illiquid nature of any non- qualifying assets that we may own. We may have to make investment decisions that we otherwise would not make absent the REIT qualification and Investment Company Act considerations. Changes in laws or regulations governing our operations, changes in the interpretation thereof or newly enacted laws or regulations and any failure by us to comply with these laws or regulations, could require changes to certain of our business practices, negatively impact our operations, cash flow or financial condition, impose additional costs on us, subject us to increased competition or otherwise adversely affect our business. The laws and regulations governing our operations, as well as their interpretation, may change from time to time, and new laws and regulations may be enacted. Accordingly, any change in these laws or regulations, changes in their interpretation, or newly enacted laws or regulations and any failure by us to comply with these laws or regulations, could require changes to certain of our business practices, negatively impact our operations, cash flow or financial condition, impose additional costs on us or otherwise adversely affect our business. Certain regulations enacted in the E. U., including without limitation the Market Abuse Regulation and the Securitization Regulation, impose additional compliance costs on us and may increase our financing costs. Furthermore, if regulatory capital requirements- whether under the Dodd- Frank Act, Basel III (i. e., the framework for a comprehensive set of capital and liquidity standards for internationally active banking organizations, which was adopted in June 2011 by the Basel Committee on Banking Supervision, an international body comprised of senior representatives of bank supervisory authorities and central banks from 27 countries, including the United States) or other regulatory action- are imposed on private lenders that provide us with funds, or were to be imposed on us, they or we may be required to limit, or increase the cost of, financing they provide to us or that we provide to others. Among other things, this could potentially increase our financing costs, reduce our ability to originate or acquire loans and reduce our liquidity or require us to sell assets at an inopportune time or **an unfavorable** price. Various laws and regulations currently exist that restrict the investment activities of banks and certain other financial institutions but do not apply to us, which we believe creates opportunities for us to participate in certain investments that are not available to these more regulated institutions. However, in 2018, then- President Trump signed into law a bill easing the regulation and oversight of certain banks under the Dodd- Frank Act. Efforts by the current administration **or future administrations** could have further impacts on our industry if previously enacted laws are amended or if new legislative or regulatory reforms are adopted. In addition, **the a future** change in administration **has may led-lead** to leadership changes at a number of U. S. federal regulatory agencies with oversight over the U. S. financial services industry. **This Such changes would poses- pose** uncertainty with respect to such agencies' ongoing policy priorities and **could** has led, and may lead in the future, to increased regulatory enforcement activity in the financial services industry. **Any** Although there is a substantial lack of clarity regarding the likelihood, timing and details of further **potential changes or reforms by the new administration and U. S. Congress, such** changes or reforms may impose additional costs on our current or future investments, require the attention of senior management or result in other limitations on our business or investments. We are unable to predict at this time the **likelihood or** effect of any such **changes or** reforms. Over the last several years, there also has been an increase in regulatory attention to the extension of credit outside of the traditional banking sector, raising the possibility that some portion of the non- bank financial sector will be subject to new regulation. While it cannot be known at this time whether any regulation will be implemented or what form it will take, increased regulation of non- bank credit extension could negatively impact our operations, cash flows or financial condition, impose additional costs on us, intensify the regulatory supervision of us or otherwise adversely affect our business. In addition, the Iran Threat Reduction and Syria Human Rights Act of 2012, or ITRA, expands the scope of U. S. sanctions against Iran and Syria. In particular, Section 219 of the ITRA amended the Exchange Act to require companies subject to SEC reporting obligations under Section 13 of the Exchange Act to disclose in their periodic reports specified dealings or transactions involving Iran or other individuals and entities targeted by certain sanctions promulgated by the Office of Foreign Assets Control of the U. S. Department of the Treasury, or Treasury, engaged in by the reporting company or any of its affiliates during the period covered by the relevant periodic report. These companies are required to separately file with the SEC a notice that such activities have been disclosed in the relevant periodic reports, and the SEC is required to post this notice of disclosure on its website and send the report to the U. S. President and certain U. S. Congressional committees. The U. S. President thereafter is required to initiate an investigation and, within 180 days of initiating such an investigation with respect to certain disclosed activities, to determine whether sanctions should be imposed. Disclosure of such activity, even if such activity is not subject to sanctions under applicable law, and any sanctions actually imposed on us or our affiliates as a result of these activities, could harm our reputation and have a negative impact on our business. Beginning in February 2022, the United States and other countries began imposing meaningful sanctions targeting Russia as a result of actions taken by Russia in Ukraine. We are required to comply with these and potentially additional sanctions imposed by the United States and by other countries, for which the full costs, burdens, and limitations on our business and prospects are currently unknown. State and foreign licensing requirements will cause us to incur expenses and our failure to be properly licensed may have a material adverse effect on us and our operations. Non- bank companies are generally required to hold licenses in a number of U. S. states and foreign jurisdictions to conduct lending activities. These licensing statutes vary from jurisdiction to jurisdiction and prescribe or impose various recordkeeping requirements; restrictions on loan origination and servicing practices, including limits on finance charges and the type, amount and manner of charging fees; disclosure requirements; requirements that licensees submit to periodic examination; surety bond and minimum specified net worth requirements; periodic financial reporting requirements; notification requirements for changes

in principal officers, stock ownership or corporate control; restrictions on advertising; and requirements that loan forms be submitted for review. Obtaining and maintaining licenses will cause us to incur expenses and failure to be properly licensed under such laws or otherwise may have a material adverse effect on us and our operations. Actions of the U. S. government, including the U. S. Congress, Federal Reserve Board, Treasury and other governmental and regulatory bodies, to stabilize or reform the financial markets, or market response to those actions, may not achieve the intended effect and may adversely affect our business. In July 2010, the Dodd- Frank Act was signed into law, which imposes significant investment restrictions and capital requirements on banking entities and other organizations that are significant to U. S. financial stability. For instance, the so- called “ Volcker Rule ” provisions of the Dodd- Frank Act impose significant restrictions on the proprietary trading activities of banking entities and on their ability to sponsor or invest in private equity and hedge funds. It also directs the applicable federal regulatory agencies to subject, by rule, nonbank financial companies that have been designated as “ systemically important ” by the Financial Stability Oversight Council (~~“~~, or FSOC, ~~”~~) to increased capital requirements and quantitative limits for engaging in such activities, as well as consolidated supervision by the Federal Reserve Board. In ~~December 2019~~ **November 2023**, the FSOC issued interpretive ~~guidance~~ **adopted amendments to its** guidance regarding the ~~procedures for designation~~ **designating** of nonbank financial companies as systemically important financial institutions, or SIFIs, ~~which eliminated~~. This guidance implemented a number of reforms to the FSOC’s **prioritization of SIFI designation** approach by shifting from an “ entity- based ” approach to an “ activities- based ” approach ~~under~~ **whereby the FSOC would primarily focus on regulating activities that pose systematic**’s **prior guidance for identifying, assessing and addressing potential risk risks** to the financial stability of the United States, rather than designations of individual firms. Under the final 2019 guidance, designation of an individual firm as a SIFI would only occur if, after engaging with the firm’s primary federal and state regulators, the FSOC determines that those regulators’ actions are inadequate to address the identified potential risk to U. S. financial stability. There ~~is~~ **The elimination** can be no assurance that the FSOC will not adopt further modifications to its interpretive guidance regarding the designation of nonbank financial companies as SIFIs, including to primarily focus on an “ entity- based ” approach to such designations. If such designation were to occur with respect to the nonbank financial industry (~~under an “ activities- based ” approach~~) or with respect to us (~~over designation of an individual firm as a nonbank SIFI~~ **under the amendments to the FSOC’s nonbank SIFI designation guidance adopted in November 2023 may increase the likelihood of FSOC designating one or more firms as a nonbank SIFI. If we were to be designated as a SIFI, or if an- any “ entity- based ” approach**) **of our business activities were to be identified by the FSOC or any other regulatory agency as warranting enhanced regulation or supervision by certain regulators**, we could be subject to significantly increased levels of regulation, which includes, without limitation, a requirement to adopt heightened standards relating to capital, leverage, liquidity, risk management, credit exposure reporting and concentration limits, restrictions on acquisitions and being subject to annual stress tests by the Federal Reserve. The Dodd- Frank Act also reformed the asset- backed securitization market (including the mortgage- backed securities market) by requiring the retention of a portion of the credit