2Q26 EPS & Deal Update

EXEC EDGE RESEARCH

August 11, 2026

VALUATION	
Current Price	$2.79
52 Week Range	$2.17-3.04
Market Cap ($-Mn)	103.1
Book Value/Share	$3.16
Shares Out. (Mn)	36.9
P/E (NTM)	4.7x
P/B	0.9x
Announced Deal Value	$3.10/share
Consideration	0.3063 MITT shares + $0.93 cash
Expected Closing	4Q26

Source: TIKR, Company Filings and Investor Presentation

FUNDAMENTALS	
EAD/ Share (2025)	$0.47
EAD/ Share (2026E)	$0.59
Cash and cash equivalents (2Q26 end)	$52.1 Mn

Source: Company Filings, Street Estimates from TIKR

STOCK PRICE PERFORMANCE

Source: TIKR

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Cherry Hill Mortgage Investment Corp. (CHMI)

MITT Deal Unlocks Value and Preserves Further Upside as 2Q26 EAD Beats Expectations

- **The MITT transaction materially improves value realization for CHMI shareholders while preserving meaningful participation in the combined platform**. CHMI entered into a definitive agreement to be acquired by TPG Mortgage Investment Trust (MITT), with closing targeted for 4Q26. The $3.10 signing value represents a 29% premium to CHMI's unaffected $2.41 share price and approximately 0.98x June 30 BVPS of $3.16, while roughly 30% of announced consideration is cash and CHMI holders retain approximately 27% ownership of the combined company. Through the fixed 0.3063 exchange ratio, the stock component provides both near-term value realization and continued exposure to MITT's earnings, book value and potential rerating following closing.
- **Strategically, the merger creates a larger and more diversified residential mortgage REIT with a clearer path to earnings and valuation upside**. The combined investment portfolio is expected to total approximately $9.0 billion, while management expects $7-$9 million of annual operating efficiencies, 2027 earnings accretion and lower pro forma economic leverage of roughly 2.9x. TPG's direct ~$20 million / $0.52-per-share cash contribution, proprietary securitization capabilities and experience originating, acquiring and managing MSRs add further support, with greater scale, lower unit costs and broader capital-allocation flexibility providing multiple avenues for value creation across the combined platform.
- **2Q26 EAD beat expectations as stronger RMBS carry and dollar-roll income drove the best quarterly core earnings performance since 1Q25**. EAD increased to $0.15/share from $0.14 in 1Q26 and $0.11 in 4Q25, while dividend coverage expanded to approximately 1.5x on the $0.10 quarterly payout. The stronger-than-expected print supported an upward revision in the Street's 2026E EAD estimate to $0.59/share from $0.55, with current estimates of $0.15/share for both 3Q26E and 4Q26E**.**
- **Lower funding costs and wider RMBS spreads improved the quality of 2Q26 earnings despite higher prepayments and modest book-value pressure**. Net interest income rose to $4.7 million, RMBS net interest spread widened to approximately 3.45% from 2.90%, and aggregate leverage declined to 5.02x from 5.49x, while unrestricted cash increased to $52.1 million from $46.7 million. Offsetting these gains, RMBS CPR increased to 9.7%, MSR CPR rose to 6.3%, BVPS declined modestly to $3.16 from $3.23, and Real Genius required a $2.8 million impairment.
- **Valuation is now anchored by the transaction, while MITT's valuation gap versus peers and merger synergies preserve meaningful upside**. At $2.79, CHMI trades at approximately 0.88x book and 4.7x 2026E EAD, while MITT trades at roughly 0.6x book and 5.6x NTM earnings versus peer averages of approximately 0.9x and 6.4x. The fixed exchange ratio therefore gives CHMI holders continued exposure to any normalization in MITT's valuation, while expected annual operating efficiencies, 2027 earnings accretion, and greater scale provide additional avenues for value creation.

CHMI + MITT: Strategic Combination Enhances Scale, Earnings Power, and Long-Term Value Creation

- **CHMI entered into a definitive agreement to be acquired by TPG Mortgage Investment Trust (MITT), combining its Agency RMBS and conventional MSR platform with MITT's broader residential credit franchise**. Under the agreement signed August 9, 2026, each CHMI common share will receive 0.3063 MITT common shares plus $0.93 in cash, with $0.41/share funded by MITT and $0.52/share contributed by MITT's external manager, AG REIT Management, an affiliate of TPG. Based on MITT's August 7 closing price of $7.09, the consideration was worth $3.10 per CHMI share, implying an aggregate transaction value of approximately $117.5 million, a 29% premium to CHMI's unaffected $2.41 closing price and a 32% premium to its 30-day VWAP. Importantly, approximately 30% of announced consideration is cash, including roughly $20 million funded by TPG and $15 million by MITT, providing CHMI holders with a meaningful element of certain value at closing while preserving upside participation through the stock component. **The transaction is expected to close in 4Q26**, subject to stockholder approvals and customary closing conditions.
- **The transaction crystallizes much of CHMI's standalone discount to book while retaining meaningful upside through ownership in the combined company**. CHMI ended 2Q26 with BVPS of $3.16, versus an unaffected share price of $2.41, or approximately 0.76x book, while the $3.10 announced consideration equates to roughly 0.98x June 30 BVPS. The fixed 0.3063 exchange ratio, established using adjusted June 30 book values of CHMI and MITT, leaves CHMI holders with approximately 27% ownership of the combined company. MITT's June 30 BVPS was $10.00 versus its $7.09 August 7 close, or approximately 0.71x book; accordingly, the exchange ratio represents approximately $3.06/share of MITT book value compared with $2.17/share of market value at announcement. Including the $0.93 cash component, the transaction presentation shows $3.99/share of illustrative value on a MITT book-value basis, approximately 66% above CHMI's unaffected price. While $3.99 is not fixed transaction consideration, the structure allows CHMI holders to monetize most of CHMI's discount to book while rolling the majority of consideration into MITT at a meaningful discount to its own book value, preserving potential upside if the combined company's valuation normalizes.

