

The logo for Blackstone, featuring the word "Blackstone" in a white serif font on a dark rectangular background.

Mortgage Trust

Blackstone Mortgage Trust Reports Second Quarter 2021 Results

New York, July 28, 2021: Blackstone Mortgage Trust, Inc. (NYSE:BXMT) today reported its second quarter 2021 results.

Katie Keenan, Chief Executive Officer, said, “BXMT delivered compelling results this quarter on multiple fronts. We grew our loan portfolio to a record level, driving increased earnings per share. We executed accretive transactions across the capital stack, further strengthening our balance sheet. Credit quality continued to improve, reflecting healthier fundamentals and the benefit of our best-in-class underwriting capabilities as part of Blackstone Real Estate. And our pipeline provides a strong tailwind for further outperformance as we continue to grow our business.”

Blackstone Mortgage Trust issued a full presentation of its second quarter 2021 results, which can be viewed at www.bxmt.com.

Quarterly Investor Call Details

Blackstone Mortgage Trust will host a conference call today at 9:00 a.m. ET to discuss results. To register for the webcast, please use the following link: https://event.webcasts.com/starthere.jsp?ei=1478981&tp_key=b404a3854f. For those unable to listen to the live broadcast, a recorded replay will be available on the company’s website at www.bxmt.com beginning approximately two hours after the event.

About Blackstone Mortgage Trust

Blackstone Mortgage Trust (NYSE:BXMT) is a real estate finance company that originates senior loans collateralized by commercial real estate in North America, Europe, and Australia. Our investment objective is to preserve and protect shareholder capital while producing attractive risk-adjusted returns primarily through dividends generated from current income from our loan portfolio. Our portfolio is composed primarily of loans secured by high-quality, institutional assets in major markets, sponsored by experienced, well-capitalized real estate investment owners and operators. These senior loans are capitalized by accessing a variety of financing options, depending on our view of the most prudent strategy available for each of our investments. We are externally managed by BXMT Advisors L.L.C., a subsidiary of Blackstone. Further information is available at www.bxmt.com.

About Blackstone

Blackstone is the world's largest alternative investment firm. We seek to create positive economic impact and long-term value for our investors, the companies we invest in, and the communities in which we work. We do this by using extraordinary people and flexible capital to help companies solve problems. Our \$684 billion in assets under management include investment vehicles focused on private equity, real estate, public debt and equity, life sciences, growth equity, opportunistic, non-investment grade credit, real assets and secondary funds, all on a global basis. Further information is available at www.blackstone.com. Follow Blackstone on Twitter @Blackstone.

Forward-Looking Statements and Other Matters

This release may contain forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, which reflect Blackstone Mortgage Trust's current views with respect to, among other things, Blackstone Mortgage Trust's operations and financial performance and the impact of and recovery from the negative effects of the COVID-19 pandemic. You can identify these forward-looking statements by the use of words such as "outlook," "objective," "indicator," "believes," "expects," "potential," "continues," "may," "will," "should," "seeks," "predicts," "intends," "plans," "estimates," "anticipates" or the negative version of these words or other comparable words. Such forward-looking statements are subject to various risks and uncertainties. Accordingly, there are or will be important factors that could cause actual outcomes or results to differ materially from those indicated in these statements. Blackstone Mortgage Trust believes these factors include but are not limited to those described under the section entitled "Risk Factors" in its Annual Report on Form 10-K for the fiscal year ended December 31, 2020, as such factors may be further updated from time to time in its periodic filings with the Securities and Exchange Commission ("SEC") which are accessible on the SEC's website at www.sec.gov. These factors should not be construed as exhaustive and should be read in conjunction with the other cautionary statements that are included in this release and in the filings. Blackstone Mortgage Trust assumes no obligation to update or supplement forward-looking statements that become untrue because of subsequent events or circumstances.

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Mortgage Trust, Inc.

Second Quarter 2021 Results

JULY 28, 2021

BXMT HIGHLIGHTS

- BXMT closed \$2.2 billion of new loans in the second quarter, driving over \$400 million of net portfolio growth to a record \$19.2 billion⁽¹⁾ portfolio at quarter-end
- GAAP EPS of \$0.89 and Distributable EPS⁽²⁾ of \$0.61; GAAP EPS includes a \$51 million CECL reserve reduction driven by improving credit environment

Strong Originations

\$2.2B

2Q
originations

Focus on low-leverage loans and well-capitalized sponsors

Growing Portfolio

\$19.2B

senior loan
portfolio

Net portfolio growth driving increased earnings power

Optimized Financing

\$3.7B

financing
activity

Pro-active capital markets execution enhancing structure and cost of capital

(1) Includes \$1.0 billion of Non-Consolidated Senior Interests and investment exposure to the \$623 million 2018 Single Asset Securitization through a \$79 million subordinate interest.

