



Fourth Quarter and Year-End 2020 Investor Presentation



March 4, 2021

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 included in this presentation are based on our current beliefs, assumptions and expectations of our future performance. Forward-looking statements are not predictions of future events. Our beliefs, assumptions and expectations can change as a result of many possible events or factors, not all of which are currently known to us or reasonably expected to occur at this time. If a change in our beliefs, assumptions or expectations occurs, our business, financial condition, liquidity and results of operations may vary materially from the forward-looking statements included in this presentation. Forward-looking statements are subject to risks and uncertainties, including, among other things, those resulting from the pandemic caused by the global novel coronavirus outbreak and those described under Item 1A of our Annual Report on Form 10-K for the year ended December 31, 2020, which can be accessed through the link to our Securities and Exchange Commission (“SEC”) filings on our website (www.greatajax.com) or at the SEC’s website (www.sec.gov). Other risks, uncertainties and factors that could cause actual results to differ materially from the forward-looking statements included in this presentation may be described from time to time in reports we file with the SEC. 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, 2020.

Business Overview

- ❖ Leverage longstanding relationships to acquire mortgage loans through privately negotiated transactions from a diverse group of customers and in joint venture investments with institutional investors
 - Acquisitions made in 326 transactions since inception. Twelve transactions closed in Q4 2020
 - ❖ Use our manager's proprietary analytics to price each mortgage pool on an asset-by-asset basis
 - We own 19.8% of our manager
 - Adjust individual loan bid price to accumulate clusters of loans in attractive demographic metropolitan areas
 - ❖ Our affiliated servicer services the loans asset-by-asset and borrower-by-borrower
 - We own 8% and hold warrants to purchase up to an additional 12% of our affiliated servicer
 - Analytics and processes of our manager and servicer enable us to broaden our reach through joint ventures with third-party institutional investors
 - ❖ We use modest mark to market leverage to fund our investments in debt securities and primarily non mark to market leverage to fund our mortgage portfolio
 - ❖ We own a 23% equity interest in Gaea Real Estate Corp., an equity REIT that invests in multifamily and mixed use properties with a focus on property appreciation and triple net lease pet clinics
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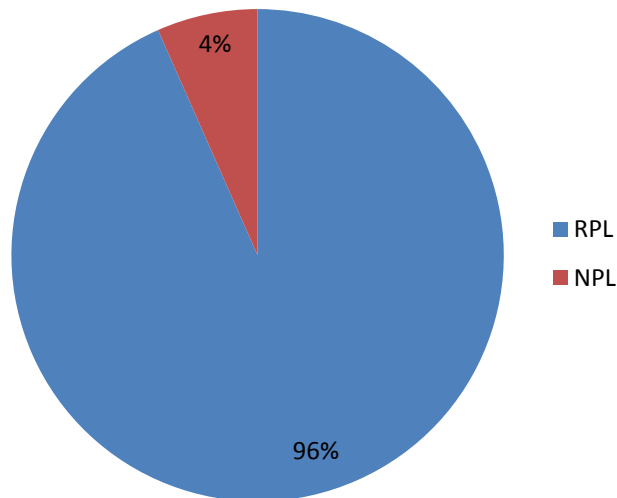
Highlights – Quarter Ended December 31, 2020

- ❖ Purchased \$12.7 million re-performing mortgage loans ("RPLs"), with unpaid principal balance ("UPB") of \$13.5 million and 52.3% of property value, \$13.4 million of non-performing mortgage loans ("NPLs"), with UPB of \$15.3 million and 50.0% of property value, and \$18.0 million small-balance commercial loans ("SBCs") with UPB of \$18.4 million and 53.5% of property value, to end the quarter with \$1.1 billion in net mortgage loans
 - ❖ Interest income of \$25.1 million; net interest income of \$14.3 million excluding the impact of a net \$7.6 million reversal of our provision for credit losses
 - ❖ Net income attributable to common stockholders of \$10.8 million
 - ❖ Basic earnings per common share of \$0.47
 - ❖ Book value per common share of \$15.59 at December 31, 2020
 - ❖ Taxable income of \$0.47 per common share
 - ❖ Collected total cash of \$63.7 million from loan payments, sales of real estate owned ("REO") and investments in debt securities and beneficial interests
 - ❖ Held \$107.1 million of cash and cash equivalents at December 31, 2020; average daily cash balance for the quarter was \$128.7 million
 - ❖ At December 31, 2020, approximately 71.9% of portfolio based on current UPB made at least 12 out of the last 12 payments
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Portfolio Overview – as of December 31, 2020



