

EARN

ELLINGTON RESIDENTIAL MORTGAGE REIT

May 3, 2022

Earnings Conference Call

Q1 2022



Forward-Looking Statements

This presentation contains forward-looking statements within the meaning of the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. Forward-looking statements involve numerous risks and uncertainties. Actual results may differ from the Company's beliefs, expectations, estimates, and projections and, consequently, you should not rely on these forward-looking statements as predictions of future events. Forward-looking statements are not historical in nature and can be identified by words such as "believe," "expect," "anticipate," "estimate," "project," "plan," "continue," "intend," "should," "would," "could," "goal," "objective," "will," "may," "seek," or similar expressions or their negative forms, or by references to strategy, plans, or intentions.

The Company's results can fluctuate from month to month and from quarter to quarter depending on a variety of factors, some of which are beyond the Company's control and/or are difficult to predict, including, without limitation, changes in interest rates and the market value of the Company's securities, changes in mortgage default rates and prepayment rates, the Company's ability to borrow to finance its assets, changes in government regulations affecting the Company's business, the Company's ability to maintain its exclusion from registration under the Investment Company Act of 1940 and other changes in market conditions and economic trends including changes resulting from the ongoing spread and economic effects of the novel coronavirus (COVID-19) pandemic and associated responses to the pandemic. Furthermore, forward-looking statements are subject to risks and uncertainties, including, among other things, those described under Item 1A of our Annual Report on Form 10-K, which can be accessed through the link to our SEC filings under "For Our Shareholders" on our website (www.earnreit.com) or at the SEC's website (www.sec.gov). Other risks, uncertainties, and factors that could cause actual results to differ materially from those projected may be described from time to time in reports we file with the SEC, including reports on Forms 10-Q, 10-K and 8-K. The Company undertakes no obligation to update or revise any forward-looking statements, whether as a result of new information, future events, or otherwise.

Modeling

Some statements in this presentation may be derived from proprietary models developed by Ellington Management Group, L.L.C. ("Ellington"). Some examples provided may be based upon the hypothetical performance of such models. Models, however, are inherently imperfect and subject to a number of risks, including that the underlying data used by the models is incorrect, inaccurate, or incomplete, or that the models rely upon assumptions that may prove to be incorrect. The utility of model-based information is highly limited. The information is designed to illustrate Ellington's current view and expectations and is based on a number of assumptions and limitations, including those specified herein. Certain models make use of discretionary settings or parameters which can have a material effect on the output of the model. Ellington exercises discretion as to which settings or parameters to use in different situations, including using different settings or parameters to model different securities. Actual results and events may differ materially from those described by such models.

Projected Yields and Spreads

Projected yields and spreads discussed herein are based upon Ellington models and rely on a number of assumptions, including as to prepayment, default and interest rates and changes in home prices. Such models are inherently imperfect and there is no assurance that any particular investment will perform as predicted by the models, or that any such investment will be profitable. Projected yields are presented for the purposes of (i) providing insight into the strategy's objectives, (ii) detailing anticipated risk and reward characteristics in order to facilitate comparisons with other investments, (iii) illustrating Ellington's current views and expectations, and (iv) aiding future evaluations of performance. They are not a guarantee of future performance. They are based upon assumptions regarding current and future events and conditions, which may not prove to be accurate. There can be no assurance that the projected yields will be achieved. Investments involve risk of loss.

Financial Information

All financial information included in this presentation is as of March 31, 2022 unless otherwise indicated. We undertake no duty or obligation to update this presentation to reflect subsequent events or developments.

Quarter Ended	3/31/2022	Q1/Q4	12/31/2021	Q4/Q3	9/30/2021	Q3/Q2	6/30/2021	Q2/Q1	3/31/2021
UST (%)⁽⁴⁾									
3M UST	0.48	+0.45	0.03	-0.00	0.03	-0.01	0.04	+0.03	0.02
2Y UST	2.33	+1.60	0.73	+0.46	0.28	+0.03	0.25	+0.09	0.16
5Y UST	2.46	+1.20	1.26	+0.30	0.96	+0.08	0.89	-0.05	0.94
10Y UST	2.34	+0.83	1.51	+0.02	1.49	+0.02	1.47	-0.27	1.74
30Y UST	2.45	+0.54	1.90	-0.14	2.04	-0.04	2.09	-0.32	2.41
3M10Y Spread	1.86	+0.38	1.48	+0.03	1.45	+0.03	1.43	-0.30	1.73
2Y10Y Spread	0.00	-0.77	0.78	-0.43	1.21	-0.01	1.22	-0.36	1.58
US Dollar Swaps (%)⁽¹⁾									
2Y SWAP	2.55	+1.61	0.94	+0.56	0.38	+0.05	0.33	+0.04	0.29
5Y SWAP	2.52	+1.15	1.37	+0.32	1.05	+0.09	0.97	-0.09	1.06
10Y SWAP	2.41	+0.83	1.58	+0.07	1.51	+0.06	1.44	-0.34	1.78
LIBOR (%)⁽¹⁾									
1M	0.45	+0.35	0.10	+0.02	0.08	-0.02	0.10	-0.01	0.11
3M	0.96	+0.75	0.21	+0.08	0.13	-0.02	0.15	-0.05	0.19
1M3M Spread	0.51	+0.40	0.11	+0.06	0.05	+0.00	0.05	-0.04	0.08
Mortgage Rates (%)⁽²⁾									
15Y	4.11	+1.51	2.6	+0.15	2.45	-0.11	2.56	-0.15	2.71
30Y	4.67	+1.56	3.11	+0.10	3.01	+0.03	2.98	-0.19	3.17
FNMA Pass-Thrus⁽¹⁾									
30Y2.5	\$95.40	-\$6.70	\$102.09	-\$1.13	\$103.22	-\$0.20	\$103.41	+\$0.91	\$102.51
30Y3.5	\$100.13	-\$5.20	\$105.32	-\$0.51	\$105.83	+\$0.56	\$105.27	-\$0.34	\$105.61
30Y4.5	\$103.67	-\$3.55	\$107.22	-\$0.95	\$108.16	+\$0.54	\$107.63	-\$1.24	\$108.87
Libor-based OAS (bps)^{(3) (4)}									
FNMA30Y2.5 OAS	16.1	+20.2	-4.1	-0.2	-3.9	-7.4	3.5	+6.1	-2.6
FNMA30Y3.5 OAS	24.7	+43.7	-19	-5.5	-13.5	-31.0	17.5	+12.0	5.5
FNMA30Y4.5 OAS	31.2	+46.5	-15.3	+7.0	-22.3	-27.3	5.0	+29.9	-24.9
Libor-based ZSpread (bps)^{(3) (5)}									
FNMA30Y2.5 ZSpread	69.9	+8.6	61.3	+7.9	53.4	-5.6	59.0	+19.8	39.2
FNMA30Y3.5 ZSpread	101.0	+77.3	23.7	-5.7	29.4	-33.4	62.8	+5.2	57.6
FNMA30Y4.5 ZSpread	87.5	+79.4	8.1	+6.8	1.3	-24.8	26.1	+20.2	5.9

