EARN

ELLINGTON RESIDENTIAL MORTGAGE REIT

May 12, 2023

Earnings Conference Call

Q1 2023

Important Notice

ELLINGTON RESIDENTIAL MORTGAGE REIT

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 to fiscal or monetary policy, heightened inflation, slower growth or recession, and currency fluctuations. 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, 2023 unless otherwise indicated. We undertake no duty or obligation to update this presentation to reflect subsequent events or developments.

First Quarter Market Update

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Quarter Ended	3/31/2023	Q1/Q4	12/31/2022	Q4/Q3	9/30/2022	Q3/Q2	6/30/2022	Q2/Q1	3/31/2022
UST (%)(1)									
3M UST	4.69	+0.35	4.34	+1.10	3.25	+1.62	1.63	+1.14	0.48
2Y UST	4.03	-0.40	4.43	+0.15	4.28	+1.33	2.95	+0.62	2.33
5Y UST	3.57	-0.43	4.00	-0.09	4.09	+1.05	3.04	+0.58	2.46
10Y UST	3.47	-0.41	3.87	+0.05	3.83	+0.82	3.01	+0.67	2.34
30Y UST	3.65	-0.31	3.96	+0.19	3.78	+0.59	3.18	+0.74	2.45
3M10Y Spread	-1.23	-0.76	-0.47	-1.05	0.58	-0.80	1.39	-0.47	1.86
2Y10Y Spread	-0.56	-0.01	-0.55	-0.10	-0.45	-0.51	0.06	+0.06	0.00
US Dollar Swaps (%)(1)									
2Y SWAP	4.36	-0.35	4.71	+0.16	4.54	+1.27	3.28	+0.72	2.55
5Y SWAP	3.63	-0.39	4.02	-0.12	4.14	+1.07	3.08	+0.55	2.52
10Y SWAP	3.46	-0.37	3.84	-0.04	3.88	+0.78	3.09	+0.69	2.41
SOFR (%)(1)									
1M	4.80	+0.44	4.36	+1.32	3.04	+1.36	1.69	+1.38	0.30
3M	4.91	+0.32	4.59	+0.99	3.59	+1.48	2.12	+1.44	0.68
1M3M Spread	0.11	-0.12	0.23	-0.32	0.55	+0.12	0.43	+0.06	0.37
LIBOR (%)(1)									
1M	4.86	+0.47	4.39	+1.25	3.14	+1.36	1.79	+1.33	0.45
3M	5.19	+0.43	4.77	+1.01	3.75	+1.47	2.29	+1.32	0.96
1M3M Spread	0.34	-0.04	0.38	-0.24	0.61	+0.11	0.50	-0.01	0.51
Mortgage Rates (%)(2)									
15Y	5.97	-0.09	6.06	+0.10	5.96	+1.00	4.96	+0.85	4.11
30Y	6.24	-0.17	6.41	-0.29	6.70	+1.00	5.70	+1.03	4.67
FNMA Pass-Thrus(1)									
30Y2.5	$86.13	+$1.49	$84.63	+$0.84	$83.80	-$6.09	$89.89	-$5.51	$95.40
30Y3.5	$92.80	+$1.98	$90.82	+$0.99	$89.83	-$6.34	$96.17	-$3.95	$100.13
30Y4.5	$97.92	+$1.61	$96.31	+$1.13	$95.18	-$5.21	$100.39	-$3.28	$103.67
30Y5.5	$101.01	+$0.71	$100.30	+$0.88	$99.41	-$4.30	$103.72	-$2.15	$105.87
TSY-based OAS (bps)(3) (4)									
FNMA30Y2.5 OAS	39.4	+18.0	21.4	-19.7	41.1	+4.0	37.1	+24.3	12.8
FNMA30Y3.5 OAS	38.8	+11.3	27.5	-21.0	48.5	+17.3	31.2	+6.5	24.7
FNMA30Y4.5 OAS	50.9	+24.7	26.2	-25.8	52.0	+21.9	30.1	-3.4	33.5
FNMA30Y5.5 OAS	55.0	+22.4	32.6	-33.1	65.7	+43.2	22.5	-104.3	126.8
TSY-based ZSpread (bps)(3) (5)									
FNMA30Y2.5 ZSpread	58.4	+12.9	45.5	-18.9	64.4	+0.8	63.6	+0.0	63.6
FNMA30Y3.5 ZSpread	72.8	+8.2	64.6	-21.2	85.8	-0.7	86.5	-14.3	100.8
FNMA30Y4.5 ZSpread	107.7	+11.3	96.4	-21.6	118.0	-9.2	127.2	+36.5	90.7
FNMA30Y5.5 ZSpread	150.5	+14.2	136.3	-19.9	156.2	+62.1	94.1	-56.6	150.7

First Quarter Highlights

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Results	• Net Income: \$2.3 million or \$0.17 per share • Economic Return:[1] 1.8% for the quarter • Adjusted Distributable Earnings[2]: \$2.8 million or \$0.21 per share • Net Interest Margin[3]: 1.16%
Shareholders' Equity & BVPS[4]	• Shareholders' Equity: \$115.0 million • Book Value Per Share: \$8.31

