



Earnings Presentation
Fourth Quarter and Full Year 2019

AT A GLANCE: BROADMARK REALTY CAPITAL

Key Facts

2010

Broadmark
Founded

11%

Dividend
Yield⁽¹⁾

60.4%

Weighted
Average LTV⁽²⁾

\$0

Debt
Outstanding⁽²⁾

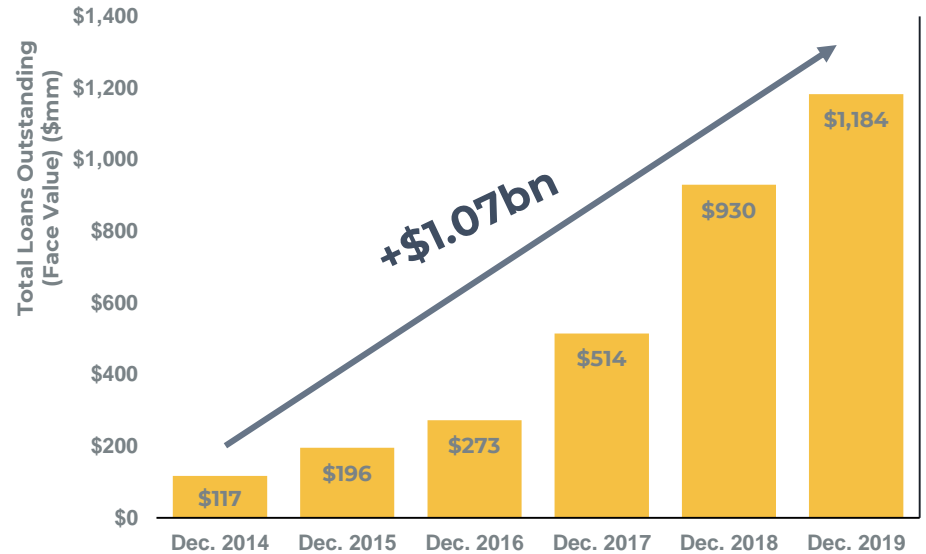
**\$2.1
billion**

Originations
Since
Formation⁽²⁾

241

Active Loans
in Twelve
States and
D.C.⁽²⁾

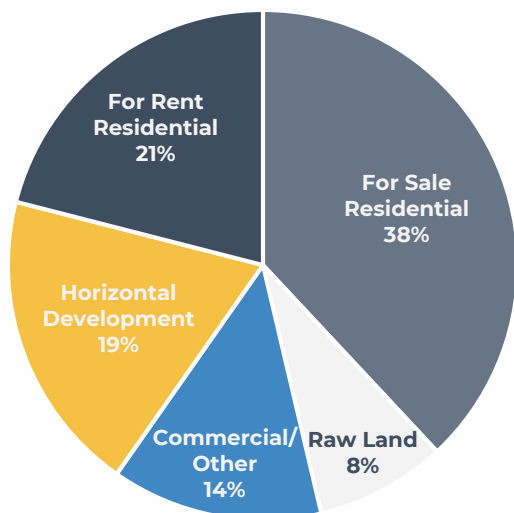
Rapid Growth of Active Loan Portfolio⁽³⁾



Note: Historical information throughout this presentation includes combined predecessor companies unless other indicated or the context otherwise requires.

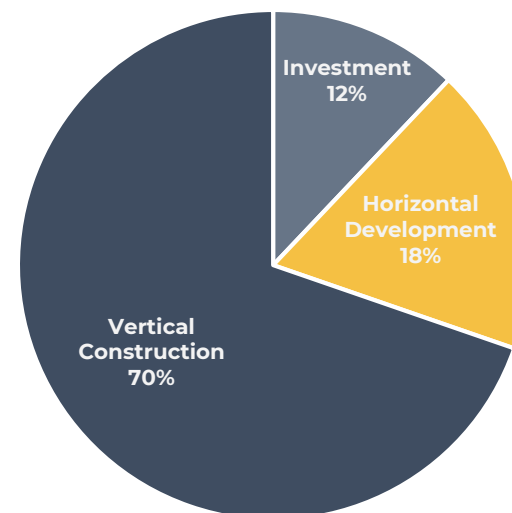
LOAN OVERVIEW BY COLLATERAL TYPE AND LOAN PURPOSE

