

# 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 \$2.3 billion of residential mortgage loans
- Closed four securitizations totaling \$1.4 billion<sup>1</sup>
- Grown its target asset portfolio 153%

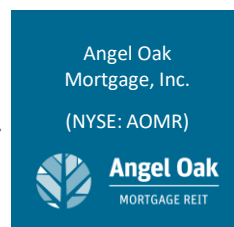
## THE ANGEL OAK ECOSYSTEM

### ANGEL OAK MORTGAGE LENDING

- Lending platform started in 2011
  - Over \$15 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
  - \$11+ billion mortgage-related AUM
- 80+ employees



### KEY FINANCIAL INFORMATION<sup>3</sup>

Book Value per Common Share	\$14.73
Economic Book Value per Common Share <sup>9</sup>	\$16.05
Annualized Dividends/Common Share	\$1.80
GAAP EPS	(\$2.13)
Distributable EPS <sup>4</sup>	\$0.90
Recourse Debt to Equity Ratio	3.4x

### STOCK INFORMATION

Price <sup>^</sup>	\$14.15
Dividend Yield <sup>^</sup>	12.7%
Price <sup>^</sup> /Book Value <sup>*</sup>	96%
Price <sup>^</sup> /Economic Book Value <sup>*</sup>	84%
Target Dividend Frequency	Quarterly

<sup>^</sup>As of 7/29/22. <sup>\*</sup>As of 6/30/22.

### 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

### CONTACT

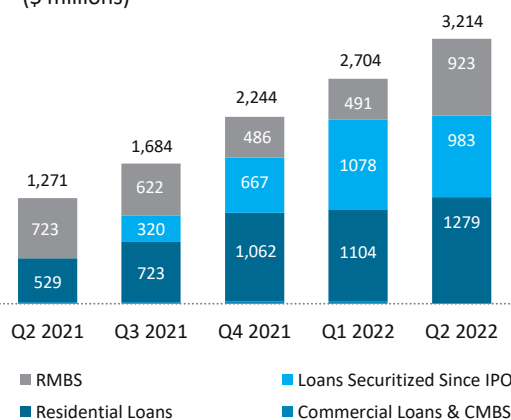
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### RESIDENTIAL NON-QM TARGET ASSET PORTFOLIO CHARACTERISTICS<sup>3</sup>

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>	730
Weighted Average Loan to Value % <sup>6</sup>	71.4%
Average 90+ Day Delinquency	2.9%

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



As of 6/30/22.

<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 6/30/22 and Stock Price as of 7/29/22 unless otherwise noted. <sup>4</sup>Distributable Earnings Per Share is a non-GAAP measure. Please see appendix for a reconciliation of Distributable Earnings to GAAP net income. <sup>5</sup>Weighted as % of total unpaid loan balance as of 6/30/22. <sup>6</sup>Loan-to-Value ratio at time of loan origination weighted as percentage of total unpaid balance as of 6/30/22. 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. <sup>7</sup>Credit score at time of loan origination weighted as percentage of total unpaid balance as of 6/30/22. <sup>8</sup>Target assets include Residential Loans, Loans in Securitization Trust, 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 appendix for a reconciliation of Economic Book Value to GAAP book value.



**Angel Oak**  
MORTGAGE REIT

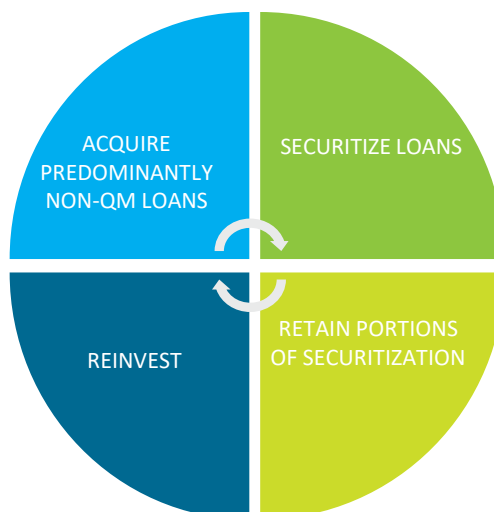
## AOMR INVESTMENT STRATEGY

## 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 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.
Growing Book Value	Seek to consistently grow asset base of loans and securities 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 AOMR's investments and its financing needs and arrangements. 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" and "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. AOMR's ability to predict future events or conditions, their impact or the actual effect of existing or future plans or strategies is inherently uncertain, in particular due to the uncertainties created by the COVID-19 pandemic, including the projected impact of the COVID-19 pandemic on AOMR's business, financial results and performance. Although AOMR believes 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. You are cautioned not to place undue reliance on these forward-looking statements, which reflect AOMR's views only as of the date of this document. Additional information concerning factors that could cause actual results and performance to differ materially from these forward-looking statements is contained from time to time in AOMR's filings with the Securities and Exchange Commission. Except as required by applicable law, neither AOMR nor any other person assumes responsibility for the accuracy and completeness of the forward-looking statements. AOMR does not undertake any obligation to update any forward-looking statements contained in this document as a result of new information, future events or otherwise.

## Reconciliation of GAAP to Distributable Earnings

For the Quarter Ended June 30, 2022  
(in thousands)

Net income allocable to common stockholder(s)	\$ (52,148)
Adjustments:	
Net unrealized (gains) losses on derivatives	24,692
Net unrealized (gains) losses on residential loans in securitization trust and non-recourse securitization obligation	10,266
Net unrealized (gains) losses on residential loans	38,538
Net unrealized (gains) losses on commercial loans	489
Non-cash equity compensation expense	968
Distributable Earnings	\$ 22,805
Weighted average diluted shares outstanding	25,238,524
Basic shares outstanding	24,438,736
GAAP Earnings per Share	\$ (2.13)
Distributable Earnings per Share	\$ 0.90

## Reconciliation of GAAP to Economic Book Value

	June 30, 2022
GAAP total stockholders' equity	\$ 367,284
Preferred stock	(101)
GAAP total common stockholders' equity for book value per common share	\$ 367,183
Adjustments:	
Bonds retained from issuance - consolidated securitization trusts	32,863
Stockholders' equity including economic book value adjustments	400,046
Number of common shares outstanding at period end	24,925,930
GAAP Book value per common share	\$ 14.73
Economic book value per common share	\$ 16.05



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