<p>Results</p>	<ul style="list-style-type: none"> • Net Loss: \$(17.5) million or \$(1.33) per share • Economic Return: (11.2)% for the quarter • Core Earnings⁽⁴⁾: \$3.9 million, or \$0.30 per share • Net Interest Margin⁽²⁾: 1.76%
<p>Shareholders' Equity & BVPS⁽³⁾</p>	<ul style="list-style-type: none"> • Shareholders' Equity: \$132.9 million • Book Value Per Share: \$10.14
<p>Portfolio</p>	<ul style="list-style-type: none"> • Agency RMBS Portfolio: \$1.068 billion⁽³⁾ on a trade-date basis and \$1.169 billion on a settlement-date basis <ul style="list-style-type: none"> • Weighted average prepayment speed on our fixed-rate specified pools decreased quarter over quarter to 17.0% CPR from 20.7% CPR • Average pay-ups on our fixed-rate specified pools decreased to 0.94% from 1.07% • Interest-only Securities: \$17.9 million⁽³⁾ • Non-Agency RMBS Portfolio: \$8.7 million⁽³⁾
<p>Leverage⁽³⁾</p>	<ul style="list-style-type: none"> • Debt-to-Equity Ratio: 9.1:1, and 8.3:1 adjusted for unsettled purchases and sales • Net Mortgage Assets-to-Equity Ratio of 6.9:1⁽⁴⁾ • Cash, cash equivalents, and other liquidity⁽⁵⁾ of \$29.9 million, in addition to other unencumbered assets of \$11.3 million
<p>Dividends</p>	<ul style="list-style-type: none"> • Dividend yield of 10.9% based on 4/29/2022 closing price of \$8.78, and monthly dividend of \$0.08 per common share declared on 5/2/2022

Summary of Financial Results

	Quarter Ended 3/31/2022	Quarter Ended 12/31/2021
<i>(in thousands except per share amounts)</i>		
Interest Income	\$ 6,535	\$ 6,491
Interest Expense	(1,103)	(729)
Total Net Interest Income	\$ 5,432	\$ 5,762
Total Other Gain (Loss) ⁽¹⁾	(659)	(605)
Total Expenses	(1,321)	(1,312)
Add back: Catch-up Premium Amortization Adjustment ⁽²⁾	488	(169)
Core Earnings⁽³⁾	\$ 3,940	\$ 3,676
Per Share⁽⁴⁾	\$ 0.30	\$ 0.28
Net Realized and Unrealized Gain (Loss):		
RMBS	\$ (69,163)	\$ (11,556)
Long TBAs Held for Investment	(7,901)	(503)
Interest Rate Hedges and Other Activities, Net	56,145	5,455
Total Net Realized and Unrealized Gain (Loss)	\$ (20,919)	\$ (6,604)
Deduct: Catch-up Premium Amortization Adjustment ⁽²⁾	(488)	169
Net Income (Loss)	\$ (17,467)	\$ (2,759)
Per Share⁽⁴⁾	\$ (1.33)	\$ (0.21)
Weighted Average Yield ⁽⁵⁾	2.38%	2.29%
Cost of Funds	<u>-0.62%</u>	<u>-0.48%</u>
Net Interest Margin ⁽⁶⁾	1.76%	1.81%
Average Pay-Ups	0.94%	1.07%
Shareholders' Equity	\$ 132,901	\$ 154,225
Book Value Per Share⁽⁴⁾	\$ 10.14	\$ 11.76

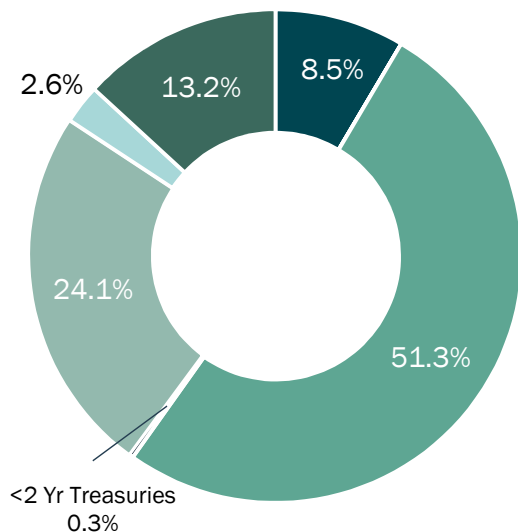
Consolidated Balance Sheet (Unaudited)

<i>(in thousands except share amounts and per share amounts)</i>	March 31, 2022	December 31, 2021 ⁽¹⁾
Assets		
Cash and cash equivalents	\$ 16,206	\$ 69,028
Mortgage-backed securities, at fair value	1,094,183	1,311,361
Other investments, at fair value	21,277	309
Due from brokers	88,441	88,662
Financial derivative-assets, at fair value	36,566	6,638
Reverse repurchase agreements	27,348	117,505
Receivable for securities sold	218,812	-
Interest receivable	3,530	4,504
Other assets	782	459
Total Assets	\$ 1,507,145	\$ 1,598,466
Liabilities and Shareholders' Equity		
Liabilities		
Repurchase agreements	\$ 1,211,163	\$ 1,064,835
Payable for securities purchased	119,792	255,136
Due to brokers	23,052	1,959
Financial derivatives-liabilities, at fair value	3,277	1,103
U.S. Treasury securities sold short, at fair value	13,461	117,195
Dividend Payable	1,311	1,311
Accrued expenses	976	1,236
Management fee payable to affiliate	500	581
Interest payable	712	885
Total Liabilities	\$ 1,374,244	\$ 1,444,241
Shareholders' Equity		
Preferred shares, par value \$0.01 per share, 100,000,000 shares authorized; (0 shares issued and outstanding, respectively)	-	-
Common shares, par value \$0.01 per share, 500,000,000 shares authorized; (13,109,926 and 13,109,926 shares issued and outstanding, respectively) ⁽¹⁾	131	131
Additional paid-in-capital	238,941	238,865
Accumulated deficit	(106,171)	(84,771)
Total Shareholders' Equity	132,901	154,225
Total Liabilities and Shareholders' Equity	\$ 1,507,145	\$ 1,598,466
Supplemental Per Share Information		
Book Value Per Share	\$ 10.14	\$ 11.76

