



Fourth Quarter and Year-End 2018 Investor Presentation



March 5, 2019

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 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 December 31, 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 260 transactions since inception. Eight transactions closed in Q4 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 a total market value between \$5 – \$20 million
- ❖ Our affiliated servicer services the loans asset-by-asset and borrower-by-borrower
 - We own 8% and have warrants to purchase up to an additional 12% of the servicer
- ❖ Our objective is to maximize returns for each asset by utilizing a full menu of loss mitigation and asset optimization techniques
- ❖ Analytics and processes of our manager and servicer enable us to broaden our reach through joint ventures with institutional accredited investors
- ❖ Use moderate non-mark-to-market leverage

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

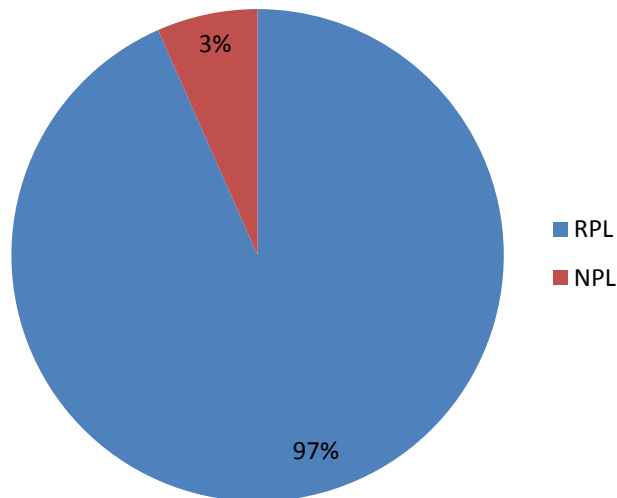
Highlights – Quarter Ended December 31, 2018

- ❖ Purchased \$63.3 million of re-performing mortgage loans ("RPLs") and \$4.0 million non-performing mortgage loans ("NPLs") with unpaid principal balance ("UPB") of \$71.0 million and \$4.3 million, respectively, and underlying collateral values of \$102.8 million and \$6.0 million, respectively; and originated \$1.6 million of small-balance commercial mortgage loans ("SBCs")
 - ❖ Formed \$586.2 million of joint ventures and retained \$126.5 million of varying classes of related securities
 - ❖ Acquired four commercial properties for \$9.5 million
 - ❖ Interest income of \$28.5 million and net interest income of \$13.4 million prior to the impact of impairments
 - ❖ Net income attributable to common stockholders of \$6.6 million
 - ❖ Basic earnings per share ("EPS") of \$0.35
 - ❖ Taxable income of \$0.23 per share
 - ❖ Book value per share of \$15.59 at December 31, 2018
 - ❖ Collected \$57.1 million of cash from our portfolio and held \$55.1 million of cash and cash equivalents at December 31, 2018
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Portfolio Overview – as of December 31, 2018



