



# Angel Oak Mortgage REIT, Inc.

Fourth Quarter and Fiscal Year 2025 Earnings Supplement

# Important Notices

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References herein to our “Company,” “AOMR,” “we,” “us,” or “our” refer to Angel Oak Mortgage REIT, Inc. and its subsidiaries, including Angel Oak Mortgage Operating Partnership, LP (the “Operating Partnership”), unless the context requires otherwise. Unless otherwise indicated, the term “Angel Oak” refers collectively to Angel Oak Capital Advisors, LLC (“Angel Oak Capital”) and its affiliates, including Falcons I, LLC, our external manager (our “Manager”), Angel Oak Companies, LP (“Angel Oak Companies”), and the proprietary mortgage lending platform of its affiliate, Angel Oak Mortgage Solutions LLC (“Angel Oak Mortgage Lending”). References to “AOMT” refer to Angel Oak Mortgage Trust, Angel Oak’s securitization platform, including its subsidiaries and affiliates. References to “MM” mean in millions. References to “UPB” mean unpaid principal balance. References to “Closed End Seconds” mean residential mortgage loans that are subordinate to the primary or first lien mortgage loans on a residential property. References to “HELOCs” are defined as home equity lines of credit, which are lines of credit secured by a residential property owned by the borrower. References to “CLTV” mean combined loan-to-value ratio, which is calculated as the primary or first lien mortgage loan amount plus any additional borrowings secured by the property (such as a Closed-End Second or HELOC) divided by the estimated value of the property.

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This presentation 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. Factors that could have a material adverse effect on future results and performance relative to those set forth in or implied by the related forward-looking statements, as well as on our business, financial condition, liquidity, results of operations and prospects, include, but are not limited to:

(see next page):



# Important Notices

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- the effects of adverse conditions or developments in the financial markets and the economy upon our ability to acquire target assets such as non-qualified residential mortgage (“non-QM”) loans, particularly those sourced from Angel Oak’s proprietary mortgage lending platform, Angel Oak Mortgage Lending;
- the level and volatility of prevailing interest rates and credit spreads;
- changes in our industry, inflation, interest rates, business strategies, target assets, the debt or equity markets, the general economy (or in specific regions) or the residential real estate finance and real estate markets specifically;
- general volatility of the market;
- changes in the availability of attractive loans and other investment opportunities, including non-QM loans sourced from Angel Oak Mortgage Lending;
- the ability of our Manager to locate suitable investments for us, manage our portfolio, and implement our strategy;
- our ability to profitably execute securitization transactions;
- our ability to obtain and maintain financing arrangements on favorable terms, or at all;
- the adequacy of collateral securing our investments and a decline in the fair value of our investments;
- the timing of cash flows, if any, from our investments;
- the operating performance, liquidity, and financial condition of borrowers;
- increased rates of default and/or decreased recovery rates on our investments;
- changes in prepayment rates on our investments;
- the departure of any of the members of senior management of the Company, our Manager, or Angel Oak;
- the availability of qualified personnel;
- conflicts with Angel Oak, including our Manager and its personnel, including our officers, and entities managed by Angel Oak;
- events, contemplated or otherwise, such as acts of God, including hurricanes, wildfires, earthquakes, and other natural disasters, including those resulting from global climate change, pandemics, acts of war or terrorism, the initiation or escalation of military conflicts, and others that may cause unanticipated and uninsured performance declines, disruptions in markets, and/or losses to us or the owners and operators of the real estate securing our investments;
- the occurrence of certain geopolitical events (including global trade disputes related to tariffs) that affect the normal and peaceful course of international relations;
- impact of and changes in governmental regulations, tax laws and rates, accounting principles and policies and similar matters;
- the level of governmental involvement in the U.S. mortgage market;
- future changes with respect to the Federal National Mortgage Association or Federal Home Loan Mortgage Corporation in the mortgage market and related events, including the lack of certainty as to the future roles of these entities and the U.S. Government in the mortgage market and changes to legislation and regulations affecting these entities;
- effects of hedging instruments on our target assets and our returns, and the degree to which our hedging strategies may or may not protect us from interest rate volatility;
- our ability to make distributions to our stockholders in the future at the level contemplated by our stockholders or the market generally, or at all;
- our ability to continue to qualify as a real estate investment trust for U.S. federal income tax purposes; and
- our ability to maintain our exclusion from regulation as an investment company under the Investment Company Act of 1940, as amended.

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 presentation. 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.



# **Q4 & FY 2025 Highlights & Financial Results**



# Financial Results

*Interest Income and Net Interest Income expanded by 30% and 11%, respectively, in FY 2025 vs. FY 2024*

## FY 25 Net Interest Income (“NII”)

FY 2025 NII of \$41.1MM versus FY 2024 NII of \$36.9MM, an expansion of \$4.2MM, or 11%, this marks the second straight year of double digit % expansion in NII

## FY 25 GAAP & Distributable Earnings per Share (“EPS”)<sup>1</sup>

GAAP Diluted EPS: \$1.80 / common share  
Dist. EPS: \$0.59 / common share

## FY 25 GAAP / Economic Book Value (“BV”)<sup>1</sup>

GAAP BV: \$10.74 / common share  
Economic BV: \$12.70 / common share

## Dividend

Declared dividend of \$0.32 / common share to be paid on February 27, 2026

## KEY COMMENTARY

- Purchased \$861.8MM of loans with a weighted average coupon (“WAC”) of 7.79%, a weighted average combined loan-to-value ratio (“CLTV”) of 65.4%, and a weighted average non-zero credit score of 756 in FY 2025
- GAAP Book Value increased 5.6% and Economic Book Value decreased 3.1% as of the end of 2025 versus the end of 2024
- In the fourth quarter, executed the AOMT 2025-10 securitization as the sole contributor of loans, contributing loans with a total unpaid principal balance of \$274.3MM, and participated in the AOMT 2025-HB2 securitization, contributing HELOCs with an unpaid principal balance of \$58.6 million
- Participated in four securitization transactions in 2025, contributing a total of \$704MM of unpaid principal balance
- Exercised, along with our affiliates, the combined call rights on the AOMT 2019-2 and AOMT 2019-4 securitizations, and re-securitized the underlying loans in AOMT 2025-R1 (in which we do not hold any economic interest)
- The weighted average 90+ day delinquency rate across residential whole loans, loans in securitization trust, and RMBS portfolios was 2.18%<sup>2</sup> as of the end of 2025, down from 2.43%<sup>2</sup> as of the end of 2024 and down from 2.20% as of the end of the third quarter 2025

<sup>1</sup> See Appendix for definition and reconciliation to comparable GAAP metrics.

<sup>2</sup> Based on % of unpaid principal balance that is 90+ days delinquent across Whole Loans, RMBS, and Residential Loans In Securitization Trust



# Net Interest Income and Average Asset Balances

| \$000s                                                                              | 2025                      |                 | 2024                      |                 |
|-------------------------------------------------------------------------------------|---------------------------|-----------------|---------------------------|-----------------|
|                                                                                     | Interest Income / Expense | Average Balance | Interest Income / Expense | Average Balance |
| <b>Interest Income</b>                                                              |                           |                 |                           |                 |
| Residential Mortgage Loans                                                          | 20,120                    | \$ 272,486      | \$ 18,677                 | \$ 271,658      |
| Residential Loans in Securitization Trust                                           | 105,452                   | \$ 1,879,665    | 74,757                    | 1,441,354       |
| Commercial Loans                                                                    | 420                       | \$ 5,202        | 345                       | 5,231           |
| RMBS and Majority-Owned Affiliate                                                   | 14,623                    | \$ 140,395      | 12,851                    | 146,829         |
| CMBS                                                                                | 990                       | \$ 5,275        | 1,520                     | 6,276           |
| US Treasury Securities                                                              | 61                        | \$ 1,667        | 564                       | 11,411          |
| Other Interest Income                                                               | 1,989                     | \$ 46,232       | 1,713                     | 38,711          |
| <b>Total Interest Income</b>                                                        | <b>\$ 143,655</b>         |                 | <b>\$ 110,427</b>         |                 |
| <b>Interest Expense</b>                                                             |                           |                 |                           |                 |
| Notes Payable                                                                       | \$ 12,838                 | \$ 203,448      | \$ 13,158                 | \$ 191,134      |
| Non-Recourse Securitization Obligation collateralized by Residential Mortgage Loans | 77,948                    | 1,747,061       | 54,262                    | 1,360,602       |
| Repurchase Facilities                                                               | 3,631                     | 62,436          | 3,808                     | 61,060          |
| Senior Unsecured Notes                                                              | 8,138                     | 73,023          | 2,274                     | 21,986          |
| <b>Total Interest Expense</b>                                                       | <b>\$ 102,555</b>         |                 | <b>\$ 73,502</b>          |                 |
| <b>Net Interest Income</b>                                                          | <b>\$ 41,100</b>          |                 | <b>\$ 36,925</b>          |                 |

