

Investor 1-4

Mixed-Use

Commercial

Multi-Family



3Q25 Results Presentation
November 6, 2025



Forward-looking statements

Some of the statements contained in this presentation may constitute forward-looking statements within the meaning of the federal securities laws. Forward-looking statements relate to expectations, projections, plans and strategies, positioning, anticipated events or trends, and similar expressions concerning matters that are not historical facts. In some cases, you can identify forward-looking statements by the use of forward-looking terminology such as "may," "will," "should," "expects," "intends," "plans," "anticipates," "believes," "estimates," "predicts," or "potential" or the negative of these words and phrases. You can also identify forward-looking statements by discussions of strategy, plans, or intentions.

The forward-looking statements contained in this press release reflect our current views about future events and are subject to numerous known and unknown risks, uncertainties, assumptions, and changes in circumstances that may cause actual results to differ significantly from those expressed or contemplated in any forward-looking statement. While forward-looking statements reflect our good faith projections, assumptions, and expectations, they are not guarantees of future results. Furthermore, we disclaim any obligation to publicly update or revise any forward-looking statement to reflect changes in underlying assumptions or factors, new information, data or methods, future events, or other changes, except as required by applicable law. Factors that could cause our results to differ materially include, but are not limited to, (1) changes in federal government fiscal and monetary policies, (2) general economic and real estate market conditions, including the risk of recession, (3) regulatory and/or legislative changes, (4) our customers' continued interest in loans and doing business with us, (5) market conditions and investor interest in our future securitizations, and (6) geopolitical conflicts.

Additional information relating to these and other factors that could cause future results to differ materially from those expressed or contemplated in any forward-looking statements can be found in other cautionary statements we make in our current and periodic filings with the SEC. Such filings are available publicly on our Investor Relations web page at www.velfinance.com.



3Q25 Highlights

Earnings

- Net income of \$25.4 million, up 60.6% from \$15.8 million for 3Q24. Diluted EPS of \$0.65, up \$0.21 from \$0.44 per share for 3Q24.
- Core net income⁽¹⁾ of \$26.9 million, an increase of 58.9% from \$16.9 million for 3Q24. Core diluted EPS⁽¹⁾ of \$0.69, up from \$0.47 per share for 3Q24.
- Portfolio net interest margin (NIM) for 3Q25 was 3.65%, an increase of 5 bps from 3.60% for 3Q24

Production & Loan Portfolio

- Loan production reaches new record of \$739.0 million⁽²⁾, an increase of 55.0% from 3Q24
- Velocity's total loan portfolio was \$6.3 billion in UPB as of September 30, 2025, an increase of 32.0% from \$4.8 billion in UPB as of September 30, 2024
- Nonperforming loans (NPL) as a % of HFI⁽³⁾ loans were 9.8%, down from 10.6% as of September 30, 2024
- 3Q25 NPA⁽³⁾ resolutions realized gains of \$2.8 million, or 102.6%, of UPB resolved

Financing & Capital

- Completed our 1st single counterparty securitization totaling \$190.9 million of securities issued with a large money manager in July, in addition to the VCC 2025-4 securitization totaling \$457.5 million of securities issued
- Subsequent to quarter end, completed 2nd single counterparty securitization with the same investor in October totaling \$207.0 million of securities issued
- Liquidity of \$143.5 million, consisting of \$99.0 million in unrestricted cash and \$44.5 million in available borrowings from unpledged loans
- Total available warehouse line capacity of \$600.3 million

⁽¹⁾ "Core net income" and "Core diluted EPS" are non-GAAP financial measures. See "Adjusted Financial Metric to GAAP Net Income" in the Appendix.

⁽²⁾ Including an unfunded construction loan commitment.

⁽³⁾ Held for Investment (HFI) includes the unpaid principal balance of loans carried on an amortized cost basis and loans carried at fair value (FVO).

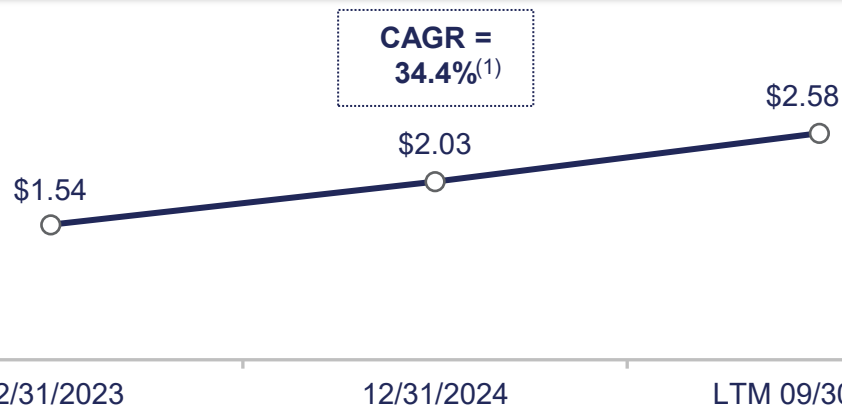
⁽³⁾ Nonperforming Assets



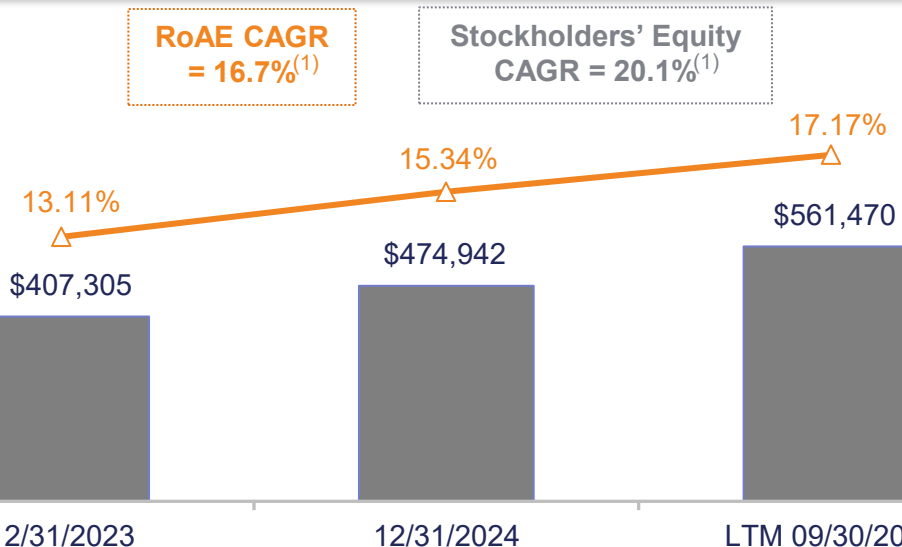
Reinvested Earnings Compounds Returns

- Our proprietary operating platform and expertise delivers strong results and durable long-term growth for our shareholders
- Earnings growth re-invested at high marginal ROE compounds book value and ROE
- Significant unrecognized value opportunity for investors resulting from Velocity's market positioning and organic earnings growth potential