risk inherent in the pool of securitized assets and by imposing additional registration and disclosure requirements. Under the final credit risk retention rules issued in October 2014 by five federal banking and housing agencies and the SEC, which have since become effective with respect to all asset classes, sponsors of asset- backed securities are generally required to retain at least 5 % of the credit risk relating to the assets that underlie such asset- backed securities. These rules could restrict credit availability and could negatively affect the terms and availability of credit to fund our investments. See “ ~~—~~ Risks Related to Our Financing and Hedging- We have utilized and may utilize in the future non- recourse securitizations to finance our loans and investments, which may expose us to risks that could result in losses. ” While the full impact of the Dodd- Frank Act cannot be fully assessed, the Dodd- Frank Act’s extensive requirements may have a significant effect on the financial markets and may affect the availability or terms of financing from our lender counterparties and the availability or terms of mortgage- backed securities, which may, in turn, have an adverse effect on our business. On December 16, 2015, the CFTC published a final rule governing margin requirements for uncleared swaps entered into by registered swap dealers and major swap participants who are not supervised by the Federal Reserve Board, the Office of the Comptroller of the Currency, the Federal Deposit Insurance Corporation, the Farm Credit Administration and the Federal Housing Finance Agency (~~“~~, which we refer to collectively, ~~”~~ as the “ Prudential Regulators ”), referred to as “ covered swap entities, ” and such rule was amended on November 19, 2018. The final rule generally requires covered swap entities, subject to certain thresholds and exemptions, to collect and post margin in respect of uncleared swap transactions with other covered swap entities and financial end- users. In particular, the final rule requires covered swap entities and financial end- users having “ material swaps exposure, ” defined as an average aggregate daily notional amount of uncleared swaps exceeding a certain specified amount, to collect and / or post (as applicable) a minimum amount of “ initial margin ” in respect of each uncleared swap; the specified amounts for material swaps exposure differ subject to a phase- in schedule until September 1, 2020, when the average aggregate daily notional amount will thenceforth be \$ 8 billion as calculated from June, July and August of the previous calendar year. On November 9, 2020, the CFTC published a final rule extending the last implementation phase of its initial margin requirements for uncleared swaps from September 1, 2021 to September 1, 2022. In addition, the final rule requires covered swap entities entering into uncleared swaps with other covered swap entities or financial- end users, regardless of swaps exposure, to post and / or collect (as applicable) “ variation margin ” in reflection of changes in the mark- to- market value of an uncleared swap since the swap was executed or the last time such margin was exchanged. The CFTC final rule is broadly consistent with a similar rule requiring the exchange of initial and variation margin adopted by the Prudential Regulators in October 2015, as amended, which applies to registered swap dealers, major swap participants, security- based swap dealers and major security- based swap participants that are supervised by one or more of the Prudential Regulators, as well as the final rule adopted by the SEC in June 2019, as amended, which applies to security- based swap dealers and major security- based swap participants that are not supervised by one or more of the Prudential Regulators. These rules on margin requirements for uncleared swaps could adversely affect our business, including our ability to enter such

swaps or our available liquidity. The current regulatory environment may be impacted by future legislative developments, such as amendments to key provisions of the Dodd- Frank Act, including provisions setting forth capital and risk retention requirements. In June 2020, U. S. federal regulatory agencies adopted additional revisions to the Volcker Rule's current restrictions on banking entities sponsoring and investing in certain covered hedge funds and private equity funds, including by adopting new exemptions allowing banking entities to sponsor and invest without limit in credit funds, venture capital funds, customer facilitation funds and family wealth management vehicles (the "Covered Fund Amendments"). The Covered Fund Amendments also loosen certain other restrictions on extraterritorial fund activities and direct parallel or co- investments made alongside covered funds. The Covered Fund Amendments should therefore expand the ability of banking entities to invest in and sponsor private funds. The ultimate consequences of the Reform Act and such regulatory developments on our business remain uncertain. Financial services regulation, including regulations applicable to us, has increased significantly in recent years, and may in the future be subject to further enhanced governmental scrutiny and / or increased regulation, including resulting from changes in U. S. executive administration or Congressional leadership. Although we cannot predict the likelihood, nature or extent of government regulation that may arise from future legislation or administrative action in the United States or any other jurisdiction, changes to legal rules and regulations, or interpretation or enforcement of them, could have a negative financial effect on our business. We depend on our Manager and its affiliates to develop appropriate systems and procedures to control operational risk. Operational risks arising from mistakes made in the confirmation or settlement of transactions, from transactions not being properly booked, evaluated or accounted for or other similar disruption in our operations may cause us to suffer financial losses, the disruption of our business, liability to third parties, regulatory intervention or damage to our reputation. We depend on our Manager and its affiliates to develop the appropriate systems and procedures to control operational risk. We rely heavily on our financial, accounting and other data processing systems. The ability of our systems to accommodate transactions could also constrain our ability to properly manage our portfolio. Generally, our Manager will not be liable for losses incurred due to the occurrence of any such errors. **Operational Cybersecurity risks and data protection could, including the risk of cyberattacks, may disrupt our businesses, result in the loss of data, interruptions in our business, damage to our reputation, and subject us to regulatory actions, increased costs and financial losses, each of which could have a material adverse effect on or our limit our growth business and results of operations.** We **Our operations are highly dependent on our information systems and technology, and we** rely heavily on our and Blackstone's financial, accounting, treasury, communications and other data processing systems. Such systems may fail to operate properly or become disabled as a result of tampering or a breach of the network security systems or otherwise. In addition, such systems are from time to time subject to cyberattacks, which **are continually evolving and** may continue to increase in sophistication and frequency in the future. Attacks on Blackstone and its affiliates and their portfolio companies' and service providers' systems could involve, and in some instances have in the past involved, attempts that are intended to obtain unauthorized access to our proprietary information or personal identifying information of our stockholders, destroy data or disable, degrade or sabotage our systems, or divert or otherwise steal funds, including through the introduction of " phishing " attempts and other forms of social engineering, computer viruses and other malicious code. Cybersecurity incidents and cyber- attacks, **denial of service attacks, ransomware attacks, and social engineering attempts (including business email compromise attacks)** have been occurring globally at a more frequent and severe level and will likely continue to increase in frequency in the future **(including as a consequence of the COVID- 19 pandemic and the increased frequency of virtual working arrangements)**. **Our There have been a number of recent highly publicized cases involving the dissemination, theft and destruction of corporate information or other assets, as a result of a failure to follow procedures by employees or contractors or as a result of actions by a variety of third parties, including nation state actors and terrorist or criminal organizations. Blackstone, we and our service providers and other market participants increasingly depend on complex information technology and communications systems to conduct business functions, and their operations rely on the secure access to, and processing, storage and transmission of confidential and other information in their systems and those of their respective third- party service providers. These information, technology and communications systems are subject to a number of different threats or risks that could adversely affect Blackstone or us. For example, the** information and technology systems as well as those of Blackstone, its portfolio ~~entities~~ **companies** and other related parties, such as service providers, may be vulnerable to damage or interruption from ~~cyber security~~ **cybersecurity** breaches, computer viruses or other malicious code, network failures, computer and telecommunication failures, infiltration by unauthorized persons and other security breaches, usage errors by their respective professionals or service providers, power, communications or other service outages and catastrophic events such as fires, tornadoes, floods, hurricanes and earthquakes. Cyberattacks, ransomware and other security threats could originate from a wide variety of **external** sources, including cyber criminals, nation state hackers, hacktivists and other outside parties. Cyberattacks and other security threats could also originate from the malicious or accidental acts of insiders. There has been an increase in the frequency and sophistication of the cyber and security threats Blackstone faces, with attacks ranging from those common to businesses generally to those that are more advanced and persistent, which may target Blackstone because Blackstone holds a significant amount of confidential and sensitive information about its and our investors, its **and our** portfolio companies and potential investments. As a result, we and Blackstone may face a heightened risk of a security breach or disruption with respect to this information. If successful, these types of attacks on our or Blackstone's network or other systems could have a material adverse effect on our business and results of operations, due to, among other things, the loss of investor or proprietary data, interruptions or delays in the operation of our business and damage to our reputation. There can be no assurance that measures Blackstone takes to ensure the integrity of its systems will provide protection, especially because cyberattack techniques used change frequently ~~or are~~ **may persist undetected over extended periods of time, and may not recognized until successful** **be mitigated in a timely manner to prevent or minimize the impact of an attack on Blackstone or its affiliates**. If unauthorized parties gain access to such information and technology systems, they may be able to steal,

