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Financial Solutions for Commercial Real Estate

Investor Presentation
NASDAQ: SUNS

Q2 2024



Forward-Looking Statements

Some of the statements contained in this presentation constitute forward-looking statements, within the meaning of the Private Securities Litigation Reform Act of 1995, and we intend such statements to be covered by the safe harbor provisions contained therein. Such forward-looking statements are based on the current intent, belief, expectations and views of future events of Sunrise Realty Trust, Inc. (“SUNS” and the “Company,” “we,” “us” and “our”). The forward-looking statements include, without limitation, any statement that may predict, forecast, indicate or imply future results or performance, and may contain the words “believe,” “anticipate,” “expect,” “estimate,” “intends,” “project,” “could,” “would,” “will,” or words or phrases of similar meaning. Specifically, this presentation includes forward-looking statements regarding (i) our portfolio and strategies for the growth of our commercial real estate lending business; (ii) our strategic focus; (iii) our expectations and estimates regarding the commercial real estate lending business; (iv) our expectations regarding our target geographic market; (v) our expectation regarding the amount, collectability and timing of cash flows, if any, from our loans; (vi) our expected ranges of originations and repayments; and (vii) our investment strategy.

Actual results could differ significantly from the results and events discussed in the forward-looking statements due to the factors set forth in “Risk Factors” in our Registration Statement, and the other documents we file from time to time with the Securities and Exchange Commission (the “SEC”). The forward-looking statements contained in this presentation involve a number of risks and uncertainties, including factors relating to: our lack of operating history as an independent company; our ability to identify a successful business and investment strategy and execute on our strategy; the ability of our manager to locate suitable loan opportunities for us and to monitor and actively manage our portfolio and implement our investment strategy; our expected ranges of originations and repayments; the allocation of loan opportunities to us by our manager; our projected operating results; changes in general economic conditions, in our industry and in the commercial finance and commercial real estate markets; the state of the U.S. economy generally or in the specific geographic regions in which we operate; the impact of a protracted decline in the liquidity of credit markets on our business; the amount, collectability and timing of our cash flows, if any, from our loans; our ability to obtain and maintain financing arrangements; changes in the value of our loans; losses that may arise due to the concentration of our portfolio in a limited number of loans and borrowers; our expected investment and underwriting process; the rates of default or recovery rates on our loans; the availability of investment opportunities in mortgage-related and commercial real estate-related instruments and other securities; changes in interest rates and impacts of such changes on our results of operations, cash flows and the market value of our loans; interest rate mismatches between our loans and our borrowings used to fund such loans; the departure of any of the executive officers or key personnel supporting and assisting us from SUNS Manager (as defined below) or its affiliates; impact of and changes in governmental regulations, tax law and rates, accounting guidance and similar matters; our ability to maintain our exemption from registration under the Investment Company Act; our ability to qualify and maintain our qualification as a REIT for U.S. federal income tax purposes; estimates relating to our ability to make distributions to our shareholders in the future; our understanding of our competition; and market trends in our industry, interest rates, commercial real estate values, the securities markets or the general economy.

We have based the forward-looking statements included in this presentation on information available to us on the date of this presentation, and we assume no obligation to update any such forward-looking statements, whether as a result of new information, future events or otherwise. You are advised to consult any additional disclosures that we may make through reports that we have filed, or in the future may file, with the SEC, including the Registration Statement, annual reports on Form 10-K, quarterly reports on Form 10-Q and current reports on Form 8-K.

Legal Disclaimers

Important Notices

This presentation is by Sunrise Realty Trust, Inc. (“SUNS” or the “Company”), a publicly-traded company that has elected to be taxed as a REIT for federal income tax purposes. This presentation is provided for informational purposes only and is not an offer to sell, or a solicitation of an offer to buy, any security or instrument. SUNS is managed by Sunrise Manager LLC (“SUNS Manager”). The information contained herein is not intended to provide, and should not be relied upon for accounting, legal or tax advice or investment recommendations for SUNS or any of its affiliates. We routinely post important information for investors on our website, www.sunriserealtytrust.com. We intend to use this webpage as a means of disclosing material information, for complying with our disclosure obligations under Regulation FD and to post and update investor presentations and similar materials on a regular basis. SUNS encourages investors, analysts, the media and others interested in SUNS to monitor the Investors section of our website, in addition to following our press releases, SEC filings, public conference calls, presentations, webcasts and other information we post from time to time on our website. To sign-up for email-notifications, please visit the “Email Alerts” section of our website under the “IR Resources” section and enter the required information to enable notifications. Past performance is no guarantee of future results. There is no guarantee that any investment strategy referenced herein will work under all market conditions. You alone assume the responsibility of evaluating the merits and risks associated with any potential investment or investment strategy referenced herein. The information contained herein is not intended to provide, and should not be relied upon for accounting, legal or tax advice or investment recommendations for SUNS or any of its affiliates. Certain information contained in the presentation discusses general market activity, industry or sector trends, or other broad-based economic, market or political conditions and should not be construed as research or investment advice.