(2) See Appendix for a definition and reconciliation to GAAP net income.

Earnings

- GAAP earnings per share of \$0.89 and Distributable Earnings⁽¹⁾ per share of \$0.61; paid \$0.62 per share dividend
- GAAP EPS includes a net \$0.34 release of prior CECL reserves, resulting in an increase in book value per share to \$26.68
- Sequential increase in Distributable Earnings driven by net portfolio growth, translating to 9.1% yield on book⁽²⁾ relative to USD LIBOR of 0.1%

Investments

- Originated 19 loans and 2 upsizes totaling \$2.2 billion, with 80% of new lending activity from repeat sponsor relationships
- Net portfolio growth of \$423 million as \$2.3 billion of fundings exceeded \$2.0 billion of repayments during the quarter
- Investment pace on par with pre-pandemic levels, with robust activity across geographies

Portfolio

- \$19.2 billion⁽³⁾ senior loan portfolio secured by institutional quality real estate in major markets
- Continued strong credit performance driving consistent interest collections and reduced CECL reserve levels
- 98% performing portfolio with a weighted average origination LTV⁽³⁾⁽⁴⁾ of 65%

Capitalization

- Upsized \$423 million Term Loan B-2 tranche and reduced interest rate by 250bps
- Closed \$2.5 billion of accretive credit facility financings on increasingly favorable terms across multiple counterparties and currencies
- Issued \$1.0 billion CLO, adding well-structured and efficiently priced asset-level leverage and increasing total CLOs outstanding to \$3.5 billion

(1) See Appendix for a definition and reconciliation to GAAP net income.

(2) Reflects ratio of annualized second quarter Distributable Earnings to BXMT book value. GAAP Yield on Book was 13.3% for the second quarter 2021.

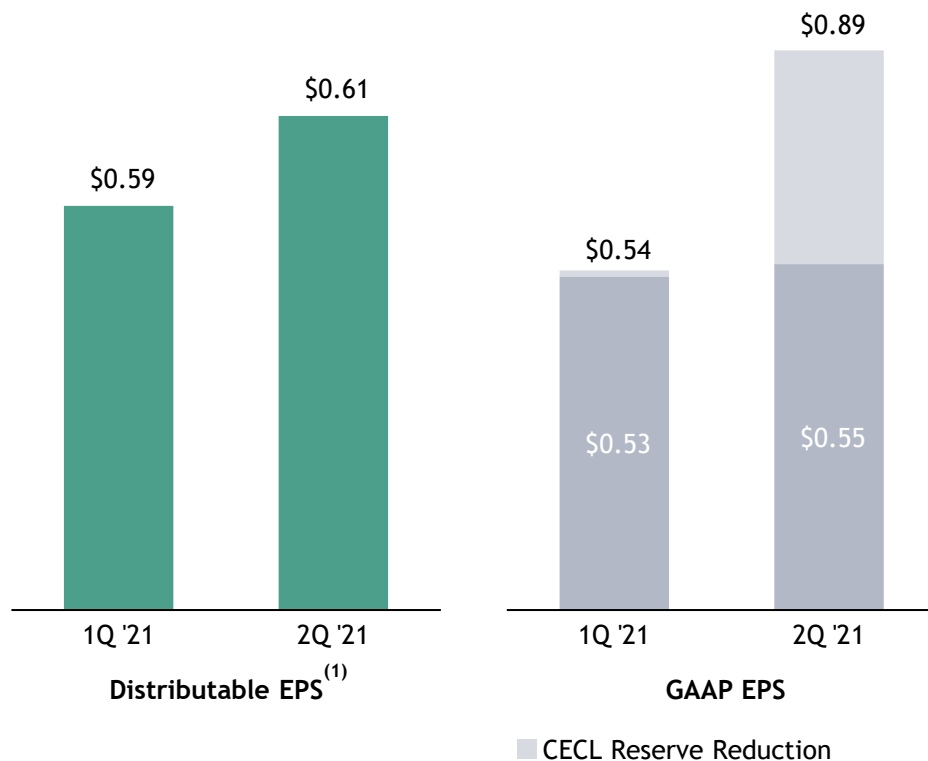
(3) Includes \$1.0 billion of Non-Consolidated Senior Interests and investment exposure to the \$623 million 2018 Single Asset Securitization through a \$79 million subordinate interest.