publish, delete or modify private and sensitive information, including nonpublic personal information related to shareholders (and their beneficial owners) and material nonpublic information. Although Blackstone has implemented, and its portfolio ~~entities~~ **companies** and service providers may implement, various measures to manage risks relating to these types of events, such systems could prove to be inadequate and, if compromised, could become inoperable for extended periods of time, cease to function properly or fail to adequately secure private information. **There also have been several publicized cases of ransomware where hackers have requested ransom payments in exchange for not disclosing client or customer information or restoring access to information technology or communications systems.** Blackstone does not control the ~~cyber security~~ **cybersecurity** plans and systems put in place by third - party service providers, and such third - party service providers may have limited indemnification obligations to Blackstone, its portfolio ~~entities~~ **companies** and us, each of which could be negatively impacted as a result. Breaches such as those involving covertly introduced malware, impersonation of authorized users and industrial or other espionage may not be identified even with sophisticated prevention and detection systems, potentially resulting in further harm and preventing them from being addressed appropriately. The failure of these systems or of disaster recovery plans for any reason could cause significant interruptions in Blackstone' s, its affiliates', their portfolio ~~entities~~ **companies**, or our operations and result in a failure to maintain the security, confidentiality or privacy of sensitive data, including personal information relating to shareholders, material nonpublic information and the intellectual property and trade secrets and other sensitive information in the possession of Blackstone and portfolio ~~entities~~ **companies**. We, Blackstone or a portfolio ~~entity~~ **company** could be required to make a significant investment to remedy the effects of any such failures, harm to their reputations, legal claims that they and their respective affiliates may be subjected to, regulatory action or enforcement arising out of applicable privacy and other laws, adverse publicity and other events that may affect their business and financial performance . **Even if we or Blackstone are not targeted directly, cyberattacks on the U. S. and foreign governments, financial markets, financial institutions, or other businesses, including borrowers, vendors, software creators, cybersecurity service providers, and other third parties with whom we do business, may occur, and such events could disrupt our normal business operations and networks in the future .** In addition, Blackstone operates in businesses that are highly dependent on information systems and technology. The costs related to cyber or other security threats or disruptions may not be fully insured or indemnified by other means. In addition, **we could also suffer losses in connection with updates to, or the failure to timely update, our information systems and technology. In addition, we are reliant on third-party service providers for certain aspects of our business, including for administrative services, as well as for certain information systems and technology, including cloud-based services. These third- party service providers could also face ongoing cybersecurity threats and compromises of their systems and as a result, unauthorized individuals could gain access to certain confidential data. Cybersecurity** has become a top priority for regulators around the world. The SEC recently ~~proposed~~ **adopted** amendments to its rules ~~that related~~ **relate** to cybersecurity risk management, strategy, governance, and incident reporting **for entities that are subject to Exchange Act reporting requirements (such as BXMT)**, and many jurisdictions in which we and Blackstone operate have, or are considering adopting, laws and regulations relating to data privacy, cybersecurity and protection of personal information, including **, as examples** the General Data Protection Regulation in the European Union that went into effect in May 2018 and the California Consumer Privacy Act that ~~became~~ **went into effect** on January 1, 2020 and ~~was is being~~ **amended** by the California Privacy Rights Act, which ~~will become~~ **became** effective on January 1, 2023. Virginia, Colorado, Utah and Connecticut recently enacted similar data privacy legislation that **went into effect in 2023, and Connecticut, Indiana, Montana, Oregon, Tennessee, and Texas have enacted laws that will go into effect in at varying times through 2023-2026**. Some jurisdictions have also enacted **or proposed** laws requiring companies to notify individuals and government agencies of data security breaches involving certain types of personal data. **While we have taken various measures and made significant efforts and investment to ensure that our policies, processes and systems are both robust and compliant with these obligations, our potential liability remains a concern, particularly given the continued and rapid development of privacy laws and regulations around the world, the lack of harmonization of such laws and regulations, and increased criminal and civil enforcement actions and private litigation. We cannot assure you that our data protection efforts and our investment in information technology will prevent significant breakdowns, data leakages, breaches in our systems, or those of our third- party vendors and other contractors and consultants, or other cyber incidents that could have a material adverse effect upon our reputation, business, operations, or financial condition. The techniques used by cyber criminals change frequently, may not be recognized until launched, and can originate from a wide variety of sources. Any inability, or perceived inability, by us to adequately address privacy concerns, or comply with applicable laws, regulations, policies, industry standards and guidance, contractual obligations, or other legal obligations, even if unfounded, could result in significant regulatory and third- party liability, increased costs, disruption of our business and operations, and a loss of borrower, lender and investor confidence and other reputational damage. Furthermore, as new privacy- related laws and regulations are implemented, the time and resources needed for us to comply with such laws and regulations continues to increase and become a significant compliance workstream. Breaches in our security or in the security of third- party service providers**, whether malicious in nature or through inadvertent transmittal or other loss of data, could potentially jeopardize ~~our or us and Blackstone,~~ Blackstone' s, ~~its~~ **employees'**, or our investors' or counterparties' confidential, proprietary and other information processed and stored in, and transmitted through ~~our or Blackstone'~~ **s** computer systems and networks, or otherwise cause interruptions or malfunctions in our or Blackstone' s, its employees', ~~or~~ **our investors'**, our counterparties' or third parties' **business and operations**, which could result in significant **financial** losses, increased costs, disruption ~~of in~~ **our business**, liability to our investors and other counterparties, regulatory intervention ~~or and~~ **reputational damage**. Furthermore, if we or Blackstone fail to comply with the relevant laws and regulations or fail to provide the appropriate regulatory or other notifications of ~~a~~ **breach** in a timely manner, it could result in regulatory investigations and penalties, which could lead to negative publicity and

reputational harm and may cause our investors or Blackstone's fund investors and clients to lose confidence in the effectiveness of our or Blackstone's security measures. **Blackstone's technology, data and intellectual property and the technology, data and intellectual property of its portfolio companies are also subject to a heightened risk of theft or compromise to the extent Blackstone and its portfolio companies engage in operations outside the United States, in particular in those jurisdictions that do not have comparable levels of protection of proprietary information and assets such as intellectual property, trademarks, trade secrets, know-how and customer information and records. In addition, Blackstone and its portfolio companies may be required to compromise protections or forego rights to technology, data and intellectual property in order to operate in or access markets in a foreign jurisdiction. Any such direct or indirect compromise of these assets could have a material adverse impact on such businesses.** Finally, we depend on our headquarters in New York City, where most of our ~~Manager~~ **Blackstone**'s personnel **involved in our business** are located, for the continued operation of our business. A disaster or a disruption in the infrastructure that supports our business, including a disruption involving electronic communications or other services used by us or third parties with whom we conduct business, or directly affecting our headquarters, could have a material adverse impact on our ability to continue to operate our business without interruption. Blackstone's disaster recovery programs may not be sufficient to mitigate the harm that may result from such a disaster or disruption. In addition, insurance and other safeguards might only partially reimburse us for our losses, if at all. Accounting rules for certain of our transactions are highly complex and involve significant judgment and assumptions. Changes in accounting interpretations or assumptions could impact our ability to timely prepare consolidated financial statements. Accounting rules for transfers of financial assets, securitization transactions, consolidation of variable interest entities, ~~CECL loan loss~~ reserves and other aspects of our operations are highly complex and involve significant judgment and assumptions. These complexities could lead to a delay in preparation of financial information and the delivery of this information to our stockholders. Changes in accounting interpretations or assumptions could impact our consolidated financial statements and our ability to timely prepare our consolidated financial statements. Our inability to timely prepare our consolidated financial statements in the future would likely have a significant adverse effect on our stock price.

