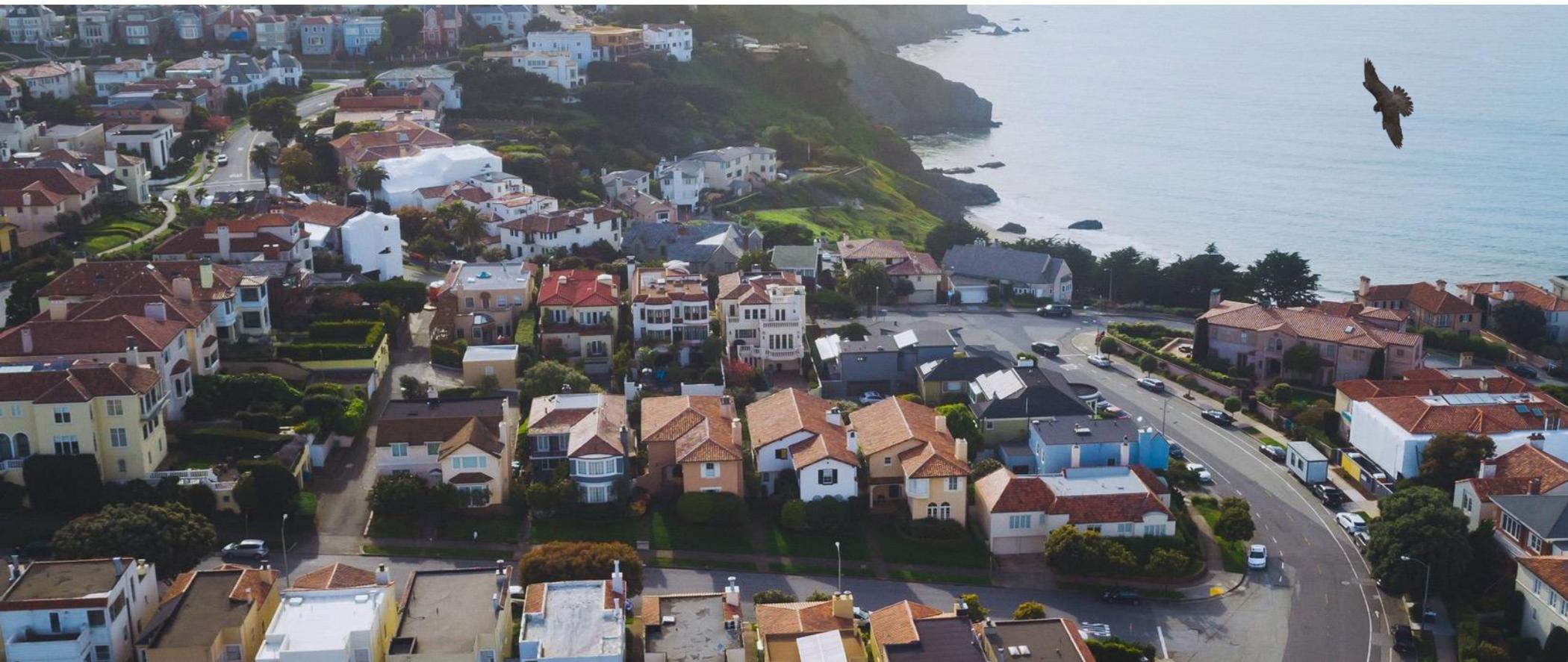


Ellington Financial



Earnings Conference Call

May 8, 2024

Q1
2024

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. Our actual results may differ from our 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. Forward-looking statements are based on our beliefs, assumptions and expectations of our future operations, business strategies, performance, financial condition, liquidity and prospects, taking into account information currently available to us. These beliefs, assumptions, and expectations are subject to risks and uncertainties and can change as a result of many possible events or factors, not all of which are known to us. If a change occurs, our business, financial condition, liquidity, results of operations and strategies may vary materially from those expressed or implied in our forward-looking statements.

The following factors are examples of those that could cause actual results to vary from our forward-looking statements: changes in interest rates and the market value of our investments, market volatility, changes in mortgage default rates and prepayment rates, our ability to borrow to finance our assets, changes in government regulations affecting our business, our ability achieve the cost savings and efficiencies, operating efficiencies, synergies and other benefits, including the increased scale, and avoid potential business disruption from our recently completed merger with Arlington Asset Investment Corp., our ability to maintain our exclusion from registration under the Investment Company Act of 1940, our ability to maintain our qualification as a real estate investment trust, or "REIT," and other changes in market conditions and economic trends, such as 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 our website at www.ellingtonfinancial.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. We undertake 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.

Example Analyses

The example analyses included herein are for illustrative purposes only and are intended to illustrate Ellington's analytic approach. They are not and should not be considered a recommendation to purchase or sell any security or a projection of our future results or performance. The example analyses are only as of the date specified and do not reflect changes since that time.

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, 2024 unless otherwise indicated. We undertake no duty or obligation to update this presentation to reflect subsequent events or developments.

Overall Results	<ul style="list-style-type: none"> • Net income: \$26.9 million or \$0.32 per share⁽²⁾ • Economic return:⁽³⁾ 2.1% for the quarter • Adjusted Distributable Earnings:⁽⁴⁾ \$23.7 million or \$0.28 per share
Investment Portfolio	<ul style="list-style-type: none"> • Net income: \$43.0 million or \$0.51 per share • Credit strategy: <ul style="list-style-type: none"> • Net income: \$40.9 million or \$0.48 per share • Long credit portfolio: \$2.80 billion⁽⁵⁾⁽⁶⁾, a 2% increase from the prior quarter • Agency strategy: <ul style="list-style-type: none"> • Net income: \$2.1 million or \$0.03 per share • Long Agency portfolio: \$662.6 million, a 22% decrease from the prior quarter
Longbridge Financial	<ul style="list-style-type: none"> • Net income: \$8.7 million or \$0.10 per share • Longbridge portfolio⁽⁷⁾: \$441.0 million, a 20% decrease from the prior quarter, driven by the successful completion of our inaugural proprietary reverse mortgage loan securitization
Equity & BVPS	<ul style="list-style-type: none"> • Total equity: \$1.55 billion, comprising common equity of \$1.20 billion and preferred equity of \$355.6 million⁽⁸⁾ • Book value per common share: \$13.69 after total dividends declared of \$0.43 for the quarter
Dividends	<ul style="list-style-type: none"> • Dividend yield of 13.3% based on the May 6, 2024 closing stock price of \$11.71 per share, and monthly dividend of \$0.13 per common share declared on May 7, 2024
Leverage Below Sector Average	<ul style="list-style-type: none"> • Recourse debt-to-equity ratio⁽⁹⁾: 1.8:1, adjusted for unsettled purchases and sales • Total debt-to equity ratio⁽¹⁰⁾: 8.3:1, including all non-recourse borrowings, which primarily consist of securitization-related liabilities • Cash and cash equivalents of \$187.5 million, in addition to other unencumbered assets of \$544.5 million

Portfolio Summary as of March 31, 2024⁽¹⁾

Ellington Financial

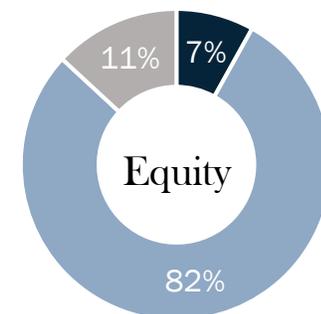
Credit	Allocated Equity ⁽²⁾	Fair Value (\$ in \$1,000s)	Average Price (%) ⁽³⁾⁽⁷⁾	WAVG Life ⁽⁵⁾⁽⁷⁾	WAVG Mkt Yield ⁽⁶⁾⁽⁷⁾
Residential Transition Loans and Other Residential Mortgage Loans and REO ⁽⁸⁾		\$ 1,199,246	99.5	0.8	10.3%
Non-QM Loans and Retained Non-QM RMBS ⁽⁹⁾⁽¹⁰⁾⁽¹²⁾		582,355	84.5	6.3	8.9%
Commercial Mortgage Loans and REO, and CMBS ⁽⁸⁾⁽¹¹⁾		388,713	92.2	1.2	11.4%
Non-Agency RMBS		210,132	87.8	5.5	9.3%
Forward MSR-related investments		160,009	N/A	7.4	9.8%
Consumer Loans and ABS backed by Consumer Loans ⁽¹²⁾		83,194	-(4)	1.5	11.3%
CLOs ⁽¹²⁾		59,243	82.4	3.9	18.1%
Debt and Equity Investments in Loan Origination Entities ⁽¹³⁾		35,967	N/A	N/A	N/A
Corporate Debt and Equity and Corporate Loans		31,140	73.1	2.7	15.8%
Non-Dollar MBS, ABS, CLO and Other ⁽¹²⁾⁽¹⁴⁾		26,104	93.0	2.2	13.7%
Other loans and ABS ⁽¹⁵⁾		19,674	66.5	3.3	21.3%
Total - Credit	82%	\$ 2,795,777	93.1	2.7	10.4%

Agency	Allocated Equity ⁽²⁾	Fair Value (\$ in \$1,000s)	Average Price (%) ⁽³⁾⁽⁷⁾	WAVG Life ⁽⁵⁾⁽⁷⁾	WAVG Mkt Yield ⁽⁶⁾⁽⁷⁾
Fixed-Rate Specified Pools		609,806	93.1	6.5	5.1%
Reverse Mortgage Pools		36,912	104.3	4.0	5.2%
IOs		10,811	N/A	5.8	9.8%
Floating-Rate Specified Pools		5,043	97.5	4.8	5.6%
Total - Agency	7%	\$ 662,572	93.7	6.4	5.2%

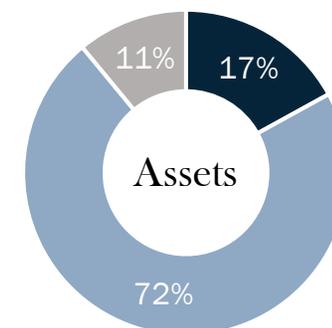
Longbridge ⁽¹⁶⁾	Allocated Equity ⁽²⁾	Fair Value (\$ in \$1,000s)
Proprietary reverse mortgage loans ⁽⁹⁾		202,890
Unsecuritized HECM loans ⁽¹⁷⁾		111,617
HMBS MSR Equivalent ⁽¹⁸⁾		94,372
Reverse MSRs and Unsecuritized REO		32,117
Total - Longbridge	11%	\$ 440,996

Debt-to-Equity Ratio by Strategy and Overall	Recourse	Total
Credit ⁽²⁰⁾	1.5x	2.7x
Agency ⁽²⁰⁾	5.7x	5.7x
Longbridge ⁽²⁰⁾	1.4x	52.3x
Overall	1.8x ⁽¹⁹⁾	8.3x ⁽²¹⁾

Equity and Asset Allocation by Strategy



■ CREDIT ■ AGENCY ■ LONGBRIDGE



- **Residential transition loans and other residential mortgage loans and REO⁽⁸⁾** consist of residential transition loans (\$1,178.1mm), other residential loans (\$6.8mm), and REO (\$14.3mm)
- **Non-QM loans and retained non-QM RMBS⁽⁹⁾⁽¹⁰⁾⁽¹²⁾** consist of non-QM loans (\$441.7mm) and retained non-QM tranches (\$140.6mm)
- **Debt and Equity Investments in Loan Origination Entities⁽¹³⁾** consist of LendSure (\$21.3mm) and other loan origination entities (\$14.7mm)