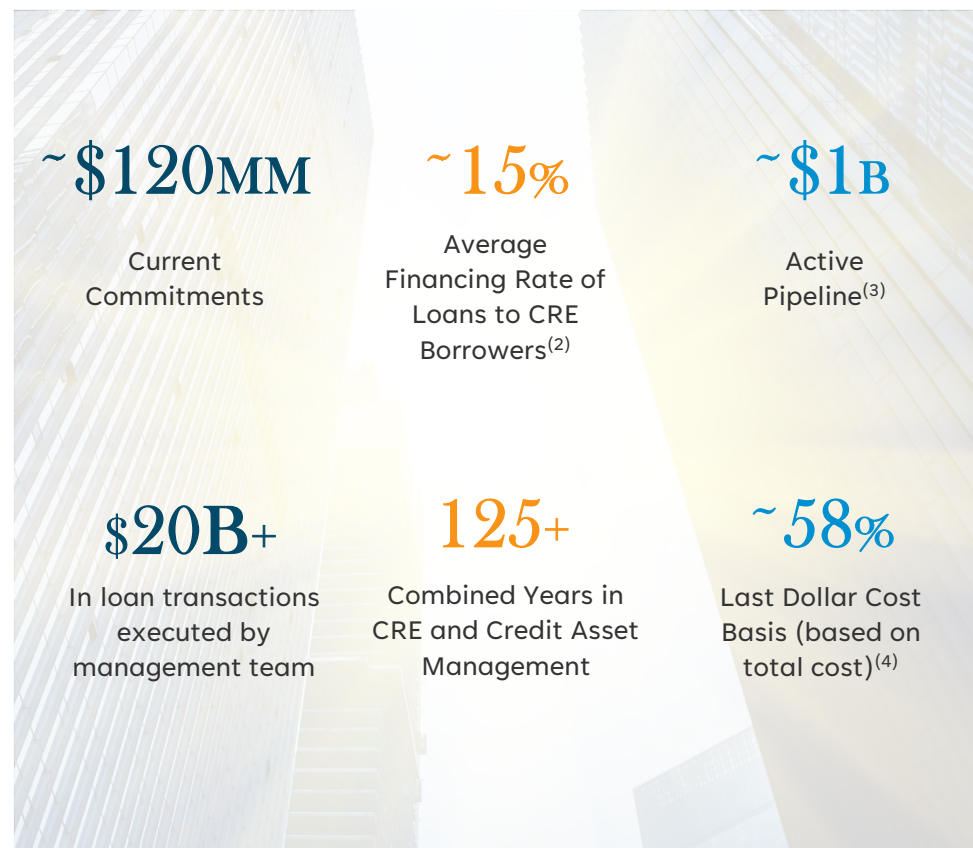
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Introducing Sunrise Realty Trust

- Sunrise Realty Trust (NASDAQ: SUNS) is an institutional lender that originates and funds loans to sponsors of commercial real estate projects in the Southern United States
- SUNS seeks to target loans with transaction-level investment gross returns in the mid-teens
- Robust investment process with high-quality originations, methodical due diligence, specialized structuring and ongoing monitoring, emphasizing credit discipline throughout the cycle from sourcing to portfolio management
- Founded in August 2023 by veteran credit investors Leonard Tannenbaum and Brian Sedrish
- Collectively, the management team has directly structured over \$20 billion in loan transactions

Company Highlights⁽¹⁾



1. All company highlights data as of August 5, 2024 unless otherwise specified.

2. Based on SUNS' closed deals. A component of these loans may be held through one or more co-investment vehicles managed by a manager affiliated with SUNS' manager.

3. SUNS is in varying stages of negotiation and has not completed its due diligence process with respect to these projects. As a result, there can be no assurance that these potential investments will be completed on the terms described above or at all. A component of these loans may be held through one or more co-investment vehicles managed by a manager affiliated with SUNS' manager.

4. Based on SUNS' closed deals. Last Dollar Cost Basis is the detachment point where SUNS' anticipated tranche ends as a percentage of total capitalization.

Investment Highlights

Ideal Vintage

with no legacy assets
in the portfolio

- ~\$22.3 billion of CRE deals sourced by SUNS manager and its affiliates since October 2023, only pursuing ~1.8% of deals sourced
- First investments closed in Q1 2024 and robust ~\$1 billion pipeline in place⁽¹⁾

Opportune Time

with loan
maturities looming

- Lenders entering U.S. markets with capital to deploy are well-positioned, as legacy lenders with troubled assets face liquidity constraints with limited capacity to finance transitional business plans
- Over \$2 trillion in CRE loans maturing by end of 2026 create opportunity for SUNS to scale quickly⁽²⁾

Strategic Focus

on the growing
Southern U.S.

- Accelerated population and employment migration trends create economic tailwinds for the Southern U.S.⁽³⁾
- As resident experts in the South, SUNS targets Southern areas that are squarely within the path of growth⁽⁴⁾

Seasoned Team

with \$20+ billion in CRE
credit Investments

- Management team with decades of experience investing in CRE and structured credit
- Extensive experience managing publicly traded credit vehicles, including multiple business development companies and a REIT

1. SUNS is in varying stages of negotiation and has not completed its due diligence process with respect to these projects. As a result, there can be no assurance that these potential investments will be completed on the terms described above or at all. A component of these loans may be held through one or more co-investment vehicles managed by a manager affiliated with SUNS' manager.
2. Mortgage Bankers' Association; Newmark Research.
3. U.S. Census Bureau Data; CoStar Market Data; Federal Reserve Bank of St. Louis.
4. Primary target states include FL, TX, NC, SC, TN, and GA; Other states that SUNS will consider for investment include AL, AR, DC, KY, LA, MD, MS, OK, VA, and WV.

Management Team with Demonstrated Track-Record

Leonard Tannenbaum

Executive Chairman



30+ years experience

- Founder, CEO of Fifth Street prior to its 2017 sale to Oaktree
- Co-Founder of AFC Gamma, Inc. (NASDAQ: AFCG)
- Founded Tannenbaum Capital Group, a sponsor to alternative lenders focused on CRE and direct lending

Brian Sedrish

Chief Executive Officer, Director



25+ years experience

- Former portfolio manager at Related Fund Management
- Former Head of Real Estate Acquisitions Special Situations at Deutsche Bank
- Previously employed at Fortress, Goldman Sachs and Lazard Freres & Co.