Core Diluted Earnings Per Share



Core Return on Average Stockholders' Equity⁽²⁾



⁽¹⁾ CAGR = Compounded Annual Growth Rate adjusted for the YTD nine-month period in 2025.

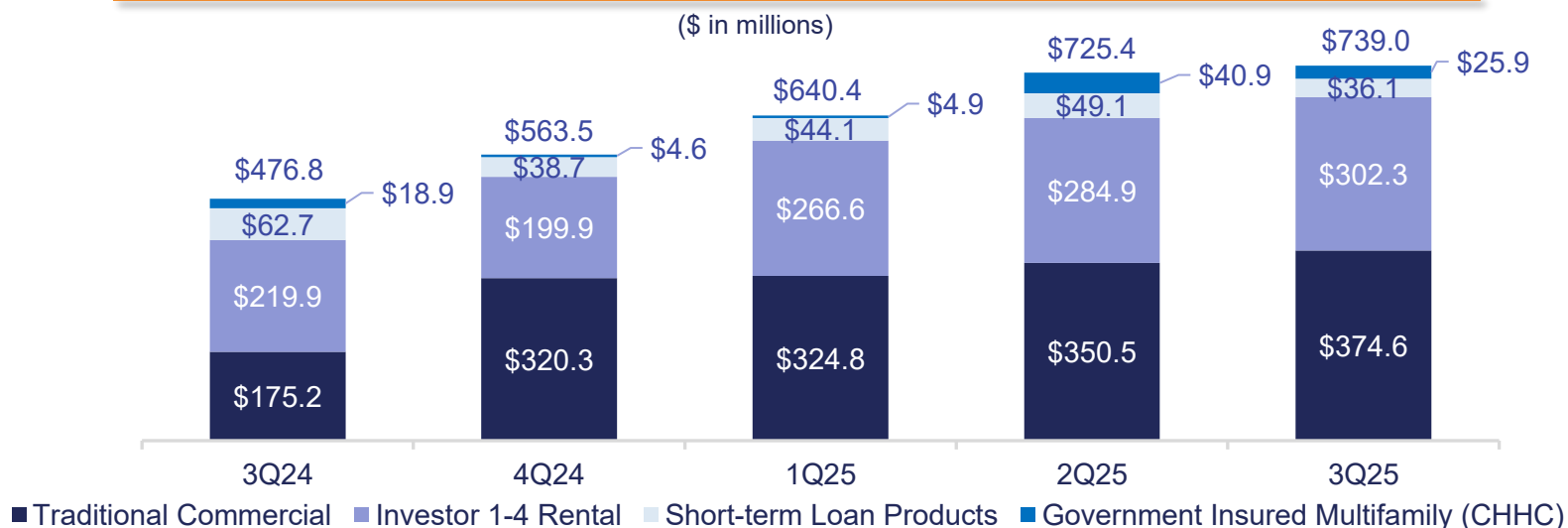
⁽²⁾ Stockholders' equity includes noncontrolling interest in subsidiary as of 12/31/2023, 12/31/2024 and 09/30/2025.

Loan Production

3Q25 Production Hits New Record

- Loan production in 3Q25 totaled \$739.0 million, including \$23.9 million in unfunded commitments, a 1.9% increase from \$725.4 million for 2Q25 and a 55.0% increase from \$476.8 million for 3Q24
 - Y/Y volume growth driven by a 113.7% increase in Traditional Commercial loans and 37.5% Y/Y increase in Investor 1-4 rental loans
- The WAC⁽¹⁾ on 3Q25 HFI loan production was 10.5%, unchanged from 2Q25 and down from 10.8% in 3Q24

Loan Production Volume



HFI Production Metrics

HFI Production	457.8	558.9	635.5	684.5	713.0
WAC ⁽¹⁾	10.8%	10.8%	10.5%	10.5%	10.5%
LTV ⁽²⁾	63.0%	62.9%	62.6%	62.7%	62.8%
Units	1,180	1,285	1,513	1,630	1,778
Average loan balance	\$ 388.0	\$ 434.9	\$ 420.1	\$ 419.9	\$ 401.0

⁽¹⁾ Weighted Average Coupon on HFI production.

