

GREAT
AJAX  **Second Quarter Investor Presentation**



August 7, 2018

Safe Harbor Disclosure

- ❖ We make forward-looking statements in this presentation that are subject to risks and uncertainties. These forward-looking statements include information about possible or assumed future results of our business, financial condition, liquidity, results of operations, cash flow and plans and objectives. When we use the words “believe,” “expect,” “anticipate,” “estimate,” “plan,” “continue,” “intend,” “should,” “may” or similar expressions, we intend to identify forward-looking statements.
- ❖ Statements regarding the following subjects, among others, may be forward-looking: market trends in our industry, interest rates, real estate values, the debt financing markets or the general economy or the demand for and availability of residential and small-balance commercial real estate loans; our business and investment strategy; our projected operating results; actions and initiatives of the U.S. government and changes to U.S. government policies and the execution and impact of these actions, initiatives and policies; the state of the U.S. economy generally or in specific geographic regions; economic trends and economic recoveries; our ability to obtain and maintain financing arrangements; changes in the value of our mortgage portfolio; changes to our portfolio of properties; impact of and changes in governmental regulations, tax law and rates, accounting guidance and similar matters; our ability to satisfy the real estate investment trust qualification requirements for U.S. federal income tax purposes; availability of qualified personnel; estimates relating to our ability to make distributions to our stockholders in the future; general volatility of the capital markets and the market price of our shares of common stock; and the degree and nature of our competition.
- ❖ The forward-looking statements are based on our beliefs, assumptions and expectations of our future performance, taking into account all information currently available to us. Forward-looking statements are not predictions of future events. These beliefs, assumptions and expectations can change as a result of many possible events or factors, not all of which are known to us. If a change occurs, our business, financial condition, liquidity and results of operations may vary materially from those expressed in our forward-looking statements. Furthermore, forward-looking statements are subject to risks and uncertainties, including, among other things, those described under Item 1A of our Annual Report on Form 10-K for the year ended December 31, 2017, which can be accessed through the link to our Securities and Exchange Commission (“SEC”) filings on our website (www.great-ajax.com) or at the SEC's website (www.sec.gov). Other risks, uncertainties, and factors that could cause actual results to differ materially from those projected may be described from time to time in reports we file with the SEC, including reports on Forms 10-Q, 10-K and 8-K. Any forward-looking statement speaks only as of the date on which it is made. New risks and uncertainties arise over time, and it is not possible for us to predict those events or how they may affect us. Except as required by law, we are not obligated to, and do not intend to, update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. Unless stated otherwise, financial information included in this presentation is as of June 30, 2018.

Business Overview

- ❖ Leverage long-standing relationships to acquire mortgage loans through privately negotiated transactions from a diverse group of customers
 - Over 90% of our acquisitions since inception have been privately negotiated
 - Acquisitions made in 238 transactions since inception. Six transactions closed in Q2 2018¹

- ❖ Use our manager's proprietary analytics to price each pool on an asset-by-asset basis

- ❖ Adjust individual loan bid price to accumulate clusters of loans in attractive demographic metropolitan areas
 - Typical acquisition contains 25 – 100 loans with total market value between \$5 – \$20 million

- ❖ Our affiliated servicer services the loans asset-by-asset and borrower-by-borrower

- ❖ Objective is to maximize returns for each asset by utilizing a full menu of loss mitigation and asset optimization techniques

- ❖ Use moderate non-mark-to-market leverage

¹Includes transactions Great Ajax Operating Partnership L.P. made through joint venture arrangements with third-party institutional investors

Highlights – Quarter Ended June 30, 2018

- ❖ Purchased \$14.3 million of re-performing mortgage loans (“RPLs”) with an aggregate unpaid principal balance (“UPB”) of \$15.5 million and underlying collateral value of \$24.8 million¹
- ❖ Interest income of \$26.7 million; net interest income of \$13.9 million
- ❖ Net income attributable to common stockholders of \$7.5 million
- ❖ Basic earnings per share (“EPS”) of \$0.40
- ❖ Taxable income of \$0.35 per share
- ❖ Book value per share of \$15.60 at June 30, 2018
- ❖ Cash collections of \$56.5 million and held \$34.7 million of cash and cash equivalents at June 30, 2018
- ❖ Quarter end leverage ratios²
 - ❖ Asset Level : 2.8x
 - ❖ Corporate Level : 3.1x
- ❖ Acquired an additional 3.1% interest in Great Ajax FS LLC (“GAFS”), the parent of our servicer, and three warrants, each exercisable for a 1.55% interest in GAFS in exchange for consideration of \$0.7 million of cash and 29,063 shares of our common stock, which takes our total ownership in GAFS to 8.0% with warrants exercisable for an additional 12.0%
- ❖ Co-invested with third-party institutional investors in two transactions. We acquired a 9.36% interest in each of the securities issued by Ajax Mortgage Loan Trust 2018-A (\$113.8 MM UPB) and a 20.0% interest in each of the securities issued by Ajax Mortgage Loan Trust 2018-B (\$94.8 MM UPB)