Operating Results by Strategy for the Quarter Ended March 31, 2024

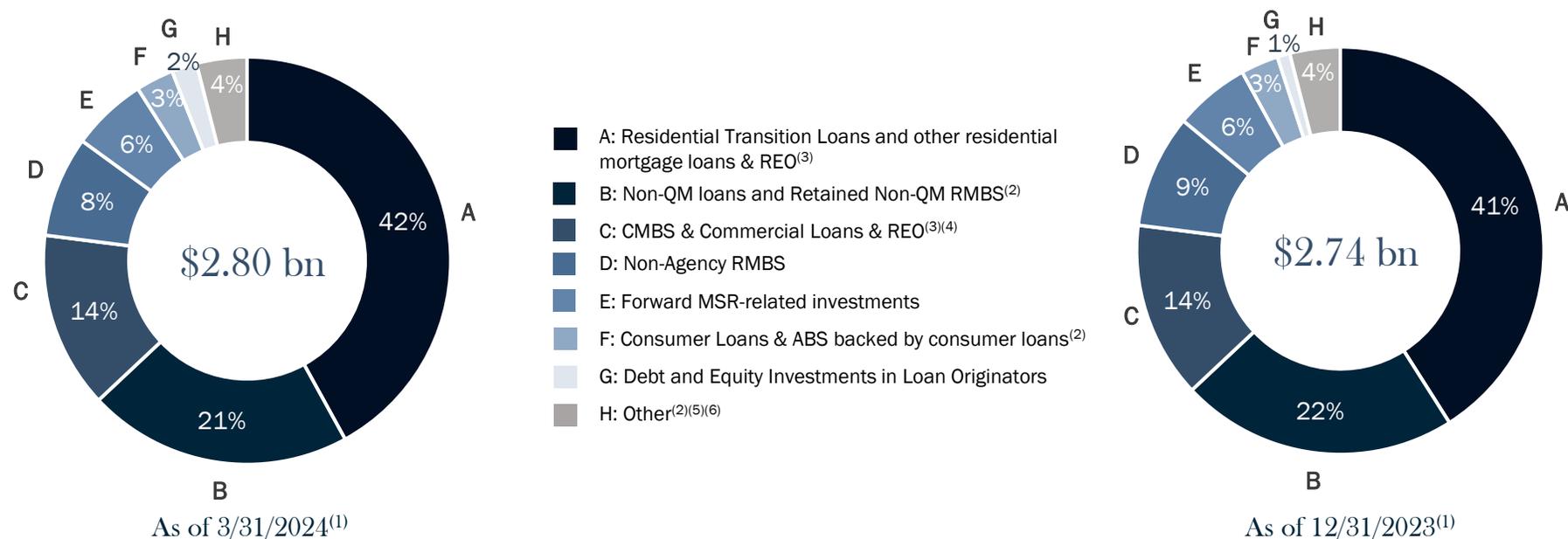
Ellington Financial

<i>(In thousands, except per share amounts)</i>	Investment Portfolio					Total	Total Per Share
	Credit	Agency	Investment Portfolio Subtotal	Longbridge	Corporate/Other		
Interest income and other income ⁽¹⁾	\$ 84,269	\$ 7,069	\$ 91,338	\$ 12,132	\$ 1,877	\$ 105,347	\$ 1.24
Interest expense	(43,121)	(9,763)	(52,884)	(8,558)	(4,597)	(66,039)	(0.77)
Realized gain (loss), net	(6,379)	(12,154)	(18,533)	-	-	(18,533)	(0.22)
Unrealized gain (loss), net	3,466	797	4,263	(8,356)	1,829	(2,264)	(0.03)
Net change from reverse mortgage loans and HMBS obligations	-	-	-	27,515	-	27,515	0.32
Earnings in unconsolidated entities	2,226	-	2,226	-	-	2,226	0.03
Interest rate hedges and other activity, net ⁽²⁾	8,259	16,123	24,382	15,712	(5,538)	34,556	0.41
Credit hedges and other activities, net ⁽³⁾	(4,449)	-	(4,449)	(592)	-	(5,041)	(0.06)
Income tax (expense) benefit	-	-	-	-	(61)	(61)	-
Investment related expenses	(2,973)	-	(2,973)	(10,263)	-	(13,236)	(0.16)
Other expenses	(170)	-	(170)	(18,836)	(11,413)	(30,419)	(0.36)
Net income (loss)	\$ 41,128	\$ 2,072	\$ 43,200	\$ 8,754	\$(17,903)	\$ 34,051	\$ 0.40
Dividends on preferred stock	-	-	-	-	(6,654)	(6,654)	(0.08)
Net (income) loss attributable to non-participating non-controlling interests	(185)	-	(185)	(38)	(4)	(227)	-
Net income (loss) attributable to common stockholders and participating non-controlling interests	\$ 40,943	\$ 2,072	\$ 43,015	\$ 8,716	\$(24,561)	\$ 27,170	\$0.32
Net (income) loss attributable to participating non-controlling interests	-	-	-	-	(255)	(255)	-
Net income (loss) attributable to common stockholders	\$ 40,943	\$ 2,072	\$ 43,015	\$ 8,716	\$(24,816)	\$ 26,915	\$ 0.32
Net income (loss) attributable to common stockholders per share of common stock	\$ 0.48	\$ 0.03	\$ 0.51	\$ 0.10	\$ (0.29)	\$ 0.32	
Weighted average shares of common stock and convertible units ⁽⁴⁾ outstanding						85,269	
Weighted average shares of common stock outstanding						84,468	

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

Three-Month Period Ended March 31, 2024

<i>(in thousands, except per share amounts)</i>	Investment Portfolio	Longbridge	Corporate/Other	Total
Net Income (Loss)	\$ 43,200	\$ 8,754	\$ (17,903)	\$ 34,051
Income tax expense (benefit)	-	-	61	61
Net income (loss) before income tax expense (benefit)	\$ 43,200	\$ 8,754	\$ (17,842)	\$ 34,112
Adjustments:				
Realized (gains) losses, net ⁽²⁾	29,254	-	1,620	30,874
Unrealized (gains) losses, net ⁽³⁾	(25,945)	449	(106)	(25,602)
Unrealized (gains) losses on MSRs, net of hedging (gains) losses ⁽⁴⁾	-	(13,943)	-	(13,943)
Negative (positive) component of interest income represented by Catch-up Amortization Adjustment	1,297	-	-	1,297
Non-capitalized transaction costs and other expense adjustments ⁽⁵⁾	923	4,068	500	5,491
(Earnings) losses from investments in unconsolidated entities	(2,226)	-	-	(2,226)
Adjusted Distributable Earnings from investments in unconsolidated entities ⁽⁶⁾	816	-	-	816
Total Adjusted Distributable Earnings	\$ 47,319	\$ (672)	\$ (15,828)	\$ 30,819
Dividends on preferred stock	-	-	6,654	6,654
Adjusted Distributable Earnings attributable to non-controlling interests	216	(2)	225	439
Adjusted Distributable Earnings Attributable to Common Stockholders	\$ 47,103	\$ (670)	\$ (22,707)	\$ 23,726
Adjusted Distributable Earnings Attributable to Common Stockholders, per share	\$ 0.56	\$ (0.01)	\$ (0.27)	\$ 0.28



The size of our long credit portfolio increased by 2% in the first quarter.

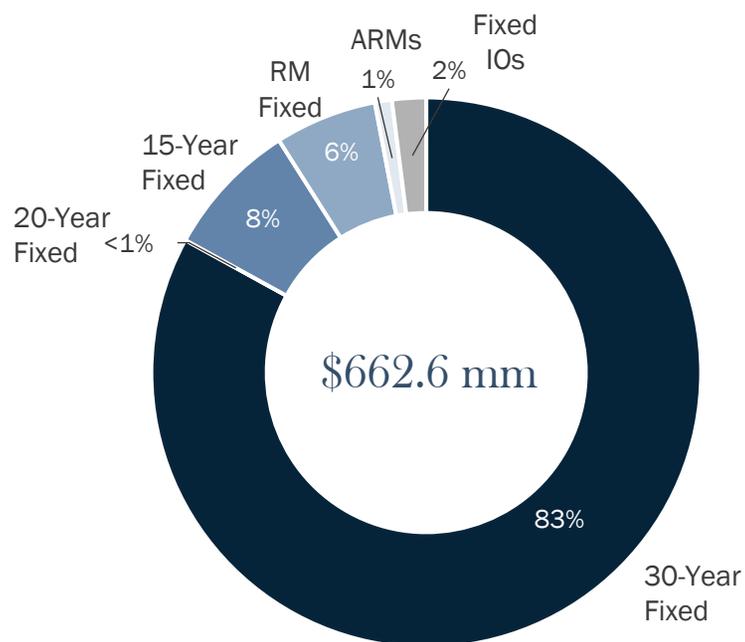
The increase was driven primarily by larger residential transition loan and commercial mortgage bridge loan portfolios, where net originations exceeded principal paydowns.

Net purchases of corporate CLOs also contributed to the increased sized of our credit portfolio.

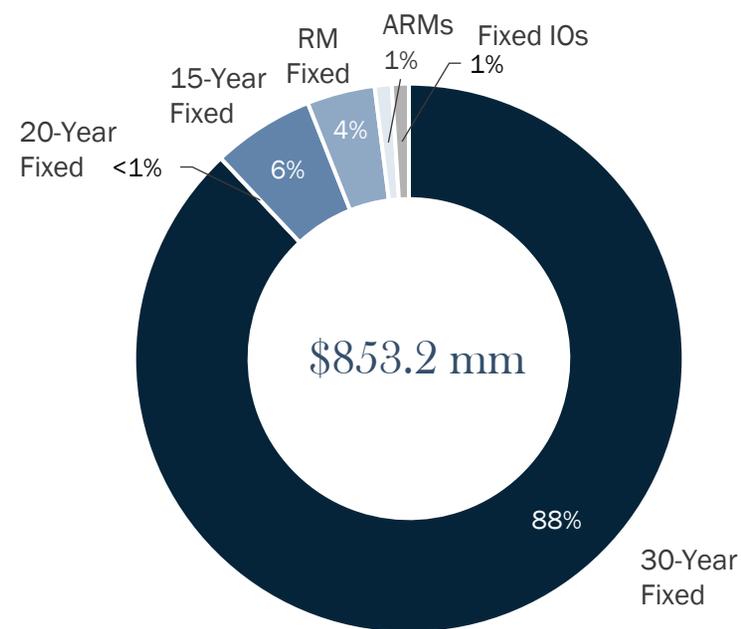
A portion of the increase was offset by a smaller non-QM loan portfolio, where principal paydowns and loan sales exceeded net originations, and net sales of non-Agency RMBS and CMBS.

*For consolidated non-QM securitization trusts, only includes retained tranches.

Long Agency Portfolio



As of 3/31/2024⁽¹⁾

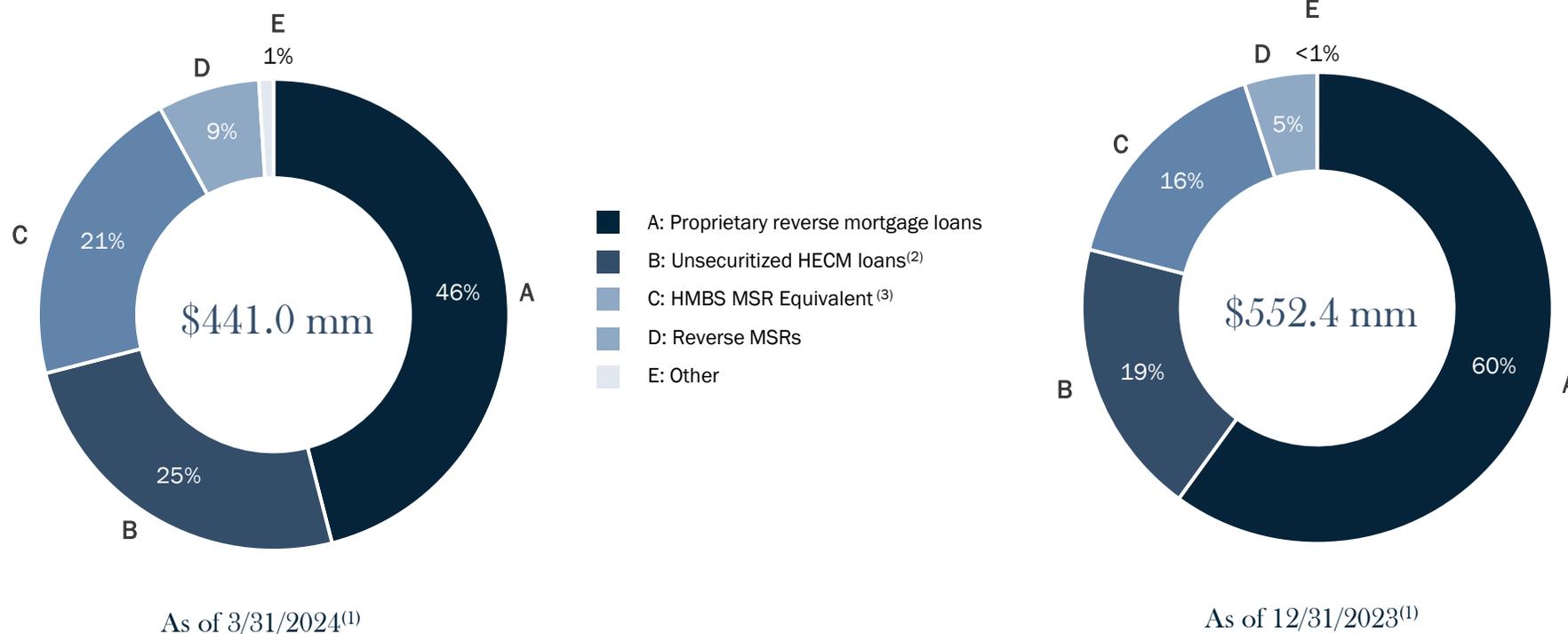


As of 12/31/2023⁽¹⁾

Category	Fair Value ⁽¹⁾ (\$ in MMs)	Wtd. Avg. Coupon ⁽²⁾
30-Year Fixed	\$ 556.0	4.02%
20-Year Fixed	2.0	2.29%
15-Year Fixed	51.8	2.57%
RM Fixed	36.9	5.98%
Subtotal - Fixed	\$ 646.7	3.99%
ARMs	5.0	
Fixed IOs	10.8	
Total	\$ 662.6	

Category	Fair Value ⁽¹⁾ (\$ in MMs)	Wtd. Avg. Coupon ⁽²⁾
30-Year Fixed	\$ 742.1	4.04%
20-Year Fixed	2.1	2.29%
15-Year Fixed	54.0	2.58%
RM Fixed	37.2	5.37%
Subtotal - Fixed	\$ 835.4	3.99%
ARMs	5.1	
Fixed IOs	12.7	
Total	\$ 853.2	

- Our long Agency portfolio decreased by 22% quarter over quarter, as we continued to rotate capital out of the strategy and into higher-yielding opportunities.



- Longbridge originates reverse mortgage loans, including home equity conversion mortgage loans, or "HECMs," which are insured by the FHA and which are eligible for inclusion in GNMA-guaranteed HECM-backed MBS, or "HMBS."
- Upon securitization, the HECMs remain on our balance sheet under GAAP, and Longbridge retains the mortgage servicing rights associated with the HMBS.
- In addition, Longbridge originates proprietary reverse mortgage loans, which are not insured by the FHA, and has typically retained the associated MSRs.

- In Q1, Longbridge's portfolio decreased by 20%, driven primarily by the successful completion of our inaugural proprietary reverse mortgage loan securitization.
- Longbridge originated \$204.9 million across HECM and prop, 75% through its wholesale and correspondent channel and 25% through its retail channel.
- Positive results from servicing and net gains on interest rate hedges drove performance for the quarter. Tighter HECM yield spreads also led to net gains on the HMBS MSR Equivalent, as well as improved execution on tail securitizations, which contributed to the positive results from servicing.
- These gains were partially offset by net losses on proprietary loans.
- In originations, improved gain-on-sale margins in HECM were mostly offset by a decline in overall origination volumes.

*For consolidated proprietary reverse mortgage loan securitization trusts, only includes retained tranches.