Risks Related to our REIT Status and Certain Other Tax Items If we do not maintain our qualification as a REIT, we will be subject to tax as a regular corporation and could face a substantial tax liability. Our taxable REIT subsidiaries are subject to income tax. We expect to continue to operate so as to qualify as a REIT under the Internal Revenue Code. However, qualification as a REIT involves the application of highly technical and complex Internal Revenue Code provisions for which only a limited number of judicial or administrative interpretations exist. Notwithstanding the availability of cure provisions in the Internal Revenue Code, we could fail to meet various compliance requirements, which could jeopardize our REIT status. Furthermore, new tax legislation, administrative guidance or court decisions, in each instance potentially with retroactive effect, could make it more difficult or impossible for us to continue to qualify as a REIT. If we fail to qualify as a REIT in any tax year, then: • we would be taxed as a regular domestic corporation, which under current laws, among other things, means being unable to deduct **distributions dividends** to stockholders in computing taxable income and being subject to U. S. federal income tax on our taxable income at regular corporate income tax rates; • any resulting tax liability could be substantial and could have a material adverse effect on our book value; • unless we were entitled to relief under applicable statutory provisions, we would be required to pay taxes, and therefore ~~our~~ cash available for distribution to stockholders would be reduced for each of the years during which we did not qualify as a REIT and for which we had taxable income; and • we generally would not be eligible to requalify as a REIT for the subsequent four full taxable years. ~~In REITs, in~~ certain circumstances ~~we~~ may incur tax liabilities that would reduce our cash available for distribution to our stockholders. Even if we qualify and maintain our status as a REIT, we may become subject to U. S. federal income taxes and related state, local and foreign taxes. For example, net income from the sale of properties that are "dealer" properties sold by a REIT (a "prohibited transaction" under the Internal Revenue Code) will be subject to a 100% tax. We may not ~~make pay~~ sufficient ~~distributions~~ **dividends** to avoid excise taxes applicable to REITs. Similarly, if we were to fail an income test (and did not lose our REIT status because such failure was due to reasonable cause and not willful neglect) we would be subject to tax on the income that does not meet the income test requirements. We also may decide to retain net capital gain we earn from the sale or other disposition of our investments and pay income tax directly on such income. In that event, our stockholders would be treated as if they earned that income and paid the tax on it directly. However, stockholders that are tax-exempt, such as charities or qualified pension plans, would have no benefit from their deemed payment of such tax liability unless they file U. S. federal income tax returns and thereon seek a refund of such tax. We also may be subject to state, local and foreign taxes on our income or property, including franchise, payroll, mortgage recording and transfer taxes, either directly or at the level of the other companies through which we indirectly own our assets, such as our TRSs, which are subject to full U. S. federal, state, local and foreign corporate-level income taxes. Any taxes we pay directly or indirectly will reduce our cash available for distribution to our stockholders. Complying with REIT requirements may cause us to forego otherwise attractive opportunities and limit our expansion opportunities. In order to qualify as a REIT for U. S. federal income tax purposes, we must continually satisfy tests concerning, among other things, our sources of income, the nature of our investments ~~in commercial real estate loans~~ and related assets, the amounts we distribute to our stockholders and the ownership of our stock. We may also be required to ~~make distributions~~ **pay dividends** to stockholders at disadvantageous times or when we do not have funds readily available for distribution. Therefore, compliance with REIT requirements may hinder our ability to operate **in order to** ~~solely on the basis of maximizing~~ **maximize** profits. Complying with REIT requirements may force us to liquidate or restructure otherwise attractive investments. In order to qualify as a REIT, we must ensure that at the end of each calendar quarter, at least 75% of the value of our assets consists of cash, cash items, government securities and qualified REIT real estate assets. The remainder of our investments in securities cannot include more than 10% of the outstanding voting securities of any one issuer or 10% of the total value of the outstanding securities (other than securities that qualify for the straight debt safe harbor) of any one issuer unless we and such issuer jointly elect for such issuer to be treated as a "taxable REIT subsidiary", or

TRS, under the Internal Revenue Code. Debt will generally meet the “ straight debt ” safe harbor if the debt is a written unconditional promise to pay on demand or on a specified date a certain sum of money, the debt is not convertible, directly or indirectly, into stock, and the interest rate and the interest payment dates of the debt are not contingent on the profits, the borrower’s discretion or similar factors. The total value of all of our investments in TRSs cannot exceed 20 % of the value of our total assets. In addition, in general, no more than 5 % of the value of our assets (other than government securities and qualified real estate assets) can consist of the securities of any one issuer other than a TRS. If we fail to comply with these requirements at the end of any calendar quarter, we must correct the failure within 30 days after the end of such calendar quarter or qualify for certain statutory relief provisions to avoid losing our REIT qualification and suffering adverse tax consequences. As a result, we may be required to liquidate assets from our portfolio or not make otherwise attractive investments in order to maintain our qualification as a REIT. These actions could have the effect of reducing our income and amounts available for distribution to our stockholders. Complying with REIT requirements may limit our ability to hedge effectively and may cause us to incur tax liabilities. The REIT provisions of the Internal Revenue Code substantially limit our ability to hedge our liabilities. Any income from a properly and timely identified hedging transaction we enter into to manage risk of interest rate changes with respect to borrowings made or to be made to acquire or carry real estate assets does not constitute “ gross income ” for purposes of the 75 % or 95 % gross income tests that we must satisfy in order to maintain our qualification as a REIT. To the extent that we enter into other types of hedging transactions, the income from those transactions is likely to be treated as non-qualifying income for purposes of both of these gross income tests. As a result of these rules, we intend to limit our use of advantageous hedging techniques or implement those hedges through a TRS. This could increase the cost of our hedging activities because our TRS would be subject to tax on gains or expose us to greater risks associated with changes in interest rates than we would otherwise want to bear. In addition, losses in our TRS will generally not provide any tax benefit, except for being carried forward against future taxable income in the TRS. Complying with REIT requirements may force us to borrow to ~~make distributions~~ **pay dividends** to stockholders. From time to time, our taxable income may be greater than our cash flow available for distribution to stockholders. If we do not have other funds available in these situations, we may be unable to distribute substantially all of our taxable income as required by the REIT provisions of the Internal Revenue Code. Therefore, we could be required to borrow funds, sell a portion of our assets at disadvantageous prices or find another alternative. These options could increase our costs or reduce the value of our equity. Our charter does not permit any individual (including certain entities treated as individuals for this purpose) to own more than 9.9 % of our class A common stock or of our capital stock, and attempts to acquire our class A common stock or any of our capital stock in excess of this 9.9 % limit would not be effective without a prior exemption from those prohibitions by our board of directors. For us to qualify as a REIT under the Internal Revenue Code, not more than 50 % of the value of our outstanding stock may be owned, directly or indirectly, by five or fewer individuals (including certain entities treated as individuals for this purpose) during the last half of a taxable year. For the purpose of preserving our qualification as a REIT for U. S. federal income tax purposes, among other purposes, our charter prohibits beneficial or constructive ownership by any individual (including certain entities treated as individuals for this purpose) of more than a certain percentage, currently 9.9 %, by value or number of shares, whichever is more restrictive, of the outstanding shares of our class A common stock or our capital stock, which we refer to as the “ Ownership Limit. ” The constructive ownership rules under the Internal Revenue Code and our charter are complex and may cause shares of the outstanding class A common stock owned by a group of related individuals or entities to be deemed to be constructively owned by one individual. As a result, the acquisition of less than 9.9 % of our outstanding class A common stock or our capital stock by an individual or entity could cause an individual to constructively own in excess of 9.9 % of our outstanding class A common stock or our capital stock, respectively, and thus violate the Ownership Limit. There can be no assurance that our board of directors, as permitted in the charter, will increase, or will not decrease, this Ownership Limit in the future. Any attempt to own or transfer shares of our class A common stock in excess of the Ownership Limit without the consent of our board of directors will result in either the shares being transferred by operation of our charter to a charitable trust, and the person who attempted to acquire such excess shares not having any rights in such excess shares, or in the transfer being void. The Ownership Limit may have the effect of precluding a change in control of us by a third party, even if such change in control would be in the best interests of our stockholders or would result in receipt of a premium to the price of our class A common stock (and even if such change in control would not reasonably jeopardize our REIT status). We may choose to make distributions in our own stock, in which case you may be required to pay income taxes without receiving any cash ~~dividends~~ **distributions**. In connection with our qualification as a REIT, we are required to annually distribute to our stockholders at least 90 % of our REIT taxable income (which does not equal net income, as calculated in accordance with GAAP), determined without regard to the deduction for dividends paid and excluding net capital gain. In order to satisfy this requirement, we may make distributions that are payable in cash and / or shares of our class A common stock at the election of each stockholder. As ~~we are~~ **we are** a publicly offered REIT, if at least 20 % of the total ~~dividend~~ **distribution** is available to be paid in cash and certain other requirements are satisfied, the IRS will treat the stock distribution as a dividend (to the extent applicable rules treat such distribution as being made out of our current or accumulated earnings and profits, as determined for U. S. federal income tax purposes). This threshold has been temporarily reduced in the past, and may be reduced in the future, by IRS guidance. Taxable stockholders receiving such ~~distributions~~ **dividends** will be required to include the full amount of such ~~distributions~~ **dividends** as ordinary dividend income. As a result, U. S. stockholders may be required to pay income taxes with respect to such ~~cash / stock~~ **cash / stock** distributions in excess of the cash portion of the distribution received. Accordingly, U. S. stockholders receiving a distribution of our shares may be required to sell shares received in such distribution or may be required to sell other stock or assets owned by them, at a time that may be disadvantageous, in order to satisfy any tax imposed on such distribution. If a U. S. stockholder sells the ~~stock~~ **shares** that it receives as part of the distribution in order to pay this tax, the sales proceeds may be less than the amount it must include in income with respect to the ~~cash / stock~~ **cash / stock** distribution, depending on the market price of our stock at the time of the sale.