Chart 1: Transaction Creates Value Across CHMI, MITT and the Combined Platform

CHMI Shareholders	MITT Shareholders	Combined Platform
29% premium to unaffected price	~36% increase in MITT market capitalization	~$9.0bn investment portfolio
~30% cash at announcement	Portfolio expands ~$1.3bn / 17%	$7-$9mn annual efficiencies
Retain ~27% ownership post-close	Expected 2027 earnings accretion	Broader Agency + Non-Agency + Home Equity mix
TPG manager contributes $0.52/share / ~$20mn	Adds conventional MSR platform	Lower expected pro forma recourse leverage
Participate in potential MITT rerating	Growth through permanent equity capital	TPG financing/securitization capabilities

Source: Exec Edge Research, Company Filings and Investor Presentation

- **Strategically, the combination creates a ~$9.0 billion residential mortgage platform while materially broadening CHMI's access to capital, financing and securitization capabilities**. CHMI contributes an Agency-oriented platform centered on Agency RMBS and conventional MSRs, while MITT brings a larger residential credit franchise spanning Non-Agency mortgage assets and home equity. The combined investment portfolio is expected to total approximately $9.0 billion, comprising 72.0% Non-Agency Residential Credit, 14.4% Agency RMBS and MSRs, 12.6% Home Equity and 1.0% other investments. This should create a more diversified earnings mix, with CHMI's Agency carry and MSR cash flows complementing MITT's credit-oriented earnings profile. CHMI's conventional MSR platform represented approximately $211 million of investment value and $15.2 billion of underlying UPB at June 30, adding a differentiated servicing asset to MITT's broader credit platform. MITT management also expects the MSR portfolio to contribute to earnings immediately and provide an additional revenue stream, while TPG's substantial experience originating, acquiring and managing MSRs strengthens the strategic fit of the servicing platform within MITT. Importantly, the combined company will gain access to the broader resources of TPG, a global alternative asset manager with approximately $327 billion of AUM, including its proprietary securitization platform and broader credit and asset-based finance capabilities. This should broaden financing options and improve capital-allocation flexibility across Agency and credit assets, while management also indicated that portions of the acquired portfolio may be retained or rotated over time as relative-value opportunities evolve.

- **TPG's backing adds an important layer of strategic and financial support to the combination**. MITT's external manager, an affiliate of TPG, is contributing approximately $20 million, or $0.52 per CHMI share, toward the cash consideration while also providing access to TPG's $327 billion asset-management platform, proprietary securitization capabilities and residential mortgage expertise. TPG's experience originating, acquiring and managing MSRs is particularly relevant to CHMI's conventional servicing portfolio, while the broader platform should expand financing, capital-allocation and liquidity options for the combined company.
- **The transaction also meaningfully improves operating scale and financial efficiency, providing a clear path to earnings accretion**. The merger is expected to add approximately $1.3 billion, or 17%, to MITT's investment portfolio, increase MITT's market capitalization by approximately 36%, and expand total equity capital to roughly $742 million. The transaction also expands MITT through permanent equity capital without requiring incremental unsecured corporate debt, preserving balance-sheet flexibility as the combined platform scales. Management expects approximately $7-$9 million of annual operating expense efficiencies, net of incremental estimated management-fee expense, as the combined cost base is spread across a substantially larger equity platform. The transaction is expected to be earnings accretive in 2027, within one year of closing, while pro forma economic leverage is expected to settle at approximately 2.9x, which management views as derisking CHMI's historical profile while maintaining a conservative balance sheet relative to peers. The combination should therefore translate greater scale into a lower effective expense burden, improved financing flexibility and a broader opportunity set for capital deployment, supporting stronger long-term earnings capacity across the residential mortgage platform.
- **The transaction preserves substantially equivalent treatment for CHMI preferred shareholders while strengthening governance and alignment in the combined company**. CHMI's 8.20% Series A and 8.250% Series B preferred shares are expected to convert 1-for-1 into newly issued MITT preferred securities with substantially equivalent rights. <u>MITT's existing management team will continue to lead the combined company, while two CHMI-designated independent directors will join the board, increasing it to eight members</u>. Alignment is further supported by an amendment to MITT's manager incentive-fee framework, which will be based on the combined company's pro forma book value and EAD. Approximately 11.608 million new MITT common shares are expected to be issued to CHMI holders.
- **Execution and closing remain the principal near-term transaction considerations**. Both boards unanimously approved the merger, but completion remains subject to CHMI and MITT stockholder approval, effectiveness of the Form S-4, required regulatory approvals, NYSE listing of the new securities and customary closing conditions. The companies are targeting a 4Q26 close, with an outside date of March 9, 2027, subject to a possible 60-day regulatory extension. From a CHMI shareholder perspective, the main variable through closing is MITT's stock price: the fixed 0.3063 exchange ratio means the market value of the stock component—approximately 70% of announced consideration at signing—will move with MITT shares, while the $0.93/share cash component remains fixed. Accordingly, through closing, CHMI's realized transaction value will be driven primarily by MITT's share price, the fixed 0.3063 exchange ratio, the $0.93 cash component and successful completion of the merger, while standalone EAD and book value remain relevant principally as markers of underlying value through closing.
- **Dividend treatment through closing provides additional continuity for CHMI shareholders.** The merger agreement permits CHMI to declare a prorated dividend immediately prior to closing based on its then-most-recent quarterly dividend for the period since the last dividend record date, together with any additional distribution required to preserve REIT qualification. This should help preserve the economic value of CHMI's dividend accrual through the closing date, subject to the terms of the merger agreement.