Brandon Hetzel

Chief Financial Officer



15+ years experience

- Chief Financial Officer and Treasurer of AFC Gamma
- Former VP of Finance for El-AD National Properties, LLC
- Former manager in REIT audit practice at PwC

Robyn Tannenbaum

President



15+ years experience

- Co-Founder and President of AFC Gamma
- 5+ years as Head of Investor Relations for three Fifth Street public entities
- 10+ years experience focused on mergers and acquisitions and leveraged loans at CIT Group

Gabriel Katz

Chief Legal Officer



10+ years experience

- Former corporate and securities counsel at national law firms and in-house at unicorn technology company
- Advised public and private companies and funds in public and private securities offerings and mergers and acquisitions

James Velgot

Chief Marketing Officer



30+ years experience

- Three decades of experience in brand development and content marketing
- Former Chief Marketing Officer at Fifth Street Asset Management
- Former CMO at Alliance Bernstein, rebranding the firm in 26 countries around the world

Right Time, Right Place

Sunrise Realty Trust is pursuing an immediately actionable opportunity with a targeted geographical focus

Why CRE Debt Today



Rising Rates & Inflation

The dual increase in both construction and borrowing costs squeezes CRE investors across the capital stack



Portfolio Issues

Lenders dealing with legacy assets have neither the time nor capital to fund new transitional business plans



Regulatory Forces

Structural regulatory backdrop further reduces the incentives for banks to lend to transitional real estate



Regional Bank Failures

Silicon Valley Bank and Signature Bank's collapse have increased the pressure facing other banks to tighten credit conditions

Why the Southern U.S.



Population & Employment Migration

COVID accelerated pre-existing population and employment migration trends to Southern U.S.



Broad Economic Drivers

The business environment, climate and talent pool are among the factors driving corporations south



Growth Across Diverse Sectors

Manufacturing 'reshoring' and a shift to value-added sectors further improve the region's growth prospects



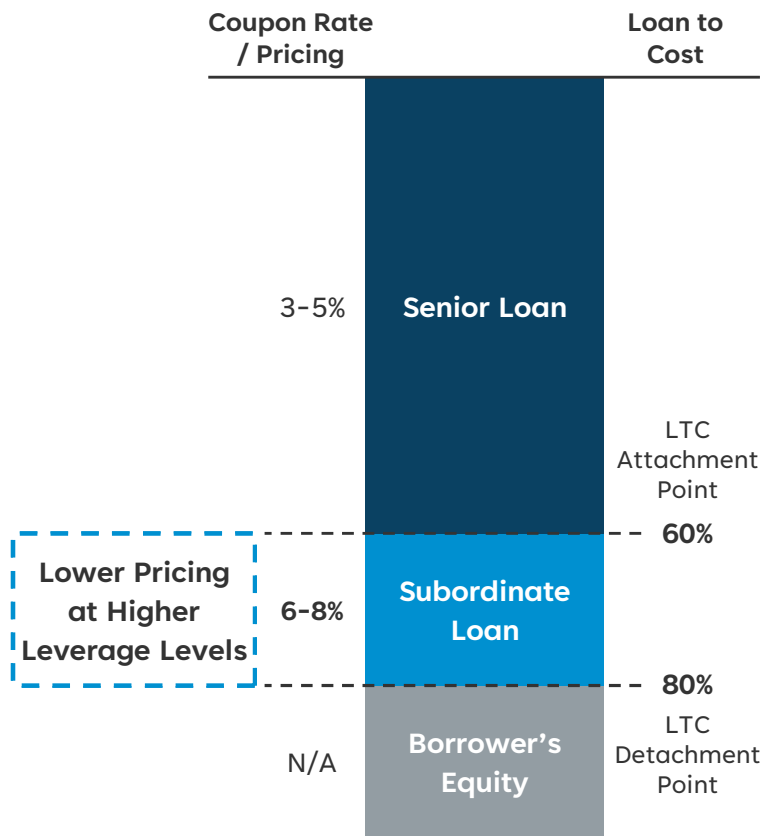
Low Existing Supply of CRE

Office and industrial capacity per capita in the Southern U.S. has lagged national averages⁽¹⁾