Portfolio % by Loan Classification ⁽¹⁾⁽²⁾



	#Loans	Face Amount
For Sale Residential	115	\$450.1
For Rent Residential	31	248.9
Horizontal Development	41	228.0
Commercial/Other	26	158.6
Raw Land	28	98.0
Total	241	\$1,183.6

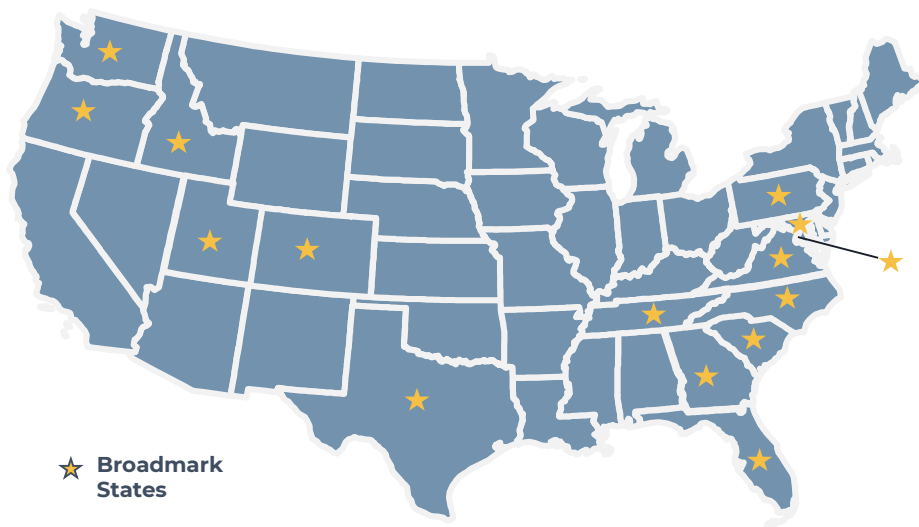
Portfolio % by Loan Purpose ⁽¹⁾⁽²⁾



	#Loans	Face Amount
Vertical Construction	158	\$825.1
Horizontal Development	35	215.6
Investment	48	142.9
Total	241	\$1,183.6

DIVERSIFIED GEOGRAPHY FOCUSED ON GROWTH STATES

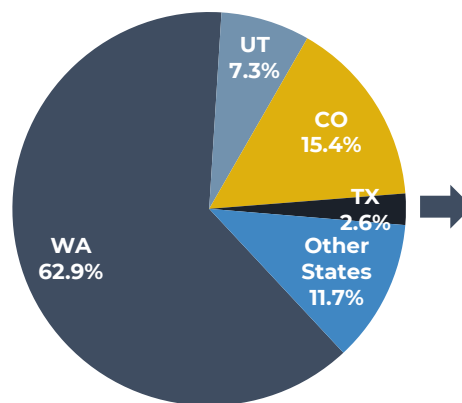
- Operate in 14 states plus the District of Columbia⁽¹⁾
- Active loan portfolio includes 241 loans across 12 states plus D.C.
- Target states with favorable demographic trends and non-judicial foreclosure laws



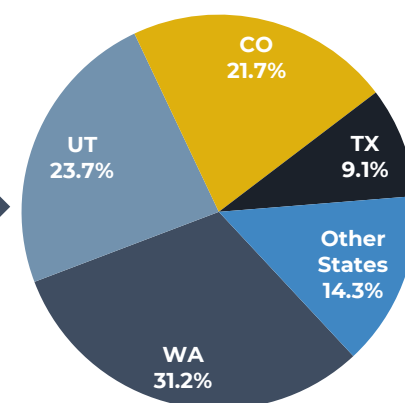
Active Loan Portfolio		# of Loans	Face Amount ⁽²⁾	
No.	State		\$(in mm)	% of Total
1	Washington	83	\$369.0	31.2%
2	Utah	33	280.9	23.7%
3	Colorado	54	256.7	21.7%
4	Texas	13	107.3	9.1%
5	Oregon	10	85.4	7.2%
6	Idaho	16	55.6	4.7%
7	Georgia	12	9.2	0.8%
8	North Carolina	12	8.6	0.7%
9	Florida	2	5.1	0.4%
10	District of Columbia	3	2.9	0.2%
11	Maryland	1	1.9	0.2%
12	Pennsylvania	1	0.5	<0.1%
13	South Carolina	1	0.4	<0.1%
Total		241	\$1,183.6	100.0%