Chart 2: Transaction Overview and Key Benefits

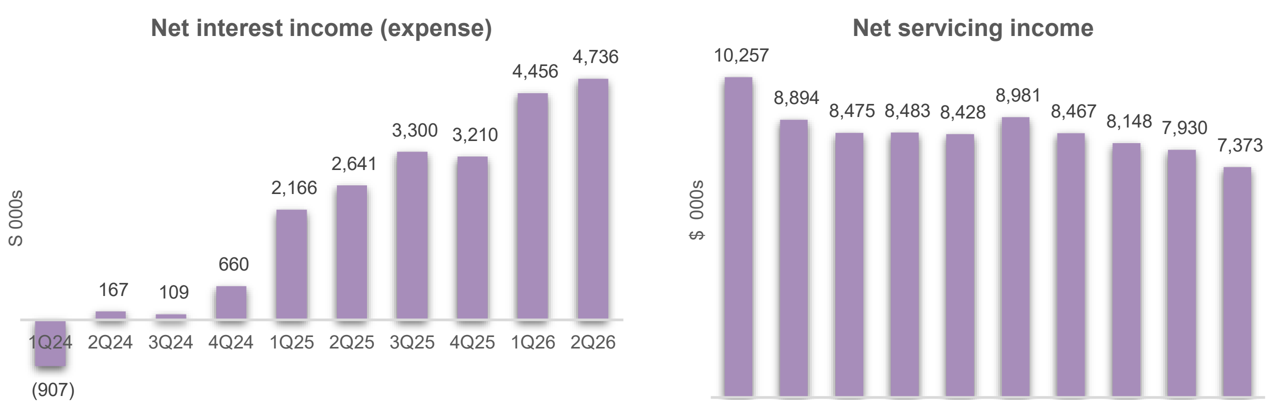
Deal Metric	Transaction Terms / Key Takeaway
Transaction Economics	
Common consideration	0.3063 MITT shares + $0.93 cash per CHMI share
Announced value	$3.10/share / ~$117.5mn implied transaction value
Consideration mix	~70% stock / ~30% cash at announcement, providing upfront value while retaining participation in the combined company
TPG manager contribution	$0.52/share / ~$20mn, representing ~56% of cash consideration and ~17% of total announced value
Value to CHMI Shareholders	
Premium to unaffected price	29% vs. CHMI's $2.41 August 7 closing price
Premium to 30-day VWAP	32%
Value vs. CHMI book value	Announced consideration equals ~0.98x 6/30/26 BVPS of $3.16, versus ~0.76x unaffected P/B
Retained upside	CHMI holders receive ~27% ownership of the combined company and retain exposure to MITT's future earnings and potential discount-to-book normalization
Illustrative value at MITT BVPS	$3.99/share, or ~66% above CHMI's unaffected price
Strategic Benefits	
Complementary portfolio mix	Combines CHMI's Agency RMBS / MSR platform with MITT's broader Non-Agency residential credit and home equity franchise
Combined investment portfolio	~$9.0bn, creating a larger and more diversified residential mortgage platform
MSR opportunity	Adds CHMI's ~$211mn conventional MSR portfolio / ~$15.2bn UPB to MITT's broader residential mortgage capabilities
TPG platform access	Provides access to TPG's $327bn AUM platform, including residential mortgage expertise and proprietary securitization capabilities
Financial Benefits	
Operating efficiencies	$7–$9mn annually, benefiting from greater scale and fixed-cost absorption
Earnings impact	Expected to be earnings accretive in 2027, within one year of closing
Scale / liquidity	Combined equity capital of ~$742mn; transaction expected to increase MITT market capitalization by ~36%
Balance-sheet flexibility	Transaction expands MITT through permanent equity capital without incremental unsecured corporate debt
Leverage	Pro forma economic leverage expected at ~2.9x, below CHMI standalone levels
Ownership & Alignment	
Pro forma ownership	Legacy MITT holders ~73% / CHMI holders ~27%
Governance	2 CHMI-designated independent directors on an expanded 8-member MITT board
Manager alignment	TPG-affiliated manager provides direct cash support and will amend its incentive-fee framework based on the combined company's pro forma book value and EAD
Preferred shareholders	CHMI Series A and Series B preferred shares convert 1-for-1 into new MITT preferred securities with substantially equivalent rights
Timing / Key Considerations	
Expected closing	4Q26, subject to stockholder approvals, regulatory approvals and customary closing conditions
Exchange-ratio exposure	Fixed 0.3063 exchange ratio means the stock component's market value will move with MITT's share price through closing

Source: Exec Edge Research, Company Filings and Investor Presentation, MITT's 2Q26 earnings call / management commentary.