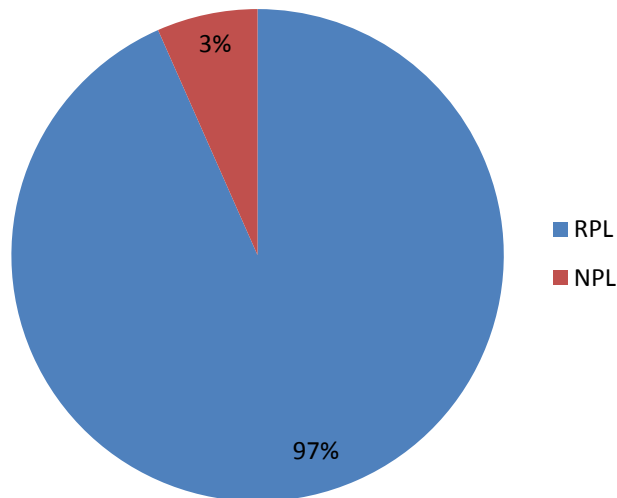
¹Excludes transactions Great Ajax Operating Partnership L.P. made through joint venture arrangements with third-party institutional investors

²Excludes consolidation of the portion of Ajax Mortgage Loan Trust 2017-D that is owned by a third-party institutional investor