(in thousands)	March 31, 2022					December 31, 2021				
	Current Principal	Fair Value	Average Price ⁽¹⁾	Cost	Average Cost ⁽¹⁾	Current Principal	Fair Value	Average Price ⁽¹⁾	Cost	Average Cost ⁽¹⁾
Agency RMBS⁽²⁾										
15-year fixed rate mortgages	\$ 102,119	\$ 102,089	\$ 99.97	\$ 105,707	\$103.51	\$ 125,033	\$ 130,710	\$ 104.54	\$ 130,099	\$104.05
20-year fixed rate mortgages	34,244	32,539	95.02	35,665	104.15	35,732	36,347	101.72	37,211	104.14
30-year fixed rate mortgages	890,736	888,007	99.69	925,998	103.96	1,027,843	1,072,904	104.38	1,066,347	103.75
ARMs	10,307	10,579	102.64	10,856	105.33	11,491	11,960	104.08	12,034	104.73
Reverse mortgages	33,238	34,437	103.61	35,500	106.81	35,313	37,297	105.62	37,652	106.62
Total Agency RMBS	1,070,644	1,067,651	99.72	1,113,726	104.02	1,235,412	1,289,218	104.36	1,283,343	103.88
Non-Agency RMBS ⁽²⁾	10,654	8,650	81.19	7,307	68.58	10,672	9,056	84.86	7,234	67.78
Total RMBS⁽²⁾	1,081,298	1,076,301	99.54	1,121,033	103.67	1,246,084	1,298,274	104.19	1,290,577	103.57
Agency Interest Only RMBS	n/a	9,694	n/a	11,804	n/a	n/a	10,289	n/a	12,983	n/a
Non-Agency Interest Only RMBS	n/a	8,188	n/a	6,722	n/a	n/a	2,798	n/a	2,684	n/a
Total mortgage-backed securities		\$ 1,094,183		\$ 1,139,559			\$ 1,311,361		\$ 1,306,244	

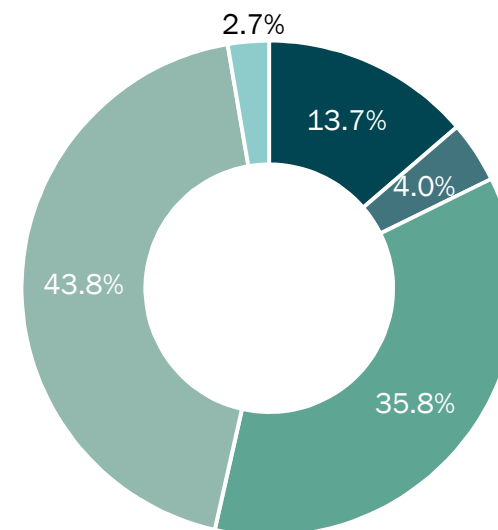
- Agency RMBS holdings, measured on a trade-date basis, decreased by 17% to \$1.068 billion as of March 31st, driven by net sales, paydowns, and mark-to-market losses
 - However, on a settlement-date basis, our Agency RMBS holdings increased by 13% to \$1.169 billion, from \$1.034 billion at December 31st
 - Agency RMBS portfolio turnover was 77% for the quarter
- Interest-only holdings increased to \$17.9 million from \$13.1 million
- Non-Agency RMBS holdings decreased slightly to \$8.7 million

Short \$536.1MM 10-yr equivalents⁽¹⁾
As of 3/31/2022



- 2-to-5 Yr Treasuries and Treasury Futures
- 2-to-5 Yr Interest Rate Swaps
- >5 Yr Interest Rate Swaps
- >5 Yr Treasuries and Treasury Futures
- <2 Yr Interest Rate Swaps
- TBAs

Short \$473.3MM 10-yr equivalents⁽¹⁾
As of 12/31/2021



We hedge along the entire yield curve to manage interest rate risk and protect book value

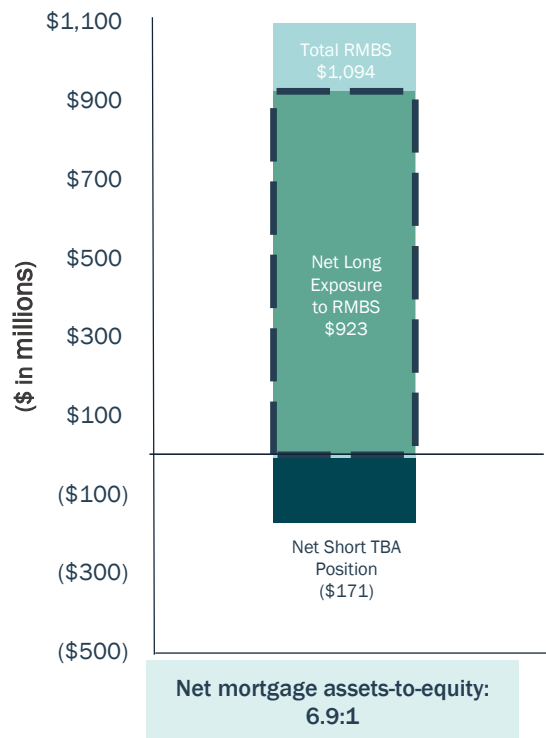
Shorting “generic” pools (or TBAs) allows EARN to significantly reduce interest rate risk and basis risk in its Agency portfolio

At March 31st we had a net short TBA position, both on a notional basis and as measured by 10-yr equivalents

We also hedge interest rate risk with swaps, U.S. Treasury securities, futures, and swaptions