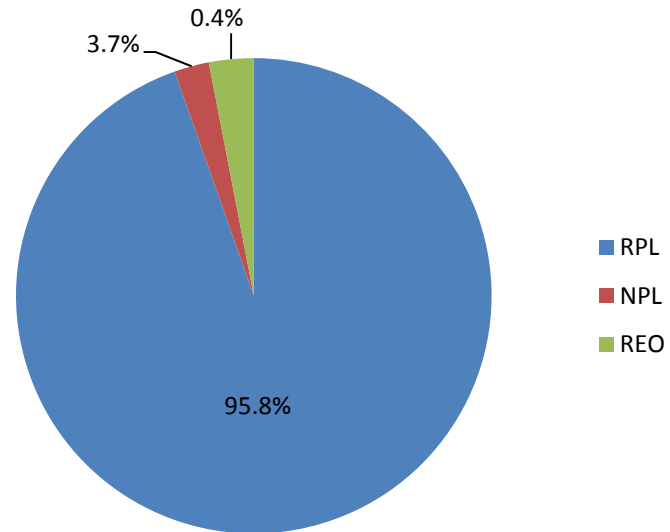
Unpaid Principal Balance¹



\$1,204.8 MM

RPL: \$1,158.1 MM
NPL: \$ 46.7 MM

Property Value



\$1,976.2 MM

RPL: \$1,894.1 MM
NPL: \$ 73.3 MM
REO & Rental²: \$ 8.8 MM

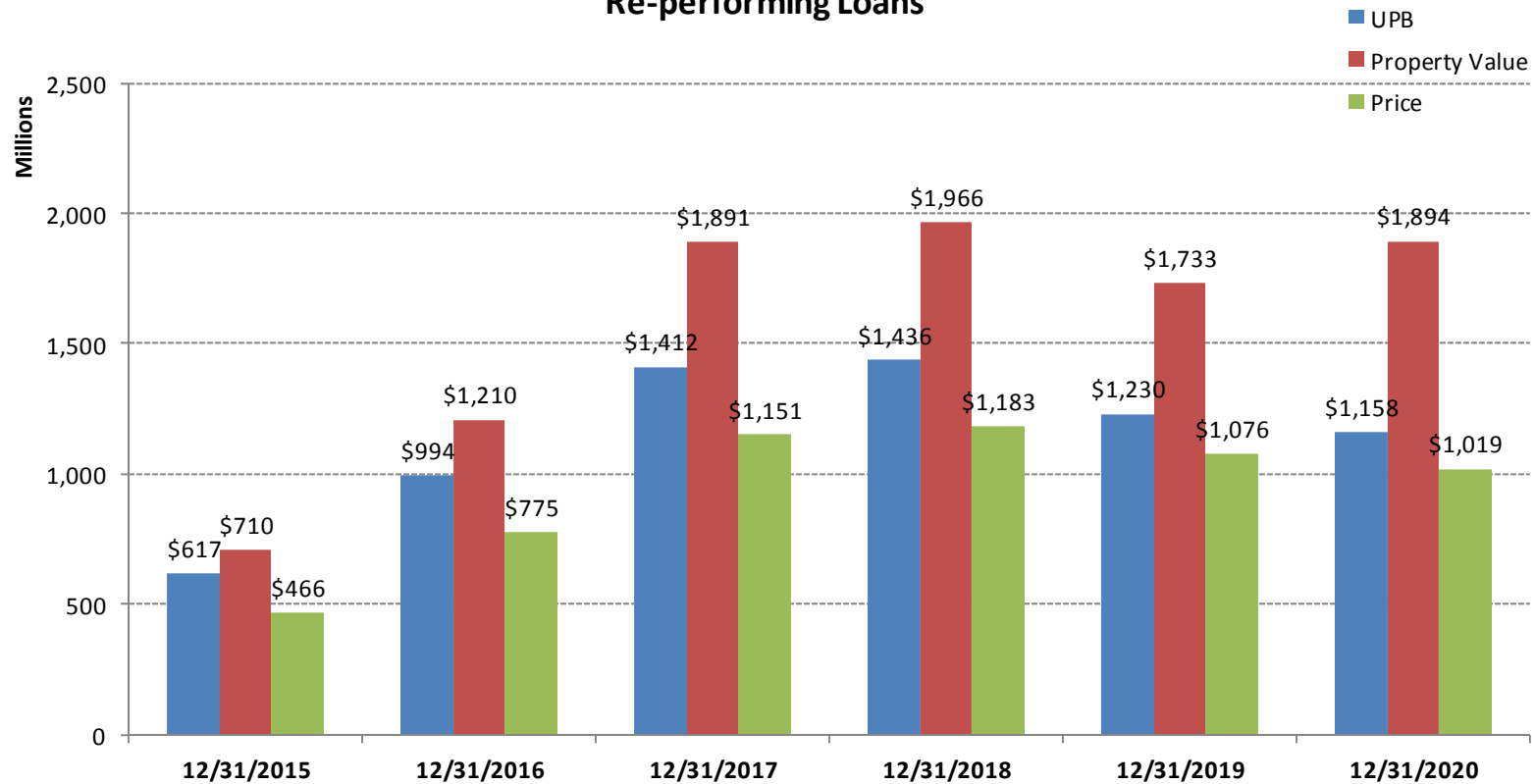
¹ Includes \$326.3 million UPB in joint ventures with third-party institutional investors that are required to be consolidated for GAAP