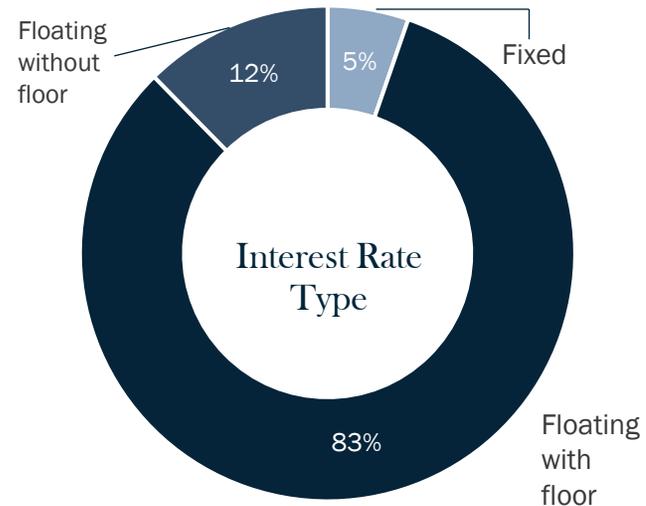
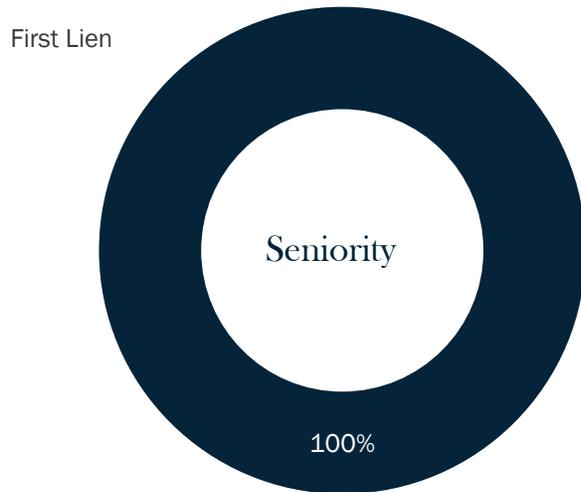
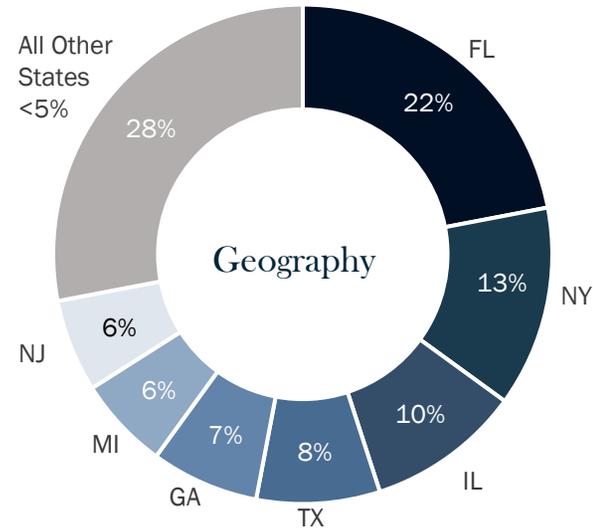
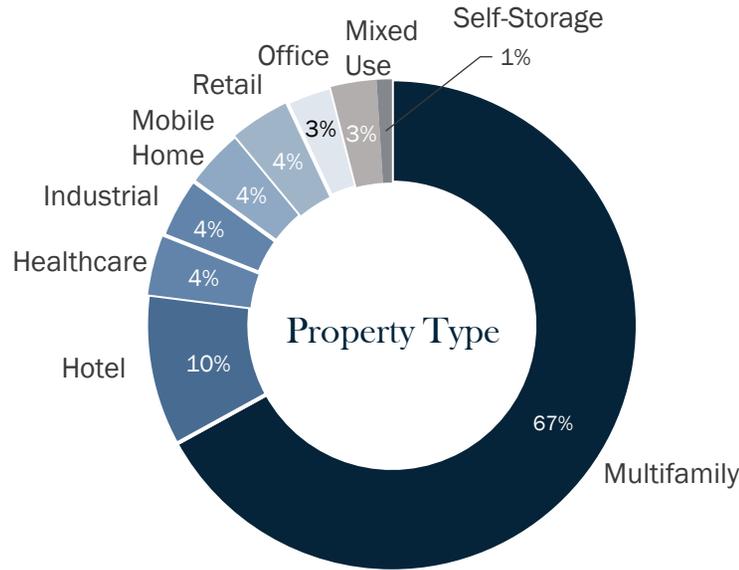
Summary of Borrowings

Recourse Borrowings (\$ in thousands)	As of 3/31/24		Three-Month Period Ended 3/31/24	
	Outstanding Borrowings	Weighted Average Borrowing Rate	Average Borrowings	Average Cost of Funds
Credit ⁽¹⁾	\$ 1,594,501	7.46%	\$ 1,579,016	7.58%
Agency RMBS	617,283	5.47%	703,111	5.59%
Borrowings – Credit and Agency RMBS	\$ 2,211,784	6.90%	\$ 2,282,127	6.96%
U.S. Treasury Securities	227,232	5.50%	225,349	5.51%
Borrowings – including U.S. Treasury Securities	\$ 2,439,016	6.77%	\$ 2,507,476	6.83%
Senior Notes, at par	282,681	6.00%	282,681	6.00%
Subordinated Notes	\$ 15,000	8.33%	\$ 15,000	8.41%
Longbridge-Related Recourse Borrowings	259,650	8.65%	347,820	9.25%
Total Recourse Borrowings⁽²⁾	\$ 2,996,347	6.87%	\$ 3,152,977	7.03%

Recourse and Non-Recourse Leverage Summary⁽³⁾

As of 3/31/2024

Recourse Borrowings	\$ 2,996,347	Recourse Debt-to-Equity Ratio ⁽⁴⁾	1.8:1
Non-Recourse HMBS-Related Obligations	\$ 8,619,463	<i>Net of Unsettled Purchases/Sales</i>	1.8:1
Non-Recourse Non-QM and Proprietary Reverse Mortgage Loan Securitizations	\$ <u>1,569,149</u>		
Total Borrowings	\$ 13,184,958	Total Debt-to-Equity Ratio ⁽⁵⁾	8.3:1
Total Equity	\$ 1,553,156	<i>Net of Unsettled Purchases/Sales</i>	8.3:1



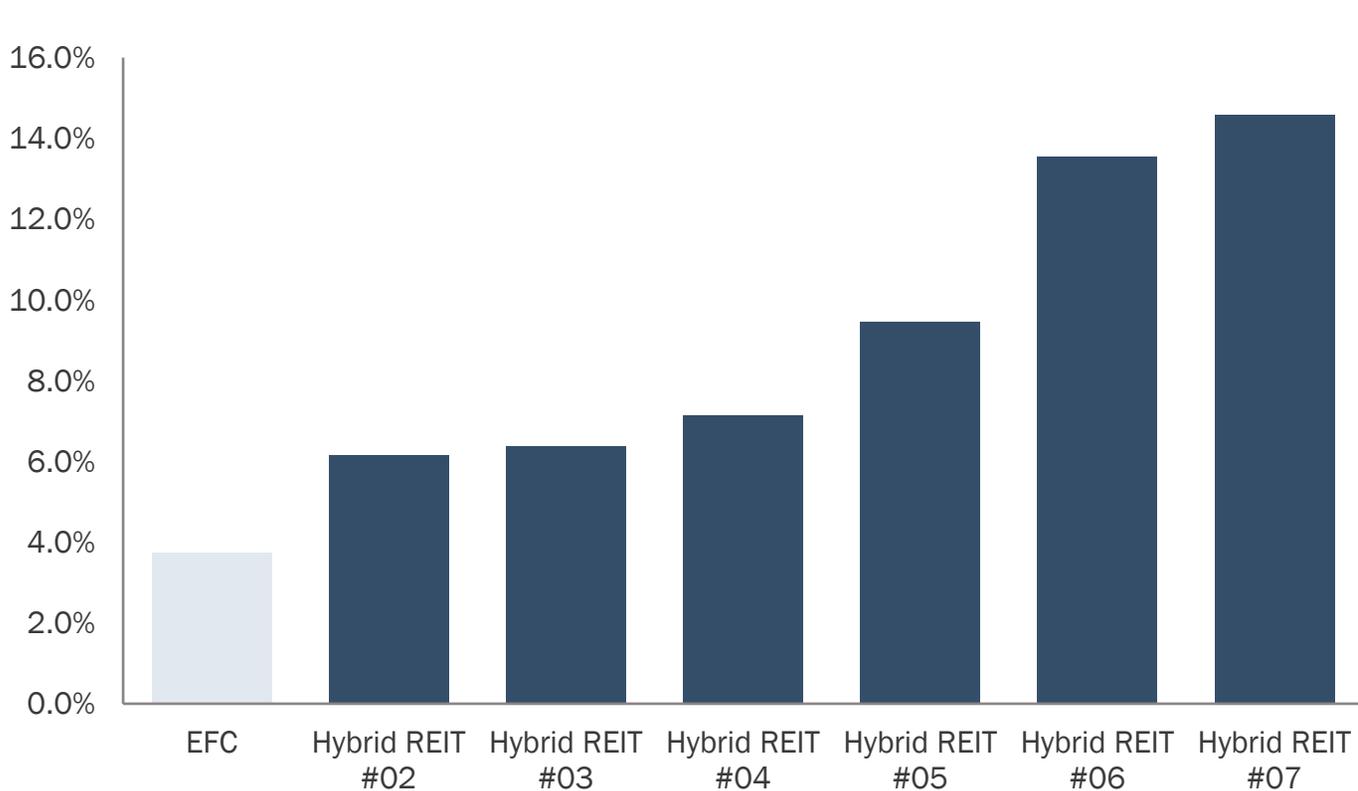
- Commercial mortgage loan portfolio is diversified geographically and across property types, with a tactical focus on multi-family.
- All investments are first liens.
- Vast majority are floating rate loans, most of which benefit from interest rate floors.

Ellington Financial's vertically integrated, proprietary loan origination businesses are designed to:

- Lock in a steady flow of high-quality loan originations
- Leverage Ellington's core strengths of data analysis and modeling to help shape the underwriting criteria of the loans
- Generate highly attractive ROE profiles
- Represent significant potential upside to book value
- Fill lending void left by banks facing strict regulations

	1	2	3	4	5	
	Non-QM Loans ⁽¹⁾	Commercial Mortgage Loans ⁽²⁾	Residential Transition Loans	Consumer Loans	Reverse Mortgage Loans ⁽¹⁾⁽³⁾⁽⁴⁾⁽⁵⁾	
Strategic Originator Investment(s)	√	√	√	√	√	
Joint Ventures and/or Flow Agreements	√	√	√	√	√	
In-House Origination Team	-	√	√	-	√	
Servicing Platform and Workout Capabilities	√	√	√	√	√	
						Total
Loans Acquired During Q1 2024 (\$mm)	\$100.2	\$107.4	\$415.9	\$8.4	\$204.9	\$836.8
Total Loan Fair Value at 3/31/2024 (\$mm)	\$582.4	\$488.6	\$1,178.1	\$72.8	\$314.5	\$2,636.4

Standard Deviation of Quarterly Economic Returns of Hybrid REITs, Q1-2011 - Q4-2023⁽¹⁾⁽²⁾



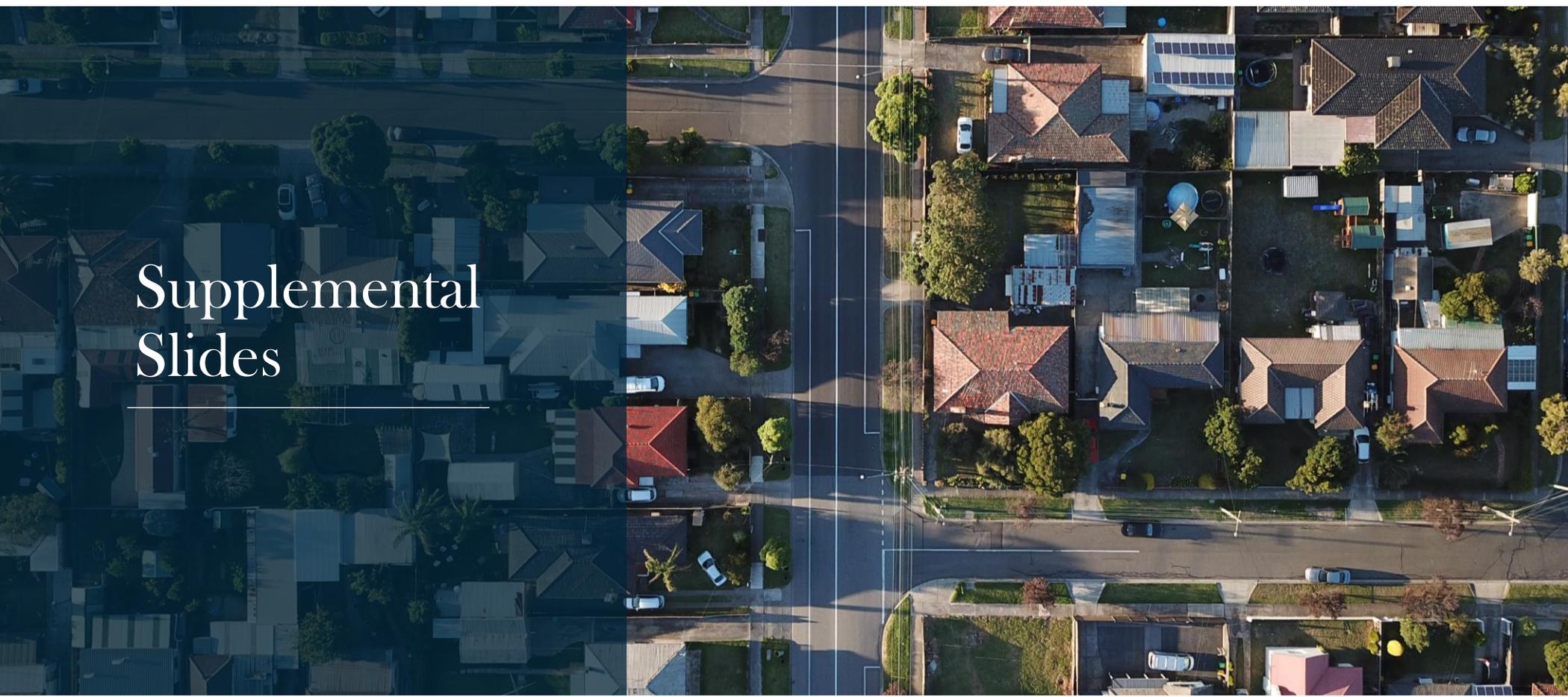
Company	Standard Deviation
EFC	3.7%
Hybrid REIT #02	6.1%
Hybrid REIT #03	6.4%
Hybrid REIT #04	7.1%
Hybrid REIT #05	9.5%
Hybrid REIT #06	13.6%
Hybrid REIT #07	14.6%