Increasing Geographic Diversification

Retired Portfolio⁽²⁾



Active Portfolio⁽²⁾



FOURTH QUARTER AND FULL YEAR 2019 KEY METRICS

Earnings Results

- 4Q19 GAAP Net Loss of \$0.05 per diluted common share and FY 2019 GAAP Net Income of \$0.57 per diluted common share
- 4Q19 Core Earnings of \$0.21 per diluted common share and FY 2019 Core Earnings of \$0.86 per diluted common share, adjusting for transaction fees and other one-time items⁽¹⁾

Originations

- 4Q: Originated nine loans valued at \$38 million
- FY 2019: Originated 116 loans with a total value of \$480 million
- Weighted average origination LTV of 59.2% in 2019

Portfolio Composition

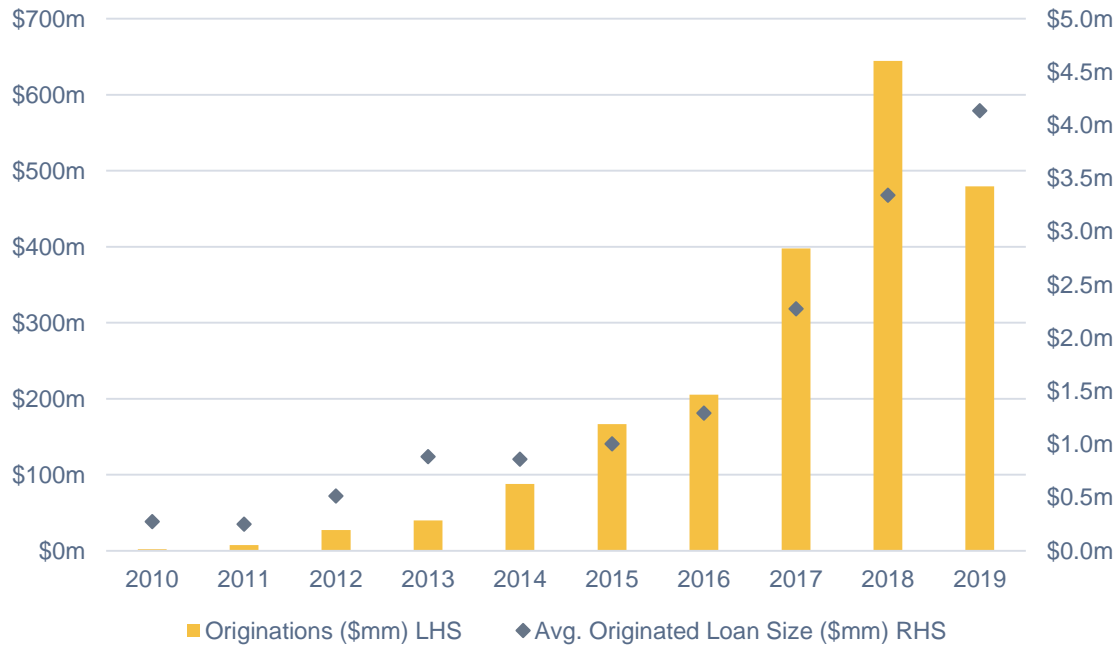
- Total active loan portfolio grew 27.2% over FY 2018 to \$1.1 billion
- Weighted average LTV of 60.4% on active loan portfolio
- Diversified across 12 states and the District of Columbia

Credit Performance

- Minimal losses over our nine-year history, approximately 0.05% on the \$2.1 billion of loans we have originated on our platform
- 96.2% performing loans as of December 31, 2019
- 14 loans in default as of December 31, 2019, representing 4.7% of total portfolio face value
- Resolved 6 defaulted loans with principal loss limited to \$700K, which was offset by economic gains on sale of real estate properties

ORIGINATIONS POISED TO GROW

- Origination volume of \$37.8 million in 4Q and \$479.7 million in 2019⁽¹⁾
- Increased scale allows for larger average loan size



\$37.8 M*

4Q '19 Originations

\$479.7 M

2019 Originations

* Fourth quarter originations were impacted by transaction timing

INDUSTRY LEADING BALANCE SHEET

- Zero debt at December 31, 2019
- Following transaction, \$238.2 cash available to deploy as of December 31, 2019