Portfolio Overview – as of June 30, 2018



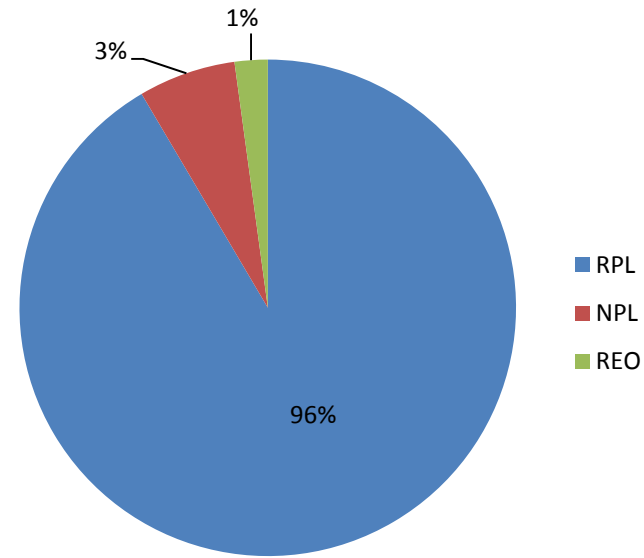
Unpaid Principal Balance¹



\$1,418 MM

RPL: \$1,372 MM
NPL: \$ 46 MM

Property Value²



\$1,939 MM

RPL: \$1,856.5 MM
NPL: \$ 56.8 MM
REO & Rental: \$ 25.5 MM

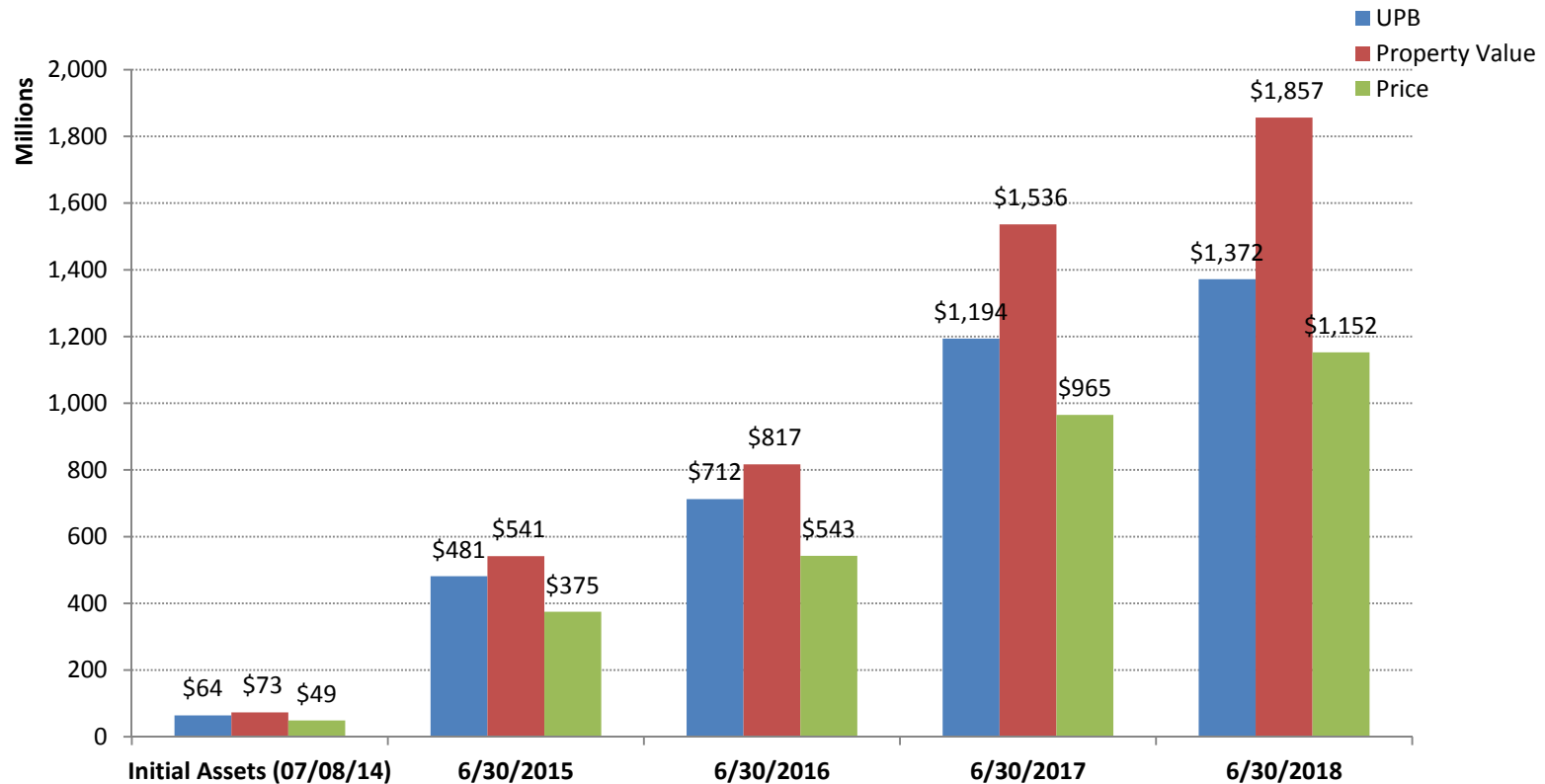
¹ Includes \$186.8 million UPB in Re-performing loans included in a 50/50 joint venture with a third-party institutional investor that is required to be consolidated for GAAP purposes

² Real estate owned ("REO") and rental property value is presented at estimated property fair value less expected liquidation costs