Furthermore, with respect to certain non- U. S. stockholders, we may be required to withhold U. S. tax with respect to such distribution, including in respect of all or a portion of such distribution that is payable in stock, by withholding or disposing of part of the shares included in such distribution and using the proceeds of such disposition to satisfy the withholding tax imposed. In addition, if a significant number of our stockholders determine to sell shares of our class A common stock in order to pay taxes owed on dividend income, such sale may put downward pressure on the market price of our class A common stock. Although the IRS has addressed some of the tax aspects of such a taxable cash / stock ~~distribution-dividends~~ in a 2017 Revenue Procedure and further addressed such ~~distributions-cash / stock dividends~~ in a 2021 Revenue Procedure, no assurance can be given that the IRS will not impose requirements in the future with respect to taxable cash / stock ~~distributions-dividends~~, including on a retroactive basis, or assert that the requirements for such taxable cash / stock ~~distributions-dividends~~ have not been met. Dividends payable by REITs do not qualify for the reduced tax rates available for some dividends. Currently, the maximum tax rate applicable to qualified dividend income payable to certain non- corporate U. S. stockholders is 20 %. Dividends payable by REITs, however, generally are not eligible for the reduced rate. Although this does not adversely affect the taxation of REITs or dividends payable by REITs, the more favorable rates applicable to regular corporate qualified dividends could cause certain non- corporate investors to perceive investments in REITs to be relatively less attractive than investments in the stocks of non- REIT corporations that pay dividends, which could adversely affect the value of the shares of REITs, including our class A common stock. Under current law, for taxable years before January 1, 2026, REIT dividends (other than capital gain dividends and qualified dividends) received by non- corporate taxpayers may be eligible for a 20 % deduction, which if allowed in full equates to a maximum effective U. S. federal income tax rate on ordinary REIT dividends of 29. 6 %. Prospective investors should consult their own tax advisors regarding the effect of this rule on their effective tax rate with respect to REIT dividends. We are largely dependent on external sources of capital to finance our growth. As with other REITs, but unlike corporations generally, our ability to finance our growth must largely be funded by external sources of capital because we generally will have to distribute to our stockholders 90 % of our REIT taxable income in order to qualify as a REIT, including taxable income where we do not receive corresponding cash. Our access to external capital will depend upon a number of factors, including general market conditions, the market’ s perception of our growth potential, our current and potential future earnings, cash ~~distributions-dividends~~ and the market price of our class A common stock. Our investments in certain debt instruments may cause us to recognize “ phantom income ” for U. S. federal income tax purposes even though no cash payments have been received on the debt instruments, and certain modifications of such debt by us could cause the modified debt to not qualify as a good REIT asset, thereby jeopardizing our REIT qualification. Our taxable income may substantially exceed our net income as determined under GAAP, and differences in timing between the recognition of taxable income and the actual receipt of cash may occur. For example, we may acquire assets, including debt securities, requiring us to accrue original issue discount, or OID, or recognize market discount income, that generate taxable income in excess of economic income or in advance of the corresponding cash flow from the assets, referred to as “ phantom income. ” Moreover, we are generally required to ~~include~~ ~~take account of~~ certain amounts in taxable income no later than the time such amounts are reflected on certain financial statements. The application of this rule may require the accrual of taxable income with respect to our debt instruments, such as OID, earlier than would be the case under the general tax rules, causing our “ phantom income ” to increase. In addition, if a borrower with respect to a particular debt instrument encounters financial difficulty rendering it unable to pay stated interest as due, we may nonetheless be required to continue to recognize the unpaid interest as taxable income with the effect that we will recognize income but will not have a corresponding amount of cash available for distribution to our stockholders. As a result of the foregoing, we may generate less cash flow than taxable income in a particular year and find it difficult or impossible to meet the REIT distribution requirements in certain circumstances. In such circumstances, we may be required to (a) sell assets in adverse market conditions, (b) borrow on unfavorable terms, (c) distribute amounts that would otherwise be used for future acquisitions or used to repay debt, or (d) make a taxable distribution of our shares of class A common stock as part of a distribution in which stockholders may elect to receive shares of class A common stock or (subject to a limit measured as a percentage of the total distribution) cash, in order to comply with the REIT distribution requirements. Moreover, we may acquire distressed loans or other distressed debt investments that require subsequent modification by agreement with the borrower. If the amendments to the outstanding debt are “ significant modifications ” under the applicable Treasury Regulations, the modified debt may be considered to have been reissued to us in a debt- for- debt taxable exchange with the borrower. In certain circumstances, this deemed reissuance may prevent a portion of the modified debt from qualifying as a good REIT asset if the underlying security has declined in value and would cause us to recognize income to the extent the principal amount of the modified debt exceeds our adjusted tax basis in the unmodified debt. The “ taxable mortgage pool ” rules may increase the taxes that we or our stockholders may incur, and may limit the manner in which we effect future securitizations. Securitizations could result in the creation of taxable mortgage pools for U. S. federal income tax purposes. As a REIT, so long as we own 100 % of the equity interests in a taxable mortgage pool, we generally would not be adversely affected by the characterization of the securitization as a taxable mortgage pool. However, we would be precluded from selling equity interests in these securitizations to outside investors, or selling any debt securities issued in connection with these securitizations that might be considered to be equity interests for tax purposes. Certain categories of stockholders such as foreign stockholders eligible for treaty or other benefits, stockholders with net operating losses, and certain tax- exempt stockholders that are subject to unrelated business income tax, could be subject to increased taxes on a portion of their dividend income from us that is attributable to “ excess inclusion income. ” In addition, to the extent that our stock is owned by tax- exempt “ disqualified organizations, ” such as certain government- related entities and charitable remainder trusts that are not subject to tax on unrelated business income, we may incur a corporate level tax on a portion of our income from the taxable mortgage pool. In that case, we may reduce the amount of our ~~distributions-dividends~~ to pay the tax on any “ excess inclusion income ” ourselves. These limitations may prevent us from using certain techniques to maximize our returns from securitization transactions. In

order to control better, and to attempt to avoid, any distribution of “ excess inclusion income ” to our stockholders, a subsidiary REIT of ours currently owns 100 % of the equity interests in each taxable mortgage pool created by our securitizations. While we believe that we have structured our securitizations such that the above taxes would not apply to our stockholders with respect to taxable mortgage pools held by our subsidiary REIT, our subsidiary REIT is in part owned by a TRS of ours, which will pay corporate level tax on any income that it may be allocated from the subsidiary REIT. In addition, our subsidiary REIT is required to satisfy, on a stand- alone basis, the REIT asset, income, organizational, distribution, stockholder ownership and other requirements described above, and if it were to fail to qualify as a REIT, then (i) our subsidiary REIT would face adverse tax consequences similar to those described above with respect to our qualification as a REIT and (ii) such failure could have an adverse effect on our ability to comply with the REIT income and asset tests and thus could impair our ability to qualify as a REIT unless we could avail ourselves of certain relief provisions. The failure of a mezzanine loan to qualify as a real estate asset could adversely affect our ability to qualify as a REIT. We may originate or acquire mezzanine loans, for which the IRS has provided a safe harbor but not rules of substantive law. Pursuant to the safe harbor, if a mezzanine loan meets certain requirements, it will be treated by the IRS as a real estate asset for purposes of the REIT asset tests, and interest derived from the mezzanine loan will be treated as qualifying mortgage interest for purposes of the REIT 75 % and 95 % gross income tests. We may originate or acquire mezzanine loans that do not meet all of the requirements of this safe harbor. In the event we own a mezzanine loan that does not meet the safe harbor, the IRS could challenge such loan’ s treatment as a real estate asset for purposes of the REIT asset and income tests and, if such a challenge were sustained, we could fail to qualify as a REIT. The failure of assets subject to repurchase agreements to qualify as real estate assets could adversely affect our ability to qualify as a REIT. We have entered into financing arrangements that are