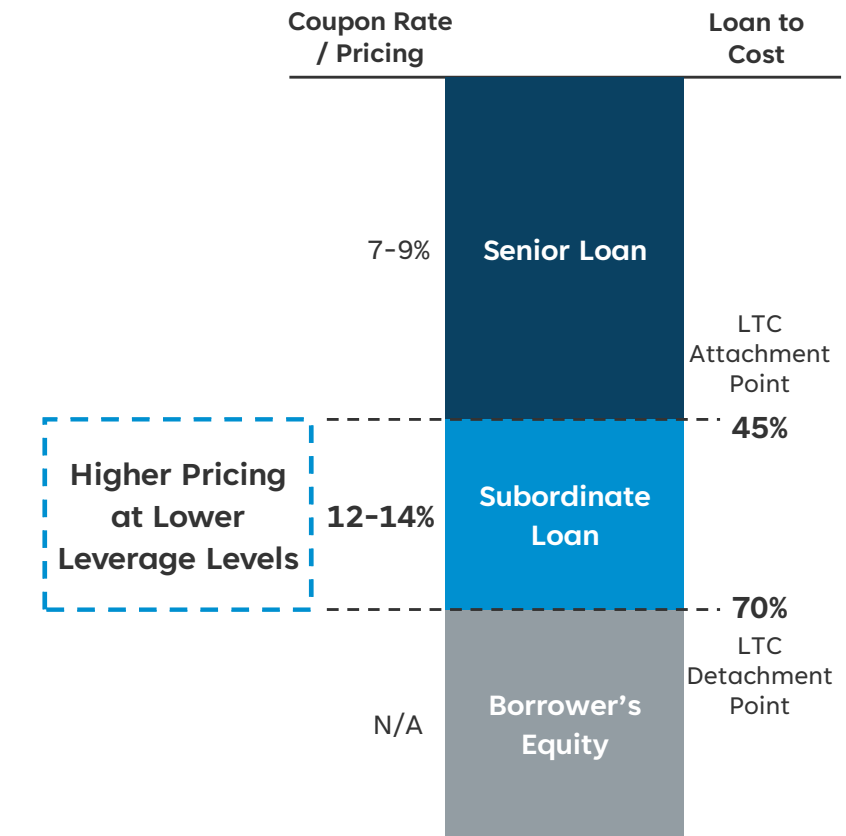
Changes in Capital Stacks Present an Opportunity⁽¹⁾

Due to the Fed’s rate increases and regional banks pulling back from the market, pricing for the types of deals that SUNS intends to focus on has gone up, while the attachment and detachment LTCs have shifted down⁽²⁾⁽³⁾

Common Capital Structure in 2019



Common Capital Structure in 2024

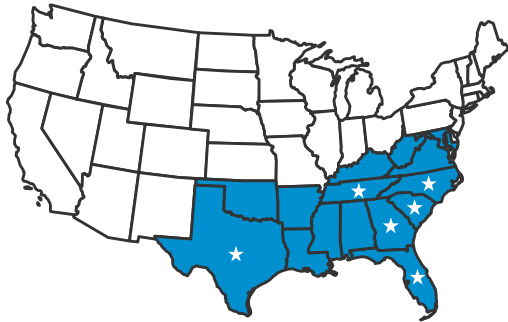


1. Source: Based on management estimates. Provided for illustrative purposes only and does not reflect the terms of any specific capital structure. These hypothetical capital structures are not necessarily indicative, nor are they a guarantee or prediction, of the details of any specific transactions that Sunrise Realty Trust may undertake. The specific details of any actual transactions undertaken may differ materially from the details presented.
 2. CoStar, “Banks pull back on commercial real estate lending” 2023.
 3. Attachment point LTC denotes the priority position in the capital structure where the senior loan layer ends and SUNS’ anticipated subordinate loan is expected to begin. Detachment point LTC denotes the priority position in the capital structure where the subordinate loan ends.

Demographic Shifts Favor The Southern U.S.

COVID has had a material impact on U.S. migration patterns, with the Southern U.S. benefiting from increased population and employment growth, which in select key Southern cities is outpacing the rest of the U.S.

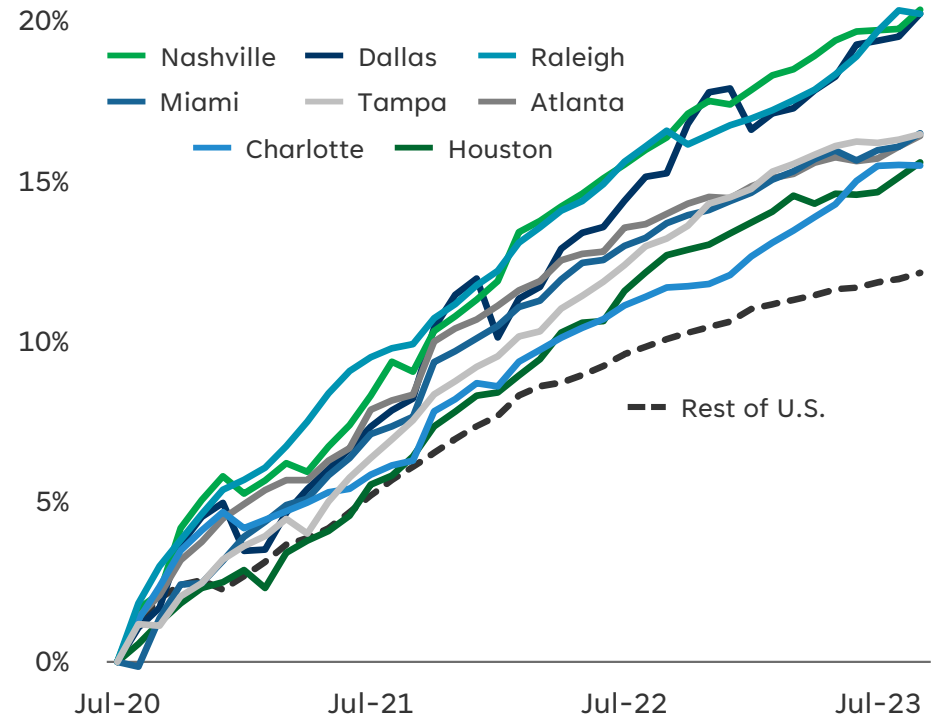
Strong Population & Employment Growth⁽¹⁾



2018-2023 Total Growth Rate

	Target States ⁽²⁾	Rest of U.S.
Population	✓ 6.0%	0.9%
Total Employment	✓ 8.8%	2.4%
Office Employment	✓ 15.1%	4.4%
Industrial Employment	✓ 6.1%	2.0%