	Successor	Predecessor
	December 31, 2019	December 31, 2018
Assets		
Cash and cash equivalents	\$ 238,214	\$ 112,234
Mortgage notes receivable, net	821,589	589,571
Interest and fees receivable	4,108	2,053
Investment in real property, net	5,837	12,091
Right-of-use assets	518	-
Intangible assets	4,970	-
Goodwill	131,965	-
Other assets	<u>1,528</u>	<u>1,916</u>
Total assets	\$ <u>1,208,729</u>	\$ <u>717,865</u>
Liabilities and Equity		
Accounts payable and accrued liabilities	\$ 7,897	\$ 1,915
Dividends payable	15,842	6,333
Lease liabilities	518	-
Contributions received in advance	-	24,507
Total liabilities	<u>24,257</u>	<u>32,755</u>
Common stock, \$0.001 and \$0.00 par value, 500,000,000 and 0 shares authorized, 132,111,329 and 0 shares issued and outstanding at December 31, 2019 and 2018	132	-
Preferred Stock and Units, \$0.001 and \$0.00 par value, 100,000,000 and 0 shares/units authorized, 0 and 6,827,701 shares/units issued and outstanding at December 31, 2019 and 2018	-	684,213
Additional paid in capital	1,209,120	768
Retained earnings (accumulated deficit)	(24,780)	128
Predecessor equity	-	1
Total stockholders' and members' equity	<u>1,184,472</u>	<u>685,110</u>
Total liabilities and equity	\$ <u>1,208,729</u>	\$ <u>717,865</u>

APPENDIX: INCOME STATEMENT

Consolidated Statements of Operations and Comprehensive Income (dollar amounts in thousands, except earnings per share amounts)

	Successor Consolidated	Predecessor	Predecessor
	Period from November 15, 2019 through December 31, 2019	Period from January 1, 2019 through November 14, 2019	Year Ended December 31, 2018
Revenues			
Interest Income	\$ 13,207	\$ 82,225	\$ 58,429
Fee Income	2,767	32,785	37,417
Total Revenue	<u>15,974</u>	<u>115,010</u>	<u>95,846</u>
Expenses			
Impairment:			
Loan loss provision	-	3,342	1,783
Other Expense			
Change in fair value of warrant liabilities	4,924	-	-
Operating Expenses			
Compensation and employee benefits	2,526	5,554	3,945
General and administrative	2,844	10,402	8,278
Transaction costs	367	25,789	-
Total Expenses	<u>10,661</u>	<u>45,087</u>	<u>14,006</u>
Income before income taxes	\$ 5,313	\$ 69,923	\$ 81,840
Income tax provision	-	-	90
Net Income	<u>\$ 5,313</u>	<u>\$ 69,923</u>	<u>\$ 81,750</u>
Earnings per common share			
Basic	\$ 0.04		
Diluted	\$ 0.04		
Weighted-average shares of common stock outstanding, basic and diluted			
Basic	132,111,329		
Diluted	132,499,386		

APPENDIX: SELECTED QUARTERLY FINANCIAL DATA

	For the period from November 15 to December 31, 2019	For the period from October 1 to November 14, 2019	For the Quarters Ended September 30, 2019	For the Quarters Ended June 30, 2019	For the Quarters Ended March 31, 2019
	Successor	Predecessor			
<i>(dollars in thousands except per share amounts)</i>					
2019					
Revenue	\$ 15,974	\$ 14,073	\$ 34,581	\$ 36,573	\$ 29,783
Net income	5,313	(12,125)	25,856	31,202	24,990
Earnings per common share					
Basic	\$ 0.04				
Diluted	\$ 0.04	\$ -	\$ -	\$ -	\$ -
Weighted average shares of common stock outstanding, basic and diluted					
Basic	132,111,329				
Diluted	132,499,386	-	-	-	-

APPENDIX: CORE EARNINGS RECONCILIATION

Definition of Core Earnings

Core earnings is a non-GAAP financial measure used by management as a supplemental measure to evaluate our performance. We define core earnings as net income attributable to common stockholders adjusted for: (i) impairment recorded on our investments; (ii) realized and unrealized gains and losses on our investments; (iii) non-capitalized transaction-related expenses; (iv) non-cash stock-based compensation (v) amortization of our intangible assets; and (vi) deferred taxes, which are subject to variability and generally not indicative of future economic performance or representative of current operations.