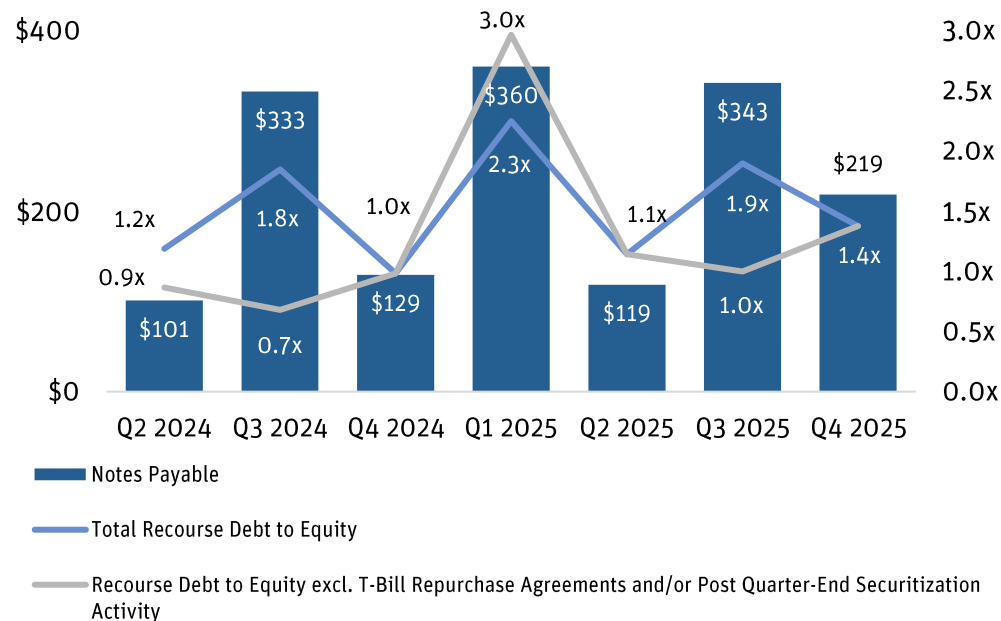


# Recourse Debt to Equity Trend

## KEY COMMENTARY

- As of December 31, 2025, our Recourse Debt to Equity Ratio was approximately 1.4x
  - Our Recourse Debt to Equity Ratio is expected to remain below 2.5x going forward

**Notes Payable vs. Recourse Debt<sup>1</sup> to Equity Trend**  
(\$ millions)



<sup>1</sup> Recourse debt excludes Non-Recourse Financing Obligations, collateralized by residential loans in securitization trusts



# AOMR 2025-10 Securitization

In October 2025, AOMR was the sole participant in the \$274.3MM AOMT 2025-10 securitization and contributed loans with a 7.40% Weighted Average Coupon

## 2025-10 Securitization Details at Issuance

| Class        | Total Balance        | Balance Sold         | Initial Coupon | Fair Market Value    |
|--------------|----------------------|----------------------|----------------|----------------------|
| A1-A         | \$166,109,000        | \$166,109,000        | 4.96%          | \$166,105,811        |
| A1-B         | \$27,434,000         | \$27,434,000         | 4.96%          | \$27,433,473         |
| A2           | \$13,854,000         | \$13,854,000         | 5.16%          | \$13,853,744         |
| A3           | \$41,561,000         | \$41,561,000         | 5.37%          | \$41,560,360         |
| M1           | \$12,208,000         | \$11,660,000         | 5.72%          | \$12,207,698         |
| B1           | \$10,014,000         |                      | 6.93%          | \$9,779,006          |
| B2           | \$2,880,000          |                      | 6.93%          | \$2,685,726          |
| B3           | \$274,969            |                      | 6.93%          | \$240,296            |
| XS           | \$274,334,969        |                      | N/A            | \$11,081,158         |
| A-IO-S       | \$271,652,750        |                      | N/A            | \$1,875,137          |
| <b>Total</b> | <b>\$274,334,969</b> | <b>\$260,618,000</b> |                | <b>\$286,822,409</b> |

## KEY COMMENTARY

- \$274.3MM Securitization; Face Value of securities sold \$260.6MM
- 7.40% weighted average coupon of loans
- The A1 through A3 tranches were sold as well as the majority of the M1 tranche; the Company retains the economics of the unsold tranches
- Weighted average non-zero credit score: 759; weighted average CLTV: 70.1%



# AOMR 2025-HB2 Securitization

In December 2025, AOMR participated in the \$281.4MM AOMT 2025-HB2 securitization; the weighted average coupon of Home Equity Lines of Credit (HELOCs) contributed to the deal was 10.7%

## 2025-HB2 Securitization Details at Issuance

| Class        | Total Balance        | Balance Sold         | Initial Coupon | Fair Market Value    |
|--------------|----------------------|----------------------|----------------|----------------------|
| A1           | \$212,026,000        | \$212,026,000        | 5.69%          | \$212,026,000        |
| M1           | \$15,195,000         | \$15,195,000         | 6.24%          | \$15,195,000         |
| M2           | \$13,788,000         | \$13,788,000         | 6.54%          | \$13,788,000         |
| M3           | \$13,928,000         | \$13,928,000         | 6.84%          | \$13,928,000         |
| B1           | \$12,663,000         | \$12,381,000         | 7.84%          | \$12,663,000         |
| B2           | \$6,612,000          |                      | 9.09%          | \$6,612,000          |
| B3           | \$7,176,254          |                      | 13.85%         | \$6,241,805          |
| XS           | \$281,388,254        |                      | 7.64%          | \$19,491,567         |
| A-IO-S       | \$281,388,254        |                      | N/A            | \$717,343            |
| <b>Total</b> | <b>\$281,388,254</b> | <b>\$267,318,000</b> |                | <b>\$300,662,715</b> |

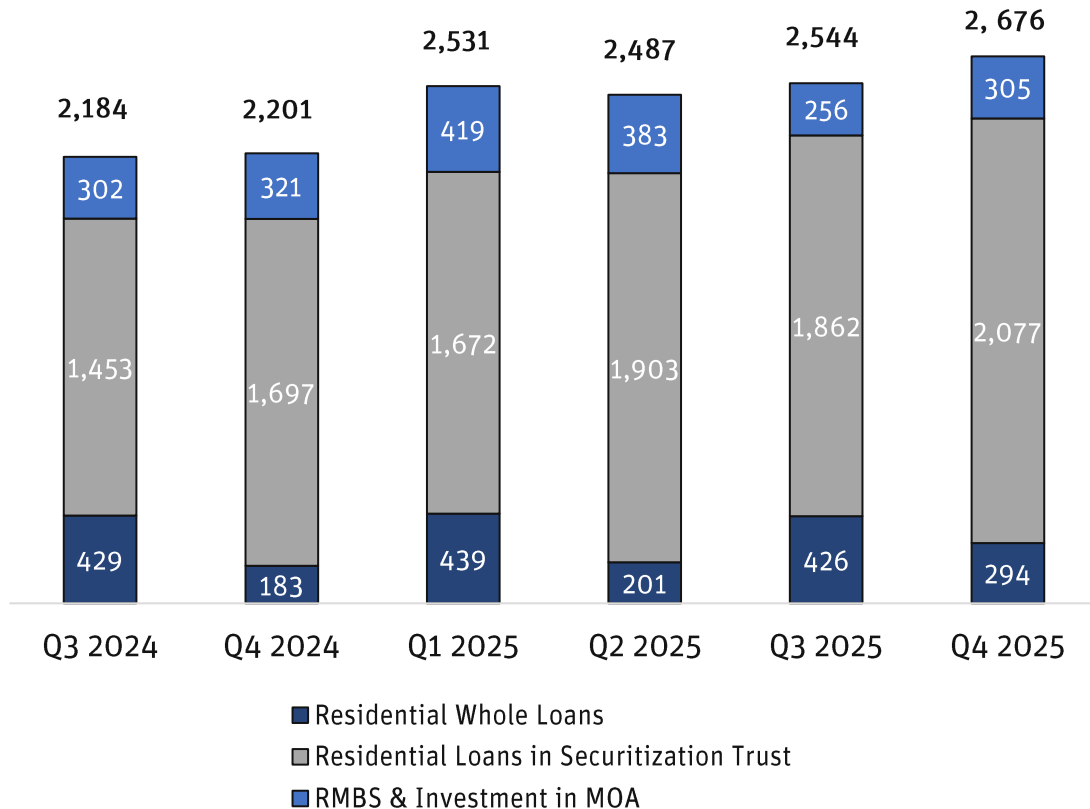
## KEY COMMENTARY

- \$281.4MM Securitization; Face Value of securities sold \$267.3MM
- 10.70% weighted average coupon of loans
- The A1 through M3 tranches were sold as well as the majority of the B1 tranche; the Company retains its proportional share of the economics of the unsold tranches
- Weighted average non-zero credit score: **740**; weighted average CLTV: **63.3%**