(4) Reflects weighted average LTV as of the date investments were originated or acquired by BXMT.

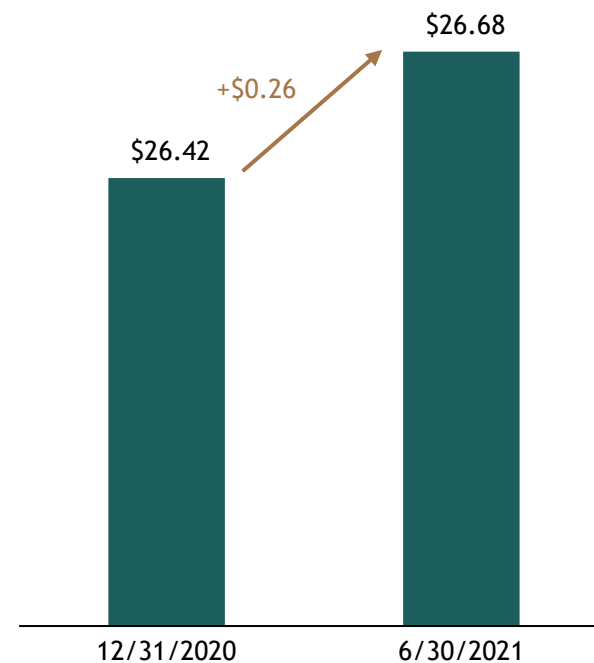
EARNINGS

- 2Q GAAP earnings per share of \$0.89 and Distributable Earnings⁽¹⁾ per share of \$0.61
- Increase in book value per share relative to prior year due to CECL reserve decrease, reflecting strong credit performance of the portfolio as the general economic recovery continues

Increasing EPS



Increasing Book Value



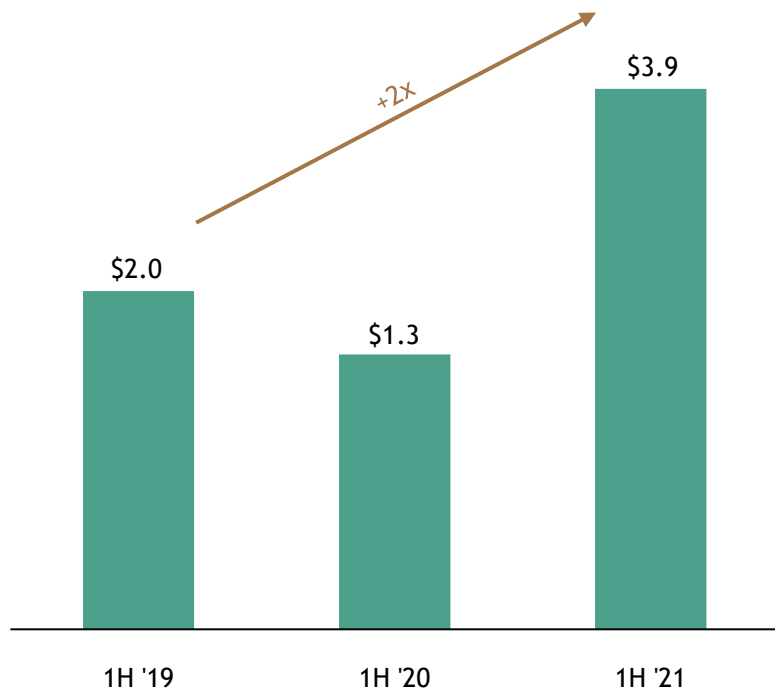
(1) See Appendix for a definition and reconciliation to GAAP net income.

INVESTMENTS

- 2Q originations of \$2.2 billion with strong activity across all primary sectors and markets
- \$1.4 billion of liquidity⁽¹⁾ supports continued growth of portfolio and earnings power within existing capital base