structured as sale and repurchase agreements pursuant to which we ~~would~~ nominally sell certain of our assets to a counterparty and simultaneously enter into an agreement to repurchase these assets at a later date in exchange for a purchase price. Economically, these agreements are financings which are secured by the assets sold pursuant thereto. We believe that we would be treated for REIT asset and income test purposes as the owner of the assets that are the subject of any such sale and repurchase agreement notwithstanding that such agreements may transfer record ownership of the assets to the counterparty during the term of the agreement. It is possible, however, that the IRS could assert that we did not own the assets during the term of the sale and repurchase agreement, in which case we could fail to qualify as a REIT. Liquidation of assets may jeopardize our REIT qualification or create additional tax liability for us. To continue to qualify as a REIT, we must comply with requirements regarding our assets and our sources of income. If we are compelled to liquidate our investments to repay obligations to our lenders, we may be unable to comply with these requirements, ultimately jeopardizing our qualification as a REIT, or we may be subject to a 100 % tax on any resultant gain if we sell assets that are treated as “ dealer ” property. Our ownership of and relationship with any TRS will be restricted, and a failure to comply with the restrictions would jeopardize our REIT status and may result in the application of a 100 % excise tax. A REIT may own up to 100 % of the stock of one or more TRSs. A TRS may earn income that would not be qualifying income if earned directly by the parent REIT. Both the subsidiary and the REIT must jointly elect to treat the subsidiary as a TRS. A corporation of which a TRS directly or indirectly owns more than 35 % of the voting power or value of the stock will automatically be treated as a TRS. Overall, no more than 20 % of the value of a REIT’ s assets may consist of stock or securities of one or more TRSs. The value of our interests in and, therefore, the amount of assets held in a TRS may also be restricted by our need to qualify for an exclusion from regulation as an investment company under the Investment Company Act. A TRS will pay U. S. federal, state and local income tax at regular corporate rates on any income that it earns. In addition, the TRS rules limit the deductibility of interest paid or accrued by a TRS to its parent REIT to ~~assure~~ **ensure** that the TRS is subject to an appropriate level of corporate taxation. Further, current law imposes a disallowance of deductions for business interest expense (even if paid to third parties) in excess of the sum of a taxpayer’ s business interest income and 30 % of the adjusted taxable income of the business, which is its taxable income computed without regard to business interest income or expense, net operating losses or the pass- through income deduction. The TRS rules also impose a 100 % excise tax on certain transactions between a TRS and its parent REIT that are not conducted on an arm’ s- length basis. Any domestic TRS we own will pay U. S. federal, state and local income tax on its taxable income, and its after- tax net income will be available for distribution to us. Although we plan to monitor our investments in TRSs, there can be no assurance that we will be able to comply with the limitations discussed above or to avoid application of the 100 % excise tax discussed above. We may be subject to adverse legislative or regulatory tax changes that could increase our tax liability, reduce our operating flexibility and reduce the price of our class A common stock. In recent years, numerous legislative, judicial and administrative changes have been made in the provisions of U. S. federal income tax laws applicable to investments similar to an investment in shares of our class A common stock. Additional changes to the tax laws are likely to continue to occur, and we cannot make assurances that any such changes will not adversely affect the taxation of a stockholder. Any such changes could have an adverse effect on an investment in our shares or on the market value or the resale potential of our assets. Stockholders are urged to consult with their tax advisors with respect to the impact of recent legislation on investments in our shares and the status of legislative, regulatory or administrative developments and proposals and their potential effect on an investment in our shares. Although REITs generally receive certain tax advantages compared to entities taxed as regular corporations, it is possible that future legislation would result in a REIT having fewer tax advantages, and it could become more advantageous for a company that invests in real estate to elect to be treated for U. S. federal income tax purposes as a corporation. As a result, our charter provides our board of directors with the power, under certain circumstances, to revoke or otherwise terminate our REIT election and cause us to be taxed as a regular corporation, without the vote of our stockholders. Our board of directors has duties to us and could only cause such changes in our tax treatment if it determines that such changes are in the best interest of our company. On August 16, 2022, President Biden signed into law the Inflation Reduction Act of 2022, or the IRA. The IRA includes numerous tax provisions that impact corporations, including the implementation of a corporate alternative minimum tax **as an “ applicable corporation ”** as well as a 1 % excise tax on certain

stock repurchases and economically similar transactions. However, REITs are excluded from the definition of an “ applicable corporation ” and therefore are not subject to the corporate alternative minimum tax. Additionally, the 1 % excise tax specifically does not apply to stock repurchases by REITs. Our TRSs operate as standalone corporations and therefore could be adversely affected by the IRA. We will continue to analyze and monitor the application of the IRA to our business. ~~these~~ However, the effect of these tax reforms on your investment in us is uncertain. Prospective investors should consult their own tax advisors regarding changes in tax laws. On August 16, 2022, President Biden’s market conditions generally, is uncertain. Risks Related to Our Class A Common Stock The market price of our class A common stock has ~~been, recently fluctuated significantly~~ and may continue to ~~do so~~ **be, volatile and may decline**. The capital and credit markets have on occasion experienced periods of extreme volatility and disruption. The market price and liquidity of the market for shares of our class A common stock has been, and may in the future be, significantly affected by numerous factors, some of which are beyond our control and may not be directly related to our operating performance. Some of the factors that could negatively affect the market price of our class A common stock include: • our actual or projected operating results, financial condition, cash flows and liquidity, or changes in business strategy or prospects; • actual or perceived conflicts of interest with our Manager or other affiliates of Blackstone and individuals, including our executives; • equity issuances by us, or share resales by our stockholders, or the perception that such issuances or resales may occur; • loss of a major funding source; • increases in market interest rates, which may lead investors to demand a higher distribution yield for our class A common stock, and would result in increased interest expenses on our certain of our indebtedness; • actual or anticipated accounting problems; • publication of research reports, **including by short sellers, or speculation in the press or the investment community**, about us or the real estate industry; • changes in market valuations of similar companies; • adverse market reaction to the level of leverage we employ; • additions to or departures of our Manager’s or Blackstone’s key personnel; • speculation in the press or investment community; • our failure to meet, or the lowering of, our earnings estimates or those of any securities analysts; • a compression of the yield on our investments and an increase in the cost of our liabilities; • failure to maintain our REIT qualification or exclusion from Investment Company Act regulation; • price and volume fluctuations in the overall stock market from time to time; • general market and economic conditions, and trends including inflationary concerns, and the current state of the credit and capital markets; • significant volatility in the market price and trading volume of securities of publicly traded REITs or other companies in our sector, including us, which is not necessarily related to the operating performance of these companies; • changes in law, regulatory policies or tax guidelines, or interpretations thereof, particularly with respect to REITs; • changes in the value of our portfolio; • any shortfall in revenue or net income or any increase in losses from levels expected by investors or securities analysts; • operating performance of companies comparable to us; • short-selling pressure with respect to shares of our class A common stock or REITs generally; and • uncertainty surrounding the strength of the U. S. economy particularly in light of budget deficit concerns and other U. S. and international political and economic affairs. As noted above, market factors unrelated to our performance could also negatively impact the market price of our class A common stock. One of the factors that investors may consider in deciding whether to buy or sell our class A common stock is our distribution rate as a percentage of our stock price relative to market interest rates. If market interest rates continue to increase, prospective investors may demand a higher distribution rate or seek alternative investments paying higher dividends or interest. As a result, interest rate fluctuations and conditions in the capital markets may affect the market value of our class A common stock. Some provisions of our charter and bylaws and Maryland law may deter takeover attempts, which may limit the opportunity of our