# Target Asset Composition

Target Asset Composition<sup>1</sup>  
(\$ millions)



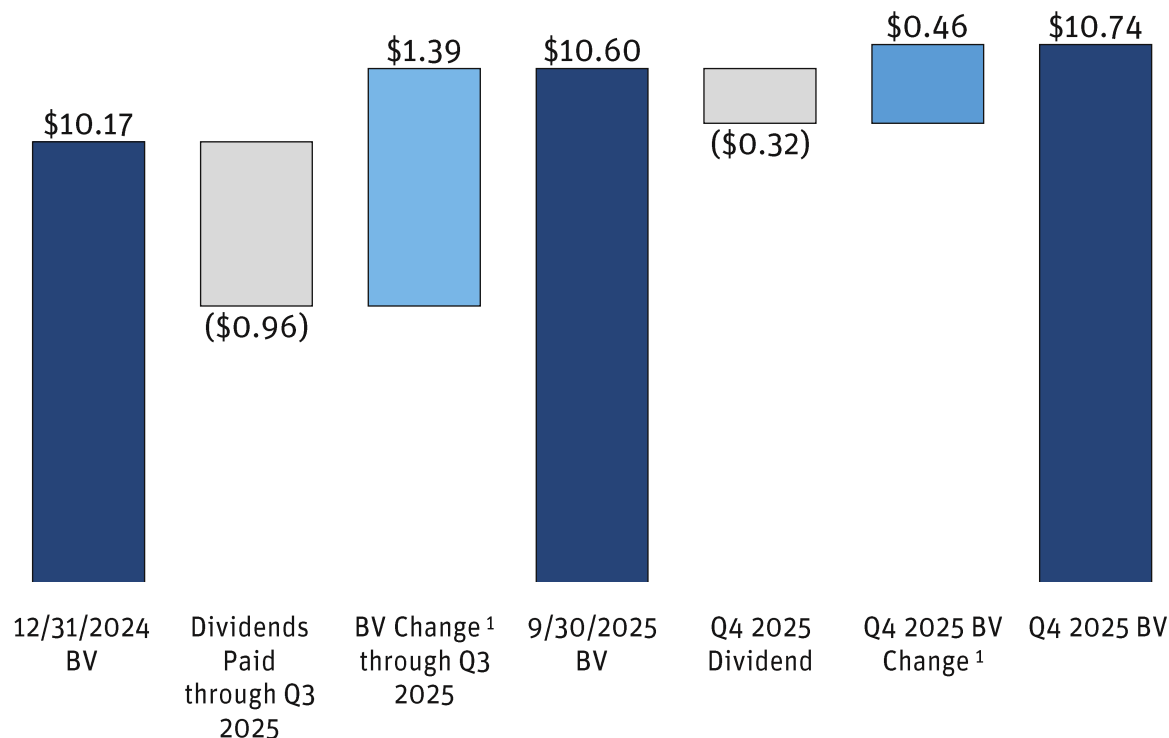
## Key Commentary

- A \$215MM increase in Residential Whole Loans in Securitization Trust and a \$49MM increase in RMBS & Investment in MOA drove the majority of the increase in total Target Assets in Q4 2025 vs Q3 2025, offset by a decrease in Residential Whole Loans
- Residential Whole Loans decreased and Residential Loans in Securitization Trust increased in the fourth quarter versus the third quarter due to securitization activity, offset by new loan purchases
- The quarter over quarter increase in RMBS & Investment in MOA is driven by approximately \$43MM more Whole Pool RMBS securities held short term at quarter end in Q4 2025 versus Q3 2025, as well as the 2025-HB2 securitization

<sup>1</sup> Reflects Target Asset Balances as of quarter end, which includes Residential Loans, Residential Loans in Securitization Trust, RMBS, and Investment in majority-owned affiliate ("MOA")



# GAAP Book Value per Share



## GAAP Book Value Change Drivers & Highlights

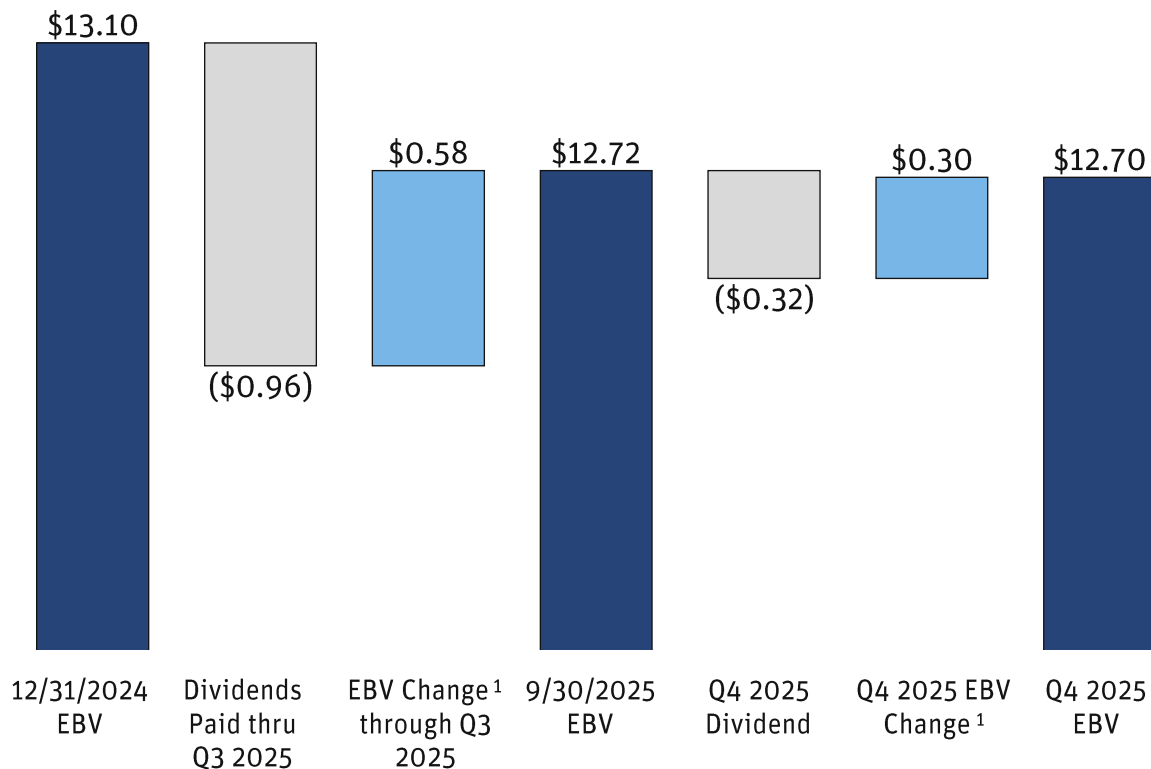
- GAAP Book Value per share increased by \$0.57, or 5.6%, as of the end of Q4 2025 versus the end of Q4 2024; GAAP Book Value per share increased by \$0.14, or 1.3%, as of the end of Q4 2025 versus the end of Q3 2025
- GAAP Book Value per Share increased by 18.2% in Q4 2025 versus Q4 2024 excluding our dividend; GAAP Book Value per Share increased by 4.3% in Q4 2025 versus Q3 2025 excluding our dividend

Note: All Book Value statistics represented on a per share basis

<sup>1</sup> Excluding quarterly dividend impact



# Economic Book Value



## Economic Book Value Growth Drivers & Highlights

- Economic Book Value per Share<sup>2</sup> decreased by \$0.40, or 3.1%, as of the end of Q4 2025 versus the end of Q4 2024; Economic Book Value per Share<sup>2</sup> decreased by \$0.02, or 0.2%, as of the end of Q4 2025 versus the end of Q3 2025
- Economic Book Value per Share increased by 6.7% in Q4 2025 versus Q4 2024 excluding our dividend; Economic Book Value per Share increased by 2.3% in Q4 2025 versus Q3 2025 excluding our dividend

*Economic Book Value reflects the impact of fair value changes for sold bonds associated with securitized obligations collateralized by loans in securitization trusts*

Note: All Book Value statistics represented on a per share basis

<sup>1</sup>Excluding quarterly dividend impact

<sup>2</sup> See Appendix for definition and reconciliation to comparable GAAP metrics



