
REDWOOD MORTGAGE INVESTORS VIII, L.P.
(a California Limited Partnership)

QUARTERLY CONSOLIDATED FINANCIAL STATEMENTS

with Supplemental Information

March 31, 2026

REDWOOD MORTGAGE INVESTORS VIII, L.P.

Consolidated Balance Sheets
March 31, 2026 and December 31, 2025 (unaudited)
(\$ in thousands)

	<u>March 31,</u> <u>2026</u>	<u>December 31,</u> <u>2025</u>
<u>ASSETS</u>		
Cash, in banks	\$ 1,606	\$ 1,566
Loans secured by deeds of trust		
Principal	15,013	16,266
Advances	16	16
Accrued interest	105	93
Loan balances secured by deeds of trust	15,134	16,375
Allowance for credit losses	(100)	(100)
Loan balances secured by deeds of trust, net	15,034	16,275
Real estate owned (REO), net	6,891	8,536
Receivable from related mortgage fund	34	2
Other assets	102	31
Total assets	<u>\$ 23,667</u>	<u>\$ 26,410</u>
<u>LIABILITIES AND PARTNERS' CAPITAL</u>		
Accounts payable	\$ 5	\$ 19
Payable to manager	21	24
Accrued liabilities	868	1,109
Total liabilities	894	1,152
Commitments and Contingencies (Note 8)		
Partners' capital		
Limited partners' capital	24,416	27,068
General partners' (deficit)	(636)	(635)
Total partners' capital	23,780	26,433
Receivable from manager (formation loan)	(1,007)	(1,175)
Partners' capital, net of formation loan	22,773	25,258
Total liabilities and partners' capital	<u>\$ 23,667</u>	<u>\$ 26,410</u>

REDWOOD MORTGAGE INVESTORS VIII, L.P.

**Consolidated Statements of Income (Loss)
For the Three Months Ended March 31, 2026 and 2025 (unaudited)
(\$ in thousands)**

	<u>Three Months Ended March 31,</u>	
	<u>2026</u>	<u>2025</u>
Revenue		
Interest income	\$ 317	\$ 516
Interest expense – mortgage payable	—	(19)
Net interest income	317	497
Late fees	1	3
Total revenue, net	318	500
Provision for credit losses	—	122
Operations expense		
Mortgage servicing fees to Redwood Mortgage Corp. (RMC)	60	93
Asset management fees to RMC	25	43
Costs from RMC	67	105
Professional services	301	428
REO, net	(7)	345
Other	2	5
Operations expense, before dissolution fee	448	1,019
Dissolution fee to RMC	168	350
Total operations expense	616	1,369
Net (loss)	<u>\$ (298)</u>	<u>\$ (991)</u>
Limited partners (99%)	\$ (297)	\$ (985)
General partners (1%)	(1)	(6)
Net (loss)	<u>\$ (298)</u>	<u>\$ (991)</u>

**Consolidated Statements of Changes in Partners' Capital
For the Three Months Ended March 31, 2026 (unaudited)
(\$ in thousands)**

	<u>Limited Partners' Capital</u>	<u>General Partners' Capital (Deficit)</u>	<u>Total Partners' Capital</u>
Balance, December 31, 2025	\$ 27,068	\$ (635)	\$ 26,433
Net loss before dissolution fee	(129)	(1)	(130)
Dissolution fee	(168)	—	(168)
Withdrawals	(2,355)	—	(2,355)
Balance, March 31, 2026	<u>\$ 24,416</u>	<u>\$ (636)</u>	<u>\$ 23,780</u>

REDWOOD MORTGAGE INVESTORS VIII, L.P.

Consolidated Statements of Cash Flows
For the Three Months Ended March 31, 2026 and 2025 (unaudited)
(\$ in thousands)

	2026	2025
Operating activities		
Interest income received	\$ 305	\$ 520
Interest expense	—	(13)
Late fees and other loan income	—	2
Operations expense, before dissolution fee	(798)	(1,058)
Dissolution fee	(168)	(350)
Total cash (used in) operating activities	(661)	(899)
Investing activities		
Principal and advances collected on secured loans	1,253	3,675
REO – sales proceeds, net	1,645	—
Total cash provided by investing activities	2,898	3,675
Financing activities		
Partners' capital – withdrawals	(2,365)	(5,000)
Formation loan – repayments from RMC	168	350
Mortgage payable – repayments	—	(8)
Total cash (used in) financing activities	(2,197)	(4,658)
Net increase (decrease) in cash	40	(1,882)
Cash, beginning of year	1,566	4,734
Cash, end of period	<u>\$ 1,606</u>	<u>\$ 2,852</u>

Reconciliation of net (loss) to net cash (used in) operating activities:

	2026	2025
Cash flows from operating activities		
Net loss	\$ (298)	\$ (991)
Adjustments to reconcile net loss to net cash (used in) operating activities		
Provision for credit losses	—	122
Change in operating assets and liabilities		
Accrued interest	(12)	4
Receivable from related party	(32)	(11)
Other assets	(61)	(157)
Accounts payable and accrued liabilities	(255)	149
Payable to related party	(3)	(15)
Total cash (used in) operating activities	<u>(661)</u>	<u>(899)</u>

REDWOOD MORTGAGE INVESTORS VIII, L.P.