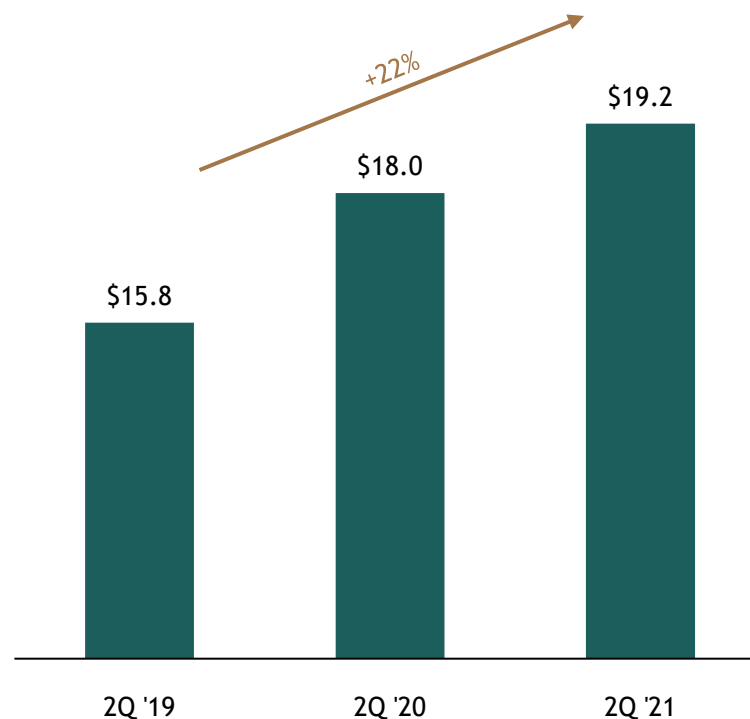
Origination Volume

(\$ in billions)



Track Record of Portfolio Growth

(\$ in billions)

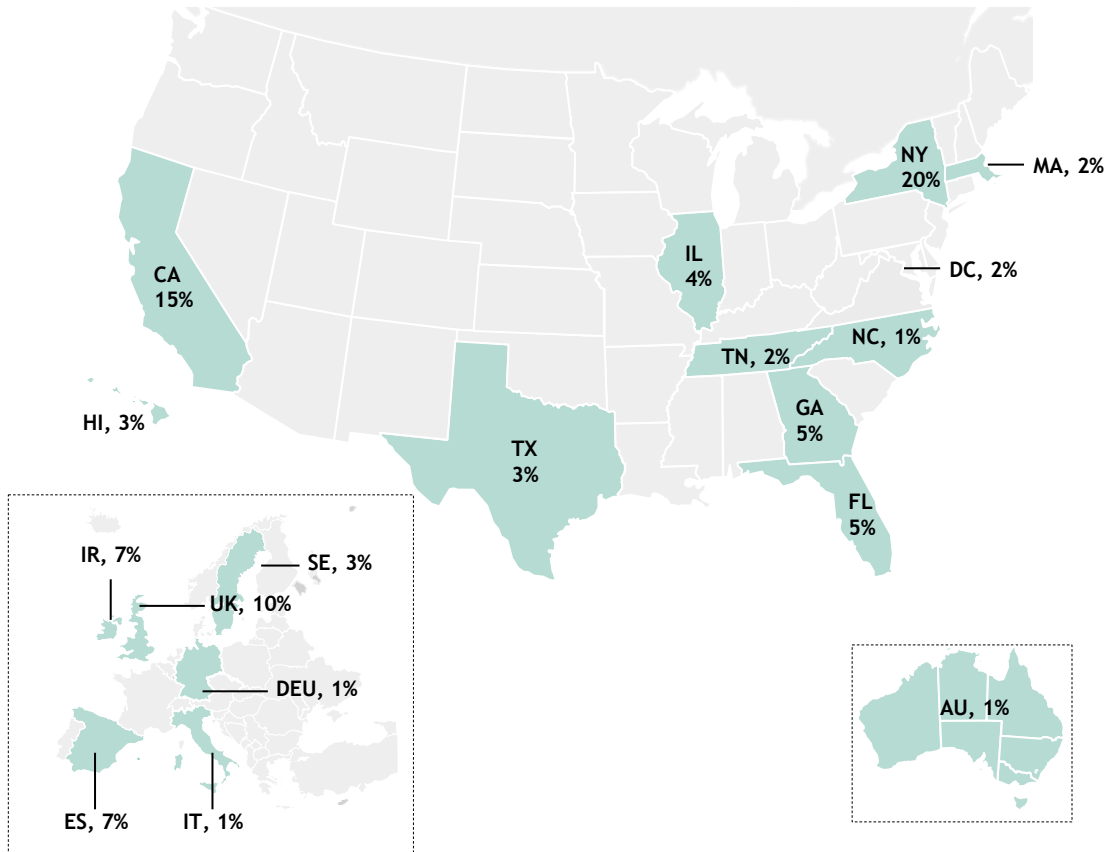


(1) Total liquidity of \$1.4 billion primarily includes \$290 million of cash and \$1.1 billion of immediately available borrowings under credit facilities.