# Distributable Earnings

|                                                                                                                        | Three Months Ended    |                   | Twelve Months Ended |                   |
|------------------------------------------------------------------------------------------------------------------------|-----------------------|-------------------|---------------------|-------------------|
|                                                                                                                        | December 31, 2025     | December 31, 2024 | December 31, 2025   | December 31, 2024 |
|                                                                                                                        | <i>(in thousands)</i> |                   |                     |                   |
| Net income (loss) allocable to common stockholders                                                                     | \$ 11,315             | \$ (15,055)       | \$ 44,024           | \$ 28,750         |
| Adjustments:                                                                                                           |                       |                   |                     |                   |
| Net unrealized (gains) losses on trading securities                                                                    | 1,645                 | 196               | (216)               | 1,026             |
| Net unrealized (gains) losses on derivatives                                                                           | 427                   | 136               | 1,307               | (2,849)           |
| Net unrealized (gains) losses on residential loans in securitization trusts and non-recourse securitization obligation | (8,380)               | 23,560            | (28,578)            | (5,313)           |
| Net unrealized (gains) losses on residential loans                                                                     | 1,879                 | 839               | (3,271)             | (16,598)          |
| Net unrealized (gains) losses on commercial loans                                                                      | -                     | 21                | -                   | (27)              |
| Non-cash equity compensation expense                                                                                   | 423                   | 177               | 1,354               | 2,041             |
| <b>Distributable Earnings</b>                                                                                          | <b>\$ 7,309</b>       | <b>\$ 9,874</b>   | <b>\$ 14,620</b>    | <b>\$ 7,030</b>   |

## Key Commentary

- Q4 2025 Distributable Earnings exclude a total of \$4.4MM of unrealized gains, primarily driven by valuation increases to residential loans in securitization trusts and non-recourse securitization obligation, offset by unrealized losses on residential whole loans and trading securities
- For FY 2025, Distributable Earnings exclude \$30.8MM of unrealized gains, primarily driven by valuation increases to residential loans in securitization trusts and non-recourse securitization obligation, as well as unrealized gains on residential whole loans and trading securities
- Realized losses associated with interest rate hedges against certain assets are included in Distributable Earnings, but the unrealized gains associated with increases in the valuation of those assets are excluded

Note: Please see Appendix for the Company's definition of Distributable Earnings.





## **Key Portfolio Statistics**

# Key Portfolio Statistics: Residential Loans

## RESIDENTIAL LOAN PORTFOLIO:

Residential Loans represent individual loans awaiting securitization

Total Fair Value: \$294.1MM

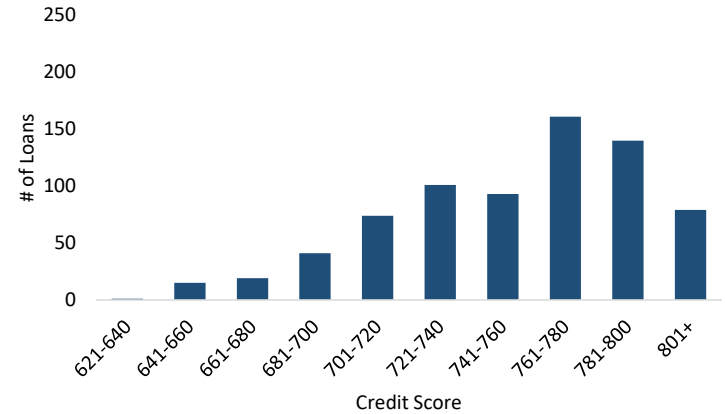
Weighted Average Coupon: 7.38%

Weighted Average CLTV at Origination: 70.5%

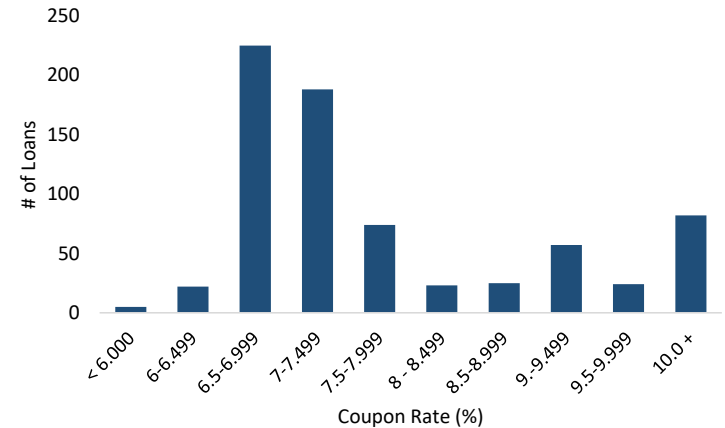
Weighted Average FICO Score at Loan Origination: 760

% of Loans 90+ Days Delinquent (based on Unpaid Principal Balance): 0.4%

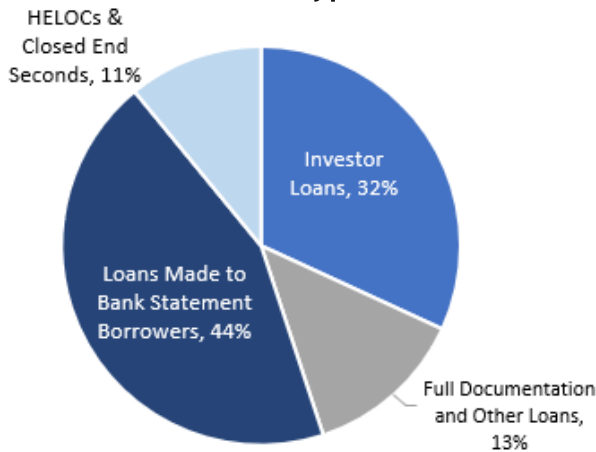
### Residential Loan Portfolio Non-Zero Credit Score Distribution



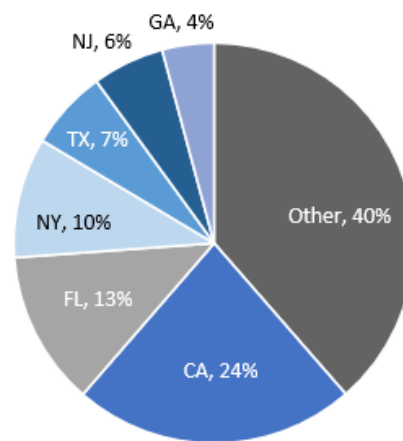
### Residential Loan Portfolio Coupon Rate Distribution



### Residential Loans by Borrower Type



### Residential Loan Geographic Diversification



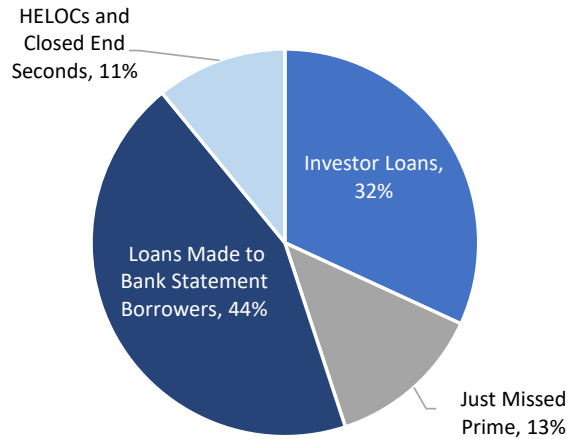
As of December 31, 2025

No state in "Other" represents more than a 4% concentration of the residential mortgage loans that we owned directly as of December 31, 2025; percentages may not total to 100% due to rounding