Net RMBS Exposure Based on Fair Value⁽¹⁾

As of 3/31/2022



As of 12/31/2021



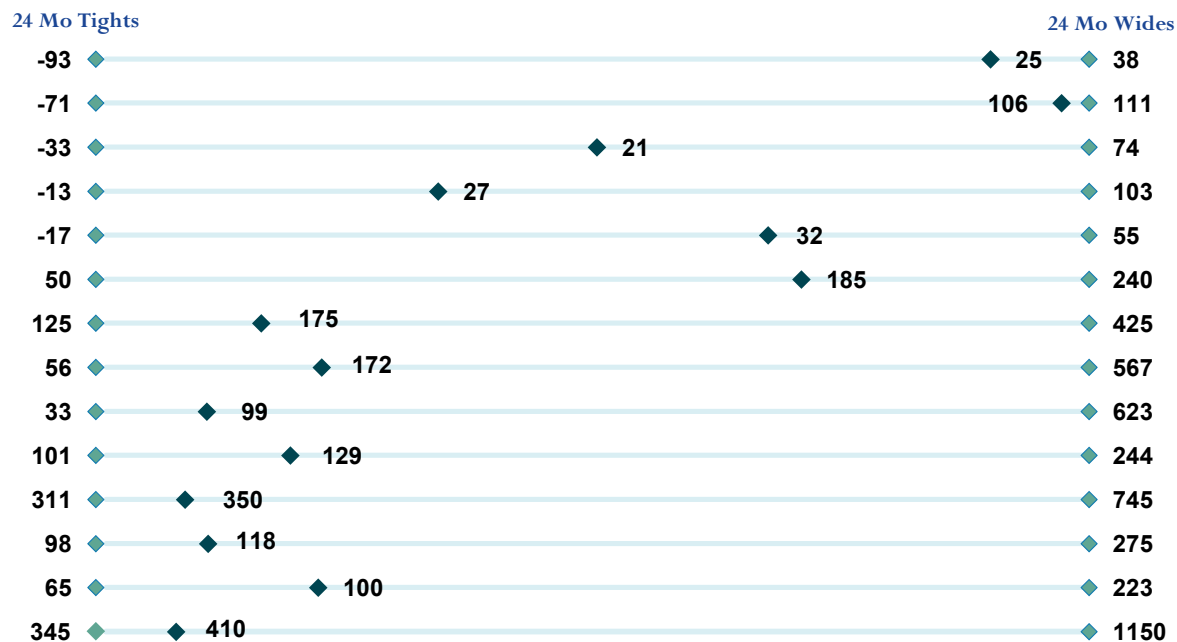
- EARN often carries significantly lower net effective mortgage exposure than our “headline” leverage suggests, due to our net short TBA position
- Our net mortgage assets-to-equity⁽²⁾ ratio, which is measured on a trade-date basis, decreased quarter over quarter, due to lower Agency RMBS holdings, partially offset by a smaller net short TBA position, and lower shareholders’ equity

- Use of TBA short positions as hedges helps drive outperformance in especially volatile quarters, such as the first and second quarters of 2020.
- When interest rates spike, TBA short positions not only extend with specified pool assets, but they tend to extend more than specified pool assets, which dynamically and automatically hedges a correspondingly larger portion of our specified pool portfolio

◆ As of March 31, 2022⁽⁴⁾

Securitized Products

US Agency MBS TOAS
 US Agency MBS TZV
 US Agency FN 3 OAS
 US Agency G2 3 OAS
 US Spec HLB 3
 Non-QM AAA
 Legacy Resi
 CRT OTR M1
 Subprime Auto BBB
 US CLO 2.0 AAA
 US CLO 2.0 BBB
 EUR CLO 2.0 AAA
 US CMBS AAA
 US CMBS BBB



US Corporate Credit

US IG Corp A OAS
 US IG Corp BBB OAS
 US HY Corp BB STW
 US HY Corp B STW
 Lev Loans



Source: Morgan Stanley

- Yield spreads on virtually all fixed-income assets widened during the quarter, as interest rate volatility reached its highest levels since the 2020 COVID liquidity crisis
- Yield spreads on US Agency MBS TOAS, US Agency MBS TZV, Non-QM AAA, CRT OTR M1, and US CMBS BBB widened most significantly

Ellington is committed to corporate social responsibility. We recognize the importance of environmental, social and governance (“ESG”) factors, and believe that the implementation of ESG policies will benefit our employees, support long-term stockholder performance, and make a positive impact on the environment and society as a whole. Our Manager has a standing ESG Committee to address a variety of issues, including its impact on the environment, increasing the diversity of its workforce, employee engagement, and community involvement.



Environmental

- Our offices are conveniently located near mass transportation.
- We provide financial support and incentives to our employees who use public transit.
- To reduce energy usage, we use Energy Star® certified desktops, monitors and printers; and utilize motion sensor lighting and cooling to reduce energy usage in non-peak hours.
- To reduce waste and promote a cleaner environment, we use green cleaning supplies and kitchen products; recycle electronics, ink cartridges, and packaging; provide recycling containers to employees; and use water coolers to reduce waste.
- We have reduced the number of single use cups and plastic water bottles in our offices.



Social

- We invest in home mortgage loans, which support homeownership and stability within communities.
- Ellington and senior members of management sponsor numerous charitable causes, including several devoted to diversity and children in need. We also support employee charitable contributions through matching gift programs, hosting food drives, and other community events.
- Our employees have access to robust health and wellness programs. Ellington also supports various events that support health and wellness.
- We provide opportunities for personal growth with training, including facilitating a lunch & learn series, and reimbursing professional continuing education. We also support professional development through mentorship programs and affinity groups, such as a women’s networking group.
- We are committed to enhancing gender, racial, and ethnic diversity throughout our organization, as stated in our Manager’s Diversity and Inclusion Policy. We have engaged a women-owned recruiting firm focused exclusively on women and minority recruiting on college campuses.
- We are in compliance with applicable employment codes and guidelines, including ADA, Equal Opportunity Employment, Non-Discrimination, Anti-Harassment and Non-Retaliation codes.



Governance

- Our Manager has a Responsible Investment policy incorporating ESG factors into its investment processes for applicable strategies.
- We operate under a Code of Business Conduct and Ethics.
- EARN has a separate independent Chairman, and the majority of Board members are independent.
- We hold annual elections of Trustees.
- We are committed to significant disclosure and transparency, including an established quarterly book value disclosure and monthly dividend policy.
- We have an established Whistleblower policy to encourage transparency and accountability.
- Robust process for shareholder engagement.

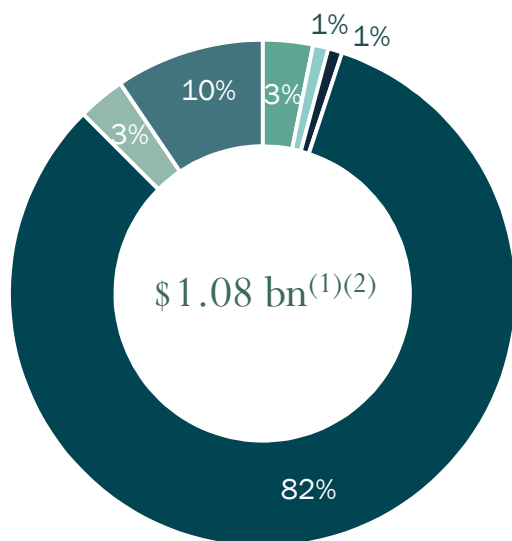
- 1 Capitalize on investment opportunities driven by market volatility and uncertainty, including around hiking cycle and quantitative tightening
- 2 Rely on disciplined interest rate hedging and liquidity management to manage future volatility and protect book value
- 3 Dial up and down our MBS exposure opportunistically in response to market conditions
- 4 Rotate portfolio to take advantage of relative value discrepancies between Agency RMBS, and capitalize on higher asset yields, in order to drive Net Interest Margin and Core Earnings
- 5 Changes in the prepayment landscape should favor our core strengths of prepayment modeling, asset selection, and dynamic interest rate hedging, while also providing meaningful trading opportunities
- 6 Vary capital allocations to non-Agency RMBS as market opportunities change over time