- EFC has produced the most consistent quarterly returns among its peer group with significantly lower earnings volatility, thanks to our dynamic hedging strategies, diversification and active portfolio management

Estimated Change in Fair Value

As of 3/31/2024 (\$ in thousands)	50 Basis Point Decline in Interest Rates		50 Basis Point Increase in Interest Rates	
	Δ Fair Value	% of Total Equity	Δ Fair Value	% of Total Equity
Agency RMBS – Fixed Pools and IOs excluding TBAs	\$ 14,390	0.93%	\$ (15,378)	-0.99%
Long TBAs	1,624	0.10%	(1,973)	-0.13%
Short TBAs	(6,973)	-0.45%	7,655	0.49%
Agency RMBS-ARM Pools	146	0.01%	(186)	-0.01%
Non-Agency RMBS, CMBS, Other ABS, MSRs, Mortgage and Other Loans	24,825	1.60%	(28,322)	-1.82%
Interest Rate Swaps	(22,837)	-1.47%	22,028	1.42%
U.S. Treasury Securities	6,040	0.39%	(5,771)	-0.37%
Eurodollar and Treasury Futures	(9,122)	-0.59%	8,845	0.57%
Corporate Securities and Other	937	0.06%	(937)	-0.06%
Repurchase Agreements, Reverse Repurchase Agreements, and Senior Notes Outstanding	(3,159)	-0.20%	3,119	0.20%
Total	\$ 5,871	0.38%	\$ (10,920)	-0.70%
Less: Estimated Change in Fair Value attributable to Preferred Stock	(4,158)		4,175	
Estimated Change in Fair Value attributable to Common Stock	\$ 1,713		\$ (6,745)	
As % of Common Equity	0.14%		-0.56%	

- EFC's dynamic interest rate hedging, along with the short duration of many of our loan portfolios, is designed to reduce our exposure to fluctuations in interest rates.



Supplemental
Slides

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.
- EFC has a separate independent Chairman, and the majority of Board members are independent.
- We hold annual elections of Directors.
- We are committed to significant disclosure and transparency, including an established monthly book value disclosure and dividend policy.
- We have an established Whistleblower policy to encourage transparency and accountability.
- Robust process for stockholder engagement.
- Strong alignment through 5% co-investment⁽¹⁾

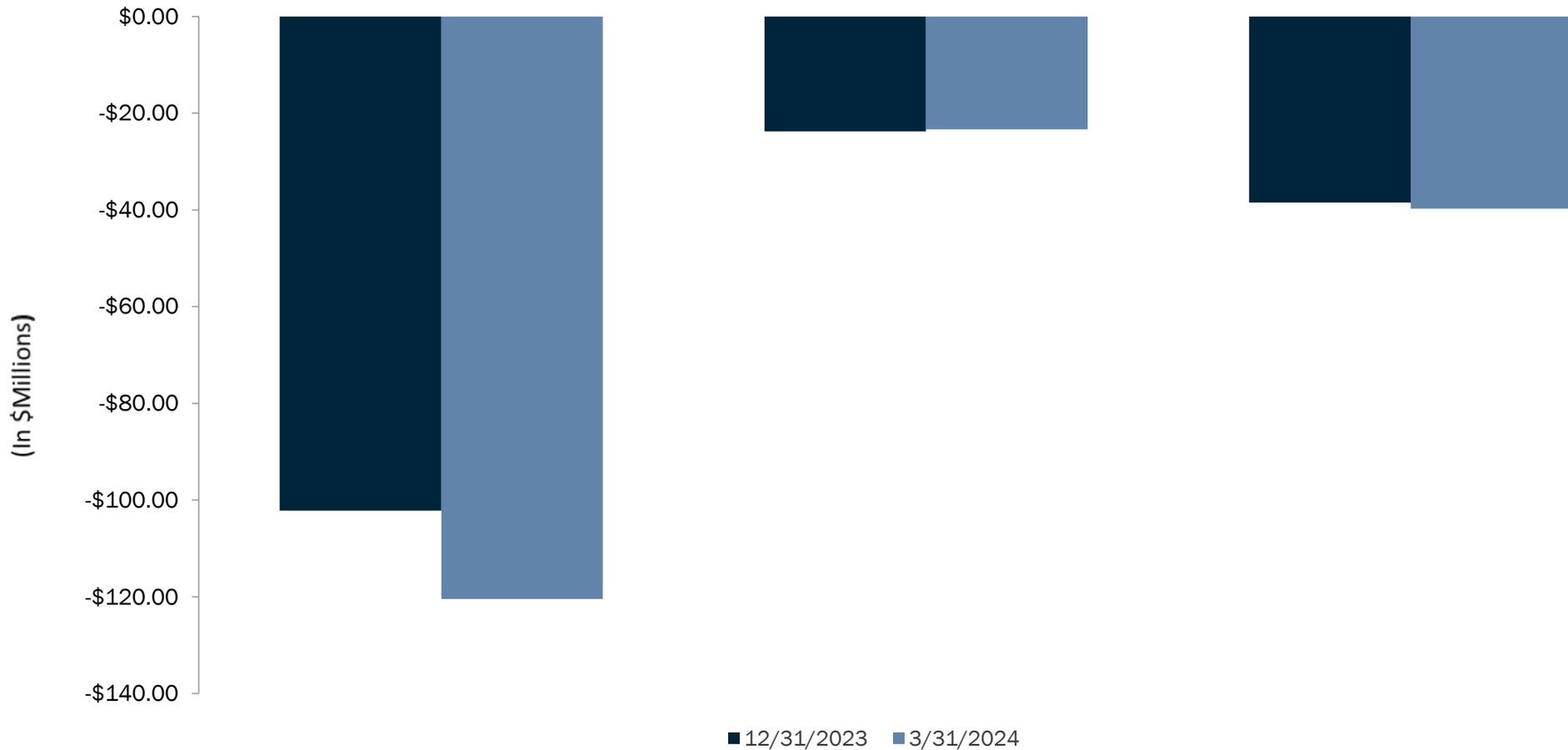
Quarter Ended	3/31/2024	Q1/Q4	12/31/2023	Q4/Q3	9/30/2023	Q3/Q2	6/30/2023
UST (%)⁽¹⁾							
3M UST	5.36	+0.03	5.33	-0.11	5.45	+0.16	5.28
2Y UST	4.62	+0.37	4.25	-0.79	5.04	+0.15	4.90
5Y UST	4.21	+0.37	3.85	-0.76	4.61	+0.45	4.16
10Y UST	4.20	+0.32	3.88	-0.69	4.57	+0.73	3.84
30Y UST	4.34	+0.31	4.03	-0.67	4.70	+0.84	3.86
3M10Y Spread	-1.16	+0.29	-1.45	-0.58	-0.87	+0.57	-1.45
2Y10Y Spread	-0.42	-0.05	-0.37	+0.10	-0.47	+0.59	-1.06
SOFR (%)⁽⁴⁾							
1M	5.33	-0.03	5.35	+0.04	5.32	+0.18	5.14
3M	5.30	-0.03	5.33	-0.06	5.40	+0.13	5.27
1M3M Spread	-0.03	-0.01	-0.02	-0.10	0.08	-0.05	0.13
Mortgage Rates (%)⁽²⁾							
15Y	6.35	+0.09	6.26	-0.47	6.73	+0.43	6.30
30Y	6.79	+0.37	6.42	-0.93	7.35	+0.65	6.70
TSY-based OAS (bps)⁽³⁾⁽⁴⁾							
FNMA30Y2.5 OAS	34.9	+11.2	23.7	-13.3	37	+9.2	27.8
FNMA30Y4.5 OAS	28.6	+4.1	24.5	-14.0	38.5	+4.5	34.0
FNMA30Y6.0 OAS	28.5	+7.2	21.3	-27.2	48.5	+3.5	45.0
TSY-based ZSpread (bps)⁽³⁾⁽⁵⁾							
FNMA30Y2.5 ZSpread	51.5	+9.4	42.1	-6.9	49.0	+1.5	47.5
FNMA30Y4.5 ZSpread	85.4	-4.3	89.7	+2.9	86.8	-14.1	100.9
FNMA30Y6.0 ZSpread	123.0	-1.5	124.5	-19.8	144.3	+6.5	137.8
FNMA Pass-Thrus⁽¹⁾							
30Y2.5	\$82.77	-\$2.34	\$85.12	\$5.85	\$79.27	-\$5.40	\$84.66
30Y4.5	\$95.29	-\$1.70	\$96.98	\$5.20	\$91.78	-\$4.27	\$96.05
30Y6.0	\$100.95	-\$0.66	\$101.62	\$2.92	\$98.70	-\$2.13	\$100.83

Derivatives Summary as of March 31, 2024⁽¹⁾

<i>(\$ in thousands)</i>	Long Notional	Short Notional	Net Notional	Fair Value
Mortgage-Related Derivatives:				
CDS on MBS and MBS Indices	\$ 286	\$ (42,048)	\$ (41,762)	\$ 1,924
Total Net Mortgage-Related Derivatives				\$ 1,924
Corporate-Related Derivatives:				
CDS on Corporate Bonds and Corporate Bond Indices	286,000	(687,269)	(401,269)	(10,346)
Total Return Swaps on Corporate Bond Indices ⁽²⁾	1,384	-	1,384	6
Warrants ⁽²⁾	102	-	102	53
Total Net Corporate-Related Derivatives				\$ (10,287)
Interest Rate-Related Derivatives:				
TBAs	99,747	(329,631)	(229,884)	310
Interest Rate Swaps	2,220,729	(3,307,192)	(1,086,463)	118,462
U.S. Treasury Futures ⁽³⁾	1,900	(324,100)	(322,200)	(827)
Total Interest Rate-Related Derivatives				\$ 117,945
Other Derivatives:				
Foreign Currency Forwards ⁽⁴⁾	-	(23,474)	(23,474)	336
Total Net Other Derivatives				336
Net Total				\$ 109,918

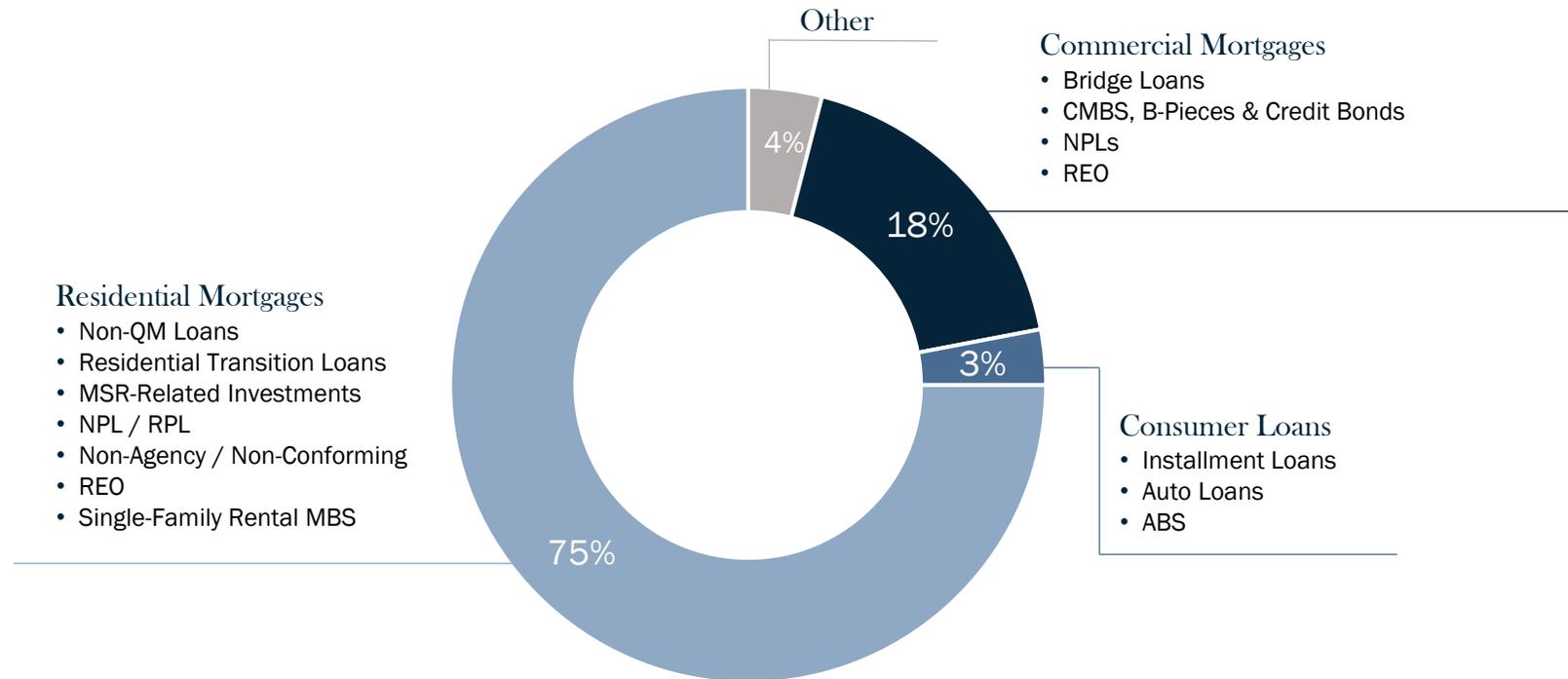
Credit Hedging Portfolio⁽¹⁾⁽²⁾

Instrument Category	Corporate CDS Indices/ Tranches/ Options/ Single Names	European Sovereign Debt	CMBX
Units	HY CDX OTR Bond Equivalent Value ⁽³⁾⁽⁴⁾	Market Value	Bond Equivalent Value ⁽⁴⁾



- EFC's dynamic credit hedging strategy seeks to reduce book value volatility.