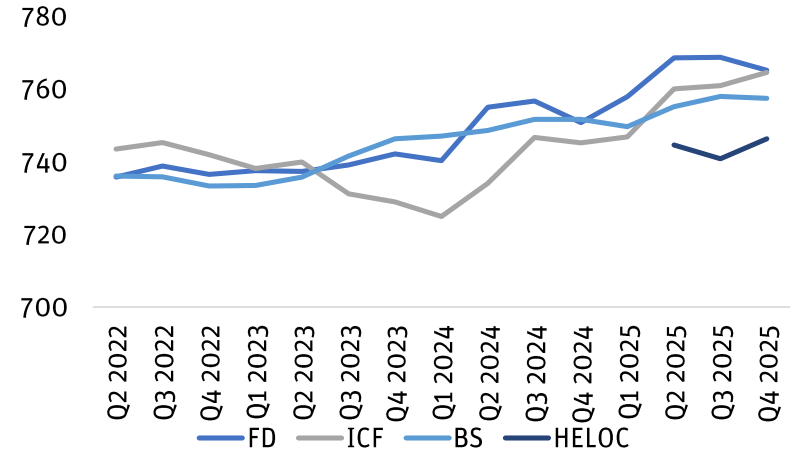


# Key Portfolio Statistics: Residential Loans by Product Type Detail

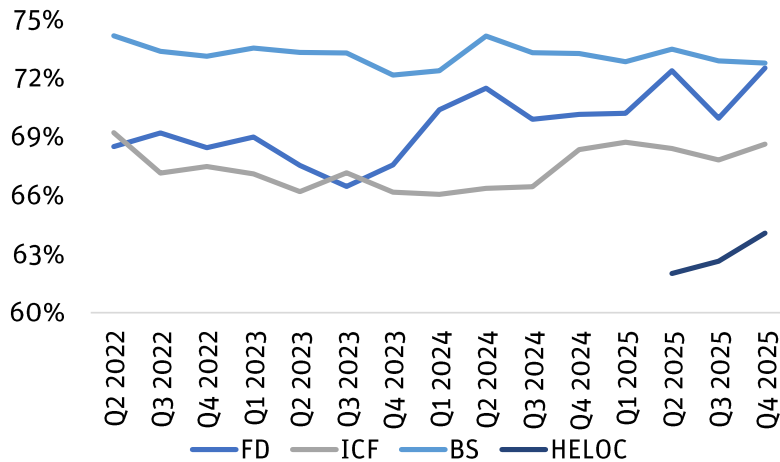
### Residential Loans by Product



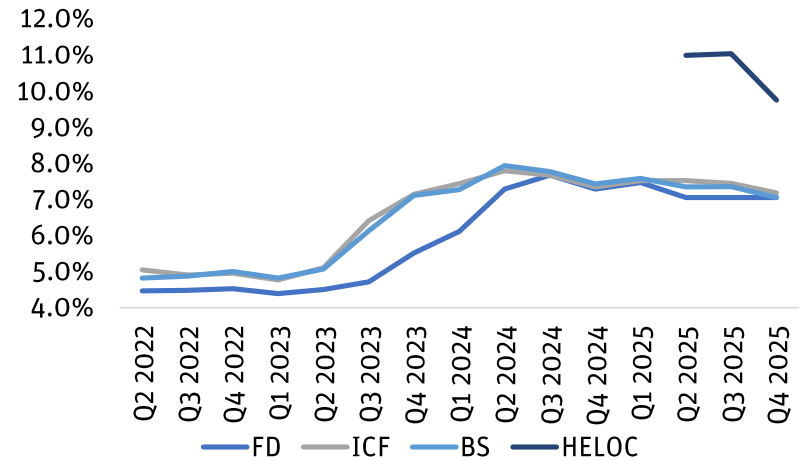
### Weighted Average Non-Zero Credit Score by Product



### Weighted Average CLTV by Product



### Weighted Average Coupon by Product



As of December 31, 2025

FD: Full Documentation, Just Missed Prime

BS: Bank Statement Borrower

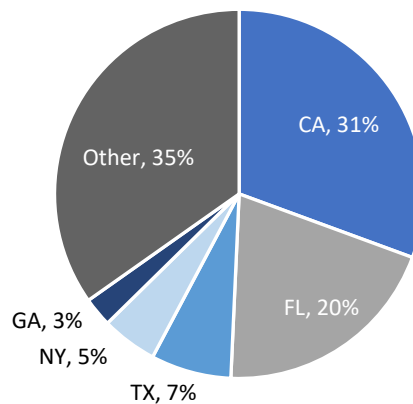
ICF: Investor Loans



# Key Portfolio Statistics: Loans in Securitization Trust

| \$000s                                                          | Vintage    |            |            |            |            | Total /<br>Weighted<br>Average |
|-----------------------------------------------------------------|------------|------------|------------|------------|------------|--------------------------------|
|                                                                 | 2021       | 2022       | 2023       | 2024       | 2025       |                                |
| UPB of loans                                                    | \$ 366,221 | \$ 499,335 | \$ 230,963 | \$ 477,234 | \$ 516,830 | \$ 2,090,583                   |
| Number of loans                                                 | 967        | 1,210      | 519        | 1,127      | 1,124      | 4,947                          |
| Weighted Average Loan Coupon                                    | 4.75%      | 4.62%      | 4.48%      | 7.46%      | 7.45%      | 5.97%                          |
| Average Loan Amount                                             | \$ 379     | \$ 413     | \$ 445     | \$ 423     | \$ 460     | \$ 424                         |
| Weighted Average LTV at loan origination and deal date          | 64.3%      | 65.4%      | 66.0%      | 67.7%      | 69.6%      | 66.9%                          |
| Weighted Average Credit Score at loan origination and deal date | 747        | 744        | 736        | 744        | 757        | 747                            |
| Current 3 month CPR <sup>1</sup>                                | 12.8%      | 9.1%       | 7.7%       | 13.9%      | 17.0%      | 12.6%                          |
| 90+ Delinquency (as a % of UPB)                                 | 2.5%       | 1.5%       | 3.2%       | 1.6%       | 0.7%       | 1.7%                           |

## Loans in Securitization Trust Geographic Diversification



As of December 31, 2025

No state in "Other" represents more than a 3% concentration in the underlying collateral; percentages may not total to 100% due to rounding

<sup>1</sup> Conditional Prepayment Rate ("CPR") is a method of expressing the prepayment rate for a mortgage pool that assumes that a constant fraction of the remaining principal is prepaid each month or year



# Key Portfolio Statistics: RMBS & Residential Loans in Sec. Trust

## RMBS & RESIDENTIAL LOANS IN SECURITIZATION TRUST PORTFOLIO:

Includes (1) legacy retained tranches of securitizations that AOMR was not a sole contributor to, (2) RMBS purchased in the secondary market (if any), and (3) Residential Loans in Securitization Trust.

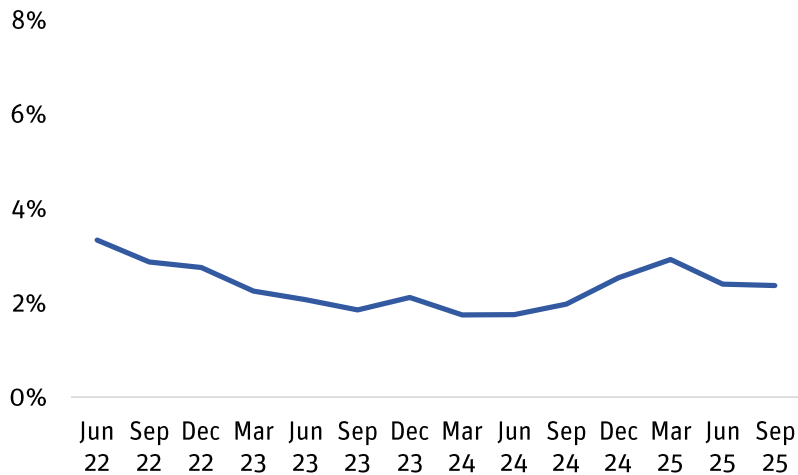
Total Fair Value: \$2.159B

Weighted Average Coupon<sup>1</sup>: 6.2%

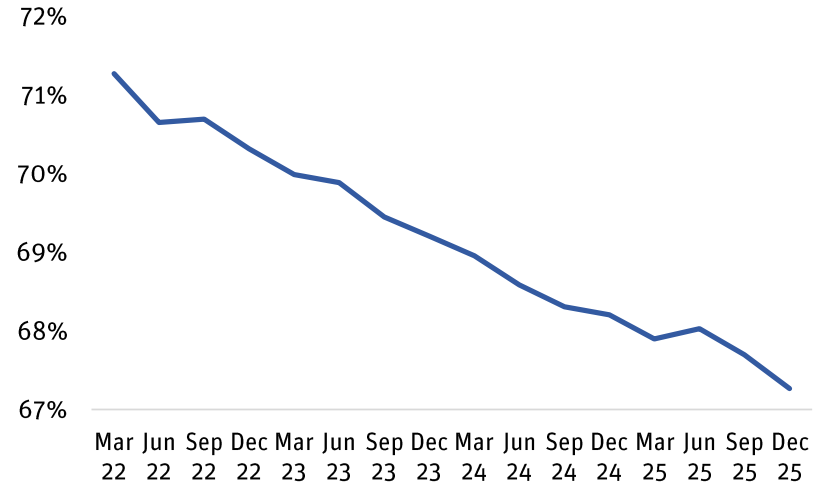
Weighted Average LTV<sup>1</sup>: 67.3%

90 Day Delinquency (as a % of UPB) <sup>1</sup>: 2.28%

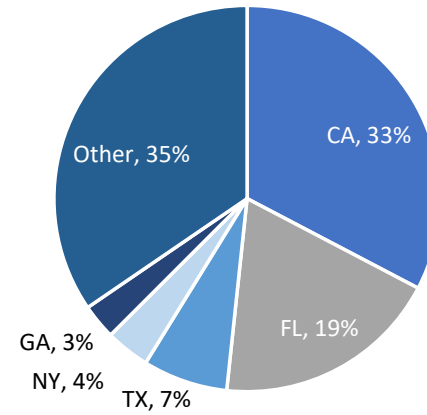
90+ Day Delinquency Trend <sup>1,2</sup>



LTV Trend <sup>1</sup>



Portfolio Geographic Diversification <sup>1</sup>



<sup>1</sup> Based on UPB of entire RMBS and Residential Loans In Securitization Trust as of December 31, 2025; does not include Whole Pool RMBS.

<sup>2</sup> As % of Original UPB.





