



Third Quarter 2017 Investor Presentation



November 7, 2017

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 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 REIT 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 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, 2016, which can be accessed through the link to our 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 September 30, 2017.

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 214 transactions since inception. 8 transactions in Q3 2017
 - ❖ 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 acquisitions contain 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
 - Asset level leverage of 2.55x and corporate leverage of 2.90x
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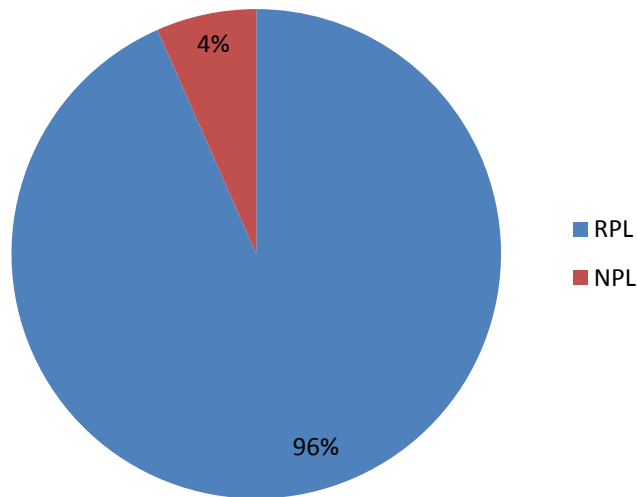
Highlights – Quarter Ended September 30, 2017

- ❖ Purchased \$26.6 million of re-performing mortgage loans (“RPL”) with an aggregate unpaid principal balance (“UPB”) of \$32.7 million and underlying collateral value of \$40.7 million; and originated \$3.0 million of small-balance commercial mortgage loans (“SBC”) to end the quarter with \$1,053.3 million of mortgage loans with an aggregate UPB of \$1,257.2 million.
- ❖ Issued \$20.5 million of convertible senior notes when we re-opened the series of convertible notes from our April offering.
- ❖ Portfolio interest income of \$24.5 million; net interest income of \$13.8 million.
- ❖ Net income attributable to common stockholders of \$7.5 million.
- ❖ Basic earnings per share (“EPS”) of \$0.41.
- ❖ Taxable income of \$0.12 per share.
- ❖ Book value per share of \$15.60 at September 30, 2017.
- ❖ \$43.1 million of cash and cash equivalents at September 30, 2017.
- ❖ Through a joint venture with an institutional investor, acquired a pool of 436 mortgage loans for \$101.2 million. The purchase price equaled 92.7% of UPB and 59.4% of the underlying property value of \$170.4 million. The loans were acquired into a Delaware trust, of which the Company has retained a 5.01% interest.