Portfolio Growth



Re-performing Loans

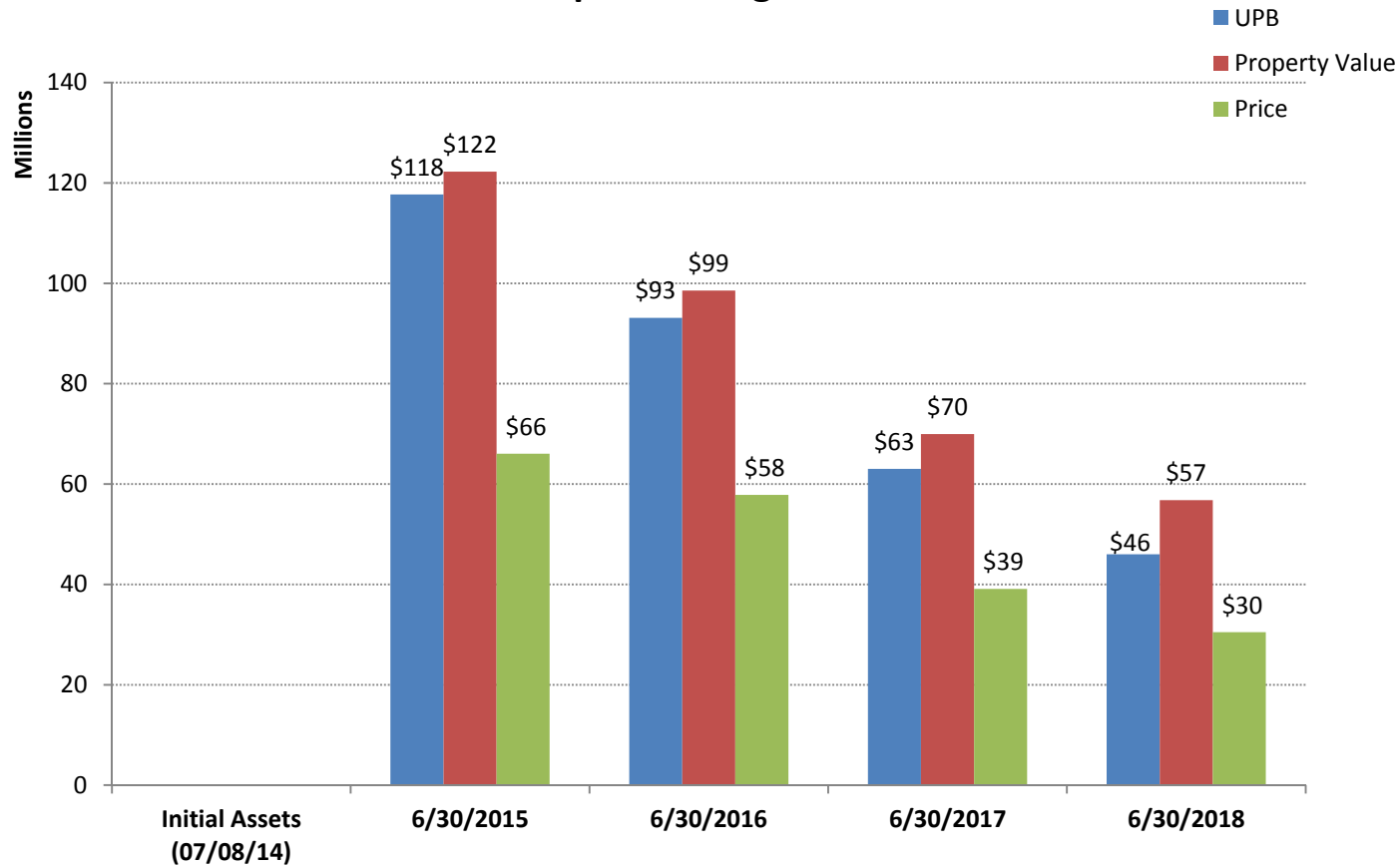


- ❖ Re-performing loan UPB as of 06/30/2018 includes \$9.4 million of small-balance commercial originations, which are performing loans. Includes \$186.8 million UPB in a 50/50 joint venture with a third-party institutional investor that is required to be consolidated for GAAP purposes
- ❖ Re-performing loan status stays constant based on initial purchase status
- ❖ Excludes a 9.36% interest in each of the securities issued by Ajax Mortgage Loan Trust 2018-A (\$113.8 million UPB of re-performing loans) and a 20% interest in each of the securities issued by Ajax Mortgage Loan Trust 2018-B (\$13.1 million UPB of re-performing loans)