## **Appendix**

# The AOMR Model

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AOMR seeks to generate strong risk-adjusted returns and long-term capital appreciation to deliver attractive total economic return to our shareholders

## 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 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

## Growing Book Value

Seek to consistently grow asset base of loans and securities to **drive increasing returns**

## Long-Term Focus

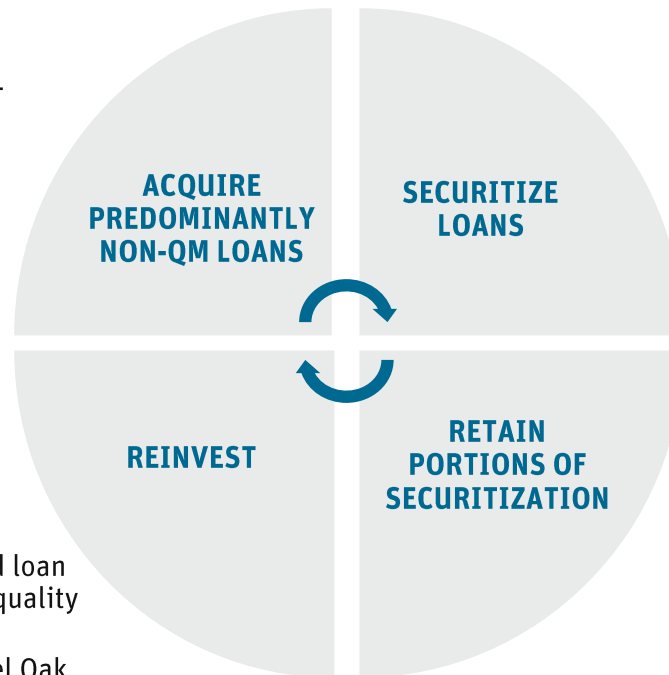
**AOMR is a business, not a trade** – management will make key decisions in the **best long-term interest of our shareholders**



# AOMR Investment Strategy

Our acquisition, securitization, and reinvestment processes enable us to consistently deliver on our business model

- 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

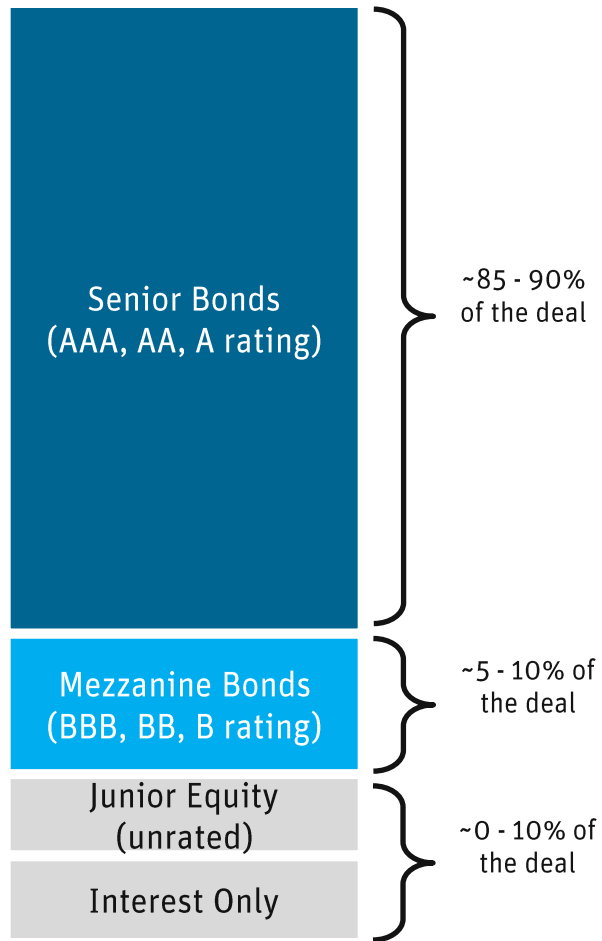


- Utilize structural term leverage from securitizations, portfolio returns, and loan financing facilities to purchase high quality non-QM loans
- Utilize the breadth and depth of Angel Oak to act upon key market opportunities and risks

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



# Illustrative Securitization Structure



## KEY CHARACTERISTICS

- Senior and mezzanine bonds receive a fixed coupon
  - Junior bonds receive the net Weighted Average Coupon of collateral
  - Interest-only tranches receive remaining excess spread between the collateral pool and the coupon on the senior, mezzanine, and junior bonds
    - This excess spread is sensitive to prepayments
  - Bonds can typically be called after two to three years
- Angel Oak intends to retain bonds where it finds the best relative value, which may include Subordinated Bonds, Junior Equity (credit sensitive), and IO Bonds (prepayment sensitive)
- Retaining these bonds creates a natural hedge in the portfolio as the B2 and B3 bonds tend to perform well in a faster prepayment environment, whereas the XS and AIOS interest only bonds tend to experience reduced cash flows



# Income Statement (Unaudited)

| (in thousands)                                                                                                                   | For the Three Months Ended:                         |                    | For the Twelve Months Ended: |                   |
|----------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------|--------------------|------------------------------|-------------------|
|                                                                                                                                  | December 31, 2025                                   | December 31, 2024  | December 31, 2025            | December 31, 2024 |
|                                                                                                                                  | (in thousands, except for share and per share data) |                    |                              |                   |
| <b>INTEREST INCOME, NET</b>                                                                                                      |                                                     |                    |                              |                   |
| Interest income                                                                                                                  | \$ 39,034                                           | \$ 31,869          | \$ 143,655                   | \$ 110,427        |
| Interest expense                                                                                                                 | 28,142                                              | 22,007             | 102,555                      | 73,502            |
| <b>NET INTEREST INCOME</b>                                                                                                       | <b>10,892</b>                                       | <b>9,862</b>       | <b>41,100</b>                | <b>36,925</b>     |
| <b>REALIZED AND UNREALIZED GAINS(LOSSES), NET</b>                                                                                |                                                     |                    |                              |                   |
| Net realized gain (loss) on mortgage loans, derivative contracts, RMBS, and CMBS                                                 | 1,374                                               | 5,300              | (10,863)                     | (9,228)           |
| Net unrealized gain (loss) on trading securities, mortgage loans, portion of debt at fair value option, and derivative contracts | 4,429                                               | (24,753)           | 30,758                       | 23,761            |
| <b>TOTAL REALIZED AND UNREALIZED GAINS (LOSSES), NET</b>                                                                         | <b>5,803</b>                                        | <b>(19,453)</b>    | <b>19,895</b>                | <b>14,533</b>     |
| <b>EXPENSES</b>                                                                                                                  |                                                     |                    |                              |                   |
| Operating expenses                                                                                                               | 1,351                                               | 1,505              | 5,004                        | 6,786             |
| Operating expenses incurred with affiliate                                                                                       | 522                                                 | 402                | 1,901                        | 1,845             |
| Stock compensation                                                                                                               | 423                                                 | 177                | 1,354                        | 2,041             |
| Securitization costs                                                                                                             | 1,703                                               | 2,215              | 3,569                        | 3,799             |
| Management fee incurred with affiliate                                                                                           | 1,158                                               | 1,166              | 4,612                        | 4,976             |
| <b>TOTAL OPERATING EXPENSES</b>                                                                                                  | <b>5,157</b>                                        | <b>5,465</b>       | <b>16,440</b>                | <b>19,447</b>     |
| <b>INCOME (LOSS) BEFORE INCOME TAXES</b>                                                                                         | <b>11,539</b>                                       | <b>(15,056)</b>    | <b>44,555</b>                | <b>32,011</b>     |
| Income tax expense (benefit)                                                                                                     | 224                                                 | -                  | 531                          | 3,261             |
| <b>NET INCOME (LOSS) ALLOCABLE TO COMMON STOCKHOLDERS</b>                                                                        | <b>\$ 11,315</b>                                    | <b>\$ (15,056)</b> | <b>\$ 44,024</b>             | <b>\$ 28,750</b>  |
| Other comprehensive income (loss)                                                                                                | (318)                                               | (3,034)            | 2,161                        | 1,500             |
| <b>TOTAL COMPREHENSIVE INCOME (LOSS)</b>                                                                                         | <b>\$ 10,997</b>                                    | <b>\$ (18,090)</b> | <b>\$ 46,185</b>             | <b>\$ 30,250</b>  |