Portfolio Overview – as of September 30, 2017



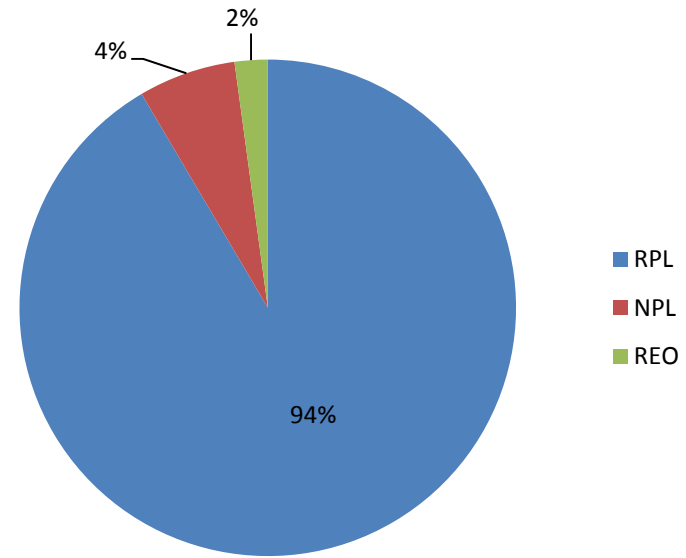
Unpaid Principal Balance



\$1,257 MM

RPL: \$1,201 MM
NPL: \$56 MM

Property Value¹



\$1,663 MM

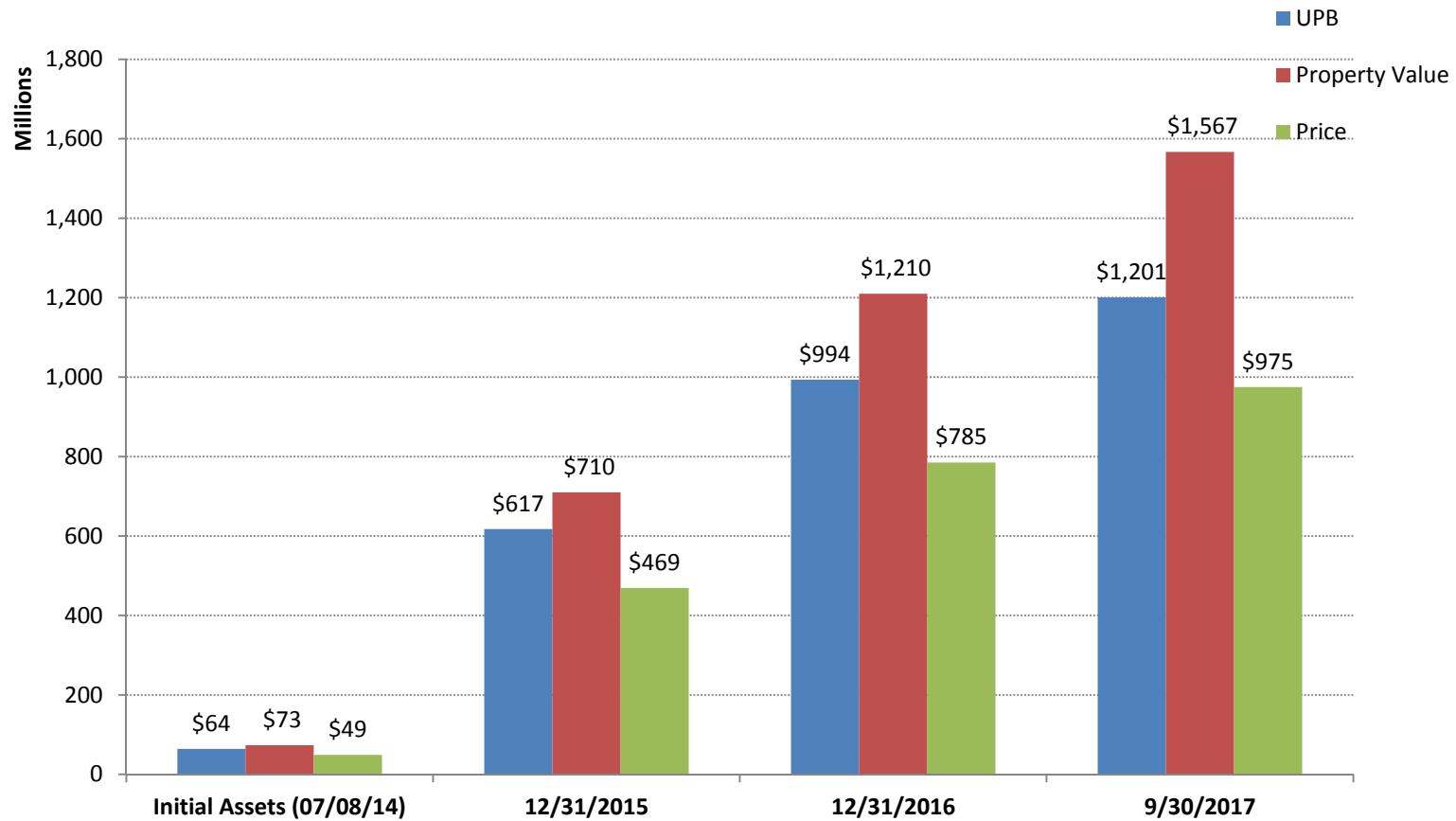
RPL: \$1,567 MM
NPL: \$64 MM
REO & Rental: \$33 MM

¹REO and Rental Property value is presented at estimated property fair value less expected liquidation costs