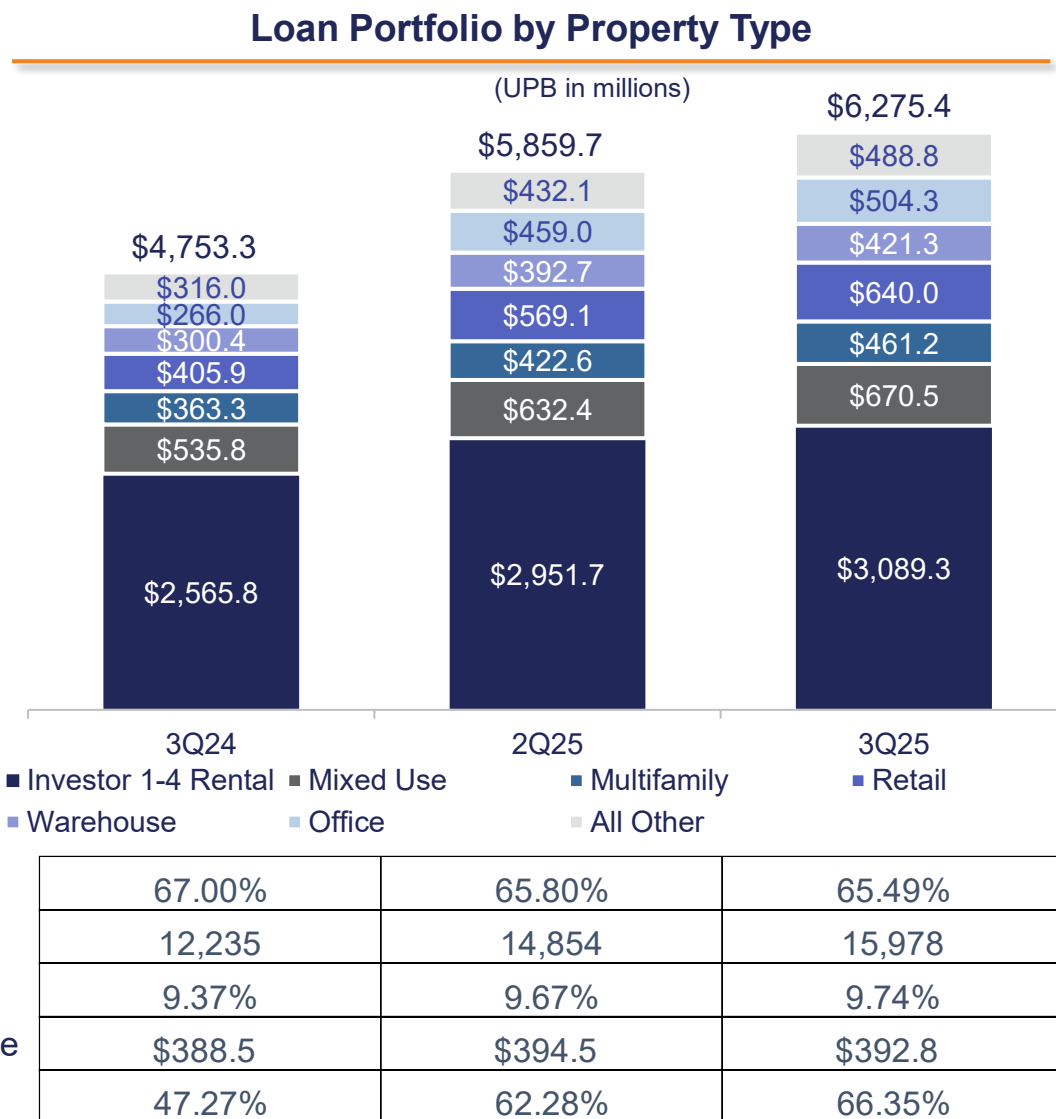
⁽²⁾ Loan to Value

Loan Portfolio

Portfolio Growth Driven by Continued Strong Originations

- The total loan portfolio was \$6.3 billion in UPB as of September 30, 2025, an increase of 7.1% from \$5.9 billion as of June 30, 2025, and 32.0% from \$4.8 billion as of September 30, 2024
 - Loan prepayments totaled \$235.0 million in UPB, an increase of 5.2% from \$223.4 million for 2Q25, and an increase of 35.1% from \$173.9 million for 3Q24
- Portfolio WAC⁽¹⁾ was 9.74% as of September 30, 2025, an increase from 9.37% as of September 30, 2024
- The UPB of fair value option (FVO) loans was \$4.2 billion, or 66.3% of total loans, as of September 30, 2025, an increase from \$2.2 billion in UPB, or 47.1% as of September 30, 2024

Loan to Value
Loan Count
WAC
Average Loan Balance
FVO%



⁽¹⁾ Weighted Average Coupon on the total loan portfolio.

⁽²⁾ \$ in thousands.

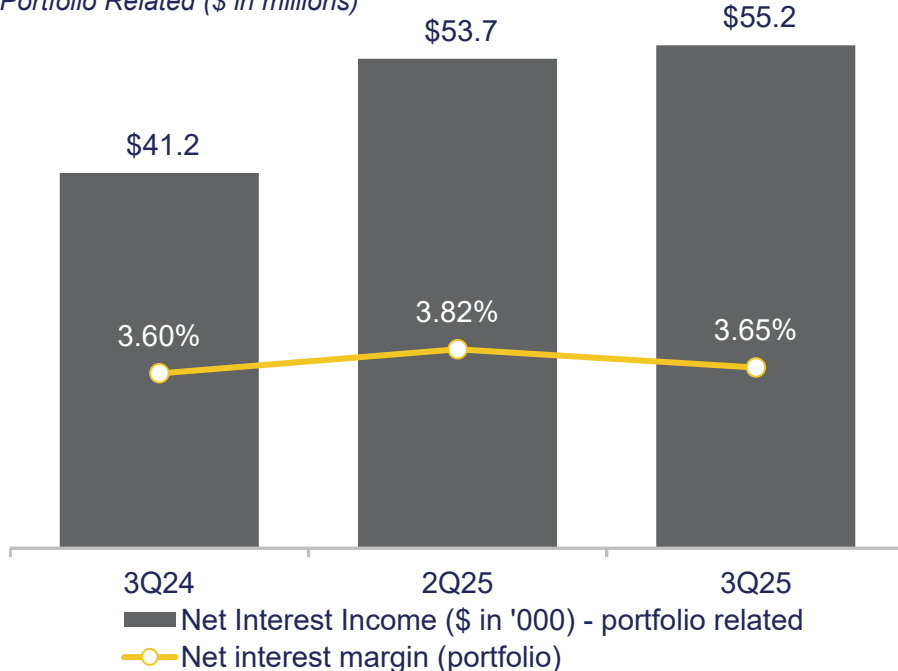
Net Interest Margin

3Q25 NIM In-Line With 3.5% Target Level

- Portfolio NIM⁽¹⁾ for 3Q25 was 3.65%, an increase of 5 bps from 3.60% for 3Q24
- Portfolio Yield: decreased 11 bps from 2Q25 and increased 36 bps from 3Q24. Q/Q, change driven by lower NPA resolution gains and prepayment fee revenue; Y/Y growth primarily resulted from increased weighted average loan coupons
- Cost of Funds: increased 3 bps from 2Q25 and 12 bps from 3Q24, Q/Q and Y/Y change primarily driven by higher base interest rates

