

Angel Oak Mortgage REIT, Inc. – NYSE: AOMR

Angel Oak Mortgage REIT, Inc. (AOMR) is a mortgage REIT that seeks to generate attractive risk-adjusted returns while driving long-term capital appreciation by investing primarily in high-quality, non-QM loans. AOMR is supported by the infrastructure, scale, and expertise of the Angel Oak ecosystem, which provides a robust pipeline of high-quality loans tailored to meet AOMR’s desired profile. The team utilizes the securitization market to secure term financing on a regular, programmatic basis to grow its target asset portfolio of loans in the fast-growing non-QM market segment.

Since Q2 2021, AOMR has:

- Purchased \$3.2 billion¹ of residential mortgage loans
- Securitized \$2.8 billion² of residential mortgage loans

THE ANGEL OAK ECOSYSTEM

ANGEL OAK MORTGAGE LENDING

- Lending platform started in 2011
- Leading non-bank originator of non-QM loans
- Iterative relationships between portfolio management and sourcing

ANGEL OAK CAPITAL ADVISORS

- Founded in 2009
- Alternative credit manager with market leadership in mortgage credit and structured credit
- Executed 52 non-QM securitizations since 2015



KEY FINANCIAL INFORMATION³

Book Value per Common Share	\$11.28
Economic Book Value per Common Share ⁷	\$14.02
Annualized Dividends/Common Share	\$1.28
Q3 2024 GAAP Net Income	\$31.2MM
Q3 2024 Distributable Earnings ⁸	(\$3.4MM)
Recourse Debt to Equity Ratio ⁴	0.7x

COMMON STOCK INFORMATION

AOMR	
Price ⁴	\$9.55
Dividend Yield ⁴	13.4%
Price ⁴ /GAAP Book Value [*]	84.7%
Price ⁴ /Economic Book Value [*]	68.1%
Target Dividend Frequency	Quarterly
⁴ As of 11/6/24. [*] As of 9/30/24.	

LISTED DEBT INFORMATION

NYSE: AOMN	9.5% (Fixed)
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RESIDENTIAL WHOLE LOAN PORTFOLIO STATISTICS⁴

Total Fair Value	\$428.9MM
Weighted Average Loan Coupon ^{4,5}	7.73%
Weighted Average LTV ⁶	70.6%
Weighted Average Credit Score ⁹	754

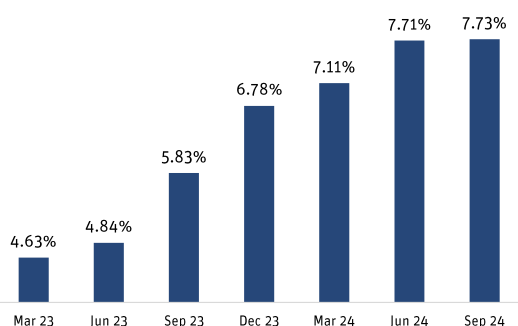
ANALYST COVERAGE

Wells Fargo	B. Riley Securities
Oppenheimer	UBS
BTIG	Jones Trading

CONTACT

3344 Peachtree Road NE, Suite 1725
 Atlanta, GA 30326
investorrelations@angeloakreit.com
 angeloakreit.com

RESIDENTIAL WHOLE LOAN PORTFOLIO WEIGHTED AVERAGE COUPON TREND¹



RESIDENTIAL TARGET ASSET PORTFOLIO CHARACTERISTICS^{3,4}

AOMR specializes in high-quality non-QM loans with strong credit and performance characteristics

Total UPB Underlying Loans	\$4,376MM
Weighted Average Loan Coupon ⁵	5.6%
Weighted Average Loan to Value ⁶	68.5%
90+ Day Delinquency as % of Current UPB	1.95%

¹ As of 11/6/24, includes anticipated purchases and securitization activity. ² Unpaid balance of loan collateral contributed by AOMR underlying securitizations as of deal date. ³ Residential target asset portfolio includes residential whole loans, residential loans in securitization trusts, retained RMBS off-balance sheet securitizations, and investments in MOA. ⁴ All values as of the quarter-ended 9/30/24 and Stock Price as of 11/6/24 unless otherwise noted. ⁵ Weighted as % of total unpaid loan balance. ⁶ Loan-to-Value ratio at time of loan origination weighted as percentage of total unpaid balance as of 9/30/24. Loan-to-Value ratio is calculated as the outstanding principal amount of a loan plus any financing that is pari passu with or senior to such loan at the time of acquisition, divided by the applicable real estate value at acquisition of such loan. The real estate value reflects the results of third-party appraisals obtained by the selling mortgage companies prior to the loan closing. ⁷ Economic Book Value is a non-GAAP measure. Please see next page for a reconciliation of Economic Book Value to GAAP book value. ⁸ Distributable Earnings is a non-GAAP measure. Please see next page for a reconciliation of Distributable Earnings to GAAP net income. ⁹ Credit score at time of loan origination weighted as percentage of total unpaid balance as of 9/30/24.



