



ELLINGTON RESIDENTIAL MORTGAGE REIT

Ellington Residential Mortgage REIT Announces Pricing of Public Offering of Common Shares

June 15, 2021

OLD GREENWICH, Conn.--(BUSINESS WIRE)--Jun. 14, 2021-- Ellington Residential Mortgage REIT (NYSE:EARN) (the "Company") today announced the pricing of a public offering of 3,250,000 common shares at a price to the public of \$13.20 per share, which consists of 575,000 shares to be sold by the Company and 2,675,000 shares to be sold by a selling shareholder, Blackstone Tactical Opportunities EARN Holdings L.L.C. The Company has granted the underwriters an option for 30 days to purchase up to an additional 487,500 common shares. The offering is expected to close on June 17, 2021 and is subject to customary closing conditions. Morgan Stanley & Co. LLC and UBS Securities LLC are acting as joint book-running managers for the offering. Blackstone Securities Partners L.P., BTIG, LLC and Piper Sandler & Co. are acting as co-managers for the offering.

The Company expects to use net proceeds received from the offering to acquire its targeted assets. The Company may also use net proceeds for working capital and general corporate purposes. The Company will not receive any proceeds from the sale of common shares in the offering by the selling shareholder.

The offering of common shares will be made pursuant to the Company's existing shelf registration statement on Form S-3 (File No. 333-255515), which was declared effective by the Securities and Exchange Commission on May 10, 2021. The offering will be made only by means of a prospectus supplement and accompanying base prospectus, which will be filed with the Securities and Exchange Commission. Copies of the prospectus supplement and accompanying base prospectus related to the offering may be obtained by contacting: Morgan Stanley & Co. LLC, Attention: Prospectus Department, 180 Varick Street, 2nd Floor, New York, New York 10014, or UBS Securities LLC, Attention: Prospectus Department, 1285 Avenue of the Americas, New York, New York 10019, or by telephone at (888) 827-7275.

This press release shall not constitute an offer to sell or the solicitation of an offer to buy any securities nor will there be any sale of these securities in any state or other jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such state or other jurisdiction.

About Ellington Residential Mortgage REIT

Ellington Residential Mortgage REIT is a mortgage real estate investment trust that specializes in acquiring, investing in and managing residential mortgage- and real estate-related assets, with a primary focus on residential mortgage-backed securities for which the principal and interest payments are guaranteed by a U.S. government agency or a U.S. government-sponsored enterprise. Ellington Residential Mortgage REIT is externally managed and advised by Ellington Residential Mortgage Management LLC, an affiliate of Ellington Management Group, L.L.C.

Forward-Looking Statements

This press release 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 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. No assurance can be given that the offering discussed above will be completed on the terms described or at all, or that the net proceeds received by the Company will be used as indicated. Completion of the offering on the terms described, and the application of the net proceeds received by the Company, are subject to numerous possible events, factors and conditions, many of which are beyond the control of the Company and not all of which are known to it, including, without limitation, market conditions and those described under the heading "Risk Factors" in the Company's Annual Report on Form 10-K for the year ended December 31, 2020 and as updated by those risk factors included in the Company's subsequent filings under the Securities Exchange Act of 1934, as amended, which can be accessed at the SEC's website at www.sec.gov. We undertake no obligation to update or revise any forward-looking statements, whether as a result of new information, future events, or otherwise.

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