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

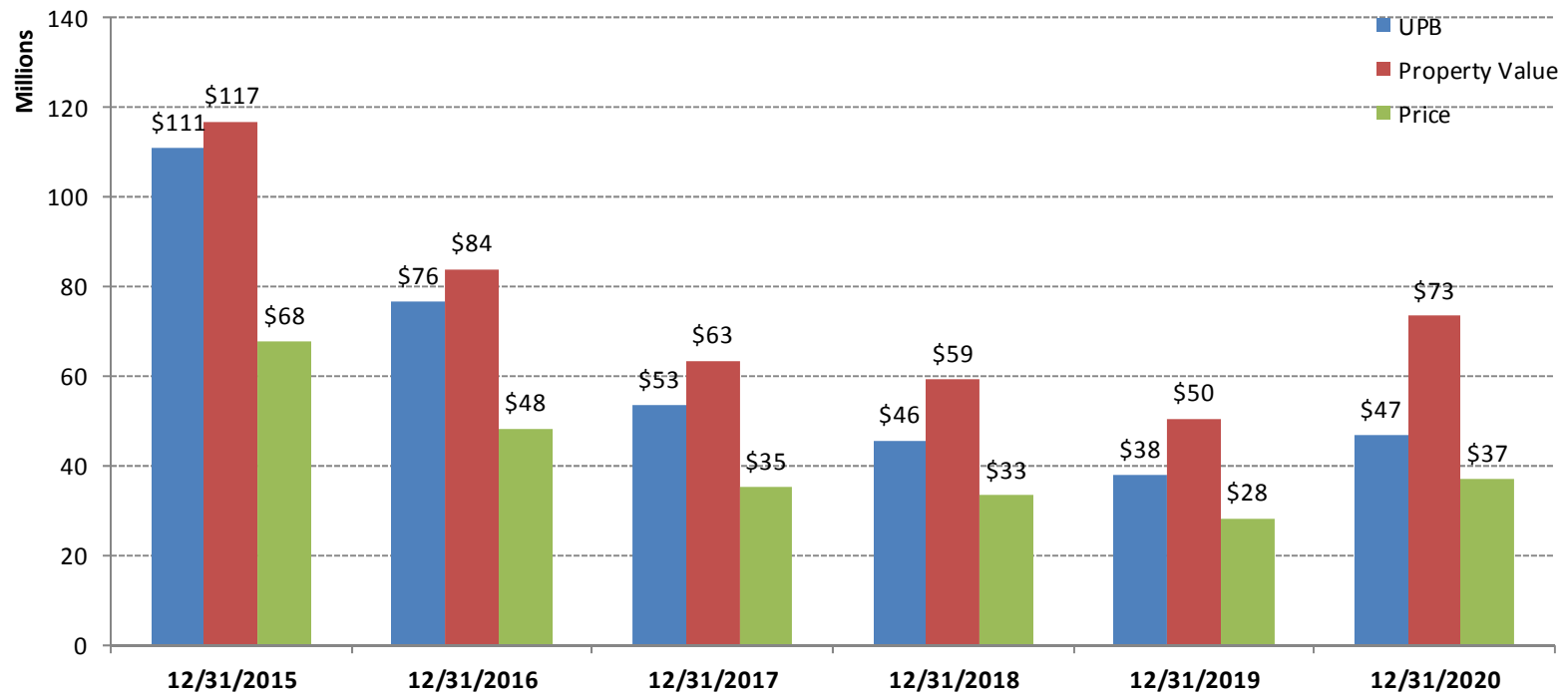


- ❖ RPL UPB includes \$30.1 million of SBC loans, which are performing loans. Includes \$321.7 million UPB in RPLs included in joint ventures with third-party institutional investors that are required to be consolidated for GAAP
- ❖ RPL status stays constant based on initial purchase status