Investment Portfolio	• Agency RMBS Portfolio: \$890.9 million[4]
	  ◦ Weighted average constant prepayment speed on our fixed-rate specified pools[5] decreased quarter over quarter to 4.3 CPR from 6.1 CPR
	  ◦ Average pay-ups on our fixed-rate specified pools decreased to 1.09% from 1.26%
	• Interest-only Securities: \$19.9 million[4]
	• Non-Agency RMBS Portfolio: \$14.7 million[4]

Leverage[4]	• Debt-to-Equity Ratio: 7.6:1, and 7.5:1 adjusted for unsettled purchases and sales • Net Mortgage Assets-to-Equity Ratio of 6.9:1[6] • Cash and cash equivalents of \$36.7 million, in addition to other unencumbered assets of \$7.4 million
Dividends	• Dividend yield of 13.7% based on 5/10/2023 closing price of \$7.02 and monthly dividend of \$0.08 per common share declared on 5/8/2023

Summary of Financial Results

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	Quarter Ended 3/31/2023		Quarter Ended 12/31/2022	
(in thousands except per share amounts)				
Interest Income	$	9,338	$	9,927
Interest Expense		(9,710)		(7,477)
Total Net Interest Income	**$**	**(372)**	**$**	**2,450**
Total Other Gain (Loss)(1)		4,201		2,745
Total Expenses		(1,305)		(1,271)
Add back: Catch-up Premium Amortization Adjustment(2)		299		(658)
Adjusted Distributable Earnings(3)	**$**	**2,823**	**$**	**3,266**
Per Share(4)	**$**	**0.21**	**$**	**0.25**
Net Realized and Unrealized Gain (Loss):				
RMBS	$	12,840	$	11,927
Long TBAs Held for Investment		463		923
Interest Rate Hedges and Other Activities, Net		(13,490)		(5,094)
Total Net Realized and Unrealized Gain (Loss)	**$**	**(187)**	**$**	**7,756**
Deduct: Catch-up Premium Amortization Adjustment(2)		(299)		658
Net Income (Loss)	**$**	**2,337**	**$**	**11,680**
Per Share(4)	**$**	**0.17**	**$**	**0.88**
Weighted Average Yield(5)		3.66%		3.40%
Cost of Funds		-2.50%		-2.03%
Net Interest Margin(6)		1.16%		1.37%
Average Pay-Ups		1.09%		1.26%
Shareholders' Equity	**$**	**114,977**	**$**	**112,409**
Book Value Per Share(4)	**$**	**8.31**	**$**	**8.40**

Consolidated Balance Sheet (Unaudited)

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(in thousands except share amounts and per share amounts)	March 31, 2023	December 31, 2022 [1]
Assets		
Cash and cash equivalents	$ 36,657	$ 34,816
Mortgage-backed securities, at fair value	925,531	893,301
Other investments, at fair value	210	208
Due from brokers	7,198	18,824
Financial derivative-assets, at fair value	57,665	68,770
Reverse repurchase agreements	2,528	499
Receivable for securities sold	90,053	33,452
Interest receivable	3,489	3,326
Other assets	647	436
Total Assets	**$ 1,123,978**	**$ 1,053,632**
Liabilities and Shareholders' Equity		
Liabilities		
Repurchase agreements	$ 875,670	$ 842,455
Payable for securities purchased	67,531	42,199
Due to brokers	44,704	45,666
Financial derivatives-liabilities, at fair value	2,384	3,119
U.S. Treasury securities sold short, at fair value	12,528	498
Dividend Payable	1,106	1,070
Accrued expenses	1,208	1,097
Management fee payable to affiliate	433	423
Interest payable	3,437	4,696
Total Liabilities	**$ 1,009,001**	**$ 941,223**
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 $0.01 per share, 500,000,000 shares authorized; (13,830,403 and 13,377,840 shares issued and outstanding, respectively)[2]	138	134
Additional paid-in-capital	244,472	240,940
Accumulated deficit	(129,633)	(128,665)
Total Shareholders' Equity	**114,977**	**112,409**
Total Liabilities and Shareholders' Equity	**$ 1,123,978**	**$ 1,053,632**
Supplemental Per Share Information		
Book Value Per Share	$ 8.31	$ 8.40