Portfolio Growth

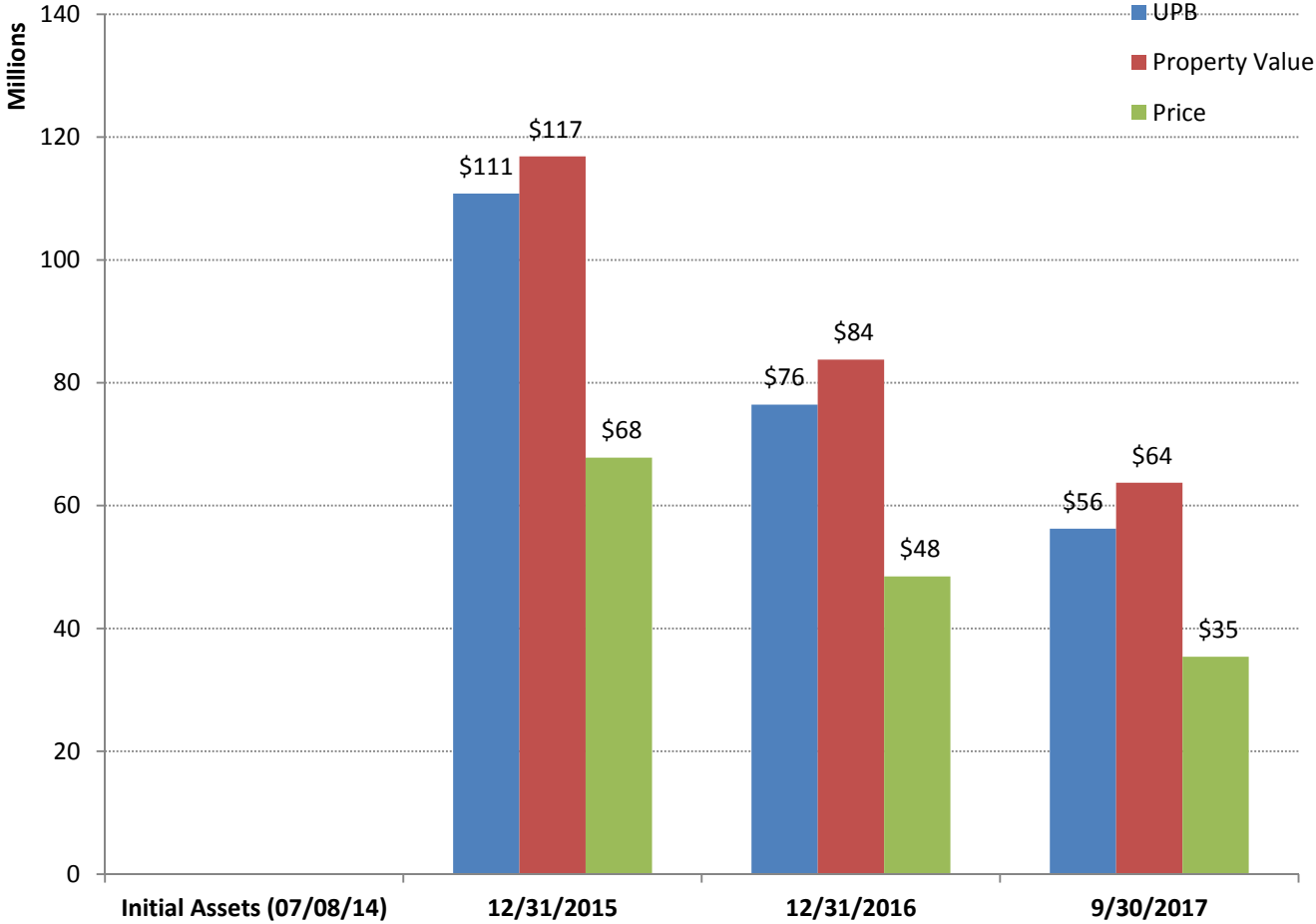


Re-performing Loans



Re-performing loan UPB as of 9/30/2017 includes \$9.7million of small-balance commercial originations ,which are performing loans
 Re-performing loan status stays constant based on purchase status