March 31, 2026 (unaudited)

Overview

Redwood Mortgage Investors VIII, L.P., a California Limited Partnership (“RMI VIII” or “the partnership”), was formed in 1993 to engage in business as a mortgage lender and investor by making and holding-for-investment mortgage loans secured by California real estate, primarily through first and second deeds of trust. The general partners are Redwood Mortgage Corp. (“RMC” or “the manager”) and Michael R. Burwell, the President, Secretary and Treasurer of RMC and RMC’s principal shareholder.

The partnership is externally managed by RMC.

- RMC is solely responsible for managing the business and affairs of RMI VIII, subject to the voting rights of the limited partners on specified matters. The manager acting alone has the power and authority to act for and bind the partnership.
- RMC provides personnel and services necessary for RMI VIII to conduct its business as the partnership has no employees of its own.
- The mortgage loans the partnership funded and invested in were arranged and are serviced by RMC.

The financial statements/information presented were prepared in conformity with accounting principles generally accepted in the USA. The partnership’s consolidated financial statements include the accounts of the partnership and its wholly-owned subsidiaries (consisting of single-member limited liability companies owning a single real property asset). All significant intercompany transactions and balances have been eliminated in consolidation. In the opinion of management of RMC, the accompanying unaudited consolidated financial statements/information contain all adjustments, consisting of normal, recurring adjustments, necessary to present fairly and accurately the consolidated financial information.

These unaudited financial statements should be read in conjunction with the audited financial statements for the year ended December 31, 2025. The results of operations for the three months ended March 31, 2026 are not necessarily indicative of the operating results to be expected for the full year.

Plan of Dissolution (August 2023)

On August 4, 2023 (the “Dissolution Date”), the general partners of RMI VIII entered into a plan of dissolution (the “Plan” or “Plan of Dissolution”) following the receipt of required consents of the limited partners approving the dissolution of the partnership (the “Dissolution”) and the Plan of Dissolution. Pursuant to the Plan of Dissolution, RMC commenced winding up the affairs of the partnership commencing from the Dissolution Date and will continue wind up activities until the complete liquidation of the partnership’s assets and the termination of the partnership in accordance with the Plan of Dissolution, the partnership’s Sixth Amended and Restated Limited Partnership Agreement dated July 28, 2005 (as amended, the “Partnership Agreement”), and the California Uniform Limited Partnership Act of 2008 (the “California Act”). In the event of any inconsistency between a provision of the Partnership Agreement and the Plan, the applicable provision of the Plan is controlling.

Under the Plan of Dissolution: RMI VIII ceased making new loans and only engages in business activities necessary or convenient to wind-up the partnership’s business and distribute partnership assets. As part of the wind-up activities, RMC, in its sole discretion, is to liquidate the partnership’s assets as promptly as is consistent with obtaining the current fair value thereof, which may include: (i) collecting loan payments from borrowers under existing loan terms; (ii) selling loans to third parties; (iii) selling loans to either or both general partners or their affiliates, subject to the limitations set forth in the Partnership Agreement; (iv) enforcing delinquent loans through foreclosure or negotiating settlements with the borrowers and/or any guarantors or other obligors on such loans; (v) selling any “real estate owned” (property acquired by foreclosure) held by the partnership; and (vi) taking any other actions determined by RMC to be consistent with recovering the fair market value of any partnership assets and authorized in the Partnership Agreement and the Plan. RMC may sell all, or substantially all, of the loans in the partnership’s portfolio to one or more unaffiliated third party purchasers, provided RMC determines, in its reasonable judgment, that the applicable portfolio sale is in the interest of the partnership and the limited partners taking into account the value of the loans in the portfolio being sold and the potential cost savings and other economic advantages gained from the sale of several loans in a single transaction rather than on a loan-by-loan basis. Under the Plan, RMC is entitled to a dissolution fee in an amount equal to 7.0% of each capital distribution to be made to the limited partners over the course of the wind-up period (the “Dissolution Fee”). The Dissolution Fee is to be paid to RMC quarterly, on or by the last business day of each calendar quarter based on the expected capital distribution to be paid to the limited partners for such quarter. The Dissolution Fee is treated as an expense of the partnership and included in the allocation of income/losses to limited partners’ capital accounts. RMC will continue to collect loan servicing fees, cost reimbursements, and other fees received as manager of the partnership, in addition to the Dissolution Fee, and the general partners will continue to collect asset management and other fees and be entitled to cost reimbursements.

Under the Plan of Dissolution: (i) all limited partners, including limited partners who previously elected not to receive periodic distributions of partnership net income under the Partnership Agreement, began receiving quarterly distributions of the partnership’s

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March 31, 2026 (unaudited)

net income (if any); and (ii) all scheduled withdrawals of limited partner capital made pursuant to the Partnership Agreement terminated in favor of quarterly pro rata withdrawals to all limited partners of cash received from the liquidation of partnership assets and available to fund capital distributions in accordance with the distribution provisions set forth in the Plan as described in the paragraph below.

Under the Plan of Dissolution: All assets of the partnership, including cash available from interest and principal payments on partnership loans, proceeds from the sale of real estate owned and partnership loans, and RMC's repayment (primarily from the proceeds of the Dissolution Fee) of the amounts owed on the formation loan and paid pursuant to the restoration obligation of the General Partners' capital deficit (i.e., the deficit restoration obligation or the DRO) are to be applied and distributed in the following order of priority:

- First, to the payment of operations expense, including liabilities to professional services providers and government agencies (principally property and other taxes), fees and cost reimbursements to RMC, asset management fees to the general partners, loan administration and collection costs, and such other general and administrative expenses of the partnership's business and compliance activities and then to the payment and discharge of all of the partnership's then current debts and liabilities to banks (and any other lenders); and
- Thereafter, quarterly, within seven (7) business days after the end of each calendar quarter, to the limited and general partners in proportion to their respective positive capital account balances, after (i) taking into account income and loss allocations for the applicable calendar quarter and (ii) deducting the Dissolution Fee as calculated on the last business day of the quarter. Quarterly net income, if any, is distributed pro rata to all limited partners and by disbursement separate from capital distribution payments.