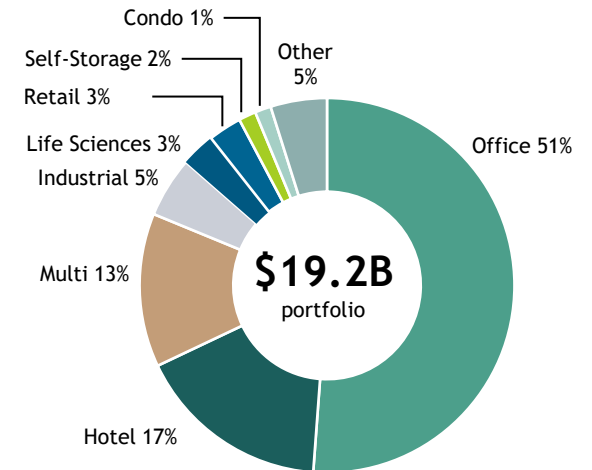
PORTFOLIO

- \$19.2 billion⁽¹⁾ senior loan portfolio comprised of 125 investments, with an average origination LTV of 65%
- Continued strong portfolio credit with 98% performing loans and 100% interest collected when due

Major Market Focus⁽¹⁾⁽²⁾



Collateral Diversification⁽¹⁾



(1) Includes \$1.0 billion of Non-Consolidated Senior Interests and investment exposure to the \$623 million 2018 Single Asset Securitization through a \$79 million subordinate interest.

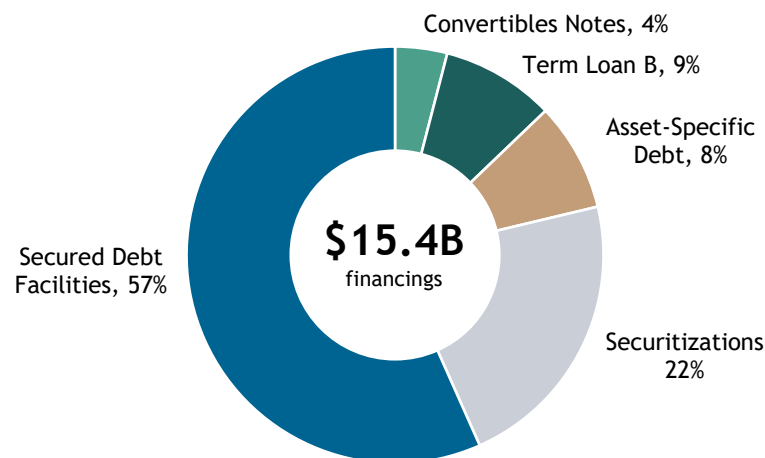
(2) States and countries comprising less than 1% of total loan portfolio are excluded.

CAPITALIZATION

- Executions across the capital structure continue to increase balance sheet efficiency and reduce cost of capital
- \$3.7 billion of financing activities resulted in increased liquidity of \$1.4 billion and a debt-to-equity ratio⁽¹⁾ of 2.7x

Diversified Financing Sources

(outstanding balance)



Capital Markets Activity

- ✓ **Term Loan B:**
 - Repriced \$423 million Term Loan B-2 tranche to L+2.75%, including \$100 million upside
- ✓ **Secured Debt:**
 - Closed \$2.5 billion of credit facility financings on favorable economic and structural terms
- ✓ **Securitizations:**
 - Closed \$1.0 billion BXMT 2021 FL-4 transaction with an 80% advance rate and a weighted average coupon of L+1.27%

(1) Represents (i) total outstanding secured debt, asset-specific debt, term loans, and convertible notes, less cash, to (ii) total equity.

Appendix

2Q 2021 Operating Results

(\$ in millions)

	GAAP Net Income	Adjustments	Distributable Earnings
Interest income	\$196.3	\$ -	\$196.3
Interest expense	(82.4)	0.2	(82.2)
Management and incentive fees	(21.5)	-	(21.5)
General and administrative expenses and taxes	(2.8)	-	(2.8)
Decrease in current expected credit loss reserve	50.9	(50.9)	-
Non-cash compensation	(8.0)	8.0	-
Realized hedging and foreign currency income, net ⁽¹⁾	-	0.7	0.7
Net income attributable to non-controlling interests	(0.9)	0.3	(0.6)
Total	\$131.6	(\$41.7)	\$89.9