# Consolidated Balance Sheet (Unaudited)

|                                                                                                                                                                                                                                    | As of:                                |                     |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------|---------------------|
|                                                                                                                                                                                                                                    | December 31, 2025                     | December 31, 2024   |
|                                                                                                                                                                                                                                    | (in thousands, except for share data) |                     |
| <b>ASSETS</b>                                                                                                                                                                                                                      |                                       |                     |
| Residential mortgage loans - at fair value                                                                                                                                                                                         | \$ 294,134                            | \$ 183,064          |
| Residential mortgage loans in securitization trusts - at fair value                                                                                                                                                                | 2,076,776                             | 1,696,995           |
| RMBS - at fair value                                                                                                                                                                                                               | 280,005                               | 300,243             |
| Cash and cash equivalents                                                                                                                                                                                                          | 41,619                                | 40,762              |
| Restricted cash                                                                                                                                                                                                                    | 3,666                                 | 2,131               |
| Principal and interest receivable                                                                                                                                                                                                  | 10,354                                | 8,141               |
| TBA securities and interest rate futures contracts - at fair value                                                                                                                                                                 | 240                                   | 1,515               |
| Other assets                                                                                                                                                                                                                       | 42,984                                | 36,918              |
| Total assets                                                                                                                                                                                                                       | <u>\$ 2,749,778</u>                   | <u>\$ 2,269,769</u> |
| <b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>                                                                                                                                                                                        |                                       |                     |
| <b>LIABILITIES</b>                                                                                                                                                                                                                 |                                       |                     |
| Notes payable                                                                                                                                                                                                                      | \$ 218,757                            | \$ 129,459          |
| Non-recourse securitization obligations, collateralized by residential loans in securitization trusts                                                                                                                              | 1,915,321                             | 1,593,612           |
| Securities sold under agreements to repurchase                                                                                                                                                                                     | 54,041                                | 50,555              |
| Senior unsecured notes                                                                                                                                                                                                             | 89,023                                | 47,740              |
| TBA securities and interest rate futures contracts - at fair value                                                                                                                                                                 | 32                                    | -                   |
| Due to broker                                                                                                                                                                                                                      | 198,191                               | 201,994             |
| Accrued expenses                                                                                                                                                                                                                   | 2,021                                 | 2,291               |
| Accrued expenses payable to affiliate                                                                                                                                                                                              | 783                                   | 766                 |
| Interest payable                                                                                                                                                                                                                   | 3,423                                 | 934                 |
| Income taxes payable                                                                                                                                                                                                               | -                                     | 2,785               |
| Management fee payable to affiliate                                                                                                                                                                                                | 663                                   | 666                 |
| Total liabilities                                                                                                                                                                                                                  | <u>\$ 2,482,255</u>                   | <u>\$ 2,030,802</u> |
| <b>STOCKHOLDERS' EQUITY</b>                                                                                                                                                                                                        |                                       |                     |
| Common stock, \$0.01 par value. As of December 31, 2025: 350,000,000 shares authorized, 24,914,647 shares issued and outstanding. As of December 31, 2024: 350,000,000 shares authorized, 23,500,175 shares issued and outstanding | 249                                   | 234                 |
| Additional paid-in capital                                                                                                                                                                                                         | 474,577                               | 461,057             |
| Accumulated other comprehensive (loss)                                                                                                                                                                                             | (1,314)                               | (3,475)             |
| Retained earnings (deficit)                                                                                                                                                                                                        | (205,989)                             | (218,849)           |
| Total stockholders' equity                                                                                                                                                                                                         | <u>\$ 267,523</u>                     | <u>\$ 238,967</u>   |
| Total liabilities and stockholders' equity                                                                                                                                                                                         | <u>\$ 2,749,778</u>                   | <u>\$ 2,269,769</u> |



# Appendix: GAAP Reconciliation of Distributable Earnings (Unaudited)

|                                                                                                                        | Three Months Ended    |                   | Twelve Months Ended |                   |
|------------------------------------------------------------------------------------------------------------------------|-----------------------|-------------------|---------------------|-------------------|
|                                                                                                                        | December 31, 2025     | December 31, 2024 | December 31, 2025   | December 31, 2024 |
|                                                                                                                        | <i>(in thousands)</i> |                   |                     |                   |
| <b>Net income (loss) allocable to common stockholders</b>                                                              | \$ 11,315             | \$ (15,055)       | \$ 44,024           | \$ 28,750         |
| <b>Adjustments:</b>                                                                                                    |                       |                   |                     |                   |
| Net unrealized (gains) losses on trading securities                                                                    | 1,645                 | 196               | (216)               | 1,026             |
| Net unrealized (gains) losses on derivatives                                                                           | 427                   | 136               | 1,307               | (2,849)           |
| Net unrealized (gains) losses on residential loans in securitization trusts and non-recourse securitization obligation | (8,380)               | 23,560            | (28,578)            | (5,313)           |
| Net unrealized (gains) losses on residential loans                                                                     | 1,879                 | 839               | (3,271)             | (16,598)          |
| Net unrealized (gains) losses on commercial loans                                                                      | -                     | 21                | -                   | (27)              |
| Non-cash equity compensation expense                                                                                   | 423                   | 177               | 1,354               | 2,041             |
| <b>Distributable Earnings</b>                                                                                          | <b>\$ 7,309</b>       | <b>\$ 9,874</b>   | <b>\$ 14,620</b>    | <b>\$ 7,030</b>   |

Distributable Earnings is a non-GAAP measure and is defined as net income (loss) allocable to common stockholders as calculated in accordance with GAAP, excluding (1) unrealized gains and losses on our aggregate portfolio, (2) impairment losses, (3) extinguishment of debt, (4) non-cash equity compensation expense, (5) the incentive fee earned by our Manager, (6) realized gains or losses on swap terminations and (7) certain other nonrecurring gains or losses. We believe that the presentation of Distributable Earnings provides investors with a useful measure to facilitate comparisons of financial performance among our REIT peers but has important limitations. We believe Distributable Earnings as described above helps evaluate our financial performance without the impact of certain transactions but is of limited usefulness as an analytical tool. Therefore, Distributable Earnings should not be viewed in isolation and is not a substitute for net income computed in accordance with GAAP. Our methodology for calculating Distributable Earnings may differ from the methodologies employed by other REITs to calculate the same or similar supplemental performance measures, and as a result, our Distributable Earnings may not be comparable to similar measures presented by other REITs.



## Appendix: GAAP Reconciliation of Economic Book Value (Unaudited)

|                                                                   | December 31, 2025                                        | September 30, 2025 | June 30, 2025     | March 31, 2025    | December 31, 2024 |
|-------------------------------------------------------------------|----------------------------------------------------------|--------------------|-------------------|-------------------|-------------------|
|                                                                   | <i>in thousands, except for share and per share data</i> |                    |                   |                   |                   |
| GAAP total stockholders' equity                                   | 267,523                                                  | 264,165            | 246,389           | 251,480           | 238,967           |
| Adjustments:                                                      |                                                          |                    |                   |                   |                   |
| Fair value adjustment for securitized debt held at amortized cost | 48,789                                                   | 52,770             | 61,846            | 63,593            | 68,784            |
| Stockholders' equity including economic book value adjustments    | <u>\$ 316,312</u>                                        | <u>\$ 316,935</u>  | <u>\$ 308,235</u> | <u>\$ 315,073</u> | <u>\$ 307,751</u> |
| Number of shares of common stock outstanding at period end        | 24,914,647                                               | 24,914,035         | 23,765,202        | 23,500,175        | 23,500,175        |
| GAAP Book value per share of common stock                         | \$ 10.74                                                 | \$ 10.60           | \$ 10.37          | \$ 10.70          | \$ 10.17          |
| Economic book value per share of common stock                     | \$ 12.70                                                 | \$ 12.72           | \$ 12.97          | \$ 13.41          | \$ 13.10          |

“Economic book value” is a non-GAAP financial measure of our financial position. To calculate our economic book value, the portions of our non-recourse financing obligation held at amortized cost are adjusted to fair value. These adjustments are also reflected in the table above in our end of period total stockholders' equity. Management considers economic book value to provide investors with a useful supplemental measure to evaluate our financial position as it reflects the impact of fair value changes for our legally held retained bonds, irrespective of the accounting model applied for GAAP reporting purposes. Economic book value does not represent and should not be considered as a substitute for book value per share of common stock or stockholders' equity, as determined in accordance with GAAP, and our calculation of this measure may not be comparable to similarly titled measures reported by other companies.