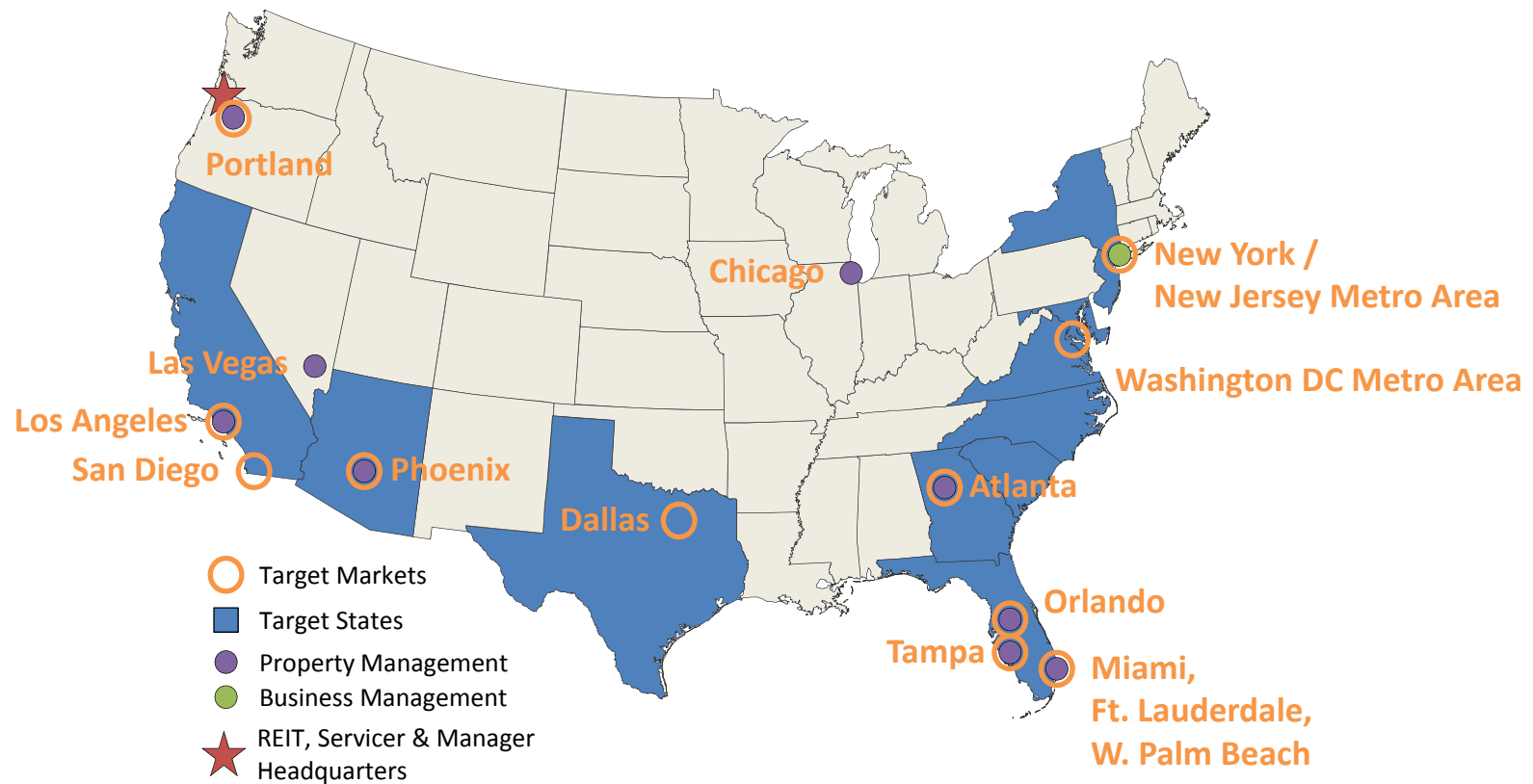
Non-performing Loans



Non-performing loan status stays constant based on 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 Q3 2017 Acquisitions (Dollars in thousands)				
	Acquisition		Current Based on	
	Count	UPB	Count	UPB
Liquidated	-	-	839	\$168,619
24 for 24	318	\$58,923	1,525	\$349,233
12 for 12	142	\$31,221	1,126	\$248,700
7 for 7	2,895	\$644,445	1,179	\$255,667
4f4-6f6	1,287	\$280,504	531	\$107,937
Less than 4f4	1,540	\$320,543	811	\$166,628
NPL	496	\$122,195	530	\$123,647
REO	-	-	162	\$42,072
Purchased REO	34	\$8,074	9	\$3,404
	6,712	\$1,465,906	6,712	\$1,465,906