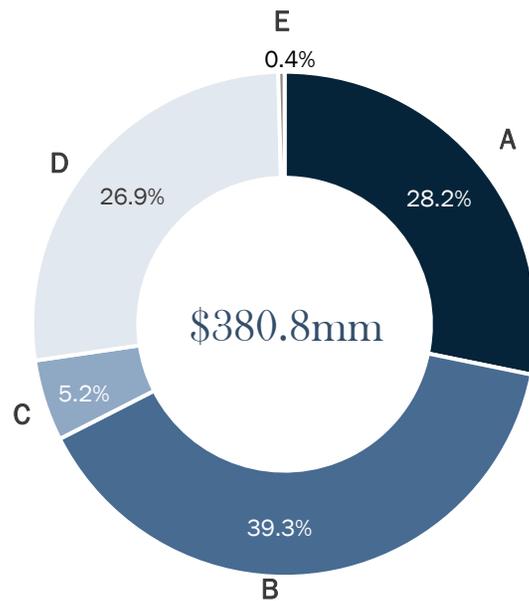
Diversified sources of return to perform over market cycles



- Our flexible approach allocates capital to the sectors where we see the best relative value as market conditions change.⁽¹⁾
- We believe that our analytical expertise, research and systems provide an edge that will generate attractive risk-adjusted returns over market cycles.

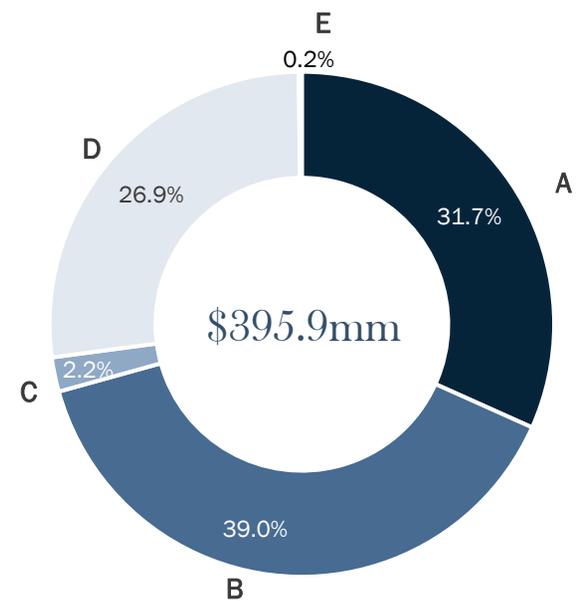
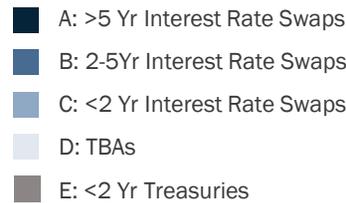
Note: Percentages shown reflect share of total fair market value of credit portfolio⁽²⁾⁽³⁾

We deploy a dynamic and adaptive hedging strategy to preserve book value



As of 3/31/2024

Short \$380.8 mm 10-yr equivalents⁽¹⁾

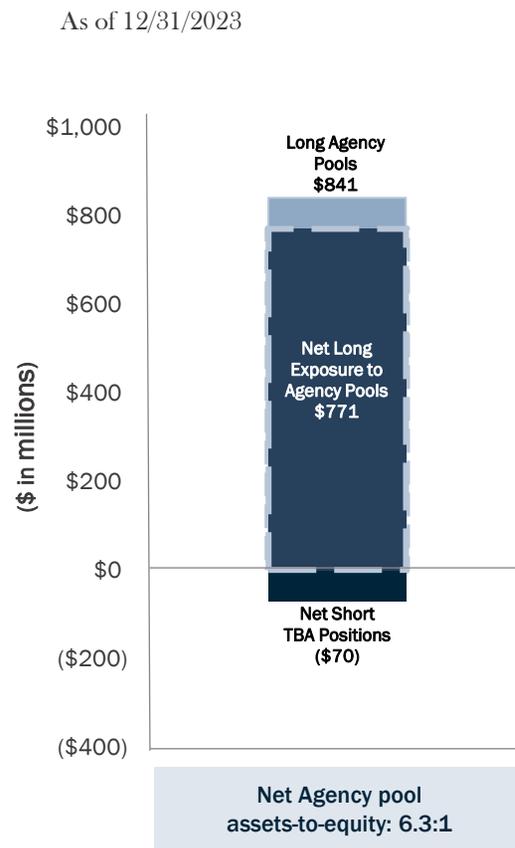
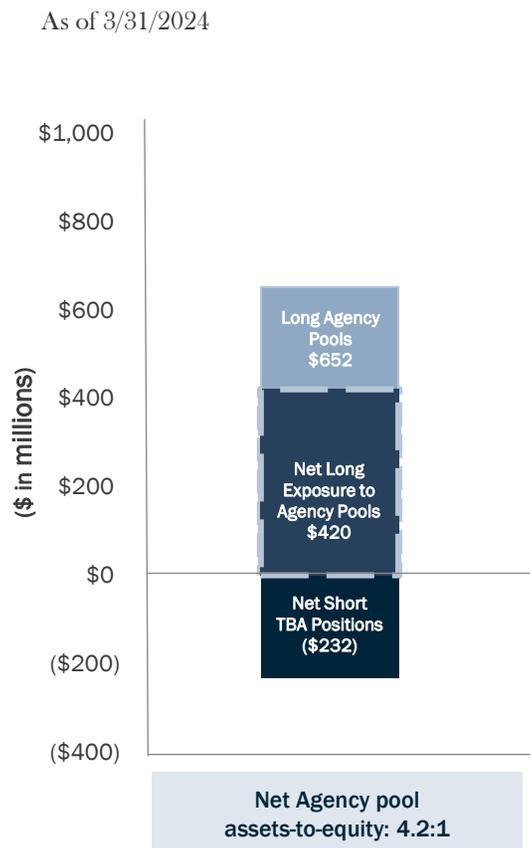


As of 12/31/2023

Short \$395.9 mm 10-yr equivalents⁽¹⁾

- We hedge along the entire yield curve to protect against volatility, defend book value and more thoroughly control interest rate risk.
- Shorting “generic” pools (or TBAs) allows EFC to significantly reduce interest rate risk and basis risk in its Agency portfolio.
 - For those Agency pools hedged with comparable TBAs, the biggest risk is a drop in “pay-ups.”
 - Average pay-ups on our specified pools increased to 0.89% as of 3/31/2024, as compared to 0.84% as of 12/31/2023.
 - We also hedge interest rate risk with swaps, U.S. Treasury securities, and other instruments.

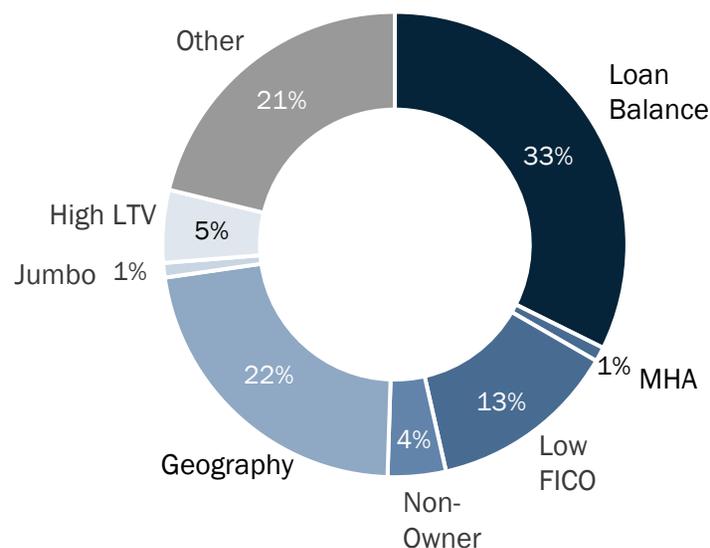
Net Agency Pool Exposure Based on Fair Value⁽¹⁾



- EFC often carries significantly lower net effective mortgage exposure than our “headline” Agency leverage suggests.
- Our net Agency pool asset-to-equity ratio decreased to 4.2:1 from 6.3:1 quarter over quarter, primarily due to a smaller agency portfolio and larger net short TBA position, partially offset by a decrease in equity allocated to our Agency portfolio.

- The use of TBA short positions as hedges helps drive outperformance in volatile quarters.
- 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.

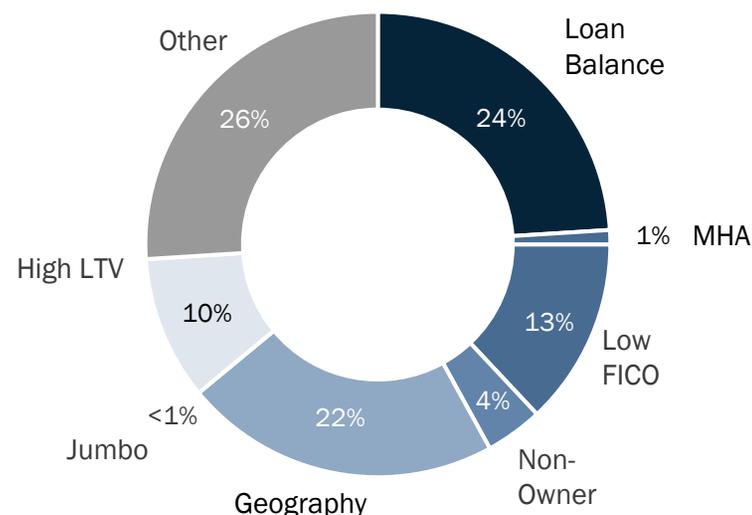
Average for Quarter Ended 3/31/2024⁽¹⁾



Collateral Characteristics and Historical 3-Mo CPR

Characteristic ⁽²⁾	Fair Value ⁽¹⁾⁽³⁾	3-Month CPR % ⁽⁵⁾
Loan Balance	\$216.6	6.6
MHA ⁽⁴⁾	7.9	0.7
Low FICO	91.3	6.2
Non-Owner	30.5	15.5
Geography	152.6	4.0
Jumbo	3.7	1.3
High LTV	35.6	2.3
Other	143.0	2.4
Total	\$681.2	5.2

Average for Quarter Ended 12/31/2023⁽¹⁾



Collateral Characteristics and Historical 3-Mo CPR

Characteristic ⁽²⁾	Fair Value ⁽¹⁾⁽³⁾	3-Month CPR % ⁽⁵⁾
Loan Balance	\$242.0	8.0
MHA ⁽⁴⁾	9.7	5.9
Low FICO	129.3	7.4
Non-Owner	36.8	6.6
Geography	224.2	4.7
Jumbo	3.5	1.4
High LTV	99.7	5.5
Other	271.4	3.4
Total	\$1,016.6	5.7

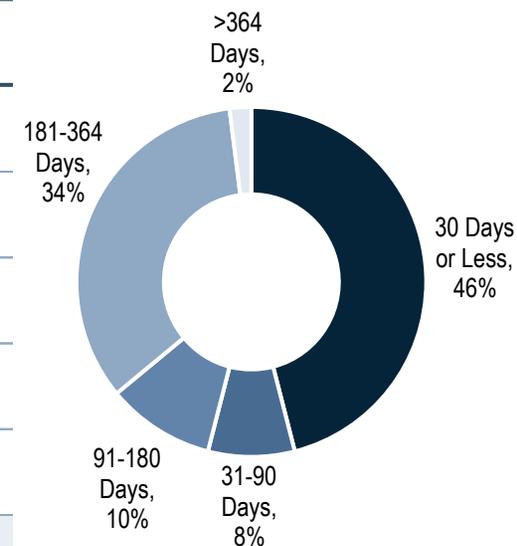
Repo Borrowings⁽¹⁾

Borrowings by Days to Maturity

(\$ in thousands)

Repo Borrowings as of March 31, 2024

Remaining Days to Maturity	Credit	Agency	U.S. Treasury	Reverse Mortgage Loans	Total	% of Total Borrowings
30 Days or Less	\$ 26,065	\$ 497,820	\$ 227,232	\$ -	\$ 751,117	29.8%
31-90 Days	212,639	117,807	-	-	330,446	13.2%
91-180 Days	359,827	1,656	-	66,982	428,465	17.0%
181-364 Days	938,848	-	-	31,412	970,260	38.5%
>364 Days	37,459	-	-	-	37,459	1.5%
Total Borrowings	\$ 1,574,838	\$ 617,283	\$ 227,232	\$ 98,394	\$ 2,517,747	100.0%
Weighted Average Remaining Days to Maturity	157	23	1	148	109	



- Repo borrowings with 25 counterparties, with the largest representing approximately 22% of total repo borrowings
- Weighted average remaining days to maturity of 109, a decrease of 17 days from December 31, 2023
- Maturities are staggered to mitigate liquidity risk

Resilient Profit Generation Over Market Cycles⁽¹⁾⁽²⁾

(\$ in thousands)	Three-Month Period Ended March 31	Years Ended								
	2024	2023 ⁽³⁾	2022	2021	2020	2019	2018	2017	2016	
Long: Credit	34,976 2.3%	103,239 7.7%	\$(74,934) -6.0%	\$188,562 18.1%	\$53,736 6.2%	\$73,919 11.1%	\$61,201 10.0%	\$61,136 9.6%	\$36,203 5.3%	
Credit Hedge and Other	(4,449) -0.3%	(7,095) -0.5%	3,227 0.3%	(1,887) -0.2%	8,027 0.9%	(11,237) -1.7%	8,020 1.3%	(11,997) -1.9%	(40,548) -5.9%	
Interest Rate Hedge: Credit	3,136 0.2%	(3,824) -0.3%	34,397 2.7%	4,738 0.5%	(7,938) -0.9%	(1,345) -0.2%	115 0.0%	(851) -0.1%	(371) -0.1%	
Long: Agency	(14,254) -0.9%	2,768 0.2%	(181,913) -14.5%	(17,885) -1.7%	45,957 5.3%	48,175 7.2%	(5,979) -1.0%	10,246 1.6%	17,166 2.5%	
Interest Rate Hedge and Other: Agency	15,709 1.0%	8,297 0.6%	150,395 12.0%	17,031 1.6%	(33,672) -3.9%	(25,309) -3.8%	3,144 0.5%	(5,218) -0.8%	(8,226) -1.2%	
Longbridge	8,754 0.6%	9,695 0.7%	14,492 1.2%	- -	- -	- -	- -	- -	- -	
Gross Profit (Loss)	\$ 43,872 2.8%	\$113,080 8.4%	\$(54,336) -4.3%	\$190,559 18.3%	\$66,110 7.6%	\$84,203 12.7%	\$66,501 10.9%	\$53,316 8.4%	\$4,224 0.6%	

