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# Granite Point Mortgage Trust Inc. Provides Second Quarter 2017 Financial Results and Post-Quarter End Business Update

NEW YORK--(BUSINESS WIRE)-- [Granite Point Mortgage Trust Inc.](http://www.gpmortgagetrust.com) (NYSE: GPMT), a commercial real estate investment trust (REIT) focused on directly originating, investing in and managing senior floating rate commercial mortgage loans and other debt and debt-like commercial real estate investments, today announced its financial results for the quarter ended June 30, 2017 and provided an update on its activities subsequent to quarter-end. A presentation containing second quarter 2017 highlights and an investment update can be viewed at [www.gpmortgagetrust.com](http://www.gpmortgagetrust.com).

## ***Summary***

- Completed initial public offering (“IPO”) on June 28, 2017, raising net proceeds of \$181.9 million, resulting in an equity base of \$832.4 million.
- Acquired a portfolio of commercial real estate debt investments with an aggregate carrying value of approximately \$1.8 billion from Two Harbors Investment Corp. (NYSE: TWO) in exchange for approximately 33.1 million shares of Granite Point common stock, concurrent with the closing of the IPO.
- Reported book value of \$19.25 per common share at June 30, 2017.
- Originated 6 senior floating rate commercial real estate loans representing aggregate loan amounts, including future fundings, of approximately \$272.1 million during the quarter ended June 30, 2017.
- Funded \$238.7 million of principal balance of loans during the quarter ended June 30, 2017.

## ***Activity Post Quarter-End***

- Generated a pipeline of senior floating rate commercial real estate loans representing aggregate loan amounts, including any future fundings, of approximately \$320 million, which have either closed or are in the closing process, subject to fallout, as of July 31, 2017.
- Increased the maximum borrowing capacity under the Wells Fargo credit facility by approximately \$97 million, for a total maximum borrowing capacity of approximately \$473 million.

GRANITE POINT MORTGAGE TRUST INC.  
CONDENSED CONSOLIDATED BALANCE SHEETS  
(in thousands, except share data)

|                                                                                                                                                                 | June 30,           | December 31,        |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------|---------------------|
|                                                                                                                                                                 | 2017               | 2016                |
|                                                                                                                                                                 | (unaudited)        |                     |
| <b>ASSETS</b>                                                                                                                                                   |                    |                     |
| Loans held-for-investment                                                                                                                                       | \$1,739,253        | \$ 1,364,291        |
| Available-for-sale securities, at fair value                                                                                                                    | 12,782             | 12,686              |
| Held-to-maturity securities                                                                                                                                     | 43,496             | 48,252              |
| Cash and cash equivalents                                                                                                                                       | 249,118            | 56,019              |
| Restricted cash                                                                                                                                                 | 2,357              | 260                 |
| Accrued interest receivable                                                                                                                                     | 4,933              | 3,745               |
| Due from counterparties                                                                                                                                         | 361                | 249                 |
| Income taxes receivable                                                                                                                                         | 8                  | 5                   |
| Accounts receivable                                                                                                                                             | 10,495             | 7,735               |
| Deferred debt issuance costs                                                                                                                                    | 9,186              | 2,365               |
| <b>Total Assets</b>                                                                                                                                             | <b>\$2,071,989</b> | <b>\$ 1,495,607</b> |
| <b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>                                                                                                                     |                    |                     |
| <b>Liabilities</b>                                                                                                                                              |                    |                     |
| Repurchase agreements                                                                                                                                           | \$ 640,124         | \$ 451,167          |
| Note payable to affiliate                                                                                                                                       | 592,280            | 593,632             |
| Accrued interest payable                                                                                                                                        | 1,031              | 655                 |
| Unearned interest income                                                                                                                                        | 114                | 143                 |
| Other payables to affiliates                                                                                                                                    | 1,757              | 21,460              |
| Dividends payable                                                                                                                                               | —                  | —                   |
| Accrued expenses and other liabilities                                                                                                                          | 3,285              | 559                 |
| <b>Total Liabilities</b>                                                                                                                                        | <b>1,238,591</b>   | <b>1,067,616</b>    |
| 10% cumulative redeemable preferred stock, par value \$0.01 per share; 50,000,000 shares authorized and 1,000 and 0 shares issued and outstanding, respectively | 1,000              | —                   |
| <b>Stockholders' Equity</b>                                                                                                                                     |                    |                     |
| Common stock, par value \$0.01 per share; 450,000,000 shares authorized and 43,234,205 and 0 shares issued and outstanding, respectively                        | 432                | —                   |
| Additional paid-in capital                                                                                                                                      | 828,836            | 392,608             |
| Accumulated other comprehensive loss                                                                                                                            | (16)               | (112)               |
| Cumulative earnings                                                                                                                                             | 3,146              | 35,495              |
| <b>Total Stockholders' Equity</b>                                                                                                                               | <b>832,398</b>     | <b>427,991</b>      |
| <b>Total Liabilities and Stockholders' Equity</b>                                                                                                               | <b>\$2,071,989</b> | <b>\$ 1,495,607</b> |