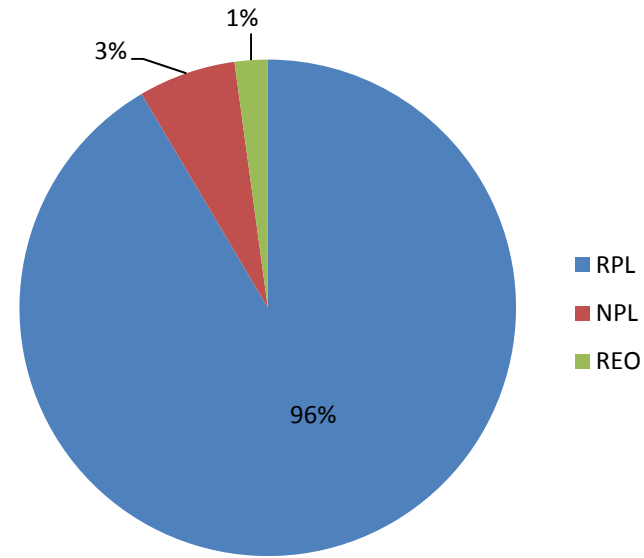
Unpaid Principal Balance¹



\$1,481.7 MM

RPL: \$1,436.1 MM
 NPL: \$ 45.6 MM

Property Value²



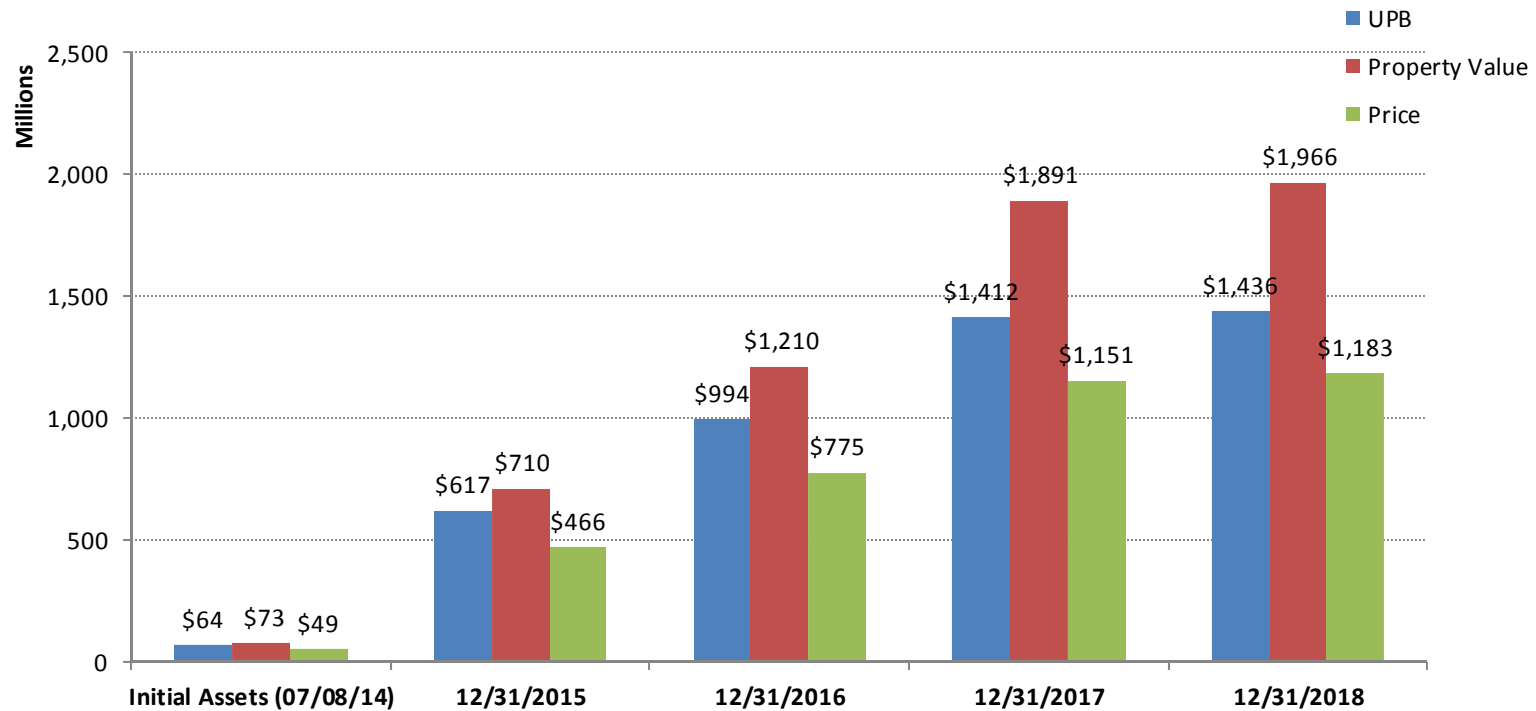
\$2,064.2 MM

RPL: \$1,965.6 MM
 NPL: \$ 59.2 MM
 REO & Rental: \$ 39.3 MM

¹ Includes \$399.8 million UPB in RPLs included in joint ventures with third-party institutional accredited investors that are 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