2Q26 EAD Beat Expectations; Better Carry More Than Offset a Smaller Portfolio

- **Core earnings continued to improve in 2Q26, with EAD reaching the strongest quarterly level since 1Q25 and dividend coverage expanding further**. EAD attributable to common shareholders increased to $5.5 million, or $0.15/share, in 2Q26, from $0.14/share in 1Q26 and $0.11/share in 4Q25, marking CHMI's strongest quarterly EAD performance since 1Q25 and exceeding the $0.13/share Street estimate. The sequential improvement was supported by stronger RMBS carry, lower borrowing costs and higher TBA dollar-roll income of $1.4 million versus $0.4 million in 1Q26, partially offset by higher G&A. As a result, coverage of the $0.10 common dividend improved to approximately 1.5x, from 1.4x in 1Q26 and 1.1x in 4Q25. The stronger earnings run-rate also supported an upward revision in the Street's 2026E EAD estimate (source: TIKR) to $0.59/share from $0.55 previously. GAAP results improved as well, with net income applicable to common shareholders of $1.3 million, or $0.04/share, compared with a $(0.05)/share loss in 1Q26.
- **The improvement in EAD reflects stronger recurring carry as lower financing costs continued to lift net interest income and RMBS spreads.** Net interest income increased to $4.7 million from $4.5 million, while interest expense declined to $10.0 million from $11.4 million, helping RMBS net interest spread widen to approximately 3.5% from 2.90% in 1Q26. Importantly, the improvement came despite a smaller financed asset base, with average repo borrowings declining roughly 10% q/q, indicating better earnings efficiency rather than growth driven by higher leverage. Total other loss narrowed to $4.2 million from $7.7 million, as a $12.1 million realized derivative gain partially offset continued unrealized derivative and portfolio losses, including the $2.8 million Real Genius impairment. Operating expenses increased to $4.0 million from $3.3 million, partly reflecting transaction-related costs. Overall, the quarter showed stronger underlying spread economics and recurring earnings, while continued realized and unrealized mark volatility reinforces EAD as the cleaner measure of core portfolio performance.
- **Book value pressure moderated materially from 1Q26, while total economic return turned positive as stronger carry and the dividend helped absorb a still-volatile rate backdrop.** BVPS ended 2Q26 at $3.16 versus $3.23 at March 31, a 2.2% sequential decline, compared with a much sharper 6.1% decline in 1Q26. Including the $0.10/share quarterly dividend, CHMI generated a 0.9% total economic gain, a meaningful improvement from the negative economic return in the prior quarter. The backdrop remained challenging as Treasury yields moved higher and lower-coupon Agency RMBS weakened, yet the comparatively modest $0.07/share decline in book value suggests that stronger carry, portfolio construction and hedging provided substantially better downside absorption than in 1Q26. BVPS remains below the $3.44 year-end 2025 level, but the quarter showed a notably better balance between distributable earnings and book-value preservation.

Chart 3: Net Interest Income Continues to Improve While Net Servicing Income Moderates

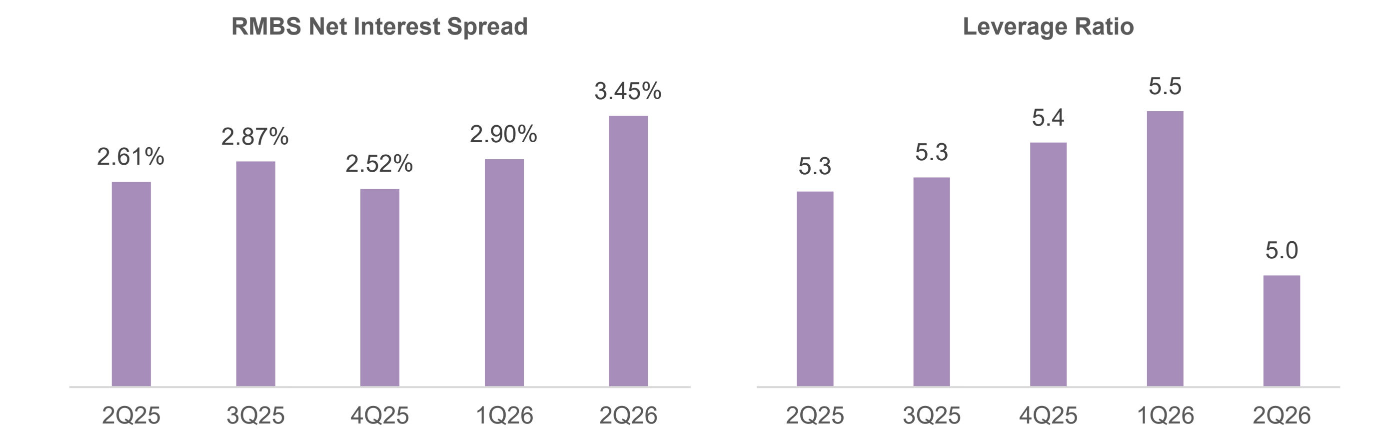


Source: Exec Edge Research, Company Filings

- **The RMBS portfolio remained the primary earnings engine, with improved spread economics more than offsetting a smaller securities balance and somewhat faster prepayments**. RMBS carrying value declined to $1.08 billion, from $1.21 billion at the year-end while the portfolio remained entirely Agency-backed and represented 79% of invested assets excluding cash. Despite the smaller asset base, net interest income increased 6.3% q/q to $4.7 million, as lower financing costs and stronger asset yields drove net interest spread to 3.45% from 2.90% in

1Q26, a 55-bp sequential improvement. Prepayments accelerated, with RMBS CPR increasing to 9.7% from 8.0%, creating some incremental reinvestment and premium-amortization risk, but CHMI also increased its RMBS hedge ratio to 65% from 63%. Overall, the combination of wider spreads, lower funding costs and greater hedge protection supported stronger core earnings despite reduced balance-sheet exposure and higher prepayment activity.