Under the Plan of Dissolution: (i) RMC may establish and withhold from distributions made to the limited partners any reserves reasonably deemed necessary by RMC in light of known liabilities and liquidating expenses payable by RMI VIII as well as estimated, unknown and potential contingent liabilities and expenses; and (ii) at any time distributions to any limited partner has reduced the limited partner's capital account balance to \$10,000 or less, RMC is authorized to return the entire remaining capital account balance to a limited partner rather than continuing to make diminishing pro rata distributions to the limited partner in accordance with the distribution provisions of the Plan ("Low Balance Distributions"). The Plan permits the Partnership to give priority to Low Balance Distributions among other redemption payments in order to reduce operations expense.

The foregoing is a summary of the Plan of Dissolution and is qualified in its entirety by the terms of the Plan of Dissolution, a copy of which is filed as Exhibit 2.1 to the partnership's Form 8-K filed with the SEC on August 9, 2023.

Formation Loans to Redwood Mortgage Corp.

Effective as of the Dissolution Date: The total amount due from RMC to the Partnership under the formation loans is repayable to the partnership over the course of the Wind-Up Period (as defined in the Plan) from the periodic Dissolution Fees payable to RMC and in accordance with the distribution provisions of the Plan described above.

Partnership Agreement – Summary (Prior to the Dissolution Date)

The following is a summary of certain provisions of the Partnership Agreement and is qualified in its entirety by the terms of the Partnership Agreement itself. Limited partners should refer to the Partnership Agreement for complete disclosure of its provisions.

Net income (losses) are allocated among the limited partners according to their respective capital accounts after one percent (1%) of the net income (losses) are allocated to the general partners. The monthly results are subject to subsequent adjustment as a result of quarterly and year-end accounting and reporting. Investors should not expect the partnership to provide tax benefits of the type commonly associated with limited partnership tax shelter investments.

Federal and state income taxes are the obligation of the partners, other than the annual California franchise tax and the California LLC cash receipts taxes paid by the partnership's subsidiaries. The tax basis in the net assets of the partnership differs from the book basis by the amount of the allowance for credit losses and the amount of the valuation allowance for real estate owned.

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Real estate owned ("REO")

Real estate owned, or REO, is property acquired in full or partial settlement of loan obligations generally through foreclosure (and a correlated trustee sale of the collateral) and is recorded at acquisition at the property's fair value less estimated costs to sell. In conjunction with the acquisition, other assets may be acquired and senior debt and claims assumed (or for senior debt may be 'taken subject to' versus 'assumed'). The fair value estimates are derived from information available in the real estate markets including similar property and often require the experience and judgment of third parties such as commercial real estate appraisers and brokers. The estimates figure materially in calculating the value of the property at acquisition, the level of charge to the allowance for credit losses and any subsequent valuation reserves. After acquisition, costs incurred relating to the development and improvement of property are capitalized to the extent they do not cause the recorded value to exceed the net realizable value, whereas costs relating to holding and disposition of the property are expensed as incurred and recorded in REO, net on the statements of operations. REO is analyzed periodically for changes in fair values and any subsequent write down is charged to REO, net on the statements of operations. Any recovery in the fair value subsequent to such a write down is recorded and is not to exceed the value recorded at acquisition. Recognition of gains or losses on the sale of real estate is dependent upon the transaction meeting certain criteria related to the nature of the property and the terms of the sale including potential seller financing.

GENERAL PARTNERS AND OTHER RELATED PARTIES

Per the Partnership Agreement and continuing after the Dissolution Date, the general partners are entitled to one percent (1%) of profits or losses of the partnership and provides for fees and for reimbursement of qualifying expenses, as compensation to the manager, as detailed below.

Dissolution fee

Under the Plan of Dissolution, RMC is entitled to collect the Dissolution Fee, which is equal to 7.0% of each capital distribution to be made to the limited partners, over the course of the wind-up period. The Dissolution Fee amounts received by RMC are intended to first be remitted back to the partnership in satisfaction of amounts owed by RMC on the formation loan and to restore the general partners' capital deficit (i.e., the deficit restoration obligation) required by the Partnership Agreement. Any proceeds of the Dissolution Fee remaining after payment of the formation loan and restoration of the general partners' capital deficit will be retained by RMC. The Dissolution Fee is treated as an expense of the partnership and included in the allocation of income/losses to limited partners' capital accounts.

Payments received from RMC (upon the receipt by RMC of the Dissolution Fee triggered by the redemption distributions) as of March 31, 2026 have totaled \$1.7 million.

Mortgage servicing fees

The manager acting as servicing agent with respect to all loans is entitled to receive a servicing fee of up to 1.5% annually of the unpaid principal balance of the loan portfolio. The mortgage servicing fees are accrued monthly on all loans. Remittance to RMC is made monthly unless the loan has been assigned a specific loss reserve, at which point remittance is deferred until the specific loss reserve is no longer required, or the property has been acquired by the partnership.

Asset management fees

The general partners are entitled to monthly fees for managing the business and affairs of RMI VIII, including management of the partnership's loan portfolio and operations, of up to 1/32 of 1% of the "net asset value" of the partnership (3/8 of 1% annually).