Portfolio Summary

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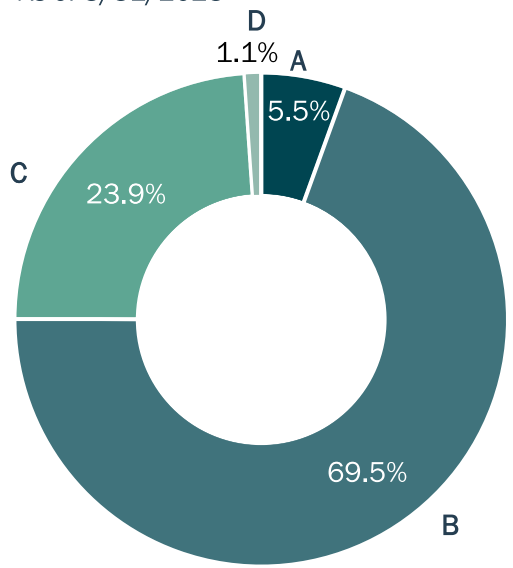
	March 31, 2023					December 31, 2022				
(in thousands)	Current Principal	Fair Value	Average Price[1]	Cost	Average Cost[1]	Current Principal	Fair Value	Average Price[1]	Cost	Average Cost[1]
Agency RMBS[2]										
15-year fixed rate mortgages	$ 32,671	$ 31,948	$ 97.79	$ 33,021	$101.07	$ 47,453	$ 45,324	$ 95.51	$ 48,899	$103.05
20-year fixed rate mortgages	10,463	9,491	90.71	11,133	106.40	10,812	9,691	89.63	11,508	106.44
30-year fixed rate mortgages	870,847	825,011	94.74	867,925	99.66	841,823	781,754	92.86	849,168	100.87
ARMs	7,797	7,818	100.27	8,670	111.20	8,696	8,663	99.62	9,595	110.34
Reverse mortgages	16,222	16,663	102.72	18,327	112.98	17,506	17,852	101.98	19,659	112.30
Total Agency RMBS	**938,000**	**890,931**	**94.98**	**939,076**	**100.11**	**926,290**	**863,284**	**93.20**	**938,829**	**101.35**
Non-Agency RMBS[2]	18,801	14,724	78.31	14,375	76.46	16,895	12,566	74.38	12,414	73.48
Total RMBS[2]	**956,801**	**905,655**	**94.65**	**953,451**	**99.65**	**943,185**	**875,850**	**92.86**	**951,243**	**100.85**
Agency Interest Only RMBS	n/a	9,704	n/a	9,438	n/a	n/a	9,313	n/a	9,212	n/a
Non-Agency Interest Only RMBS	n/a	10,172	n/a	8,099	n/a	n/a	8,138	n/a	6,289	n/a
Total mortgage-backed securities		**$ 925,531**		**$ 970,988**			**$ 893,301**		**$ 966,744**	

- Agency RMBS increased 3% to $890.9 million as of March 31st, 2023, as compared to $863.3 million as of December 31st, 2022
  - Agency RMBS portfolio turnover was 23% for the quarter
- Over the same period, interest-only securities increased by $2.4 million and Non-Agency RMBS increased by $2.2 million

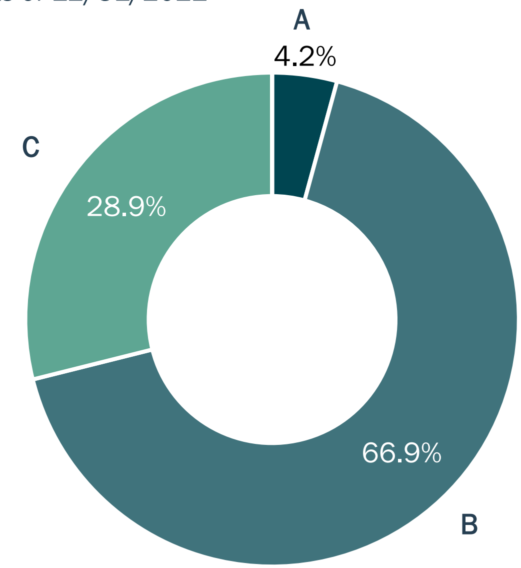
Interest Rate Hedging Portfolio

Short $548.2MM 10-yr equivalents[1]
As of 3/31/2023



A: 2-to-5 Yr Interest Rate Swaps
B : >5 Yr Interest Rate Swaps
C: TBAs
D: <2 Yr Interest Rate Swaps

Short $560.1MM 10-yr equivalents[1]
As of 12/31/2022



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

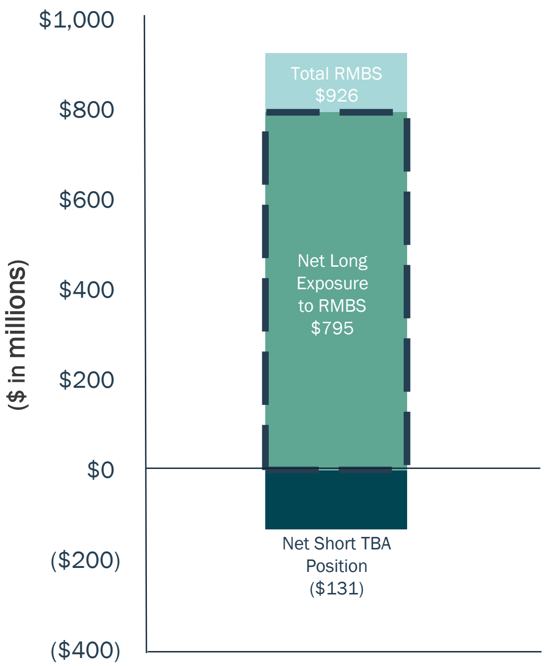
Shorting "generic" pools (or TBAs) allows EARN to significantly reduce interest rate risk and basis risk in its Agency portfolio

As of March 31st we had a net short TBA position, both on a notional basis and as measured by 10-yr equivalents. The size of our net TBA short position based on 10-year equivalents decreased quarter over quarter