Management believes that the adjustments to compute “core earnings” specified above allow investors and analysts to readily identify and track the operating performance of the assets that form the core of our activity, assist in comparing the core operating results between periods, and enable investors to evaluate our current core performance using the same measure that management uses to operate the business. Core earnings excludes certain recurring items, such as gains and losses (including impairment) and non-capitalized transaction-related expenses because they are not considered by management to be part of our core operations for the reasons described herein. As such, core earnings is not intended to reflect all of our activity and should be considered as only one of the factors used by management in assessing our performance, along with GAAP net income which is inclusive of all of our activities.

Core earnings does not represent and should not be considered as a substitute for, or superior to, net income or as a substitute for, or superior to, cash flows from operating activities, each as determined in accordance with U.S. GAAP, and our calculation of this measure may not be comparable to similarly entitled measures reported by other companies. Set forth below is a reconciliation of core earnings to the most directly comparable GAAP financial measure:

	Successor Period from November 15, 2019 through December 31, 2019	Combined Successor and Predecessor Consolidated Three Months Ended December 31, 2019	Combined Successor and Predecessor Consolidated Year Ended December 31, 2019
Net income attributable to common stockholders	\$ 5,313	\$ (6,812)	\$ 75,236
Adjustments for non-core earnings:			
Non-capitalized transaction-related expenses	2,773	28,562	28,562
Change in fair value of warrant liabilities	4,924	4,924	4,924
Amortization of intangible assets	1,030	1,030	1,030
Impairment	-	-	3,342
Loss/(gain) on investment in real estate properties	-	-	179
Deferred taxes	-	-	-
Core earnings	<u>14,040</u>	<u>27,704</u>	<u>113,273</u>
Net income per basic share	\$ 0.04	\$ (0.05)	\$ 0.57
Net income per diluted share	\$ 0.04	\$ (0.05)	\$ 0.57
Core earnings per basic share	\$ 0.11	\$ 0.21	\$ 0.86
Core earnings per diluted share	\$ 0.11	\$ 0.21	\$ 0.86
Basic weighted average number of shares of common stock outstanding	132,111,329	132,111,329	132,111,329
Diluted weighted average number of shares of common stock outstanding	132,499,386	132,499,386	132,499,386

FORWARD LOOKING STATEMENTS

This presentation contains certain “forward-looking statements” within the meaning of the federal securities laws, including, without limitation, statements concerning our operations, economic performance and financial condition. These forward-looking statements are made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. Forward-looking statements relate to expectations, beliefs, projections, future plans and strategies, anticipated events or trends and similar expressions concerning matters that are not historical facts. Forward-looking statements reflect the Company’s current views with respect to, among other things, capital resources, portfolio performance and results of operations. In some cases, you can identify these forward-looking statements by the use of terminology such as “outlook,” “believes,” “expects,” “potential,” “continues,” “may,” “will,” “should,” “could,” “seeks,” “approximately,” “predicts,” “intends,” “plans,” “estimates,” “anticipates” or the negative version of these words or other comparable words or phrases. Forward-looking statements do not guarantee future performance, which may be materially different from that expressed in, or implied by, any such statements. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of their respective dates.

These forward-looking statements are based largely on our current beliefs, assumptions and expectations of our future performance taking into account all information currently available to us. These beliefs, assumptions and expectations can change as a result of many possible events or factors, not all of which are known to us or within our control, and which could materially affect actual results, performance or achievements. Factors that may cause actual results to vary from our forward-looking statements include, but are not limited to:

- factors described in our prospectus filed with the SEC on December 17, 2019, including those set forth under the captions “Risk Factors” and “Business”;
- defaults by borrowers in paying debt service on outstanding indebtedness;
- impairment in the value of real estate property securing our loans;
- availability of origination and acquisition opportunities acceptable to us;
- potential mismatches in the timing of asset repayments and the maturity of the associated financing agreements;
- general economic uncertainty and the effect of general economic conditions on the real estate and real estate capital markets in particular;
- general and local commercial and residential real estate property conditions;
- changes in federal government policies;
- changes in federal, state and local governmental laws and regulations that impact our business, assets or classification as a real estate investment trust;
- increased competition from entities engaged in construction lending activities;
- potential disruptions in our business operations and construction lending activity relating to coronavirus (COVID-19);
- changes in interest rates;
- the availability of, and costs associated with, sources of liquidity;
- the ability to manage future growth; and
- changes in personnel and availability of qualified personnel.