

Part II Organizational Action (continued)

17 List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based ▶ _____

I.R.C. Section 334(a)

I.R.C. Section 346(a)

18 Can any resulting loss be recognized? ▶ **A recognized loss can occur on the shares redeemed in the liquidation. Please consult your tax advisor to determine the tax consequences of the shares redeemed in your account.**

19 Provide any other information necessary to implement the adjustment, such as the reportable tax year ▶ **The organizational action is reportable with respect to calendar year 2021.**

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Sign Here
Signature ▶  Date ▶ 12/2/2021

Paid Preparer Use Only	Print your name ▶ Eric Wempen	Preparer's signature	Title ▶ Director of Tax	Date	Check <input type="checkbox"/> if self-employed	PTIN
	Print/Type preparer's name				Firm's EIN ▶	
	Firm's name ▶				Phone no.	
	Firm's address ▶					

ATTACHMENT 1

PART II, LINE 15 ADDITIONAL INFORMATION

On October 18, 2021, Franklin BSP Realty Trust, Inc. (f/k/a Benefit Street Partners Realty Trust, Inc.) (“FBRT”) and Capstead Mortgage Corporation (NYSE: CMO) (“Capstead”) completed their previously announced merger pursuant to the terms of the Agreement and Plan of Merger, dated as of July 25, 2021, as amended by the First Amendment to Agreement and Plan of Merger, dated as of September 22, 2021 (as amended, the “Merger Agreement”). For U.S. federal income tax purposes, the merger was treated as a taxable acquisition of all of Capstead’s assets and liabilities by FBRT in exchange for FBRT stock and cash, followed by a taxable liquidation of Capstead.

At the effective time of the merger, each issued and outstanding share of common stock of Capstead (“Capstead Common Stock”) was converted into the right to receive (i) from FBRT, 0.3288 newly-issued shares of common stock of FBRT (“FBRT Common Stock”), (ii) from FBRT, cash consideration of \$0.21 per share and (iii) from Benefit Street Partners, L.L.C. (“BSP,” FBRT’s external manager), cash consideration of \$0.73 per share. As an illustrative example, a stockholder holding 10,000 shares of Capstead Common Stock would receive 3,288 shares of FBRT Common Stock from FBRT, \$2,100.00 of cash consideration from FBRT and \$7,300.00 of cash consideration from BSP. FBRT will pay cash in lieu of any fractional shares of FBRT Common Stock that would otherwise have been received as a result of the merger. In addition, each outstanding share of Capstead’s 7.50% Series E Cumulative Redeemable Preferred Stock was converted into the right to receive one newly-issued share of FBRT’s 7.50% Series E Cumulative Redeemable Preferred Stock (the “FBRT Series E Preferred Stock”).