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

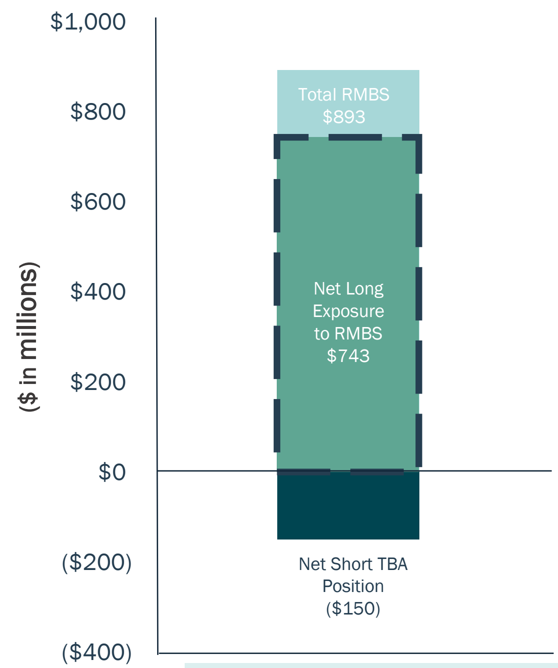
Net RMBS Exposure Based on Fair Value(1)

As of 3/31/2023



Net mortgage assets-to-equity: 6.9:1

As of 12/31/2022



Net mortgage assets-to-equity: 6.6:1

- 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 increased quarter over quarter, as higher Agency RMBS holdings and a lower net short position more than offset the increase in 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

Relative Yield Spreads

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◆ As of March 31, 2023[1]

Securitized Products	24 Mo Tights	As of March 31, 2023[1]	24 Mo Wides
US Agency MBS TOAS	-44	31	72
US Agency MBS TZV	14	146	179
US Agency FN 3 OAS	-10	32	43
US Agency G2 3 OAS	2	22	78
US Spec HLB 4.5	12	28	53
Non-QM AAA	60	230	300
Legacy Resi	125	240	250
CRT OTR M1	63	229	442
Subprime Auto BBB	33	108	373
US CLO 2.0 AAA	101	176	218
US CLO 2.0 BBB	311	508	564
EUR CLO 2.0 AAA	98	180	230
US CMBS AAA	68	165	167
US CMBS BBB	345	875	875
US Corporate Credit			
US IG Corp A OAS	68	122	143
US IG Corp BBB OAS	102	178	205
US HY Corp BB STW	237	318	445
US HY Corp B STW	374	543	689
Lev Loans	398	525	566

Source: Morgan Stanley

- During the quarter, yield spreads on US Agency MBS, US CMBS, US IG Corporate Credit, Non-QM AAA, and US Spec HLB 4.5 widened with the most substantial widening on US CMBS BBB
- Yield spreads on US CLO 2.0, EUR CLO 2.0 AAA, US HY Corporate Credit, and Legacy Resi tightened moderately with more significant tightening on CRT OTR M1, Subprime Auto BBB, and Lev Loans

Commitment to ESG

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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.

2023 Objectives

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1. Capitalize on investment opportunities driven by market volatility and uncertainty
2. Continue to rotate a portion of capital to non-Agency RMBS to take advantage of relative value opportunities
3. Dial our MBS exposure up and down 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 Adjusted Distributable Earnings
5. Leverage our core strengths of prepayment modeling, asset selection, and dynamic interest rate hedging to take advantage of changes in the prepayment landscape, while also providing meaningful trading opportunities
6. Rely on disciplined interest rate hedging and liquidity management to manage future volatility and protect book value

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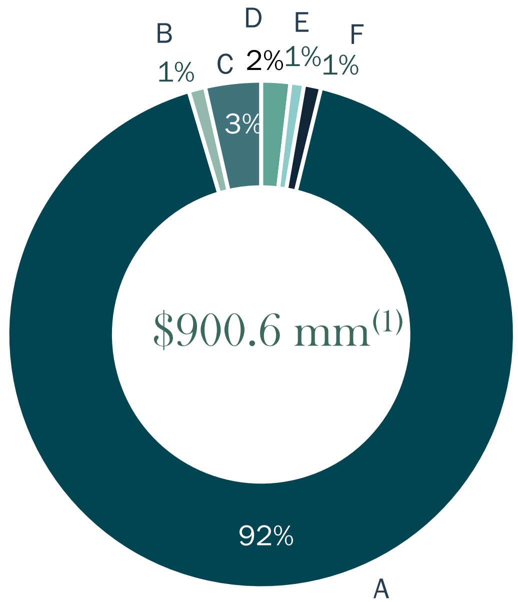
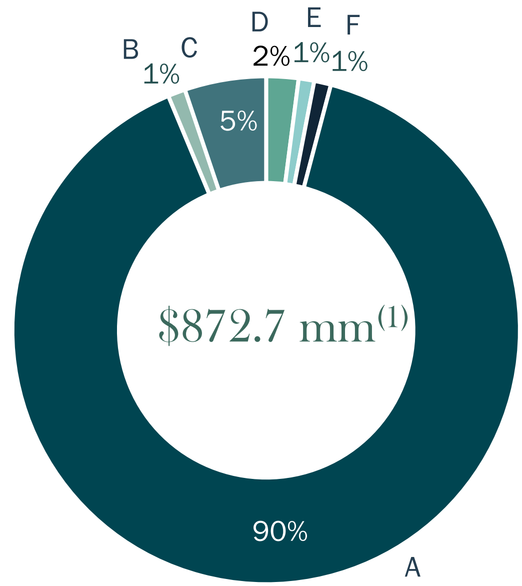
Supplemental Slides