Re-performing Loans

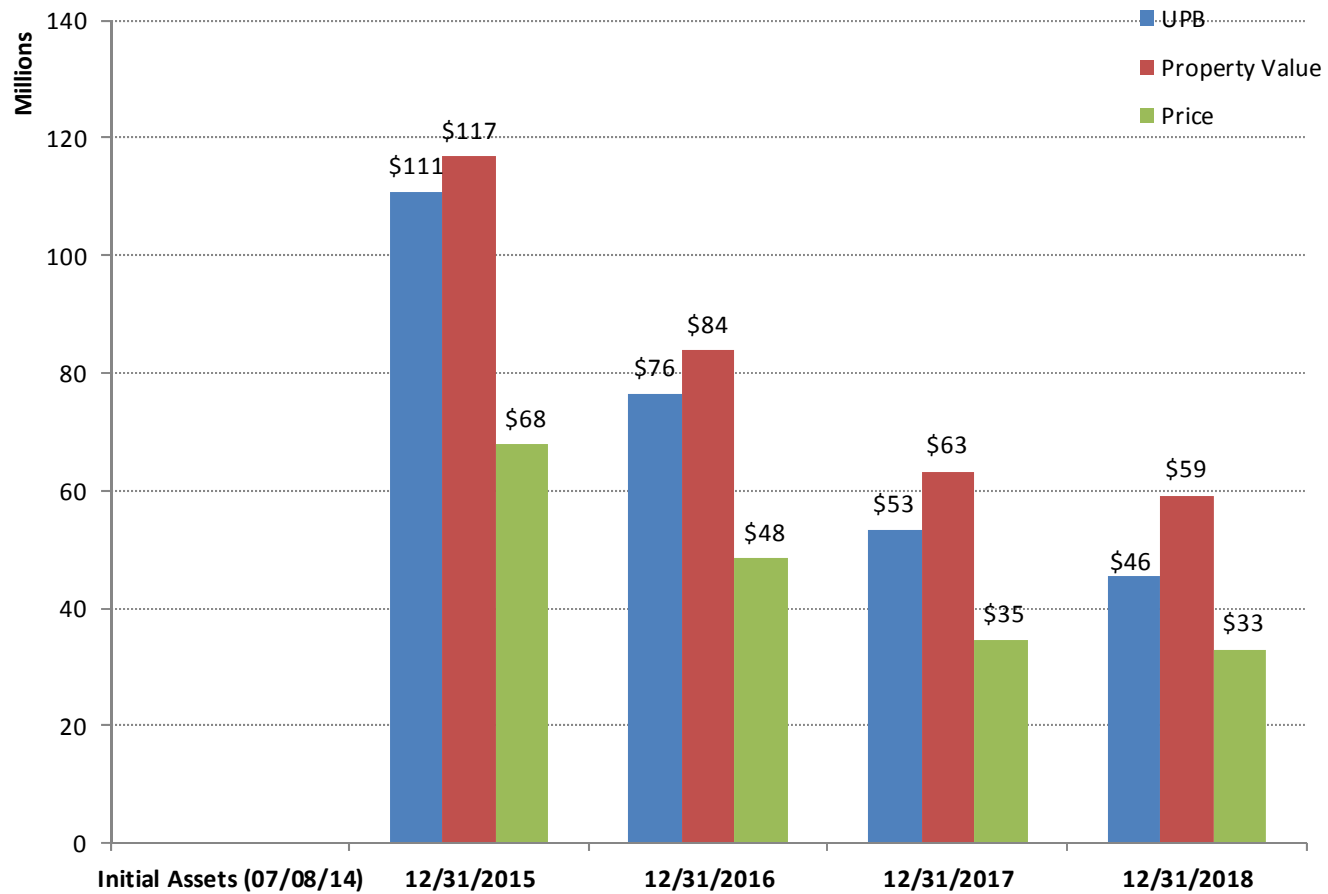


- ❖ RPL UPB as of 12/31/2018 includes \$11.2 million of small-balance commercial originations, which are performing loans. Includes \$399.8 million UPB in RPLs included in joint ventures with third-party institutional accredited investors that are required to be consolidated for GAAP purposes
- ❖ RPL status stays constant based on initial purchase status