Chart 4: RMBS Spread Expansion Accompanied Lower Leverage



Source: Exec Edge Research, Company Filings

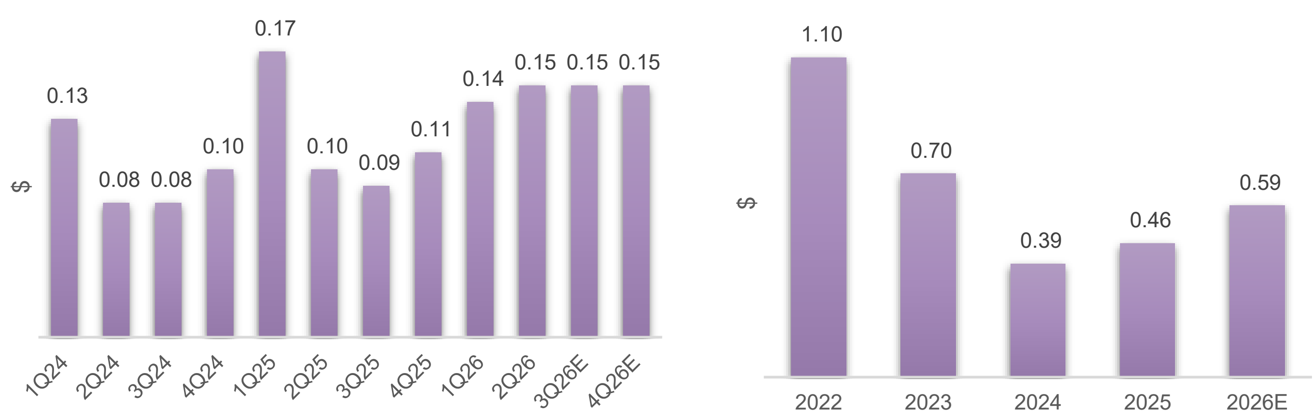
- **MSRs continued to provide complementary servicing cash flow, although portfolio runoff and faster prepayments weighed on sequential results**. Net servicing income declined 7.0% q/q to $7.4 million from $7.9 million, as servicing fee income fell to $9.7 million from $10.2 million while servicing costs remained broadly stable at $2.3 million. MSR UPB declined to approximately $15.2 billion from $15.6 billion, with carrying value easing to $211.1 million, while MSRs represented roughly 21% of investments excluding cash and Servicing Related Assets represented approximately 39% of equity. Prepayment activity increased, with net CPR rising to 6.3% from 4.5% in 1Q26, though the portfolio's low 3.49% weighted-average mortgage coupon continues to provide meaningful refinance protection. Credit quality also remained solid, with a 755 original FICO, 76.5% original LTV and 1.1% 60+ day delinquencies. Recapture was minimal at 0.2%, limiting the offset to natural runoff, but the low-coupon collateral profile continues to support the durability of servicing cash flows.
- **Hedge positioning continued to absorb rate and basis volatility, while lower net mark-to-market pressure supported the sequential improvement in earnings**. CHMI generated $8.4 million of realized derivative gains excluding swap periodic income, led by gains on TBAs, Treasury futures and Eris SOFR futures, while $3.7 million of periodic swap interest income provided additional support to EAD. These benefits were partially offset by a $9.3 million unrealized derivative loss, reflecting continued quarter-to-quarter mark volatility. Despite this, total other loss narrowed to $4.2 million from $7.7 million in 1Q26, contributing to the improvement in GAAP results. Hedge positioning also continued to evolve, with interest-rate swap notional at $767 million, net TBA notional declining to $267 million, and Eris SOFR futures increasing to $82 million at quarter-end. Overall, the hedge book continued to enhance carry and protect against rate and basis risk even as unrealized derivative valuations remained volatile.
- **The $2.8 million Real Genius credit loss and impairment reduces the near-term optionality of CHMI's digital-origination initiative**. The charge relates to CHMI's investment in Real Genius LLC and associated promissory note, representing a notable reversal from the optionality attributed to the platform in prior quarters. CHMI recorded a $2.3 million credit-loss allowance against the $3.2 million promissory note, leaving a net carrying value of approximately $0.9 million. Importantly, the impairment is excluded from EAD, helping explain why distributable earnings improved to $0.15/share even as the investment weakened economically and contributed to GAAP pressure. We therefore assign substantially less standalone value to Real Genius, with future value more dependent on recovery of the remaining exposure than on scaling the origination platform. Its strategic importance also becomes less significant under the proposed MITT combination, where CHMI's $15.2 billion MSR portfolio would sit within a broader ~$9 billion residential mortgage platform with access to TPG's larger origination, investment and securitization capabilities.
- **Liquidity and leverage improved as CHMI reduced financed RMBS exposure, leaving the balance sheet more conservatively positioned entering the proposed MITT merger**. Aggregate leverage declined to 5.02x from 5.49x

in 1Q26, while quarter-end repo borrowings fell to $1.01 billion from $1.12 billion and the weighted-average repo rate improved to 3.76%. Unrestricted cash increased approximately 12% q/q to $52.1 million from $46.7 million, with total unrestricted and restricted cash of $77.5 million, while notes payable declined to $140.6 million. The reduction in leverage and financed assets, together with lower funding costs and higher liquidity, provides greater protection against margin pressure and additional balance-sheet flexibility ahead of the targeted 4Q26 transaction close.