Portfolio Growth



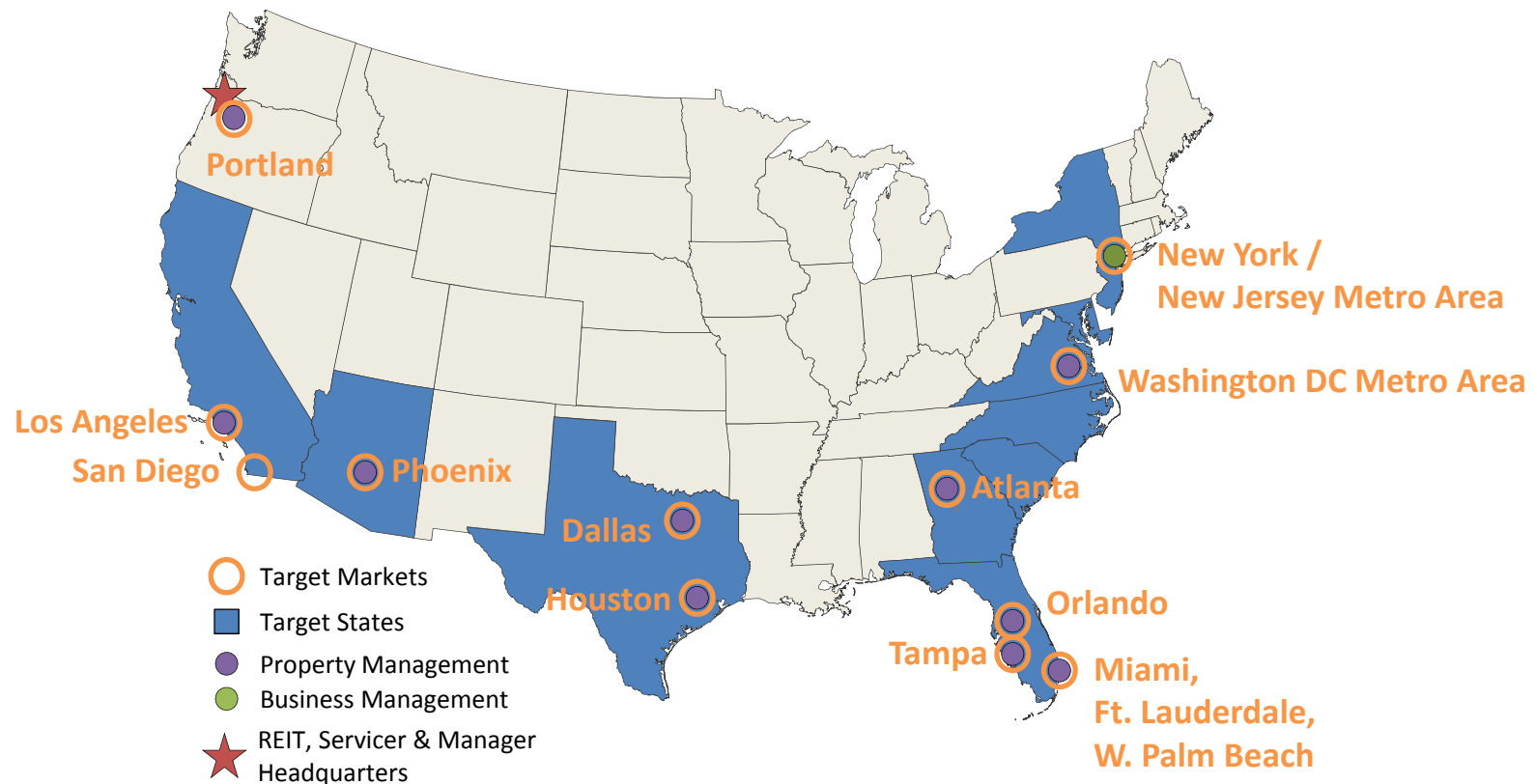
Non-performing Loans



- ❖ NPL status stays constant based on initial purchase status
- ❖ Includes \$4.6million UPB in NPLs included in joint ventures with third-party institutional investors that are required to be consolidated for GAAP

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 4Q2020 Acquisitions (\$ in thousands)					
	Acquisition		Current Based on		
	Count	UPB	Count	UPB	
Liquidated	-	\$ -	2,844	\$	621,179
Sold	-	-	980		228,834
24for24	830	150,460	3,906		816,326
12for12	582	122,795	405		85,714
7for7	3,389	750,965	150		33,259
4f4-6f6	1,775	391,431	214		49,311
Less than 4f4	2,521	536,310	474		97,002
REO	34	8,074	38		11,798
NPL	623	144,120	743		160,732
	9,754	\$ 2,104,155	9,754	\$	2,104,155

- ❖ 24 for 24: Loans that have made at least 24 of the last 24 payments, or for which the full dollar amount to cover at least 24 payments has been made in the last 24 months
- ❖ 12 for 12: Loans that have made at least 12 of the last 12 payments, or for which the full dollar amount to cover at least 12 payments has been made in the last 12 months
- ❖ 7 for 7: Loans that have made at least 7 of the last 7 payments, or for which the full dollar amount to cover at least 7 payments has been made in the last 7 months
- ❖ NPL: <1 full payment in the last three months

Subsequent Events

❖ Acquisitions Closed since 12/31/2020

- ❖ RPL
 - ❖ UPB: \$190.8K
 - ❖ Collateral Value: \$255.1K
 - ❖ Price/UPB: 89.7%
 - ❖ Price/Collateral Value: 67.1%
 - ❖ 2 loans in 2 transactions

- ❖ SBC
 - ❖ UPB: \$3.6MM
 - ❖ Collateral Value: \$9.9MM
 - ❖ Price/UPB: 100.0%
 - ❖ Price/Collateral Value: 36.4%
 - ❖ 1 loans in 1 transaction

❖ Acquisitions Under Contract¹

- ❖ RPL
 - ❖ UPB: \$53.8MM
 - ❖ Collateral Value: \$81.4MM
 - ❖ Price/UPB: 86.1%
 - ❖ Price/Collateral Value: 56.9%
 - ❖ 322 loans in 6 transactions

- ❖ NPL
 - ❖ UPB: \$766.8K
 - ❖ Collateral Value: \$1,069.5K
 - ❖ Price/UPB: 84.8%
 - ❖ Price/Collateral Value: 60.8%
 - ❖ 4 loans in 2 transactions

- ❖ **On January 5, 2021, we repurchased an aggregate principal amount of \$2.5 million of our convertible notes for a total purchase price of \$2.4 million**

- ❖ **On January 29, 2021, we closed Ajax Mortgage Loan Trust 2021-A with \$146.2 million of AAA rated senior securities, \$21.1 million of A rated securities and \$7.8 million of BBB rated securities issued with respect to \$206.5 million of mortgage loans. The AAA, A, and BBB rated securities were issued at a weighted average yield of 1.318% and represent 84.8% of the UPB of the underlying mortgage loans.**

- ❖ **On February 12, 2021, we closed Ajax Mortgage Loan Trust 2021-B with \$215.9 million of senior securities and \$20.2 million of subordinated securities issued with respect to \$287.9 million of mortgage loans. The senior securities were issued at 2.25% yield and represent 75.0% of UPB of the underlying mortgage loans.**

- ❖ **A dividend of \$0.17 per share, to be paid on March 31, 2021 to common stockholders of record as of March 18, 2021**