- ❖ \$597.9 million of purchased UPB is 12 for 12 or better based on the payment history of the loans post service transfer to Gregory Funding LLC, our affiliated servicer
- ❖ For loans acquired at 7 for 7 or less, current status excludes borrower payment history prior to the date the loan was serviced by Gregory Funding LLC to the extent the prior history would result in the borrower having an acquisition status of better than 7 for 7. Including prior servicer history for these loans would result in a considerably higher number of loans that are 12 for 12 or better

- ❖ 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

Financial Metrics



Great Ajax (AJX) (\$ in thousands)	Q3-17	Q2-17	Q1-17	Q4-16	Q3-16
Interest Income on Loans	24,398	21,683	20,557	19,655	18,707
Average Loans	1,055,477	950,529	860,957	811,166	717,476
Average Loan Yield	9.6%	9.4%	9.9%	10.1%	10.8%
Interest Expense	10,775	9,293	7,651	7,583	6,941
Average Debt	883,770	775,717	669,938	615,103	537,279
Average Debt Cost	5.0%	4.9%	4.6%	5.0%	5.3%
Net Interest Margin	4.6%	4.6%	5.3%	5.0%	5.6%
Non-Interest Operating Expenses	5,312	5,099	4,645	4,134	3,558
Non-Interest Operating Expenses/Avg Assets	0.5%	0.5%	0.5%	0.5%	0.4%
ROAA - ex net REO impairments and losses	3.1%	2.9%	3.8%	3.6%	4.3%
ROAA - REO Impairments and losses	-0.4%	-0.2%	-0.1%	-0.7%	-0.4%
ROAA - Total	2.7%	2.7%	3.7%	2.8%	3.9%
ROAE - ex net REO impairments and losses	12.7%	10.9%	13.1%	11.6%	13.1%
ROAE - REO Impairments and losses	-1.6%	-0.7%	-0.3%	-2.3%	-1.2%
ROAE - Total	11.1%	10.3%	12.8%	9.3%	11.9%
Average Leverage Ratio - Asset Backed	2.7	2.5	2.4	2.2	1.9
Average Leverage Ratio - Convertible Debt	0.3	0.2	-	-	-
Average Leverage Ratio - Total	3.0	2.7	2.4	2.2	1.9
Ending Leverage Ratio - Asset Backed	2.6	2.6	2.3	2.4	1.9
Ending Leverage Ratio - Convertible Debt	0.3	0.3	-	-	-
Ending Leverage Ratio - Total	2.9	2.9	2.3	2.4	1.9

¹ Non-Interest Operating Expenses exclude REO Impairment

Subsequent Events

❖ October Acquisitions

❖ RPL

- ❖ UPB: \$41.4 MM
- ❖ Collateral Value: \$58.4MM
- ❖ Price/UPB: 89.8%
- ❖ Price/Collateral Value: 63.6%
- ❖ 194 loans in 3 transactions

❖ SBC

- ❖ UPB: \$2.0 MM
- ❖ Collateral Value: \$2.9 MM
- ❖ Price/UPB: 87.2%
- ❖ Price/Collateral Value: 60.2%
- ❖ 2 loans

❖ Pending Acquisitions¹

❖ RPL

- ❖ UPB: \$8.9MM
- ❖ Collateral Value: \$14.0 MM
- ❖ Price/UPB: 82.1%
- ❖ Price/Collateral Value: 52.3%
- ❖ 35 loans in 5 transactions

❖ SBC

- ❖ UPB: \$1.1MM
- ❖ Collateral Value: \$2.2 MM
- ❖ Price/UPB: 97.6%
- ❖ Price/Collateral Value: 49.3%
- ❖ 3 loans in 1 transaction

- ❖ With an institutional partner we have jointly agreed to purchase, subject to completion of diligence, two RPL pools from two different sellers. The combined acquisitions include 855 RPLs with aggregate UPB of \$160.2 million and a purchase price of \$145.9 million. The purchase price equals 91.1% of UPB and 59.0% of the estimated market value of the underlying collateral of \$247.4 million. Upon completion of this transaction we expect to retain a 50% ownership interest in these loans. We have not entered into a definitive agreement with respect to these loans, and there is no assurance that we will enter into a definitive agreement relating to these loans or, if such an agreement is executed, that we will actually close the acquisition.