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ELLINGTON RESIDENTIAL MORTGAGE REIT

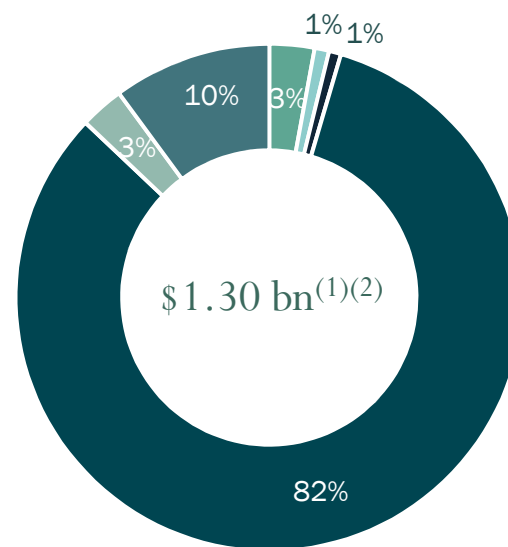
Supplemental Slides





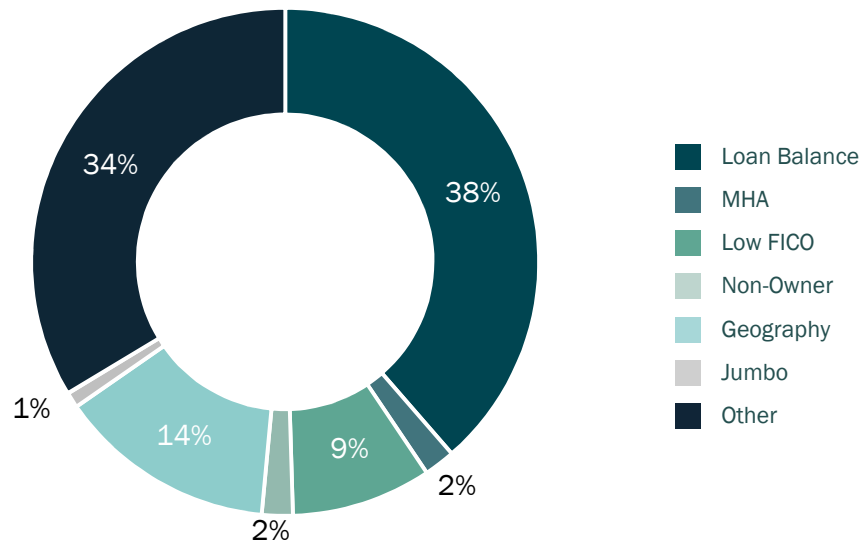
As of 3/31/2022

Category	Fair Value ⁽¹⁾⁽³⁾	Wtd. Avg. Coupon ⁽⁴⁾
30-Year Fixed	\$888.0	3.22
20-Year Fixed	32.5	2.30
15-Year Fixed	102.1	2.76
RM Fixed	34.4	3.33
Subtotal - Fixed	1,057.0	3.15
ARMs	10.6	
IOs	9.7	
Total	\$1,077.3	



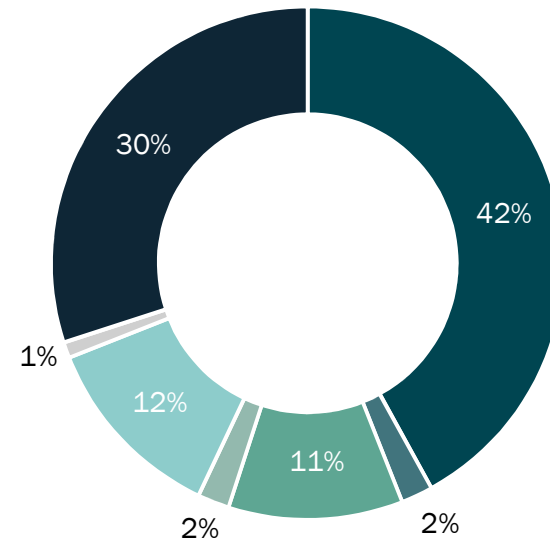
As of 12/31/2021

Category	Fair Value ⁽¹⁾⁽³⁾	Wtd. Avg. Coupon ⁽⁴⁾
30-Year Fixed	\$1,072.9	3.03
20-Year Fixed	36.3	2.31
15-Year Fixed	130.7	2.78
RM Fixed	37.3	3.33
Subtotal - Fixed	1,277.2	2.99
ARMs	12.0	
IOs	10.3	
Total	\$1,299.5	



Average for Quarter Ended 3/31/2022⁽¹⁾

Collateral Characteristics and Historical 3-Mo CPR

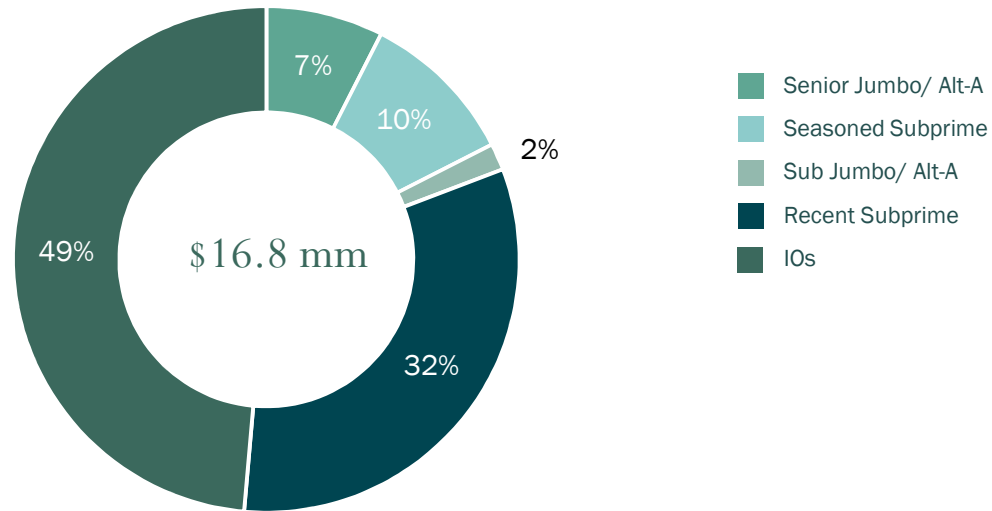


Average for Quarter Ended 12/31/2021⁽¹⁾

Collateral Characteristics and Historical 3-Mo CPR

Characteristic ⁽²⁾	Fair Value ⁽¹⁾⁽³⁾	3-Month CPR % ⁽⁵⁾
Loan Balance	\$473.0	18.1
MHA ⁽⁴⁾	21.7	22.3
Low FICO	106.2	29.2
Non-Owner	27.9	19
Geography	170.9	10.8
Jumbo	8.8	21.4
Other	407.1	14.4
Total	\$1,215.5	17.0