Portfolio Growth



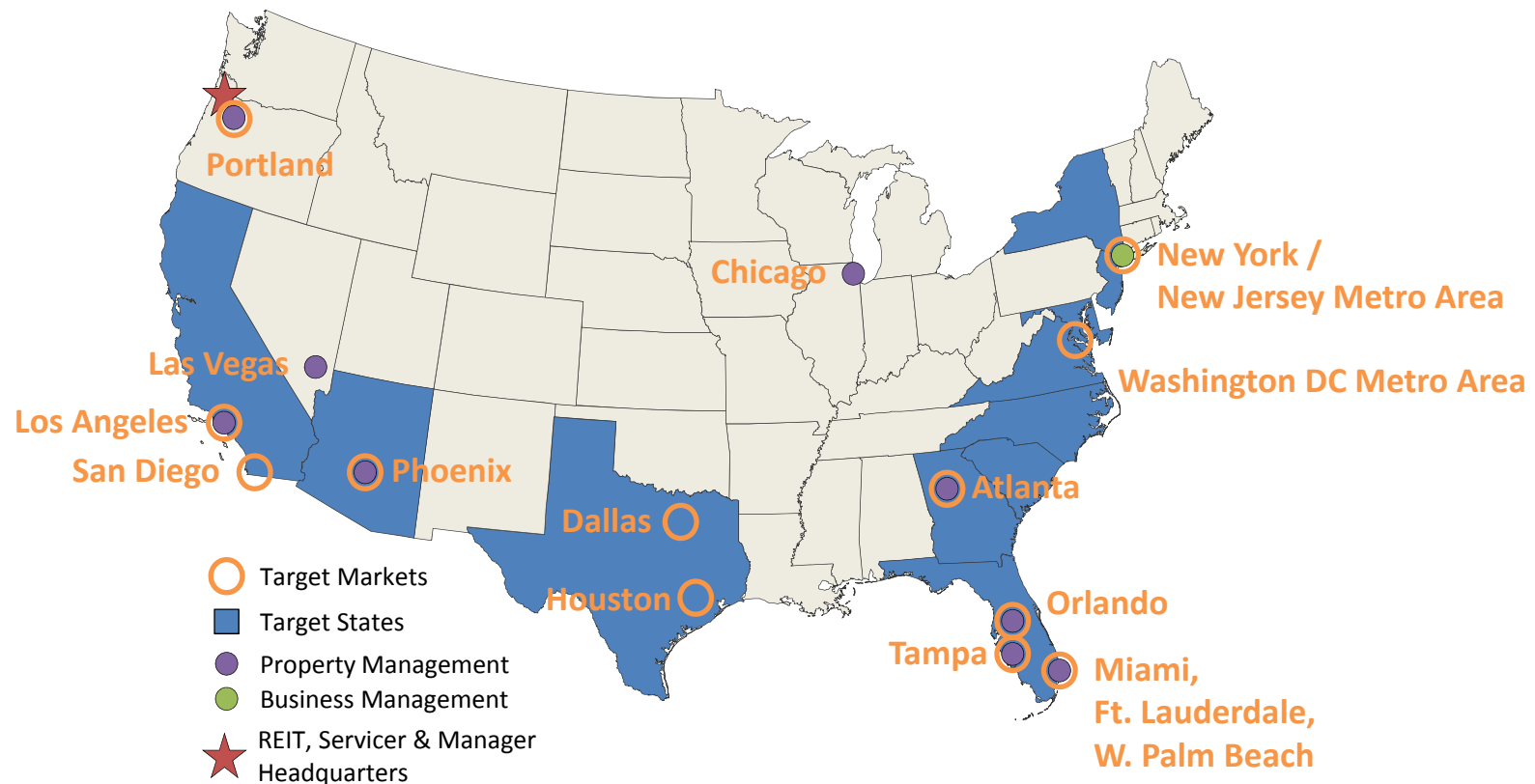
Non-performing Loans



- ❖ Non-performing loan status stays constant based on initial purchase status
- ❖ Excludes a 20% interest in each of the securities issued by Ajax Mortgage Loan Trust 2018-B (\$81.7 million UPB of non-performing loans)

Portfolio Concentrated in Attractive Markets

- ❖ Clusters of loans in attractive, densely populated markets
- ❖ Stable liquidity and home prices
- ❖ Over 80% of the portfolio in our target markets



Portfolio Migration



Total Pre 2Q2018 Acquisitions (\$\$ in thousands)				
	Acquisition		Current Based on	
	Count	UPB	Count	UPB
Liquidated	-	-	1342	273,557
24for24	416	74,273	2896	639,867
12for12	305	64,002	1785	383,483
7for7	3108	696,896	399	88,742
4f4-6f6	1579	346,796	503	96,738
Less than 4f4	2168	450,651	504	102,451
REO	-	-	140	35,409
NPL	512	124,914	548	142,910
Purchased REO	34	8,074	5	2,448
	8,122	1,765,606	8,122	1,765,606

- ❖ 24 for 24: Loan that has made 24 full payments in the last 24 months
- ❖ 12 for 12: Loan that has made 12 full payments in the last 12 months
- ❖ 7 for 7: Loan that has made 7 full payments in the last 7 months
- ❖ NPL: <1 full payment in the last three months