Angel Oak
MORTGAGE REIT

AOMR INVESTMENT STRATEGY

ACQUISITION

- AOMR’s relationship with Angel Oak Companies enables AOMR to purchase high-quality loans tailored to its desired profile
- Non-QM loans offer an attractive risk-adjusted return in a growing market segment

REINVESTMENT

- Utilize structural term leverage from securitizations, portfolio returns, and loan financing facilities to purchase high-quality non-QM loans
- Utilize the breadth and depth of Angel Oak to act upon key market opportunities and risks



SECURITIZATION

- Securitization enables us to:
 - Secure a fixed cost of funding
 - Replace largely mark-to-market financial leverage with term structural leverage

TRANCHE RETENTION

- Typically retain the bottom 5-10% of market value of the securitization
- Retention of subordinated and interest-only tranches can drive higher returns without additional financial leverage

THE AOMR MODEL

Loan Acquisition	Source and purchase high-quality, non-QM loans leveraging the infrastructure, scale, and expertise of the Angel Oak ecosystem.	Quarterly Dividend	Intend to declare quarterly dividends that balance shareholder income and long-term book value appreciation.
Securitization Financing	Target to average approximately one securitization per quarter to lock in funding term and rates and provide capital for additional loan purchases.	Holistic Portfolio Management	Effectively identify, assess, and act upon key opportunities and risks in appropriate markets.
Profitable Growth	Seek to grow earnings through high-quality loan acquisition, prudent funding, and sound expense management to drive increasing returns.	Long-Term Focus	AOMR is a business, not a trade – management will make key decisions in the best long-term interest of our shareholders.

This document shall not constitute an offer to sell or the solicitation of an offer to buy any securities of AOMR.

This document contains certain forward-looking statements that are subject to various risks and uncertainties, including, without limitation, statements relating to the performance of our investments. Forward-looking statements are generally identifiable by use of forward-looking terminology such as “may,” “will,” “should,” “potential,” “intend,” “expect,” “endeavor,” “seek,” “anticipate,” “estimate,” “believe,” “could,” “project,” “predict,” “continue” or by the negative of these words and phrases or other similar words or expressions. Forward-looking statements are based on certain assumptions, discuss future expectations, describe existing or future plans and strategies, contain projections of results of operations, liquidity and/or financial condition or state other forward-looking information. Our ability to predict future events or conditions or their impact or the actual effect of existing or future plans or strategies is inherently uncertain. Although we believe that such forward-looking statements are based on reasonable assumptions, actual results and performance in the future could differ materially from those set forth in or implied by such forward-looking statements. Readers are cautioned not to place undue reliance on any of these forward-looking statements, which reflect our management’s views only as of the date of this document. Actual results and performance may differ materially from those set forth in or implied by our forward-looking statements. 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 applicable law, we assume no obligation, and do not intend to, update or otherwise revise any of our forward-looking statements, whether as a result of new information, future events or otherwise.

Reconciliation of GAAP to Distributable Earnings For the Quarter Ended September 30, 2024 (in thousands)

Net loss allocable to common stockholder(s)	\$ 31,204
Adjustments:	
Net unrealized (gains) losses on trading securities	(984)
Net unrealized (gains) losses on derivatives	51
Net unrealized (gains) losses on residential loans in securitization trust and non-recourse securitization obligation	(26,305)
Net unrealized (gains) losses on residential loans	(7,935)
Net unrealized (gains) losses on commercial loans	-
Non-cash equity compensation expense	604
Distributable Earnings	<u>\$ (3,365)</u>

Reconciliation of GAAP to Economic Book Value

	September 30, 2024
GAAP total stockholders’ equity	\$ 265,098
Adjustments:	
Fair value adjustment for securitized debt held at amortized cost	<u>64,522</u>
Stockholders’ equity including economic book value adjustments	<u>329,620</u>
Number of common shares outstanding at period end	23,511,272
GAAP Book value per common share	\$ 11.28
Economic book value per common share	\$ 14.02