

ACRES Commercial Realty Corp. Announces Pricing of an \$803 Million CLO Backed by Commercial Mortgage Loans

WESTBURY, N.Y., May 7, 2021 /[PRNewswire](#)/ -- ACRES Commercial Realty Corp. (NYSE: ACR) (the "Company") announced that its newly formed subsidiaries, ACRES Commercial Realty 2021-FL1 Issuer, Ltd. (the "Issuer") and ACRES Commercial Realty 2021-FL1 Co-Issuer, LLC (together with the Issuer, the "Co-Issuers"), will issue \$675.2 million of non-recourse, floating-rate notes ("Offered Notes," the "Securities" or the "Offering") at a weighted average cost of the one-month London Interbank Offered Rate ("LIBOR")+149 basis points.

Mark Fogel, President and CEO of the Company, stated, "We are very pleased with the execution of our first managed CLO. We believe our origination pipeline will allow us to take full advantage of the transaction's reinvestment features, and our experienced asset management team will provide the support and oversight for the deal."

The Offered Notes include:

- \$431.4 million of Class A Notes, which were rated Aaa(sf) by Moody's Investors Service, Inc., and AAA(sf) by DBRS, Inc. ("DBRS Morningstar") and will be issued at a coupon of LIBOR+120 basis points;
- \$100.3 million of Class A-S Notes, which were rated AAA(sf) by DBRS Morningstar and will be issued at a coupon of LIBOR+160 basis points;
- \$37.1 million of Class B Notes, which were rated AA(low)(sf) by DBRS Morningstar and will be issued at a coupon of LIBOR+180 basis points;
- \$43.1 million of Class C Notes, which were rated A(low)(sf) by DBRS Morningstar and will be issued at a coupon of LIBOR+200 basis points;
- \$50.2 million of Class D Notes, which were rated BBB(sf) by DBRS Morningstar and will be issued at a coupon of LIBOR+265 basis points; and
- \$13.0 million of Class E Notes, which were rated BBB(low)(sf) by DBRS Morningstar and will be issued at a coupon of LIBOR+310 basis points.

The transaction is expected to close by May 12, 2021, subject to satisfaction of customary closing conditions. As of the cut-off date the Offered Notes are collateralized (i) by floating-rate commercial real estate first mortgage loans and participations in first mortgage loans originated or acquired by the Company with an aggregate outstanding principal balance of approximately \$802.6 million (inclusive of one delayed close loan totaling approximately \$34 million). The transaction has also been structured with a 24-month reinvestment period during which the Issuer will be permitted to use principal proceeds to acquire additional mortgage loans and participations in mortgage loans that satisfy certain eligibility criteria. The Company will retain the Class F and Class G subordinated notes and the preferred shares in the transaction.

The Securities will not be registered under the Securities Act of 1933, as amended (the "Securities Act"), and may not be publicly offered or sold in the United States absent registration or an applicable exemption from registration requirements. The Offering was made privately in transactions exempt from the registration requirements of the Securities Act. This press release is not an offer to sell any securities of the Company or the Co-Issuers and is not a solicitation of an offer to buy such securities. This press release includes statements that may constitute forward-

looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Such forward-looking statements are subject to a variety of known and unknown risks, uncertainties and other factors that are difficult to predict, many of which are beyond management's control.

Factors that can affect future results are discussed in the documents filed by the Company from time to time with the Securities and Exchange Commission.

About ACRES Commercial Realty Corp.

ACRES Commercial Realty Corp. is a real estate investment trust that is primarily focused on originating, holding and managing commercial real estate mortgage loans and other commercial real estate-related debt investments. The Company is externally managed by ACRES Capital, LLC, a subsidiary of ACRES Capital Corp., a private commercial real estate lender exclusively dedicated to nationwide middle market CRE lending with a focus on multifamily, student housing, hospitality, industrial and office property in top U.S. markets. For more information, please visit the Company's website at www.acresreit.com or contact investor relations at IR@acresreit.com.

Forward-Looking Statements

This press release contains certain forward-looking statements within the meaning of Section 27A of the Securities Act and Section 21E of the Securities Exchange Act of 1934, as amended. Such forward-looking statements can generally be identified by our use of forward-looking terminology such as "may," "trend," "will," "continue," "expect," "intend," "anticipate," "estimate," "believe," "look forward" or other similar words or terms. Because such statements include risks, uncertainties and contingencies, actual results may differ materially from the expectations, intentions, beliefs, plans or predictions of the future expressed or implied by such forward-looking statements.

Factors that can affect future results are discussed in the documents filed by the Company from time to time with the Securities and Exchange Commission. The Company undertakes no obligation to update or revise any forward-looking statement to reflect new or changing information or events after the date hereof or to reflect the occurrence of unanticipated events, except as may be required by law.

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