Select Southern Cities Outpacing on Employment Growth⁽¹⁾



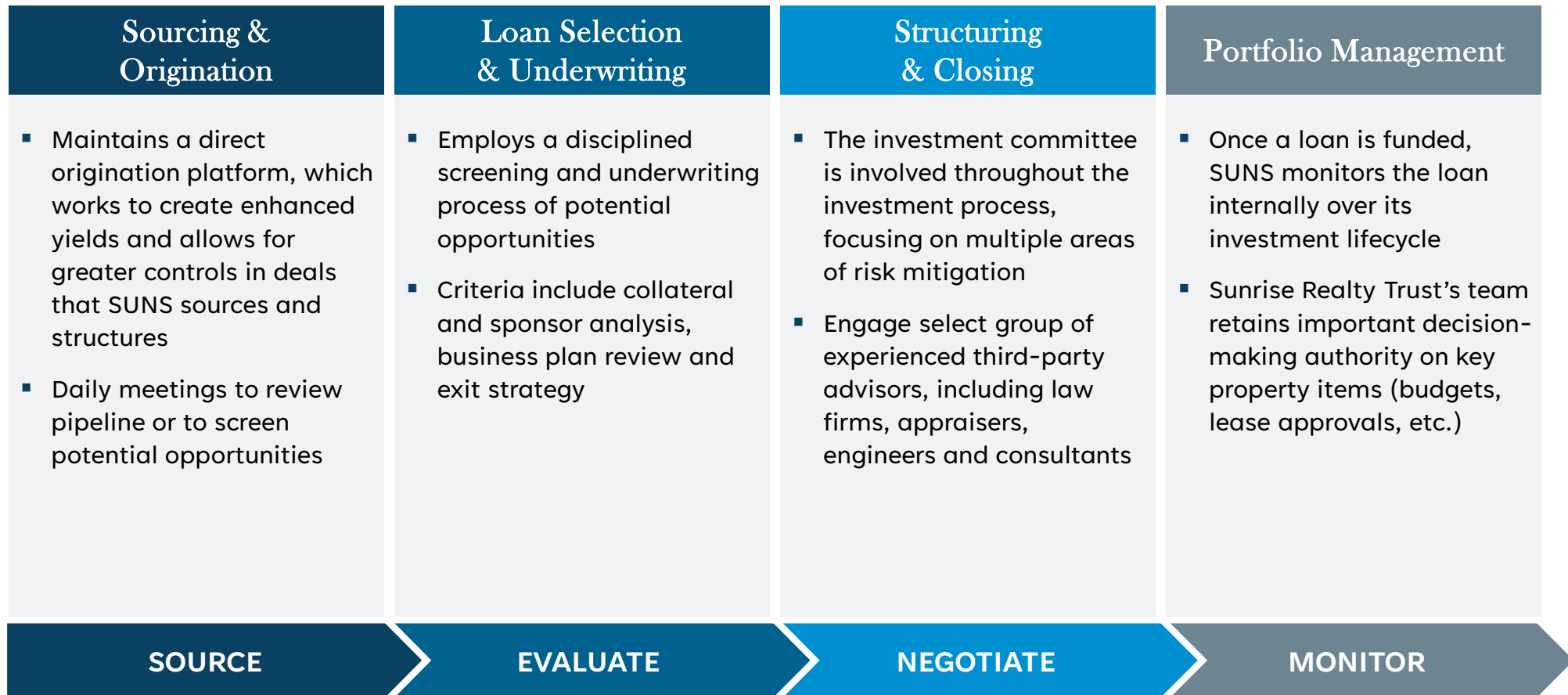
Migration trends are driving both **population and employment growth** in the South

With **employment growth accelerating** in key cities in SUNS' target states since July 2020

1. U.S. Census Bureau Data; CoStar Market Data; Federal Reserve Bank of St. Louis.
 2. Primary target states include FL, TX, NC, SC, TN, and GA; Other states that SUNS will consider for investment include AL, AR, DC, KY, LA, MD, MS, OK, VA, and WV.