**GRANITE POINT MORTGAGE TRUST INC.**  
**CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**  
(in thousands, except share data)

|                                     | Three Months Ended |              | Six Months Ended |               |
|-------------------------------------|--------------------|--------------|------------------|---------------|
|                                     | June 30,           |              | June 30,         |               |
|                                     | 2017               | 2016         | 2017             | 2016          |
|                                     | (unaudited)        |              | (unaudited)      |               |
| <b>Interest income:</b>             |                    |              |                  |               |
| Loans held-for-investment           | \$ 24,920          | \$12,238     | \$ 47,558        | \$22,129      |
| Available-for-sale securities       | 256                | 248          | 502              | 516           |
| Held-to-maturity securities         | 920                | 1,062        | 1,852            | 2,243         |
| Cash and cash equivalents           | 4                  | 2            | 6                | 3             |
| Total interest income               | 26,100             | 13,550       | 49,918           | 24,891        |
| Interest expense                    | 7,773              | 2,576        | 13,879           | 4,028         |
| Net interest income                 | 18,327             | 10,974       | 36,039           | 20,863        |
| <b>Other income:</b>                |                    |              |                  |               |
| Ancillary fee income                | —                  | 21           | —                | 26            |
| Total other income                  | —                  | 21           | —                | 26            |
| <b>Expenses:</b>                    |                    |              |                  |               |
| Management fees                     | 1,925              | 1,640        | 3,587            | 3,409         |
| Servicing expenses                  | 307                | 122          | 629              | 227           |
| General and administrative expenses | 1,900              | 1,396        | 4,173            | 3,483         |
| Total expenses                      | 4,132              | 3,158        | 8,389            | 7,119         |
| <b>Income before income taxes</b>   | <b>14,195</b>      | <b>7,837</b> | <b>27,650</b>    | <b>13,770</b> |

|                                                                                 |                   |                 |                   |                 |
|---------------------------------------------------------------------------------|-------------------|-----------------|-------------------|-----------------|
| Benefit from income taxes                                                       | (2)               | (1)             | (1)               | (7)             |
| <b>Net income</b>                                                               | <u>\$ 14,197</u>  | <u>\$ 7,838</u> | <u>\$ 27,651</u>  | <u>\$13,777</u> |
| Basic and diluted earnings per weighted average common share <sup>(1)</sup>     | <u>\$ —</u>       | <u>\$ —</u>     | <u>\$ —</u>       | <u>\$ —</u>     |
| Dividends declared per common share                                             | <u>\$ —</u>       | <u>\$ —</u>     | <u>\$ —</u>       | <u>\$ —</u>     |
| Basic and diluted weighted average number of shares of common stock outstanding | <u>43,234,205</u> | <u>—</u>        | <u>43,234,205</u> | <u>—</u>        |
| <b>Comprehensive income:</b>                                                    |                   |                 |                   |                 |
| <b>Net income</b>                                                               | \$ 14,197         | \$ 7,838        | \$ 27,651         | \$13,777        |
| <b>Other comprehensive income (loss), net of tax:</b>                           |                   |                 |                   |                 |
| Unrealized gain (loss) on available-for-sale securities                         | 16                | 63              | 96                | (192)           |
| Other comprehensive income (loss)                                               | 16                | 63              | 96                | (192)           |
| <b>Comprehensive income</b>                                                     | <u>\$ 14,213</u>  | <u>\$ 7,901</u> | <u>\$ 27,747</u>  | <u>\$13,585</u> |

(1) The Company has calculated earnings per share only for the period common stock was outstanding, referred to as the post-formation period. The Company has defined the post-formation period to be the period from the date the Company commenced operations as a publicly traded company on June 28, 2017 through June 30, 2017, or three days of activity. Earnings per share is calculated by dividing the net income for the post-formation period by the weighted average number of shares outstanding during the post-formation period.

### About Granite Point Mortgage Trust Inc.

Granite Point Mortgage Trust Inc. is a Maryland corporation focused on directly originating, investing in and managing senior floating rate commercial mortgage loans and other debt and debt-like commercial real estate investments. Granite Point intends to elect and qualify to be taxed as a REIT. Granite Point is headquartered in New York, New York, and is externally managed by Pine River Capital Management L.P. Additional information is available at [www.gpmortgagetrust.com](http://www.gpmortgagetrust.com).

Granite Point is a majority owned subsidiary of Two Harbors Investment Corp. (NYSE: TWO) ("Two Harbors"), as a result of a formation transaction with Two Harbors pursuant to which Granite Point acquired from Two Harbors its portfolio of commercial real estate assets. In exchange, Granite Point issued Two Harbors approximately 33.1 million shares of common stock, representing approximately 76.5% of outstanding common stock. Following the expiration of a 120-day lock-up period following the closing of Granite Point's initial public offering, Two Harbors intends to make a distribution of these shares by means of a special pro rata dividend to Two Harbors' common stockholders.

### Forward-Looking Statements

This press release may include "forward-looking statements" within the meaning of the federal securities laws. 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. In some cases, you can identify forward-looking statements by the use of forward-looking terminology such as "may," "will," "should," "expects," "intends," "plans," "anticipates," "believes," "estimates," "predicts," or "potential" or the negative of these words and phrases or similar words or phrases which are predictions of or indicate future events or trends and which do not relate solely to historical matters. You can also identify forward-looking statements by discussions of strategy, plans or intentions. All forward-looking statements address matters that involve risks and uncertainties, many of which are beyond our control. These risks and uncertainties include, but are not limited to, (i) the state of the U.S. economy generally or in specific geographic regions; (ii) the state of the commercial real estate market and the availability and cost of our target assets; (iii) defaults by borrowers in paying debt service on

outstanding items and borrowers' abilities to manage and stabilize properties; (iv) actions and initiatives of the U.S. Government and changes to U.S. Government policies; (v) our ability to obtain financing arrangement on favorable terms if at all; (vi) general volatility of the securities markets in which we invest; (vii) changes in interest rates and the market value of our investments; (viii) rates of default or decreased recovery rates on our target investments; (ix) the degree to which our hedging strategies may or may not protect us from interest rate volatility; (x) changes in governmental regulations, tax law and rates, and similar matters; and (xi) our ability to qualify as a REIT for U.S. federal income tax purposes. These forward-looking statements apply only as of the date of this press release. Except as required by law, we undertake no obligation to update publicly or revise any forward-looking statement, whether as a result of new information, future developments or otherwise.

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