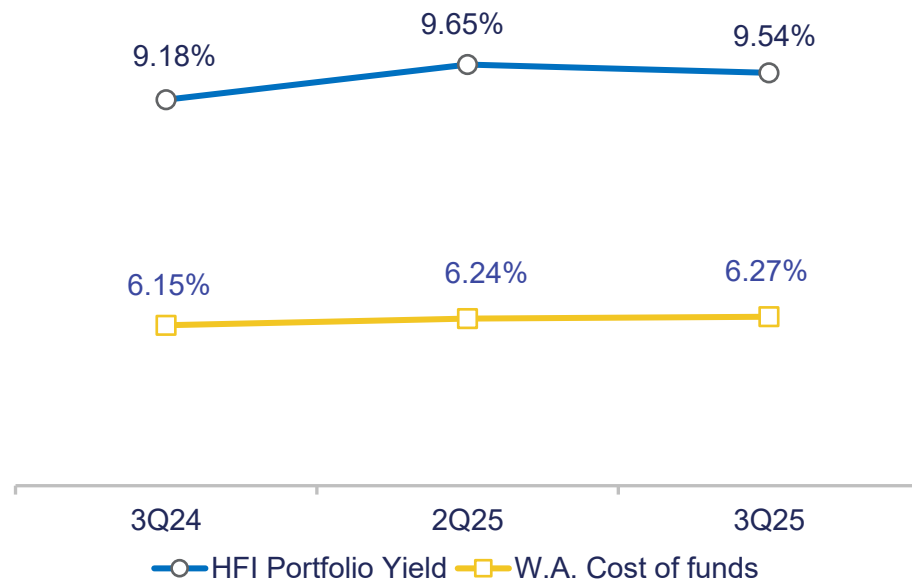
Portfolio Net Interest Income & NIM⁽¹⁾

Portfolio Related (\$ in millions)



Portfolio Yield and Cost of Funds

Portfolio Related



⁽¹⁾ Net Interest Margin related to the loan portfolio only; excludes corporate debt.



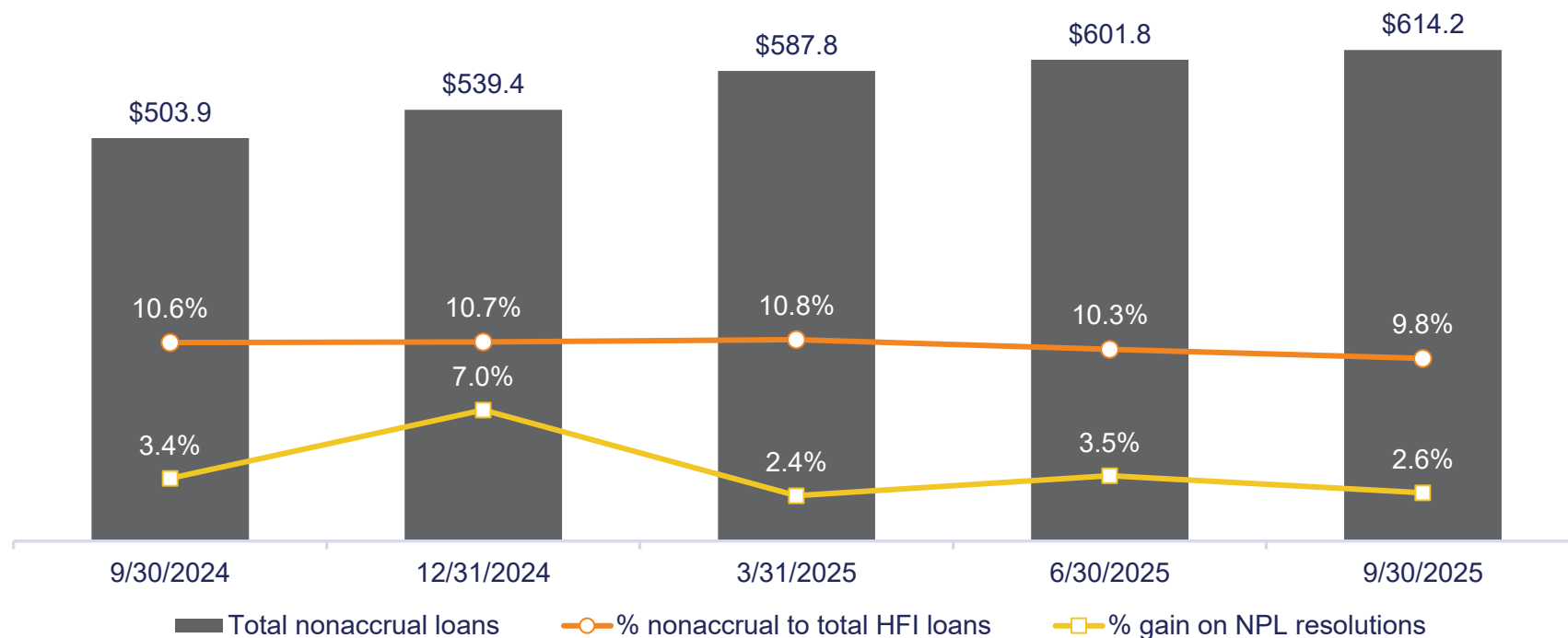
HFI Portfolio Performance

NPLs as % of HFI Loans Continued Downward Trend.; Resolution Gains Remain Strong

- Total nonperforming loans (NPL) as a percentage of total HFI loans was 9.8% as of September 30, 2025, a decrease from 10.3% as of June 30, 2025, and 10.6% as of September 30, 2024
- Gains on NPA resolutions for 3Q25 was 2.6% of UPB resolved, down from 3.5% for 2Q25 and 3.4% for 3Q24

Nonperforming Loans⁽¹⁾

\$ UPB in millions



⁽¹⁾ For additional detail, please see page 17 in the Appendix of this presentation.