# Condensed Income Statement History (Unaudited)

| <i>(in thousands)</i>                                                                                                            | FY23          | 1Q24          | 2Q24           | 3Q24          | 4Q24            | FY24          | 1Q25          | 2Q25           | 3Q25          | 4Q25          | FY25          |
|----------------------------------------------------------------------------------------------------------------------------------|---------------|---------------|----------------|---------------|-----------------|---------------|---------------|----------------|---------------|---------------|---------------|
| Interest Income                                                                                                                  | 95,953        | 25,212        | 25,902         | 27,444        | 31,869          | 110,427       | 32,867        | 35,094         | 36,659        | 39,034        | 143,655       |
| Interest Expense                                                                                                                 | 67,052        | 16,633        | 16,439         | 18,424        | 22,007          | 73,502        | 22,780        | 25,154         | 26,479        | 28,142        | 102,555       |
| <b>NET INTEREST INCOME</b>                                                                                                       | <b>28,901</b> | <b>8,579</b>  | <b>9,463</b>   | <b>9,020</b>  | <b>9,862</b>    | <b>36,925</b> | <b>10,087</b> | <b>9,940</b>   | <b>10,180</b> | <b>10,892</b> | <b>41,100</b> |
| Net realized gain (loss) on mortgage loans, derivative contracts, RMBS, and CMBS                                                 | (37,526)      | (1,422)       | (6,770)        | (6,335)       | 5,300           | (9,228)       | (3,182)       | (2,499)        | (6,557)       | 1,374         | (10,863)      |
| Net unrealized gain (loss) on trading securities, mortgage loans, portion of debt at fair value option, and derivative contracts | 63,489        | 10,684        | 2,658          | 35,172        | (24,753)        | 23,761        | 16,625        | (1,576)        | 11,280        | 4,429         | 30,758        |
| <b>TOTAL REALIZED AND UNREALIZED GAINS (LOSSES), NET</b>                                                                         | <b>25,963</b> | <b>9,262</b>  | <b>(4,112)</b> | <b>28,837</b> | <b>(19,453)</b> | <b>14,533</b> | <b>13,443</b> | <b>(4,075)</b> | <b>4,723</b>  | <b>5,803</b>  | <b>19,895</b> |
| Operating expenses                                                                                                               | 9,889         | 2,563         | 2,148          | 2,013         | 1,906           | 8,631         | 1,617         | 1,787          | 1,627         | 1,874         | 6,905         |
| Stock compensation                                                                                                               | 1,689         | 630           | 630            | 604           | 177             | 2,041         | 237           | 296            | 398           | 423           | 1,354         |
| Securitization costs                                                                                                             | 2,484         | 174           | 1,410          | -             | 2,215           | 3,799         | -             | 1,866          | -             | 1,703         | 3,569         |
| Management fee incurred with affiliate                                                                                           | 5,842         | 1,313         | 1,294          | 1,204         | 1,166           | 4,976         | 1,145         | 1,149          | 1,161         | 1,157         | 4,612         |
| <b>EXPENSES</b>                                                                                                                  | <b>19,904</b> | <b>4,680</b>  | <b>5,482</b>   | <b>3,821</b>  | <b>5,465</b>    | <b>19,447</b> | <b>2,999</b>  | <b>5,098</b>   | <b>3,186</b>  | <b>5,157</b>  | <b>16,440</b> |
| <b>INCOME (LOSS) BEFORE TAXES</b>                                                                                                | <b>34,960</b> | <b>13,161</b> | <b>(131)</b>   | <b>34,036</b> | <b>(15,056)</b> | <b>32,011</b> | <b>20,531</b> | <b>767</b>     | <b>11,717</b> | <b>11,539</b> | <b>44,555</b> |
| Income tax expense (benefit)                                                                                                     | 1,246         | 287           | 142            | 2,832         | -               | 3,261         | -             | -              | 307           | 224           | 531           |
| <b>NET INCOME (LOSS) ALLOCABLE TO COMMON STOCKHOLDERS</b>                                                                        | <b>33,714</b> | <b>12,874</b> | <b>(273)</b>   | <b>31,204</b> | <b>(15,056)</b> | <b>28,750</b> | <b>20,531</b> | <b>767</b>     | <b>11,410</b> | <b>11,315</b> | <b>44,024</b> |
| Other comprehensive income (loss)                                                                                                | 16,152        | 1,703         | 125            | 2,706         | (3,034)         | 1,500         | (695)         | (491)          | 3,665         | (318)         | 2,161         |
| <b>TOTAL COMPREHENSIVE INCOME (LOSS)</b>                                                                                         | <b>49,866</b> | <b>14,577</b> | <b>(148)</b>   | <b>33,910</b> | <b>(18,090)</b> | <b>30,250</b> | <b>19,836</b> | <b>276</b>     | <b>15,075</b> | <b>10,997</b> | <b>46,185</b> |



# Balance Sheet History (Unaudited)

(in thousands)

|                                                                                                      | 1Q24             | 2Q24             | 3Q24             | 4Q24             | 1Q25             | 2Q25             | 3Q25             | 4Q25             |
|------------------------------------------------------------------------------------------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| <b>Assets:</b>                                                                                       |                  |                  |                  |                  |                  |                  |                  |                  |
| Residential Mortgage Loans - at fair value                                                           | 368,446          | 158,940          | 428,909          | 183,064          | 439,460          | 200,665          | 425,775          | 294,134          |
| Residential mortgage loans in securitization trusts - at fair value                                  | 1,201,210        | 1,447,901        | 1,452,907        | 1,696,995        | 1,672,189        | 1,902,721        | 1,862,330        | 2,076,776        |
| RMBS - at fair value                                                                                 | 445,136          | 266,752          | 283,105          | 300,243          | 398,272          | 361,884          | 235,024          | 280,005          |
| U.S. Treasury Securities - at fair value                                                             | 149,805          | 149,957          | 49,971           | -                | 74,959           | -                | -                | -                |
| Cash and cash equivalents                                                                            | 39,421           | 43,956           | 42,052           | 40,762           | 38,696           | 40,500           | 51,598           | 41,619           |
| Restricted cash                                                                                      | 2,799            | 2,146            | 2,679            | 2,131            | 4,774            | 3,867            | 1,833            | 3,666            |
| Principal and interest receivable                                                                    | 10,591           | 6,174            | 6,630            | 8,141            | 9,823            | 6,836            | 14,781           | 10,354           |
| TBA securities and interest rate futures contracts - at fair value                                   | -                | 1,702            | 1,651            | 1,515            | 1,421            | -                | 1,944            | 240              |
| Other assets                                                                                         | 34,547           | 36,246           | 35,962           | 36,918           | 36,941           | 38,015           | 44,825           | 42,984           |
| <b>Total Assets</b>                                                                                  | <b>2,251,955</b> | <b>2,113,774</b> | <b>2,303,866</b> | <b>2,269,769</b> | <b>2,676,535</b> | <b>2,554,488</b> | <b>2,638,109</b> | <b>2,749,778</b> |
| <b>Liabilities:</b>                                                                                  |                  |                  |                  |                  |                  |                  |                  |                  |
| Notes payable                                                                                        | 284,002          | 101,200          | 333,042          | 129,459          | 360,470          | 118,619          | 342,608          | 218,757          |
| Non-recourse securitization obligation, collateralized by residential loans in securitization trusts | 1,146,641        | 1,372,272        | 1,353,758        | 1,593,612        | 1,556,075        | 1,767,929        | 1,726,657        | 1,915,321        |
| Securities sold under agreements to repurchase                                                       | 193,493          | 201,051          | 102,876          | 50,555           | 148,467          | 68,062           | 54,041           | 54,041           |
| Senior unsecured notes                                                                               | -                | -                | 47,616           | 47,740           | 47,865           | 88,601           | 88,795           | 89,023           |
| TBA securities and interest rate futures contracts - at fair value                                   | 889              | -                | -                | -                | 947              | 4,355            | 1,309            | 32               |
| Due to broker                                                                                        | 359,892          | 181,847          | 194,697          | 201,994          | 302,619          | 254,228          | 153,819          | 198,191          |
| Accrued expenses                                                                                     | 1,119            | 653              | 2,000            | 2,291            | 2,539            | 2,812            | 1,952            | 2,021            |
| Accrued expenses payable to affiliate                                                                | 257              | 397              | 657              | 766              | 248              | 393              | 588              | 783              |
| Interest payable                                                                                     | 800              | 460              | 1,312            | 934              | 1,865            | 2,258            | 2,173            | 3,423            |
| Income taxes payable                                                                                 | 1,528            | 78               | 2,785            | 2,785            | 2,785            | 163              | 163              | -                |
| Management fee payable to affiliate                                                                  | 10               | 10               | 25               | 666              | 1,175            | 679              | 1,840            | 663              |
| <b>Total Liabilities</b>                                                                             | <b>1,988,631</b> | <b>1,857,968</b> | <b>2,038,768</b> | <b>2,030,802</b> | <b>2,425,055</b> | <b>2,308,099</b> | <b>2,373,945</b> | <b>2,482,255</b> |
| <b>Equity:</b>                                                                                       |                  |                  |                  |                  |                  |                  |                  |                  |
| Common stock                                                                                         | 249              | 249              | 234              | 234              | 234              | 238              | 249              | 249              |
| Additional paid in capital                                                                           | 477,698          | 478,328          | 461,249          | 461,057          | 461,294          | 463,580          | 474,154          | 474,577          |
| Accumulated other comprehensive income (loss)                                                        | (3,272)          | (3,147)          | (441)            | (3,475)          | (4,170)          | (4,661)          | (996)            | (1,314)          |
| Retained (deficit) earnings                                                                          | (211,351)        | (219,624)        | (195,944)        | (218,849)        | (205,878)        | (212,768)        | (209,242)        | (205,989)        |
| <b>Total Stockholders Equity</b>                                                                     | <b>263,324</b>   | <b>255,806</b>   | <b>265,098</b>   | <b>238,967</b>   | <b>251,480</b>   | <b>246,389</b>   | <b>264,165</b>   | <b>267,523</b>   |
| <b>Total Liabilities and Equity</b>                                                                  | <b>2,251,955</b> | <b>2,113,774</b> | <b>2,303,866</b> | <b>2,269,769</b> | <b>2,676,535</b> | <b>2,554,488</b> | <b>2,638,110</b> | <b>2,749,778</b> |