\$0.89

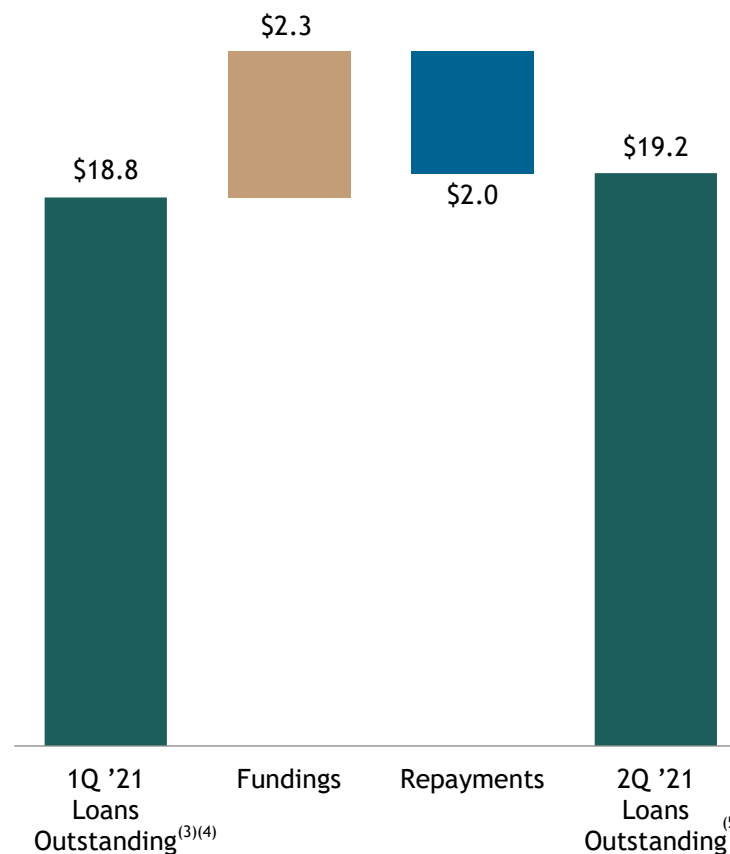
net income per share

\$0.61

distributable earnings per share

Net Fundings⁽²⁾

(\$ in billions)



(1) Primarily represents the repatriation of net interest income earned during the quarter from non-USD investments. The difference between the value of such income on the date of conversion to USD and our cumulative basis in such income is not included in GAAP net income, but rather as a component of Other Comprehensive Income on our consolidated balance sheet.

(2) Amounts may not add due to rounding.

(3) Adjusted to reflect \$37 million of non-cash fluctuations in foreign currency rates during the period for comparability to our total loan portfolio as of March 31, 2021.

(4) Includes \$890 million of Non-Consolidated Senior Interests and investment exposure to the \$696 million 2018 Single Asset Securitization through a \$79 million subordinate interest.

(5) Includes \$1.0 billion of Non-Consolidated Senior Interests and investment exposure to the \$623 million 2018 Single Asset Securitization through a \$79 million subordinate interest.

Portfolio Details⁽¹⁾

(\$ in millions)

	Loan Type	Origination Date ⁽²⁾	Total Loan ⁽³⁾	Principal Balance ⁽³⁾	Net Book Value	Spread	All-in Yield	Maximum Maturity ⁽⁴⁾	Location	Property Type	Loan Per SQFT / Unit / Key	Origination LTV ⁽²⁾
Loan 1	Senior loan	8/14/2019	\$ 1,334	\$ 1,295	\$ 1,290	+ 2.53 %	+ 2.99 %	12/23/2024	Dublin - IE	Office	\$471 / sqft	74 %
Loan 2	Senior loan	3/22/2018	905	905	904	+ 3.25 %	+ 3.42 %	3/15/2023	Diversified - Spain	Mixed-Use	n/a	71 %
Loan 3	Senior loan	11/25/2019	724	669	670	+ 2.30 %	+ 2.59 %	12/9/2024	New York	Office	\$958 / sqft	65 %
Loan 4	Senior loan	3/30/2021	584	584	578	+ 3.20 %	+ 3.41 %	5/15/2026	Diversified - SE	Industrial	\$107 / sqft	76 %
Loan 5	Senior loan ⁽³⁾	8/7/2019	746	390	77	+ 3.12 %	+ 3.60 %	9/9/2025	Los Angeles	Office	\$263 / sqft	59 %
Loan 6	Senior loan	8/22/2018	363	363	362	+ 3.15 %	+ 3.49 %	8/9/2023	Maui	Hospitality	\$471,391 / key	61 %
Loan 7	Senior loan	9/23/2019	415	356	353	+ 3.00 %	+ 3.22 %	11/15/2024	Diversified - Spain	Hospitality	\$194,433 / key	62 %
Loan 8	Senior loan	10/23/2018	352	349	349	+ 3.40 %	+ 3.53 %	1/24/2022	New York	Mixed-Use	\$591 / sqft	65 %
Loan 9	Senior loan	4/11/2018	355	345	344	+ 2.85 %	+ 3.10 %	5/1/2023	New York	Office	\$437 / sqft	71 %
Loan 10	Senior loan ⁽³⁾	8/6/2015	334	334	61	5.75 %	5.85 %	10/29/2022	Diversified - EUR	Other	n/a	71 %
Loan 11	Senior loan	1/11/2019	332	332	329	+ 4.35 %	+ 4.70 %	1/11/2026	Diversified - UK	Other	\$328 / sqft	74 %
Loan 12	Senior loan	3/16/2021	491	307	303	+ 3.85 %	+ 4.15 %	4/9/2026	Boston	Life Sciences	\$759 / sqft	66 %
Loan 13	Senior loan	2/27/2020	300	294	292	+ 2.70 %	+ 3.04 %	3/9/2025	New York	Mixed-Use	\$921 / sqft	59 %
Loan 14	Senior loan	11/30/2018	286	286	285	n/m % ⁽⁵⁾	n/m % ⁽⁵⁾	8/9/2025	New York	Hospitality	\$306,870 / key	73 %
Loan 15	Senior loan	9/30/2019	306	286	286	+ 3.66 %	+ 3.75 %	9/9/2024	Chicago	Office	\$248 / sqft	58 %
Loans 16 - 124	Senior loans ⁽³⁾	Various	14,663	11,435	10,956	+ 3.29 % ⁽⁶⁾	+ 3.62 % ⁽⁶⁾	Various	Various	Various	Various	64 %
CECL reserve					(129)							
Total/Wtd. avg.			\$ 22,489	\$ 18,529	\$ 17,308	+ 3.25 %⁽⁶⁾	+ 3.58 %⁽⁶⁾	3.1 yrs				66 %