Non-Performing Asset Resolution Activity

NPA UPB Resolved Up for 3Q25; Recovery Gains In-Line With Recent Five-Quarter Trend

Resolution Activity

RESOLUTION ACTIVITIES

LONG-TERM NONPERFORMING ASSETS

RESOLUTION ACTIVITY	THIRD QUARTER 2024		SECOND QUARTER 2025		THIRD QUARTER 2025	
	Gain / (Loss)		Gain / (Loss)		Gain / (Loss)	
(\$ in thousands)	UPB \$	\$	UPB \$	\$	UPB \$	\$
Paid in full	\$ 23,875	\$ 965	\$ 32,220	\$ 2,078	\$ 37,901	\$ 1,980
Paid current	34,957	567	45,396	390	45,055	448
REO sold	1,431	290	11,167	548	9,954	97
Total resolutions	\$ 60,263	\$ 1,822	\$ 88,783	\$ 3,016	\$ 92,910	\$ 2,525
Recovery rate on resolved nonperforming assets	103.0%		103.4%		102.7%	

SHORT-TERM AND FORBEARANCE NONPERFORMING ASSETS

RESOLUTION ACTIVITY	THIRD QUARTER 2024		SECOND QUARTER 2025		THIRD QUARTER 2025	
	Gain / (Loss)		Gain / (Loss)		Gain / (Loss)	
(\$ in thousands)	UPB \$	\$	UPB \$	\$	UPB \$	\$
Paid in full	\$ 4,974	\$ 151	\$ 8,963	\$ 371	\$ 5,695	\$ 197
Paid current	2,122	7	3,770	4	6,091	25
REO sold	1,260	325	2,440	243	3,335	55
Total resolutions	\$ 8,356	\$ 483	\$ 15,173	\$ 618	\$ 15,121	\$ 277
Recovery rate on resolved nonperforming assets	105.8%		104.1%		101.8%	
Grand total resolutions	\$ 68,619	\$ 2,306	\$ 103,956	\$ 3,634	\$ 108,031	\$ 2,802
Recovery rate on resolved nonperforming assets	103.4%		103.5%		102.6%	

- NPA resolutions totaled \$108.0 million in UPB, realizing 102.6% of UPB resolved, compared to \$68.6 million in UPB and realization of 103.4% of UPB resolved for 3Q24
- The UPB of loans resolved in 3Q25 represented 18.0% of nonperforming loan UPB as of June 30, 2025
- The UPB of loan resolutions for 3Q25 was above the recent five-quarter resolution average of \$87.3 million in UPB, and consistent with the average gains of 103.8% of UPB resolved



CECL Reserve, Charge-Offs and REO

CECL Reserve Down from Legacy Portfolio Runoff and Low Levels of Charge-offs

- The credit loss (CECL) reserve balance was \$4.6 million as of September 30, 2025, a decrease from \$4.9 million as of September 30, 2024
 - The decrease was primarily driven by the continued run-off of amortized cost loans subject to CECL
 - The CECL reserve rate (CECL Reserve as % of Amortized Cost HFI loans) was 0.22%, in line with the recent five-quarter avg. rate of 0.20%
- Charge-offs for 2Q25 totaled \$677 thousand, an increase from \$320 thousand for 3Q24. 3Q25 charge-offs were below the recent five quarter average of \$892 thousand.
- For 3Q25, total loss on REO was \$1.6 million, down from a \$1.2 million gain for 3Q24, driven by REO valuation losses

Credit Loss Reserve & Gain (Loss) on REO

	Quarter Ended	
(\$ in thousands)	9/30/2025	9/30/2024
Allowance for credit losses:		
Beginning balance	4,882	5,240
Provision for credit losses	381	(69)
Charge-offs	(677)	(320)
Ending balance	4,586	4,851
Total UPB subject to CECL	2,111,569	2,506,426
Nonperforming loans UPB subject to CECL	259,683	314,456
Nonperforming loans UPB subject to CECL / Total UPB subject to CECL	12.3%	12.5%
Allowance for credit losses / Total UPB subject to CECL	0.22%	0.19%
Charge-offs / Total UPB subject to CECL ⁽¹⁾	0.13%	0.05%
(Loss) / Gain on REO:		
Gain on transfer to REO	4,574	2,248
REO valuations (loss), net	(6,307)	(1,642)
Gain on sale of REO	152	615
Total (loss) / gain on REO ⁽²⁾	(1,581)	1,221

⁽¹⁾ Annualized

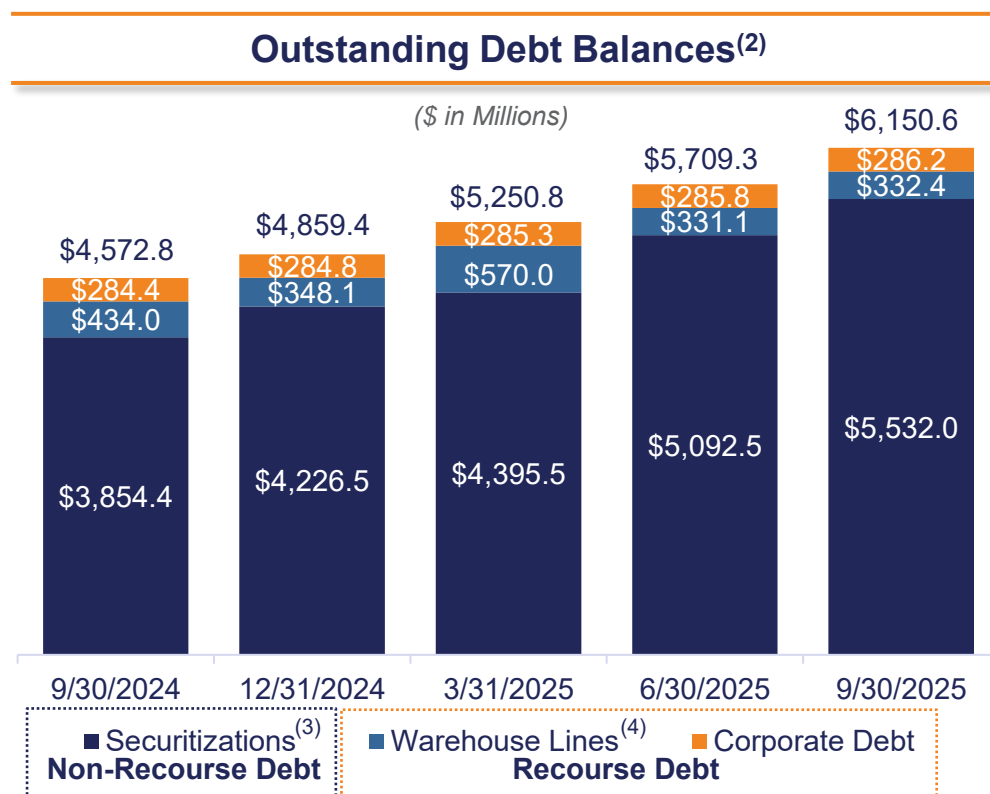
⁽²⁾ Total (loss) / gain on REO excludes charge-offs