- ❖ A dividend of \$0.30 per share will be payable on Dec 1, 2017 to stockholders of record as of Nov 17, 2017

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

Consolidated Statements of Income

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

	Three months ended		Nine months ended	
	September 30, 2017	September 30, 2016	September 30, 2017	September 30, 2016
<u>INCOME:</u>				
Loan interest income	\$ 24,529	\$ 18,707	\$ 67,057	\$ 50,965
Interest expense	(10,775)	(6,941)	(27,719)	(17,990)
Net interest income	13,754	11,766	39,338	32,975
Income from investment in Manager	143	68	334	158
Other income (loss)	329	272	1,326	1,272
Total income	14,226	12,106	40,998	34,405
<u>EXPENSE:</u>				
Related party expense - loan servicing fees	2,187	1,545	6,003	4,331
Related party expense - management fee	1,428	1,049	3,830	2,892
Loan transaction expense	290	100	1,257	887
Professional fees	497	315	1,484	1,137
Real estate operating expenses	1,151	643	2,112	1,118
Other expense	910	549	2,482	1,289
Total expense	6,463	4,201	17,168	11,654
(Gain) / Loss on debt extinguishment	-	-	218	-
Income before provision for income tax	7,763	7,905	23,612	22,751
Provision for income tax	47	18	96	41
Consolidated net income	7,716	7,887	23,516	22,710
Less: consolidated net income attributable to the noncontrolling interest	246	264	773	832
Consolidated net income attributable to common stockholders	\$ 7,470	\$ 7,623	\$ 22,743	\$ 21,878
Basic earnings per common share	\$ 0.41	\$ 0.42	\$ 1.25	\$ 1.34
Diluted earnings per common share	\$ 0.38	\$ 0.42	\$ 1.19	\$ 1.34
Weighted average shares - basic	18,072,045	17,937,079	18,019,434	16,334,713
Weighted average shares - diluted	25,246,764	18,664,586	22,380,788	17,010,364

Consolidated Balance Sheets



(Dollars in thousands except per share amounts)

ASSETS	(unaudited)	
	September 30, 2017	December 31, 2016
Cash and cash equivalents	\$ 43,086	\$ 35,723
Cash held in trust	1,075	1,185
Mortgage loans, net (1)	1,053,285	869,091
Property held-for-sale	27,342	23,882
Rental property, net	1,921	1,289
Investment in securities	6,306	6,323
Receivable from servicer	12,930	12,481
Investment in affiliate	7,079	4,253
Prepaid expenses and other assets	4,389	3,175
Total Assets	<u>\$ 1,157,413</u>	<u>\$ 957,402</u>
LIABILITIES AND EQUITY		
<i>Liabilities:</i>		
Secured borrowings (1)	\$ 496,342	\$ 442,670
Borrowings under repurchase agreement	258,402	227,440
Convertible senior notes, net	102,383	-
Management fee payable	750	750
Accrued expenses and other liabilities	4,027	3,819
Total liabilities	<u>861,904</u>	<u>674,679</u>
Commitments and contingencies (See Note 7)		
<i>Equity:</i>		
Preferred stock \$.01 par value; 25,000,000 shares authorized, none issued or outstanding	-	-
Common stock \$.01 par value; 125,000,000 shares authorized, 18,251,975 shares at September 30, 2017 and 18,122,387 shares at December 31, 2016 issued and outstanding	183	181
Additional paid-in capital	249,936	244,880
Retained earnings	34,875	27,231
Accumulated other comprehensive loss	(170)	-
Equity attributable to common stockholders	<u>284,824</u>	<u>272,292</u>
Noncontrolling interests	10,685	10,431
Total equity	<u>295,509</u>	<u>282,723</u>
Total Liabilities and Equity	<u>\$ 1,157,413</u>	<u>\$ 957,402</u>

- (1) Mortgage loans includes \$685,900 and \$598,643 of loans at September 30, 2017 and December 31, 2016, 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 \$2,026 and \$1,620 at September 30, 2017, and December 31, 2016, respectively.
- (3) Secured borrowings and Convertible senior notes are presented net of deferred issuance costs