COVID
Pandemic

(\$ in thousands)	Years Ended								
	2015	2014	2013	2012	2011	2010	2009	2008	
Long: Credit	\$46,892 6.1%	\$77,636 11.4%	\$109,536 18.5%	\$129,830 30.0%	\$1,505 0.4%	\$70,840 21.9%	\$101,748 36.3%	(64,565) -26.2%	
Credit Hedge and Other	10,671 1.4%	(1,197) -0.2%	(19,286) -3.3%	(14,642) -3.4%	19,895 5.2%	(7,958) -2.5%	10,133 3.6%	78,373 31.8%	
Interest Rate Hedge: Credit	(4,899) -0.6%	(9,479) -1.4%	8,674 1.5%	(3,851) -0.9%	(8,171) -2.1%	(12,150) -3.8%	(1,407) -0.5%	(3,446) -1.4%	
Long: Agency	23,629 3.1%	61,126 9.0%	(14,044) -2.4%	37,701 8.7%	63,558 16.5%	21,552 6.7%	22,171 7.9%	4,763 1.9%	
Interest Rate Hedge and Other: Agency	(17,166) -2.2%	(47,634) -7.0%	19,110 3.2%	(20,040) -4.6%	(54,173) -14.0%	(14,524) -4.5%	(8,351) -3.0%	(6,414) -2.6%	
Longbridge	- -	- -	- -	- -	- -	- -	- -	- -	
Gross Profit (Loss)	\$59,127 7.7%	\$80,452 11.8%	\$103,990 17.6%	\$128,998 29.8%	\$22,614 5.9%	\$57,760 17.8%	\$124,294 44.4%	\$8,711 3.5%	

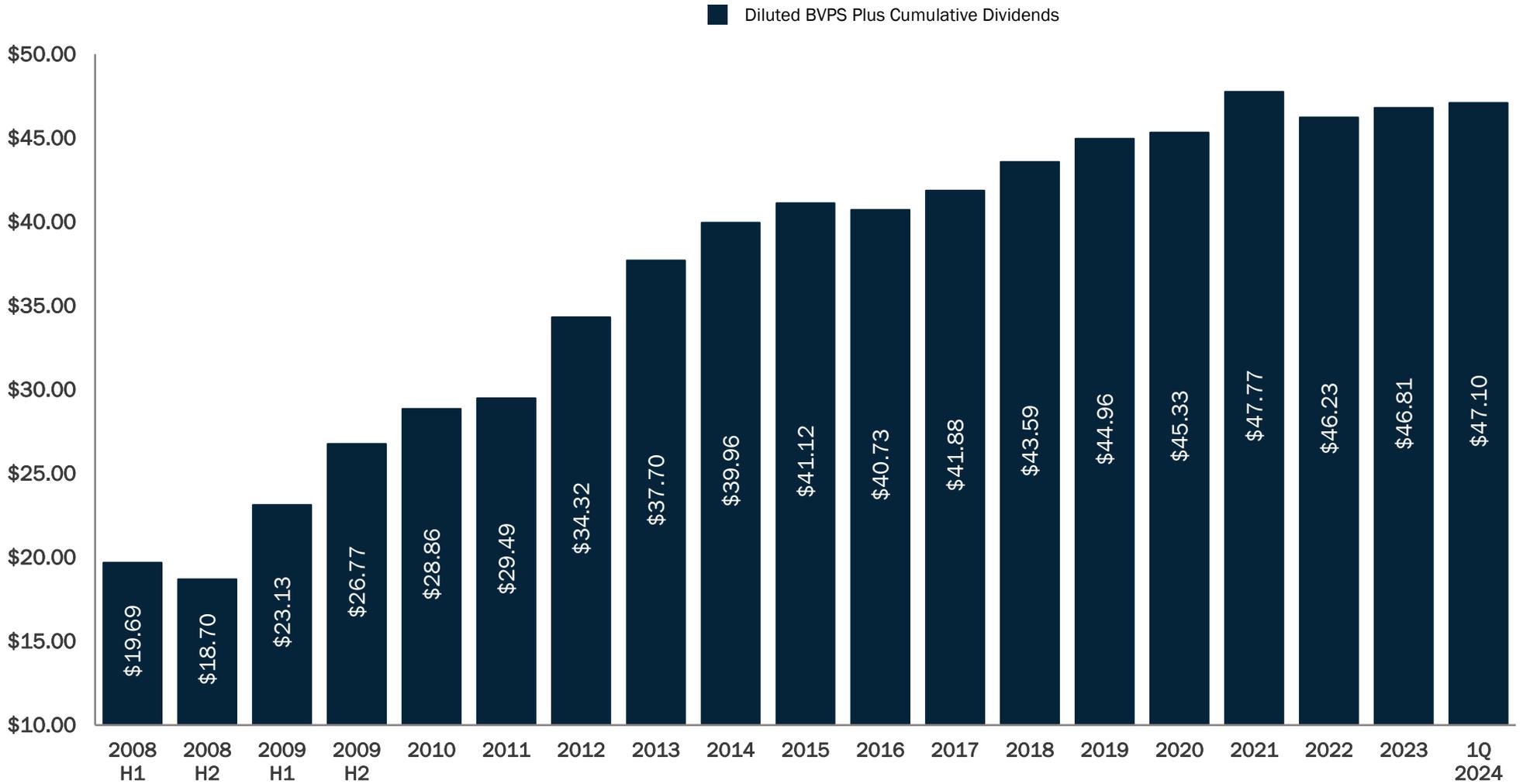
Taper Tantrum

Credit
Crisis

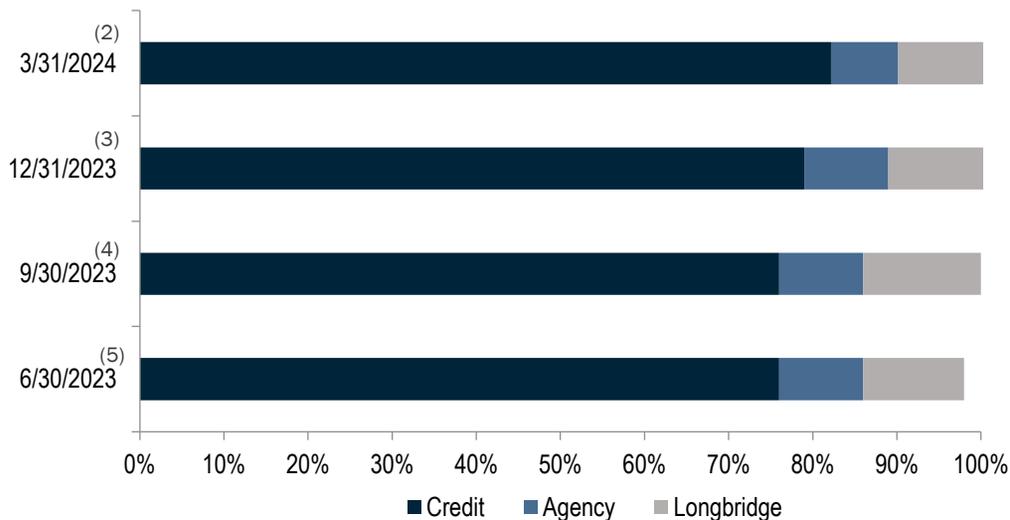
Note: Percentages of average total equity during the period.

EFC has successfully preserved book value over market cycles, while producing strong results for investors

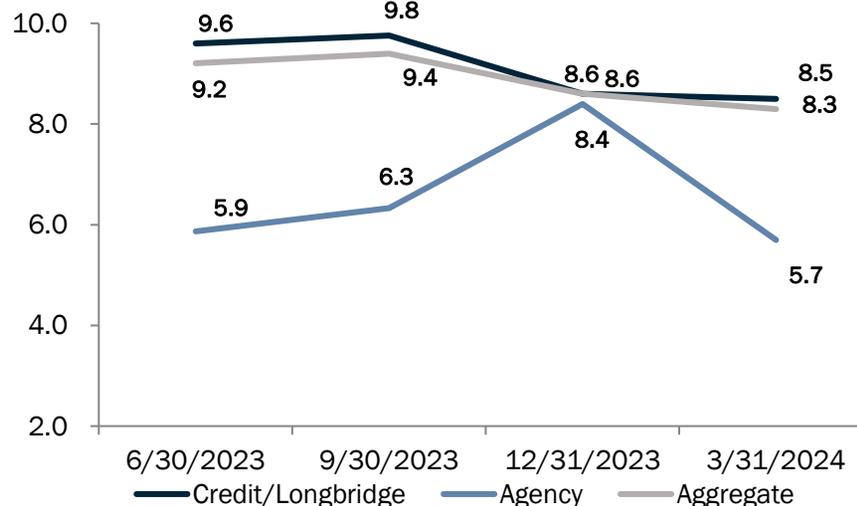
- EFC life-to-date diluted net asset value-based total return from inception in August 2007 through Q1 2024 is approximately 265.3%, or 8.1% annualized⁽¹⁾



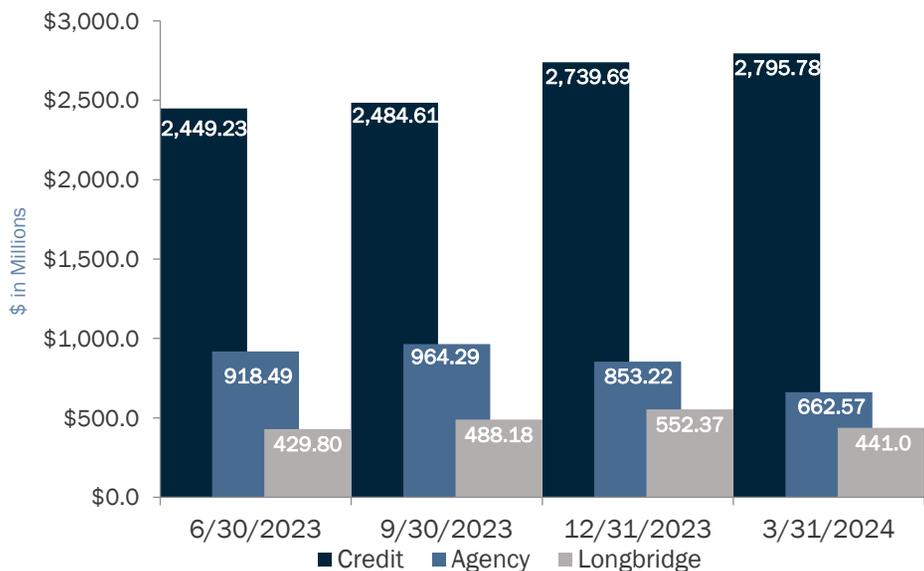
Capital Usage By Strategy⁽¹⁾



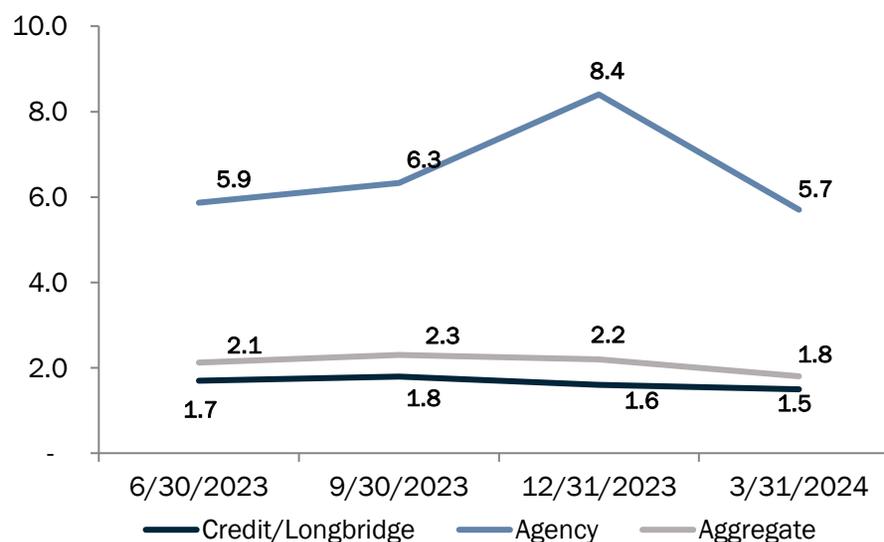
Leverage by Strategy (Debt-to-Equity)⁽¹⁾



Credit, Agency, and Longbridge Portfolios by Fair Value⁽⁷⁾



Recourse Leverage by Strategy (Debt-to-Equity)⁽⁶⁾



Condensed Consolidated Balance Sheet (Unaudited)

Ellington Financial

(in thousands, except share and per share amounts)