(1) Portfolio excludes our \$79 million subordinate interest in the \$623 million 2018 Single Asset Securitization.

(2) Date loan was originated or acquired by us, and the LTV as of such date. Origination dates are subsequently updated to reflect material loan modifications.

(3) In certain instances, loans are financed through the non-recourse sale of a senior loan interest that is not included in the consolidated financial statements. As of June 30, 2021, five loans in the portfolio have been financed with an aggregate \$1.0 billion of Non-Consolidated Senior Interests, which are included in the table above.

(4) Maximum maturity assumes all extension options are exercised; however, floating rate loans generally may be repaid prior to their final maturity without penalty.

(5) This loan is accounted for under the cost recovery method.

(6) Consists of both floating and fixed rates. Spread and all-in yield assume applicable floating benchmark rates for weighted-average calculation. Excludes loans under the cost-recovery method.

Consolidated Balance Sheets

(\$ in thousands, except per share data)

	June 30, 2021	December 31, 2020
Assets		
Cash and cash equivalents	\$289,552	\$289,970
Loans receivable	17,436,843	16,572,715
Current expected credit loss reserve	(128,945)	(173,549)
Loans receivable, net	\$17,307,898	\$16,399,166
Other assets	304,297	269,819
Total assets	\$17,901,747	\$16,958,955
Liabilities and equity		
Secured debt, net	\$8,709,818	\$7,880,536
Securitized debt obligations, net	2,833,778	2,922,499
Asset-specific debt, net	292,122	391,269
Term loans, net	1,332,130	1,041,704
Convertible notes, net	618,111	616,389
Other liabilities	158,833	202,327
Total liabilities	\$13,944,792	\$13,054,724
Commitments and contingencies	—	—
Equity		
Class A common stock, \$0.01 par value	1,470	1,468
Additional paid-in capital	4,719,203	4,702,713
Accumulated other comprehensive income	10,743	11,170
Accumulated deficit	(800,455)	(829,284)
Total Blackstone Mortgage Trust, Inc. stockholders' equity	\$3,930,961	\$3,886,067
Non-controlling interests	25,994	18,164
Total equity	\$3,956,955	\$3,904,231
Total liabilities and equity	\$17,901,747	\$16,958,955