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 securitizations owned by third-party institutional investors*



<i>(\$ in thousands)</i>	Excluding the consolidation of 2017 D and 2018 C			
	Q4-20	Q3-20	Q2-20	Q1-20
Interest Income on Loans ¹	\$ 16,049	\$ 16,115	\$ 16,178	\$ 18,696
Benefit/(impairment) on Loans	\$ 5,403	\$ 1,975	\$ 1,847	\$ (1,455)
Interest Income on Debt Securities and Beneficial Interests ^{1,2}	\$ 6,245	\$ 5,093	\$ 4,769	\$ 4,837
Benefit/(impairment) on Beneficial Interests	\$ 1,523	\$ 1,443	\$ 3,062	\$ (2,818)
Average Loans	\$ 962,572	\$ 965,823	\$ 953,847	\$ 992,907
Average Loan Yield - ex net of loan benefit/impairments	6.8%	6.8%	7.0%	7.7%
Average Loan Yield - Net of loan benefit/impairments	2.3%	0.8%	0.8%	-0.6%
Average Loan Yield - Total	9.1%	7.7%	7.7%	7.2%
Average Debt Securities and Beneficial Interests	\$ 367,389	\$ 331,009	\$ 333,359	\$ 298,304
Average Debt Securities and Beneficial Interests Yield - ex net of credit benefit/loss	7.0%	6.3%	5.8%	6.6%
Average Debt Securities and Beneficial Interests Yield - Net of credit benefit/loss	1.7%	1.8%	3.7%	-3.7%
Average Debt Securities and Beneficial Interests Yield - Total	8.6%	8.1%	9.6%	2.9%
Average Total Asset Yield³	9.1%	7.8%	8.3%	6.1%
Total Interest Expense	\$ 9,626	\$ 10,483	\$ 11,773	\$ 11,732
Average Securitization Debt Cost	3.4%	3.7%	3.9%	4.0%
Average Repo Debt Cost	2.6%	3.0%	4.1%	3.8%
Asset Level Net Interest Margin ³	5.9%	4.3%	4.2%	2.2%
Total Average Debt	\$ 1,135,546	\$ 1,047,925	\$ 1,047,254	\$ 1,073,111
Average Asset Yield	6.9%	6.7%	6.7%	7.5%
Total Average Debt Cost	3.4%	4.1%	4.6%	4.4%
Net Interest Margin Before Provision for Benefit/Losses	3.4%	2.6%	2.1%	3.0%
Provision for Benefit/Losses	2.1%	1.1%	1.5%	-1.3%
Total Net Interest Margin	5.5%	3.7%	3.6%	1.7%
Non-Interest Operating Expenses/Avg Assets	2.0%	1.9%	1.9%	1.5%
ROAA - ex net REO and loan benefit/impairments and credit losses	1.8%	1.4%	1.2%	2.1%
ROAA - Net REO and loan benefit/impairments, gains and credit losses	2.0%	1.0%	1.2%	-1.7%
ROAA - Total	3.8%	2.4%	2.4%	0.5%
ROAE - ex net REO and loan benefit/impairments and credit losses	5.6%	4.2%	3.7%	8.7%
ROAE - Net REO and loan benefit/impairments, gains and credit losses	6.0%	3.0%	3.9%	-6.6%
ROAE - Total	11.5%	7.2%	7.6%	2.1%
Average Leverage Ratio - Asset Backed	2.0	1.9	2.0	2.7
Average Leverage Ratio - Convertible Debt	0.2	0.2	0.2	0.3
Average Leverage Ratio - Total	2.2	2.1	2.2	3.0
Ending Leverage Ratio - Asset Backed ⁴	1.9	2.0	1.9	2.9
Ending Leverage Ratio - Convertible Debt	0.2	0.2	0.2	0.3
Ending Leverage Ratio - Total ⁵	2.1	2.2	2.2	3.2

¹Includes the impact of the credit loss expense

²Interest income on debt securities is net of servicing fee

³Includes the impact of the reversal of/(increase in) provision for credit losses on mortgage loans and beneficial interests