Portfolio Growth



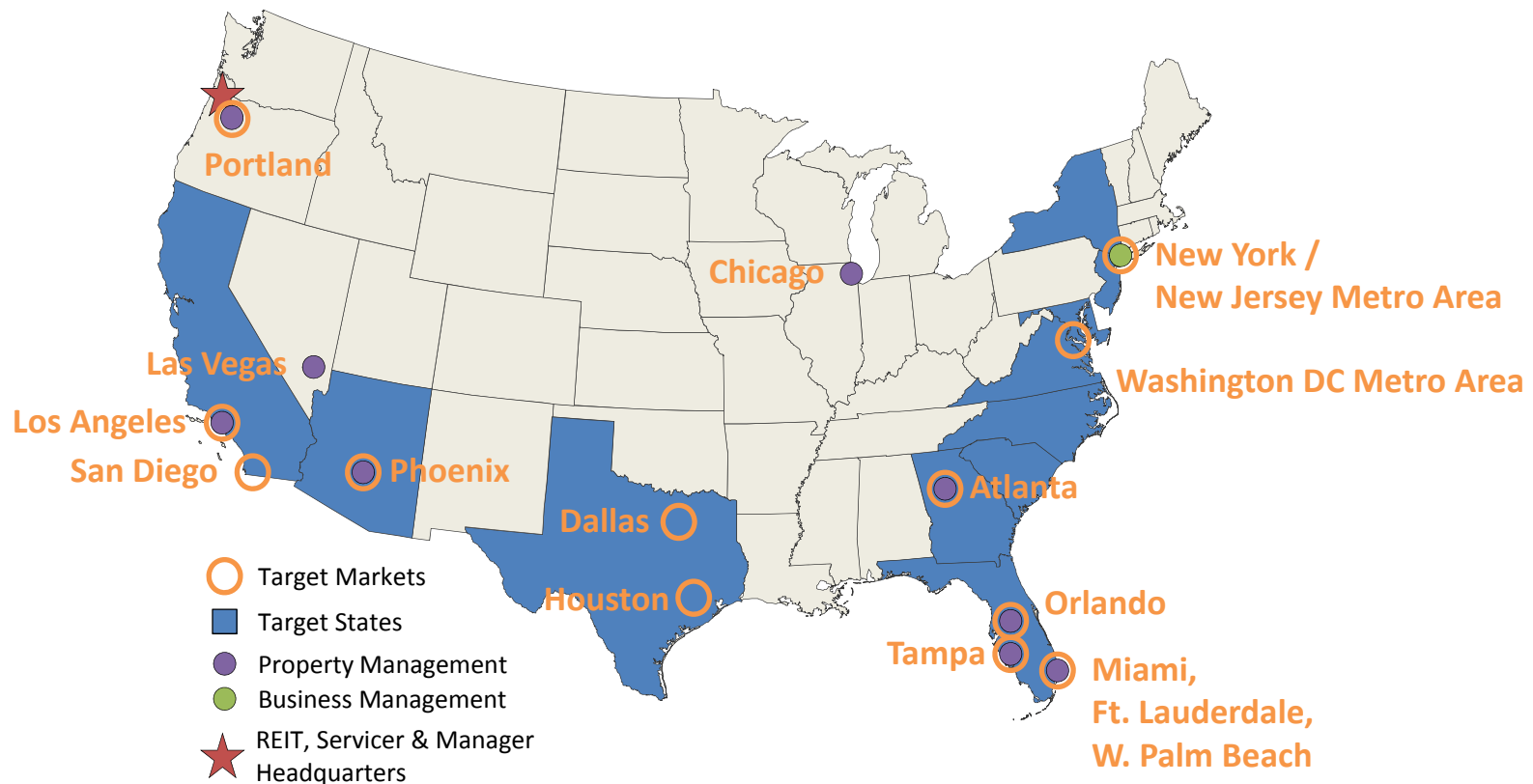
Non-performing Loans



❖ NPL status stays constant based on initial purchase status

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 4Q2018 Acquisitions (\$\$ in thousands)				
	Acquisition		Current Based on	
	Count	UPB	Count	UPB
Liquidated	-	\$0	1678	\$352,665
24for24	592	\$111,580	3723	\$810,628
12for12	351	\$76,086	1578	\$340,800
7for7	3136	\$703,394	234	\$52,976
4f4-6f6	1637	\$360,963	140	\$36,379
Less than 4f4	2194	\$465,131	493	\$96,288
REO	-	\$0	117	\$31,617
NPL	524	\$126,696	502	\$128,613
Purchased REO	34	\$8,074	3	\$1,958
	8,468	\$1,851,924	8,468	\$1,851,924

- ❖ 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 since 12/31/2018

- ❖ RPL
 - ❖ UPB: \$8.5MM
 - ❖ Collateral Value: \$12.2MM
 - ❖ Price/UPB: 84.8%
 - ❖ Price/Collateral Value: 59.1%
 - ❖ 38 loans in 3 transactions
- ❖ NPL¹
 - ❖ UPB: \$60.1MM
 - ❖ Collateral Value: \$86.7MM
 - ❖ Price/UPB: 86.9%
 - ❖ Price/Collateral Value: 60.2%
 - ❖ 271 loans in 1 transaction
- ❖ SBC Loans
 - ❖ UPB: \$1.6MM
 - ❖ Collateral Value: \$2.4MM
 - ❖ Price/UPB: 98.7%
 - ❖ Price/Collateral Value: 66.5%
 - ❖ 2 loans in 1 transaction