	March 31, 2024	December 31, 2023 ⁽¹⁾
Assets		
Cash and cash equivalents	\$ 187,467	\$ 228,927
Restricted cash	6,343	1,618
Securities, at fair value	1,328,848	1,518,377
Loans, at fair value	12,644,232	12,306,636
Loan commitments, at fair value	3,917	2,584
Forward MSR-related investments, at fair value	160,009	163,336
Mortgage servicing rights, at fair value	29,889	29,580
Investments in unconsolidated entities, at fair value	125,366	116,414
Real estate owned	19,999	22,085
Financial derivatives – assets, at fair value	150,343	143,996
Reverse repurchase agreements	183,607	173,145
Due from brokers	17,099	51,884
Investment related receivables	200,059	480,249
Other assets	75,422	77,099
Total Assets	\$ 15,132,600	\$ 15,315,930
Liabilities		
Securities sold short, at fair value	165,118	154,303
Repurchase agreements	2,517,747	2,967,437
Financial derivatives – liabilities, at fair value	40,425	61,776
Due to brokers	62,646	62,442
Investment related payables	32,329	37,403
Other secured borrowings	180,918	245,827
Other secured borrowings, at fair value	1,569,149	1,424,668
HMBS-related obligations, at fair value	8,619,463	8,423,235
Unsecured borrowings, at fair value	270,936	272,765
Base management fee payable to affiliate	5,730	5,660
Dividend payable	15,168	11,528
Interest payable	25,177	22,933
Accrued expenses and other liabilities	74,638	90,341
Total Liabilities	\$ 13,579,444	\$ 13,780,318
Equity		
Preferred stock, par value \$0.001 per share, 100,000,000 shares authorized; 14,757,222 and 14,757,222 shares issued and outstanding, and \$368,931 and \$368,931 aggregate liquidation preference, respectively	\$ 355,551	\$ 355,551
Common stock, par value \$0.001 per share, 200,000,000 and 200,000,000 shares authorized; 85,056,648 and 83,000,488 shares issued and outstanding, respectively ⁽²⁾	85	83
Additional paid-in-capital	1,540,857	1,514,797
Retained earnings (accumulated deficit)	(363,034)	(353,360)
Total Stockholders' Equity	\$ 1,533,459	\$ 1,517,071
Non-controlling interests	19,697	18,541
Total Equity	\$ 1,553,156	\$ 1,535,612
Total Liabilities and Equity	\$ 15,132,600	\$ 15,315,930
Supplemental Per Share Information:		
Book Value Per Common Share ⁽³⁾	\$ 13.69	\$ 13.83

Condensed Consolidated Statement of Operations (Unaudited)

	Three-Month Period Ended	
<i>(In thousands, except per share amounts)</i>	March 31, 2024	December 31, 2023
Net Interest Income		
Interest income	\$ 101,520	\$ 98,690
Interest expense	(70,464)	(70,699)
Total net interest income	\$ 31,056	\$ 27,991
Other Income (Loss)		
Realized gains (losses) on securities and loans, net	(17,208)	(22,475)
Realized gains (losses) on financial derivatives, net	3,478	9,437
Realized gains (losses) on real estate owned, net	(1,372)	(3,773)
Unrealized gains (losses) on securities and loans, net	5,573	147,273
Unrealized gains (losses) on financial derivatives, net	30,365	(81,957)
Unrealized gains (losses) on real estate owned, net	(679)	2,710
Unrealized gains (losses) on other secured borrowings, at fair value, net	(12,524)	(52,687)
Unrealized gains (losses) on senior notes, at fair value	1,829	(1,954)
Net change from reverse mortgage loans, at fair value	205,497	208,661
Net change related to HMBS obligations, at fair value	(177,982)	(179,758)
Bargain purchase gain	-	28,175
Other, net	7,508	2,988
Total other income (loss)	44,485	56,640
Expenses		
Base management fee to affiliate, net of rebates	5,730	5,660
Investment related expenses:		
Servicing expense	5,688	5,328
Debt issuance costs related to Other secured borrowings, at fair value	3,113	-
Other	4,435	4,227
Professional fees	2,970	7,411
Compensation and benefits	14,643	33,173
Other expenses	7,076	11,925
Total expenses	43,655	67,724
Net Income (Loss) before Income Tax Expense (Benefit) and Earnings from Investments in Unconsolidated Entities	31,886	16,907
Income tax expense (benefit)	61	129
Earnings (losses) from investments in unconsolidated entities	2,226	2,547
Net Income (Loss)	\$ 34,051	\$ 19,325
Net Income (Loss) Attributable to Non-Controlling Interests	482	724
Dividends on Preferred Stock	6,654	6,104
Net Income (Loss) Attributable to Common Stockholders	\$ 26,915	\$ 12,497
Net Income (Loss) per Common Share:		
Basic and Diluted	\$ 0.32	\$ 0.18
Weighted average shares of common stock outstanding	84,468	71,338
Weighted average shares of common stock and convertible units outstanding	85,269	72,136

Ellington Profile

As of 3/31/2024

Founded:	1994
Employees:	>160
Investment Professionals:	>60
Global offices:	3

\$11.6

Billion in
assets under
management⁽¹⁾

9

Employee-partners
own
the firm⁽²⁾

29

Years of average
industry experience
of senior portfolio
managers

5%

Management's
ownership of EFC,
representing
strong alignment⁽³⁾

Ellington and its Affiliated Management Companies

- Our external manager Ellington Financial Management LLC is part of the Ellington family of SEC-registered investment advisors⁽⁴⁾
- Ellington Management Group and its affiliates manage Ellington Financial Inc. (EFC), Ellington Credit Company (EARN), 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 20% of employees dedicated to research and technology
- Structured credit trading experience and analytical skills developed since the firm's founding 29 years ago
- Ellington's portfolio managers are among the most experienced in the MBS sector



Diversified investment portfolio across residential mortgage, commercial mortgage, consumer loan, and corporate loan sectors



Proprietary portfolio of high-yielding, short-duration loans



Dynamic interest-rate and credit hedging designed to reduce volatility of book value and earnings



Strategic debt and equity investments in multiple loan originators, including reverse mortgage originator and servicer Longbridge Financial



Diversified sources of financing, including long term non mark-to-market financing facilities and securitizations



Strong alignment with 5% co-investment⁽¹⁾

Slide 3 – First Quarter Highlights

- (1) Holdings, leverage, equity and book value amounts are as of March 31, 2024.
- (2) Includes \$(24.8) million of preferred dividends accrued and certain corporate/other income and expense items not attributed to either the investment portfolio or Longbridge segments.
- (3) Economic return is based on book value per share.
- (4) Adjusted Distributable Earnings, is a non-GAAP financial measure. See slide 6 for a reconciliation of Adjusted Distributable Earnings to Net Income (Loss)
- (5) Includes REO at the lower of cost or fair value. Excludes hedges and other derivative positions.
- (6) For our consolidated non-QM securitization trusts, excludes tranches that were sold to third parties, but that are consolidated for GAAP purposes. Including such tranches, our total long credit portfolio was \$4.203 billion as of March 31, 2024.
- (7) This information does not include financial derivatives or loan commitments.
- (8) The aggregate liquidation preference for our preferred stock was \$368.9mm as of March 31, 2024.
- (9) Excludes U.S. Treasury securities and repo borrowings at certain unconsolidated entities that are recourse to us. Including such borrowings, our debt-to-equity ratio, adjusted for unsettled purchases and sales, based on total recourse borrowings was 2.0:1 as of March 31, 2024.
- (10) Overall debt-to-equity ratio is computed by dividing EFC's total debt by EFC's total equity. The debt-to-equity ratio does not account for liabilities other than debt financings. Excludes repo borrowings on U.S. Treasury securities.

Slide 4 – Portfolio Summary as of March 31, 2024

- (1) Includes REO at the lower of cost or fair value. Excludes hedges and other derivative positions.
- (2) Of deployed capital, 82% allocated to credit, 7% to agency, and 11% to Longbridge.
- (3) Average price excludes interest only, principal only, equity tranches and other similar securities and non-exchange traded corporate equity. All averages in this table are weighted averages using fair value, except for average price which uses current principal balance.
- (4) Average price of consumer loans and ABS is proprietary.
- (5) Weighted average life assumes "projected" cashflows using Ellington's proprietary models. Excludes interest only, principal only, equity tranches.
- (6) Estimated yields at market prices are management's estimates derived from Ellington's proprietary models based on prices and market environment as of March 31, 2024 and include the effects of future estimated losses. The above analysis should not be considered a recommendation to purchase or sell any security or class of securities. Results are based on forward-looking models, which are inherently imperfect, and incorporate various simplifying assumptions. Therefore, the table is for illustrative purposes only and the actual performance of our portfolio may differ from the data presented, and such differences might be significant and adverse.
- (7) REO and equity investments in loan origination entities are excluded from total average calculations.
- (8) In accordance with U.S. GAAP, REO is not considered a financial instrument and as a result is included at the lower of cost or fair value.
- (9) For our consolidated non-QM and proprietary reverse mortgage loan securitization trusts, excludes tranches that were sold to third parties, but that are consolidated for GAAP purposes.
- (10) Retained non-QM RMBS represents RMBS issued by non-consolidated Ellington-sponsored non-QM loan securitization trusts, and interests in entities holding such RMBS.
- (11) Includes equity investments in unconsolidated entities holding small balance commercial mortgage loans and REO. Including our allocable portion of the fair value of small-balance commercial loans and REO of the equity investments in unconsolidated entities, our total CMBS and Commercial Mortgage Loans and REO was \$533.9 million.
- (12) Includes equity investments in securitization-related vehicles.
- (13) Includes corporate loans to certain loan origination entities in which we hold an equity investment.
- (14) Includes an equity investment in an unconsolidated entity holding European RMBS.
- (15) Includes equity investments in an unconsolidated entity which purchases certain other loans for eventual securitization.
- (16) This information does not include financial derivatives or loan commitments.
- (17) As of March 31, 2024, includes \$9.3 million of active HECM buyout loans, \$9.4 million of inactive HECM buyout loans, and \$4.5 million of other inactive HECM loans.
- (18) HMBS assets are consolidated for GAAP reporting purposes, and HMBS-related obligations are accounted for on our balance sheet as secured borrowings. The fair value of HMBS assets less the fair value of the HMBS-related obligations approximate fair value of the HMBS MSR Equivalent.
- (19) Excludes U.S. Treasury securities and repo borrowings at certain unconsolidated entities that are recourse to us. Including such borrowings, our debt-to-equity ratio, adjusted for unsettled purchases and sales, based on total recourse borrowings was 2.0:1 as of March 31, 2024.
- (20) Excludes repo borrowings on U.S. Treasury securities and borrowings at certain unconsolidated entities that are recourse to us. In determining the debt-to-equity ratio for an individual strategy, equity usage for such strategy is based on an internal calculation that reflects the actual amount of capital posted to counterparties in connection with such strategy's positions (whether in the form of haircut, initial margin, prime brokerage requirements, or otherwise) plus additional capital allocated to support such strategy's positions, net of adjustments for readily financeable assets and securities that may be sold to increase liquidity on short notice. We refer to the excess of its total equity over the total risk capital of its strategies as its "risk capital buffer". If the debt-to-equity ratios for individual strategies were computed solely based on the actual amount of capital posted to counterparties, such ratios would typically be higher. The debt-to-equity ratio does not account for liabilities other than debt financings.
- (21) Overall debt-to-equity ratio is computed by dividing EFC's total debt by EFC's total equity. The debt-to-equity ratio does not account for liabilities other than debt financings. Excludes repo borrowings on U.S. Treasury securities.

Slide 5 – Operating Results by Strategy for the Quarter Ended March 31, 2024

- (1) Other income primarily consists of rental income on real estate owned, loan origination fees, and servicing income.
- (2) Includes U.S. Treasury securities, if applicable.
- (3) Other activities include certain equity and other trading strategies and related hedges, and net realized and unrealized gains (losses) on foreign currency.
- (4) Convertible units include Operating Partnership units attributable to non-controlling interests.

Slide 6 – Reconciliation of Net Income (Loss) to Adjusted Distributable Earnings

- (1) We calculate Adjusted Distributable Earnings as U.S. GAAP net income (loss) as adjusted for: (i) realized and unrealized gain (loss) on securities and loans, REO, mortgage servicing rights, financial derivatives (excluding periodic settlements on interest rate swaps), any borrowings carried at fair value, and foreign currency transactions; (ii) incentive fee to affiliate; (iii) Catch-up Amortization Adjustment (as defined below); (iv) non-cash equity compensation expense; (v) provision for income taxes; (vi) certain non-capitalized transaction costs; and (vii) other income or loss items that are of a non-recurring nature. For certain investments in unconsolidated entities, we include the relevant components of net operating income in Adjusted Distributable Earnings. The Catch-up Amortization Adjustment is a quarterly adjustment to premium amortization or discount accretion 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. Non-capitalized transaction costs include expenses, generally professional fees, incurred in connection with the acquisition of an investment or issuance of long-term debt. For the contribution to Adjusted Distributable Earnings from Longbridge, we adjust Longbridge's contribution to our net income in a similar manner, but we include in Adjusted Distributable Earnings certain realized and unrealized gains (losses) from Longbridge's origination business ("gain-on-sale income"). 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 investment portfolio, after the effects of financial leverage and by Longbridge, to reflect the earnings from its reverse mortgage origination and servicing operations; and (iii) we believe that presenting Adjusted Distributable Earnings assists investors in measuring and evaluating our operating performance, and comparing our operating performance to that of our residential mortgage REIT and mortgage originator 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 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 from 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 our stockholders, in order to maintain our qualification as a REIT, is not based on whether we distributed 90% of our Adjusted Distributable Earnings. The following table reconciles, for the three-month period ended March 31, 2024, our Adjusted Distributable Earnings to the line on our Consolidated Statement of Operations entitled Net Income (Loss), which we believe is the most directly comparable U.S. GAAP measure.
- (2) Includes realized (gains) losses on securities and loans, REO, financial derivatives (excluding periodic settlements on interest rate swaps), and foreign currency transactions which are components of Other Income (Loss) on the Condensed Consolidated Statement of Operations.
- (3) Includes unrealized (gains) losses on securities and loans, REO, financial derivatives (excluding periodic settlements on interest rate swaps), borrowings carried at fair value, MSR-related investments, and foreign currency transactions which are components of Other Income (Loss) on the Condensed Consolidated Statement of Operations.
- (4) Represents net change in fair value of the HMBS MSR Equivalent and Reverse MSRs attributable to changes in market conditions and model assumptions. This adjustment also includes net (gains) losses on certain hedging instruments, which are components of realized and/or unrealized gains (losses) on financial derivatives, net on the Condensed Consolidated Statement of Operations.
- (5) For the three-month period ended March 31, 2024, includes \$3.1 million of debt issuance costs related to the securitization of reverse mortgage loans, \$0.9 million of non-capitalized transaction costs, \$0.6 million of merger and other business transition-related expenses, \$0.3 million of non-cash equity compensation expense, and \$0.6 million of various other expenses. For the three-month period ended December 31, 2023, \$4.9 million of expenses related to our previously announced merger with Great Ajax Corp. which was terminated in October 2023, \$0.4 million of non-capitalized transaction costs, \$0.3 million of non-cash equity compensation expense, and \$0.3 million of various other expenses.
- (6) Includes net interest income and operating expenses for certain investments in unconsolidated entities.