Consolidated Statements of Operations

(\$ in thousands, except per share data)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2021	2020	2021	2020
Income from loans and other investments				
Interest and related income	\$196,303	\$191,982	\$383,827	\$396,857
Less: Interest and related expenses	82,352	\$84,853	160,723	189,092
Income from loans and other investments, net	\$113,951	\$107,129	\$223,104	\$207,765
Other expenses				
Management and incentive fees	21,545	20,496	40,752	39,773
General and administrative expenses	10,669	11,286	21,267	23,078
Total other expenses	\$32,214	\$31,782	\$62,019	\$62,851
Decrease (increase) in current expected credit loss reserve	50,906	(56,819)	52,199	(179,521)
Income (loss) before income taxes	\$132,643	\$18,528	\$213,284	\$(34,607)
Income tax provision	175	23	276	173
Net income (loss)	\$132,468	\$18,505	\$213,008	\$(34,780)
Net income attributable to non-controlling interests	(873)	(961)	(1,511)	(1,028)
Net income (loss) attributable to Blackstone Mortgage Trust, Inc.	\$131,595	\$17,544	\$211,497	\$(35,808)
Per share information (basic and diluted)				
Net income (loss) per share of common stock	\$0.89	\$0.13	\$1.44	\$(0.26)
Weighted-average shares of common stock outstanding	147,342,822	138,299,418	147,339,895	136,959,341

Per Share Calculations

(in thousands, except per share data)

Distributable Earnings Reconciliation

	Three Months Ended	
	June 30, 2021	March 31, 2021
Net income ⁽¹⁾	\$131,595	\$79,902
Decrease in current expected credit loss reserve	(50,906)	(1,293)
Non-cash compensation expense	8,020	8,085
Realized hedging and foreign currency income, net ⁽²⁾	744	172
Other items	194	130
Adjustments attributable to non-controlling interests, net	248	(47)
Distributable Earnings	\$89,895	\$86,949
Weighted-average shares outstanding, basic and diluted	147,343	147,337
Distributable Earnings per share, basic and diluted	\$0.61	\$0.59

Book Value per Share

	Three Months Ended	
	June 30, 2021	March 31, 2021
Stockholders' equity	\$3,930,961	\$3,883,023
Shares		
Class A common stock	147,016	147,031
Deferred stock units	328	318
Total outstanding	147,344	147,349
Book value per share	\$26.68	\$26.35

Earnings per Share

	Three Months Ended	
	June 30, 2021	March 31, 2021
Net income ⁽¹⁾	\$131,595	\$79,902
Weighted-average shares outstanding, basic and diluted	147,343	147,337
Per share amount, basic and diluted	\$0.89	\$0.54

(1) Represents net income attributable to Blackstone Mortgage Trust, Inc.

(2) Primarily represents the repatriation of net interest income earned during the quarter from non-USD investments. The difference between the value of such income on the date of conversion to USD and our cumulative basis in such income is not included in GAAP net income, but rather as a component of Other Comprehensive Income on our consolidated balance sheet.

DEFINITIONS

Distributable Earnings: Blackstone Mortgage Trust, Inc. (“BXMT”) discloses Distributable Earnings in this presentation. Distributable Earnings is a financial measure that is calculated and presented on the basis of methodologies other than in accordance with generally accepted accounting principles in the United States of America (“GAAP”).

Distributable Earnings is a non-GAAP measure, which we define as GAAP net income (loss), including realized gains and losses not otherwise included in GAAP net income (loss), and excluding (i) non-cash equity compensation expense, (ii) depreciation and amortization, (iii) unrealized gains (losses), and (iv) certain non-cash items. Distributable Earnings may also be adjusted from time to time to exclude one-time events pursuant to changes in GAAP and certain other non-cash charges as determined by our Manager, subject to approval by a majority of our independent directors. During the three months ended June 30, 2021, we recorded a \$51 million decrease in current expected credit loss reserve, or CECL reserve, which has been excluded from Distributable Earnings consistent with other unrealized gains (losses) pursuant to our existing policy for reporting Distributable Earnings and the terms of the management agreement between our Manager and us.

We believe that Distributable Earnings provides meaningful information to consider in addition to our net income and cash flow from operating activities determined in accordance with GAAP. This adjusted measure helps us to evaluate our performance excluding the effects of certain transactions and GAAP adjustments that we believe are not necessarily indicative of our current loan portfolio and operations. We believe Distributable Earnings is a useful financial metric for existing and potential future holders of our class A common stock as historically, over time, Distributable Earnings has been a strong indicator of our dividends per share. Distributable Earnings mirrors the terms of our management agreement between our Manager and us for purposes of calculating our incentive fee expense.

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

Non-Consolidated Senior Interests: Senior interests in loans originated and syndicated to third parties. These non-recourse loan participations, which are excluded from the GAAP balance sheet, constitute additional financing capacity and are included in discussions of the loan portfolio.

Non-Consolidated Securitized Debt Obligations: Senior securitized debt held by third-parties in the 2018 Single Asset Securitization. These non-recourse securitized debt obligations, which are excluded from the GAAP balance sheet, constitute additional financing capacity and are included in discussions of the loan portfolio.

FORWARD-LOOKING STATEMENTS

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