Evolution of a SUNS Investment

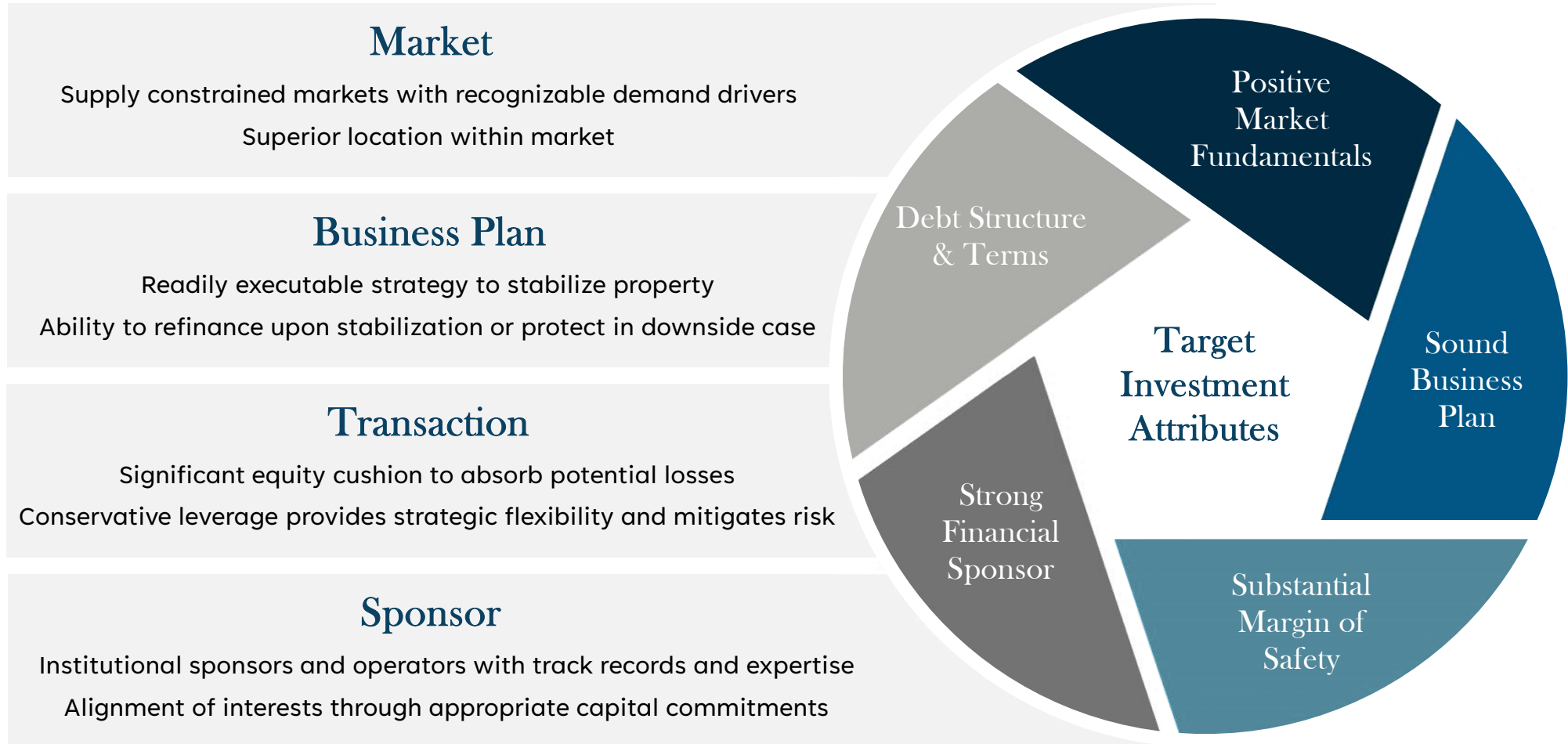
Continuous communication across the company from deal sourcing through portfolio management



Emphasizing **Credit Discipline** and **Risk Management** Throughout the Investment Lifecycle

Highly-Selective Investment Process⁽¹⁾

Sunrise Realty Trust takes a patient approach to investing, targeting opportunities with clear potential for value creation that meet a defined set of investment criteria

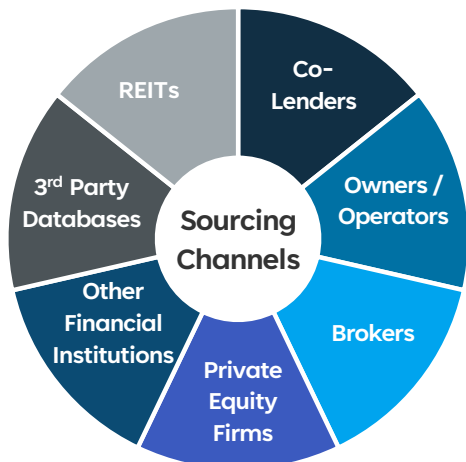


1. Disclaimer: The due diligence process in regard to our investment opportunities may not reveal all facts relevant to an investment and, as a result, we may experience losses, which could materially and adversely affect us.

Robust Direct Origination Platform

SUNS continues to maintain a direct origination platform, produce a large universe of opportunities through multiple channels, then select the most attractive investments for comprehensive due diligence

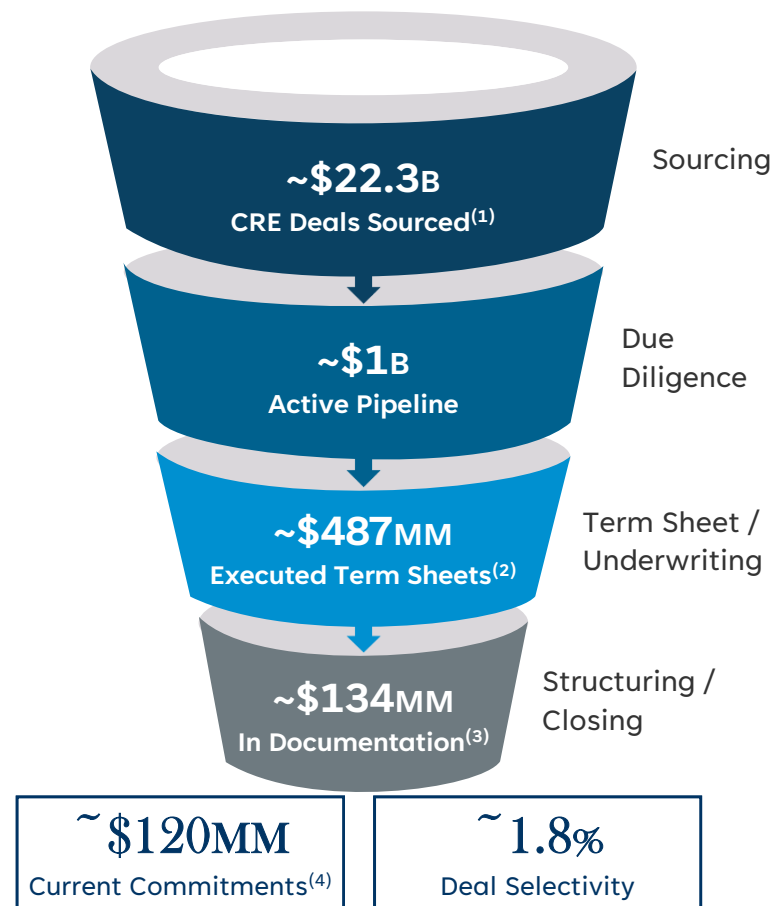
Multiple Origination Channels



Powerful Deal Flow Engine

- ✓ Sector and product expertise paired with local knowledge generates targeted inbounds
- ✓ Reputation as a credible, reliable and regionally-focused partner
- ✓ Deep network of long-standing relationships
- ✓ Solution-driven flexibility and negotiating in good faith solidify repeat partnerships