- **Dividend coverage also strengthened alongside the improvement in EAD**. The $0.10/share quarterly common dividend was covered approximately 1.5x by $0.15/share of EAD, improving from 1.4x in 1Q26 and 1.1x in 4Q25. The merger agreement also provides for a prorated dividend immediately prior to closing, based on CHMI's then-most-recent quarterly distribution, helping preserve dividend continuity for shareholders through completion of the transaction.

- **Capital allocation remains conservative, with CHMI prioritizing liquidity and portfolio economics rather than accessing the ATM or repurchasing shares**. No common shares were issued through the ATM during 1H26, leaving approximately $34.6 million of capacity under the $150 million common-stock ATM program; this contrasts with 2025, when CHMI issued 4.9 million shares at an average $3.00/share and raised approximately $14.7 million of gross proceeds. CHMI also made no common or preferred-stock repurchases during the quarter, leaving approximately $4.7 million available under the common repurchase authorization, while the existing preferred-stock repurchase program authorizes up to $50 million of repurchases. With BVPS at $3.16, unrestricted cash of $52.1 million, 5.0x leverage and the common dividend covered 1.5x by EAD, the lack of ATM issuance or discretionary share repurchases is consistent with preserving balance-sheet flexibility rather than materially changing capital structure immediately before the subsequent transaction announcement.
- **The stronger 1H26 earnings run-rate supports a higher second-half baseline, with improved RMBS carry providing a firmer foundation for standalone earnings through the expected merger close**. CHMI generated $0.29/share of EAD in 1H26 versus $0.27/share in 1H25, while Street estimates sourced from TIKR now show $0.15/share in both 3Q26 and 4Q26, implying $0.30/share for 2H26 and lifting the full-year estimate from $0.55 to $0.59/share. Quarterly EAD has improved from $0.11 in 4Q25 to $0.14 in 1Q26 and $0.15 in 2Q26, and the revised second-half estimates effectively assume that the 2Q run-rate is sustained. Support for the upward revision comes from lower funding costs and stronger RMBS spread economics, with 2Q NII of $4.7 million and RMBS net interest spread of approximately 3.5%, while higher MSR CPR of 6.3%, RMBS CPR of 9.7%, and operating expenses of approximately $4.0 million versus $3.3 million in 1Q26 remain key offsets. At the revised $0.59/share estimate, CHMI's $0.40 annualized common dividend remains comfortably covered at roughly 1.5x. Given the expected 4Q26 merger close, we view the revised estimate primarily as a measure of the standalone earnings capacity CHMI brings into the transaction.

Chart 5: Estimates Suggest Resilient Core Earnings



Source: Exec Edge Research, Company Filings, Forward Estimates from TIKR. Data as of 8/10 close.

Deal Unlocks Immediate Value While Preserving Meaningful Upside Through MITT Rerating and Merger Synergies

- **Disclaimer**: Exec Edge does not publish proprietary estimates, ratings, price targets, or investment recommendations. The valuation discussion below is illustrative only and is based on company filings, management commentary, and third-party data and estimates. It does not constitute a recommendation, price target, rating, or prediction of future pricing.
- **The transaction creates value for CHMI shareholders through a combination of near-book value realization, meaningful cash consideration and retained participation in a larger platform with further rerating potential**. The $3.10 signing value equates to approximately 0.98x CHMI's June 30 BVPS of $3.16, versus roughly 0.76x book at the unaffected $2.41 share price, while approximately 30% of announced consideration is cash and CHMI holders retain about 27% ownership of the combined company. Importantly, the stock component rolls CHMI shareholders into MITT, which trades at approximately 0.6x book and 5.6x NTM earnings versus peer averages of roughly 0.9x and 6.4x. Successful realization of $7-$9 million of annual operating efficiencies, expected 2027 earnings accretion and greater scale and liquidity therefore provide multiple avenues for further value creation beyond the initial transaction premium.
- **The signing valuation validates the standalone value identified in our prior CHMI framework, while the improved earnings outlook strengthens the underlying transaction economics**. The $3.10 announced value falls within the approximately $3.0-$3.9/share range highlighted in our last EPS note and represents a substantial recovery from CHMI's unaffected $2.41 price. The deal was also struck against improving fundamentals: 2Q26 EAD increased to $0.15/share, the strongest quarterly level since 1Q25, while 2026E EAD/share has been revised higher to $0.59 from $0.55. At the current $2.79 share price, CHMI trades at approximately 0.88x June 30 book, 4.7x 2026E EAD and a 14.3% annualized dividend yield, with a market capitalization of approximately $103 million. We therefore view the transaction as recognizing substantially more of CHMI's underlying book value and earnings capacity than was reflected in the pre-deal public-market valuation.
- **MITT's valuation provides the principal source of retained longer-term upside for CHMI shareholders following closing**. At approximately 0.6x book and 5.6x NTM earnings, MITT trades well below peer averages of roughly 0.9x and 6.4x, respectively, while its 15.2% dividend yield is broadly in line with the peer average of 15.3%. This suggests MITT's discount is concentrated primarily in its book-value and earnings multiples rather than its income proposition. Because CHMI holders receive a fixed 0.3063 MITT shares per CHMI share, they retain direct exposure to any normalization in MITT's valuation as the combined platform realizes expected cost efficiencies, earnings accretion and greater operating scale. The transaction therefore both recognizes CHMI at close to book value and preserves additional upside through participation in a potential rerating of MITT.
- **Near-term transaction value remains sensitive to MITT's share price, but we view this separately from the longer-term value-creation opportunity**. At MITT's current $6.32 share price, the fixed 0.3063 exchange ratio plus $0.93 cash implies consideration of approximately $2.87/share, compared with the $3.10 signing-date value based on MITT's $7.09 August 7 close. Against CHMI at $2.79, the current merger spread is approximately 2.7%. While the mark-to-market consideration will continue to fluctuate through closing, CHMI holders retain approximately 27% of the combined company, making successful transaction completion, preservation of book value and realization of the expected annual efficiencies and 2027 earnings accretion the more important longer-term valuation drivers.