stockholders to sell their shares at a favorable price. Some of the provisions of Maryland law and our charter and bylaws discussed below could make it more difficult for a third party to acquire us, even if doing so might be beneficial to our stockholders by providing them with the opportunity to sell their shares at a premium to the then current market price. Issuance of Stock Without Stockholder Approval. Our charter authorizes our board of directors, without stockholder approval, to authorize the issuance of up to 400, 000, 000 shares of class A common stock and up to 100, 000, 000 shares of preferred stock. Our charter also authorizes our board of directors, without stockholder approval, to classify or reclassify any unissued shares of our class A common stock and preferred stock into other classes or series of stock and to amend our charter to increase or decrease the aggregate number of shares of stock or the number of shares of stock of any class or series that are authorized by the charter to be issued. Preferred stock may be issued in one or more classes or series, the terms of which may be determined by our board of directors without further action by stockholders. Prior to issuance of any such class or series, our board of directors will set the terms of any such class or series, including the preferences, conversion or other rights, voting powers, restrictions, limitations as to dividends or other distributions, qualifications and terms or conditions of redemption. The issuance of any preferred stock could materially adversely affect the rights of holders of our class A common stock and, therefore, could reduce the value of the class A common stock. In addition, specific rights granted to future holders of our preferred stock could be used to restrict our ability to merge with, or sell assets to, a third party. The power of our board of directors to cause us to issue preferred stock could, in certain circumstances, make it more difficult, delay, discourage, prevent or make it more costly to acquire or effect a change in control, thereby preserving the current stockholders’ control. Advance Notice Bylaw. Our bylaws contain advance notice procedures for the introduction by a stockholder of new business and the nomination of directors by a stockholder. These provisions could, in certain circumstances, discourage proxy contests and make it more difficult for you and other stockholders to elect stockholder-nominated directors and to propose and, consequently, approve stockholder proposals opposed by management. Maryland Takeover Statutes. Certain provisions of the Maryland General Corporation Law may have the effect of inhibiting a third party from making a proposal to acquire us or of impeding a change in our control under circumstances that otherwise could provide the holders of our Class A common stock with the opportunity to realize a premium over the then prevailing market price of such shares. We are subject to the Maryland Business Combination Act, which, subject to limitations, prohibits certain business combinations between us and an “ interested stockholder ” (defined generally as any person who beneficially owns 10 % or more of the voting power of our then outstanding voting shares or an affiliate or associate of ours who, at any time within the

two- year period prior to the date in question, was the beneficial owner of 10 % or more of the voting power of our then outstanding voting shares) or an affiliate thereof for five years after the most recent date on which the stockholder becomes an interested stockholder and, thereafter, imposes special stockholder voting requirements to approve these combinations unless the consideration being received by common stockholders satisfies certain conditions. The statute permits various exemptions from its provisions, including business combinations that are exempted by the board of directors prior to the time that an interested stockholder becomes an interested stockholder. Our board of directors has exempted any business combination involving Huskies Acquisition LLC, or Huskies Acquisition, an affiliate of Blackstone, or its affiliates as of September 27, 2012 or Blackstone and its affiliates beginning as of September 27, 2012; provided, however, that Huskies Acquisition or any of its affiliates as of September 27, 2012 and Blackstone and any of its affiliates beginning as of September 27, 2012 may not enter into any “ business combination ” with us without the prior approval of at least a majority of the members of our board of directors who are not affiliates or associates of Huskies Acquisition or Blackstone. As a result, Huskies Acquisition or its affiliates may enter into business combinations with us without compliance with the five- year prohibition or the super- majority vote requirements and the other provisions of the statute. We are also subject to the Maryland Control Share Acquisition Act. With certain exceptions, the Maryland General Corporation Law provides that a holder of “ control shares ” of a Maryland corporation acquired in a “ control share acquisition ” has no voting rights with respect to those shares except to the extent approved by a vote of two- thirds of the votes entitled to be cast on the matter, excluding shares owned by the acquiring person or by our officers or by our directors who are our employees. Our bylaws contain a provision exempting Huskies Acquisition, or any person or entity that was an affiliate of Huskies Acquisition as of September 27, 2012 or by Blackstone or any of its affiliates from this statute. We are also eligible to elect to be subject to the Maryland Unsolicited Takeovers Act, which permits our board of directors, without stockholder approval, to, among other things and notwithstanding any provision in our charter or bylaws, to implement certain takeover defenses, such as a classified board, some of which we do not yet have. Our charter contains provisions that are designed to reduce or eliminate duties of Blackstone and our directors with respect to corporate opportunities and competitive activities. Our charter contains provisions designed to reduce or eliminate duties of Blackstone and its affiliates (as such term is defined in the charter), and of our directors or any person our directors control to refrain from competing with us or to present to us business opportunities that otherwise may exist in the absence of such charter provisions. Under our charter, Blackstone and its affiliates and our directors or any person our directors control will not be obligated to present to us opportunities unless those opportunities are expressly offered to such person in his or her capacity as a director or officer of Blackstone Mortgage Trust and those persons will be able to engage in competing activities without any restriction imposed as a result of Blackstone’ s or its affiliates’ status as a stockholder or Blackstone’ s affiliates’ status as officers or directors of Blackstone Mortgage Trust. We have not established a minimum distribution payment level and we cannot assure you of our ability to pay ~~distributions~~ **dividends** in the future. We are generally required to distribute to our stockholders at least 90 % of our REIT taxable income each year for us to qualify as a REIT under the Internal Revenue Code, which requirement we currently intend to satisfy through quarterly ~~distributions~~ **dividends** of all or substantially all of our REIT taxable income in such year, subject to certain adjustments. Although we generally distribute and intend to continue distributing substantially all of our taxable income to holders of our class A common stock each year so as to comply with the REIT provisions of the Internal Revenue Code, we have not established a minimum ~~distribution~~ **dividend** payment level and our ability to pay ~~distributions~~ **dividends** may be adversely affected by a number of factors, including the risk factors described in this report. All ~~distributions~~ **dividends** will be made at the discretion of our board of directors and will depend on our earnings, our financial condition, liquidity, debt covenants, maintenance of our REIT qualification, applicable law and such other factors as our board of directors may deem relevant from time to time. We believe that a change in any one of the following factors could adversely affect our results of operations and impair our ability to pay ~~distributions~~ **dividends** to our stockholders: • our ability to make profitable investments; • margin calls or other expenses that reduce our cash flow; • defaults in our asset portfolio or decreases in the value of our portfolio; • the impact of changes in interest rates on our net interest income; and • the fact that anticipated operating expense levels may not prove accurate, as actual results may vary from estimates. As a result, no assurance can be given that the level of any ~~distributions~~ **dividends** we ~~make pay~~ to our stockholders will achieve a market yield or increase or even be maintained over time, any of which could materially and adversely affect the market price of our class A common stock. We may use our net operating losses, to the extent available, carried forward to offset future REIT taxable income, and therefore reduce our dividend requirements. In addition, some of our ~~distributions~~ **dividends** may include a return of capital, which would reduce the amount of capital available to operate our business. In addition, ~~distributions~~ **dividends** that we make to our stockholders will generally be taxable to our stockholders as ordinary income. However, a portion of our ~~distributions~~ **dividends** may be designated by us as long- term capital gains to the extent that they are attributable to capital gain income recognized by us or may constitute a return of capital to the extent that they exceed our earnings and profits as determined for U. S. federal income tax purposes. A return of capital is not taxable, but has the effect of reducing the basis of a stockholder’ s investment in our class A common stock. Investing in our class A common stock may involve a high degree of risk. The investments that we make in accordance with our investment objectives may result in a high amount of risk when compared to alternative investment options and volatility or loss of principal. Our investments may be highly speculative and aggressive, and therefore an investment in our class A common stock may not be suitable for someone with lower risk tolerance. Future issuances of equity or debt securities, which may include securities that would rank senior to our class A common stock, may adversely affect the market price of the shares of our class A common stock. The issuance of additional shares of our class A common stock, including in connection with the conversion of our outstanding ~~4.75 % Convertible Senior Notes due 2023 and / or our~~ **our existing “ at the market ” offerings for equity** ~~outstanding~~ **5.50 % Convertible Senior Notes due 2027, through** ~~distributions~~ **dividends** ~~we have entered into pursuant to which we may sell, from time to time, up to an aggregate sales price of \$ 699.1 million of~~ our class A common stock or in connection with other future issuances of our class A common stock or