Durable Funding and Liquidity Strategy

Two Securitizations in 3Q25⁽¹⁾; Available Warehouse Capacity Grows

- Completed two securitizations in 3Q25:
 - Issued the VCC 2025-4 & 2025-P1 securitizations totaling \$648.4 million of securities issued, with a weighted average rate of 6.0%
- Maximum warehouse line capacity increased to \$935 as September 30, 2025, up from \$810 as of June 30, 2025
- Recourse debt to equity of 1.0X, down from 1.5X as of September 30, 2024, driven by more frequent securitization issuance, driven by higher production volumes and robust investor demand
- Available warehouse line capacity of \$600.3 million as of September 30, 2025



Debt / Equity	9.4X	9.3X	9.3X	9.5X	9.7X
Recourse Debt / Equity	1.5X	1.2X	1.5X	1.0X	1.0X
Securitizations Issued	1	2	1	4	2
Max. Warehouse Line Capacity	\$785	\$785	\$810	\$810	\$935

⁽¹⁾ Through September 30, 2025.

⁽²⁾ Debt balances are net of issuance costs and discounts as reported in the consolidated balance sheet.

⁽³⁾ Represents the remaining balance of securitization outstanding net of issuance costs, discounts and fair value marks as of period end.

⁽⁴⁾ As of September 30, 2025, four of six warehouse lines had non-mark-to-market features and staggered maturities.



Outlook for Velocity's Key Business Drivers

Investor Loan Market Remains Resilient; Growth Outlook Positive

MARKET

- Large investor market for tangible assets to drive continued organic growth
- Real estate values remain well-supported

CREDIT

- U.S. economic outlook remains mixed; lower interest rates provide incentives for economic growth
- NPA resolutions trends (UPB volume & gains) expected to continue

CAPITAL

- Next long-term loan securitization targeted for December 2025
- Securitization market to remain supportive with growing investor demand

EARNINGS

- Targeting average NIM of ~ 3.5% and strong interest income growth
- Maintaining rate discipline on new originations
- Production outlook remains positive



Appendix



Velocity Financial, Inc. Balance Sheet

	Quarter Ended	
	9/30/2025	12/31/2024
	Unaudited	Audited
<i>(In thousands)</i>		
Assets		
Cash and cash equivalents	\$ 98,964	\$ 49,901
Restricted cash	18,846	20,929
Loans held for sale, at fair value	2,590	-
Loans held for investment, at fair value	4,371,317	2,766,951
Loans held for investment, at amortized cost	2,127,170	2,420,116
Total loans, net	6,501,077	5,187,067
Accrued interest receivables	46,553	35,235
Receivables due from servicers	131,761	123,494
Other receivables	2,755	1,359
Real estate owned, net	113,700	68,000
Property and equipment, net	1,481	1,650
Deferred tax asset	16,625	13,612
Mortgage Servicing Rights, at fair value	12,597	13,712
Derivative assets	18	-
Goodwill	6,775	6,775
Other assets	7,531	5,674
Total Assets	\$ 6,958,683	\$ 5,527,408
Liabilities and members' equity		
Accounts payable and accrued expenses	\$ 170,584	\$ 147,814
Secured financing, net	286,218	284,833
Securitized debt, at amortized cost	1,783,150	2,019,056
Securitized debt, at fair value	3,748,889	2,207,408
Warehouse & repurchase facilities	332,386	348,082
Total Liabilities	6,321,227	5,007,193
Stockholders' Equity		
Stockholders' equity	634,259	516,944
Noncontrolling interest in subsidiary	3,197	3,271
Total equity	637,456	520,215
Total Liabilities and members' equity	\$ 6,958,683	\$ 5,527,408
Diluted book value per share	\$ 16.31	\$ 14.26
Diluted shares outstanding	39,094	36,469



Velocity Financial, Inc. Income Statement (Quarters)

(\$ in thousands)

	Quarter Ended		Nine Months Ended	
	9/30/2025	9/30/2024	9/30/2025	9/30/2024
	Unaudited	Unaudited	Unaudited	Unaudited
Revenues				
Interest income	\$ 144,119	\$ 105,070	\$ 398,426	\$ 293,359
Interest expense - portfolio related	88,899	63,871	245,825	178,734
Net interest income - portfolio related	55,220	41,199	152,601	114,625
Interest expense - corporate debt	6,144	6,143	18,429	17,677
Net interest income	49,076	35,056	134,172	96,948
Provision for (reversal of) credit losses	381	(69)	3,851	1,151
Net interest income after provision for loan losses	48,695	35,125	130,321	95,797
Other operating income				
Gain on disposition of loans	4,574	2,291	13,694	7,156
Unrealized gain (loss) on fair value loans	30,982	35,530	95,724	71,579
Unrealized gain (loss) on fair value securitized debt	(9,988)	(24,995)	(31,254)	(31,957)
Unrealized gain/(loss) on mortgage servicing rights	(343)	(993)	(1,115)	(922)
Origination fee income	9,723	6,704	27,338	16,762
Interest income on cash balance	1,564	1,676	4,408	5,038
Other income	565	519	1,575	1,412
Total other operating income	37,077	20,732	110,370	69,068
Net revenue	85,772	55,857	240,690	164,864
Operating expenses				
Compensation and employee benefits	23,300	17,586	67,589	49,505
Origination expenses	1,154	867	3,185	2,262
Securitizations expenses	6,433	3,186	21,997	12,292
Rent and occupancy	274	519	847	1,633
Loan servicing	7,748	5,656	23,961	15,639
Professional fees	893	2,305	4,668	6,140
Real estate owned, net	7,931	1,951	14,258	5,762
Other operating expenses	2,664	2,543	7,995	7,278
Total operating expenses	50,397	34,613	144,500	100,511
Income before income taxes	35,375	21,244	96,191	64,354
Income tax expense	9,963	5,627	25,961	16,692
Net income	25,412	15,617	70,230	47,663
Net income (loss) attributable to noncontrolling interest	39	(186)	(27)	(171)
Net income attributable to Velocity Financial, Inc.	25,373	15,803	70,257	47,832
Less undistributed earnings attributable to unvested restricted stock awards	352	191	871	580
Net earnings attributable to common shareholders	\$ 25,021	\$ 15,612	\$ 69,386	\$ 47,252
Basic earnings (loss) per share	\$ 0.66	\$ 0.48	\$ 1.91	\$ 1.45
Diluted earnings (loss) per common share	\$ 0.65	\$ 0.44	\$ 1.86	\$ 1.34
Basic weighted average common shares outstanding	38,073	32,711	36,335	32,613
Diluted weighted average common shares outstanding	38,800	35,895	37,817	35,645