⁴Excludes the impact of consolidating trusts and convertible debt

⁵Excludes the impact of consolidating trusts

*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 investors



Reconciliation of GAAP Consolidated to GAAP Consolidated Excluding the Consolidation of 2017 D and 2018 C								
<i>(\$ in thousands)</i>	Q4-20 GAAP Consolidated	Consolidation Impact of 2017 D	Consolidation Impact of 2018 C	Q4-20 Excluding the Consolidation of 2017 D and 2018 C	Q3-20 Excluding the Consolidation of 2017 D and 2018 C	Q2-20 Excluding the Consolidation of 2017 D and 2018 C	Q1-20 Excluding the Consolidation of 2017 D and 2018 C	
Interest Income on Loans ¹	\$ 18,108	\$ 1,056	\$ 1,003	\$ 16,049	\$ 16,115	\$ 16,178	\$ 18,696	
Benefit/(impairment) on Loans	\$ 6,443	\$ 396	\$ 644	\$ 5,403	\$ 1,975	\$ 1,847	\$ (1,455)	
Interest Income on Debt Securities and Beneficial Interests ^{1,2}	\$ 6,245	\$ -	\$ -	\$ 6,245	\$ 5,093	\$ 4,769	\$ 4,837	
Benefit/(impairment) on Beneficial Interests	\$ 1,523	\$ -	\$ -	\$ 1,523	\$ 1,443	\$ 3,062	\$ (2,818)	
Average Loans	\$ 1,093,706	\$ 67,303	\$ 63,831	\$ 962,572	\$ 965,823	\$ 953,847	\$ 992,907	
Average Loan Yield - ex net of loan benefit/impairments	6.8%	0.0%	0.0%	6.8%	6.8%	7.0%	7.7%	
Average Loan Yield - Net of loan benefit/impairments	2.4%	0.0%	-0.1%	2.3%	0.8%	0.8%	-0.6%	
Average Loan Yield - Total	9.2%	0.0%	-0.1%	9.1%	7.7%	7.7%	7.2%	
Average Debt Securities and Beneficial Interests	\$ 367,389	\$ -	\$ -	\$ 367,389	\$ 331,009	\$ 333,359	\$ 298,304	
Average Debt Securities and Beneficial Interests Yield - ex net of credit benefit/loss	7.0%	0.0%	0.0%	7.0%	6.3%	5.8%	6.6%	
Average Debt Securities and Beneficial Interests Yield - Net of credit benefit/loss	1.7%	0.0%	0.0%	1.7%	1.8%	3.7%	-3.7%	
Average Debt Securities and Beneficial Interests Yield - Total	8.6%	0.0%	0.0%	8.6%	8.1%	9.6%	2.9%	
Average Total Asset Yield³	9.1%	0.0%	-0.1%	9.1%	7.8%	8.3%	6.1%	
Total Interest Expense	\$ 10,837	\$ 533	\$ 678	\$ 9,626	\$ 10,483	\$ 11,773	\$ 11,732	
Average Securitization Debt Cost	3.8%	0.0%	-0.3%	3.4%	3.7%	3.9%	4.0%	
Average Repo Debt Cost	2.6%	0.0%	0.0%	2.6%	3.0%	4.1%	3.8%	
Asset Level Net Interest Margin ³	5.8%	0.1%	0.0%	5.9%	4.3%	4.2%	2.2%	
Total Average Debt	\$ 1,135,546	\$ -	\$ -	\$ 1,135,546	\$ 1,047,925	\$ 1,047,254	\$ 1,073,111	
Average Asset Yield	6.8%	0.0%	0.0%	6.9%	6.7%	6.7%	7.5%	
Total Average Debt Cost	3.9%	-0.2%	-0.2%	3.4%	4.1%	4.6%	4.4%	
Net Interest Margin Before Provision for Benefit/Losses	3.0%	0.2%	0.3%	3.4%	2.6%	2.1%	3.0%	
Provision for Benefit/Losses	2.2%	0.0%	-0.1%	2.1%	1.1%	1.5%	-1.3%	
Total Net Interest Margin	5.2%	0.2%	0.3%	5.5%	3.7%	3.6%	1.7%	
Non-Interest Operating Expenses/Avg Assets	1.9%	0.0%	0.0%	2.0%	1.9%	1.9%	1.5%	
ROAA - ex net REO and loan benefit/impairments and credit losses	1.7%	0.1%	0.1%	1.8%	1.4%	1.2%	2.1%	
ROAA - Net REO and loan benefit/impairments, gains and credit losses	1.8%	0.1%	0.1%	2.0%	1.0%	1.2%	-1.7%	
ROAA - Total	3.5%	0.1%	0.1%	3.8%	2.4%	2.4%	0.5%	
ROAE - ex net REO and loan benefit/impairments and credit losses	5.6%	0.0%	0.0%	5.6%	4.2%	3.7%	8.7%	
ROAE - Net REO and loan benefit/impairments, gains and credit losses	6.0%	0.0%	0.0%	6.0%	3.0%	3.9%	-6.6%	
ROAE - Total	11.5%	0.0%	0.0%	11.5%	7.2%	7.6%	2.1%	
Average Leverage Ratio - Asset Backed	2.0	-	-	2.0	1.9	2.0	2.7	
Average Leverage Ratio - Convertible Debt	0.2	-	-	0.2	0.2	0.2	0.3	
Average Leverage Ratio - Total	2.2	-	-	2.2	2.1	2.2	3.0	
Ending Leverage Ratio - Asset Backed ⁴	2.0	(0.0)	(0.0)	1.9	2.0	1.9	2.9	
Ending Leverage Ratio - Convertible Debt	0.2	0.0	0.0	0.2	0.2	0.2	0.3	
Ending Leverage Ratio - Total ⁵	2.2	(0.0)	(0.0)	2.1	2.2	2.2	3.2	

¹Includes the impact of the credit loss expense

²Interest income on debt securities is net of servicing fee

³Includes the impact of the reversal of/(increase in) provision for credit losses on mortgage loans and beneficial interests