Characteristic ⁽²⁾	Fair Value ⁽¹⁾⁽³⁾	3-Month CPR % ⁽⁵⁾
Loan Balance	\$494.3	21.2
MHA ⁽⁴⁾	25.6	28.8
Low FICO	134.8	32.2
Non-Owner	18.9	24.4
Geography	146.0	8.8
Jumbo	10.4	30.0
Other	349.6	18.9
Total	\$1,179.5	20.7



Total Non-Agency Avg Mkt Px⁽¹⁾: 81.2

- During the quarter, we increased our holdings of non-Agency interest-only securities by \$5.4 million to \$8.2 million
- We expect to vary our allocation of non-Agency RMBS as market opportunities change over time

March 31, 2022				December 31, 2021			
Remaining Days to Maturity	Weighted Average			Borrowings Outstanding	Weighted Average		
	Borrowings Outstanding	Interest Rate	Remaining Days to Maturity		Interest Rate	Remaining Days to Maturity	
<i>(in thousands)</i>				<i>(in thousands)</i>			
30 days or less	\$ 371,532	0.31%	14	\$ 162,089	0.18%	13	
31-60 days	251,268	0.35%	43	235,321	0.21%	43	
61-90 days	131,226	0.35%	74	114,931	0.18%	72	
91-120 days	76,414	0.19%	115	104,361	0.17%	106	
121-150 days	133,757	0.44%	135	148,855	0.16%	133	
151-180 days	96,752	0.45%	166	56,337	0.15%	163	
181-364 days	150,214	0.68%	273	242,941	0.19%	238	
Total	\$ 1,211,163	0.39%	90	\$ 1,064,835	0.18%	111	

- Outstanding borrowings with 15 counterparties as of March 31st
- As of March 31st the weighted average interest rate on our repo borrowings increased to 0.39% from 0.18% as of December 31st, as short-term interest rates increased significantly quarter-over-quarter

Interest Rate Sensitivity Analysis⁽¹⁾

(\$ in thousands)

Estimated Change in Fair Value

	50 Basis Point Decline in Interest Rates		50 Basis Point Increase in Interest Rates	
	Market Value	% of Total Equity	Market Value	% of Total Equity
Agency RMBS – ARM Pools	\$ 188	0.14%	\$ (229)	-0.17%
Agency RMBS Fixed Pools and IOs	23,659	17.80%	(25,057)	-18.85%
Long TBAs	1,358	1.02%	(1,488)	-1.12%
Short TBAs	(4,126)	-3.10%	4,508	3.39%
Non-Agency RMBS	(652)	-0.49%	460	0.35%
Interest Rate Swaps	(11,936)	-8.98%	11,331	8.53%
U.S. Treasury Securities	390	0.29%	(377)	-0.28%
U.S. Treasury Futures	(8,079)	-6.08%	7,844	5.90%
Repurchase and Reverse Repurchase Agreements	(1,171)	-0.88%	1,756	1.32%
Total	\$ (369)	-0.28%	\$ (1,252)	-0.94%

(In thousands)

Fixed Payer Interest Rate

Maturity		Notional Amount	Fair Value	Weighted Average Pay Rate	Weighted Average Receive Rate	Weighted Average Years to Maturity
2022-2025	\$	206,600	\$ 5,627	0.51%	0.48%	1.74
2026-2028		117,366	8,593	1.14%	0.51%	6.30
2029-2052		191,253	10,794	1.58%	0.25%	10.96
Total	\$	515,219	\$ 25,014	1.05%	0.40%	6.20

Fixed Receiver Interest Rate

Maturity		Notional Amount	Fair Value	Weighted Average Pay Rate	Weighted Average Receive Rate	Weighted Average Years to Maturity
2022-2025	\$	(18,200)	\$ 307	0.20%	1.37%	0.93
2026-2028		(71,400)	(1,162)	0.20%	1.84%	4.96
2029-2052		(7,718)	(401)	0.05%	1.55%	10.41
Total	\$	(97,318)	\$ (1,256)	0.19%	1.73%	4.64

TBA Securities

Coupon		Notional Amount ⁽¹⁾	Cost Basis ⁽²⁾	Market Value ⁽³⁾	Net Carrying Value ⁽⁴⁾
1.5	\$	(3,990)	\$ (3,776)	\$ (3,784)	(8)
2		(31,500)	(29,543)	(29,904)	(361)
2.5		(9,149)	(9,118)	(9,012)	106
3		(2,082)	(2,512)	(2,643)	(131)
3.5		(41,990)	(42,779)	(42,323)	455
4		(33,524)	(34,976)	(34,265)	710
4.5		(57,474)	(60,594)	(59,635)	961
5		10,100	10,776	10,564	(212)
Total TBAs net	\$	(169,609)	\$ (172,522)	\$ (171,002)	1,520

Futures

Maturity		Notional Amount	Fair Value	Remaining Months to Expiration
2yr	\$	(5,400)	\$ 71	3.03
5yr		(95,100)	2,697	3.03
10yr		(161,400)	5,393	2.73
30yr		3,300	(150)	2.73
Total	\$	(258,600)	\$ 8,011	2.85

Consolidated Statement of Operations (Unaudited)



Three-Month Period Ended

<i>(in thousands except share amounts and per share amounts)</i>	March 31, 2022	December 31, 2021
Interest Income (Expense)		
Interest income	\$ 6,535	\$ 6,491
Interest expense	(1,103)	(729)
Total net interest income	\$ 5,432	\$ 5,762
Expenses		
Management fees to affiliate	500	581
Professional fees	206	169
Compensation expense	162	129
Insurance expense	98	97
Other operating expenses	355	336
Total expenses	\$ 1,321	\$ 1,312
Other Income (Loss)		
Net realized gains (losses) on securities	(14,170)	(1,540)
Net realized gains (losses) on financial derivatives	15,353	3,444
Change in net unrealized gains (losses) on securities	(50,515)	(10,428)
Change in net unrealized gains (losses) on financial derivatives	27,754	1,315
Total other income (loss)	(21,578)	(7,209)
Net Income (Loss)	\$ (17,467)	\$ (2,759)
Net Income (Loss) per Common Share:		
Basic and Diluted	\$ (1.33)	\$ (0.21)
Weighted Average Shares Outstanding	13,109,926	13,027,717
Cash Dividends Declared per Share	\$ 0.30	\$ 0.30