Costs from RMC

The manager is entitled to request reimbursement for operations expense incurred on behalf of RMI VIII, including without limitation, RMC's personnel and non-personnel costs incurred for qualifying business activities, including investor services, accounting, tax and data processing, postage and out-of-pocket general and administration expenses. Qualifying personnel/compensation costs and consulting fees are tracked by business activity, and then costs of qualifying activities are allocated to RMI VIII pro-rata based on the percentage of RMI VIII's limited partners' capital to the total capital of all related mortgage funds managed by RMC. Certain other non-personnel, qualifying costs such as postage and out-of-pocket general and administrative expenses can be tracked by RMC as specifically attributable to RMI VIII; other non-personnel, qualifying costs (e.g., RMC's accounting and audit fees, legal fees and expenses, occupancy, and insurance premiums) are allocated pro-rata based on the percentage of RMI VIII's partners' capital to total capital of the related mortgage funds managed by RMC.

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Formation loan

Commissions for sales of limited partnership units paid to broker-dealers (“B/D sales commissions”) were paid by RMC and were not paid directly by the partnership out of offering proceeds. Instead, the partnership advanced to RMC amounts (sufficient up to 7% of offering proceeds) to pay the B/D sales commissions and premiums paid to partners in connection with unsolicited orders. The receivable from the manager arising from these advances is unsecured and non-interest bearing and is referred to as the “formation loan.” Since its inception, these advances totaled \$22.6 million, of which approximately \$1.0 million remains outstanding at March 31, 2026.

Limited partners’ capital – withdrawals

Redemption distributions made during the three months ended March 31, 2026 were \$2.4 million. Of the total, approximately \$521 thousand was used to redeem in-full limited partners accounts with balances of \$10 thousand or less, reducing the number of investor accounts from 1,949 at the Dissolution Date to 1,077 at March 31, 2026. The remaining \$1.9 million was distributed pro rata to all other limited partners.

Other related party transactions

- Payable to/receivable from related parties

From time to time, in the normal course of business operations, the partnership may have payables to and/or receivables from related parties. At March 31, 2026, the payable to related parties of approximately \$21 thousand consisted exclusively of accounts payable due to the manager. The receivable from related parties of approximately \$34 thousand consisted exclusively of accounts receivable from a related mortgage fund.

At December 31, 2025, the payable to related parties of approximately \$24 thousand consisted exclusively of accounts payable and cost reimbursements to the manager. The receivable from related parties of approximately \$2 thousand consisted exclusively of accounts receivable from a related mortgage fund.

- Loan transactions with related mortgage funds

In the ordinary course of business, performing loans may be transferred by executed assignment, in-part or in-full, between the RMC managed mortgage funds at par, which approximates fair value.

In the three months ended March 31, 2026 and 2025, no loans were transferred from related mortgage funds to RMI VIII. No loans were transferred to related mortgage funds from RMI VIII.

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LOANS

Prior to the Dissolution Date, loans were generally funded at a fixed interest rate with a loan term of up to five years and loans acquired between related mortgage funds were generally done so within the first six months of origination and were purchased at par value, which approximated fair value.

The partnership's loans are secured by real estate in coastal California metropolitan areas. The portfolio segments are first and second trust deeds mortgages and the key credit quality indicator is the LTV. First-mortgage loans comprised 100% of the portfolio at March 31, 2026 (92% at December 31, 2025).

Secured loans unpaid principal balance (principal)

Secured loan transactions for the three months ended March 31, 2026 are summarized in the following table (\$ in thousands).

	Three Months Ended March 31, 2026		
	Total	First Trust Deeds	Second Trust Deeds
Principal, beginning of period	\$ 16,266	\$ 15,035	\$ 1,231
Principal collected	(1,253)	(22)	(1,231)
Principal, end of period	\$ 15,013	\$ 15,013	\$ —

Loan characteristics

Secured loans had the characteristics presented in the following table (\$ in thousands).

	March 31, 2026	December 31, 2025
Secured loans	4	5
First trust deeds	4	4
Second trust deeds	—	1
Secured loans – principal	\$ 15,013	\$ 16,266
First trust deeds	\$ 15,013	\$ 15,035
Second trust deeds	\$ —	\$ 1,231
Secured loans – lowest interest rate (fixed)	6.0%	6.0%
Secured loans – highest interest rate (fixed)	10.0%	10.8%
Average secured loan – principal	\$ 3,753	\$ 3,253
Average principal as percent of total principal	25.0%	20.0%
Average principal as percent of partners' capital, net of formation loan	16.5%	12.9%
Average principal as percent of total assets	15.9%	12.3%
Largest secured loan – principal	\$ 8,583	\$ 8,605
Largest principal as percent of total principal	57.2%	52.9%
Largest principal as percent of partners' capital, net of formation loan	37.7%	34.1%
Largest principal as percent of total assets	36.3%	32.6%
Smallest secured loan – principal	\$ 880	\$ 880
Smallest principal as percent of total principal	5.9%	5.4%
Smallest principal as percent of partners' capital, net of formation loan	3.9%	3.5%
Smallest principal as percent of total assets	3.7%	3.3%
Number of California counties where security is located	3	4
Largest percentage of principal in one California county	57.2%	52.9%

REDWOOD MORTGAGE INVESTORS VIII, L.P.