⁴Excludes the impact of consolidating trusts and convertible debt

⁵Excludes the impact of consolidating trusts

Securities and Loan Repurchase Agreement Funding

Repurchase Agreement Funding Summary				
	December 31, 2020		December 31, 2019	
(\$ in thousands)	UPB	Repo	UPB	Repo
A Bonds - JVs ¹	\$ 297,133	\$ 227,750	\$ 273,510	\$ 208,572
B Bonds - JVs ¹	25,867	17,783	36,184	25,350
B Bonds Retained - Non JVs ²	28,277	21,226	48,757	34,599
Total Repurchase Agreement Funding - Debt Securities³	\$ 351,277	\$ 266,759	\$ 358,451	\$ 268,521
Mortgage Loans - non Mark to Market	160,069	101,117	164,404	116,662
Mortgage Loans - Mark To Market	84,337	53,256	57,397	28,931
Total Repurchase Agreement Funding	\$ 595,683	\$ 421,132	\$ 580,252	\$ 414,114
Unencumbered Assets				
Beneficial Interests	\$ 91,418		\$ 57,954	
B Bonds - JVs	20,012		-	
B Bonds - Non JVs	129,157		79,759	
Mortgage Loans	48,576		54,119	
Total Unencumbered Assets	\$ 289,163		\$ 191,832	

¹December 31, 2020 and December 31, 2019 includes \$57.9 million UPB of A bonds and \$10.0 million UPB of B bonds and \$68.3 million UPB of A bonds and \$10.0 million UPB of B bonds, respectively, from JVs that are consolidated under GAAP and show up as mortgage loans on our Consolidated Balance Sheet.

²Non JV securities are retained from our secured borrowings and are not presented in our Consolidated Balance Sheet.

³All Debt Securities Repurchase Agreement funding is mark to market.

Consolidated Statements of Income

(\$ in thousands except per share amounts)	Three months ended			
	December 31, 2020 (unaudited)	September 30, 2020 (unaudited)	June 30, 2020 (unaudited)	March 31, 2020 (unaudited)
INCOME:				
Interest income	\$ 25,130	\$ 23,950	\$ 23,705	\$ 27,286
Interest expense	(10,837)	(11,727)	(13,058)	(13,070)
Net interest income	14,293	12,223	10,647	14,216
Provision for credit benefit/(losses)	7,594	4,007	4,328	(5,109)
Net interest income after provision for credit benefit/(losses)	21,887	16,230	14,975	9,107
Income/(loss) from investments in affiliates	310	(25)	672	(1,112)
Loss on sale of mortgage loans ⁽¹⁾	-	-	-	(705)
Other income	308	537	680	747
Total revenue, net	22,505	16,742	16,327	8,037
EXPENSE:				
Related party expense - loan servicing fees	1,880	1,848	1,936	2,014
Related party expense - management fee	2,250	2,264	2,143	1,799
Loan transaction expense	5	(178)	65	(103)
Professional fees	721	576	732	805
Real estate operating expense	209	173	188	912
Other expense	2,948	2,930	2,325	1,025
Total expense	8,013	7,613	7,389	6,452
Loss on debt extinguishment	-	253	-	408
Income before provision for income tax	14,492	8,876	8,938	1,177
Provision for income tax (benefit)	90	(16)	120	(319)
Consolidated net income	14,402	8,892	8,818	1,496
Less: consolidated net income attributable to non-controlling interests	1,619	1,662	735	1,096
Consolidated net income attributable to Company	12,783	7,230	8,083	400
Less: dividends on preferred stock	1,949	1,950	1,841	-
Consolidated net income attributable to common stockholders	\$ 10,834	\$ 5,280	\$ 6,242	\$ 400
Basic earnings per common share	\$ 0.47	\$ 0.23	\$ 0.27	\$ 0.02
Diluted earnings per common share	\$ 0.41	\$ 0.23	\$ 0.27	\$ 0.02
Weighted average shares – basic	22,838,664	22,844,192	22,808,943	22,070,354
Weighted average shares – diluted	36,105,656	22,989,616	22,929,849	22,189,984

(1) We sold no mortgage loans during the three months ended December 31, 2020, September 30, 2020 and June 30, 2020. During the three months ended March 31, 2020, we sold 26 SBC mortgage loans with a carrying value of \$26.1 million and UPB of \$26.2 million for a loss of \$0.7 million.

Consolidated Balance Sheets



(\$ in thousands except per share amounts)	December 31, 2020	December 31, 2019
ASSETS		
Cash and cash equivalents	\$ 107,147	\$ 64,343
Cash held in trust	188	20
Mortgage loans, net ^(1,2)	1,119,372	1,151,469
Property held-for-sale, net ⁽³⁾	7,807	13,537
Rental property, net	719	1,534
Investments in securities at fair value ⁽⁴⁾	273,834	231,685
Investments in beneficial interests ⁽⁵⁾	91,418	57,954
Receivable from servicer	15,755	17,013
Investment in affiliates	28,616	30,441
Prepaid expenses and other assets	8,876	8,845
Total assets	<u>\$ 1,653,732</u>	<u>\$ 1,576,841</u>
LIABILITIES AND EQUITY		
<i>Liabilities:</i>		
Secured borrowings, net ^(1,2,6)	\$ 585,403	\$ 652,747
Borrowings under repurchase transactions	421,132	414,114
Convertible senior notes, net ⁽⁶⁾	110,057	118,784
Management fee payable	2,247	1,634
Accrued expenses and other liabilities	20,402	5,478
Total liabilities	<u>1,139,241</u>	<u>1,192,757</u>
<i>Equity:</i>		
Preferred stock, \$0.01 par value, 25,000,000 shares authorized		
Series A 7.25% Fixed-to-Floating Rate Cumulative Redeemable ⁽⁷⁾	51,100	—
Series B 5.00% Series B Fixed-to-Floating Rate Cumulative Redeemable ⁽⁸⁾	64,044	—
Common stock \$0.01 par value ⁽⁹⁾	231	222
Additional paid-in capital	317,424	309,395
Treasury stock	(1,159)	(458)
Retained earnings	53,346	49,446
Accumulated other comprehensive gain	375	1,277
Equity attributable to stockholders	<u>485,361</u>	<u>359,882</u>
Non-controlling interests ⁽¹⁰⁾	29,130	24,202
Total equity	<u>514,491</u>	<u>384,084</u>
Total liabilities and equity	<u>\$ 1,653,732</u>	<u>\$ 1,576,841</u>