High-quality and Actionable Pipeline⁽¹⁾



1. Represents deals from October 1, 2023 to August 5, 2024 sourced by members of SUNS' investment team on behalf of SUNS or on behalf of an entity managed by a manager affiliated with SUNS' manager as of August 5, 2024.
2. Representative of full loan amounts on loans in documentation or loans funded in 2024, which includes loans held or anticipated to be held by SUNS and through one or more co-investment vehicles managed by a manager affiliated with SUNS' manager.
3. Representative of full loan amounts on loans in documentation anticipated to be held by SUNS and through one or more co-investment vehicles managed by a manager affiliated with SUNS' manager.
4. Current commitments as of August 5, 2024.

Sunrise Realty Trust Portfolio Overview

Investment	Original Funding Date	Loan Maturity	Current Commitment <i>as of 8/05/2024</i>	As % of Total	Total OID	Principal Balance <i>as of 8/05/24</i>	Cash Interest Rate	Fixed/ Floating	YTM ⁽¹⁾
Mixed-use senior mortgage loan (Houston, TX) ⁽²⁾	1/4/2024	11/30/2024	\$10,012,059	8.4%	--	\$10,012,059	20.0%	Floating	24%
Residential subordinate loan (Sarasota, FL)	1/31/2024	5/12/2027	28,188,776	23.6%	1.0%	22,116,340	13.0%	Fixed	14%
Residential senior mortgage loan (Austin, TX)	7/3/2024	7/3/2027	14,087,288	11.8%	1.0%	11,506,184	9.6%	Floating	10%
Mixed-use senior mortgage loan (San Antonio, TX)	7/31/2024	8/9/2027	27,300,000	22.8%	1.0%	25,025,000	11.7%	Floating	12%
Residential senior mortgage loan (Palm Beach Gardens, FL)	8/5/2024	9/1/2027	40,000,000	33.4%	1.3%	27,536,362	13.0%	Floating	16%
Portfolio		Subtotal⁽³⁾	\$119,588,123	100.0%	1.0%	\$96,195,945	12.9%		15%

1. Rate calculations utilize Chatham Financial forward SOFR projections (as of August 1, 2024), are compounded monthly and may include back leverage. Target performance is not a guarantee or prediction and is not necessarily indicative of future results. Potential investors should not rely on such target performance information in connection with making an investment decision, as actual performance may vary significantly from the target performance information set forth herein.
2. In January 2024, SUNS and a co-investment vehicle managed by a manager affiliated with SUNS' manager purchased an aggregate of approximately \$56.4 million in loan commitments in a secured mezzanine loan facility, of which approximately \$28.2 million of principal has been funded by SUNS and another approximately \$28.2 million of principal has been funded by a co-investment vehicle. After this initial investment, in May 2024, SUNS and the co-investment vehicle invested an aggregate of approximately \$2.5 million to acquire the senior loan secured by additional collateral. Accordingly, this deal includes both the senior loan and the contiguous mezzanine loan facility, but is identified as a senior loan because, as a whole, the expected credit quality of the mezzanine loan facility is more similar to that of a senior loan.
3. The Cash Interest Rate and OID subtotal rates are weighted-average rates.

Strategy Meets Opportunity – Key Approaches

The Right **Leadership**

The Right **Market Opportunity**

The Right **Strategy**

Sunrise Realty Trust is positioned to take advantage of converging trends favoring CRE in the Southern U.S.

Opportunity

Two Converging Trends Have Created a Unique Market Opportunity

- Market dislocations in CRE have drained liquidity, causing a value shift from borrowers to lenders
- Southern U.S. migration trends have amplified the supply-demand imbalance for quality real estate

Strategy

Right Time, Place and Team To Execute SUNS' Investment Strategy

- Target transitional real estate projects with near-term value creation
- Invest in markets and sectors with strong fundamentals
- Focus on Southern U.S. areas with identifiable unmet demand

Ability

Sunrise Realty Trust is Well Suited to Capitalize on Both Trends

- Specific expertise in transitional real estate
- Bringing local insight and connections
- Ability to transact across the capital stack
- Leadership's cycle-tested track-record in CRE

Objective

Targeting Equity-Like Returns at Debt-Like Risk Levels

- Fewer competitors → Higher pricing power
- Undersupply of debt → Higher absolute returns
- Greater subordination → Lower leverage
- Stronger covenants → Favorable risk position



Appendix



Deal #1: Mixed-Use Senior Mortgage Loan in Texas

CLOSED

Jan. 4, 2024

HIGHLIGHTS

LOCATION	Houston, TX
PROPERTY TYPE	Mixed Use
INVESTMENT TYPE	Loan Purchase
INVESTMENT STRUCTURE	Senior & Subordinate Debt
TOTAL SENIOR LOAN SIZE / HOLD SIZE ⁽¹⁾⁽²⁾	\$2.5MM / \$1.3MM
TOTAL SUBORDINATE LOAN SIZE / HOLD SIZE ⁽¹⁾⁽²⁾	\$56.4MM / \$28.2MM
SUBORDINATE CASH INTEREST RATE	SOFR + 15.31%
MATURITY DATE	November 2024
LAST DOLLAR BASIS OF SUBORDINATE ON TOTAL COST	55.8%
SENIOR/SUB LENDER ⁽²⁾	Sunrise Realty Trust