March 31, 2026 (unaudited)

At March 31, 2026, the secured loan portfolio consisted of the following loans:

- The partnership’s largest loan, with principal of approximately \$8.6 million (OLTV 24.9%), is secured by a commercial building in the City of Santa Clara in Santa Clara County, bears an interest rate of 8.375% per annum and matures on July 1, 2027.
- The second loan, with principal of approximately \$3.5 million (OLTV 59.2%), is secured by a commercial/mixed use building in the City of Fairfield in Solano County, bears an interest rate of 7.990 % per annum and matures on February 1, 2027.
- The third loan, with principal of approximately \$2.0 million (OLTV 53.2%), which was made to facilitate an REO sale of a single family residential property in the City of Los Angeles in Los Angeles County, is secured by a first lien on the property, bears interest at a rate of 6.000% per annum and matures on September 1, 2026.
- The fourth loan, with principal of approximately \$0.9 million (OLTV 55%), is secured by a retail building in the City of Tujunga in Los Angeles County, bears an interest rate of 10% per annum and matured October 1, 2025.

As of March 31, 2026, 3 loans with principal of approximately \$6.4 million provide for monthly payments of interest only, with the principal due at maturity, and 1 loan with principal of approximately \$8.6 million provides for monthly payments of principal and interest, typically calculated on a 30-year amortization, with the remaining principal due at maturity.

At March 31, 2026 and December 31, 2025, there were no loan forbearance agreements in effect.

Lien position/OLTV

At funding, secured loans had the lien positions presented in the following table (\$ in thousands).

	March 31, 2026			December 31, 2025		
	Loans	Principal	Percent	Loans	Principal	Percent
First trust deeds	4	\$ 15,013	100%	4	\$ 15,035	92%
Second trust deeds	—	—	—	1	1,231	8
Total principal, secured loans	<u>4</u>	<u>15,013</u>	<u>100%</u>	<u>5</u>	<u>16,266</u>	<u>100%</u>
Liens due other lenders at loan closing		—			4,915	
Total debt		<u>\$ 15,013</u>			<u>\$ 21,181</u>	
Appraised property value at loan closing		<u>\$ 45,860</u>			<u>\$ 55,210</u>	
OLTV (weighted average)		<u>38.5%</u>			<u>40.6%</u>	

At the time each loan was funded, the LTV was such that the protective equity in the collateral securing the loan was expected to be sufficient to preclude any expected credit losses of the principal of the loan, except where there is a forward period adverse event that is uninsured and/or there are market conditions so adverse (and are other-than-temporary) that the protective equity is reduced to an amount not sufficient to recover the principal owed.

Secured loans, principal by OLTV at March 31, 2026 are presented in the following table (\$ in thousands).

OLTV ⁽¹⁾	Count	Total principal	Percent
<40%	1	\$ 8,583	57.2%
40-49%	—	—	0.0
50-59%	3	6,430	42.8
Total	<u>4</u>	<u>\$ 15,013</u>	<u>100.0%</u>

(1) LTV classifications in the table above are based on principal, advances and interest unpaid at March 31, 2026.

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March 31, 2026 (unaudited)

Property type

Secured loans summarized by property type are presented in the following table (\$ in thousands).

	March 31, 2026			December 31, 2025		
	Loans	Principal	Percent	Loans	Principal	Percent
Single family ⁽²⁾	1	\$ 2,000	13%	2	\$ 3,231	20%
Commercial						
Retail	1	880	6	1	880	5
Commercial – Other	2	12,133	81	2	12,155	75
Commercial Total	3	13,013	87	3	13,035	80
Total principal, secured loans	4	\$ 15,013	100%	5	\$ 16,266	100%

(2) At March 31, 2026, single family consists of one loan with principal of \$2.0 million that is non-owner occupied. (At December 31, 2025, two loans with aggregate principal of approximately \$3.2 million non-owner occupied.)

Distribution of secured loans-principal by California counties

The distribution of secured loans within California by counties is presented in the following table (\$ in thousands).

	March 31, 2026		December 31, 2025	
	Principal	Percent	Principal	Percent
San Francisco Bay Area ⁽³⁾				
Santa Clara	\$ 8,583	57.2	\$ 8,605	52.9
Solano	3,550	23.6	3,550	21.8
Alameda	—	0.0	1,231	7.6
SF Bay Area Total	12,133	80.8	13,386	82.3
Los Angeles	2,880	19.2	2,880	17.7
Total principal, secured loans	\$ 15,013	100.0%	\$ 16,266	100.0%

(3) Includes the Silicon Valley

Scheduled maturities/Secured loans-principal

Secured loans scheduled to mature in periods as of and after March 31, 2026 are presented in the following table (\$ in thousands).

	Loans	Principal	Percent
2026	1	\$ 2,000	13%
2027	2	12,133	81
Matured ⁽⁴⁾	1	880	6
Total principal, secured loans	4	\$ 15,013	100%

(4) A loan that matured in October 2025 had an unpaid principal balance of \$880 thousand, was in first lien position and had monthly interest payments in arrears of approximately \$29 thousand.

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Allowance for credit losses/provision (recovery)

Activity in the allowance for credit losses for the three months ended March 31 is presented in the following table (\$ in thousands).

	2026	2025
	Secured loans	Secured loans
Balance, January 1	\$ 100	\$ 2,540
Provision for credit losses	—	122
Balance, March 31	<u>\$ 100</u>	<u>\$ 2,662</u>

Each secured loan is reviewed quarterly for its delinquency, LTV adjusted for the most recent valuation of the underlying collateral, remaining term to maturity, borrower’s payment history and other factors.