Subsequent Events

❖ Acquisitions Closed

- ❖ RPL
 - ❖ UPB: \$0.1MM
 - ❖ Collateral Value: \$0.2MM
 - ❖ Price/UPB: 85.4%
 - ❖ Price/Collateral Value: 43.7%
 - ❖ 1 loan in 1 transaction

- ❖ SBC
 - ❖ UPB: \$7.2MM
 - ❖ Collateral Value: \$14.5MM
 - ❖ Price/UPB: 101.8%
 - ❖ Price/Collateral Value: 51.2%
 - ❖ 9 loans in 2 transactions

- ❖ SBC – Purchased Property
 - ❖ Price: \$1.6MM
 - ❖ Collateral Value: \$1.6MM
 - ❖ 1 property in 1 transaction

❖ Acquisitions Under Contract

- ❖ RPL
 - ❖ UPB: \$1.1MM
 - ❖ Collateral Value: \$1.6MM
 - ❖ Price/UPB: 80.9%
 - ❖ Price/Collateral Value: 53.1%
 - ❖ 5 loans in 5 transactions

- ❖ NPL
 - ❖ UPB: \$3.0MM
 - ❖ Collateral Value: \$4.1MM
 - ❖ Price/UPB: 77.1%
 - ❖ Price/Collateral Value: 55.5%
 - ❖ 21 loans in 2 transactions

- ❖ SBC
 - ❖ UPB: \$9.5MM
 - ❖ Collateral Value: \$23.1MM
 - ❖ Price/UPB: 102.0%
 - ❖ Price/Collateral Value: 42.0%
 - ❖ 9 loans in 1 transaction

❖ SBC -- Loans originated

- ❖ UPB: \$5.3MM
- ❖ Collateral Value: \$7.0MM
- ❖ 6 loans in 3 transactions

- ❖ A dividend of \$0.30 per share will be payable on August 30, 2018 to our stockholders of record as of August 15, 2018

¹ While these acquisitions are expected to close, there can be no assurance that these acquisitions will close or that the terms thereof may not change

Financial Metrics – Excluding consolidation of the portion of Ajax Mortgage Loan Trust 2017-D owned by third-party institutional investors



Quarter over Quarter Comparison Excluding the Impact of the Consolidation of 2017 D				
(\$ in thousands)	Excluding the consolidation of 2017 D			
	Q2-18	Q1-18	Q4-17	Q3-17
Interest Income on Loans	24,757	24,124	23,778	24,396
Average Loans	1,149,225	1,163,970	1,071,415	1,052,038
Average Loan Yield	8.9%	8.6%	9.2%	9.6%
Total Interest Expense	12,031	11,683	11,136	10,775
Asset Level Interest Expense	9,877	9,533	8,990	8,863
Average Asset Level Debt	865,787	881,587	817,316	791,261
Average Asset Level Debt Cost	4.6%	4.4%	4.5%	4.6%
Asset Level Net Interest Margin	4.3%	4.2%	4.7%	5.0%
Total Average Debt	968,618	984,224	919,763	883,770
Total Average Debt Cost	5.1%	4.8%	5.0%	5.0%
Total Net Interest Margin	3.8%	3.7%	4.1%	4.6%
Non-Interest Operating Expenses - excluding REO	5,395	5,813	5,693	5,312
Non-Interest Operating Expenses/Avg Assets	1.7%	2.1%	1.9%	1.8%
ROAA - ex net REO impairments and losses	2.7%	2.7%	2.6%	3.1%
ROAA - Net REO Impairments, gains and losses	-0.3%	0.1%	-0.4%	-0.4%
ROAA - Total	2.4%	2.8%	2.2%	2.7%
ROAE - ex net REO impairments and losses	11.5%	10.1%	10.7%	12.7%
ROAE - Net REO Impairments, gains and losses	-1.2%	0.3%	-1.4%	-1.6%
ROAE - Total	10.3%	10.4%	9.3%	11.1%
Average Leverage Ratio - Asset Backed	2.8	2.9	2.7	2.7
Average Leverage Ratio - Convertible Debt	0.3	0.3	0.3	0.3
Average Leverage Ratio - Total	3.2	3.2	3.1	3.0
Ending Leverage Ratio - Asset Backed	2.8	2.8	2.9	2.6
Ending Leverage Ratio - Convertible Debt	0.3	0.3	0.3	0.3
Ending Leverage Ratio - Total	3.1	3.1	3.2	2.9

This slide includes financial metrics that are adjusted to exclude the ownership interest of Ajax Mortgage Loan Trust 2017-D by third-party institutional investors. The Company believes these financial metrics provide investors with useful supplemental information relating to the Company's results of operation and financial performance. These adjusted financial metrics are non-GAAP financial measures and should be considered in addition to, but not as a substitute for, the financial measures prepared in accordance with GAAP as reflected on other slides in this presentation. The following slide provides a reconciliation of these financial metrics to the most comparable GAAP measure.