Agency Portfolio Summary



As of 3/31/2023



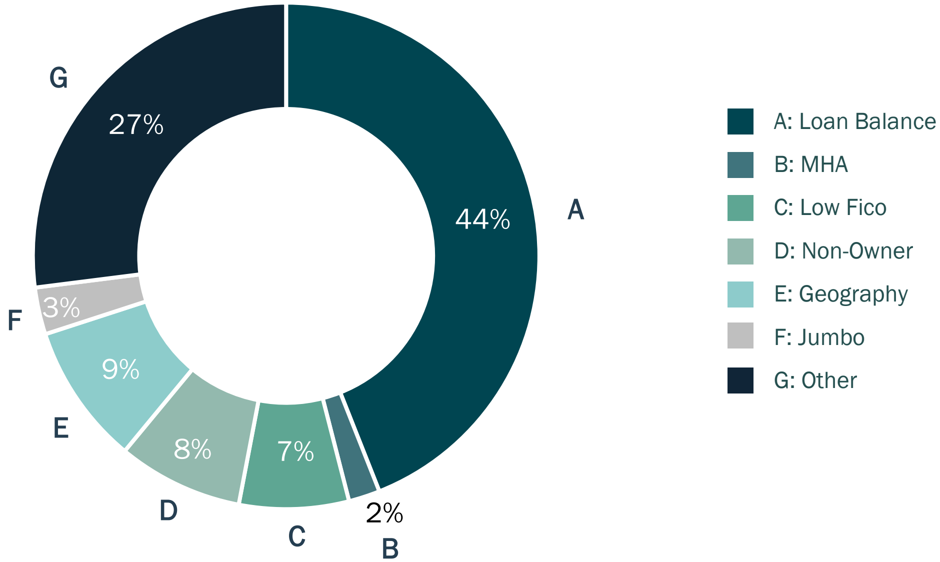
As of 12/31/2022

Category	Fair Value[(1)(2)]	Wtd. Avg. Coupon[(3)]
30-Year Fixed	$825.0	3.79
20-Year Fixed	9.5	2.85
15-Year Fixed	31.9	3.47
RM Fixed	16.7	4.18
Subtotal - Fixed	**883.1**	**3.78**
ARMs	7.8	
IOs	9.7	
Total	**$900.6**	

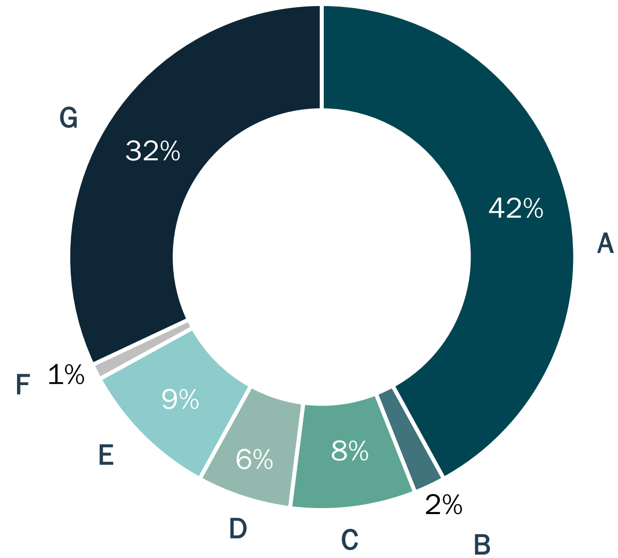
Category	Fair Value[(1)(2)]	Wtd. Avg. Coupon[(3)]
30-Year Fixed	$781.8	3.65
20-Year Fixed	9.7	2.84
15-Year Fixed	45.3	3.23
RM Fixed	17.9	4.06
Subtotal - Fixed	**854.7**	**3.63**
ARMs	8.7	
IOs	9.3	
Total	**$872.7**	

CPR Breakout of Agency Fixed Long Portfolio

Average for Quarter Ended 3/31/2023[1]



Average for Quarter Ended 12/31/2022[1]



Collateral Characteristics and Historical 3-Mo CPR

Characteristic[2]	Fair Value[1][3]	3-Month CPR %[5]
Loan Balance	$376.6	5.3
MHA[4]	16.0	10.4
Low FICO	59.1	6.6
Non-Owner	64.9	0.7
Geography	79.8	1.5
Jumbo	26.9	1.8
Other	228.6	3.9
Total	**$851.8**	**4.3**

Collateral Characteristics and Historical 3-Mo CPR

Characteristic[2]	Fair Value[1][3]	3-Month CPR %[5]
Loan Balance	$359.5	7.1
MHA[4]	16.4	3.4
Low FICO	65.3	7.3
Non-Owner	48.2	5.2
Geography	77.2	6.6
Jumbo	5.3	4.4
Other	268.6	4.7
Total	**$840.5**	**6.1**