At December 31, 2024, one secured loan (matured April 1, 2023) with an unpaid principal balance of approximately \$5.7 million, which was secured by a second lien on a hotel in San Francisco, was deemed to be collateral dependent. The partnership recorded a provision for credit loss of \$2.4 million on the loan, which represented the difference between the amounts owed to the partnership and the net realizable value of the remaining underlying collateral less amounts owed to the first-lien holder and delinquent property taxes.

In April 2025, the hotel was sold, and the partnership received approximately \$7.3 million, comprised of proceeds from the sale plus cash contributed to the escrow per an agreement with the borrower. The proceeds were applied, as follows: First, approximately \$3.8 million to the payment in full of the acquired (in December 2024) first-lien mortgage note; and second, approximately \$3.5 million to the second-lien mortgage note as follows: approximately \$185 thousand payment in full of interest then owed, approximately \$35 thousand payment in full of advances then owed, and approximately \$3.3 million to pay down principal. The resulting unpaid principal balance approximated \$2.4 million, which was reclassified as an unsecured loan, and for which a provision for credit losses was recorded in 2024.

In the quarter ended June 30, 2025, a recovery of credit losses of approximately \$1.2 million was recorded when the terms of a sales contract for a cell tower installed at the hotel were completed and the conditions precedent to the sale (and certain contingencies) were expected to be met and/or released. In August 2025, the sale was completed, and the partnership received \$1.1 million from the sale of the future rents. The remaining unpaid principal of approximately \$1.3 million was charged off, as it was deemed uncollectible.

Based on contractual maturities, there are projected to be two loans remaining at year-end 2026, with aggregate principal of \$12.1 million and weighted average OLV of 35%. Both loans are projected to pay-off during 2027.

REAL ESTATE OWNED (REO) AND MORTGAGE PAYABLE

REO transactions and adjustments to the valuation allowance for the three months ended March 31, 2026 are summarized in the following tables (\$ in thousands).

	Three Months Ended March 31, 2026		
	REO	Valuation Allowance	REO, net
Balance, beginning of period	\$ 9,291	\$ (755)	\$ 8,536
Dispositions	(2,296)	651	(1,645)
Balance, March 31, 2026	<u>\$ 6,995</u>	<u>\$ (104)</u>	<u>\$ 6,891</u>

REO at March 31, 2026 was comprised of the following with a carrying value of approximately \$6.9 million.

- In San Francisco, a multi-family building acquired (and possession was taken) in December 2023 by deed in lieu of foreclosure, to be converted and sold to tenants-in-common.
- In San Francisco, a real estate interest comprised of a condominium unit consisting of storage lockers and the signage rights for the exterior façade of the building. The storage lockers and the signage rights are being offered for sale.

In January 2026, one single family residence in Los Angeles County was sold for an amount that – net of sales costs – approximated the carrying cost of the REO (\$1.6 million, net of a previously recorded valuation allowance of \$651 thousand).

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In June 2025, a condominium unit sold for \$2.4 million and the net proceeds to the partnership approximated the carrying value of \$2.2 million. The condominium unit was acquired in April 2024 by foreclosure sale.

In August 2025, one single family residence in Los Angeles County was sold for an amount that – net of sales costs – approximated the carrying cost of the REO (\$3.5 million). RMI VIII facilitated the transaction with the financing of a \$2.0 million mortgage note at 6% interest maturing in September 2026 which is secured by a first lien on the property. A mortgage note payable to a third-party lender secured by a first trust deed on the sold property was paid in full from the proceeds of the sale.

REO, net

REO, net in operations expense on the consolidated statement of income (loss) is comprised of holding costs, net of other income of \$7 approximately thousand and \$345 thousand as of March 31, 2026 and 2025, respectively.

Holding costs, net of other income includes month-to-month rents received of approximately \$54 thousand and \$42 thousand for a multi-family building, unit-storage lockers and signage in San Francisco County for the three months ended March 31, 2026 and 2025, respectively.

SUBSEQUENT EVENTS

The partnership evaluated subsequent events that have occurred after May 15, 2026 and determined that there were no events or transactions that require recognition or disclosure in the consolidated financial statements.

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Supplemental Information

March 31, 2026 (unaudited)

RESULTS OF OPERATIONS

The following supplemental information should be read in conjunction with the unaudited financial statements and notes thereto as well as the audited financial statements and the notes thereto for the year ended December 31, 2025. The results of operations for the three months ended March 31, 2026 are not necessarily indicative of the results to be expected for the full year.

Key performance indicators

Key performance indicators as of and for the three months ended March 31 are presented in the following table (\$ in thousands).

	<u>2026</u>	<u>2025</u>
Limited partners' capital – end of period	\$ 24,416	\$ 39,922
Limited partners' capital – average balance	\$ 25,743	\$ 42,913
Limited partners' capital – withdrawals ⁽¹⁾	\$ 2,355	\$ 5,000
Secured loans principal – end of period balance	\$ 15,013	\$ 21,508
Secured loans principal – average daily balance	\$ 15,515	\$ 23,237
First trust deeds	4	5
Principal – first trust deeds	\$ 15,013	\$ 14,581
Weighted average OLTV – first trust deeds ⁽²⁾	38.5%	39.0%
Second trust deeds	—	2
Principal – second trust deeds	\$ —	\$ 6,927
Weighted average OLTV – second trust deeds ⁽²⁾	0.0%	52.3%
REO	\$ 6,891	\$ 14,514
Interest income	\$ 317	\$ 516
Portfolio interest rate ⁽³⁾	8.1%	8.6%
Effective yield rate ⁽⁴⁾	8.2%	8.9%
Interest expense - mortgages payable	\$ —	\$ 19
Provision for loan losses	\$ —	\$ 122
Operations expense, before dissolution fee	\$ 448	\$ 1,019
Dissolution fee to RMC	168	350
Total operations expense	<u>\$ 616</u>	<u>\$ 1,369</u>
Net income (loss)	\$ (298)	\$ (991)
Percent ⁽⁵⁾⁽⁶⁾	(4.6%)	(9.2%)

(1) Under the Plan of Dissolution, quarterly pro rata withdrawals to all limited partners of cash received from the liquidation of partnership assets and available to fund capital distributions, net of payments on borrowings.