Consolidated Balance Sheet (Unaudited)



ELLINGTON RESIDENTIAL MORTGAGE REIT

(in thousands except share amounts and per share amounts)

March 31, 2022

December 31, 2021 ⁽¹⁾

	March 31, 2022	December 31, 2021 ⁽¹⁾
Assets		
Cash and cash equivalents	\$ 16,206	\$ 69,028
Mortgage-backed securities, at fair value	1,094,183	1,311,361
Other investments, at fair value	21,277	309
Due from brokers	88,441	88,662
Financial derivative-assets, at fair value	36,566	6,638
Reverse repurchase agreements	27,348	117,505
Receivable for securities sold	218,812	-
Interest receivable	3,530	4,504
Other assets	782	459
Total Assets	\$ 1,507,145	\$ 1,598,466
Liabilities and Shareholders' Equity		
Liabilities		
Repurchase agreements	\$ 1,211,163	\$ 1,064,835
Payable for securities purchased	119,792	255,136
Due to brokers	23,052	1,959
Financial derivatives-liabilities, at fair value	3,277	1,103
U.S. Treasury securities sold short, at fair value	13,461	117,195
Dividend Payable	1,311	1,311
Accrued expenses	976	1,236
Management fee payable to affiliate	500	581
Interest payable	712	885
Total Liabilities	\$ 1,374,244	\$ 1,444,241
Shareholders' Equity		
Preferred shares, par value \$0.01 per share, 100,000,000 shares authorized; (0 shares issued and outstanding, respectively)	-	-
Common shares, par value \$0.01 per share, 500,000,000 shares authorized; (13,109,926 and 13,109,926 shares issued and outstanding, respectively) ⁽¹⁾	131	131
Additional paid-in-capital	238,941	238,865
Accumulated deficit	(106,171)	(84,771)
Total Shareholders' Equity	132,901	154,225
Total Liabilities and Shareholders' Equity	\$ 1,507,145	\$ 1,598,466
Supplemental Per Share Information		
Book Value Per Share	\$ 10.14	\$ 11.76

Reconciliation of Core Earnings to Net Income (Loss)⁽¹⁾

	Three-Month Period Ended	
<i>(in thousands except share amounts and per share amounts)</i>	March 31, 2022	December 31, 2021
Net Income (Loss)	\$ (17,467)	\$ (2,759)
Adjustments:		
Net realized (gains) losses on securities	14,170	1,540
Change in net unrealized (gains) losses on securities	50,515	10,428
Net realized (gains) losses on financial derivatives	(15,353)	(3,444)
Change in net unrealized (gains) losses on financial derivatives	(27,754)	(1,315)
Net realized gains (losses) on periodic settlements of interest rate swaps	(616)	(424)
Change in net unrealized gains (losses) on accrued periodic settlements of interest rate swaps	(43)	(181)
Negative (positive) component of interest income represented by Catch-up Premium Amortization Adjustment	488	(169)
Subtotal	21,407	6,435
Core Earnings	\$ 3,940	\$ 3,676
Weighted Average Shares Outstanding	13,109,926	13,027,717
Core Earnings Per Share	\$ 0.30	\$ 0.28

Ellington Profile

As of 3/31/2022

Founded:	1994
Employees:	>170
Investment Professionals:	70
Global offices:	3

\$13.4

Billion in
assets under
management as of
3/31/2022⁽¹⁾

12

Employee-partners
own the firm⁽²⁾

27

Years of average
industry experience
of senior portfolio
managers

25%

Employees
dedicated to
research and
information
technology

Ellington and its Affiliated Management Companies

- Our external manager Ellington Residential Mortgage Management LLC is part of the Ellington family of SEC-registered investment advisors⁽³⁾.
- Ellington Management Group and its affiliates manage Ellington Residential Mortgage REIT (EARN), Ellington Financial Inc. (EFC), multi-investor hedge funds, separately managed accounts, and opportunistic private funds
- Time-tested infrastructure and proprietary resources in trading, research, risk management, and operational support

Industry-Leading Research & Trading Expertise

- Sophisticated proprietary models for prepayment and credit analysis
- Approximately 25% of employees dedicated to research and information technology
- Structured credit trading experience and analytical skills developed since the firm's founding 27 years ago
- Ellington's portfolio managers are among the most experienced in the MBS sector

Slide 3 – First Quarter Market Update

- (1) Source: Bloomberg
- (2) Source: Mortgage Bankers Association via Bloomberg
- (3) Source: J.P. Morgan Markets
- (4) LIBOR-based Option Adjusted Spread measures the additional yield spread over LIBOR that an asset provides at its current market price after taking into account any interest rate options embedded in the asset.
- (5) LIBOR-based Zero-volatility spread (Z-spread) measures the additional yield spread over LIBOR that the projected cash flows of an asset provide at the current market price of the asset.

Slide 4 – First Quarter Highlights

- (1) Core Earnings is a non-GAAP financial measure. See slide 22, endnote 1 for an explanation regarding the calculation of Core Earnings and the Catch-up Premium Amortization Adjustment.
- (2) Net interest margin excludes the effect of the Catch-up Premium Amortization Adjustment.
- (3) As of March 31, 2022.
- (4) We define our net mortgage assets-to-equity ratio as the net aggregate market value of our mortgage-backed securities (including the underlying market values of our long and short TBA positions) divided by total shareholders' equity. As of March 31, 2022 the market value of our mortgage-backed securities and our net short TBA position was \$1.09 billion and \$(171.0) million, respectively, and total shareholders' equity was \$132.9 million.
- (5) Other liquidity represents \$13.7 million of unencumbered U.S. Treasury securities.

Slide 5 – Summary of Financial Results

- (1) Total Other Gain (Loss) represents net realized and unrealized gains (losses) on periodic settlements of interest rate swaps.
- (2) See slide 22, endnote 1 for definition of Catch-up Premium Amortization Adjustment.
- (3) Core Earnings is a non-GAAP financial measure. See slide 22 for a reconciliation of Core Earnings to Net Income (Loss).
- (4) Shareholders' Equity per share is calculated using shares outstanding at the end of the period. All other per share amounts are calculated using the weighted average shares outstanding for the quarter.
- (5) Weighted Average Yield excludes the effect of the Catch-up Premium Amortization Adjustment.
- (6) Net interest margin excludes the effect of the Catch-up Premium Amortization Adjustment.