Consolidated Balance Sheets Footnotes

- (1) Mortgage loans net include \$842.2 million and \$908.6 million of loans at December 31, 2020 and December 31, 2019, 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 \$13.7 million and \$2.0 million of allowance for loan credit losses at December 31, 2020 and December 31, 2019, respectively.
- (2) As of December 31, 2020, balances for Mortgage loans, net includes \$307.1 million and Secured borrowings, net of deferred costs includes \$250.6 million from the 50% and 63% owned joint ventures, respectively. As of December 31, 2019, balances for Mortgage loans, net include \$341.8 million and Secured borrowings, net of deferred costs includes \$284.8 million from a 50% and 63% owned joint ventures, all of which the Company consolidates under U.S. Generally Accepted Accounting Principles ("U.S. GAAP").
- (3) Property held-for-sale, net, includes valuation allowances of \$1.4 million and \$1.8 million at December 31, 2020 and December 31, 2019, respectively.
- (4) As of December 31, 2020 and December 31, 2019 Investments in securities at fair value include amortized cost basis of \$273.4 million and \$230.4 million, respectively, and unrealized gains of \$0.4 million and \$1.3 million, respectively.
- (5) Investments in beneficial interests includes allowance for credit losses of \$4.5 million at December 31, 2020. No allowance for credit losses were recorded as of December 31, 2019.
- (6) Secured borrowings and convertible senior notes are presented net of deferred issuance costs.
- (7) \$25.00 liquidation preference per share, 2,307,400 shares issued and outstanding at December 31, 2020 and no shares issued and outstanding at December 31, 2019.
- (8) \$25.00 liquidation preference per share, 2,892,600 shares issued and outstanding at December 31, 2020 and no shares issued and outstanding at December 31, 2019.
- (9) 125,000,000 shares authorized, 22,978,339 shares issued and outstanding at December 31, 2020 and 22,142,143 shares issued and outstanding at December 31, 2019.
- (10) As of December 31, 2020 and December 31, 2019 non-controlling interests includes \$27.4 million and \$22.4 million, respectively, from the 50% and 63% owned joint ventures, which the Company consolidates under U.S. GAAP.

Fair Value Balance Sheet¹

(\$ in thousands)	December 31, 2020			December 31, 2019		
	GAAP	Adjustments for fair value	Fair value	GAAP	Adjustments for fair value	Fair value
ASSETS						
Cash and Cash held in trust	\$ 107,335	\$ -	\$ 107,335	\$ 64,363	\$ -	\$ 64,363
Mortgage loans, net	1,119,372	112,709	1,232,081	1,151,469	108,916	1,260,385
Investments in debt securities and beneficial interests	365,252	-	365,252	289,639	-	289,639
Investments in affiliates, real property and other assets	61,773	10,682	72,455	71,370	6,262	77,632
Total assets	\$ 1,653,732	\$ 123,391	\$ 1,777,123	\$ 1,576,841	\$ 115,178	\$ 1,692,019
LIABILITIES AND EQUITY						
<i>Liabilities:</i>						
Secured borrowings, net	585,403	1,016	586,419	652,747	5,171	657,918
Borrowings under repurchase agreements	421,132	-	421,132	414,114	-	414,114
Convertible senior notes, net	110,057	618	110,675	118,784	13,389	132,173
Other liabilities	22,649	-	22,649	7,112	-	7,112
Total liabilities	1,139,241	1,634	1,140,875	1,192,757	18,560	1,211,317
<i>Equity:</i>						
Preferred stockholders' equity	115,144	-	115,144	-	-	-
Common stockholders' equity	370,217	121,757	491,974	359,882	96,618	456,500
Stockholder's equity	485,361	121,757	607,118	359,882	96,618	456,500
Non-controlling interests	29,130	-	29,130	24,202	-	24,202
Total equity	514,491	121,757	636,248	384,084	96,618	480,702
Total liabilities and equity	\$ 1,653,732	\$ 123,391	\$ 1,777,123	\$ 1,576,841	\$ 115,178	\$ 1,692,019
Common stockholders' equity	370,217	121,757	491,974	359,882	96,618	456,500
Add: equity from conversion of convertible notes	110,250	-	110,250	110,250	-	110,250
Total adjusted equity for book value	480,467	121,757	602,224	470,132	96,618	566,750
Book value per share	\$ 15.59	\$ 3.95	\$ 19.54	\$ 15.26	\$ 3.14	\$ 18.39

¹Fair Value explanations are included in Note 6 – Fair Value in the Company's Form 10-K for the year ended December 31, 2020.