Chart 6: CHMI and MITT vs. Peers

Ticker	Peer Companies	Market Cap ($Mn)	LTM P/BV (x)	NTM P/E (x)	NTM Div. Yield (%)
CHMI	**Cherry Hill Mortgage Investment Corporation**	**103**	**0.9**	**4.7**	**14.3%**
MITT	**TGP Mortgage Investment Trust**	**201**	**0.6**	**5.6**	**15.2%**
AOMR	Angel Oak Mortgage REIT, Inc.	208	0.9	6.4	14.3%
ARR	ARMOUR Residential REIT, Inc.	2,341	0.9	5.7	17.4%
AGNC	AGNC Investment Corp.	12,756	1.2	7.1	13.4%
DX	Dynex Capital, Inc.	3,162	1.0	8.7	16.0%
IVR	Invesco Mortgage Capital Inc.	795	0.9	4.0	19.5%
NLY	Annaly Capital Management, Inc.	17,268	1.1	7.4	13.0%
ORC	Orchid Island Capital, Inc.	1,297	0.9	5.4	18.5%
TWO	Two Harbors Investment Corp.	1,265	1.1	9.2	11.3%
	Average	**3,940**	**0.9**	**6.4**	**15.3%**

*Source: Exec Edge Research, TIKR. Data as of 8/10 close. *Core EPS/EAD per share has been used for calculation of the P/E multiple for CHMI.*

Chart 7: CHMI Financial Snapshot

Income Statement ($ 000s Except per Share Values)	1Q25	2Q25	3Q25	4Q25	1Q26	2Q26	2022	2023	2024	2025
Income										
Interest income	14,801	14,813	15,643	15,838	15,850	14,740	29,642	49,985	55,798	61,095
Interest expense	12,635	12,172	12,343	12,628	11,394	10,004	17,563	51,642	55,769	49,778
Net interest income (expense)	2,166	2,641	3,300	3,210	4,456	4,736	12,079	(1,657)	29	11,317
Servicing fee income	10,973	10,933	10,764	10,629	10,219	9,692	53,430	53,427	48,527	43,299
Servicing costs	2,545	1,952	2,297	2,481	2,289	2,319	11,837	11,248	12,418	9,275
Net servicing income	8,428	8,981	8,467	8,148	7,930	7,373	41,593	42,179	36,109	34,024
Other income (loss)										
Realized loss on RMBS, net	(3,992)	(2,053)	-	-	-	(1,047)	(99,694)	(36,315)	(6,595)	(6,045)
Realized gain on investments in MSRs, net	-	-	-	-	-	-	-	-	504	-
Realized gain/loss on derivatives, net	4,634	14,838	(10,496)	(1,939)	(70)	12,139	1,363	33,821	21,322	7,037
Realized gain on acquired assets, net	-	-	2	-	-	2	12	23	2	2
Unrealized gain (loss) on RMBS, measured at fair value through earnings, net	14,780	3,508	10,730	6,560	(12,436)	(860)	-	9,755	(19,445)	35,578
Unrealized gain (loss) on derivatives, net	(22,741)	(19,147)	2,482	(361)	6,121	(9,299)	61,864	(43,071)	9,809	(39,767)
Unrealized gain (loss) on investments in Servicing Related Assets	(6,325)	(2,731)	(5,912)	(3,857)	(1,361)	(2,351)	22,976	(25,937)	(7,160)	(18,825)
Credit loss and impairment on other assets	-	-	-	-	-	(2,815)	-	-	-	-
Net other income (loss)	(13,644)	(5,585)	(3,194)	403	(7,746)	(4,231)	(13,479)	(61,724)	(1,563)	(22,020)
Total Income (Loss)	**(3,050)**	**6,037**	**8,573**	**11,761**	**4,640**	**7,878**	**40,193**	**(21,202)**	**34,575**	**23,321**
Expenses										
General and administrative expense	2,059	1,947	2,154	1,544	1,693	2,128	5,810	6,434	10,654	7,704
Compensation and benefits	1,710	1,408	1,620	1,740	1,579	1,889	495	466	1,572	6,478
Management fee to affiliate	-	-	-	-	-	-	6,629	6,830	6,037	-
Total Expenses	**3,769**	**3,355**	**3,774**	**3,284**	**3,272**	**4,017**	**12,934**	**13,730**	**18,263**	**14,182**
Income (Loss) Before Income Taxes	(6,819)	2,682	4,799	8,477	1,368	3,861	27,259	(34,932)	16,312	9,139
Provision for corporate business taxes	173	1,121	284	619	939	67	5,070	523	4,102	2,197
Net Income (Loss)	**(6,992)**	**1,561**	**4,515**	**7,858**	**429**	**3,794**	**22,189**	**(35,455)**	**12,210**	**6,942**
Net (income) loss allocated to noncontrolling interests in Operating Partnership	133	(34)	(83)	(130)	(6)	(55)	(450)	661	(240)	(114)
Dividends on preferred stock	(2,454)	(2,462)	(2,477)	(2,436)	(2,391)	(2,403)	(9,853)	(9,853)	(9,969)	(9,829)
Gain on repurchase and retirement of preferred stock	-	-	-	-	-	-	-	-	78	-
Net Income (Loss) Applicable to Common Stockholders	**(9,313)**	**(935)**	**1,955**	**5,292**	**(1,968)**	**1,336**	**11,886**	**(44,647)**	**2,079**	**(3,001)**
Net Income (Loss) Per Share of Common Stock										
Basic	(0.29)	(0.03)	0.05	0.14	(0.05)	0.04	0.60	(1.70)	0.07	(0.13)
Diluted	(0.29)	(0.03)	0.05	0.14	(0.05)	0.04	0.60	(1.70)	0.07	(0.13)
Core EPS										
EAD/share	0.17	0.10	0.09	0.11	0.14	0.15	1.10	0.70	0.40	0.47
Weighted Average Number of Shares of Common Stock Outstanding										
Basic	31,690,657	33,199,712	36,134,925	36,593,018	36,593,018	36,605,698	19,768,286	26,262,407	30,438,081	34,422,750
Diluted	31,690,657	33,199,712	36,148,929	36,630,066	36,593,018	36,739,399	19,795,639	26,293,903	30,440,349	34,422,750