Non-Agency Portfolio as of 3/31/2023

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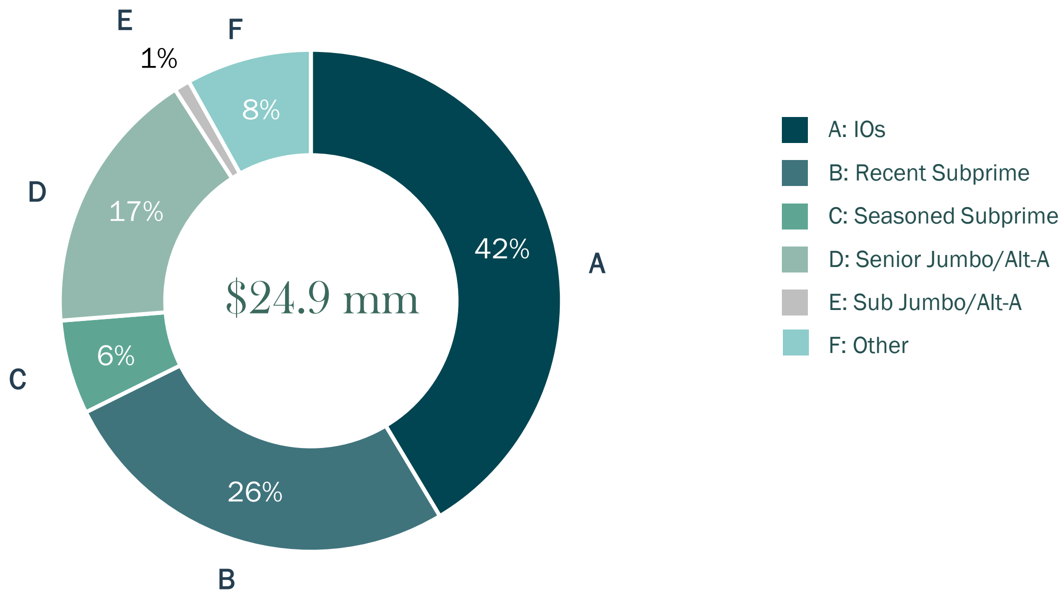
ELLINGTON RESIDENTIAL MORTGAGE REIT



Total Non-Agency Avg Mkt Px[(1)]: 78.3

- During the quarter, we increased our holdings of non-Agency RMBS by approximately $2.2 million to $14.7 million
  - We expect to continue to increase our allocation to non-Agency RMBS, based on market opportunities
- Our non-Agency interest-only holdings increased by approximately $2.0 million during the quarter

Repo Borrowings[1]

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	March 31, 2023			December 31, 2022		
		Weighted Average			Weighted Average	
Remaining Days to Maturity	Borrowings Outstanding	Interest Rate	Remaining Days to Maturity	Borrowings Outstanding	Interest Rate	Remaining Days to Maturity
	(in thousands)			*(in thousands)*		
30 days or less	$ 525,659	4.90%	14	$ 563,926	4.01%	14
31-60 days	334,286	5.00%	42	210,569	2.73%	44
61-90 days	14,270	5.63%	72	67,960	4.16%	72
121-150 days	1,455	5.62%	150	-	-	-
Total	$ 875,670	4.95%	26	$ 842,455	3.70%	26

- Outstanding borrowings with 16 counterparties as of March 31st, 2023
- The weighted average interest rate on our repo borrowings increased to 4.95% as of March 31st, 2023 from 3.70% as of December 31st, 2022, due to increasing short-term interest rates

Interest Rate Sensitivity Analysis[1]

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($ 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	$ 177	0.15%	$ (188)	-0.16%
Agency RMBS Fixed Pools and IOs	19,679	17.12%	(21,577)	-18.77%
Long TBAs	951	0.83%	(1,132)	-0.98%
Short TBAs	(5,655)	-4.92%	5,913	5.14%
Non-Agency RMBS	(312)	-0.27%	105	0.09%
Interest Rate Swaps	(18,098)	-15.74%	17,290	15.05%
U.S. Treasury Securities	(253)	-0.22%	246	0.21%
U.S. Treasury Futures	2,001	1.74%	(1,926)	-1.68%
Repurchase and Reverse Repurchase Agreements	(323)	-0.28%	323	0.28%
Total	$ (1,833)	-1.59%	$ (946)	-0.82%

Financial Derivatives as of March 31, 2023

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(In thousands)

Fixed Payer Interest Rate

Maturity		Notional Amount		Fair Value	Weighted Average Pay Rate	Weighted Average Receive Rate	Weighted Average Years to Maturity
2023-2025	$	136,080	$	6,440	1.62%	4.89%	1.51
2026-2028		116,883		6,263	2.41%	4.92%	4.99
2029-2031		271,059		21,834	2.18%	4.88%	7.44
2032-2052		165,529		19,580	1.99%	4.86%	12.40
Total	$	689,551	$	54,117	2.06%	4.89%	7.04

Fixed Receiver Interest Rate

Maturity		Notional Amount		Fair Value	Weighted Average Pay Rate	Weighted Average Receive Rate	Weighted Average Years to Maturity
2029-2031	$	13,000	$	41	4.87%	3.31%	7.01
2032-2052		40,481		1,327	4.87%	3.62%	9.88
Total	$	53,481	$	1,368	4.87%	3.54%	9.31