❖ Acquisitions Under Contract²

- ❖ RPL
 - ❖ UPB: \$299.3MM
 - ❖ Collateral Value: \$505.5MM
 - ❖ Price/UPB: 93.6%
 - ❖ Price/Collateral Value: 55.4%
 - ❖ 1,560 loans in 4 transactions
- ❖ NPL
 - ❖ UPB: \$147.9MM
 - ❖ Collateral Value: \$285.1MM
 - ❖ Price/UPB: 96.2%
 - ❖ Price/Collateral Value: 49.9%
 - ❖ 417 loans in 1 transaction
- ❖ SBC
 - ❖ UPB: \$6.9MM
 - ❖ Collateral Value: \$12.9MM
 - ❖ Price/UPB: 102.2%
 - ❖ Price/Collateral Value: 54.5%
 - ❖ 14 loans in 2 transactions
- ❖ SBC – Properties
 - ❖ Price: \$5.6MM
 - ❖ 3 properties in 3 transactions

A dividend of \$0.32 per share will be paid on March 29, 2019 to common stockholders of record as of March 15, 2019

¹ Pool of loans closed into Ajax Mortgage Loan Trust 2018-F, a joint venture with a third-party institutional accredited investor

² 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. Loans under contract include \$281.4MM UPB of RPLs and \$147.9MM UPB of NPLs that will be incorporated into joint ventures with third-party institutional accredited investors

Financial Metrics – Excluding consolidation of the portion of securitizations owned by third-party institutional accredited investors



(\$ in thousands)	Excluding the impact of consolidated trusts			
	Q4-18	Q3-18	Q2-18	Q1-18
Interest Income on Loans ¹	23,681	24,626	24,757	24,124
Interest Income on Debt Securities and Beneficial Interests ²	1,155	444	238	131
Average Loans	1,145,739	1,138,599	1,149,225	1,163,970
Average Loan Yield (net of impairments)	8.5%	8.9%	8.9%	8.6%
Average Debt Securities and Beneficial Interests	72,535	32,693	16,262	6,543
Average Debt Securities and Beneficial Interests Yield	6.5%	5.5%	6.0%	8.3%
Average Total Asset Yield	8.4%	8.8%	8.9%	8.5%
Total Interest Expense	13,472	12,196	12,031	11,683
Asset Level Interest Expense	11,116	10,037	9,877	9,533
Average Asset Level Debt	958,606	871,443	865,787	881,587
Average Asset Level Debt Cost	4.7%	4.7%	4.6%	4.4%
Asset Level Net Interest Margin	3.7%	4.2%	4.2%	4.2%
Total Average Debt	1,068,658	974,472	968,618	984,224
Total Average Debt Cost	5.1%	5.1%	5.1%	4.8%
Total Net Interest Margin	3.3%	3.7%	3.8%	3.7%
Non-Interest Operating Expenses/Avg Assets	1.6%	1.7%	1.7%	2.1%
ROAA - ex net REO and loan impairments and losses	2.6%	3.3%	2.7%	2.7%
ROAA - Net REO and loan impairments, gains and losses	-0.5%	-0.7%	-0.3%	0.1%
ROAA - Total	2.2%	2.5%	2.4%	2.8%
ROAE - ex net REO and loan impairments and losses	11.1%	12.6%	11.5%	10.1%
ROAE - Net REO and loan Impairments, gains and losses	-1.8%	-2.8%	-1.2%	0.3%
ROAE - Total	9.3%	9.8%	10.3%	10.4%
Average Leverage Ratio - Asset Backed	2.9	2.7	2.8	2.9
Average Leverage Ratio - Convertible Debt	0.3	0.3	0.3	0.3
Average Leverage Ratio - Total	3.2	3.0	3.2	3.2
Ending Leverage Ratio - Asset Backed	3.2	3.0	2.8	2.8
Ending Leverage Ratio - Convertible Debt	0.4	0.3	0.3	0.3
Ending Leverage Ratio - Total	3.6	3.3	3.1	3.1

¹Interest income on loans is net of impairments

²Interest income on debt securities is net of servicing fee

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 securitizations owned by third-party institutional accredited investors