Financial Metrics - Reconciliation of GAAP consolidated financial metrics to non-GAAP financial metrics excluding the portion of Ajax Mortgage Loan Trust 2017-D owned by third-party institutional investors



(\$ in thousands)	Q2-18 GAAP Consolidated	Consolidation Impact of 2017 D	Q2-18 Excluding the Consolidation of 2017 D	Q1-18 GAAP Consolidated	Consolidation Impact of 2017 D	Q1-18 Excluding the Consolidation of 2017 D
Interest Income on Loans	26,158	1,401	24,757	25,445	1,321	24,124
Average Loans	1,235,455	86,230	1,149,225	1,251,860	87,890	1,163,970
Average Loan Yield	8.7%	0.2%	8.9%	8.4%	0.2%	8.6%
Total Interest Expense	12,799	768	12,031	12,494	811	11,683
Asset Level Interest Expense	10,645	768	9,877	10,344	811	9,533
Average Asset Level Debt	941,533	75,746	865,787	961,853	80,266	881,587
Average Asset Level Debt Cost	4.6%	0.0%	4.6%	4.4%	0.0%	4.4%
Asset Level Net Interest Margin	4.1%	0.1%	4.3%	4.0%	0.1%	4.2%
Total Average Debt	1,044,364	75,746	968,618	1,064,490	80,266	984,224
Total Average Debt Cost	5.0%	0.1%	5.1%	4.8%	0.1%	4.8%
Total Net Interest Margin	3.7%	0.1%	3.8%	3.6%	0.1%	3.7%
Non-Interest Operating Expenses - excluding REO	5,618	223	5,395	5,956	143	5,813
Non-Interest Operating Expenses/Avg Assets	1.7%	0.0%	1.7%	1.7%	0.4%	2.1%
ROAA - ex net REO impairments and losses	2.5%	0.2%	2.7%	2.2%	0.5%	2.7%
ROAA - Net REO impairments, gains and losses	-0.3%	0.0%	-0.3%	0.1%	0.0%	0.1%
ROAA - Total	2.2%	0.2%	2.4%	2.2%	0.6%	2.8%
ROAE - ex net REO impairments and losses	11.0%	0.5%	11.5%	9.7%	0.4%	10.1%
ROAE - Net REO impairments, gains and losses	-1.1%	0.0%	-1.2%	0.3%	0.0%	0.3%
ROAE - Total	9.8%	0.5%	10.3%	10.0%	0.3%	10.4%
Average Leverage Ratio - Asset Backed	2.9	(0.1)	2.8	3.0	(0.1)	2.9
Average Leverage Ratio - Convertible Debt	0.3	0.0	0.3	0.3	0.0	0.3
Average Leverage Ratio - Total	3.3	(0.1)	3.2	3.3	(0.1)	3.2
Ending Leverage Ratio - Asset Backed	2.9	(0.1)	2.8	2.9	(0.1)	2.8
Ending Leverage Ratio - Convertible Debt	0.3	0.0	0.3	0.3	0.0	0.3
Ending Leverage Ratio - Total	3.2	(0.1)	3.1	3.2	(0.1)	3.1

Consolidated Statements of Income

(Dollars in thousands except per share amounts) (Unaudited)