TBA Securities

Coupon		Notional Amount[1]		Cost Basis[2]		Market Value[3]		Net Carrying Value[4]
1.5	$	(490)	$	(429)	$	(431)	$	(2)
2		(36,850)		(30,185)		(30,443)		(258)
2.5		(53,854)		(45,698)		(46,373)		(676)
3		(76,562)		(68,095)		(68,737)		(642)
3.5		(17,200)		(16,223)		(16,131)		91
4		(15,224)		(13,867)		(14,298)		(431)
4.5		3,286		3,230		3,247		17
5		32,800		32,656		32,696		41
5.5		(1,180)		(1,189)		(1,192)		(2)
6		10,365		10,559		10,577		18
6.5		(100)		(102)		(103)		(1)
Total TBAs net	$	(155,009)	$	(129,343)	$	(131,188)	$	(1,845)

Futures

Maturity		Notional Amount		Fair Value	Remaining Months to Expiration
2yr	$	(5,400)	$	(66)	3.03
5yr		15,700		342	3.03
10yr		40,000		1,203	2.73
30yr		3,300		162	2.73
Total	$	53,600	$	1,641	2.83

Consolidated Statement of Operations (Unaudited)

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ELLINGTON RESIDENTIAL MORTGAGE REIT

	Three-Month Period Ended	
(in thousands except share amounts and per share amounts)	March 31, 2023	December 31, 2022
Interest Income (Expense)		
Interest income	$ 9,338	$ 9,927
Interest expense	(9,710)	(7,477)
Total net interest income	**$ (372)**	**$ 2,450**
Expenses		
Management fees to affiliate	433	423
Professional fees	242	202
Compensation expense	181	174
Insurance expense	99	101
Other operating expenses	350	371
Total expenses	**$ 1,305**	**$ 1,271**
Other Income (Loss)		
Net realized gains (losses) on securities	(15,126)	(15,811)
Net realized gains (losses) on financial derivatives	1,743	810
Change in net unrealized gains (losses) on securities	27,948	27,120
Change in net unrealized gains (losses) on financial derivatives	(10,551)	(1,618)
Total other income (loss)	4,014	10,501
Net Income (Loss)	**$ 2,337**	**$ 11,680**
Net Income (Loss) per Common Share:		
Basic and Diluted	$ 0.17	$ 0.88
Weighted Average Shares Outstanding	13,666,707	13,287,417
Cash Dividends Declared per Share	$ 0.24	$ 0.24

Consolidated Balance Sheet (Unaudited)

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ELLINGTON RESIDENTIAL MORTGAGE REIT

(in thousands except share amounts and per share amounts)		March 31, 2023		December 31, 2022 [1]
Assets				
Cash and cash equivalents	$	36,657	$	34,816
Mortgage-backed securities, at fair value		925,531		893,301
Other investments, at fair value		210		208
Due from brokers		7,198		18,824
Financial derivative-assets, at fair value		57,665		68,770
Reverse repurchase agreements		2,528		499
Receivable for securities sold		90,053		33,452
Interest receivable		3,489		3,326
Other assets		647		436
Total Assets	**$**	**1,123,978**	**$**	**1,053,632**
Liabilities and Shareholders' Equity				
Liabilities				
Repurchase agreements	$	875,670	$	842,455
Payable for securities purchased		67,531		42,199
Due to brokers		44,704		45,666
Financial derivatives-liabilities, at fair value		2,384		3,119
U.S. Treasury securities sold short, at fair value		12,528		498
Dividend Payable		1,106		1,070
Accrued expenses		1,208		1,097
Management fee payable to affiliate		433		423
Interest payable		3,437		4,696
Total Liabilities	**$**	**1,009,001**	**$**	**941,223**
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 $0.01 per share, 500,000,000 shares authorized; (13,830,403 and 13,377,840 shares issued and outstanding, respectively)[2]		138		134
Additional paid-in-capital		244,472		240,940
Accumulated deficit		(129,633)		(128,665)
Total Shareholders' Equity		**114,977**		**112,409**
Total Liabilities and Shareholders' Equity	**$**	**1,123,978**	**$**	**1,053,632**
Supplemental Per Share Information				
Book Value Per Share	$	8.31	$	8.40

Reconciliation of Adjusted Distributable Earnings to Net Income (Loss)[1]

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ELLINGTON RESIDENTIAL MORTGAGE REIT

	Three-Month Period Ended	
(in thousands except share amounts and per share amounts)	March 31, 2023	December 31, 2022
Net Income (Loss)	$ 2,337	$ 11,680
Adjustments:		
Net realized (gains) losses on securities	15,126	15,811
Change in net unrealized (gains) losses on securities	(27,948)	(27,120)
Net realized (gains) losses on financial derivatives	(1,743)	(810)
Change in net unrealized (gains) losses on financial derivatives	10,551	1,618
Net realized gains (losses) on periodic settlements of interest rate swaps	1,769	1,111
Change in net unrealized gains (losses) on accrued periodic settlements of interest rate swaps	2,432	1,634
Negative (positive) component of interest income represented by Catch-up Premium Amortization Adjustment	299	(658)
Subtotal	486	(8,414)
Adjusted Distributable Earnings	$ 2,823	$ 3,266
Weighted Average Shares Outstanding	13,666,707	13,287,417
Adjusted Distributable Earnings Per Share	$ 0.21	$ 0.25

About Ellington Management Group

Ellington Profile

As of 3/31/2023

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

$9.7
Billion in assets under management[1]