(\$ in thousands)	Reconciliation of GAAP Consolidated to GAAP Consolidated Excluding the Consolidation of 2017 D and 2018- C							
	Q4-18 GAAP Consolidated	Consolidation Impact of 2017 D	Consolidation Impact of 2018 C	Q4-18 Excluding the Consolidation of 2017 D and 2018 C	Q3-18 Excluding the Consolidation of 2017 D and 2018 C	Q2-18 Excluding the Consolidation of 2017 D	Q1-18 Excluding the Consolidation of 2017 D	
Interest Income on Loans ¹	26,146	1,361	1,104	23,681	24,626	24,757	24,124	
Interest Income on Debt Securities and Beneficial Interests ²	1,155	-	-	1,155	444	238	131	
Average Loans	1,303,301	82,663	74,899	1,145,739	1,138,599	1,149,225	1,163,970	
Average Loan Yield (net of impairments)	8.3%	0.1%	0.1%	8.5%	8.9%	8.9%	8.6%	
Average Debt Securities and Beneficial Interests	72,535	-	-	72,535	32,693	16,262	6,543	
Average Debt Securities and Beneficial Interests Yield	6.5%	0.0%	0.0%	6.5%	5.5%	6.0%	8.3%	
Average Total Asset Yield	8.2%	0.1%	0.1%	8.4%	8.8%	8.9%	8.5%	
Total Interest Expense	15,045	727	846	13,472	12,196	12,031	11,683	
Asset Level Interest Expense	12,689	727	846	11,116	10,037	9,877	9,533	
Average Asset Level Debt	1,089,285	71,047	59,632	958,606	871,443	865,787	881,587	
Average Asset Level Debt Cost	4.7%	0.0%	-0.1%	4.7%	4.7%	4.6%	4.4%	
Asset Level Net Interest Margin	3.4%	0.1%	0.2%	3.7%	4.2%	4.2%	4.2%	
Total Average Debt	1,199,337	71,047	59,632	1,068,658	974,472	968,618	984,224	
Total Average Debt Cost	5.1%	0.1%	0.0%	5.1%	5.1%	5.1%	4.8%	
Total Net Interest Margin	3.1%	0.0%	0.2%	3.3%	3.7%	3.8%	3.7%	
Non-Interest Operating Expenses/Avg Assets	1.5%	0.1%	0.0%	1.6%	1.7%	1.7%	2.1%	
ROAA - ex net REO and loan impairments and losses	2.3%	0.1%	0.1%	2.6%	3.3%	2.7%	2.7%	
ROAA - Net REO and loan impairments, gains and losses	-0.4%	0.0%	0.0%	-0.5%	-0.7%	-0.3%	0.1%	
ROAA - Total	1.9%	0.1%	0.1%	2.2%	2.5%	2.4%	2.8%	
ROAE - ex net REO and loan impairments and losses	11.1%	0.0%	0.0%	11.1%	12.6%	11.5%	10.1%	
ROAE - Net REO and loan impairments, gains and losses	-1.8%	0.0%	0.0%	-1.8%	-2.8%	-1.2%	0.3%	
ROAE - Total	9.3%	0.0%	0.0%	9.3%	9.8%	10.3%	10.4%	
Average Leverage Ratio - Asset Backed	3.3	(0.2)	(0.2)	2.9	2.7	2.8	2.9	
Average Leverage Ratio - Convertible Debt	0.3	-	-	0.3	0.3	0.3	0.3	
Average Leverage Ratio - Total	3.6	(0.2)	(0.2)	3.2	3.0	3.2	3.2	
Ending Leverage Ratio - Asset Backed	3.4	(0.1)	(0.1)	3.2	3.0	2.8	2.8	
Ending Leverage Ratio - Convertible Debt	0.4	0.0	0.0	0.4	0.3	0.3	0.3	
Ending Leverage Ratio - Total	3.8	(0.1)	(0.1)	3.6	3.3	3.1	3.1	