(2) The LTVs use the appraisals at origination of the loans (OLTV)

(3) Stated note interest rate, weighted daily average (annualized)

(4) Percent secured loans principal – average daily balance (annualized)

(5) Percent of limited partners' capital – average balance (annualized)

(6) Percent based on the net income(loss) allocated to limited partners (excluding 1% of income and losses allocated to general partners)

REDWOOD MORTGAGE INVESTORS VIII, L.P.

Supplemental Information

March 31, 2026 (unaudited)

Secured loans, principal, advances and interest unpaid, by LTV and lien position

LTVs presented in the following tables have been updated for changes in fair values of the collateral as indicated by appraisals, broker opinion of value, or other external market evidence received by the manager after the origination of the loan, if any.

Secured loans, principal by LTV at March 31, 2026 are presented in the following table (\$ in thousands).

LTV ⁽¹⁾	<u>Secured loans, principal</u>	
	<u>Total principal</u>	<u>Percent⁽²⁾</u>
<40%	\$ 8,583	57.2%
40-49%	—	0.0
50-59%	6,430	42.8
Total	<u>\$ 15,013</u>	<u>100.0%</u>

(1) LTV classifications in the table above are based on the sum of principal, advances and interest unpaid at March 31, 2026.

(2) Percent of secured loans principal, end of period balance.

Analysis and discussion of income from operations 2026 v. 2025 (three months ended)

Significant changes to net income for the three months ended March 31, 2026 compared to the same period in 2025 are summarized in the following table (\$ in thousands).

	<u>Net interest income</u>	<u>Provision for (recovery of) credit losses</u>	<u>Operations expense</u>	<u>Net income</u>
<u>Three months ended</u>				
March 31, 2026	\$ 317	—	616	\$ (298)
March 31, 2025	497	122	1,369	(991)
Change	<u>\$ (180)</u>	<u>(122)</u>	<u>(753)</u>	<u>\$ 693</u>
<u>Change</u>				
Decrease secured loans principal – average daily balance	(156)	—	(33)	(123)
Effective yield rate	(43)	—	—	(43)
Interest on mortgage payable assumed at foreclosure	19	—	—	19
Decrease in provision year-over-year	—	(122)	—	122
Dissolution fee	—	—	(182)	182
Decrease limited partners' capital – average balance	—	—	(43)	43
Decrease in allocable expenses from the manager	—	—	(13)	13
Legal, audit and consulting	—	—	(102)	102
Timing of services rendered	—	—	(9)	9
REO holding costs	—	—	(352)	352
Late fees	—	—	—	(2)
Other	—	—	(19)	19
Change	<u>\$ (180)</u>	<u>(122)</u>	<u>(753)</u>	<u>\$ 693</u>

The table above displays only significant changes to net income for the period and is not intended to cross foot.

Net interest income

Net interest income decreased approximately \$180 thousand (36.2%) for the three months ended March 31, 2026 compared to the same period in 2025, as the average daily balance of loan principal decreased to \$15.5 million (\$23.2 million in 2025). Interest expense decreased to \$0 as the mortgage note payable was paid in-full in August 2025.

REDWOOD MORTGAGE INVESTORS VIII, L.P.

Supplemental Information

March 31, 2026 (unaudited)

Provision for (recovery of) credit losses

In three months ended March 31, 2025, a provision for credit losses of approximately \$122 thousand was recorded due to an allowance relating to one secured loan (matured April 1, 2023 – unpaid principal balance of \$5.7 million at March 31, 2025) secured by a second lien on a hotel, both in the City and County of San Francisco. In the three months ended June 30, 2025, RMI VIII recorded a recovery of credit losses of approximately \$1.2 million when the hotel was sold, the terms of the sales contract (the proceeds of which are to be remitted to the partnership) were completed and the conditions precedent to the sale (and certain contingencies) were met and/or released.

Operations expense

Significant changes to operations expense for the three months ended March 31, 2026 compared to the same period in 2025 are summarized in the following table (\$ in thousands).

	Dissoluti on fee	Mortgage servicing fees	Asset manageme nt fees	Costs from RMC	Professiona l services	REO, net	Other	Total
Three months ended								
March 31, 2026	\$ 168	60	25	67	301	(7)	2	\$ 616
March 31, 2025	350	93	43	105	428	345	5	1,369
Change	<u>\$ (182)</u>	<u>(33)</u>	<u>(18)</u>	<u>(38)</u>	<u>(127)</u>	<u>(352)</u>	<u>(3)</u>	<u>\$ (753)</u>
Change								
Dissolution fee	(182)	—	—	—	—	—	—	(182)
Decrease secured loans principal – average daily balance	—	(33)	—	—	—	—	—	(33)
Decrease limited partners’ capital – average balance	—	—	(18)	(25)	—	—	—	(43)
Decrease in allocable expenses from the manager	—	—	—	(13)	—	—	—	(13)
Legal, audit and consulting	—	—	—	—	(102)	—	—	(102)
Timing of services rendered	—	—	—	—	(9)	—	—	(9)
REO holding costs	—	—	—	—	—	(352)	—	(352)
Other	—	—	—	—	(16)	—	(3)	(19)
Change	<u>\$ (182)</u>	<u>(33)</u>	<u>(18)</u>	<u>(38)</u>	<u>(127)</u>	<u>(352)</u>	<u>(3)</u>	<u>\$ (753)</u>