1. Actual UPB is less than face value as residential condo closings are actively paying down the loan balances in pari passu arrangement. In May 2024, SUNS and the co-investment vehicle invested an aggregate of approximately \$2.5 million to acquire the senior loan secured by additional collateral.
2. Aggregate loan size is \$56.4 million, of which \$29.5 million is the original commitment by SUNS and the remaining by a co-investor affiliate.

Deal #2: Residential Subordinate Loan in Florida

CLOSED

Jan. 31, 2024

HIGHLIGHTS	
LOCATION	Sarasota, FL
PROPERTY TYPE	Residential with Ground Floor Retail
INVESTMENT TYPE	Refinance
INVESTMENT STRUCTURE	Subordinate Loan
TOTAL SUBORDINATE LOAN SIZE ⁽¹⁾	\$56MM
SUBORDINATE CASH INTEREST RATE	13.00%
MATURITY DATE	May 2027
LOAN ON TOTAL COST ⁽²⁾	61.1%



1. Aggregate subordinate loan size is \$56.4 million, of which \$28.2 million is committed by SUNS and the remaining by a co-investor affiliate.
 2. Loan on Total Cost is calculated based on total estimated project lifecycle costs.

Deal #3: Residential Senior Mortgage Loan in Texas

CLOSED

Jul. 3, 2024

HIGHLIGHTS	
LOCATION	Austin, TX
PROPERTY TYPE	Residential
INVESTMENT TYPE	Refinance
INVESTMENT STRUCTURE	Senior Debt
SENIOR LOAN/HOLD SIZE ⁽¹⁾	\$35MM / \$14MM
CASH INTEREST RATE	SOFR + 4.25%; Floor 4.75%
MATURITY DATE	July 2027
LOAN ON TOTAL COST ⁽²⁾	68.4%
UNITS	150
RENTABLE SQUARE FEET	141,323
SENIOR LENDER	Sunrise Realty Trust



1. Aggregate Note size is \$35.2 million, of which \$14.1 million is committed by SUNS and the remaining by a co-investor affiliate.
 2. Loan on Total Cost is calculated based on total estimated project lifecycle costs.

Deal #4: Hospitality Senior Mortgage Loan in Texas

CLOSED

Jul. 31, 2024

HIGHLIGHTS	
LOCATION	San Antonio, TX
PROPERTY TYPE	Hospitality
INVESTMENT TYPE	Refinance
INVESTMENT STRUCTURE	Senior Debt
SENIOR LOAN SIZE ⁽¹⁾	\$42MM / \$27MM
CASH INTEREST RATE	SOFR + 6.35%; Floor 4.50%
MATURITY DATE	August 2027
LOAN ON TOTAL COST ⁽²⁾	45.6%
KEYS / SQ FT	162 keys (138,490 SF)
SENIOR LENDER	Sunrise Realty Trust



1. Aggregate Loan size is \$42.0 million, of which \$27.3 million is committed by SUNS and the remaining by a co-investor affiliate.
 2. Loan on Total Cost is calculated based on total estimated project lifecycle costs.

Deal #5A: Residential Senior Mortgage Loan in Florida

CLOSED

Aug. 5, 2024

TERM LOAN HIGHLIGHTS	
LOCATION	Palm Beach Gardens, FL
PROPERTY TYPE	Residential
INVESTMENT TYPE	Refinance
INVESTMENT STRUCTURE	Senior Debt
TOTAL TERM LOAN SIZE ⁽¹⁾	\$85MM
TERM LOAN HOLD SIZE ⁽¹⁾	\$21MM
TERM LOAN INTEREST RATE	SOFR + 8.25%
SOFR FLOOR	4.00%
MATURITY DATE	September 2027
LOAN ON TOTAL COST ⁽²⁾	60.8%
SENIOR LENDER	Sunrise Realty Trust



1. Aggregate Term Loan size is \$85.0 million, of which \$21.3 million is committed by SUNS and the remaining by co-investor affiliates.
 2. Loan on Total Cost is calculated based on total estimated project lifecycle costs (including the combined total of the Term Loan and Revolver in the uses of capital).

Deal #5B: Residential Senior Mortgage Loan in Florida

CLOSED

Aug. 5, 2024

REVOLVER HIGHLIGHTS

LOCATION	Palm Beach Gardens, FL
PROPERTY TYPE	Residential
INVESTMENT TYPE	Construction
INVESTMENT STRUCTURE	Senior Debt
REVOLVER SIZE ⁽¹⁾	\$75MM
REVOLVER HOLD SIZE ⁽¹⁾	\$19MM
REVOLVER INTEREST RATE	SOFR + 6.25%
SOFR FLOOR	4.00%
MATURITY DATE	September 2027
LOAN ON TOTAL COST ⁽²⁾	60.8%
SENIOR LENDER	Sunrise Realty Trust



1. Aggregate Revolver size is \$75.0 million, of which \$18.8 million is to be committed by SUNS and the remaining by co-investor affiliates.
 2. Loan on Total Cost is calculated on total estimated project lifecycle costs (including the combined total of the Term Loan and Revolver in the uses of capital).



Contact Us

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