Balance Sheet ($ '000s)	1Q25	2Q25	3Q25	4Q25	1Q26	2Q26	2022	2023	2024	2025
Assets										
RMBS, at fair value	1,119,441	1,152,443	1,191,478	1,213,851	1,182,686	1,079,802	931,431	1,012,130	1,122,420	1,213,851
Investments in Servicing Related Assets, at fair value	227,333	224,601	218,688	214,831	213,455	211,105	279,739	253,629	233,658	214,831
Cash and cash equivalents	47,291	58,042	55,447	54,946	46,689	52,062	57,320	52,886	46,313	54,946
Restricted cash	2,005	9,953	9,204	7,523	33,405	25,434	8,234	16,441	24,446	7,523
Derivative assets	21,618	12,105	15,314	14,757	9,955	1,622	45,553	19,504	30,048	14,757
Receivables from unsettled trades	-	-	-	-	-	-	49,803	-	-	-
Receivables and other assets	31,820	33,515	31,356	34,648	32,098	27,519	36,765	38,402	34,290	34,648
Total Assets	**1,449,508**	**1,490,659**	**1,521,487**	**1,540,556**	**1,518,288**	**1,397,544**	**1,408,825**	**1,392,992**	**1,491,175**	**1,540,556**
Liabilities and Stockholders' Equity										
Liabilities										
Repurchase agreements	1,049,867	1,072,294	1,107,141	1,137,200	1,121,670	1,008,738	825,962	903,489	1,077,257	1,137,200
Derivative liabilities	3,210	10,902	3,866	2,275	2,761	3,739	24,718	16,617	3,869	2,275
Notes payable	149,304	149,381	147,359	145,191	143,294	140,648	183,888	169,314	151,226	145,191
Dividends payable	7,137	7,643	5,950	5,919	5,894	5,910	8,483	6,650	7,011	5,919
Due to manager	-	-	-	-	-	-	1,870	1,789	-	-
Payables for unsettled trades	-	-	15,087	-	-	-	78,881	-	-	-
Accrued expenses and other liabilities	10,358	18,026	6,625	11,439	14,083	9,585	19,507	36,758	18,190	11,439
Total Liabilities	**1,219,876**	**1,258,246**	**1,286,028**	**1,302,024**	**1,287,702**	**1,168,620**	**1,143,309**	**1,134,617**	**1,257,553**	**1,302,024**
Stockholders' Equity										
Preferred Stock Series A (8.20%)	67,311	67,311	67,311	67,311	67,311	67,311	67,311	67,311	67,311	67,311
Preferred Stock Series B (8.25%)	38,553	38,553	38,553	38,553	38,553	38,553	48,068	48,068	38,553	38,553
Common Stock	332	365	373	373	373	378	239	305	322	373
Additional paid-in capital	384,675	394,004	396,362	396,516	396,681	396,889	344,510	375,498	381,069	396,516
Accumulated Deficit	(263,875)	(270,241)	(271,979)	(270,381)	(276,034)	(278,445)	(168,989)	(233,161)	(249,643)	(270,381)
Accumulated other comprehensive loss	(420)	(100)	2,509	3,669	1,262	1,757	(29,104)	(2,545)	(7,270)	3,669
Total Cherry Hill Mortgage Investment Corporation Stockholders' Equity	**226,576**	**229,892**	**233,129**	**236,041**	**228,146**	**226,443**	**262,035**	**255,476**	**230,342**	**236,041**
Non-controlling interests in Operating Partnership	3,056	2,521	2,330	2,491	2,440	2,481	3,481	2,899	3,280	2,491
Total Stockholders' Equity	**229,632**	**232,413**	**235,459**	**238,532**	**230,586**	**228,924**	**265,516**	**258,375**	**233,622**	**238,532**
Total Liabilities and Stockholders' Equity	**1,449,508**	**1,490,659**	**1,521,487**	**1,540,556**	**1,518,288**	**1,397,544**	**1,408,825**	**1,392,992**	**1,491,175**	**1,540,556**
Book Value per Share	3.58	3.34	3.36	3.44	3.23	3.16			3.82	3.44
Dividend per Common Share	0.15	0.10	0.10	0.10	0.10	0.10			0.60	0.45

Source: Exec Edge Research, Company Filings

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