	Three months ended			
	June 30, 2018 (unaudited)	March 31, 2018 (unaudited)	December 31, 2017 (unaudited)	September 30, 2017 (unaudited)
INCOME:				
Interest income	\$ 26,690	\$ 25,591	\$ 24,367	\$ 24,529
Interest expense	(12,799)	(12,494)	(11,382)	(10,775)
Net interest income	13,891	13,097	12,985	13,754
Income from equity method investments	197	192	163	157
Other income	689	1,454	649	315
Total income	14,777	14,743	13,797	14,226
EXPENSE:				
Related party expense - loan servicing fees	2,672	2,469	2,242	2,187
Related party expense - management fee	1,440	1,532	1,510	1,428
Loan transaction expense	35	355	214	290
Professional fees	506	609	856	497
Real estate operating expense	944	449	518	1,151
Other expense	965	991	871	910
Total expense	6,562	6,405	6,211	6,463
Loss on debt extinguishment	—	—	913	—
Income before provision for income tax	8,215	8,338	6,673	7,763
Provision for income tax	2	16	35	47
Consolidated net income	8,213	8,322	6,638	7,716
Less: consolidated net income attributable to non-controlling interests	692	657	454	246
Consolidated net income attributable to common stockholders	\$ 7,521	\$ 7,665	\$ 6,184	\$ 7,470
Basic earnings per common share	\$ 0.40	\$ 0.41	\$ 0.34	\$ 0.41
Diluted earnings per common share	\$ 0.37	\$ 0.38	\$ 0.33	\$ 0.38
Weighted average shares – basic	18,595,769	18,508,089	18,236,488	18,072,045
Weighted average shares – diluted	26,478,817	26,395,158	26,111,202	25,246,764

Consolidated Balance Sheets



(Dollars in thousands except per share amounts)

<u>ASSETS</u>	<u>June 30, 2018</u>	<u>December 31, 2017</u>
	<u>(Unaudited)</u>	
Cash and cash equivalents	\$ 34,710	\$ 53,721
Cash held in trust	25	301
Mortgage loans, net ^(1,4)	1,231,195	1,253,541
Property held-for-sale, net ⁽²⁾	22,807	24,947
Rental property, net	5,540	1,284
Investment in debt securities	32,214	6,285
Receivable from servicer	16,473	17,005
Investment in affiliates	9,536	7,020
Loans purchase deposit	—	26,740
Prepaid expenses and other assets	6,856	4,894
Total assets	<u>\$ 1,359,356</u>	<u>\$ 1,395,738</u>
 <u>LIABILITIES AND EQUITY</u>		
<i>Liabilities:</i>		
Secured borrowings, net ^(1,3,4)	\$ 633,136	\$ 694,040
Borrowings under repurchase transactions	295,655	276,385
Convertible senior notes, net ⁽³⁾	102,961	102,571
Management fee payable	770	750
Accrued expenses and other liabilities	4,158	4,554
Total liabilities	<u>1,036,680</u>	<u>1,078,300</u>
 <i>Equity:</i>		
Preferred stock \$0.01 par value; 25,000,000 shares authorized, none issued or outstanding	—	—
Common stock \$0.01 par value; 125,000,000 shares authorized, 18,770,071 shares at June 30, 2018 and 18,588,228 shares at December 31, 2017 issued and outstanding	188	186
Treasury stock	(151)	—
Additional paid-in capital	257,836	254,847
Retained earnings	39,620	35,556
Accumulated other comprehensive loss	(396)	(233)
Equity attributable to stockholders	<u>297,097</u>	<u>290,356</u>
Non-controlling interests ⁽⁵⁾	25,579	27,082
Total equity	<u>322,676</u>	<u>317,438</u>
Total liabilities and equity	<u>\$ 1,359,356</u>	<u>\$ 1,395,738</u>

(1) Mortgage loans includes \$930.4 million and \$996.2 million of loans at June 30, 2018 and December 31, 2017, respectively, transferred to securitization trusts that are variable interest entities ("VIEs"), these loans can only be used to settle obligations of the VIEs. Secured borrowings consist of notes issued by VIEs that can only be settled with the assets and cash flows of the VIEs. The creditors do not have recourse to the primary beneficiary (Great Ajax Corp).

(2) Property held for sale, net, includes valuation allowances of \$1,903 and \$1,784 at June 30, 2018, and December 31, 2017, respectively.

(3) Secured borrowings and Convertible senior notes are presented net of deferred issuance costs

(4) As of June 30, 2018 and December 31, 2017, balances for Mortgage loans, net includes \$171.2 million and \$177.1 million, respectively, and Secured borrowings, net of deferred costs includes \$73.5 million and \$88.4 million, respectively, from a 50% owned joint venture, which we consolidate under U.S. GAAP.

(5) Non-controlling interests includes \$12.5 million and \$14.0 million, at June 30, 2018 and December 31, 2017, respectively, from a 50% owned joint venture, which we consolidate under U.S. GAAP.