Slide 6 – Consolidated Balance Sheet (Unaudited)

- (1) Derived from audited financial statements as of December 31, 2021

Slide 7 – Portfolio Summary

- (1) Represents the dollar amount (not shown in thousands) per \$100 of current principal of the price or cost for the security.
- (2) Excludes IOs.

Slide 8 – Interest Rate Hedging Portfolio

- (1) "10-year equivalents" for a group of positions represent the amount of 10-year U.S. Treasury securities that would be expected to experience a similar change in market value under a standard parallel move in interest rates.

Slide 9 – Dynamic Hedging Strategy

- (1) Net short TBA positions represents the current market value of the underlying Agency RMBS (on a forward delivery basis) as of March 31, 2022 and December 31, 2021. The net carrying value of the TBA positions as of March 31, 2022 and December 31, 2021 on the Consolidated Balance Sheet was \$1.5 million and \$0.6 million, respectively.
- (2) We define our net mortgage assets-to-equity ratio as the net aggregate market value of our mortgage-backed securities (including the underlying market values of our long and short TBA positions) divided by total shareholders' equity.

Slide 10 – Relative Yield Spreads

- (1) As of date is as set forth below:
 - 3/25/2022 for US CMBS AAA and US CMBS BBB;
 - 3/28/2022 for CRT OTR M1;
 - 4/1/2022 for US Agency MBS TOAS, US Agency MBS TZV, US Agency FN 3 OAS, US Agency G2 3 OAS, US Spec HLB3, Non-QM AAA, Legacy Resi, Subprime Auto BBB, US CLO 2.0 AAA, US CLO 2.0 BBB, EUR CLO 2.0 AAA, US IG Corp A OAS, US IG Corp BBB OAS, US IG Corp BB STW, US HY Corp B STW, and Lev Loans

Slide 14 – Agency Portfolio Summary

- (1) Does not include long TBA positions with a notional value of \$65.3 million and a market value of \$65.2 million as of March 31, 2022. Does not include long TBA positions with a notional value of \$216.4 million and a market value of \$220.7 million as of December 31, 2021.
- (2) Fair value measured on trade-date basis per GAAP. On a settlement-date basis, the Company's Agency RMBS holdings were \$1.169 billion and \$1.034 billion as of March 31, 2022 and December 31, 2021, while the Company's Agency interest only holdings were \$9.7 million and \$10.3 million.
- (3) Fair value shown in millions.
- (4) Represents weighted average net pass-through rate.

Slide 15 – CPR Breakout of Agency Fixed Long Portfolio

- (1) Does not include long TBA positions, reverse mortgage pools, or fixed rate IOs. Fair values reflect the average of fair values at the beginning of each month during the quarter.
- (2) Classification methodology may change over time as market practices change.
- (3) Fair value shown in millions.
- (4) "MHA" indicates those pools where underlying borrowers have participated in the Making Homes Affordable program.
- (5) Excludes recent purchases of fixed rate Agency pools with no prepayment history.

Slide 16 – Non-Agency Portfolio as of March 31, 2022

- (1) Excludes IOs

Slide 17 – Repo Borrowings

- (1) As of March 31, 2022 and December 31, 2021, the Company had no outstanding borrowings other than under repurchase agreements.

Slide 18 – Interest Rate Sensitivity Analysis

- (1) Based on the market environment as of March 31, 2022. Results are based on forward-looking models, which are inherently imperfect, and incorporate various simplifying assumptions. Therefore, the table above is for illustrative purposes only and actual changes in interest rates would likely cause changes in the actual value of our portfolio that would differ from those presented above, and such differences might be significant and adverse.

Slide 19 – Financial Derivatives as of March 31, 2022

- (1) Notional amount represents the principal balance of the underlying Agency RMBS.
- (2) Cost basis represents the forward price to be paid for the underlying Agency RMBS.
- (3) Market value represents the current market value of the underlying Agency RMBS (on a forward delivery basis) as of March 31, 2022.
- (4) Net carrying value represents the difference between the market value of the TBA contract as of March 31, 2022 and the cost basis, and is included in Financial derivatives-assets, at fair value and Financial derivatives-liabilities, at fair value on the Consolidated Balance Sheet.

Slide 21 – Consolidated Balance Sheet (Unaudited)

- (1) Derived from audited financial statements as of December 31, 2021

Slide 22 – Reconciliation of Core Earnings to Net Income (Loss)

- (1) Core Earnings consists of net income (loss), excluding realized and change in net unrealized gains and (losses) on securities and financial derivatives, and excluding, if applicable, any non-recurring items of income or loss. Core Earnings also excludes the effect of the Catch-up Premium Amortization Adjustment on interest income. The Catch-up Premium Amortization Adjustment is a quarterly adjustment to premium amortization triggered by changes in actual and projected prepayments on our Agency RMBS (accompanied by a corresponding offsetting adjustment to realized and unrealized gains and losses). The adjustment is calculated as of the beginning of each quarter based on our then-current assumptions about cashflows and prepayments, and can vary significantly from quarter to quarter. Core Earnings includes net realized and change in net unrealized gains (losses) associated with periodic settlements on interest rate swaps. Core Earnings is a supplemental non-GAAP financial measure. We believe that Core Earnings provides information useful to investors because it is a metric that we use to assess our performance and to evaluate the effective net yield provided by the portfolio. Moreover, one of our objectives is to generate income from the net interest margin on the portfolio, and Core Earnings is used to help measure the extent to which this objective is being achieved. In addition, we believe that presenting Core Earnings enables our investors to measure, evaluate and compare our operating performance to that of our peer companies. However, because Core Earnings is an incomplete measure of our financial results and differs from net income (loss) computed in accordance with GAAP, it should be considered as supplementary to, and not as a substitute for, net income (loss) computed in accordance with GAAP. The table above reconciles, for the three-month periods ended March 31, 2022 and December 31, 2021, our Core Earnings to the line on our Consolidated Statement of Operations entitled Net Income (Loss), which we believe is the most directly comparable GAAP measure.

Slide 23 – About Ellington Management Group

- (1) \$13.4 billion in assets under management includes approximately \$1.2 billion in Ellington-managed CLOs. For these purposes, the Ellington-managed CLO figure represents the aggregate outstanding balance of CLO notes and market value of CLO equity, excluding any notes and equity held by other Ellington-managed funds and accounts.
- (2) Does not include partners formerly employed by Ellington who may have residual capital balances but who no longer have voting rights in the partnership.
- (3) Registration with the SEC does not imply that the firm or any of its principals or employees possess a particular level of skill or training in the investment advisory or any other business.

EARN

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