¹Interest income on loans is net of impairments

²Interest income on debt securities is net of servicing fee

Consolidated Statements of Income



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

	Three months ended			
	December 31, 2018 (unaudited)	September 30, 2018 (unaudited)	June 30, 2018 (unaudited)	March 31, 2018 (unaudited)
<u>INCOME:</u>				
Interest income	\$ 28,484	\$ 27,416	\$ 26,690	\$ 25,591
Interest expense	(15,045)	(12,997)	(12,799)	(12,494)
Net interest income	13,439	14,419	13,891	13,097
Provision for loan losses	(799)	(365)	-	-
Net interest income after provision for loan losses	12,640	14,054	13,891	13,097
Income from equity method investments	134	239	197	192
Other income	1,120	457	689	1,454
Total income	13,894	14,750	14,777	14,743
<u>EXPENSE:</u>				
Related party expense - loan servicing fees	2,550	2,457	2,672	2,469
Related party expense - management fee	1,597	1,456	1,440	1,532
Loan transaction expense	24	(25)	35	355
Professional fees	582	482	506	609
Real estate operating expense	858	1,001	944	449
Other expense	1,014	964	965	991
Total expense	6,625	6,335	6,562	6,405
Loss on debt extinguishment	-	836	—	—
Income before provision for income tax	7,269	7,579	8,215	8,338
Provision for income tax	(38)	84	2	16
Consolidated net income	7,307	7,495	8,213	8,322
Less: consolidated net income attributable to non-controlling interests	711	937	692	657
Consolidated net income attributable to common stockholders	\$ 6,596	\$ 6,558	\$ 7,521	\$ 7,665
Basic earnings per common share	\$ 0.35	\$ 0.35	\$ 0.40	\$ 0.41
Diluted earnings per common share	\$ 0.34	\$ 0.34	\$ 0.37	\$ 0.38
Weighted average shares – basic	18,771,423	18,691,393	18,595,769	18,508,089
Weighted average shares – diluted	27,163,859	26,592,806	26,476,817	26,395,158

Consolidated Balance Sheets

(Dollars in thousands except per share amounts)

<u>ASSETS</u>	<u>December 31, 2018</u>	<u>December 31, 2017</u>
	<u>(Unaudited)</u>	
Cash and cash equivalents	\$ 55,146	\$ 53,721
Cash held in trust	24	27,041
Mortgage loans, net ^(1,4)	1,310,873	1,253,541
Property held-for-sale, net ⁽²⁾	19,402	24,947
Rental property, net	17,635	1,284
Investments at fair value	146,811	6,285
Investments in beneficial interests	22,086	-
Receivable from servicer	14,587	17,005
Investment in affiliates	8,653	7,020
Prepaid expenses and other assets	7,654	4,894
Total assets	<u>\$ 1,602,871</u>	<u>\$ 1,395,738</u>
 <u>LIABILITIES AND EQUITY</u>		
<i>Liabilities:</i>		
Secured borrowings, net ^(1,3,4)	\$ 610,199	\$ 694,040
Borrowings under repurchase transactions	534,089	276,385
Convertible senior notes, net ⁽³⁾	117,525	102,571
Management fee payable	881	750
Accrued expenses and other liabilities	5,898	4,554
Total liabilities	<u>1,268,592</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, 18,909,874 shares at December 31, 2018 and 18,588,228 shares at December 31, 2017 issued and outstanding	189	186
Additional paid-in capital	260,427	254,847
Treasury stock	(270)	—
Retained earnings	41,063	35,556
Accumulated other comprehensive loss	(575)	(233)
Equity attributable to stockholders	<u>300,834</u>	<u>290,356</u>
Non-controlling interests ⁽⁵⁾	33,445	27,082
Total equity	<u>334,279</u>	<u>317,438</u>
Total liabilities and equity	<u>\$ 1,602,871</u>	<u>\$ 1,395,738</u>

(1) Mortgage loans, net include \$900.2 million and \$996.2 million of loans at December 31, 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.). Mortgage loans, net include \$1.2 million and \$0 of allowance for loan losses at December 31, 2018 and December 31, 2017, respectively.

(2) Property held-for-sale, net, includes valuation allowances of \$1.8 million and \$1.8 million at December 31, 2018 and December 31, 2017, respectively.

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

(4) As of December 31, 2018, balances for Mortgage loans, net includes \$377.0 million and Secured borrowings, net of deferred costs includes \$231.9 million from the 50.0% and 63.0% owned joint ventures. As of December 31, 2017, balances for Mortgage loans, net includes \$177.1 million and Secured borrowings, net of deferred costs includes \$88.4 million from the 50.0% owned joint venture, all of which we consolidate under U.S. GAAP.

(5) Non-controlling interests includes \$20.4 million at December 31, 2018, from the 50.0% and 63.0% owned joint ventures. Non-controlling interests includes \$14.0 million at December 31, 2017, from a 50% owned joint venture, all of which we consolidate under U.S. GAAP.