Core Net Income, Diluted Book Value and Adjusted Book Value Per Share

Core Net Income⁽¹⁾

(\$ in thousands)

GAAP Net Income

\$25,373

Equity award & ESPP costs

\$1,564

Core Net Income

\$26,937

Book Value and Adjusted Book Value Per Share⁽²⁾



- Core net income totaled \$26.9 million in 3Q25, compared to \$27.5 million for 2Q25
 - 3Q25 core pre-tax ROE of 24.1%
- Diluted book value per share as of June 30, 2025, was \$16.31⁽⁴⁾, a 4.4% increase from \$15.62⁽³⁾ as of June 30, 2025
- Adjusted diluted book value per share as of September 30, 2025, was \$17.95⁽⁵⁾ and reflects the net incremental estimated pretax fair value of loans carried at amortized cost and related securitized debt over diluted book value

⁽¹⁾ Core net income" is a non-GAAP financial measure which excludes incentive compensation expenses and costs related to the Company's employee stock purchase program (ESPP) from GAAP net income.

⁽²⁾ Diluted book value per share is the ratio of total GAAP equity divided by diluted shares at period end. Total equity includes non-controlling interest of \$3.16 million as of June 30, 2025, and \$3.20 million as of September 30, 2025.

⁽³⁾ Based on 38,474,652 diluted shares as of June 30, 2025

⁽⁴⁾ Based on 39,094,757 diluted shares as of September 30, 2025

⁽⁵⁾ Fair value adjustment is derived using the pretax net incremental estimated fair value of the Company's loans and securitizations carried at amortized cost divided by the diluted share count as of September 30, 2025. For additional information, please see Fair Value Disclosures in the Company's 10-Q for the period ended September 30, 2025

