

Report of Organizational Actions Affecting Basis of Securities

▶ See separate instructions.

Part I Reporting Issuer

1 Issuer's name		2 Issuer's employer identification number (EIN)	
Capstead Mortgage Corporation		75-2027937	
3 Name of contact for additional information	4 Telephone No. of contact	5 Email address of contact	
6 Number and street (or P.O. box if mail is not delivered to street address) of contact		7 City, town, or post office, state, and ZIP code of contact	
8 Date of action		9 Classification and description	
10 CUSIP number	11 Serial number(s)	12 Ticker symbol	13 Account number(s)

Part II Organizational Action Attach additional statements if needed. See back of form for additional questions.

14 Describe the organizational action and, if applicable, the date of the action or the date against which shareholders' ownership is measured for the action ▶ _____

15 Describe the quantitative effect of the organizational action on the basis of the security in the hands of a U.S. taxpayer as an adjustment per share or as a percentage of old basis ▶ As a result of the above-described organizational action, each shareholder generally will recognize gain or loss on the disposition of the shares being redeemed. The shareholders' gain or loss will generally be measured as the difference between gross proceeds received in the liquidating distributions and the tax basis in the shares redeemed. After the transaction and the recognition event, the shareholder will no longer own any shares or have any tax basis in the shares of Capstead Mortgage Corporation. Shareholders should contact their tax advisors regarding the specific circumstances surrounding their shares subject to this organizational action.
 See Attachment 1 for further information regarding the transaction.

16 Describe the calculation of the change in basis and the data that supports the calculation, such as the market values of securities and the valuation dates ▶ Amounts received by a shareholder in a distribution in complete liquidation of the issuer is treated as full payment in exchange for the stock. The sale or exchange treatment results in the offsetting of a shareholder's basis against the liquidation distribution proceeds, resulting in a realized gain or loss. After this gain or loss recognition event, the shareholder will no longer own any shares or have any tax basis in the redeemed shares of Capstead Mortgage Corporation.

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.

Sign Here

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.

Signature ▶  Date ▶ 12/2/2021

Print your name ▶ Eric Wempen Title ▶ Director of Tax

Paid Preparer Use Only

Print/Type preparer's name	Preparer's signature	Date	Check <input type="checkbox"/> if self-employed	PTIN
Firm's name ▶			Firm's EIN ▶	
Firm's address ▶			Phone no.	

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”).