

# Angel Oak Mortgage, Inc. – NYSE: AOMR

Angel Oak Mortgage, 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 continue to grow its target asset portfolio of loans in the fast-growing non-QM market segment.

Since its IPO in June 2021, AOMR has:

- Purchased \$2.4 billion of residential mortgage loans
- Closed four securitizations totaling \$1.4 billion<sup>1</sup>
- Grown its target asset portfolio 153%

## THE ANGEL OAK ECOSYSTEM

### ANGEL OAK MORTGAGE LENDING

- Lending platform started in 2011
  - \$16.7 billion cumulative non-QM production
- #1 non-bank originator of non-QM loans<sup>2</sup>
- 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
  - \$7.5 billion mortgage-related AUM
- Executed 35 non-QM securitizations since 2015

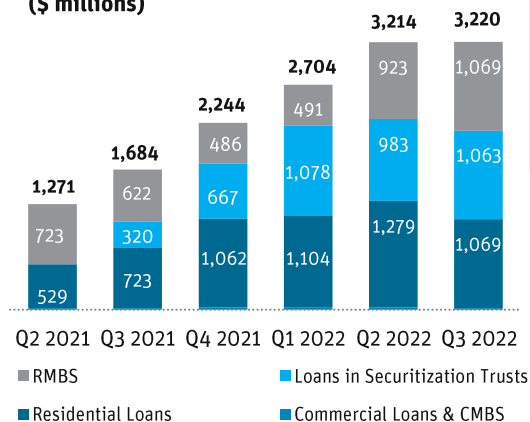


## RESIDENTIAL NON-QM TARGET ASSET PORTFOLIO CHARACTERISTICS<sup>3</sup>

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

Weighted Average Loan Coupon	5.3%
Weighted Average Credit Score <sup>7</sup>	729
Weighted Average Loan to Value % <sup>6</sup>	71.0%
Average 90+ Day Delinquency	2.9%

## TARGET ASSET BALANCE GROWTH<sup>8</sup> (\$ millions)



As of 9/30/22.

<sup>1</sup>Unpaid balance of loan collateral underlying securitizations. <sup>2</sup>Expanded credit originations and credit securitization issuance as reported by Inside Mortgage Finance since 2017 through Q1 2022; does not include investor cash flows for securitization ranking. <sup>3</sup>All values as of the quarter-ended 9/30/22 and Stock Price as of 11/7/22 unless otherwise noted. <sup>4</sup>Distributable Earnings Per Share is a non-GAAP measure. Please see next page for a reconciliation of Distributable Earnings to GAAP net income. <sup>5</sup>Weighted as % of total unpaid loan balance as of 9/30/22. <sup>6</sup>Loan-to-Value ratio at time of loan origination weighted as percentage of total unpaid balance as of 9/30/22. <sup>7</sup>Credit score at time of loan origination weighted as percentage of total unpaid balance as of 9/30/22. <sup>8</sup>Target assets include Residential Loans, Loans in Securitization Trusts, Residential Mortgage-Backed Securities (RMBS), and Commercial Loans & Commercial Mortgage-Backed Securities (CMBS). <sup>9</sup>Economic Book Value is a non-GAAP measure. Please see next page for a reconciliation of Economic Book Value to GAAP book value.



**Angel Oak**  
MORTGAGE REIT

## KEY FINANCIAL INFORMATION<sup>9</sup>

Book Value per Common Share	\$10.63
Economic Book Value per Common Share <sup>9</sup>	\$12.94
Annualized Dividends/Common Share	\$1.28
GAAP EPS	(\$3.40)
Distributable EPS <sup>4</sup>	\$0.84
Recourse Debt to Equity Ratio	3.7x

## STOCK INFORMATION

Price <sup>^</sup>	\$9.29
Dividend Yield <sup>^</sup>	13.8%
Price <sup>^</sup> /Book Value <sup>*</sup>	87.4%
Price <sup>^</sup> /Economic Book Value <sup>*</sup>	71.8%
Target Dividend Frequency	Quarterly

<sup>^</sup>As of 11/7/22. <sup>\*</sup>As of 9/30/22.

## MOST RECENT SECURITIZATION (AOMT 2022-4)

Total Balance	\$184.7MM
Weighted Average LTV <sup>6</sup>	75.1%
Weighted Average Credit Score <sup>7</sup>	725
Weighted Average Loan Coupon <sup>5</sup>	5.22%

## ANALYST COVERAGE

Wells Fargo	B. Riley Securities
Bank of America	UBS
Oppenheimer	Wolfe Research

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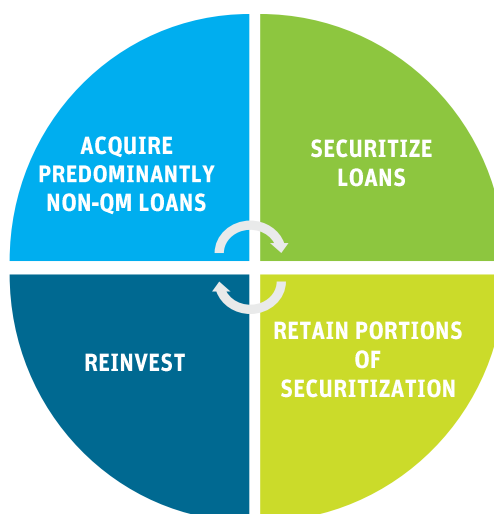
## AOMR INVESTMENT STRATEGY

## 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

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

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

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#### Reconciliation of GAAP to Distributable Earnings For the Quarter Ended September 30, 2022 (in thousands)

Net income allocable to common stockholder(s)	\$	(83,353)
Adjustments:		
Net unrealized (gains) losses on derivatives		(10,936)
Net unrealized (gains) losses on residential loans in securitization trust and non-recourse securitization obligation		38,822
Net unrealized (gains) losses on residential loans		73,195
Net unrealized (gains) losses on commercial loans		(226)
Non-cash equity compensation expense		3,340
Distributable Earnings	\$	20,842

#### Reconciliation of GAAP to Economic Book Value

	September 30, 2022
GAAP total stockholders' equity	\$ 264,957
Preferred stock	(101)
GAAP total common stockholders' equity for book value per common share	\$ 264,856
Adjustments:	
Fair value adjustment for securitized debt held at amortized cost	57,596
Stockholders' equity including economic book value adjustments	322,452
Number of common shares outstanding at period end	24,925,357
GAAP Book value per common share	\$ 10.63
Economic book value per common share	\$ 12.94



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