Dissolution fee

Under the Plan of Dissolution, RMC is entitled to collect the Dissolution Fee, which is equal to 7.0% of each capital distribution to be made to the limited partners, over the course of the wind-up period. The Dissolution Fee amounts received by RMC are intended to first be remitted back to the partnership in satisfaction of amounts owed by RMC on the formation loan and to restore the general partners’ capital deficit (i.e., the deficit restoration obligation) required by the Partnership Agreement. Proceeds of the Dissolution Fee remaining after these payments, if any, will be retained by RMC. The Dissolution Fee will be treated as an expense of the partnership and included in the allocation of income/losses to limited partners’ capital accounts.

Payments received from RMC (upon the receipt by RMC of the Dissolution Fee triggered by the redemption distributions) as of March 31, 2026 have totaled approximately \$1.7 million.

Mortgage servicing fees

The decrease in mortgage servicing fees of approximately \$33 thousand for the three months ended March 31, 2026 as compared to the same period in 2025, was due to a decrease in the secured loans principal – average daily balance to approximately \$15.5 million from approximately \$23.2 million.

REDWOOD MORTGAGE INVESTORS VIII, L.P.

Supplemental Information

March 31, 2026 (unaudited)

Asset Management Fees

For the management of the partnership's loan portfolio, the general partners are entitled to a monthly Asset Management Fee in an amount up to 1/32 of 1% of the "net asset value" of the partnership (3/8 of 1% annually). The decrease in Asset Management Fees for the three months ended March 31, 2026, as compared to the same period in 2025 was due to the decrease in limited partners' capital – average balance to approximately \$25.7 million from \$42.9 million.

Costs from RMC

RMC is entitled to request reimbursement for operations expense incurred on behalf of RMI VIII, including without limitation, RMC's personnel and non-personnel costs incurred for qualifying business activities, including investor services, accounting, tax and data processing, postage and out-of-pocket general and administration expenses. The decrease in costs from RMC of approximately \$38 thousand for the three months ended March 31, 2026 as compared to the same period in 2025 was due to a decrease in allocable payroll and professional services and a reduction of the partnership's limited partners' capital as a percent of the total capital of the related mortgaged funds managed by RMC.

Professional services

Professional services consist primarily of information technology, legal, audit and tax compliance, and consulting expenses.

The decrease in professional services of approximately \$127 thousand for the three months ended March 31, 2026 compared to the same period in 2025 was primarily due to a decrease in audit, and consulting fees.

REO holding costs

The decrease in holding costs, net of other income for the three months ended March 31, 2026 compared to the same period in 2025 was primarily due to a decrease in REO operating expenses of approximately \$281 thousand, resulting from the sale of REO properties and an increase in rental income on a remaining property related to signage rights.

REDWOOD MORTGAGE INVESTORS VIII, L.P.

Supplemental Information

March 31, 2026 (unaudited)

Cash flows and liquidity

Under the Plan of Dissolution, all assets of the partnership, including cash available from interest and principal payments on partnership loans, proceeds from the sale of real estate owned and partnership loans, and RMC's repayment (primarily from the proceeds of the dissolution fee) of the amounts owed on the formation loan and of the general partners' capital deficit (i.e., the deficit restoration obligation), will be applied and distributed in the following order of priority:

- First, to the payment of operations expense, including liabilities to professional services providers and government agencies (principally property and other taxes), fees and cost reimbursements to RMC, Asset Management Fees to the general partners, loan administration and collection costs, and such other general and administrative expenses of the partnership's business and compliance activities and then to the payment and discharge of all of the partnership's then current debts and liabilities to banks (and any other lenders); and
- Thereafter, quarterly, within seven (7) business days after the end of each calendar quarter, to the limited and general partners in proportion to their respective capital account balances, after (i) taking into account income and loss allocations for the applicable calendar quarter and (ii) deducting the Dissolution Fee as calculated on the last business day of the quarter. Quarterly net income, if any, will be distributed pro rata to all limited partners and by disbursement separate from redemption distribution payments.

Cash flows – business activity – are presented in the following table (\$ in thousands).

	<u>Three Months Ended March 31,</u>	
	<u>2026</u>	<u>2025</u>
Limited partners' capital – withdrawals	\$ (2,365)	\$ (5,000)
Mortgages repaid, including interest	—	(21)
Loan earnings and payments		
Interest received, net	305	520
Late fees and other loan income	—	2
Principal collected	<u>1,253</u>	<u>3,675</u>
Cash provided by loans	1,558	4,197
REO		
Sale proceeds, net	1,645	—
Holding costs	<u>(21)</u>	<u>(519)</u>
Cash provided by (used in) REO operations and sales	1,624	(519)
RMC payments – formation loan	168	350
Dissolution fee	(168)	(350)
Operations expense, excluding REO holding costs and dissolution fee	(777)	(539)
Net increase (decrease) in cash	<u>\$ 40</u>	<u>\$ (1,882)</u>
Cash, end of period	<u>\$ 1,606</u>	<u>\$ 2,852</u>