9
Employee-partners own the firm[2]

28
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 28 years ago
- Ellington's portfolio managers are among the most experienced in the MBS sector

Endnotes

Slide 3 – First Quarter Market Update

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

Slide 4 – First Quarter Highlights

(1) Economic return is based on book value per share.
(2) Adjusted Distributable is a non-GAAP financial measure. See slide 22, endnote 1 for an explanation regarding the renaming and calculation of Adjusted Distributable Earnings, and the definition of the Catch-up Premium Amortization Adjustment.
(3) Net interest margin represents the weighted average asset yield less the weighted average secured financing cost of funds (including the effect of actual and accrued payments on interest rate swaps used to hedge such financings). Net interest margin excludes the effect of the Catch-up Premium Amortization Adjustment.
(4) As of March 31, 2023.
(5) Excludes recent purchases of fixed rate Agency specified pools with no prepayment history.
(6) 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, 2023 the market value of our mortgage-backed securities and our net short TBA position was $925.5 million and $(131.2) million, respectively, and total shareholders' equity was $115.0 million.

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) Adjusted Distributable Earnings is a non-GAAP financial measure. See slide 22 for a reconciliation of Adjusted Distributable Earnings to Net Income (Loss).
(4) Book Value 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 represents the weighted average asset yield less the weighted average secured financing cost of funds (including the effect of actual and accrued payments on interest rate swaps used to hedge such financings). 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, 2022.
(2) Common shares issued and outstanding at March 31, 2023 includes 455,671 common shares issued during the first quarter under the Company’s at-the-market common share offering program.

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.

Endnotes

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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, 2023 and December 31, 2022. The net carrying value of the TBA positions as of March 31, 2023 and December 31, 2022 on the Consolidated Balance Sheet was $(1.8) million and $2.9 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) All spreads as of March 31, 2023 with exceptions as set forth below:
2/28/2023 for Legacy Resi ;
3/17/2023 for Non-QM AAA;
4/3/2023 for US CLO 2.0 AAA, and US CLO 2.0 BBB

Slide 14 – Agency Portfolio Summary

(1) Does not include long TBA positions with a notional value of $66.5 million and a market value of $65.8 million as of March 31, 2023. Does not include long TBA positions with a notional value of $81.8 million and a market value of $80.8 million as of December 31, 2022.
(2) Fair value shown in millions.
(3) 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, 2023

(1) Excludes IOs

Slide 17 – Repo Borrowings

(1) As of March 31, 2023 and December 31, 2022, the Company had no outstanding borrowings other than under repurchase agreements.

Endnotes

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Slide 18 – Interest Rate Sensitivity Analysis

(1) Based on the market environment as of March 31, 2023. 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, 2023

(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, 2023.
(4) Net carrying value represents the difference between the market value of the TBA contract as of March 31, 2023 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, 2022.
(2) Common shares issued and outstanding at March 31, 2023 includes 455,671 common shares issued during the first quarter under the Company's at-the-market common share offering program.

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

(1) We calculate Adjusted Distributable Earnings as net income (loss), excluding realized and change in net unrealized gains and (losses) on securities and financial derivatives, and excluding other income or loss items that are of a non-recurring nature, if any. Adjusted Distributable Earnings includes net realized and change in net unrealized gains (losses) associated with periodic settlements on interest rate swaps. Adjusted Distributable 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. Adjusted Distributable Earnings is a supplemental non-GAAP financial measure. We believe that the presentation of Adjusted Distributable Earnings provides information useful to investors, because: (i) we believe that it is a useful indicator of both current and projected long-term financial performance, in that it excludes the impact of certain current period earnings components that we believe are less useful in forecasting long-term performance and dividend-paying ability; (ii) we use it to evaluate the effective net yield provided by our portfolio, after the effects of financial leverage; and (iii) we believe that presenting Adjusted Distributable Earnings assists our investors in measuring and evaluating our operating performance, and comparing our operating performance to that of our residential mortgage REIT peers. Please note, however, that: (I) our calculation of Adjusted Distributable Earnings may differ from the calculation of similarly titled non-GAAP financial measures by our peers, with the result that these non-GAAP financial measures might not be directly comparable; and (II) Adjusted Distributable Earnings excludes certain items, such as most realized and unrealized gains and losses, that may impact the amount of cash that is actually available for distribution. In addition, because Adjusted Distributable Earnings is an incomplete measure of our financial results and differs from net income (loss) computed in accordance with U.S. GAAP, it should be considered supplementary to, and not as a substitute for, net income (loss) computed in accordance with U.S. GAAP. Furthermore, Adjusted Distributable Earnings is different than REIT taxable income. As a result, the determination of whether we have met the requirement to distribute at least 90% of our annual REIT taxable income (subject to certain adjustments) to its shareholders, in order to maintain qualification as a REIT, is not based on whether we have distributed 90% of our Adjusted Distributable Earnings. The following table reconciles, for the three-month periods ended March 31, 2023 and December 31, 2022, Adjusted Distributable Earnings to the line on the Consolidated Statement of Operations entitled Net Income (Loss), which we believe is the most directly comparable U.S. GAAP measure:

Slide 23 – About Ellington Management Group

(1) $9.0 billion in assets under management includes approximately $1.0 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.

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