Slide 7 – Long Credit Portfolio

- (1) Includes REO at the lower of cost or fair value. Excludes hedges and other derivative positions. For our consolidated non-QM securitization trusts, excludes tranches that were sold to third parties, but that are consolidated for GAAP purposes. Including such tranches, our total long credit portfolio was \$4.203 billion as of March 31, 2024 and \$ \$4.164 billion as of December 31, 2023.
- (2) Includes equity investments in securitization-related vehicles.
- (3) REO is not considered a financial instrument and as a result is included at the lower of cost or fair value.
- (4) Includes equity investments in unconsolidated entities holding small balance commercial mortgage loans and REO. Including our allocable portion of the fair value of small-balance commercial loans and REO of the equity investments in unconsolidated entities, our total CMBS and Commercial Mortgage Loans and REO were \$533.9 million as of March 31, 2024 and \$509.8 million as of December 31, 2023.
- (5) Includes an equity investment in an unconsolidated entity holding European RMBS.
- (6) Includes equity investments in an unconsolidated entity which purchases certain other loans for eventual securitization.

Slide 8 – Long Agency Portfolio

- (1) Agency long portfolio includes \$651.7 million of long Agency securities and \$10.8 million of interest only securities as of March 31, 2024 and \$840.5 million of long Agency securities and \$12.7 million of interest only securities as of December 31, 2023.
- (2) Represents weighted average net pass-through rate. Excludes interest only securities.

Slide 9 – Longbridge Portfolio

- (1) This information does not include financial derivatives or loan commitments.
- (2) As of March 31, 2024, includes \$9.3 million of active HECM buyout loans, \$9.4 million of inactive HECM buyout loans, and \$4.5 million of other inactive HECM loans. As of December 31, 2023, includes \$6.9 million of active HECM buyout loans, \$10.2 million of inactive HECM buyout loans, and \$4.9 million of other inactive HECM loans.
- (3) HECMs are consolidated for GAAP reporting purposes and accounted for on our balance sheet as collateralized borrowings. The fair value of HECM assets less the fair value of the HMBS-related obligations approximate fair value of the HMBS MSR Equivalent.

Slide 10 – Summary of Borrowings

- (1) Includes Other secured borrowings. Excludes Other secured borrowings, at fair value related to the non-QM securitizations which are non-recourse borrowings.
- (2) Excludes Other secured borrowings, at fair value and HMBS-related obligations, at fair value which are non-recourse borrowings.
- (3) All of our non-recourse borrowings are secured by collateral. In the event of default under a non-recourse borrowing, the lender has a claim against the collateral but not any of the Operating Partnership's other assets. In the event of default under a recourse borrowing, the lender's claim is not limited to the collateral (if any).
- (4) Excludes U.S. Treasury securities and repo borrowings at certain unconsolidated entities that are recourse to us. Including such borrowings, our debt-to-equity ratio, adjusted for unsettled purchases and sales, based on total recourse borrowings was 2.0:1 as of March 31, 2024.
- (5) Overall debt-to-equity ratio is computed by dividing EFC's total debt by EFC's total equity. The debt-to-equity ratio does not account for liabilities other than debt financings. Excludes repo borrowings on U.S. Treasury securities.

Slide 11- Commercial Mortgage Loan Portfolio – Detail as of 3/31/2024

- (1) Percentages are of unpaid principal balance.
- (2) Includes our allocable portion of certain small-balance commercial loans, based on our ownership percentage, held in entities in which we and certain affiliates of Ellington have equity interests. Our equity investments in such entities are included in Investments in unconsolidated entities, at fair value on the Condensed Consolidated Balance Sheet.

Slide 12- Proprietary Loan Origination Businesses

- (1) For our consolidated non-QM and proprietary reverse mortgage securitization trusts, excludes loans in consolidated securitization trusts that were sold to third parties.
- (2) Includes our allocable portion of the fair value of certain small-balance commercial loans, based on our ownership percentage, held in entities in which we and certain affiliates of Ellington have equity interests. Our equity investments in such entities are included in Investments in unconsolidated entities, at fair value on the Condensed Consolidated Balance Sheet.
- (3) We originate reverse mortgage loans through Longbridge, a majority owned subsidiary as of 10/3/2022.
- (4) For reverse mortgage loans, Total Loan Fair Value at Quarter-End includes \$111.6 million in Unsecuritized HECM loans and \$202.9 million in Proprietary reverse mortgage loans.
- (5) Loans acquired during the quarter represent initial borrowing amounts on newly originated reverse mortgage loans. Amounts exclude HECM tail loans.

Slide 13 – Stable Economic Return

- (1) Source: Company filings.
- (2) Economic return is computed by adding back dividends to ending book value per share, and comparing that amount to book value per share as of the beginning of the quarter.

Slide 14 – Interest Rate Sensitivity Analysis

- (1) The table reflects the estimated effects on the value of our portfolio, both overall and by category, of hypothetical, immediate, 50 basis point downward and upward parallel shifts in interest rates, based on the market environment as of March 31, 2024. The preceding analysis does not include sensitivities to changes in interest rates for instruments which we believe that the effect of a change in interest rates is not material to the value of the overall portfolio and/or cannot be accurately estimated. In particular, this analysis excludes certain corporate securities and derivatives on corporate securities and reflects only sensitivity to U.S. interest rates. Furthermore, the fair value of each of the instruments comprising our portfolio is impacted by many other factors, each of which may or may not be correlated, or may only be loosely correlated, with interest rates. Depending on the nature of the instrument, these additional factors may include credit spreads, yield spreads, option-adjusted spreads, real estate prices, collateral adequacy, borrower creditworthiness, inflation, unemployment, general macroeconomic conditions, and other factors. Our analysis makes many simplifying assumptions as to the response of each of these additional factors affecting fair value to a hypothetical immediate shift in interest rates, including, for many if not most such additional factors, that such factor is unaffected by such shift in interest rates. Results are based on forward-looking models, which are inherently imperfect, and incorporate various simplifying assumptions. Therefore, the table 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, and such differences might be significant and adverse.

Slide 16 – Commitment to ESG

- (1) Management and directors' ownership includes common shares, operating partnership units, and LTIP units held by officers and directors of EFC, and partners and affiliates of Ellington (including families and family trusts of the foregoing)

Slide 17 – 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 18– Derivatives Summary

- (1) In the table, fair value of certain derivative transactions are shown on a net basis. The financial statements separate derivative transactions as either assets or liabilities. As of March 31, 2024, derivative assets and derivative liabilities were \$150.3 million and \$(40.4) million, respectively, for a net fair value of \$109.9 million, as reflected in "Net Total".
- (2) Notional value represents the maximum number of shares available to be purchased upon exercise.
- (3) Notional value represents the total face amount of U.S. Treasury securities underlying all contracts held. As of March 31, 2024 a total of 19 long and 2,992 short U.S. Treasury futures contracts were held.
- (4) Short notional value represents U.S. Dollars to be received by us at the maturity of the forward contract.

Slide 19 – Credit Hedging Portfolio

- (1) The Credit Hedging Portfolio excludes both legs of certain relative value trades which we believe do not affect the overall hedging position of the portfolio. Consequently, the amounts shown here may differ materially (i) from those that would be shown were all positions in the included instruments displayed and (ii) from that presented on the Derivatives Summary shown on slide 18.
- (2) There can be no assurance that instruments in the Credit Hedging Portfolio will be effective portfolio hedges.
- (3) Corporate derivatives displayed in HY CDX OTR Equivalents represent the net, on-the-run notional equivalents of Markit CDX North American High Yield Index (the "HY Index") of those derivatives converted to equivalents based on techniques used by the Company for estimating the price relationships between them and the HY Index. These include estimations of the relationships between different credits and even different sectors (such as the US high yield, European high yield, and US investment grade debt markets). Our estimations of price relationships between instruments may change over time. Actual price relationships experienced may differ from those previously estimated.
- (4) Bond Equivalent Value represents the investment amount of a corresponding position in the reference obligation or index constituents, calculated assuming a price equal to the difference between (i) par and (ii) the tear up price. Corporate CDS Indices, Tranches, Options and Single Names are converted to HY CDX OTR Equivalents prior to being displayed as Bond Equivalent Values.

Slide 20 – Diversified Credit Portfolio

- (1) Subject to maintaining our qualification as a REIT.
- (2) Excludes hedges and other derivative positions.
- (3) For our consolidated non-QM securitization trusts, only retained tranches are included (i.e., excludes tranches sold to third parties).

Slide 21 – Agency Interest Rate Hedging Portfolio

- (1) Agency interest rate hedges are shown in normalized units of risk, with each group of positions measured in "10-year equivalents"; "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 22 – Agency Interest Rate Hedging Portfolio (continued)

- (1) We define our net Agency pool assets-to-equity ratio as the net aggregate market value of our Agency pools of \$651.8 million and our long and short TBA positions of \$(232) million, divided by the equity allocated to our Agency strategy of \$100 million, as of March 31, 2024. As of December 31, 2023, our net Agency pool assets-to-equity ratio was the net aggregate market value of our Agency pools of \$840.5 million and our long and short TBA positions of \$(70) million, divided by the equity allocated to our Agency strategy of \$122 million. In determining the debt-to-equity ratio for an individual strategy, equity usage for such strategy is based on an internal calculation that reflects the actual amount of capital posted to counterparties in connection with such strategy's positions (whether in the form of haircut, initial margin, prime brokerage requirements, or otherwise) plus additional capital allocated to support such strategy's positions, net of adjustments for readily financeable assets and securities that may be sold to increase liquidity on short notice. We refer to the excess of its total equity over the total risk capital of its strategies as its "risk capital buffer". If the debt-to-equity ratios for individual strategies were computed solely based on the actual amount of capital posted to counterparties, such ratios would typically be higher. The debt-to-equity ratio does not account for liabilities other than debt financings.

Slide 23 – 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 24 – Repo Borrowings

- (1) Included in the table, using the original maturity dates, are any repos involving underlying investments we sold prior to March 31, 2024 for settlement following March 31, 2024 even though we may expect to terminate such repos early. Not included are any repos that we may have entered into prior to March 31, 2024, for which delivery of the borrowed funds is not scheduled until after March 31, 2024. Remaining maturity for a repo is based on the contractual maturity date in effect as of March 31, 2024. Some repos have floating interest rates, which may reset before maturity.

Slide 25 – Resilient Profit Generation Over Market Cycles

- (1) Gross profit excludes expenses other than interest expense and other investment related expenses. Figures in “%” columns are as a percentage of average total equity for the period which includes common and preferred equity as well as non-controlling interests.
- (2) Interest expense on senior notes, unrealized gain/(loss), net and interest rate hedges and other activity, net related to corporate/other are allocated to credit and Agency based on average capital.
- (3) Gross profit excludes the bargain purchase gain and transaction expenses associated with the Arlington merger, as well as net gains on our hedges and expenses related to the terminated merger with Great Ajax, including the initial markdown on the Great Ajax common shares we purchased in connection with that termination.

Slide 26 – Total Return Since Inception

- (1) Total return is based on \$18.61 net diluted book value per share at inception in August 2007 and is calculated assuming the reinvestment of dividends at diluted book value per share and assumes all convertible units were converted into common shares at their issuance dates.

Slide 27 – Capital, Leverage & Portfolio Composition

- (1) Excludes U.S. Treasury securities. In determining the debt-to-equity ratio for an individual strategy, equity usage for such strategy is based on an internal calculation that reflects the actual amount of capital posted to counterparties in connection with such strategy’s positions (whether in the form of haircut, initial margin, prime brokerage requirements, or otherwise) plus additional capital allocated to support such strategy’s positions, net of adjustments for readily financeable assets and securities that may be sold to increase liquidity on short notice. We refer to the excess of its total equity over the total risk capital of its strategies as its “risk capital buffer”. If the debt-to-equity ratios for individual strategies were computed solely based on the actual amount of capital posted to counterparties, such ratios would typically be higher. The debt-to-equity ratio does not account for liabilities other than debt financings.
- (2) Of deployed capital, 82% allocated to credit, 7% to agency, and 11% to Longbridge.
- (3) Of deployed capital, 79% allocated to credit, 8% to agency, and 13% to Longbridge.
- (4) Of deployed capital, 76% allocated to credit, 10% to agency, and 14% to Longbridge.
- (5) Of deployed capital, 76% allocated to credit, 10% to agency, and 14% to Longbridge.
- (6) Excludes U.S. Treasury securities and repo borrowings at certain unconsolidated entities that are recourse to us. Including such borrowings, our debt-to-equity ratio, adjusted for unsettled purchases and sales, based on total recourse borrowings was 2.0:1 as of March 31, 2024.
- (7) Includes REO at the lower of cost or fair value. Excludes hedges and other derivative positions. Excludes tranches of our non-QM securitization trusts that were sold to third parties but that are consolidated for GAAP purposes.

Slide 28– Condensed Consolidated Balance Sheet (Unaudited)

- (1) Derived from audited financial statements as of December 31, 2023.
- (2) Common shares issued and outstanding at March 31, 2024, include 2,103,725 shares of common stock issued under our ATM program and exclude 47,565 common shares repurchased during the quarter.
- (3) Based on total stockholders’ equity less the aggregate liquidation preference of our preferred stock outstanding.

Slide 30– About Ellington Management Group

- (1) \$11.6 billion in assets under management includes approximately \$0.7 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) Management and directors’ ownership includes common shares, operating partnership units, and LTIP units held by officers and directors of EFC, and partners and affiliates of Ellington (including families and family trusts of the foregoing).
- (4) 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.

Slide 31– Investment Highlights of EFC

- (1) Management and directors’ ownership includes common shares, operating partnership units, and LTIP units held by officers and directors of EFC, and partners and affiliates of Ellington (including families and family trusts of the foregoing).

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