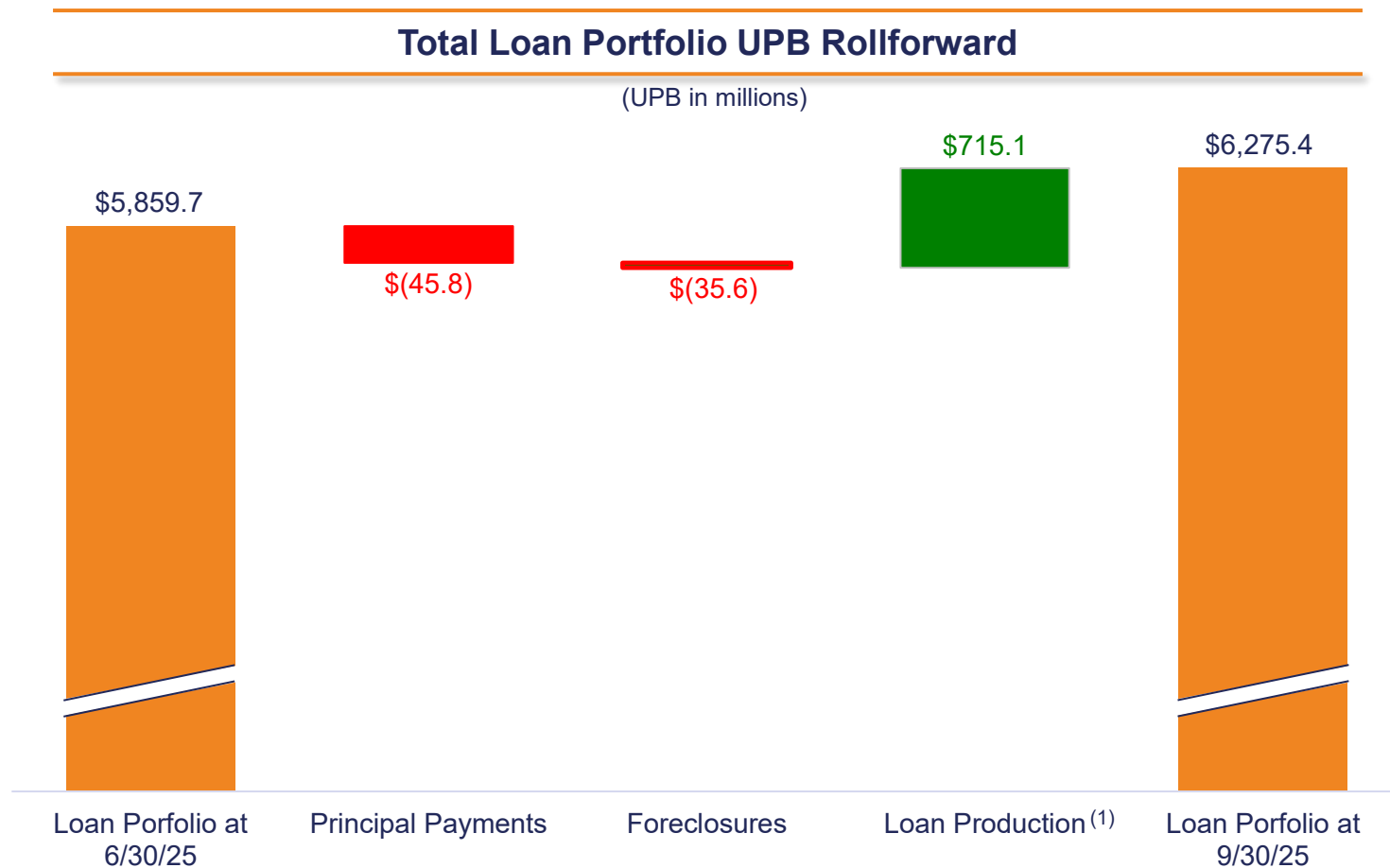


HFI Portfolio Delinquency Trends

(\$ in thousands)	September 30, 2024		December 31, 2024		March 31, 2025		June 30, 2025		September 30, 2025	
	\$	%	\$	%	\$	%	\$	%	\$	%
Performing/Accruing:										
Current	\$ 3,921,488	82.8%	\$ 4,169,830	82.5%	\$ 4,504,854	82.7%	\$ 4,878,317	83.3%	\$ 5,202,057	82.9%
30-59 days past due	197,890	4.2%	241,300	4.7%	239,547	4.4%	263,390	4.4%	322,091	5.1%
60-89 days past due	111,002	2.4%	105,369	2.1%	112,803	2.1%	116,189	2.0%	134,923	2.2%
90+ days past due	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%
Total performing loans HFI	4,230,380	89.5%	4,516,499	89.3%	4,857,204	89.2%	5,257,896	89.7%	5,659,071	90.2%
Nonperforming/Nonaccrual:										
<90 days past due	20,055	0.4%	23,697	0.5%	33,488	0.6%	29,136	0.5%	33,560	0.5%
90+ days past due	46,584	1.0%	51,144	1.0%	46,545	0.9%	50,269	0.9%	54,812	0.9%
Bankruptcy	54,087	1.1%	60,042	1.2%	76,606	1.4%	79,327	1.4%	67,522	1.1%
In foreclosure	383,213	8.1%	404,555	8.0%	431,172	7.9%	443,025	7.5%	458,332	7.3%
Total nonperforming loans HFI	503,939	10.6%	539,438	10.7%	587,811	10.8%	601,757	10.3%	614,226	9.8%
Total loans held for investment	\$ 4,734,319	100%	\$ 5,055,937	100%	\$ 5,445,015	100%	\$ 5,859,653	100%	\$ 6,273,298	100%



Loan Portfolio Rollforward

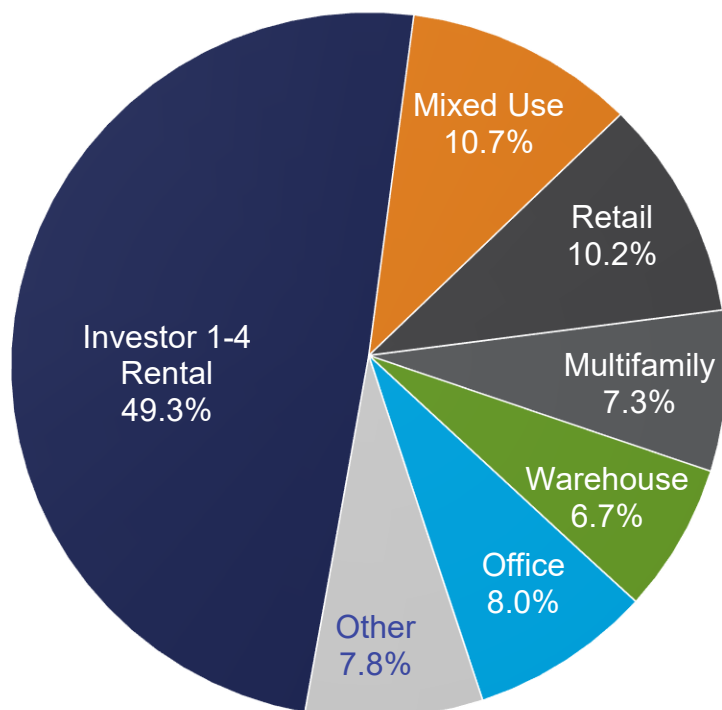


⁽¹⁾ Excludes an unfunded portion of a construction loan originated by Century of \$23.9 million.

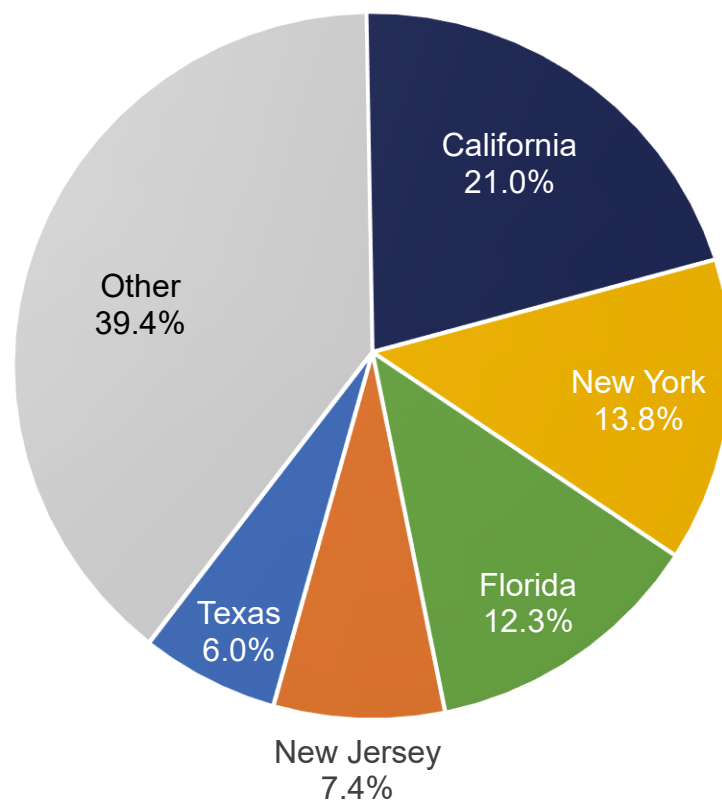


HFI Loan Portfolio

Portfolio by Property Type



Portfolio by State



(100% = \$6.28 billion UPB)⁽¹⁾

⁽¹⁾ As of September 30, 2025



Adjusted Financial Metric Reconciliation:

Adjusted Financial Metric Reconciliation to GAAP Net Income

Quarters:

Core Net Income

(\$ in thousands, except per share amounts)

	Quarter Ended	
	9/30/2025	9/30/2024
Net Income	\$ 25,373	\$ 15,803
Equity award & ESPP costs	1,564	1,146
Core Net Income	\$ 26,937	\$ 16,949
Diluted weighted average common shares outstanding	38,800	35,895
Core diluted earnings per share	\$ 0.69	\$ 0.47