shares of preferred stock or securities convertible or exchangeable into equity securities, may dilute the ownership interest of our existing holders of our class A common stock. As of December 31, 2022-2023, sales of our class A common stock with an aggregate sales price of \$ 480.9 million remained available for issuance under our equity distribution agreements existing “ at the market ” offerings. If we issue equity or debt securities which rank senior to our class A common stock, it is likely that such securities will be governed by an indenture or other instrument containing covenants restricting our operating flexibility. Additionally, any convertible or exchangeable securities that we issue may have rights, preferences and privileges more favorable than those of our class A common stock and may result in dilution to owners of our class A common stock. We and, indirectly, our stockholders will bear the cost of issuing and servicing such securities. Because our decision to issue additional equity or debt securities in any future offering will depend on market conditions and other factors beyond our control, we cannot predict or estimate the amount, timing or nature of our future issuances. Also, we cannot predict the effect, if any, of future sales of our class A common stock, or the availability of shares for future sales, on the market price of our class A common stock. Sales of substantial amounts of class A common stock or the perception that such sales could occur may adversely affect the prevailing market price for the shares of our class A common stock. Therefore holders of our class A common stock will bear the risk of our future issuances reducing the market price of our class A common stock and diluting the value of their stock holdings in us.

General Risk Factors The long- term macroeconomic effects of the COVID- 19 pandemic and any future pandemic or epidemic could have an adverse impact on our financial performance and results of operations. Outbreaks of contagious disease, including COVID- 19, or other adverse public health developments in the U. S. or worldwide could have a material adverse effect on our business, financial condition and results of operations. While many of the direct impacts of the COVID- 19 pandemic have eased, the longer- term macroeconomic effects on global supply chains, inflation, labor shortages and wage increases continue to impact many industries, including the industries associated with the collateral underlying certain of our loans. Moreover, with the potential for new strains of existing viruses to emerge, or other pandemics or epidemics, governments and businesses may re- impose aggressive measures to help slow its spread in the future. Long- term macroeconomic effects from a pandemic or epidemic, including from supply and labor shortages, workforce reductions in response to challenging economic conditions, or shifts in demand for real estate may have an adverse impact on our portfolio which includes loans collateralized by office, hotel, and other asset classes that are particularly negatively impacted by such supply and labor issues. The impact of such long- term effects may disproportionately affect certain asset classes and geographic areas. For example, many businesses increasingly permit employees to work from home and make use of flexible work schedules, open workplaces, videoconferences and teleconferences, which could have a longer- term impact on the demand for both office space and hotel rooms for business travel, which could adversely affect our investments in assets secured by office or hotel properties. While we believe the principal amount of our loans are generally adequately protected by underlying property value, there can be no assurance that we will realize the entire principal amount of certain investments. For more information on the concentration of credit risk in our loan portfolio property type and geographic region, see Note 3 to our consolidated financial statements. The full extent of the impact and effects of COVID- 19, and any future pandemics or epidemics, will depend on future developments, including, among other factors, how rapidly variants develop, availability, acceptance and effectiveness of vaccines along with related travel advisories, quarantines and restrictions, the recovery time of the disrupted supply chains and industries, the impact of labor market interruptions, the impact of government interventions, and uncertainty with respect to the duration of the global economic slowdown. COVID- 19, or any future pandemics or epidemics, and resulting impacts on the financial, economic and capital markets environment, and future developments in these and other areas present uncertainty and risk with respect to our performance, results of operations and ability to pay distributions- dividends. We invest in derivative instruments, which would subject us to increased risk of loss. Subject to maintaining our qualification as a REIT, we have and may invest in derivative instruments. A derivative instrument, especially one of a large notional size or referencing a less common underlying rate, index, instrument or asset, may not be liquid in all circumstances, so that in volatile markets we may not be able to close out a position without incurring a loss. The prices of derivative instruments, which commonly include swaps, futures, forwards and options, may be highly volatile and such instruments may subject us to significant losses. The value of such derivatives also depends upon the price of the underlying instrument or asset or the level of the reference market rate or index. Derivative instruments also are subject to the risk of non- performance by the relevant counterparty. In addition, actual or implied daily limits on price fluctuations and position limits on the exchanges or over- the- counter, or OTC, markets in which we may conduct our transactions in derivative instruments may prevent prompt liquidation of positions, subjecting us to the potential of greater losses. Derivative instruments that may be purchased or sold by us may include instruments that are purchased or sold OTC as bilateral transactions and not traded on an exchange. The risk of nonperformance by the obligor on such an OTC derivative instrument may be greater and the ease with which we can dispose of or enter into closing transactions with respect to such an instrument may be less than in the case of an exchange- traded instrument. In addition, significant disparities may exist between “ bid ” and “ asked ” prices for OTC derivative instruments. Such OTC derivatives are also subject to types and levels of investor protections or governmental regulation that may differ from exchange traded instruments. In addition, we may invest in derivative instruments that are neither presently contemplated nor currently available, but which may be developed in the future, to the extent such opportunities are both consistent with our investment objectives and legally permissible. Any such investments may expose us to unique and presently indeterminate risks, the impact of which may not be capable of determination until such instruments are developed and / or we determine to make such an investment. We are subject to counterparty risk associated with our debt obligations. Our counterparties for critical financial relationships may include both domestic and international financial institutions. These institutions could be severely impacted by credit market turmoil, changes in legislation, allegations of civil or criminal wrongdoing and may as a result experience financial or other pressures. In addition, if a lender or counterparty files for bankruptcy or becomes insolvent, our borrowings under financing agreements with them may become subject to bankruptcy or insolvency proceedings, thus depriving us, at least temporarily, of

the benefit of these assets. Such an event could restrict our access to financing and increase our cost of capital. If any of our counterparties were to limit or cease operation, it could lead to financial losses for us. We may enter into hedging transactions that could expose us to contingent liabilities in the future. Subject to maintaining our qualification as a REIT, part of our investment strategy may involve entering into hedging transactions that could require us to fund cash payments in certain circumstances (such as the early termination of the hedging instrument caused by an event of default or other early termination event, or the decision by a counterparty to request margin securities it is contractually owed under the terms of the hedging instrument). The amount due with respect to an early termination would generally be equal to the unrealized loss of such open transaction positions with the respective counterparty and could also include other fees and charges. These economic losses will be reflected in our results of operations, and our ability to fund these obligations will depend on the liquidity of our assets and access to capital at the time, and the need to fund these obligations could adversely affect our results of operations and financial condition. 56-57